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Julia Lee Cunningham

## A Tale of a Fashion E-tailer: Scaling Dilemmas in Entrepreneurship

In early 2019, Roxie Steele, the founder and CEO of StreetFashion.com,<sup>i</sup> was on a flight back to her New York office after meeting with potential San Francisco investors for her new e-commerce website that featured stylish, fashionable clothing for women.

Steele was very excited. She felt confident she had caught the next major trend in e-tailing because StreetFashion.com featured more than 70 contemporary brands merchandised and marketed by popular cultural influencers—an advantage she believed to be a key differentiator for her new business. With the explosion of social media, she had witnessed the growing impact of cultural influencers on consumer buying decisions. To her, this was a clear paradigm shift: people didn't just browse and shop online because it was cheaper and easier than shopping at brick-and-mortar stores or large shopping malls; they did so because they were attracted to and swayed by the powerful narratives these cultural influencers generated about products, services, and the companies that provided them.<sup>1</sup> Steele had already convinced leading names and minds to join forces with her and called them the "StreetBunch". This group included a popular street artist who agreed to collaborate with a high-end European fashion brand, an entrepreneur who founded a major consumer goods company, and a celebrity stylist, among others. She firmly believed that this new business would become a new platform for sourcing the next generation of designers and cultural influencers.

As the plane took off, Steele opened her tablet to prepare for upcoming meetings with the core team members (see **Exhibits 1** and **2**). First, she had some good news to share. Her meetings with multiple investors had been extremely positive and she had already raised significant funds from many of them. But because StreetFashion's business was gaining momentum, she needed a longer-term plan. As excited as she was about the company's future, she also had many concerns about scaling the business into a sustainable enterprise. She should know—she had faced the same challenge previously.

<sup>i</sup> Roxie Steele and StreetFashion.com are fictional names.

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