

LOGIC BEHIND THE CONTINUOUS GROWTH ACROSS THE S-CURVE-A METHOD FOR THE STRUCTURED CONSTRUCTION OF A BUSINESS GROWTH FLYWHEEL MODEL

Bo Dong^{1*}

¹ Emilio Aguinaldo College, Manila, Philippines

Received: 1 February 2023;

Accepted: 20 March 2023;

Available online: 21 March 2023.

Original scientific paper

Abstract. *Based on Amazon's successful business experience, the flywheel effect has proven to be an effective method for guiding companies across the S-curve. More scholars have investigated the flywheel model of business growth, which uses the flywheel effect to help companies achieve leapfrogging growth. More research is needed to determine whether the structured business growth model is universally applicable to different industries and stages of enterprise development. According to this study, in the VUCA era, businesses are forced to accelerate their transformation due to rapid changes in the competitive environment. A more agile approach to growth model optimization is required there. As a result, this study takes a traditional theory approach, and this research builds a flywheel model of enterprise growth on the original flywheel effect theory. The three-step method of producing the corporate growth flywheel model proposed in this study is validated by the empirical results of the case study, and the universality and operability of the structured business growth flywheel model are verified by the case study of the leading real estate intermediary company, Lianjia.*

Key words: *S-Curve, continuous growth, growth flywheel, business growth flywheel model.*

1. Introduction

Any organization's growth must adhere to certain guidelines. In his book *The Second Curve*, Charles Handy wrote, "As a tool that every organization and enterprise will definitely refer to when predicting the future, the S-Curve is inseparable from the development of everything." In terms of an enterprise, crossing the S-curve is always a difficult organizational transformation. According to recent statistics on the financial performance of 2000 listed companies in the United States

* Corresponding author.

E-mail address: bester_david@163.com (B. Dong)

Logic behind the continuous growth across the s-curve-a method for the structured... conducted by Boston Consulting Group (BCG), only 2% of enterprises can develop continuous innovation activities in the existing organizational structure, existing teams, existing knowledge, and existing resources to achieve commercial success and maintain the leading position in the industry, whether they are in a period of economic stability or not.

Amazon is the best example of a successful use of the flywheel effect. This has made the theory of the flywheel effect a popular subject of study. While more scholars' research has revealed that the inner circle of the flywheel for Amazon's business growth describes the bilateral effect of the network while the outer circle describes the scale effect, the form of the flywheel is only used for presentation. Because Amazon's growth flywheel has been simplified, it has become a structured paradigm of "more supply, lower cost, and better experience (of products or services)," so the differentiated growth models of different enterprises cannot be reflected. This can be used to explain why e-commerce companies that use the same business model as Amazon have not fared well. Perhaps it is because many businesses have only learned the form of Amazon's business growth flywheel rather than the core.

Even though there are very clear steps to building a business growth flywheel, the "Wasabi effect" is the main reason why it can't form a business growth flywheel model that fits its own positioning. The best way to deal with the "Wasabi effect" is to build a structured thinking model. The business growth flywheel model can help companies navigate the industry cycle and changing times, make breakthroughs in tough situations, and always find new growth points for their businesses. Since the outbreak of the epidemic at the beginning of 2020, the crisis has given businesses a chance to think more deeply. In such an environment, it is necessary to consider how businesses can continue to grow along the S curve. The goal of this study is to develop a structured business growth model to guide enterprises as they continue to grow along the S-curve.

This study's contribution is divided into two parts. First, based on the flywheel model, this study develops a corporate growth flywheel model. This study aims to improve on the original method of creating the flywheel of enterprise growth. It proposes that the structured construction of the enterprise growth flywheel model can be divided into three stages, such as identifying realistic problems and resolving customer pain points. Enhancing core competitiveness is the second stage of strategic focus. The third stage generates continuous iterative feedback and, when combined with case studies, validates the method for building the model's universality and operability. Second, this research contributes to the practice of business development management. We validate the corporate growth flywheel model using the Lianjia real estate company as a research case. As a result, the findings of this study can assist businesses in growing by providing them with the necessary analysis of their development stages.

2. Theoretical Background

When you push a giant flywheel as hard as you can, the resistance will make it difficult for you to implement it (Strauss & Corbin, 1997). The initial force input from the static state of the flywheel to rotation is very large, but the harvest is poor. As you continue to push the massive flywheel, you will notice that it will turn faster and faster in the forward direction. Furthermore, even if you don't have any more power to push it, the flywheel will continue to turn forward with unstoppable momentum.

The flywheel effect denotes that each element in a continuous causal chain has a cyclic enhancement relationship. A series of decisions and precise implementation can gather the power and results of the previous action in the enterprise's operation and transformation, gradually promoting the enterprise to be more excellent.

In the book *Flywheel Effect*, the author gives a seven-step plan for making a flywheel. The first step is to make a list of the enterprise's replicable successes. The second step is to compile a list of the company's failures. The third step is to compare the success and failure cases in order to identify the available flywheel components. The fourth step is to draft a flywheel using the discovered flywheel components (4-6). The fifth step is to choose the flywheel components, which cannot number more than six. The sixth step is to double-check the flywheel using the success and failure lists. The flywheel structure is constantly adjusted until the most critical construction is presented. The seventh step is to test the flywheel using the hedgehog theory (the "three links theory").

Although the seven-step approach to building the flywheel appears to be very clear, why can't most businesses continue to grow along the S-curve? In psychology, there is a well-known "Wasabi effect," which is the behavior of generating blind confidence in things you know nothing about. The "Wasabi effect," which is caused by being too sure of yourself, can be solved by using a structured thinking model. The goal of this study is to use a structured business growth flywheel model to help businesses quickly and accurately figure out if their own business growth flywheel model is clear and effective. When the business growth flywheel model appears to have reached its clear growth ceiling, the design of the business growth flywheel model for the next stage is required.

The construction of a structured business growth flywheel model consists primarily of three steps. The first step is to identify the real problem and address customer pain points; however, how do we identify real problems and address customer pain points? To find the essential solution, the enterprise mission and the industry contradiction must be combined. To begin, the enterprise mission is the significance, purpose, and intention of the enterprise's existence, as well as the future direction of struggle for the entire organization. Second, unresolved supply and demand conflicts, as well as unmet customer needs, should be prioritized for industry conflicts. Finally, the enterprise mission is the upper limit of the essential solution, the industry contradiction is the lower limit, and the intersection between the two is the essential solution. The second step is to concentrate on strategy in order to improve core competitiveness. Concerning how to focus on strategy and strengthen core competitiveness, supply and demand linkage and demand scenarios should be combined to find the tenfold growth for a single factor. Following the determination of the demand scenario, a supply and demand linkage combination for the demand scenario should be established, and testing mistakes should be corrected as soon as possible. The true "good seeds" can be found by quickly testing mistakes, investing ten times the resources to form positive feedback, and constantly consolidating core competitiveness. The third step is to create the iterative feedback loop. To realize continuous iterative feedback, the two aspects of the first and second steps should be combined to find positive feedback, forming a business growth flywheel. Figure 1 depicts a structured business growth flywheel.

Logic behind the continuous growth across the s-curve-a method for the structured...

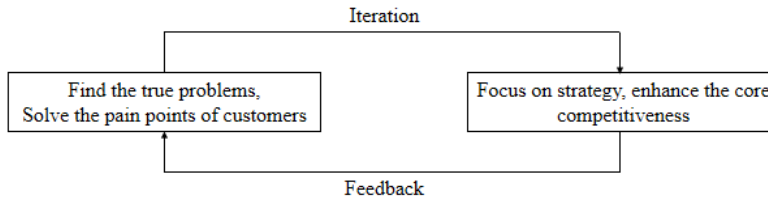


Figure 1. Structured Business Growth Flywheel

3. Methods

The grounded theory research method was developed by two Columbia University scholars, Anselm Strauss and Barney Glaser (Strauss & Corbin, 1997). It is a qualitative research method that employs a systematic procedure to generate and lead to a grounded theory for a phenomenon. The data collection methods used in grounded theory research are traditional qualitative research methods such as participant observation and interviewing, among others. However, grounded theory is a highly "systematic procedure" in the data analysis stage, including a series of scientific steps such as recording, analysis, coding, abstracting, and report writing, of which coding the data step by step is the core part and the most significant part in terms of quantitative characteristics (Charmaz & Thornberg, 2021). This study's grounded theory research process can be divided into four steps: generating research questions, data collection, data processing, and theory construction (Charmaz & Belgrave, 2019).

A single case study is a research method that uses a single case as the research object. By doing a lot of research and analysis on landmark cases, it can get ideas for laws and trends in development from just one case. In this study, the single case study method is used to figure out why Lianjia's three successful transformations worked and to create a business growth flywheel model that works in a VUCA environment. On the basis of this, businesses can continue to grow along the S-curve with a theoretical basis and a practical guide.

In this study, two data collection methods are used: primary data collection and secondary data collection. To get first-hand information, it's most important to talk to people who work for Lianjia Company. This will help you figure out how the company is doing and where it's going. Because of the epidemic, it is not possible to talk to most of the people being interviewed in person. Instead, online video conferences, voice connections, and other methods are used. The interview is conducted in a semi-structured manner with pre-determined interview questions, followed by a free discussion based on the interviewers' responses. Following the completion of the interview, the collected data is analyzed and discussed. The acquisition of second-hand materials is primarily from real estate intermediary industry research reports, company prospectuses, Lianjia Company's website, social media reviews, and so on, in which multiple data points are used to cross-verify the accuracy and reliability of the results.

To analyze and sort the collected data, data coding and classification methods are used. To begin, all collected data is summarized, irrelevant content to this research is removed, and duplicate information is deleted in order to create a general database. The primary data is coded as F, and the secondary data is coded as S, in accordance with the data source. F1-F5 represent the five interviewees, while F6 represents the rest of the first-hand data. Finding the real problem and resolving customer pain

points are coded as R; strategic focus and enhancing core competitiveness are coded as C; and iterative feedback is coded as I. Finally, the unified coding and classification in the database are carried out in accordance with the coding plan. It should be noted that specific criteria were used to select the experts to be interviewed for this study, including (1) the experts' experience in the field. This study chooses experts with extensive experience in the field. For example, they have worked for three different companies throughout their career. (2) The duration of the experts' experience in the field; for this study, experts with more than six years of experience were interviewed.

List of Expert Interviews, as shown in Table 1.

Table 1. Summary of Expert Interview Information

Interviewee No.	Age	Gender	Position	Summary of interview contents
F1	45	Male	Deputy General Manager of Lianjia in Shenzhen	1) What are the pain points of the industry? Will a virtuous circle of business form by solving the pain points of the industry? 2) Where is the core competitiveness of the enterprise in contrast with competitors? Can this core competitiveness support the sustainable development of the enterprise? 3) Is it possible for customer pain points and enterprise core competitiveness to become better in each iteration feedback process?
F2	44	Male	Former General Manager of Lianjia in North China	
F3	27	Male	CEO Office Business Analyst of Lianjia	
F4	47	Female	HR Manager of Lianjia	
F5	37	Female	Trainer of Lianjia Business Training Department	
F6	34	Male	Leader of Lianjia Products	
F7	40	Male	Deputy Manager of Lianjia Customer Empowerment Center	
F8	28	Male	Analyst of Zhongtai Securities Real Estate Group	

4. Results

Compared to developed countries, our country's real estate intermediary industry started up later and has a low threshold and low industry concentration. 70% of small and micro intermediaries completed more than 50% of the market turnover. Because of the fierce competition among real estate agents, they do not share the sources of houses and customers with one another. Meanwhile, most real estate agents lack a solid educational foundation and systematic training.

The real estate intermediary industry has disordered competition because of the non-repeatable game on the upstream and downstream industrial chains, the

Logic behind the continuous growth across the s-curve-a method for the structured... zero-sum game between intermediary peers, and the lack of regulation in the industry. It is a transaction behavior with a high amount and a low frequency for both the buyer and the seller in a second-hand house transaction. Because of this, some intermediary agents often choose to maximize their own interests by buying low and selling high to earn the difference in price and by using fake houses to attract traffic in a single game between intermediary agents and upstream and downstream buyers and sellers. Because both buyers and sellers upstream and downstream are spread out over a large area, intermediary agents have played an important role in matching upstream and downstream information in the sale of a second-hand house. In this process, the upstream seller can use more than one agent at the same time. However, only the agent who finishes the deal gets the commission, so it's a zero-sum game between agents. Table 2 shows the major issues in the real estate agency industry.

Table 2. Data about finding real problems and solving customer pain points

Code source	High-frequency entry	Examples of evidence
S-R1	Mission	Promote the progress of the industry, make housing transactions no longer difficult, and help real estate agents win professional dignity.
S-R2	Domestic trouble and foreign invasion	What the traditional intermediary business model basically earns is commission, which has a single income structure and poor ability to resist policy risks. Under the decline of the industry, it will reach the ceiling, while the number of employees in the intermediary industry is obviously redundant. Due to the ups and downs of the real estate market policy, the fluctuation of the market has always existed. With the fiercer competition of the Internet, the operation risk in the entire intermediary industry has become increasingly large. In the trading industry of real estate, the market share of Lianjia is only 10% though it is the leading enterprise in the industry, and competitors inside and outside the industry are always casting covetous eyes.
F3-R3	Zero-sum game, single game	"The real problem of real estate intermediaries lies in the C end, which is actually a single game. The result is that the short-term benefits are magnified and no one focuses on the long-term benefits. The B end is a zero-sum game, the result is that customers' interests are damaged and the industry efficiency is low".
F4-R4	Low educational background and poor stability	"Half of the real estate agents are graduates from junior college, and few of them are undergraduates, whose tenure is basically not long, since they will change jobs in 1 or 2 years on average."

Code source	High-frequency entry	Examples of evidence
F5-R5	Comprehensive knowledge, insufficient training	"The comprehensive knowledge structure of real estate, finance, law and so on are needed for the development of real estate brokerage business, while it is found that a large number of real estate brokerage enterprises lack systematic and professional knowledge business training and assessment".
F6-R6	No existence of price difference, real house supply and real data	"The three major measures of Lianjia (no existence of price difference, real house supply and real data) have greatly influenced the business data of the current year and the development of the whole industry in the later period. However, a large number of customers were lost, a large number of agents resigned, and the trading volume continued to decline for a long time in that year. From the perspective of nowadays, the early layout has built a high competitive barrier for the development of Lianjia".
F8-R7	Trust crisis, deliberate concealment	In the process of getting along with each other, what people lack most is trust. A large number of real estate agents will hide something from customers before transactions, and guide customers to sign contracts step by step, while it is too late to find problems after customers sign contracts.

Among other things, the real estate intermediary industry is known for its focus on making decisions, its low frequency, and its long delivery cycle. Many people try to get around the traditional real estate agent business by using the Internet to get rid of agents and let buyers and sellers deal directly with each other. However, Lianjia believes that real estate intermediary agents play an indispensable role. Instead, it must define agents as network key nodes. Unlike other traditional businesses, each house in the real estate trading industry is unique due to the wide range of differences. Agents play a critical role in the entire transaction process. The most important components are the quality service provided by agents to customers and the relationship network connected by trust.

While the fake housing supply has been a difficult issue that has hampered the growth of businesses in the real estate intermediary industry, Only the provision of real estate can satisfy customers, and after the realization of customer satisfaction, the transactions of agents can be promoted. Agent transactions are kept in the enterprise for a long time in order to gain experience and grow. Agents with more experience and a better reputation can provide better services. As a result, the original C-end single game becomes a repeated game. Meanwhile, agents from different companies can work together to sell houses and distribute intermediary commissions based on their contributions, transforming the original zero-sum game at the B end into a multi-win game. Table 3 shows Lianjia's core competencies in the real estate agency industry.

Logic behind the continuous growth across the s-curve-a method for the structured...

Table 3. Data about Strategic Focus and Enhancing Core Competitiveness

Code source	High-frequency entry	Examples of evidence
S-C1	ACN	Actually, Agent Cooperate Network is a mechanism that takes apart the process of selling houses, in which each process is the finest particle. After that, the agents will distribute commission in line with their respective roles. In 2017, Beijing Lianjia had 6 agents taking part in each transaction on average, and its human efficiency was almost four times that of the second place in the market.
S-C2	Real estate dictionary	The "real estate dictionary" has contained 80 million sets of real housing information in 36 cities across the country. Coupled with the behavioral data such as taking customers to see the house and transactions, this matched more accurate housing services for customers through analysis.
S-C3	Community stores	For the entry of its business in 28 cities and regions including Beijing, Shanghai, Guangzhou, Shenzhen and so on, Lianjia has more than 8000 direct stores and nearly 150000 agents all over the country.
F1-C4	Service quality, recognition of customer and dignity of agents	"The primary task is to serve the users well. It is hoped that this industry can become standardized, enjoy the dignity and win high recognition of customers, so the progress of the industry can be promoted, the housing transactions will not be so difficult, and the agents can gain dignity."
F2-C5	Sustainable development	"When it comes to agents, what customers think of first is cheating, so the business of Lianjia will not be sustainable if no changes are done."
F5-C6	Platform empowerment	To enhance the professional and standardized operation of the real estate agents of Lianjia, and guarantee the service quality to customers, the strict assessment on agents such as the red and yellow line system, the erudition examination and so on are conducted, the growth system of agents is constantly perfected through the competition in performance, professional knowledge, operating skills and so on.
F6-C7	System and algorithm	The deep understanding of the business is contained in the system and a benefit distribution method acceptable to all participants is found.

It's hard to put a number on the quality of the real estate intermediary industry, but customers will notice if you try to help them. As a result, quality is determined by both the investment of effort and how it is perceived. To be more specific, quality stems primarily from three factors: the quality of goods, services, and people. Good agents are what the real estate intermediary industry relies on, and knowing how to motivate agents effectively is the key. In addition to increasing efficiency, quality can

drive incentives to encourage agents to perform better, creating a virtuous circle. Table 4 shows the core of sustainable development for real estate agencies.

Table 4. Data about Iterative Feedback

Code source	High-frequency entry	Examples of evidence
S-I1	Work period	The average work period of agents in the real estate intermediary industry is 6 or 7 months, while the average work period of Lianjia agents is 30 months
S-I2	Investment of efforts	In addition to remembering the names of hundreds of owners in the community, the agents of Lianjia also remember the names of the owners' dogs. The three major measures taken by Lianjia include (no existence of price difference, real house supply and real data). Due to a large number of resignations that year, Lianjia started recruiting fresh college students, and the proportion of agents with bachelor's degrees recruited by Lianjia increased to 47.7% in 2021.
S-I3	Quality of agents	"The quality of goods mainly means the digitalization, real estate dictionary and so on; the quality of service mainly means the guarantee of service commitment; the quality of people mainly means the professionalism of agents".
F1-I4	Quality of goods, service and people	"Everyone hopes to be motivated, including agents, store managers and city general managers".
F2-I5	Incentive	"The core element to retain talents is not reflected in high salary. The core element to retain talents is that they can get happiness here, and happiness is based on motivation".
F4-I6	Talent retention	"The core management ability of Lianjia lies in finding the core factor that the agent is encouraged. The core factor of this incentive comes from the consumer instead of the company or the boss."
F7-I7	Incentive for consumers	

5. Discussion

The results of the case study have shown that the three-step method for building a business growth flywheel model does work. The case is put together to show how the flywheel model can help a business grow, and it is decided that the first step is to figure out what the real problem is and deal with the pain points of customers. In this case, Lianjia finds out that the biggest problem in the real estate intermediary business is that there is only one game at the C end and a zero-sum game at the B end. This means that real estate intermediary companies and agents only look out for their own short-term interests. The real estate intermediary industry is part of the real estate service industry, and the service industry's essence is quality service. Lianjia's goal is to help the real estate industry grow, make it easier for people to buy and sell homes, and help real estate agents gain professional respect. Concerning

Logic behind the continuous growth across the s-curve-a method for the structured...

how to promote the industry's progress and make housing transactions easier, Lianjia has implemented three major measures (such as no existence of price differences, real house supply, and real data). These measures have an immediate impact on the operation of the enterprise, but their implementation can provide customers with a true sense of service quality, assist enterprises in gaining customer trust, and establish a competitive barrier. The second step is to narrow the strategic focus in order to improve core competitiveness. Because each house is unique in a real estate transaction, the agent is essential throughout the process. What real estate intermediaries earned in the past was money from monopolies on housing supply and information differences, so the main problem brought by this model is the extremely low efficiency of information flow. As the social division of labor becomes more sophisticated, agents of various real estate intermediary companies receive commissions proportionate to their contributions in the selling process, which can improve their service efficiency and enthusiasm. The third step is to create continuous iterative feedback. The improvement of service efficiency can bring about the expansion of customer scale through digitalization (quality of goods), specialization (quality of service), and professionalism (quality of people), as well as the continuous improvement of quality. In an era when agents generally lacked dignity, Lianjia proposed assisting real estate agents in gaining professional dignity, which resulted in customer trust and encouragement through continuous improvement of quality services. Customers are also more willing to show professional respect to the industry and practitioners when they receive quality service. Business Development Figure 2 shows the Lianjia flywheel.

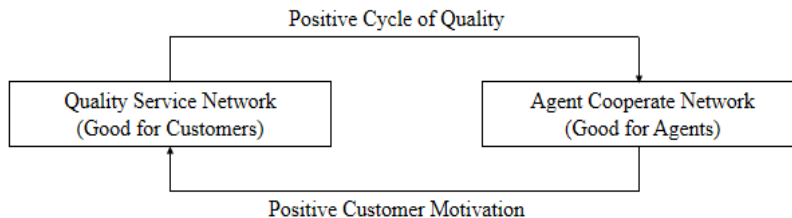


Figure 2. Business Growth Flywheel of Lianjia

5.1. You will never earn the money beyond your cognition

Cognition is the most significant difference between people. Every penny you earn represents the commercialization of your worldview. When there is a cognitive gap between people, they will make completely different decisions, resulting in different outcomes.

Real estate intermediary 1.0 (1999–2004) was the embryonic stage of real estate intermediaries, presenting an extremely chaotic industry phenomenon. The price difference, also known as "earning the price difference," was obtained by inflating the transaction price for buyers while depressing the transaction price for sellers. In response to the industry's chaos, Lianjia launched the sunshine trading model in 2004, which allowed buyers and sellers to meet and sign a tripartite agreement without the presence of a price difference. The real estate intermediary 2.0 era (2005–2011) was a period of rapid development for real estate intermediaries. False housing information, such as an untrue housing source, price, area, house type, pictures, and so on, was used to fraudulently obtain customer information in order to acquire more customers. In response to the industry's chaos, Lianjia launched the real house supply action in 2011, which established the first payment system in the

China Consumers Association. Real estate intermediaries reached maturity during the Real Estate Intermediary 3.0 era (2012–2018). The development of real estate intermediaries in China has lasted more than 20 years, and the resources developed in the core region have largely been depleted, presenting the process of transition from the incremental market to the stock market. The fiercer competition for business in the industry has been caused by the increasing scarcity of second-hand housing resources and the low threshold for real estate intermediaries at the same time. In order to standardize the mechanism of dividing the commission, Lianjia launched ACN in 2014 to refine the service chain of the entire real estate intermediary, which then divided the commission in line with the contribution rate of agents in each link.

5.2. The thinking method of the first principles

"The person who takes half a minute to see through the essence of things is doomed to have a different fate than the person who takes a lifetime to see the essence," says a classic line from the classic film *The Godfather*. (Mutahi et al., 2022) Aristotle, the ancient Greek philosopher, stated 2300 years ago that "the first principles exist in the exploration of every system, which is the most basic proposition or hypothesis, and cannot be omitted, deleted, or violated." Euclid defined the most fundamental propositions or assumptions as axioms or postulates, from which he deduced 467 propositions through 23 definitions, 5 axioms, and 5 postulates, as well as European plane geometry (Gefen & Weissbrod, 2021).

The first principles were first applied to the field of computational physics, and they refer to the ab initio calculation without any parameters, which only requires some basic physical constants to obtain the basic properties of the system's ground state (Patfield et al., 2022). This concept was then gradually introduced into the commercial field. Furthermore, with the successful subversive innovation of Elon Reeve Musk, known as the Iron Man of Silicon Valley, the first principles became the hot word of the year once more. According to Elon Reeve Musk, small iterations can be brought out at most instead of subversive innovation if we frequently compare what predecessors have done or are doing. To realize subversive innovation, the first principles must be applied, i.e., it is necessary to go back to the beginning of things in order to think.

The real estate intermediary industry is important in the real estate industry, which refers to the broad term for providing comprehensive services such as consultation, brokerage, and evaluation during the development and sale of real estate (Matidza et al., 2020). The real estate intermediary can be divided into two categories: the new housing intermediary and the used housing intermediary. The two most common types of new housing intermediary business are agency and distribution, whereas second-hand housing intermediary business includes second-hand housing trading and leasing. The core essence lies in being good for customers, whether for a new or used housing intermediary, and the way to be good for customers varies over time. For example, in the 1.0 era of real estate intermediaries, being honest and not allowing price differences is a good way to be good for customers. In the age of real estate intermediary 2.0, customers should prioritize integrity and real estate supply (Pleyers & Poncin, 2020).

5.3. Don't consume strategic resources at non-strategic chance points

Clausewitz, the author of *The Theory of War*, believes that all available forces should be concentrated at the main attack sites in order to win the war (Yared,

Logic behind the continuous growth across the s-curve-a method for the structured... (2010). Other non-main attack sites can be sacrificed if necessary to ensure the main attack sites' victory.

The essence of strategy is the decision of what to do or not do, which is also the first step in strategic planning and implementation, where the decision of what not to do is more important. The second step in strategic planning and implementation is strategic focus. Following the strategic decision, it is necessary to concentrate all of the enterprise's resources and capabilities in order to form its core competitiveness (Beyerchen, 1992).

The era of real estate intermediary 3.0 has heightened the industry's fierce competition. When real estate disintermediation became the norm, Lianjia devoted all of its resources to the good side of agents. Service efficiency can be improved by continuously improving the quality of goods, services, and people. Quality service can bring positive feedback from customers, allowing real estate agents to provide better service (Agarwal et al., 2019).

In this study, the structured business growth flywheel model is further supported by research into the reasons behind three successful business changes made by top real estate intermediary firms. The original flywheel effect theory is added to and improved to make a structured business growth flywheel model that can help enterprises evaluate and change their own business growth models. Meanwhile, it hopes to provide some reference to businesses that are crossing or will cross the S-curve for continuous growth (Starr et al., 2021).

Scholars haven't paid much attention to the flywheel effect theory, according to research that has been done in the past. The study of the business growth flywheel model in the VUCA environment is still a new field that needs to be explored. The goal of building a structured business growth flywheel model is to strengthen the core competitiveness of the business over time. The business growth flywheel is linked to the company's long-term development to form compound interest.

6. Conclusions

Using the relevant theory and research of the flywheel effect as a foundation, this study uses real estate intermediary Lianjia as a case study. Expert interviews and literature collections are carried out in order to construct the business growth flywheel model in a structured manner. In the context of the VUCA era, the structured business growth flywheel model can be more effectively used to formulate enterprise competitive strategies. According to the empirical analysis results of the Lianjia case, the structured business growth flywheel model can guide enterprises to achieve sustainable growth across the S-curve.

This study's theoretical contribution is to broaden the application area of the flywheel effect by clarifying it through a case study of the real estate agency Lian Jia. The case of Lian Jia demonstrates that it takes a lot of effort to get the company's "wheels" turning in the early stages. All is well, however, when the company's operations enter the fast lane of smooth growth. Furthermore, this research extends the flywheel effect and develops a flywheel model of corporate development, which provides theoretical references for future research in related fields.

The combination of the case study method and qualitative research is used as the basis for verifying the business growth flywheel model due to the limitations of the objective conditions and the length of the research. Because of the small sample size, the industries and businesses involved in this case are unique, which may lead to the situation of taking the part for the whole. Subjective factors may influence

interviewees to provide false data. The study's limitation is that subsequent data analysis may result in a lack of credibility. However, it is unavoidable to leave out some variables that are difficult to measure and predict when developing a structured business growth flywheel model. At the same time, the factors of individual differences for enterprises may have omissions, which is also the model's future improvement room.

When it comes to the future of business growth flywheel model research, more scholars will need to apply the model to companies with different backgrounds to show that it can be used in any situation. The model should be further modified and optimized as the environment changes. Furthermore, further optimization and improvement of the model's elements can be realized based on future research findings or emerging theories.

Author Contributions: Conceptualization, B.D.; methodology, B.D.; validation, B.D.; formal analysis, B.D.; investigation, B.D.; resources, B.D.; writing—original draft preparation, B.D.; writing—review and editing, B.D.; visualization, B.D.; supervision, B.D.; The author has read and agreed to the published version of the manuscript.

Funding: This research received no external funding.

Data Availability Statement: The data used to support the findings of this study are included within the article.

Conflicts of Interest: The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

References

- Agarwal, S., He, J., Sing, T. F., & Song, C. (2019). Do real estate agents have information advantages in housing markets? *Journal of Financial Economics*, 134(3), 715–735.
- Beyerchen, A. (1992). Clausewitz, nonlinearity, and the unpredictability of war. *International Security*, 17(3), 59–90.
- Charmaz, K., & Belgrave, L. L. (2019). Thinking about data with grounded theory. *Qualitative Inquiry*, 25(8), 743–753.
- Charmaz, K., & Thornberg, R. (2021). The pursuit of quality in grounded theory. *Qualitative Research in Psychology*, 18(3), 305–327.
- Gefen, R., & Weissbrod, R. (2021). Collaborative self-translation in the screenplays of *The Godfather* trilogy. *Journal of Screenwriting*, 12(1), 39–54.
- Matidza, I., Ping, T., & Nyasulu, C. (2020). Use of digital marketing in estate agency industry in Malawi. *E-Learning and Digital Media*, 17(3), 253–270.
- Mutahi, N., Micheni, M., & Lake, M. (2022). The godfather provides: Enduring corruption and organizational hierarchy in the Kenyan police service. *Governance*.
- Patfield, S., Gore, J., & Weaver, N. (2022). On 'being first': The case for first-generation status in Australian higher education equity policy. *The Australian Educational Researcher*, 49(1), 23–41.

Logic behind the continuous growth across the s-curve-a method for the structured...

Pleyers, G., & Poncin, I. (2020). Non-immersive virtual reality technologies in real estate: How customer experience drives attitudes toward properties and the service provider. *Journal of Retailing and Consumer Services*, 57, 102175.

Starr, C. W., Saginor, J., & Worzala, E. (2021). The rise of PropTech: Emerging industrial technologies and their impact on real estate. *Journal of Property Investment & Finance*, 39(2), 157–169.

Strauss, A., & Corbin, J. M. (1997). *Grounded theory in practice*. Thousand Oaks, CA: Sage.

Yared, P. (2010). A dynamic theory of war and peace. *Journal of Economic Theory*, 145(5), 1921–1950.



© 2023 by the authors. Submitted for possible open access publication under the terms and conditions of the Creative Commons Attribution (CC BY) license (<http://creativecommons.org/licenses/by/4.0/>).