ANYLINE: A GROWING SMALL BUSINESS IN AUSTRIA

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Abstract

In this teaching case, students will learn about a small IT business in Austria. Students will analyze its current situation using SWOT analysis and will consider its growth opportunities. The case begins with Kinigadner and his partner Albertini noting that their firm Anyline had grown and changed. Kinigadner wondered where the company was headed. Anyline was a Vienna-based startup company that was an app developer of optical character recognition (OCR) software that taught smartphones how to read. The company first began under a different name, as a partnership effort of two student engineers, Lukas Kinigadner and Daniel Albertini. With time, almost everything had changed. There had been changes in the product type, in the number of personnel, in the extent to which the company had a more formal structure, in its approach to sales, and many others. What changes should Kinigadner plan for?

CASE

Austria was a small country in the European Union. Vienna was Austria's largest city, with a population of 1.8 million (Central Intelligence Agency, 2017). Vienna's key business areas included trade, scientific and technological services, and tourism (Statistik Journal Wien, 2016). Not only were large international companies established in Vienna, but there were many new businesses there as well. Since 2004, over 8,000 firms were founded yearly in Vienna (Statistik Journal Wien, 2016).

One of the best-known states in Austria was Tyrol, which was known for its skiing resorts. The largest city in Tyrol was its capital, Innsbruck, with a population of over 130,000 people (Statistik Austria, 2018). Innsbruck had several businesses which were not part of the tourist industry, in fields such as energy production, medical devices, banking and insurance (Wirtschaftskammer Österreich – Tirol, 2017).

Anyline was a Vienna-based start-up that created software development kits using optical character recognition (OCR) software that taught smartphones how to read. The kit was a framework from which business customers could build mobile apps. The company first began under a different name, as a partnership effort of two student engineers, Lukas Kinigadner (Kinigadner) and Daniel Albertini (Albertini). Later on, two more friends who were also engineers joined to share in the company's ownership.

After graduating from the polytechnic institute in Innsbruck, a high school that focused on engineering, Kinigadner began his career working for Tyrolit, a company near Innsbruck that produced tools and machinery for the building industry. At Tyrolit, Kinigadner became adept with the enterprise resource planning (ERP) software, but he felt trapped in a job with a limited future. Kinigadner left Tyrolit to move to Vienna and work for Accenture, a management consulting company. Although he initially made plans to go to the USA, he could not get a work visa. Kinigadner soon became bored with his job and decided to enroll at the Vienna Technical University. There he ran into his old classmate from Innsbruck, Albertini, who was also enrolled at the university, and they became roommates.

Kinigadner and Albertini started their business as a smartphone app development company in 2010 while both were still studying. They were motivated to start their own business because they wanted to make a lot of money. They named this first enterprise TheApp. Albertini later commented that this name was a very poor choice that reflected their marketing naivete.

In 2010, their first major app customer was Richard Lugner, a well-known building contractor in Vienna who created a large shopping mall, Lugner City. Lugner wanted an app that would enable customers to buy their tickets for his movie theatres through their phones.

In 2013, the partnership grew to include two more friends. Then, the fledgling company began to create customized apps for customers with specific needs. They renamed their company 9Yards. Two more classmates joined the company, purchasing shares as partners. Shortly thereafter, they hired other software developers. Then, they hired three additional classmates as the company expanded, and later, six more. Together they produced about thirty apps, which were expected to be big sellers.

Kinigadner and Albertini soon realized that they were not so competent in the distribution or marketing of apps, nor were they good at creating apps based on their own ideas. However, they were very skilled at making apps for others who had their own ideas about what they wanted to implement—companies who had a business model but did not want to be bothered with the technical aspects of their vision.

At first, the founders had been meeting at a Starbucks. However, after 9Yards applied for Austrian government grants, it set up its offices in a private incubator called Sektor5. This start-up incubator offered low-priced office and workspace, technical facilities and shared accommodations such as meeting rooms. It was a great location to connect with other start-ups. There was a community spirit of shared values and norms where more experienced enterprises gave guidance to newer arrivals. The incubator maintained strong connections with its "alumni", who had moved to other facilities, to aid the new start-ups and those that remained at Sektor5.

FROM 9YARDS TO ANYLINE

A major change to the company occurred while they were at Sektor5, when they met the management of mySugr, a company that made apps to help diabetics manage their chronic conditions. MySugr needed a scanning program which would directly take readings from the

measurement devices without the use of a connecting cable and be able to enter the reading of the user's sugar levels into a database. The easiest way to accomplish that was to use an OCR program for smartphones.

Neither Albertini nor Kinigadner had much knowledge about OCR and its connection to mobile technology. Confident they could overcome their lack of expertise, Kinigadner promised mySugr that 9Yards could develop a program in three months, not realizing what a challenge this would be. They took much longer; in fact, they took six months. To reduce development costs and to get constant input from mySugr, 9Yards moved into a shared office space with mySugr.

Besides the time to complete the project, the company also had problems paying the expenses related to the development of the software, so they turned to the Austrian Research Promotion Agency (in German: the Österreichische Forschungsförderungsgesellschaft, or FFG[1]), and the company received a low-interest loan. Because of this project, they developed the OCR technology for smartphones and got a patent for it. Kinigadner and Albertini found that they had really enjoyed the project and that they could develop the software kits very well. Shortly, they switched their company's focus from widely variable apps to the creation of OCR programs. They called this universal OCR product, which had wide application, Anyline, which would eventually become the company's name.

It was difficult to change from a business that served the specific needs of customers to one that focused on continuous development of a single product. Kinigadner realized that a lot of time and effort would be needed, because they had already committed so much time for customer support at 9Yards. He contacted a couple of developers who could take over 9yards while Anyline would change its focus to OCR development. Although still sharing office space on Anyline's floor, 9Yards became a separate company.

Kinigadner recalled when he and the founding partners announced to the employees that they were now changing the core business to become Anyline, "Everyone was outwardly supportive and enthusiastic, while, we found out later, inwardly insecure and concerned about the move." Kinigadner went on, "Some people told us it was a good move, it would be high tech, investors would be interested, it was sustainable—but they were just trying to motivate us."

ANYLINE'S PRODUCT GAINS TRACTION

The company saw its future in creating an OCR software development kit (SDK)[2] for smartphones. For Anyline's business customers, the SDK made creating a mobile app much easier. The SDK

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[1] The FFG is the Austrian Research Promotion Agency, operated by the Austrian government, which provides funds for activities as diverse as the Austrian space program and entrepreneurial start-ups such as MySugr and 9Yards. FFG offers mostly grants and low-interest loans. Projects are evaluated based on the technical challenges the applicant will face, the prospects for commercialization, and the applicant's financial performance to date. FFG prioritizes applicants that have "[a]bove average innovative content" that would more likely result in favorable financial returns.

[2] According to Shamsee, Klebanov, Fayed and Karakok (2015), a software development kit (SDK) is "…a set of software development tools that allows the creation of applications for a certain software package, software framework, hardware platform, or computer system."

provided a framework which the business customer, such as Porsche, could then use to make a specific app. Porsche's app allowed users to contact its website, to schedule a visit to the assembly plant, or to schedule a ride with a professional driver on a racetrack.

Technically, Anyline's product used a smartphone's video camera to capture printed text and numerals, which were then processed in a neural network (artificial intelligence trained to interpret new data by using sorting algorithms). The video camera could provide more information to the neural network than that provided by a still photo, making the resulting data much more reliable. Anyline developers continued to work at improving the SDK capabilities—for example, by changing the software to recognize digits accurately under a variety of lighting conditions, or when there are interferences like a blur, reflections, dust, and dirt (Cerman, Shalunts and Albertini, 2016). As Kinigadner has said, Anyline "seeks to enable people to scan all the codes, text and numbers around them. Our ultimate business goal is to have Anyline installed on every mobile device in the world" (Wetzlhütter, 2014).

Anyline's approach was to create and license adaptive, universal-application SDKs, which were simple to operate and very adaptable, rather than to produce a customized SDK for a specific customer. Anyline's founders quickly understood that a potential problem with a customized SDK was that the customer would want to have exclusive use of it. If Anyline developed an innovation for one customer's special SDK, the customer may prevent them from using that innovation elsewhere.

Anyline's product quickly proved to be attractive. Several companies were looking for kits that could help them with their app creation processes, to read utility meters, to assist in digital marketing campaigns, to validate passport and ID card information, and to scan documents.

Red Bull was one of their first customers. Anyline's SDK enabled Red Bull customers to use their phones to scan a code inside the tab of the beverage can, which connected them to a Red Bull rewards campaign on the "Red Bull Mobile" website, where they could purchase discounted tickets to upcoming entertainment events and interact with friends who were also attending the event. In another case, two large gas-and-water utilities in Germany wanted their consumers to scan their water or gas meters and transmit the data directly to the utility company, which they could accomplish with Anyline's SDK.

SALES AND MARKETING

There were initial difficulties in marketing the product because Anyline was a pioneer. Some potential customers claimed that if there were a use for the kit, then it would already be on the market. Potential customers questioned not only the pricing but the product's purpose as well.

At the time, Jakob Hofer (Hofer) was the Chief Marketing Officer.Many of the salespeople had no sales experience. Salespeople were encouraged to stand out (Kinigadner's advice to his sales team members was "be a rock star"), but the management team provided little guidance or structure. Management felt that Anyline's product would sell itself. Kinigadner's sales team initially believed that Anyline should temper its approach to the market. They felt that being overly eager meant that the company would pursue a very aggressive business plan, that Anyline would

encounter more resistance from the potential customers, and that the start-up community in Vienna would perceive Anyline as greedy.

Anyline used multiple methods to promote its product. Kinigadner had become the public face of Anyline, and often gave interviews to online and print media. In addition, Anyline advertised its products through ads on tech websites, by placing its logo (linked to the Anyline website) on internet ads from its customers, and setting up booths at several trade fairs—which enabled the company to contact potential customers.

Anyline also promoted its products on its website, which included details about the various OCR applications that Anyline supported with its SDKs. The website had an active blog which provided information about improvements to the products and analysis of technical problems, specific guidance on how to set up the product, and so forth. Anyline immediately responded to any visitors to the site, inquiring about the visitor's needs to direct the visitor to the best product application. Anyline offered potential buyers a free trial period of the product.

PRICING

When Anyline licensed the SDK to the customer, Anyline received a fee for a specific number of scans, which generated a recurring revenue stream. Anyline used a "progressive pricing model", whereby the price for a product was reduced as scan volume increased. Determining the right pricing involved a big learning curve. One way to determine pricing was to base the pricing on product performance. Using this approach, Anyline's employees calculated the savings the customer would achieve by using the product and then convinced the customer to share these savings with Anyline. Kinigadner felt this was preferable to taking money up front. Yet this pricing approach did not enable Anyline to show growth to investors. It did not even show the ability to cover development costs. However, over the long run it would generate a constant stream of revenue.

Table 1: Anyline Products & Pricing

Product (License)	Features
Meter Reading	100,000 meter points
Passport + ID MRZ	25,000 scans
DIY OCR	50,000 scans
Digital Marketing	50,000 scans
Document Scanner	40,000 scans

Product (License)	Starting price/yr. (€)
Meter Reading	9,990
Passport + ID MRZ	4,990
DIY OCR	1,499
Digital Marketing	4,990
Document Scanner	2,980

Anyline had made sales in countries like Cameroon, but the most consistent market has been in developed countries (Japan, U.S., European Union nations), especially in the German-speaking or DACH region - so named for the oval stickers on the rear bumpers of automobiles that identify the country of its registration—D for Deutschland (Germany), A for Austria, CH for Confederation Helvetzia (Switzerland). It was both necessary and natural that Anyline would sell in those countries because they shared the same language and cultural differences were not large. However, if Anyline had sought to limit its market to Austria, there might not have been sufficient demand to sustain the company.

ANGEL INVESTORS

Marketing was a challenge for Anyline. Marketing efforts required a stable budget, but for start-ups like Anyline, revenue streams were not always reliable. The company at first sought exposure in the start-up world by entering a competition for start-ups sponsored by the online business magazine Trend. Anyline won the overall award as best start-up from *trend@venture* for 2014. The prize included residency for several months at the incubator Hub:raum in Berlin, with access to a network of experts, investors and business partners. The company was also invited to make a presentation at the Pioneer Festival, a big EU start-up event. In addition, Anyline would be mentored by the chairman of T-Mobile Austria, Dr. Andreas Bierwirth, to help Anyline management develop a compelling story to attract venture capital.

After winning the competition, Anyline caught the attention of the well-known Austrian angel investor[3] Johann "Hansi" Hansmann (Hansmann), who has earned the title "Austrian Business Angel of the Year" multiple times. In December 2014, Hansmann invested €500K in Anyline as seed money[4] and took a seat on the board (Wetzlhütter, 2014). Kinigadner appreciated that Hansmann did not stipulate how the funding was to be used. The seed money was used for market development, distribution and product innovation. Hansmann's investment also made other investors aware of Anyline. Among others, they included Gernot Langes-Swarovski (of the Swarovski Group) who invested €1.5 million in February 2016, and Hermann Hauser (Hauser), who invested €500K in September 2016. Kinigadner designated the funds from Swarovski for marketing.

In the interview with Startup Grind (Gombotz, 2016), Kinigadner noted that an investment such as the one by Swarovski was exceptional for companies in this region of Austria. Kinigadner felt that other established Tyrolean companies rarely provided venture capital for start-ups even if they

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[3] Angel investors are wealthy, well-connected individuals who invest personal capital into startup firms. They are usually not connected to the firm, though they may take a position on the management board (Bellavitis, Filatotchev, Kamuriwo & Vanacker, 2017). Angel investors provide guidance along with the funding and are ~~generally~~ less concerned with a thorough examination of the firm's financial potential (Drover et al, 2017).

[4] According to Startupxplore.com (2018), seed capital is the funding necessary to launch the product in the market which is most advantageous for it. The angel investor acts as a funding source with seed money to help the entrepreneurial firm transition its financing from personal resources. The firm then (eventually) receives growth funding from venture capitalists or traditional debt financing. Angel investors typically provide capital at early stages, whereas growth financing is for firms that have developed their product, defined the market for it and have to invest in better distribution systems (OECD, 2013).

had the cash. Kinigadner felt that in Tyrol the common mindset was one of risk aversion. Many people seemed to want to work for an established company, which Kinigadner refers to as being 'corporate', an attitude he wanted to avoid at Anyline. Based on Anyline's experience at Hub:raum, Kinigadner observed that Berlin was much more welcoming to start-ups than Vienna. He understood that some locations are best suited for start-ups, including London, Berlin and of course, Silicon Valley in California. He noted that the money and opportunity for entrepreneurs still seemed to remain in the established start-up centres and had yet to find its way to smaller capitals such as Innsbruck (Gombotz, 2016).

LOCATION

Although most company operations were in Vienna, 9Yards and later Anyline had always maintained an outpost office in Innsbruck. This was largely because three key employees did not want to move to Vienna. When Anyline became the dominant business, 9Yards did not have separate operations and operated out of the Anyline offices in Vienna. After the investment from Swarovski, Anyline moved its Innsbruck offices to nearby Wattens to the new incubator facilities on the campus of the Swarovski corporation. Anyline also opened an office in London in November 2016, which was where their newest investor, Hauser, had his operations. However, maintaining an office in London was expensive and did not generate many customer leads, so Anyline closed its office there.

TEAMWORK AND CULTURE

All employees worked in an open workspace, with large tables accommodating several workstations. There were no separations between the stations, nor were there any offices. The managers and company officers worked alongside the product developers. Thus, there was a great deal of interaction between management and the employees. Reducing the physical distance seemed to bring the two groups closer in other ways.

Exhibit 1: Anyline's Employees and their Offices

THE ANYLINE TEAM

Outside of the main workspace was a large room with couches, a well-equipped dining area, refrigerators stocked with various beverages, where the employees could relax and break away from the intensity of the work. On the walls were ~~numerous~~ many photos of the employees taken while they were enjoying a break. In addition, there were three small rooms (phone cells) outfitted with a table and chair that ~~could be used by~~ employees could use to communicate via Skype or through other telecommunication services. There was a large board titled "Kudos", with many notes affixed that give credit to individual employees for their efforts and accomplishments at Anyline. There were also résumés of many of the employees listed on another wall, which provided new employees with interesting details about their colleagues.
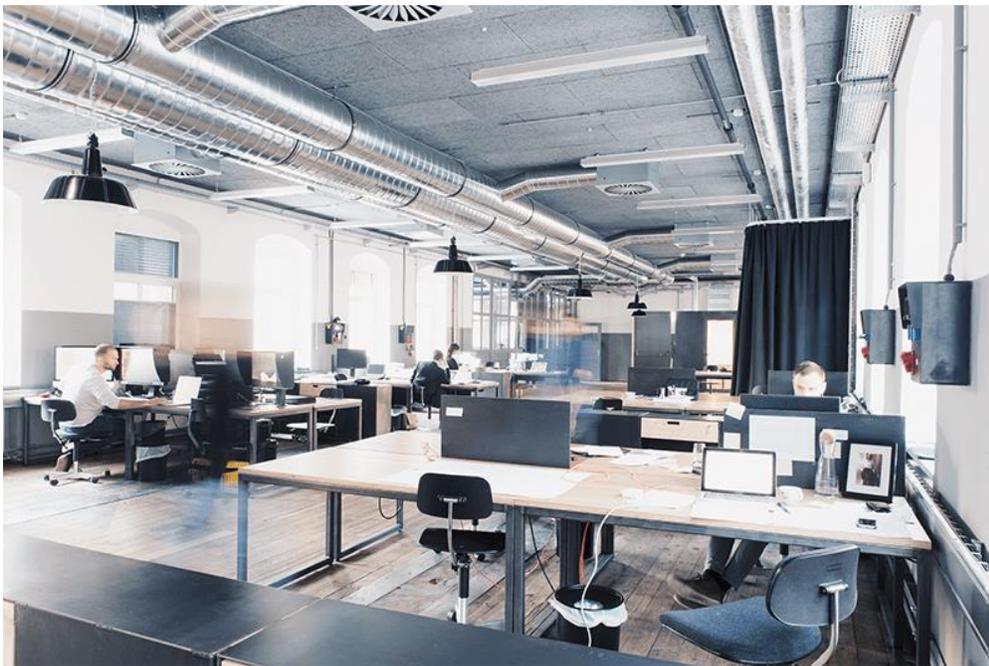
Anyline Offices, Wattens

At Anyline, the founders worked diligently to create a welcoming, supportive culture for the employees (who referred to themselves as "liners"). Albertini explained that one of Hofer's first responsibilities was to maintain the team atmosphere, to set up on- and off-site activities designed to motivate and unify the employees as a team. ~~Jakob Hofer was the Chief Marketing Officer.~~ The founders emphasized the values they believed Anyline employees should embody: transparency, respect for one another, constant learning, and acceptance of risk (allowing for employee errors). These values were listed on the frames of employees' photos on the workspace walls. In addition, at the door to the workspace was a list of what it meant to be a "liner".

Kinigadner noted that the relationship between the employees and management team had evolved. When Anyline first started, all the employees were technically trained, so most worked as developers. The focus then was on creating and improving the product. A few developers took on marketing responsibilities but did not have backgrounds in sales. Thus, they did not meet sales

targets and Anyline squandered a good deal of internal funds because of a poorly structured sales approach (Judex, 2017). Since September 2016, roles and responsibilities have been much more clearly defined. Albertini listed the positions at Anyline: product developers (who also provide technical support); the marketing team (online, branding, PR); the sales team (outbound and inbound sales); and front office (HR, CEO, office management, executive assistant). Developers and product support employees have technical proficiency, and many of them are engineers. The marketing employees now must have qualifications and experience in sales. The organizational chart is shown in Exhibit 2.

HUMAN RESOURCES

Compensation at first was a tricky subject. Kinigadner noted that when the company was founded, they had hired friends from university. He felt that an advantage of hiring people he knew well was that he could trust them because of their shared experiences in the classroom. But Kinigadner felt it was more of a challenge to determine the salary of a friend who becomes an employee than to set the salary for a job applicant who was a stranger. As the company grew, controlling internal costs became helpful to business success. Because about 80% of Anyline's costs were salaries, the company could reduce staffing to rein in expenditures - although no employees have yet been let go because of costs.

Figure 1: Anyline Organization Chart
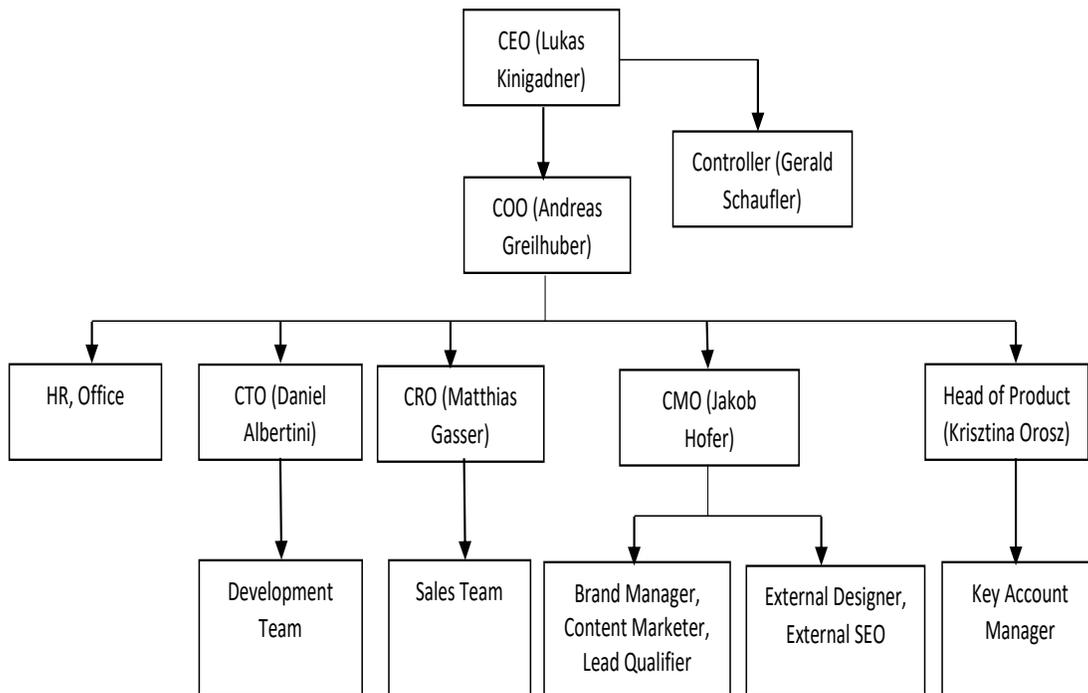
Courtesy of Daniel Albertini

Expectations about employee responsibilities were now communicated at the beginning of employment, and during semi-annual ~~periodic reviews of~~ employee performance reviews ~~were conducted on a semi-annual~~ basis. Performance reviews were assessed with a program called "Objectives and Key Results" which ~~is easily obtained online~~can be used online and is used by Google, LinkedIn and others (Doerr, 2018).

One aspect of Anyline was that most of the employees were Austrians; many of them were native German speakers. There were also five non-German speaking employees: three Rumanian, one Italian and one Irish. Thus, the language spoken at Anyline was English, and communication with customers outside the DACH countries was also in English. Gender and cultural diversity were not strong; to date, there were only six women amongst the twenty-three employees shown on the company website.

PREPARING FOR FUTURE CHALLENGES

The challenge for Anyline was to develop a consistent strategy. Anyline's objectives included: (1) to increase revenue; (2) to become the market leader in OCR and AI; (3) to increase market visibility; (4) to not overlook sales to its customers with basic program requirements, and (5) to produce dynamic software that the customer can ~~be~~ easily customize~~d by the customer~~ for specific purposes.

Anyline's founders knew that the greatest threat to their business may not come from competitors but from a change in the technology, where another method or technique may supplant capturing data through OCR software ~~may be supplanted by another method or technique~~. A recent online article (Schröder, 2017) explained it rather well: "~~A firm,~~ Eon~~,~~ has developed an app with help from Anyline, with which customers can read their electricity meter themselves. It's already clear that one day, the electricity box will talk to Eon itself and the Anyline app will be obsolete. Then founder Lukas Kinigadner has to find new applications for his algorithms."

Kinigadner himself ~~also~~ noted the need to prepare for market change: "We are convinced that it is of the utmost importance, especially in the software sector, to keep the product as forward-looking and up-to-date as possible. Those who "swim in the stream of thousands of start-ups", who have a cool product, but a product that is only as up-to-date as the current application, will never stand out from the crowd." Anyline continued to explore new technologies such as augmented reality (AR) and virtual reality (VR), and all technical advances that seem relevant to Anyline's product.

A CHANGE IN EXPECTATIONS AND PERFORMANCE

A major aspect of the marketing strategy was to go after utility companies because they readily had a use for the Anyline product. However, the utility companies wanted in-person meetings and wanted Anyline to take part in industry-specific trade fairs at sometimes distant locations. Anyline set up booths at these events and staffed them to explain the Anyline product to visitors. Even though potential customers had the chance to try out the product, no contracts were signed at the

fairs. They hoped that their presence at these fairs would lead to purchases 12 to 18 months later. Although no revenues were received, Anyline had to bear the costs of courting and training the potential customer. It also made it embarrassing for Kinigadner to not be able to deliver revenues which he had earlier promised Hansmann. Fortunately, Hansmann seemed to understand that this would take longer.

With the pressure to deliver sales, came several changes. In 2016, the lead sales manager and two sales-people were dismissed because sales had been so low, and as Albertini noted, "they were not a good fit". Two more sales representatives for whom the changes were too extreme, left and were not replaced. Hofer commented in an interview, "It was the break with our old, familial system" (Judex, 2017). New employees with greater marketing experience were hired.

Anyline changed its approach to make sales more professional. Albertini pointed out that the old sales team had not sought feedback from the customers, which forced the developers to make changes they hoped the customers would value. Rather than try to imagine potential applications of the SDK for the customers, the Anyline sales team now would ask the customers directly what features would be most important to them and then developed the SDK to incorporate them. The previously unstructured sales force now had specific sales goals. According to Albertini, the latest quarterly target has been to generate revenue of €200K and to find 200 qualified leads.

The new Anyline sales team focused on signing contracts, in order to gain steady customers. This was the original strategy followed during the early stages of the company, but subsequently there had been reluctance to be so aggressive. However, the sales team since then became more forthright, engaging the customer directly to offer the software and to secure a deal.

Since those changes, business had significantly increased. At the end of November 2017, sales to over 100 business customers were twice as high as those in the entire previous year. Alberni expected that in 2018, gross revenues would be over two million euros. Large organizations like Wien Energie, Porsche, E.On, Swisscom, the UN, over two dozen public utilities in various nations and many other companies in Austria, Germany, South Africa, Chile and Lithuania used the OCR software from Anyline, which was now based on artificial intelligence. More thanOver ten million scans have been carried out in 2017 by companies using the Anyline SDK.

DECISION

As Anyline grew, Kinigadner wondered where the company was headed. With time, almost everything had changed. There had been changes in the product type (customized apps vs. SDKs), in the number of personnel, in the extent to which the company had a more formal structure, and many others. What changes should Kinigadner plan for at this time?

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ANYLINE: A GROWING SMALL BUSINESS IN AUSTRIA
TEACHING NOTE

SYNOPSIS OF THE CASE

As Kinigadner and his partner Albertini, saw their firm Anyline (https://anyline.com/) grow, Kinigadner wondered where the company was headed. Anyline was a Vienna-based start-up company that was an app developer of optical character recognition (OCR) software that teaches a smart-phone how to read. The company first began under a different name, as a partnership effort of two student engineers, Lukas Kinigadner and Daniel Albertini. With time, almost everything had changed. There had been changes in the product type, in the number of personnel, in the extent to which the company had a more formal structure, and many others. What changes should Kinigadner plan for at this time?

OBJECTIVES

After analyzing this case students will be able

- To analyze the external environment of a business
- To analyze the internal attributes of a business.
- To apply management knowledge to determine possible paths to growth in a company.

This case is suitable for courses in Entrepreneurship, Small Business Management and other Management courses. Given the length and complexity of the case, we believe this case is suitable for both undergraduate and graduate students.

ASSIGNMENT QUESTIONS

1. There are aspects of the firm's internal environment that may impact its ability to continue to grow. What are some resources (financial and technological), capabilities, networks, and business ideas and strategy that Anyline has that may help them as they continue to grow?
2. External characteristics may also impact a firm's ability to continue to grow. What characteristics does the external environment have (economic stability, industry characteristics, and social and political factors) that will help Anyline continue to grow?
3. Prepare a SWOT analysis for Anyline.

MODEL ANSWERS

1. There are aspects of the firm's internal environment that may impact its ability to continue to grow. What are some resources (financial and technological), capabilities, networks, and business ideas and strategy that Anyline has that may help them as they continue to grow?

    a. Financial resources: Through the funds provided by Hansmann, Swarovski and Hauser, Anyline has sufficient financial means to address its current needs: raise its visibility in the market through advertisements, pay for its marketing staff and technical development, cover the important details (rent, services, etc.). They also had government help but the firm may require more financial resources soon.

    b. Technological resources: patent for SDK software.

    c. Capabilities: Their technology is standardized and can be applied to different customer needs without being customized. Close-knit teams of skilled developers that work well together.

    d. Networks:
        i. They have angel investors, who are top business people. This oversight guides the Anyline management through difficult decisions besides providing financing.
        ii. Kinigadner has several contacts he has made ~~as a result of~~by giving several interviews to DACH business media and to media specific to the tech community. This aids Anyline significantly in raising customer awareness.
        iii. Kinigadner and Albertini maintain their connections to the start-up community, specifically to the Sektor5 incubator. This affiliation helps Anyline find new talent when there is employee turnover or as Anyline grows.
        iv. Kinigader and Albertini keep in touch with alumni from their university.

    e. Business ideas and strategy: Anyline has a strategy to not customize the product for each customer. In addition, Anyline does not license product to different customers.

2. External characteristics may also impact a firm's ability to continue to grow. What characteristics does the external environment have that will help Anyline continue to grow?

    a. Globalization: There are few restrictions that apply to Anyline when it sells across borders, thanks to the EU's Single Market Act[5], stipulating that firms can sell their products without impediment in all member nations. If there is an anti-foreigner sentiment in a country and Anyline is identified as a foreign company, potential customers might discriminate against the firm and refuse to purchase Anyline products. To date, there is little evidence that Anyline has encountered any such hostility.
    If Anyline had to provide substantial customer support, where resources such as customer service engineers would be needed to implement programs and resolve problems in person rather than online or over the phone, the costs might be significant enough that operating internationally would be too expensive.

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[5] http://ec.europa.eu/growth/single-market/smact_en

    b. Industry-specific factors: Because Anyline products are electronically distributed to its customers, geographic location of the customers is not an important factor. Thus, Anyline can take a born global strategy approach because the costs and other risks of selling the product internationally are minimal.

3. SWOT analysis:

Strengths:

    a. Having patent protection on its technology.
    b. Having a group of skilled developers.
    c. Having a platform that does not require customization for each client and allows Anyline to ~~retain~~ keep ownership and control of the product.
    d. Having access to several investors and having their confidence.
    e. Having an international orientation and their use of English in workplace as a lingua franca (making it easier to hire employees from other countries) and in their marketing.
    f. Albertini and Kinigadner's acceptance of risk and employee failure.
    g. Widespread interviews have increased awareness of Anyline by both the tech industry and the public.
    h. Anyline's culture and values are likely to attract honest, hard-working employees.

Weaknesses:

    a. May need more investment to cover increased marketing costs.
    b. Not much expansion beyond DACH (Germany, Austria and Switzerland) countries. Briefly had an office in London, but not anymore.
    c. Kinigadner is responsible for too much. He should consider delegating more.
    d. The team is relatively young and inexperienced. They may need more experienced managers as the company grows.
    e. Having limited employee diversity.

Opportunities:

    a. Anyline is an attractive target for acquisition.
    b. This technology could be marketed and sold worldwide.
    c. There may be additional uses for this technology or a similar technology that Anyline could produce and sell.

Threats:

    a. Anyline's intellectual property is at risk. Employees sign non-disclosure agreement, but this may not be enough to prevent unscrupulous individuals or companies from copying it or use it without paying for it.
    b. Another data-capture technology could replace OCR. Technology is always being improved and replaced by new technology.
    c. If a major company like Google or Microsoft were to produce a similar technology, consumers would be likely to use it because such large companies have brand recognition and access to large markets.

SUGGESTED TEACHING PLAN

The following teaching plan is for an 80-minute class but can easily be adapted to other time frames.

Activity	Minutes
Introduction – overview of the case	5
Discussion of growth options and obstacles for small businesses	10 - 15
Internal characteristics that help Anyline grow	15
External characteristics that help Anyline grow	15
SWOT analysis	20-25
Conclusion and lessons learned	10
Total	80

SUPPLEMENTAL READINGS

Hagen, B., & Zucchella, A. (2014). Born global or born to run? The long-term growth of born global firms. *Management International Review (MIR),* 54(4), p497-525.

POSSIBLE STUDENT OVERSIGHTS

With a case set in Austria, students may overlook country characteristics such as its small size. They may also not consider that despite being small, Austria has great universities and a friendly business environment. Students may also overlook the advantages to being part of the European Union.