



Scaling under uncertainty

Report
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Scaling under uncertainty

Starting a company is always a risky business. Yet, some ventures operate in environments that are particularly unpredictable. Establishing a scaling strategy or following a clear growth plan can be challenging when key external factors - political, economic, or environmental - are volatile. Moreover, contextual instability leads to a scarcity of financial and human resources, while the pressure to succeed increases. **With these challenges in place, how do ventures still manage to scale under uncertainty?**

Report summary

Featured ventures

These ventures are currently scaling in uncertain environments with the support of the WFP Innovation Accelerator. Their challenges and strategies to scale are used as case studies to draw broader conclusions about scaling in unique conditions.

Bleaglee

Cameroon

Bleaglee is an innovative waste management solution that fights climate change by turning waste into value.

Speetar

Libya

Speetar is an inclusive digital health solution offering accessible and affordable healthcare in conflict-affected communities.

Sungate Solar

South Sudan

SunGate Solar is a sustainable energy solution improving the standard of living and development of South Sudan.

LoMIS

Nigeria

LoMIS is an e-Health Africa venture that is scaling their Logistic Management Information Systems to address challenges with supply/distribution of health commodities to last-mile health.



Key challenges



Inconsistent stakeholders



Fragile strategy



Financial & human resource scarcity



Operational vulnerability

Success strategies



Dynamic business model



Learning at the core



Localized approach



Purpose-driven team

How to scale

Scaling is an ambiguous topic, beginning with its very definition^{1,2}. For this report, scaling a venture is defined as the significant growth of operations, customer base, market reach and impact to ultimately establish a sustainable business. Just as there are many existing definitions, there is no single recipe for achieving scale^{3,4,5}. Some believe that a strong team with the right entrepreneurial mindset is the key factor to success⁶. Others say that timing is everything, both externally (i.e., having the right circumstances in the market) as well as internally (i.e. being ready to scale)^{3,7}. A strong network and strategic partnerships also may indicate high potential for success, particularly for social impact ventures⁵. Most of these success factors are facilitated by a certain level of stability and predictability, benefits that ventures operating in volatile environments do not get to enjoy. Therefore, we must reexamine these key success factors in **vulnerable, uncertain, complex and ambiguous (VUCA) environments** to better support ventures scaling in these contexts.

Challenges of scaling under uncertainty

The key challenges that ventures face when scaling in VUCA environments can be summarized into four categories: **inconsistent stakeholders, fragile strategy, resource scarcity and operational vulnerability**.

Financial and human resources are limited, operational conditions are insecure and unstable and past or present success does not translate into robust strategies for the future.

Inconsistent stakeholders

Inconsistent stakeholders cause ventures to face fluctuating policies, frequent changes in power and varying commitment. **LoMIS** is a venture scaling their logistic management information systems to address last-mile health commodity supply and distributions challenges in northern Nigeria. **LoMIS** is heavily dependent on the governmental stakeholders and therefore struggles with the inconsistency that Nigeria's volatile political landscape brings². Similarly, **Speetar**, an inclusive digital health solution offering accessible and affordable healthcare in conflict-affected communities, has been challenged by political instability in its Libya operations. The lack of a single reliable entity has made it difficult to establish a sustainable service, as power and decision making frequently changes hands³.

Fragile strategy

Building a robust, long-term strategy in a VUCA environment is challenging. Traditional management approaches use strategic planning and forecasting, which are often suboptimal or inaccurate in the frequently changing contexts of African ventures⁷. In VUCA environments, accurately predicting the future is near impossible. There is no guarantee that what worked in the past or present will continue to work in the future⁶. As a result, it is difficult to create a resilient strategy grounded in a deep understanding of the future^{3,7}.

Financial and human resource scarcity

Financial resources are often scarce in VUCA environments^{5,7}. Many ventures indicate the lack of funding availability and accessibility to be a major challenge⁵. Investors are often hesitant to invest in high-risk ventures. If they do decide to invest, the ventures feel disproportionately high pressure to succeed⁷. Moreover, economic instability means the value of capital is constantly changing, which complicates financial planning². When conflict broke out in 2013 in South Sudan, for example, the resulting hyperinflation forced **SunGate Solar** to completely rethink its business model³.

On top of financial resource scarcity, **SunGate Solar**, like many other ventures in VUCA environments, also



Photo: Speetar



Photo: Tamajong Noel/ BleagLee

Key challenges



Inconsistent stakeholders

Inconsistent policies, periodic changes in political leadership and buy-ins.



Fragile strategy

As past or present success can't predict the future, it is difficult to create a resilient strategy



Financial & human Resource Scarcity

A volatile environment makes investors and talent hesitant to join and remain with a venture.



Operational vulnerability

Unsafe roads or unreliable infrastructure makes it hard to plan and deliver services.

experiences challenges regarding scarcity in human resources. In South Sudan, the politically and economically volatile situation in the country has resulted in low education levels and the significant outflux of well-educated people. The lack of skilled labor availability makes it difficult for ventures to build a strong, dependable team and management.

Operational vulnerability

Finally, VUCA environments pose significant operational challenges due to insecurity and unreliability. Operating in Cameroon, **Bleagle** is an innovative waste management solution that fights climate change by turning waste into value. The venture frequently experiences difficulties due to the increasing variability and severity of climate events⁸. Natural disasters, like heavy rains and floods, frequently result in significant infrastructure damage, making ground transportation difficult. Hence, significantly limiting their capacity to transport waste to be processed into useful products.

In South Sudan, **SunGate Solar**'s also struggled to uphold operations in several markets when the conflict became sectional and tribal in nature⁴. The conflict also caused an increased number of checkpoints and unofficial taxes, leading to increased operational costs⁴. **Speetar** also frequently encounters operational challenges due to the insecurity in the regions where they operate³. Unsafe roads or unreliable infrastructure make it even harder to reach inaccessible communities, who often need support the most.

These four key challenges - inconsistent stakeholders, fragile strategy, resource scarcity and operational vulnerability - may be present for ventures in traditional contexts but are acutely felt by ventures looking to scale in VUCA environments. Still, there is a high need for impactful, innovative solutions in these environments, making it critical to devise new strategies to scale despite these challenges.

Strategies to scale under uncertainty

Despite the unique challenges to scale in VUCA environments, ventures still succeed. The four featured ventures have identified four key strategies for success: i) establish a dynamic business, ii) place learning at the core of the organization, iii) adopt a localized approach and iv) build a purpose-driven team. These strategies enable ventures to foster a resilient, motivated team that embraces challenges and change and is capable of accurately assessing the situation and adjusting accordingly.

Establish a dynamic business model

Successful ventures attest that volatile circumstances demand ventures to be dynamic^{1,2}. In place of static, multi-year strategies, they need to constantly adapt to the changing context and be prepared for a wide variety of potential futures. Ventures need to have not only a plan B but also a C, D and E. **Bleagle** emphasizes their dynamic approach and readily available backup plans as key contributors to their success, giving them a stronger competitive advantage². Similarly, SunGate Solar shares their dynamic reaction to the the hyperinflation in South Sudan: "it let us to rewrite our business model from a rental to purchase, plus change the products and the target customer base". In addition, switching to charging in hard currency was a crucial change to eliminate risks and continuation of their services. Flexibility, adaptability and dynamism have to become integral to the company's DNA and team culture.

Place learning at the core

To establish a dynamic team, ventures must place learning at the core of their organization and cultivate a culture of curiosity and humility. This allows the team to be open to change and willing to learn from each other, their mistakes, the local community and even their competitors. Ventures must let go of predetermined plans and refrain from assumption-based decision-making⁴. Instead, they must focus on continuous data gathering and learning to evaluate what works and adapt accordingly. **LoMIS** attributes its success in northern Nigeria to a robust monitoring, evaluation and learning plan⁹. This plan enables them to systematically observe, assess and enhance activities and ensures continuous learning.

Additionally, it is important that a learning culture expands beyond an individual venture and transforms the local innovation ecosystem into collaborators, rather than competitors. In contrast to traditional beliefs, sharing knowledge and learning from other players in the field has proven beneficial in VUCA environments. Adopting collaborative strategies rather than competitive ones has catalysed success for many ventures¹⁰.

Adopt a localized approach

A comprehensive understanding of the situation, key issues and potential trends is an important prerequisite for a learning-focused, dynamic venture, especially in a VUCA environment. Mou Deng Riiny, CEO of **SunGate Solar**, explains: "Knowing the dynamics of the volatile situation is important, even if it is a conflict. When conflict flares, we stay in safe areas, but still nearby enough to know what is happening hour by hour so that we can read the situation accurately"⁵. Gaining such contextual knowledge requires on-the-ground observations, local team members and conversations with local residents. Hence, ventures attest to the importance of adopting a localized approach. This consists of having a local team, maintaining a physical presence on the ground, leveraging a human-centered design approach for the solution and investing in local talent. **Speetar** established a hyper-local team to build trust and engage with the community while accommodating Libya's significant regional language and cultural differences¹. Similarly, **Bleagle** collaborates with local lawyers in every new region of Cameroon they enter to ensure compliance with the law amid the country's legal volatility⁶. In Nigeria, **LoMIS** puts a great focus on local capacity building and knowledge sharing in order to enable local ownership and ensure the sustainability of their solution^{1,9}. Local teams who truly understand the urgency of the problem and the need for a solution also contribute to the final key element to success in VUCA environments: a highly motivated team.

Success Strategies



Establish a dynamic business model

Instead of creating multi-year strategies, constantly adapt to the changing context and be prepared for a variety of potential futures.



Place learning at the core

Focus on acquiring and sharing knowledge and adapt to what proves effective.



Adopt a localized approach

Build local capacity and ownership to ensure the sustainability of the solution.



Build a purpose-driven team

Let the purpose be the foundation and main driver of your venture to cultivate a passionate, motivated team and ensure resilience.



Build your venture on **strong business fundamentals**. That means your mission and vision should be the **driving force** behind your venture. [...] A solid foundation will enable your venture to **withstand challenges** and make **informed decisions**.

Juvenile Ngum, CEO and Founder
Bleagle

Build a purpose-driven team

Intrinsically motivated and passionate teams are more resilient and better able to cope with the challenges of volatile environments. Juveline Ngum, CEO and founder of **Bleagle**, advises, “Your mission and vision should be the driving force behind your venture. [...] A solid foundation will enable your venture to withstand challenges and make informed decisions”⁶. Likewise, **Speetar** attests their success in the volatile context majorly to their passionate team who truly lives for the cause¹. According to Tayma Almezogy, People and culture manager of Speetar, a purpose-driven team stays motivated throughout challenges and don’t take failure personally¹. In VUCA environments, scaling presents a tumultuous path where things rarely go as planned, constantly demanding new solutions to unforeseen issues. A strong, bright north star - the mission - is essential to keep guiding the team and motivating them through challenging times.

Conclusion

In summary, scaling in VUCA environments is a difficult task. Ventures particularly struggle with inconsistent stakeholders, fragile strategies, resource scarcity and operational vulnerability. Financial and human resources are limited, operational conditions lack security and stability and past or present success does not necessarily translate into robust strategies for the future. Traditional scaling strategies have proven ineffective in these circumstances. Instead, ventures attest to four new strategies for scaling under uncertainty. Firstly, rather than developing a long-term strategy, the team needs to be dynamic and adapt to constant change. To do this, the emphasis should be on cultivating a learning culture, acquiring and sharing knowledge and building on what works. Additionally, ventures should adopt a localized approach. By having a physical presence, a local team and a user-centric design, ventures can acquire the right information, knowledge and capabilities for a sustainable solution in a volatile context. Finally, having a strong mission creates an intrinsically motivated and resilient team.

Traditional best practices must be adapted for ventures scaling in volatile contexts. VUCA environments demand teams to be dynamic, localized, mission-driven and focused on learning. This paradigm shift necessitates revisions across various domains, including leadership and venture support. By learning from ventures that are actually succeeding under these circumstances, such as **Bleagle**, **LoMIS**, **Speetar** and **Sungate Solar**, we can contextualize the existing knowledge and frameworks and secure access to appropriate tools and resources for ventures scaling in VUCA environments. Only in this way can we ensure that innovation reaches those in the most unpredictable and challenging locations and support those that need it most.

References



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The WFP Innovation Accelerator was launched by the United Nations (UN) World Food Programme in 2015 to source new ideas, sprint pilot projects, and scale high-impact innovations by connecting them with WFP’s global network and field operations in over 120 countries and territories. From its base in Munich, Germany, the WFP Innovation Accelerator has grown to become one of the world’s leading social impact startup accelerators. In 2023, the WFP Innovation Accelerator ran 14 programmes. Its portfolio, comprising over 70 active innovations and 66 alumni innovation initiatives, reached over 60 million individuals across 70 countries and territories in 2023.

The WFP Innovation Accelerator SDGx team accelerates the collective impact of innovators and partners working to achieve the SDGs. Through end-to-end acceleration programmes, tailored innovation journeys and exploratory discovery labs, SDGx provides a platform for innovation to achieve the SDGs.