



Prozis From Garage Startup to Industry 4.0 Powerhouse

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Abstract

This report examines Prozis as a uniquely instructive case study in Industry 4.0 vertical integration and rapid international scalability. Unlike conventional sports nutrition brands that rely on contract manufacturing and third-party logistics, Prozis has built what industry observers describe as a "4.0 vertical process", controlling every element of its value chain from raw material sourcing and product formulation through manufacturing, packaging, software development, marketing, and direct-to-consumer distribution. This model challenges traditional assumptions about the boundaries of the firm articulated in transaction cost economics (Williamson, 1985) and represents an innovative application of smart manufacturing principles to the consumer goods sector.

The justification for examining Prozis lies in its demonstration that Portuguese firms can compete globally through technological integration rather than merely low-cost labor arbitrage.

I. Introduction

Prozis represents one of Europe's most compelling entrepreneurial success stories of the 21st century. What began as a solo venture in a small garage in Esposende, Portugal in 2007 has evolved into a vertically integrated manufacturing and e-commerce powerhouse generating approximately €200 million in annual revenue and exporting to more than 100 countries worldwide (ECO, 2024). The company's founder, Miguel Milhão, transformed a €25,000 investment into an enterprise employing over 1,500 workers across 12 factories in Northern Portugal, with a thirteenth facility under construction in South Carolina representing a €20 million bet on the American market (Essential Business, 2024).

The company's trajectory also illuminates the tensions between founder-centric leadership models and sustainable institutional growth, tensions that have manifested in highly publicized controversies surrounding Milhão's public statements since 2022.

The objectives of this analysis are threefold. First, the report examines Prozis through established management and organizational concepts, including Porter's (1980, 1985) generic strategies, transaction cost economics (Coase, 1937; Williamson, 1985), and transformational leadership theory (Bass, 1985; Burns, 1978). Second, it focuses specifically on the strategic pivot that transformed Prozis from an online reseller of third-party brands into an integrated manufacturer, a decision that fundamentally altered the company's competitive position and eliminated dependency on external suppliers. Third, it assesses the structural organization, leadership style, and associated risks that accompany Prozis into its next phase of international expansion.

II. The Company

2.1 History and Origins

The Prozis origin story embodies classic entrepreneurial mythology, a young founder, personal adversity, limited capital, and an insight born from direct experience with market failure. Eduardo Miguel Airosa Milhão was born in Braga, Portugal in 1983. A competitive swimmer during his youth, Milhão's athletic career was cut short by injury, but this setback introduced him to the nascent world of sports nutrition supplements (Visão, 2022). At the time, Portuguese consumers seeking quality protein powders and performance supplements faced a frustrating choice between expensive imported products and an underdeveloped domestic market. A two-kilogram container of whey protein that sold for €30 in mature markets like the United States or United Kingdom might cost €80 or more in Portugal after import duties and retail markups (Sports Nerd, 2024).

Milhão recognized this arbitrage opportunity. In 2007, at age 23, he sold the car his father had given him, raising approximately €25,000 in startup capital. Operating from his parents' garage in Esposende, a small town in Portugal's Braga district, he launched an e-commerce platform to import and resell established international sports



nutrition brands at competitive prices (*Jornal Económico, 2022*). The venture's early success owed much to a critical partnership: Jorge Costa e Silva, owner of the software company McWin, provided the technical expertise necessary to build a robust digital commerce infrastructure. This collaboration between entrepreneurial vision and technological capability would prove foundational to Prozis's differentiated business model.

The company's first phase (2007-2012) focused on growth as an online retailer. By 2014, revenues had reached €47 million, with more than 800,000 customers across 100 markets (*Wikipedia, 2024*). However, this success exposed structural vulnerabilities inherent to the reseller model. Prozis remained dependent on third-party suppliers for product availability, pricing, and quality consistency. Margins were constrained by wholesale costs, and the company had limited ability to differentiate beyond price and customer service.

The strategic pivot that transformed Prozis occurred during the mid-2010s. Rather than continuing as a distribution intermediary, Milhão committed to backward vertical integration, bringing manufacturing in-house and developing proprietary product lines. This decision required substantial capital investment and operational capability-building, but it aligned with transaction cost economics principles suggesting that firms should internalize activities when asset specificity is high and market transactions are costly (*Williamson, 1985*). For Prozis, the "asset" in question was brand equity and customer relationships; by controlling production, the company could protect these intangible assets while capturing manufacturing margins previously flowing to suppliers.

By 2016, the transformation was substantially complete. Prozis had established multiple manufacturing facilities in Northern Portugal, recruited formulation scientists and quality control specialists, and begun selling "almost exclusively its own products, designed and manufactured in its own factories" (*Sports Nerd, 2024*). Revenue reached €60 million that year, with 90% derived from exports, a remarkable internationalization trajectory for a company barely a decade old.

2.2 Current Position

Today, Prozis operates as a fully integrated lifestyle brand spanning sports nutrition, functional foods, activewear, technology gadgets, and cosmetics. The company's headquarters are located in the Prozis Park complex in Maia, near Porto, which houses research and development facilities,

administrative functions, and distribution operations. A €15 million investment established the Prozis Tech R&D center at this site in 2018, signaling the company's commitment to product innovation and technological capability (*Jornal de Negócios, 2018*).

Manufacturing operations are concentrated in Northern Portugal, with six factories in Póvoa de Lanhoso alone covering powdered supplements, frozen meals, cereals, baked goods, and nut-based products. Additional facilities in Guimarães, Braga, Maia, and Vila Nova de Famalicão handle specialized production including sports apparel (Prozis Seamless), ice cream, sauces, syrups, and even labeling, the company produces all product labels internally rather than outsourcing this function (*Essential Business, 2023*). The most recent Portuguese facility, opened in 2023, manufactures socks at a site in Vila Nova de Famalicão with a targeted €10 million annual turnover (*Essential Business, 2023*).

The current workforce comprises approximately 1,500 employees, up from 230 in 2015, with projections suggesting growth to 2,000 by the end of 2025 (*Crunchbase, 2025*). This expansion reflects both manufacturing scale-up and the company's insistence on controlling traditionally outsourced functions such as photography, video production, software development, and customer service.

Financially, Prozis has demonstrated consistent growth while remaining privately held without external venture capital investment. Revenue reached approximately €190-200 million in 2024, representing roughly 30% growth from the €160 million recorded in 2023 (*ECO, 2024; Jornal de Negócios, 2024*). Milhão has publicly stated profits of €11 million, and industry estimates suggest an EBITDA margin approaching 29%, exceptional for consumer goods manufacturing (*Crunchbase, 2025*). The company's financial structure relies on bank debt rather than equity dilution, consistent with Milhão's stated philosophy of maintaining absolute control.

The product portfolio has expanded dramatically from its sports nutrition origins. Prozis now offers more than 4,000 stock-keeping units across seven major categories: sports nutrition (proteins, amino acids, creatine, pre-workouts), functional foods (low-calorie sauces, protein snacks, nut butters, ready meals), health supplements (vitamins, minerals, collagen), activewear and apparel, technology products (smartwatches under the Ubiq brand, smart scales, kitchen gadgets), accessories (shakers, gym equipment), and cosmetics (*MyProsAndCons, 2024*). This diversification positions Prozis as what one analyst termed a "fitness



supermarket", a one-stop ecosystem for health-conscious consumers.

Geographically, Italy has emerged as Prozis's largest single market, accounting for approximately 24% of e-commerce revenues according to industry database *ECDB (2024)*. Portugal, Spain, and France round out the primary markets, though the company ships to more than 100

countries. Notably, 85-90% of revenue derives from exports, making Prozis one of Portugal's most internationally oriented consumer brands. Distribution infrastructure includes seven fulfillment centers worldwide, enabling the 24-hour delivery across Europe that has become central to customer value proposition.

III. SWOT Analysis



Figure 1. Summary of Key Strengths, Weaknesses, Opportunities, and Threats facing Prozis in the current market landscape

Strategic analysis of Prozis requires moving beyond simple categorical listing to examine the dynamic interplay between internal capabilities and external environmental factors. The SWOT framework, originally developed at Harvard Business School (*Learned et al., 1969*), provides scaffolding for this assessment, though contemporary scholarship emphasizes the importance of analyzing interactions between quadrants rather than treating them as independent categories (*Ghazinoory et al., 2011*).

3.1. Internal Assessment: Strengths and Weaknesses

The company's foundational strength lies in its comprehensive vertical integration. By controlling formulation, manufacturing, packaging, logistics, software, and distribution, Prozis eliminates transaction costs associated with supplier negotiations, quality monitoring, and coordination failures. *Williamson (1985)* theorized that firms should integrate when asset specificity is high, and in Prozis's case, proprietary formulations,

manufacturing processes, and brand reputation all represent specific assets that would be difficult to protect through arm's-length contracts. This integration delivers tangible competitive advantages: faster product development cycles (reportedly averaging 14 new products daily), quality consistency across thousands of SKUs, and margin capture at every value chain stage.

The direct-to-consumer model constitutes a second critical strength. By selling exclusively through its own e-commerce platform, Prozis avoids retailer markups typically consuming 50-100% of wholesale cost while maintaining direct customer relationships that generate valuable behavioral data. Academic research on D2C models indicates such companies can achieve up to 55% better performance on factors influencing shareholder returns compared to traditional retail-dependent competitors (*McKinsey, 2023*). Prozis's 3.5-4.0% conversion rate suggests effective digital execution.

Third, the company's innovation and R&D investment differentiates it from pure manufacturing



competitors. The €15 million Prozis Tech center employs scientists and engineers developing new formulations and incorporating premium ingredients such as Creapure® creatine monohydrate and Peptan® collagen peptides. This capability enables Prozis to respond rapidly to consumer trends, plant-based proteins, clean-label products, functional foods, rather than simply copying competitor offerings.

However, these strengths generate corresponding weaknesses. Operational complexity escalates dramatically when a single organization manages 4,000+ product SKUs across twelve manufacturing facilities and seven distribution centers. Coordination costs, quality control challenges, and inventory management burdens multiply with scope. Transaction cost economics acknowledges this tension: while vertical integration eliminates external transaction costs, it substitutes internal coordination costs that can become equally burdensome (*Williamson, 1985*).

Digital channel dependency represents another vulnerability. With approximately 90% of revenues flowing through e-commerce, Prozis lacks the diversified distribution that insulates traditional consumer goods companies from platform disruptions, algorithm changes, or shifts in digital advertising costs. The company has no meaningful brick-and-mortar retail presence, leaving it exposed to concentrated channel risk.

Finally, the reputational exposure tied to its founder represents an unusual weakness for a company of Prozis's scale. Miguel Milhão's public persona is inseparable from the brand, official company materials use first-person narrative voice, and the "Our Promise" section of the corporate website references "a crazy guy in a garage" who "thinks he can change the world" (*Prozis, 2024*). This brand architecture amplifies founder charisma during growth phases but creates vulnerability when that founder becomes controversial, as occurred dramatically in 2022.

3.2. External Assessment: Opportunities and Threats

The external environment presents substantial opportunities for Prozis's continued expansion. US market entry represents the most significant near-term opportunity. The €20 million South Carolina factory, scheduled for completion by late 2025, will enable local production of functional snacks and breakfast cereals with projected annual revenues of \$20-40 million (*Essential Business, 2024*). North America accounts for 37-48% of the global sports nutrition market, a market valued

between \$45-66 billion in 2024 and projected to reach \$95-140 billion by 2033 (*Grand View Research, 2024; Precedence Research, 2024*). Local manufacturing addresses both logistics costs and "made in America" consumer preferences while positioning Prozis closer to the world's largest concentration of fitness enthusiasts.

Broader wellness and lifestyle trends create tailwinds for Prozis's ecosystem strategy. The global sports participation base is expected to increase by one billion individuals by 2025, reaching 3.5 billion people engaged in regular physical activity (*Sports Success Universe, 2024*). Post-pandemic gym membership has recovered, with approximately 12% growth in 2022 alone. Critically, sports nutrition consumption is expanding beyond traditional athletes to general wellness consumers, a shift that validates Prozis's diversification into functional foods, ready meals, and lifestyle apparel rather than focusing narrowly on bodybuilding supplements.

Counterbalancing these opportunities, Prozis faces intensifying competitive threats from multiple directions. Myprotein, the THG-owned market leader, generated approximately \$355 million in revenue during 2024 and operates across 106 countries with localized product development and aggressive digital marketing (*THG, 2024*). Optimum Nutrition, the Glanbia-owned premium brand, surpassed \$1 billion in retail value during 2022, leveraging partnerships with McLaren F1 and global distribution networks (*Glanbia, 2023*). Amazon's private-label sports nutrition lines, including OWN PWR, Amfit, and exclusive partnerships, bring the platform giant's logistical advantages and customer reach to bear on the category. Together, these competitors constrain Prozis's pricing power and require continuous investment in differentiation.

Regulatory pressures present additional challenges. The European Food Safety Authority (EFSA) maintains stringent health claims regulations that restrict marketing language and require substantiation for functional benefit claims. US FDA regulations differ in structure but impose their own compliance burdens. As Prozis expands geographically and into new product categories, regulatory complexity multiplies.

Finally, macroeconomic factors including raw material inflation, energy costs, and shipping rate volatility threaten margin compression. Whey protein prices fluctuated significantly during 2022-2024, with competitors like Myprotein absorbing £13 million in profit impact rather than passing costs to consumers (*THG, 2024*). Prozis's vertical integration provides partial insulation through supply chain control, but the company remains exposed to input



cost pressures that could erode the aggressive pricing central to its value proposition.

3.3. Strategic Interplay

The interaction between SWOT quadrants reveals strategic imperatives. Prozis's vertical integration strength directly enables the US expansion opportunity, the company can replicate its manufacturing model in South Carolina rather than depending on local contract manufacturers. However, the operational complexity weakness could intensify as the organization spans two continents with different regulatory, labor, and logistics environments.

The digital dependency weakness intersects problematically with competitive threats from Amazon. If Amazon aggressively expands private-label sports nutrition, Prozis cannot rely on Amazon's marketplace as an alternative channel; the company's D2C-only model means competing head-to-head for customer acquisition without the platform's reach advantage. This configuration makes influencer marketing capability, Prozis's 23,000-strong affiliate network, strategically critical for maintaining customer acquisition efficiency.

The founder-linked reputational risk could either amplify or constrain the wellness trend opportunity. Milhão's personal brand and willingness to court controversy generates media attention and earned media value; the company claimed €10 million worth of free publicity from the 2022 controversy alone (*Observador, 2022*). However, as Prozis pursues mainstream wellness consumers in new markets like the United States, polarizing founder statements could limit addressable market size.

IV. Current Strategy

4.1. The Hybrid Strategic Model

Porter's (1980, 1985) generic strategies framework posits that firms must choose between cost leadership, becoming the industry's lowest-cost producer, and differentiation, creating products perceived as unique along dimensions valued by customers. Attempting both simultaneously risks being "stuck in the middle" with neither cost nor differentiation advantage. However, subsequent scholarship has challenged this either-or framing, with *Miller (1992) and Kim and Mauborgne (2005)* demonstrating that some firms successfully pursue hybrid approaches.

Prozis exemplifies the hybrid model. Vertical integration enables cost efficiency by eliminating supplier margins, reducing coordination costs, and allowing direct control over manufacturing

productivity. The company can price products aggressively, a 2kg whey protein container for €30 when competitors charge €80, while still capturing healthy margins. Simultaneously, Prozis achieves differentiation through product innovation, brand identity, and customer experience. The €15 million R&D center develops proprietary formulations; the lifestyle brand positioning transcends pure supplements; the D2C platform delivers superior convenience.

This hybrid works because vertical integration is the mechanism enabling both cost efficiency and differentiation simultaneously. Control over manufacturing allows cost optimization without sacrificing quality. Control over formulation enables differentiated products without paying premium supplier prices. Control over customer relationships permits brand building without retailer intermediation. The strategy's coherence depends on maintaining integration depth, any disaggregation (outsourcing manufacturing, selling through retail channels) would degrade both cost position and differentiation capability.

4.2. Ecosystem Approach

Beyond individual product categories, Prozis has adopted what business ecosystem theory describes as a platform strategy (*Moore, 1993; Adner, 2017*). Rather than competing narrowly in sports nutrition, the company positions itself as a comprehensive lifestyle platform serving health-conscious consumers across nutrition, fitness apparel, technology, and personal care. This ecosystem approach generates several strategic benefits.

Cross-selling opportunities multiply when customers purchasing protein powder can add workout apparel, smart scales, and healthy snacks to the same order. The unified e-commerce platform reduces customer acquisition costs by amortizing marketing spending across multiple product categories. Customer lifetime value increases as consumers engage with the Prozis brand across more dimensions of their lifestyle.

Network effects emerge through the influencer affiliate system. The 23,000-strong social media partner network creates user-generated content across fitness, fashion, and wellness communities, generating earned media exposure that reinforces brand awareness. Each influencer partnership attracts additional consumers who may themselves become ambassadors, creating viral growth potential.

The ecosystem model also enables competitive insulation. A pure sports nutrition brand competes directly with Myprotein, Optimum



Nutrition, and Amazon private labels on protein powder specifications and pricing. An ecosystem brand competes on the integrated value proposition, the convenience of one-stop shopping, the coherence of a unified lifestyle aesthetic, the community membership implied by brand affiliation. These dimensions are harder for product-focused competitors to replicate.

4.3. Internationalization Strategy

Prozis's international expansion path challenges traditional models of gradual internationalization. The Uppsala model (*Johanson & Vahlne, 1977*) suggests firms expand incrementally, beginning with psychically proximate markets and deepening commitment as they gain experiential knowledge. Prozis instead exhibits characteristics of "born global" firms, organizations that internationalize rapidly from inception based on founder vision, digital capabilities, and network relationships (*Knight & Cavusgil, 2004*).

The company achieved 85-90% export revenue within its first decade, reaching customers in 100+ countries without establishing local subsidiaries or extensive physical infrastructure. Digital commerce enabled this acceleration; the e-commerce platform scaled internationally without requiring market-by-market retail partnership negotiations. The influencer affiliate model further accelerated international reach by recruiting local brand ambassadors who provided market knowledge and customer trust without formal organizational presence.

However, Prozis's current US expansion reveals strategic localization complementing this digital-first internationalization. The €20 million South Carolina factory represents significant commitment to physical presence in the American

market, a departure from the asset-light export model serving European expansion. This shift reflects recognition that certain product categories (fresh foods, bulky items) benefit from local production, that American consumers value domestic manufacturing, and that proximity to the market enables faster response to local preferences.

The localization strategy exemplifies Uppsala model's later stages while maintaining born-global digital capabilities. Prozis is not abandoning e-commerce for traditional retail; rather, it is adding manufacturing localization to support continued D2C growth in a critical market.

4.4. Marketing and Earned Media Value

Prozis has achieved remarkable marketing efficiency through systematic exploitation of the influencer economy. Rather than relying primarily on paid advertising, the company cultivates a network of 23,000 social media affiliates worldwide who generate organic content featuring Prozis products. This approach prioritizes earned media value (EMV), the monetary equivalent of exposure generated through non-paid channels, over traditional advertising metrics.

Industry assessments indicate Prozis achieved over €200 million in EMV on Instagram during 2024, ranking among the top dietary supplement brands globally for influencer-driven exposure (*Kolsquare, 2024*). For context, leading US functional food brands like GoMacro achieved \$4.7 million EMV in a six-month period (*Tribe Dynamics, 2022*). Prozis's scale advantage in influencer marketing reflects both early investment in the affiliate model and geographic diversification across European markets where competitors have less developed influencer networks.

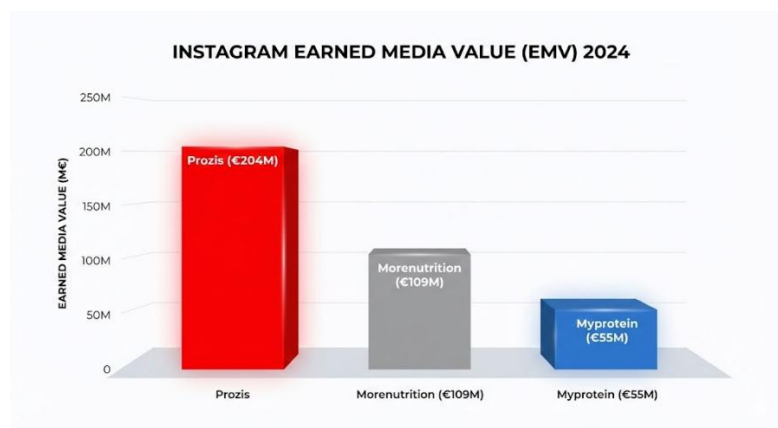


Figure 1. Comparative Earned Media Value (EMV) on Instagram for major European supplement brands in 2024, highlighting Prozis's market leadership



The football sponsorship portfolio amplifies brand visibility. Prozis serves as official nutrition supplier to major European clubs including FC Porto, SL Benfica, Sporting CP (Portugal), Valencia CF (Spain), AS Monaco FC (France), and Inter Milan and AS Roma (Italy). These partnerships generate premium brand associations and access to engaged fan communities across southern European markets where Prozis concentrates sales.

This marketing model contributes to Prozis's high EBITDA margin (estimated at 29%) by reducing customer acquisition costs compared to advertising-dependent competitors. When influencers generate sales through affiliate links, Prozis pays performance-based commissions rather than upfront media costs. When football partnerships generate brand awareness, the company benefits from association marketing more efficiently than through traditional advertising purchases.

V. Leadership

5.1. Miguel Milhão: The Transformational Entrepreneur

Any analysis of Prozis must grapple with the outside influence of founder Miguel Milhão on company strategy, culture, and public perception. Now 42 years old and residing in Miami Beach, Florida, Milhão stepped back from day-to-day operational leadership around 2014-2016, when Jorge Costa e Silva assumed the CEO role (*TheOrg, 2024*). Milhão retains majority ownership, reportedly 86%, and serves as Chairman with substantial influence over strategic direction even in a non-executive capacity.

Milhão's leadership profile exhibits core characteristics of transformational leadership as theorized by *Burns (1978) and Bass (1985)*. Transformational leaders motivate followers by articulating compelling visions, modeling values through personal behavior, stimulating intellectual engagement, and attending to individual development needs. Bass identified four components: idealized influence (charisma), inspirational motivation, intellectual stimulation, and individualized consideration.

Milhão's public communications demonstrate several of these elements. Idealized influence manifests in the founder narrative central to Prozis branding, the story of injury, insight, and garage entrepreneurship that positions Milhão as an aspirational figure for employees and customers alike. Inspirational motivation appears in mission-oriented language pervading company materials: "We believe we can make a better world... we are steadfast in our commitment to work tirelessly until

the day we die" (*Prozis, 2024*). Intellectual stimulation is evident in the company's commitment to continuous innovation and Milhão's stated philosophy of experimentation over adherence to established practices: "Doesn't read manuals, does everything by experimentation" (interview summary).

Beyond transformational characteristics, Milhão exhibits pronounced entrepreneurial leadership traits including high risk tolerance, opportunity recognition, and resistance to external constraints. His decision to reject acquisition offers, "We don't have a price tag. It's not about the money. It's about our mission", reflects values-driven decision-making that prioritizes control and mission over financial optimization (*Prozis LinkedIn, 2024*). The willingness to invest €20 million in US manufacturing before establishing market presence demonstrates risk appetite uncommon in traditional corporate leadership.

5.2. Leadership Philosophy and Organizational Culture

Milhão has articulated a distinctive management philosophy that shapes Prozis's organizational culture. Central elements include:

Anti-corporate informality. Official company communications use colloquial language, including profanity, and emphasize the founder's humble origins and unconventional path. The internal podcast bears the title "Conversas do Karalho", profane Portuguese slang. Office culture reportedly included keeping goats as mascots (referencing "GOAT" = Greatest Of All Time), though employee complaints eventually necessitated their relocation (*NiT, 2024*). This informality signals rejection of bureaucratic corporate norms and appeals to younger, fitness-oriented target demographics.

Mission over money framing. Milhão consistently positions Prozis's purpose in terms of improving customer lives rather than generating shareholder returns. "It's not about the money. We're on a Mission. While we understand that money makes the world go round, we are driven by a greater sense of purpose and a mission to improve people's lives" (*Prozis, 2024*). This framing aligns with research suggesting purpose-driven organizations achieve higher employee engagement and customer loyalty.

Value-based hiring. Company recruitment reportedly emphasizes cultural fitness and value alignment over pure technical capability. Prozis "focuses on finding the right people who fit their specific intellectual, cognitive, and value-based structure" (interview summary). This approach builds



organizational coherence but risks homogeneity and may limit talent pool breadth.

Direct accountability. The customer service email iwantjustice@prozis.com reportedly routes directly to the CEO's mailbox, institutionalizing executive accessibility and signaling that customer experience remains a leadership priority despite organizational scale.

5.3. Key Person Risk Assessment

The same characteristics that make Milhão's leadership compelling generate significant key person risk, the vulnerability created when organizational success depends heavily on a single individual. Analysis reveals several risk dimensions.

Brand identification. Prozis's public identity is deeply intertwined with Milhão's personal narrative and values. Official materials use first-person voice; company promise statements read as personal commitments. This identification means that reputational damage to the founder transfers directly to the brand, a risk that materialized dramatically in 2022.

In June 2022, following the US Supreme Court's Dobbs decision reversing *Roe v. Wade*, Milhão posted on LinkedIn: "It seems that unborn babies got their rights back in USA! Nature is healing!" The statement ignited fierce controversy in Portugal, amplified by Milhão's subsequent podcast appearance where he labeled critics "worthless pieces of sh*t" and declared "I don't need Portugal and I don't need Prozis. I have unlimited resources" (*Observador, 2022; Plataforma Media, 2022*).

Eleven Portuguese influencers terminated partnerships following the controversy, including Jessica Athayde, Marta Melro, and Diana Monteiro. Milhão subsequently claimed the entire episode was a deliberate "marketing plan" that generated €10 million worth of free advertising (*Observador, 2022*). Whether strategically intended or post-hoc rationalization, the controversy demonstrated how founder statements can rapidly dominate public discourse about the brand.

Continuing controversy exposure. Rather than moderating public positioning following 2022, Milhão has escalated political activity. In April 2024, Prozis-funded anti-abortion television advertisements aired on Portuguese networks including TVI, CNN Portugal, and CMTV, featuring graphic imagery and signed by "Guru Mike Billions", Milhão's alter ego (*NiT, 2024*). A political project titled "V Império" (Fifth Empire) seeks to establish a new political party described as "libertarian in economics and ultraconservative in values" (*SÁBADO, 2024*). His podcast has hosted

controversial figures including André Ventura, leader of the right-wing Chega party.

Succession uncertainty. Despite Milhão's non-executive role, no public succession plan has been communicated. Jorge Costa e Silva serves capably as CEO, but the organization's cultural dependence on founder narrative raises questions about leadership transition when Milhão reduces involvement or departs.

Mitigating factors. Several elements temper key person risk assessment. First, the vast majority of Prozis's influencer network remained loyal through the 2022 controversy, only 11 of more than 1,800 Portuguese affiliates departed, with major celebrities like Cristina Ferreira and Carolina Patrocínio maintaining partnerships. Second, the company gained 8,121 new influencers after the controversy, suggesting that Milhão's polarizing persona attracts as well as repels. Third, with 85-90% of revenue from international exports, Prozis depends less on Portuguese market sentiment than domestic controversy might suggest. Finally, the professional management structure with Costa e Silva as CEO provides operational continuity independent of founder activities.

VI. Conclusion

Prozis stands as a compelling case study in strategic adaptability, demonstrating how entrepreneurial vision combined with disciplined execution can transform a small-market startup into an international manufacturing and e-commerce enterprise. The company's trajectory challenges assumptions about the limitations facing Portuguese firms in global consumer markets, assumptions that predicted peripheral economies could compete only through low-cost labor rather than technological sophistication and brand building.

The strategic lessons from Prozis center on Industry 4.0 vertical integration as a competitive architecture. By controlling formulation, manufacturing, packaging, software, marketing, and distribution within a single organization, Prozis captured value chain economics that enabled simultaneous cost leadership and differentiation. This approach required substantial capital investment and operational capability building, but it created barriers to imitation that pure e-commerce resellers cannot replicate. Transaction cost economics provides theoretical grounding: Prozis internalized activities where asset specificity was high and market contracting was costly, while maintaining the entrepreneurial agility that large integrated firms typically sacrifice (*Williamson, 1985*).



The company's future depends substantially on US expansion execution. The €20 million South Carolina factory represents Prozis's largest international commitment and its first significant manufacturing presence outside Portugal. Success would validate the replicability of the vertical integration model across geographic and regulatory contexts. Failure would raise questions about whether Prozis's competitive advantages are context-specific to the Portuguese manufacturing ecosystem or genuinely transferable.

Equally critical is balancing growth with leadership reputational risks. Miguel Milhão's transformational leadership built Prozis's culture and brand, but his increasing public polarization tests the limits of founder-centric branding. The 2022 controversy and subsequent political activities demonstrate willingness to court conflict that may energize core customers while alienating broader wellness market segments Prozis seeks to capture. Whether the organization can institutionalize founder charisma while insulating operations from founder controversy remains an open question with significant implications for sustainable growth.

For management scholars, Prozis offers a real-time experiment in several theoretical debates: the viability of hybrid generic strategies, the boundaries between market and hierarchy in digital-age manufacturing, the born-global phenomenon in non-technology sectors, and the governance implications of founder-controlled private companies. The company's continued evolution will provide additional evidence for these ongoing scholarly conversations while demonstrating whether Portuguese entrepreneurship can sustain competitive advantage against well-resourced global rivals.

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