

The €200M Leap: Lessons in Scaling, Strategy, and Staying Relevant

- 1 Introduction
- 2 Key facts of Huutokaupat.com
- 3 Scaling: Business model pivot
- 4 Strategy: Navigating growth, complexity and competition
- 5 Staying Relevant: Evolution, not preservation
- 6 Takeaways





Santtu Poutanen

- 18 years of experience in marketplace business
- Member of BoD, ICMA, 2011-2013
- CEO, Huutokaupat.com since 2016
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Huutokaupat.com is Finland's #1 online auction site, a truly engaging marketplace that attracts visitors and users to fast-paced and exciting auctions with the largest selection of goods.



Huutokaupat.com is Finland's largest and most well-known auction services company



Cars, motor vehicles and transport equipment - Finland's largest car auction with 50,000 vehicles sold per year



Machines and equipment - Finland's largest machine auction with 10,000 machines sold per year



Real estate, apartments, land plots - The only service in Finland that auctions hundreds of properties a year with a purchase price from thousands of euros up to more than million euros



Other valuables - Tools, furniture, jewelry, watches, boards, IT equipment, lots of goods, etc.



Kompakti Komator LG100D 1.0T minikaivinkone kumiteilla, pikaliittimellä ja kolmella kauhall...

Trading Outlet ilmoittaa, Huutokaupat.com myy
5 975 € 1t 27 min
166 tarjousta Aikaa jäljellä



Saab 9-3, 2009, Kuopio



Ulosmittattu kiinteistö Saimaan rannalla / Utmätt fastighet i St Michel (HUOM! Lisäetty kuvia...

Ulosottolaitos, Etelä-Savon toimipaikat myy
205 900 € 1 pv 21 t
374 tarjousta Aikaa jäljellä

600,000
Registered and
verified users

1,1 million
Unique site visits per
month

1+ million
Bids per month
make

7:36 min
Avg. time spent on
the site

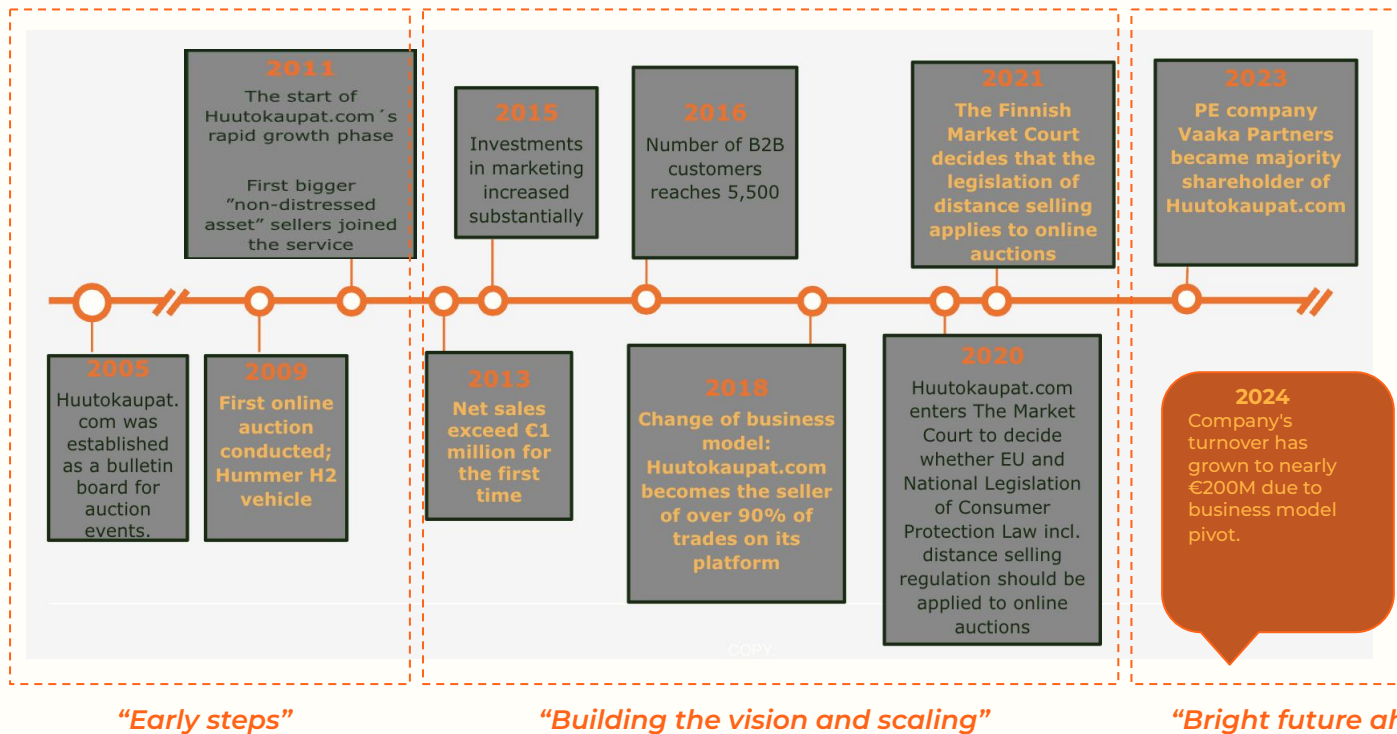
~ €200 million
Company's turnover

€29+5.9%
Standard provision
per auction

€500 million
Value of all listings

300,000
Total auctions in
2024

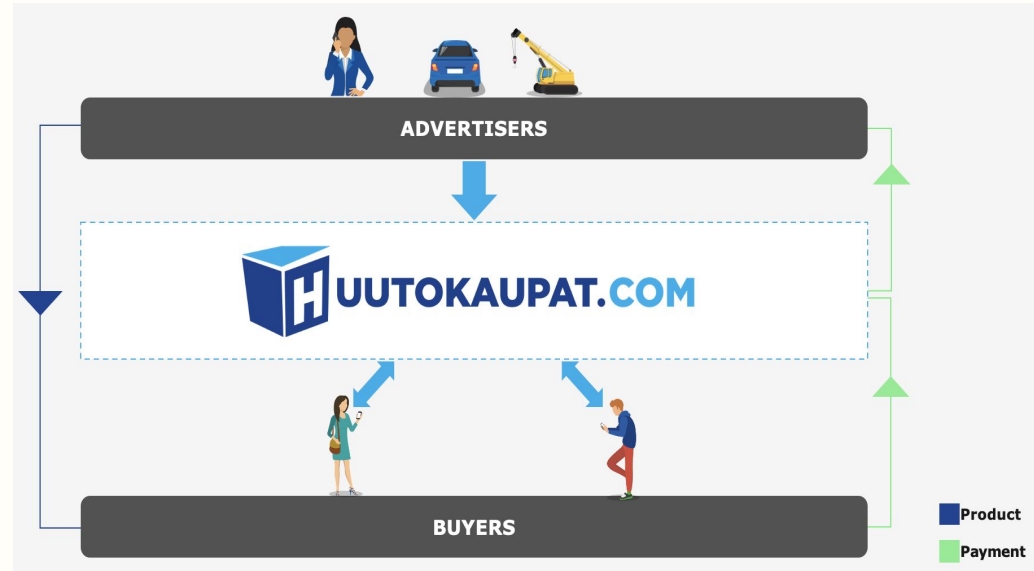
The €200M Leap is a development journey of customer-centered business model



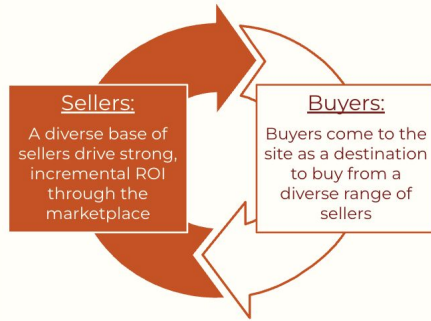
The transaction model ensures safe and swift transfer of funds and goods - value added for both parties

Our unique business model takes care of everything and creates value:

- ✓ Ad-placement is easy and supported if needed - each ad cost
- ✓ We do marketing on behalf of the advertiser - no display ads on the site
- ✓ We handle sales process and transactions
- ✓ Business processes, sales documentation and receipts are automated as well as vehicle registration
- ✓ As a seller we manage all after sales processes - transparent, reliable and safe trading guaranteed!



Staying relevant is boosting network effects - grow both supply and demand while ensuring the platform remains efficient, trustworthy, and valuable to users



Key value proposition for buyers?

- ✓ Highly engaging content
- ✓ Transparent, safe and reliable trading
- ✓ Excellent user experience

Buyer types



Do-It-Yourself

- Huutokaupat.com's most common user is the do-it-yourself type of a person, often a middle-aged man
- This person enjoys spending his free time building and repairing



Car and vehicle enthusiasts

- This person likes classic, well kept cars and other vehicles. Bidding is part of the excitement, and value is not an issue when it comes to purchases



Professional contractors

- This person seeks machines, tools and other equipment that can be used for different construction and renovating jobs
- This person looks for great deals on expensive equipment



Deal seekers

- This person seeks affordable products for various uses
- They see value in used products and often feel they get more for their money purchasing products in auctions rather than from retailers

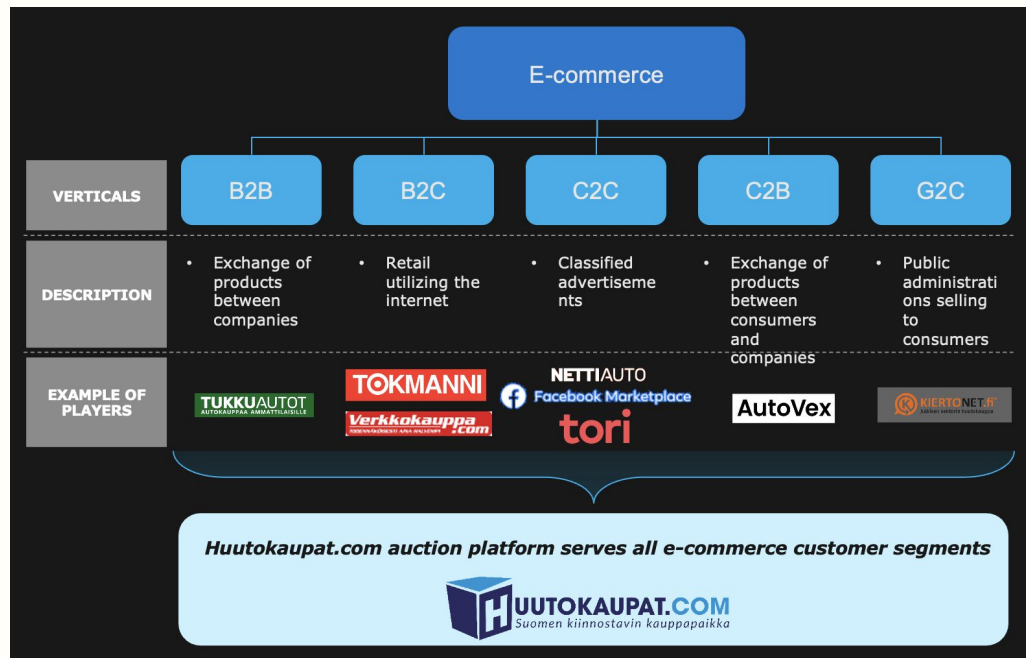
Staying relevant: the platform serves all ecommerce verticals, thus network effects are bigger



Key value proposition for advertisers?

- ✓ Turnkey solution for online selling
- ✓ Fast and efficient marketplace - average sales time 7 days
- ✓ Easy to sell any valuable asset to wide audience

Online auctions as a part of the e-commerce market



Takeaways #1

Build a growth-oriented work community and culture



Takeaways #2

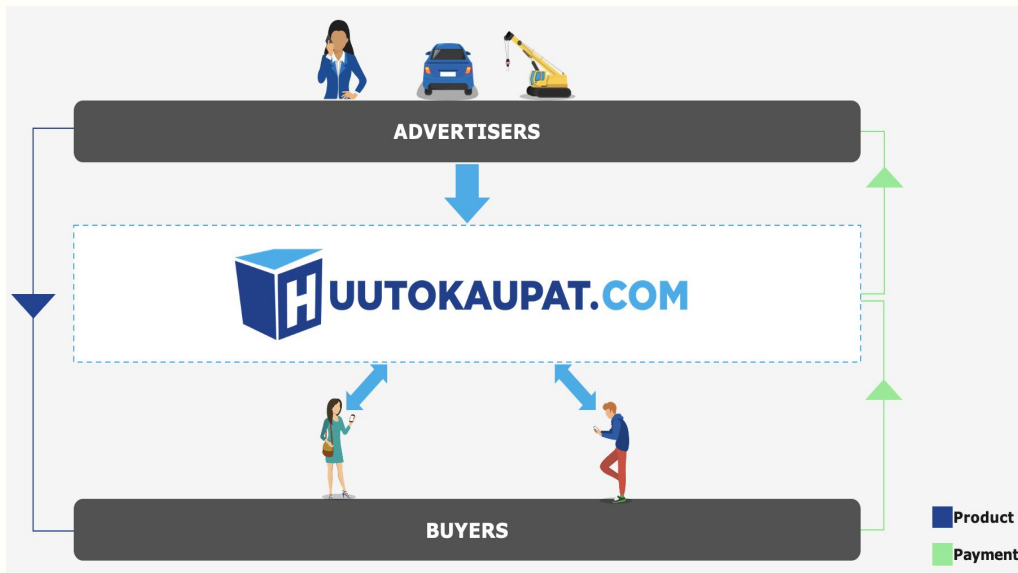
How to enable discovery?

How to make it easier, faster and more reliable to complete transactions?

How to build trust and
unfair competitive
advantage?

We act as marketplace and
seller which enables
transaction-based pricing
and much more.

Our approach was different
than market was offering
when business model was
pivoted in 2018.



Takeaways #3

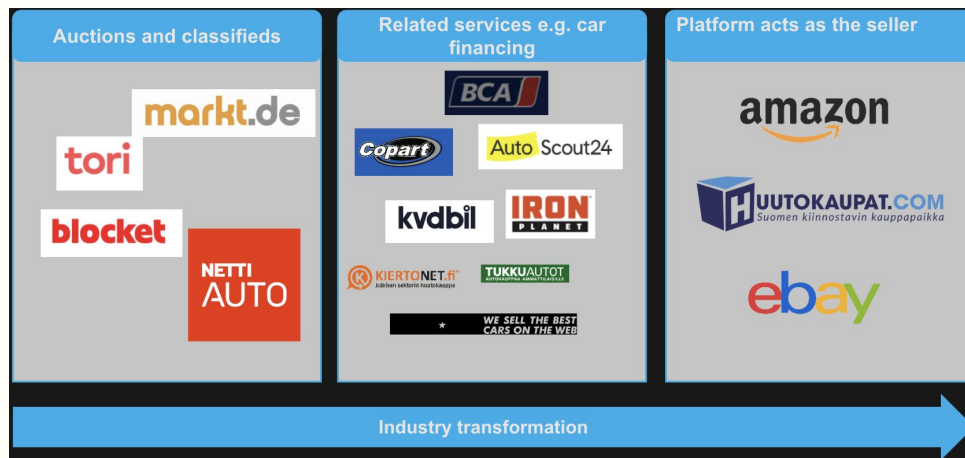
Indeed, all the most successful marketplaces create substantial financial opportunities for their sellers. On Amazon 18% of third-party sellers make more than \$10,000 a month in sales, and more than 30% of small- and medium-size businesses have achieved lifetime profits above \$50,000.

Andrei Hagiu
Associate professor,
Questrom School
of Business

Julian Wright
Professor,
National University
of Singapore

Harvard Business Review
July–August 2024

The market is moving towards transactions



Our goal is to accelerate network effects that platform creates

1 *a seamless, modern, and personalized online marketplace*



2 *focused on vehicles and machinery segments*



3 *a market leading auction platform with relevant value-added services*



4 *connecting domestic and international buyers and sellers*

