**Wonderbly: Sensing, Seizing, and Transforming an International Entrepreneurial Opportunity**

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**Teaching Note[[1]](#footnote-1)**

**Introduction/Background**

Wonderbly is an award-winning startup with the aim of creating individually tailored books utilizing content and technology developed in-house to customize a storyline with a reader’s name and other details in an engaging way. The founders of Wonderbly were able to sense and seize an opportunity to develop their product, as well as transform that opportunity in order to scale into more than 150 countries worldwide. Though Wonderbly has faced some cultural challenges in expanding into certain markets like China, the company’s technical innovation and its many valuable industry partnerships continue to bring the company success.

The Wonderbly case closely mirrors the organization and coverage of Chapter 3 of the book. I (the case author) have used the case to highlight and discuss the following:

* Discuss the differences and overlap between discovered vs. created opportunities (i.e., Is Lost My Name/Wonderbly a discovered or created opportunity?)
* The process by which entrepreneurs sense, seize, and transform international entrepreneurial opportunities and the role that imagination plays in this regard?
* How the founders of Wonderbly applied causation, effectuation, or both?
* Where in the case did you find applications of the various principles of effectuation?

Both the instructor and students may find it useful to use the Wonderbly website and become more familiar with the company’s product offerings.

**Discussion Questions & Answers**

* How did the founders of Wonderbly sense an opportunity and come up with their spirited start-up idea?
  + Founder, Asi Sharabi, felt that the current children’s books on the market that offered customization with a child’s name were “too gimmicky and commercial” without incorporating engaging content or leveraging the use of technology to enhance the reading experience.
  + Sharabi and the other three founders, creative writer David Cadji-Newby, illustrator Pedro Serapicos, and technologist Tal Oron, started a pilot project to exploit this gap in the market and create a children’s book using advanced technologies to provide high-quality content that resonates with and captures the attention of children and parents/readers.
* How did the founders of Wonderbly seize the opportunity by developing a captivating picture book that became an international business seller?
  + To ensure that Wonderbly’s books are filled with individually tailored excitement and adventure from beginning to end, the company focused on creating their own content and developing their technology in-house.
  + The founders pitched on Dragon’s Den to gain exposure and the possibility for outside investments, which was incredibly successful in terms of “word-of-mouth” endorsements and venture capital interest.
  + This accomplishment captured the attention of large investors and helped the company reach a broader global audience of consumers.
* How did they transform the opportunity, build a successful international entrepreneurial venture, and scale up the company?
  + The company chose a high-profile artistic community in London for its headquarters.
  + It also rebranded from “Lost My Name” to Wonderbly to show potential consumers and partners that the company had (and was continuing to create) various new books in the same individualized style, aside from their initial, popular work, “Little boy/girl who lost his/her name.”
  + Wonderbly also partnered with strong business interests, such as Project A Ventures, Ravensburger, and the Roald Dahl Estate to gain a larger following and garner sales in new markets. These key partnerships, along with the launch of Wonderbly Studios and its partnerships with Wizarding World Digital and Faber & Faber, provided the opportunity to successfully scale the business internationally.
  + Entering the Chinese market through its partnership with Phoenix Publishing and Media Group was another significant step in branching into markets that pose cultural challenges in the educational space.
  + The acquisition of Wonderbly by Graphite Capital in 2021 provided the company with increased financial resources, brand management expertise, and connections to other global education companies that have helped Wonderbly gain success in markets in over 150 countries.
* What new opportunities and challenges will Wonderbly be likely to face as it enters a new chapter in its journey as a scaled-up international entrepreneurial company?
  + Wonderbly may face continued cultural challenges when scaling into countries that differ in how they raise and educate children, such as those in Asian markets like China.
  + The company may also face increased concerns surrounding data privacy as many countries and individual states introduce or enhance consumer privacy laws and regulations.
  + As with other acquisitions of smaller ventures by larger firms (including by private equity company), the jury is still out how Graphite’s acquisition of Wonderbly will impact the latter’s business in the future.
* How can the company build on past successes and continue to develop “impossibly wonderful” books?
  + Wonderbly should continue to develop partnerships with well-known brands in the creative sphere and further cater to markets outside the children’s educational space to broaden their exposure.
  + Wonderbly should also continue the development of its technological story-telling expertise to increase what it can offer for its own brand and the API it markets to other companies.
  + Staying attuned to new developments in children’s education, holiday/event gifting, and other markets can ensure the company takes advantage of new opportunities for expansion.
* How can Wonderbly exploit its technological and creative expertise to help new partners develop personalized books and related offerings?
  + Wonderbly’s commercialization of its API and content creation services was key in scaling the business.
  + Continued development of content outside the children’s educational and gifting markets could allow Wonderbly to promote its products and services to a wider range of potential partners.
  + Hiring creators with experience in various fields could help the company cater to new investments.
* How can Wonderbly leverage technology to create new and exciting books and broaden the distribution of its products?
  + Wonderbly could leverage the increasing abilities of Artificial Intelligence (AI) to generate ideas for new titles and discover new markets worth pursuing. Writers can utilize it for content creation, illustrators can use it for image generation, and executives can leverage AI to take advantage of market trends.
  + Wonderbly could also potentially expand its customer base by allowing payment in cryptocurrency.
* How can Wonderbly expand its product footprint in markets that are more challenging and culturally distant like China?
  + It was intuitive for the founders of Wonderbly to pause and take stock of the company’s current strengths and weaknesses prior to its initial move into the Chinese market. They took the time to develop a quality partnership with Phoenix Publishing Media Group, which allowed them to effectively upscale the business in a market that might normally be difficult to reach for non-Chinese businesses.
  + Wonderbly could use similar restraint and advanced planning before entering other markets that pose similar cultural challenges. High-quality translations that take cultural context into consideration will be important to maintaining international rapport.

**Summary/Conclusion & Suggested References as Updates to the Case**

Wonderbly continues to have global success. The company has now published over 70 stories in 12 different languages across 40 countries. Wonderbly’s 10th anniversary is in September, and it has new marketing efforts devoted to its new mission of bringing “the amazing power of personalized stories to readers of all ages” (https://v3.wonderbly.com). In 2022, Wonderbly acquired one of its main competitors, The Book of Everyone, in order to extend its market reach (https://www.thebookseller.com). Despite the growth in the personalized book market, Wonderbly’s research shows that children are still not seeing the representation they desire in books, and the company continues to pursue added diversity in its new titles (https://www.itsnicethat.com). With Wonderbly offering more books for various ages and occasions than ever before, it will be interesting to observe how the company will expand next.

<https://v3.wonderbly.com/pages/our-story>

<https://www.thebookseller.com/news/wonderbly-acquires-the-book-of-everyone-to-develop-a-broader-range-of-personalised-books>

<https://kidscreen.com/2022/07/29/wonderbly-acquires-the-book-of-everyone/>

<https://www.itsnicethat.com/news/wonderbly-kids-representation-research-creative-industry-141122>

1. This Teaching Note was prepared by Manuel G. Serapio and Research Assistant Hannah Mikitowicz (Master of Science in International Business Candidate at the Business School and Research Assistant at the Institute for International Business, University of Colorado Denver). [↑](#footnote-ref-1)