ACCELERATION TODAY:
TRENDS & CHALLENGES

November 2016

EUROPEAN ACCELERATOR NETWORK

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STARTUP EUROPE

FUNDAÇÃO CALOUSTE GULBENKIAN

ACCELERATION TODAY:
TRENDS & CHALLENGES

November 2016

Foreword

It is a delight for Beta-i to release this report on acceleration based on the insights gathered from over 40 accelerators at the European Accelerator Summit (2015) in Lisbon, interviews and a survey. This paper was produced with the goal of sharing information across the current European Accelerator ecosystem, looking to provide an understanding of the current trends and challenges faced by the industry. By examining the current state of affairs, not only can also we create a uniform base of information but we can begin to look ahead to the future of this industry and try to predict what lays ahead.

Despite the fact that we are part of different, even competing, organisations, we hold a responsibility to the ecosystem as a whole. Therefore, it is necessary that we all develop into the best possible accelerators, improve our programs and provide the highest quality support to our startups.

We face similar challenges and so, there is much that can be gained from sharing and learning from each others experiences. This report is a good way of performing the necessary function of keeping the entrepreneurial community informed and updated on the current on-goings amongst accelerators.

Ricardo Marvão | Co-Founder at Beta-i

If we can make a contribution to the future of acceleration, even a small one, then it will be a pleasure to say that our goal has been achieved. We hope we can present some meaningful ideas that will help you to better understand and improve your local reality, as well as help you shape your own future as an organization.

Executive summary

Our objective in writing this report is to support the growth of acceleration. We believe the industry of acceleration is essential for an economy of entrepreneurship that leverages on technology. Acceleration is a fast growing, highly impactful, global industry that is still fairly new and unknown to many.

As such, this report aims to support the industry in two ways: firstly, by providing a comprehensive understanding of what acceleration is so that the value of acceleration can be more widely understood and barriers to growth reduced; secondly, by providing an overview of trends, core challenges and possible solutions aiding policy makers and accelerators in their work.

This report draws from the outcomes of the summit, from interviews, research and a survey done with accelerators. It identifies top trends, challenges and opportunities in acceleration and aims to provide a comprehensive understanding of the industry of acceleration.

To create a common base of understanding, we start by clarifying what is understood as an acceleration program, what types of acceleration programs there are and how acceleration has been evolving. We look into the rise of acceleration, the value of acceleration and the makers of acceleration – organizations running acceleration programs.

For this report we worked with the industry and identified that the top challenges were concerned with building credibility, measuring value delivered, establishing financially sustainable business models, optimizing internal processes, attracting quality mentors

and startups, and creating a global network to help startups go global. In each of these cases we have tried to identify best practices to address the challenge at hand and share them here to help accelerators deal with them appropriately.

As a result of the data collected, we anticipate what the top trends defining the future of the industry will be. It is likely that accelerators will increasingly target corporate clients to help them both work with startups and to help their intrapreneurs work "the startup way". Simultaneously commercialisation programs and other ways of supporting later stage startups will hold more importance in the years to come as ecosystems mature. Also essentially due to this fact, internationalization will remain a top trend and it is expected that organizations running acceleration programs will increasingly become investors in the startups they accelerate. Finally, it is expected that education becomes a bigger area of acceleration as universities look for more effective ways to educate for entrepreneurship & ecosystems invest in increase the number of startups being created.

ACCELERATION TODAY

This section will provide an in-depth look into accelerators, beginning with a brief overview of worldwide growth and other metrics associated with the industry. This is followed by a look into the different types of accelerators and the specialisations that are beginning to occur. Beyond this, we mark out some of the distinctions that can be made when considering accelerator makers. Finally, using the data from the 2015 European Accelerator Summit survey, the current accelerator landscape is mapped out showing the kinds of programs being run.
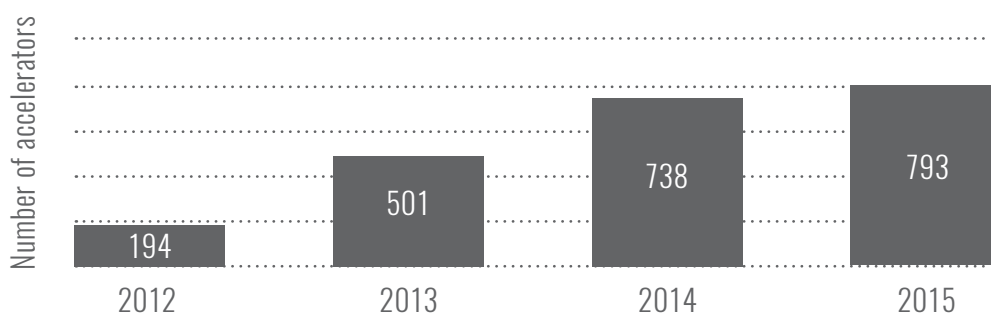
The Rise of Acceleration

More than 10 years after Y-Combinator launched what is considered to be the first acceleration program in the world, acceleration is now an industry. According to F6S data more than 379,000 entrepreneurs worldwide are receiving support from accelerators. Moreover, according to Fundacity, €38 million were invested into around 2500 startups by 113 accelerators in 2015 in Europe[1]. There is no doubt that the last 5 years have seen a steady rise in acceleration programs and considerable change in how accelerators operate.

In recent years, there has been a worldwide increase in the total number of accelerators and startups. As can be seen below, the worldwide number of accelerators has grown form 194 in 2012 to 793 in 2015, an increase of 308%.

WORLDWIDE NUMBER OF ACCELERATORS PER YEAR

Number of accelerators

2012	2013	2014	2015
194	501	738	793

5637
COMPANIES
HAVE BEEN
ACCELERATED

694
EXITS FOR MORE THAN
€3,100,000,00

$12,951,769,107
FUNDING

(Source: F6S Data, 2016)

[1] Source: European Accelerator Report 2015, Fundacity

Accompanying this rise of accelerators is, of course, a rise in the number of companies being accelerated.
North America and Europe are the top places when it comes to acceleration.
62% of programs are located in North America and 25% of them are located in Europe.

NUMBER OF STARTUPS GRADUATED
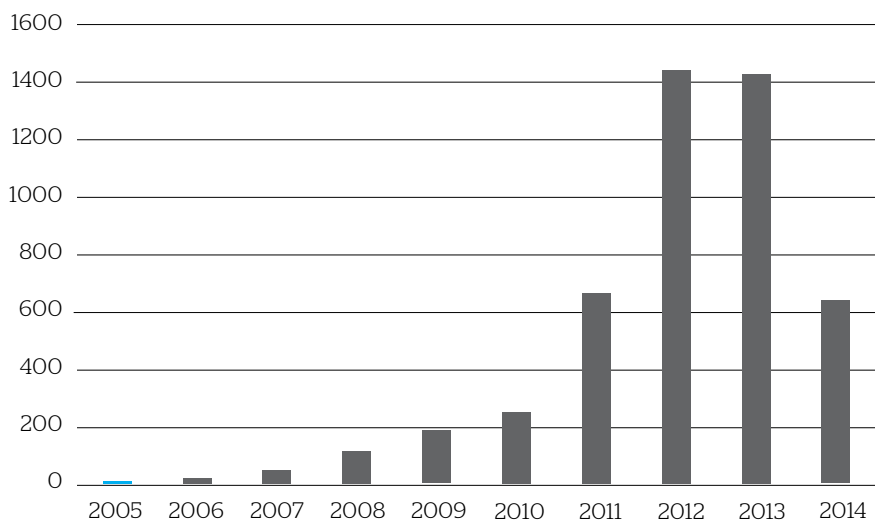
(Source: F6S Data, 2016)

The Programmes

Acceleration programs can vary considerably. There have been several studies attempting to categorize different types of accelerators. However, there still is not a worldwide accepted definition. Here is what the vast majority of the programs worldwide have in common:

WHAT HAPPENS INSIDE AN ACCELERATOR?

Intensive mentoring and coaching by experienced entrepreneurs, investors, experts
normally lasting between 3-4 months.

WHICH BUSINESSES ARE TYPICALLY ACCELERATED ?

Scalable businesses with a team size of 2-3 founders: the technician, the product developer and the strategist.

HOW DO ACCELERATORS DO IT?

5 to 10 teams per cycle, several cycles per year
Ideology of design thinking, user centric design,
and a sense of urgency
Concludes with demo day with startup pitches

Acceleration is not incubation

AS INDICATED BY THE NAMES, ACCELERATORS ARE GEARED TOWARDS ACCELERAT-ING THE GROWTH OF A BUSINESS IN A WELL DEFINED PERIOD OF TIME, GENERALLY THREE TO FOUR MONTHS, AFTER WHICH THE STARTUPS "GRADUATE". INCUBATORS ON THE OTHER HAND TAKE THEIR TIME TO NURTURE THE BUSINESSES THEY INCU-BATE, BASED ON MORE TRADITIONAL MANAGEMENT STRATEGIES. INCUBATORS NORMALLY BRING IN EXTERNAL MANAGEMENT TEAMS TO EXPLOIT THE TECHNOL-OGIES DEVELOPED INTERNALLY AT THE INCUBATION SPACE. ACCELERATORS, ON THE OTHER HAND, DRAW EXCLUSIVELY FROM THE DRIVE AND KNOW-HOW OF THE FOUNDERS AND LEVERAGE THOSE THROUGH MENTORSHIP ALONG THE PROGRAM. IN THIS REGARD, ACCELERATORS ARE FOUNDER-FOCUSED WHEREAS INCUBATORS ARE TECHNOLOGY/BUSINESS FOCUSED.

	ACCELERATORS	INCUBATORS
DURATION	Around 3 months	Years
CO-HORTS	Yes	No
BUSINESS MODEL	Investment; non-profit	Rent; non-profit
SELECTION FREQUENCY	Competitive; cyclical	Non competitive
VENTURE STAGE	Early	Early or late
EDUCATION OFFERED	Seminars	Ad hoc, hr/legal
VENTURE LOCATION	Usually on-site	On-site
MENTORSHIP	Intense, by own staff and others	Minimal, tactical

Accelerators specializing

Early acceleration was based on general programs that did not have a specific focus regarding their target start-ups: typically, this made for programs geared towards digital businesses. However, in the last years, a trend could be seen whereby acceleration programs began to specialize. **Today, there are acceleration programs focusing on specific stages of the startup lifecycle as well as on specific industries or technologies.** This means that accelerators are beginning to bring innovation to a larger spectrum of sectors such as the financial, tourism, retail, manufacturing and healthcare and moving into the sphere of the non-digital – with the added challenges that brings.

As well as specialising along the lines of phases of the startup lifecycle, accelerators are also specialising vertically along the lines of industries. This allows them to offer more tailored contributions to startups by focusing on a small range.

Acceleration for all the stages of a startup lifecycle

The **Idea Stage** is usually the focus of pre-accelerators whose target is first time entrepreneurs and recent graduates. They focus on the pre-seed stage where people go from not having an idea to market validation. Programs tend to be quite short, lasting from 1 to 8 weeks where mentors help teams to develop ideas, concluding with a demo day where teams pitch in front of judges, mentors, investors and even the general public. Examples of accelerators focusing on this are Beta-Start and Startup Pirates.

Early Stage. Companies in this phase have officially launched and focus on customer acquisition, attempting to reach breakeven cash flow whilst pursing additional capital from institutional investors. This space is occupied by a number of the earlier accelerators (i.e. Y-Combinator, TechStars, Beta-i). These programs usually last around 3 months, provide experienced mentors and even some investment to startups.

The **Later Stage** sees startups with well-known products which have successfully penetrated its initial market. Cash flow is positive and investors are seeking liquidity as the company begins to position itself for an acquisition or an initial public offering. The accelerators here, like Microsoft Ventures or the Bridge by Coca Cola, seek to help form strategic partnerships between established startups and large corporate clients, leveraging on their vast experience and partnerships to create opportunities.
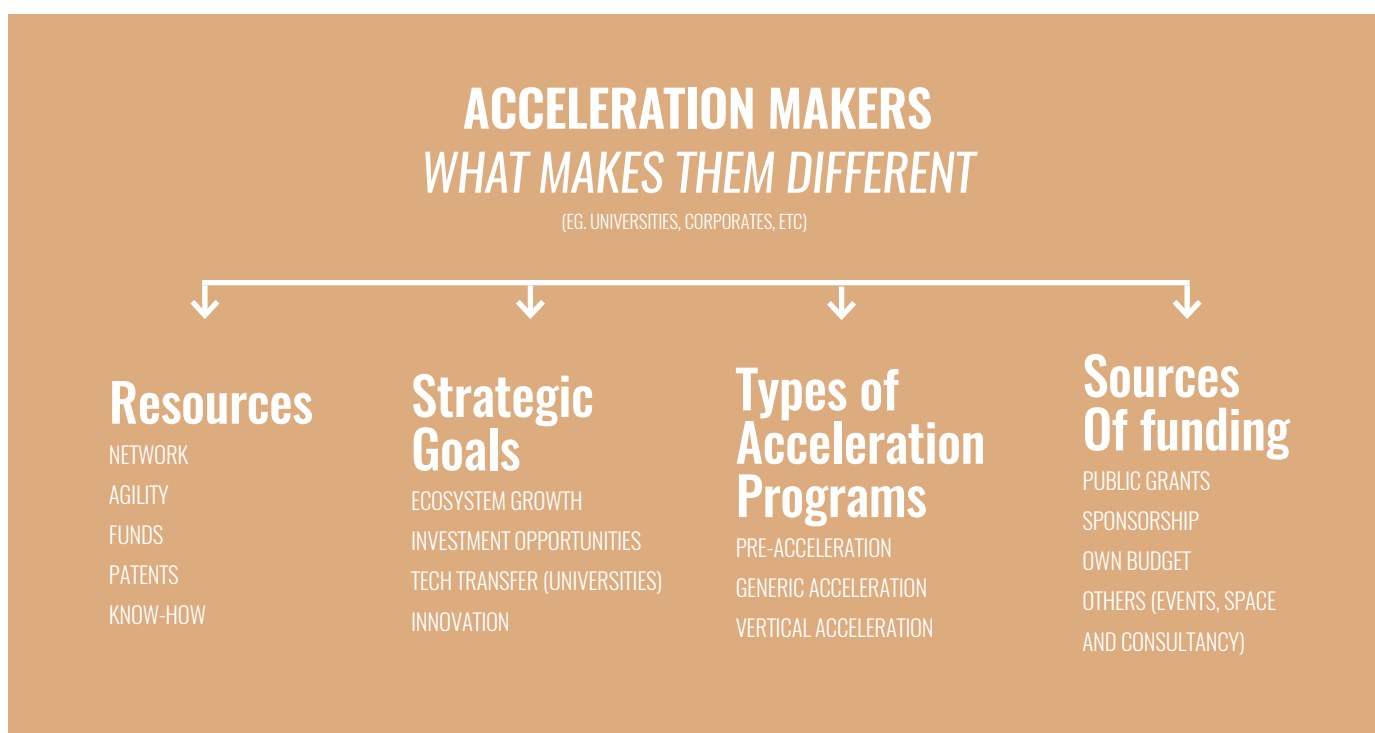
The Acceleration makers.

Whilst acceleration has been spearheaded by accelerators, it is becoming more common for different types of organisations to enter this space. New kinds of entrants include corporates, universities and governments. Many of these are collaborating with well established accelerators, either by running acceleration programs in partnership, sponsorships or by commissioning acceleration programs; others are entering into this venture on their own.

This development in the industry means that some important distinctions must be made between businesses. In short: **who is behind an acceleration program matters**. Different organizations running acceleration programs have different goals, different key performance indicators, different financial resources, different values that they can bring to the startups they accelerate and to the many partners with which they collaborate.

The programs themselves are not structurally too different but it is important to note that the organizations running them can be. Below a diagram can be found outlining four main factors that can be used to think about the differences between these organisations.

ACCELERATION MAKERS
WHAT MAKES THEM DIFFERENT
(EG. UNIVERSITIES, CORPORATES, ETC)

Resources
NETWORK

AGILITY

FUNDS

PATENTS

KNOW-HOW

Strategic Goals
ECOSYSTEM GROWTH

INVESTMENT OPPORTUNITIES

TECH TRANSFER (UNIVERSITIES)

INNOVATION

Types of Acceleration Programs
PRE-ACCELERATION

GENERIC ACCELERATION

VERTICAL ACCELERATION

Sources Of funding
PUBLIC GRANTS

SPONSORSHIP

OWN BUDGET

OTHERS (EVENTS, SPACE

AND CONSULTANCY)

BASED ON THESE FACTORS WE DISTINGUISH FIVE CORE CATEGORIES OF ACCELERATION MAKERS: THE PRIVATE INVESTMENT FUND, THE COMMUNITY BUILDER, THE CORPORATE, THE GOVERNMENT AND THE UNIVERSITY.

THE PRIVATE INVESTMENT FUND.

Private investment funds are essentially looking for worthwhile investment opportunities for their fund. Their business model tends to be pretty straightforward: Startups that join their program will give up a percentage of their equity in exchange for the know-how and growth opportunities they will receive. Running acceleration programs gives these organizations deep insight into the startups they will invest in and allows them to stay close

and influence the direction the businesses will take – this is a major advantage for managing their investments. Private investment funds running acceleration programs are also interested in boosting the startup ecosystems in order to drive the number and quality of the investment opportunities.

> *Often, we see that these accelerators begin to focus on startups that are in the later stages of development. They tend to select ventures which already have some proven track record, and in some cases have already raised pre-seed finance.*
>
> *NESTA, 2015 "A look inside accelerators"*

The private investment fund often has investors working very closely with the startups in the program, as mentors, in order to be sure they understand as thoroughly as possible, the team and the business before investing in it. These acceleration makers tend to choose a few specific verticals (industries or technologies) and run acceleration programs focused on those. That is a way to develop a deep understanding of the startup market in that industry/technology in order to make more informed decisions.

Categories of Acceleration Makers:
The private investment fund

Y

Y Combinator, launched in 2005, is an example of a private investment fund. This accelerator interviews and selects two batches of companies each year and the selected companies receive seed money, advice, and connections in exchange for 7% equity.

THE COMMUNITY BUILDER.

In the midst of the economic crisis, when many of the first accelerators began, many organizations running acceleration programs (particularly in Europe) were focused on one main goal: reinvent the economy by empowering the population with a can-do entrepreneurial attitude. These organizations were often non-profit, sometimes associations, looking to boost entrepreneurship in the local community. Often started as a side project on a volunteer basis, the founders of these organizations relied on grassroots movements to create and grow the community of startups and entrepreneurs. That was mostly accomplished through events such as meetups, talks, hackathons and other similar initiatives that brought together different ecosystem stakeholders such as entrepreneurs, investors, co-working spaces, mentors, design experts, tech people and others. As the communities grew and these organizations formalized their statutes, they experimented with different business models. Some implemented co-working spaces and from there onwards went to experiment with acceleration pro-

grams, others went on to implement pre-acceleration and acceleration programs directly. Originally focused on building the community, often pro bono, the range of business models among these types of organizations will vary. Many struggle to find sustainable sources of revenue. Most common sources of funding are service fees, sponsors, investors and rental space. With the openness of corporates to work with startups and "innovate the startup way", some of these accelerators are starting to leverage on the "corporate client" as discussed ahead in the trends section of this paper.

Categories of Acceleration Makers:
The community builder
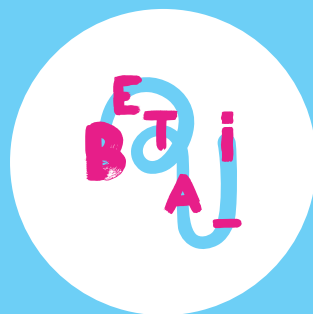
An example of an organization of this kind is Beta-i. Started as a non-profit organization back in 2010, Beta-i was one of the main first instigators of the startup ecosystem in Lisbon. They started by organizing meetups and grew to run several acceleration programs per year. Today they are an innovation hub, with a co-working space where startups and corporates meet together. With community building objectives at the core of their mission, their business model has been evolving along with the ecosystem and whereas Beta-I was originally targeting their activities at the idea stage, today their service offering covers more broadly the range of needs that startups have along their life cycle.

THE CORPORATE.

Corporates are a fairly new entrant in the business of acceleration. They are coming into this space for a number of different reasons. Some corporates enter this industry looking for innovation (new products, services, business models, technology), others as a PR strategy to give off the impression of being innovative by associating their brand with the world of startups. Another reason is looking for new sources of revenue and taking commissions on the business opportunities created for startups. Other corporates want to get in touch with startups to get access to talent. Some corporates want to use startups to change internal culture and challenge their staff to think more "the startup way" and others yet are looking for investment opportunities much like an investment fund.

In general, corporates are mostly interested in the "safer bets", startups with validated business models, traction and/or revenue. They use their own funds to finance these initiatives. Some are putting together their own programs, others collaborate with well established accelerators and sometimes even join forces with other corporates – partner and/or clients.

The interest of large firms in working with startups is key for the growth of the startup ecosystem. Large corporates can bring in various advantages for startups, such as customers, market knowledge and experience, economies of scale, established networks and brand power, as well as other considerable resources. As such, the growing interest of corporates to work with startups opens a new period also in the evolution of acceleration.

Categories of Acceleration Makers:
The corporate

Wayra is an example of an acceleration program ran by a corporate company. Launched in Latin America and Spain in 2011 as an initiative of Telefónica's chief executive in Europe. According to the manager of the Wayra Academy in London, "It's not just about the ideas. We are using Wayra as a way of acquiring great talent for Telefónica."

THE GOVERNMENT.

Governments at all levels (European, national and local) are also active makers of acceleration programs. At the European level, we have mostly seen acceleration programs focused on boosting specific industries or the spread of certain technologies.

Governments usually go about their support of accelerators in two ways: either by supporting an accelerator already in the market, hence, supporting the existing ecosystem or by creating their own accelerators that compete within the ecosystem. Whilst private investment funds are looking to make money for their investors, public investment funds are usually run with a broader objective in mind such as: address unemployment, boost innovation in the economy and improving service experience for the citizen. In this case, publicly funded accelerators can act as an alternative route to funding.

Categories of Acceleration Makers:
The goverment

ST>RT-UPCHILE

Start-Up Chile is a seed accelerator created by the Chilean government, based in Santiago, Chile. This accelerator differentiates itself from others because it provides equity free investment for qualified startups. The goal is to attract early-stage, high-potential entrepreneurs to bootstrap their startups using Chile as a platform to go global. The end goal of this program is to position Chile as the innovation and entrepreneurship hub of Latin America.

THE UNIVERSITY.

Universities are starting to catch up with acceleration as well. Many have had incubation centres for a while but they look at acceleration programs now as a speedier, more effective way to create businesses out of the know-how and ideas of their students. With an economy that is slower to welcome new graduates, educating for entrepreneurship is becoming a differentiating factor for attracting students. The ability for a university to generate a stream of new, successful businesses is also another monetization strategy worth exploring, as well as a great learning opportunity.

Acceleration at universities might be integrated in academic courses or programs. Most programmes were hosted either by an Entrepreneurship Centre or a Tech Transfer Office and in most cases the programme manager has a business or entrepreneurial background. The objectives of the programs will vary: some are looking to ignite innovation and scale ventures, others are aimed at facilitating tech transfer through commercialization of academic IP/patents while others are simply interested in delivering entrepreneurial skills. These programmes are however all focused in one particular customer: students. With their availability, willingness to give back and to learn, students and alumni commonly serve as a source of staff. Most university accelerators are funded by the universities themselves and might have a mix of other sources of funding (public funds, economic development agencies and more commonly in the USA, corporate sponsors and alumni donors).

Categories of Acceleration Makers:
The university

StartX is a non-profit business incubator associated with Stanford University. StartX differentiates itself from other organizations because it is an educational non-profit organization that takes no equity in the companies it helps start.
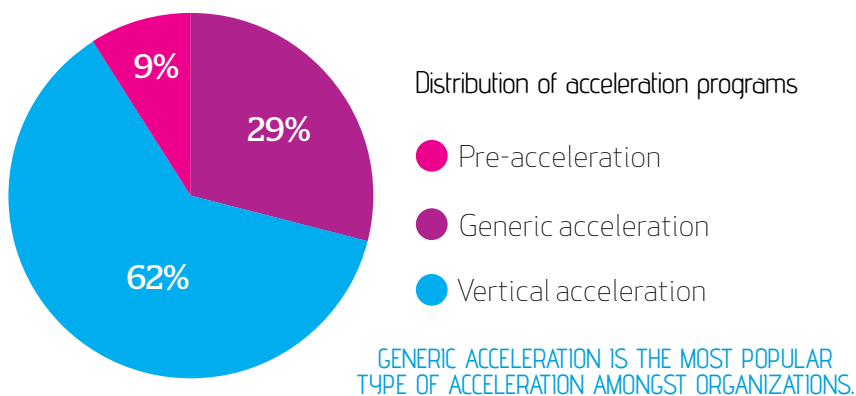
	TYPE				
	PRIVATE INVESTMENT FUND	**COMMUNITY BUILDER**	**THE CORPORATE**	**GOVERNMENT**	**UNIVERSITIES**
GOAL	Identify investment opportunities for the fund	Reinvent the economy; empower people with a can-do entrepreneurial attitude; boost the startup ecosystem	Varies. Open innovation (new products, services, etc), marketing, investment opportunities, scouting for talent, changing corporate culture.	Address unemployment; boost innovation in economy; improve service experience for the citizen.	Educate for entrepreneurship; improve tech transfer
EQUITY	Equity is taken	Varies (originally not; some start taking equity as the ecosystem matures)	Varies, depending on objectives	Equity free	Varies- some take equity whilst others don't
STAGE	Mostly later stage	Initially early stage; some start supporting other stages as the ecosystem matures	Mostly later stage	Varies	Early stage
TYPE	Mostly run vertical acceleration programs	Mostly horizontal and pre-acceleration; move into vertical acceleration as ecosystem matures	Typically vertically, aligned to the industry or technology of the corporate	Varies depending on goals	Horizontal
FUNDING	Business angels, venture capital firms	Often non-profit organizatons, several sources of (sponsors, service fees, investors, co-working space)	Corporate funding	Government funded; sometimes public-private partnerships	Mostly funded by University in addition to mix of other sources
EXAMPLES	Techstars	Beta-I NUMA Bethnal Green	Deloitte Digital Disruptors Airbus Hubraum	Startup Chile Smart Open Lisboa	Singularity Accelerator StartX MIT-GFSA UTEC Peru

Snapshot: acceleration today

This next section is based on a survey with a sample of 50 acceleration makers. Using the data from this survey we were able to map out the landscape of acceleration programs currently running. This section, complements the Acceleration Today section by proving information on the different types of acceleration programs.

TYPES OF ACCELERATION PROGRAMS.
Our survey found that of our sample, 62% of the acceleration makers run generic acceleration and 29% run verticals. A large number of the organizations running generic or vertical acceleration programs also run pre-acceleration programs.

Distribution of acceleration programs

- Pre-acceleration
- Generic acceleration
- Vertical acceleration

GENERIC ACCELERATION IS THE MOST POPULAR TYPE OF ACCELERATION AMONGST ORGANIZATIONS.

Top strategic reasons for running acceleration

PRE-ACCELERATION

1) Increasing the number of entrepreneurs and startups in the ecosystem.
2) Changing people's mindset.

GENERIC ACCELERATION

1) Support growth of the ecosystem.
2) Acceleration is their core business.

VERTICAL ACCELERATION

1) Acceleration maker identified a sector that they believe to be up coming and saw that startups could benefit from vertical acceleration.
2) Differentiating themselves from other accelerators.

Additional information:
From organizations running generic acceleration programmes, none indicated that it was their top priority to identify business opportunities for their clients - here understood as sponsors of the programs. 15% indicated that they were focused on helping transfer technology into business.

Compared to the generic acceleration programs, organizations running vertical accelerators seem to be more focused on scouting investment opportunities for their clients.

Top value delivered to startups

PRE-ACCELERATION

1) Learn tools and methodologies.
2) The opportunity to focus on developing their business ideas
3) Discuss business ideas and challenges with experienced mentors.

GENERIC ACCELERATION

1) Learning tools and strategies to help scale-up businesses.
2) Discussing business challenges with experienced mentors.

VERTICAL ACCELERATION

1) Discussing business challenges with experienced mentors.
2) Learning tools and strategies to help scale-up businesses.

Additional information:
Reported value delivered is distributed over a large range of values aside from the ones mentioned above.

Vertical programs are more focused on improving the chances of startups to raise money and less in equipping them with tools and methodologies for growth.

Top sources of funding fueling accelerators

PRE-ACCELERATION

1) Public grants

GENERIC ACCELERATION

1) Private sponsorship
2) Public grants

VERTICAL ACCELERATION

1) Private sponsorship
2) Commissioned by a client

Additional information:
For generic acceleration programas typically, there is no one client for whom the program is commissioned so many organizations use a combination of both.

The role public grants play for vertical acceleration programs is considerably smaller than on generic accelerators.

Internationalization

Startups tend to go international very early on compared to SMEs and often these organizations are global from day one. With this in mind, we wanted to understand how international are the acceleration programs looking to support startups.

Most of the accelerator programs work with startups from their own countries but a small number of acceleration programs manage to have a pretty good number of startups from outside of their country (50%-80%) in their acceleration batches. Some organizations run acceleration programs in more than one country (22%).

How international are batches
of acceleration programs

Programs
- 🟢 Without foreign startups — 18%
- 🔵 With less than 50% of foreign startups — 46%
- 🔴 With 50-80% of foreign startups — 36%

Organizations running acceleration
programs in more than one country

- 🔵 Runs acceleration program(s) in more than one contry — 22%
- 🔴 Did not run acceleration program(s) in more than one country — 78%
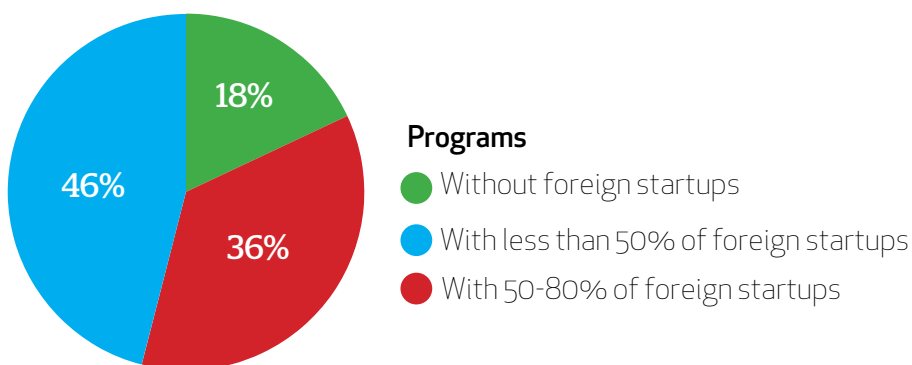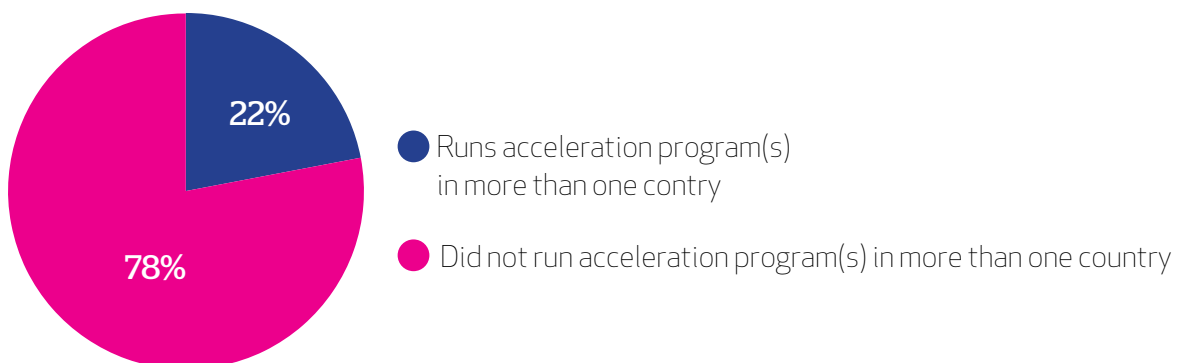
Top 5 industries ACCELERATED

GENERIC ACCELERATION

Business & Productivity | Marketing & Advertising | Education Finance (Banking & Fintech) | Creative industries.

VERTICAL ACCELERATION

Entertainment & Leisure | Finance (Banking & Fintech) | Health & Healthcare | Business & Productivity | Real Estate

Note: Europe is seeing a strong rise in vertical accelerators focusing on specific industries driven by corporate sponsors. Of 26 new accelerator programs that entered the market in 2015, 14 were focuses on specific industries. Source: European Accelerator Report 2015, Fundacity.

Equity

Equity is an interesting aspect of the business model of acceleration and there are talks about how this aspect might be changing with the entry of corporates into the space of acceleration and the maturing of ecosystems.

According to the data we gathered in the 2015 survey, nearly half of the accelerators take equity and equity taken typically varies between 6%-10%. According to this study, the trends regarding equity are the same for 2016.

Equity in 2015

- ● Took Equity in 2015 — 44%
- ● Did not take equity in 2015 — 56%
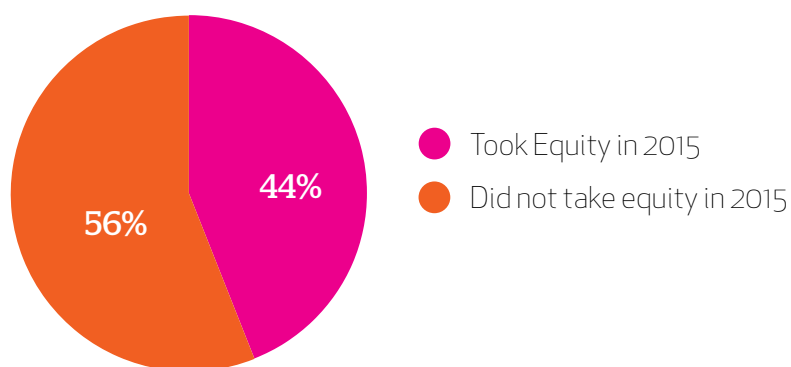
What happens at the end?

Relationships between startups and accelerators go-on post-acceleration. Alumni stay in touch via alumni networks and often staff in accelerators stay on as advisors and buddies for the startups. The way in which the accelerator fills-in this role might be informal or formal through an alumni network, events geared towards finding partners, raising money, scaling, job fairs, etc. Often these startups stay in touch with the accelerators who guide them through their relationships with investors and other relevant partners, providing a the global platform to launch around the world.

CHAPTER 2
CHALLENGES

In our quest to understand acceleration today, we surveyed accelerators around the world to identify the challenges that they feel they are struggling with. According to a sample of 50 accelerators, here are the top 6 challenges on the agenda of accelerators today.

TOP CHALLENGES THAT ACCELERATORS FACE TODAY
1 ATTRACT QUALITY STARTUPS
2 ATTRACT QUALITY MENTORS
3 BUILD CREDIBILITY
4 FINANCIAL SUSTAINABILITY OF THE BUSINESS MODEL
5 MEASURE VALUE DELIVERED
6 ATTRACT FUNDING FOR STARTUPS

After identifying the top challenges, we were able to discuss these with the industry and compile a list of suggestion on how best to address them. This section provides a deeper understanding of each challenge along with examples of strategies that different industry players use to address them.

1. Attract quality startups
The challenge

The acceptance criteria of top accelerators is 2-3%. Techstars accepts 10 out of 600 applicants. YC accepts 60 out of 2000. These top tier accelerators can afford to be more selective than the Ivy League schools[8]. However, that is not the case across the industry. In fact, accelerators claim that their number one challenge is attracting quality startups to their programs.

The importance of attracting good quality startups

Just like universities and schools, accelerators look to select the best for their programs. The reason is simple: the better the startups joining the program, the more they will profit from the acceleration process and the higher the chances are that they will turn into success stories that will later benefit the alumni community. Accelerators need these success cases to increase their popularity and credibility just like universities need Nobel prizes.

Why is it a challenge to attract quality startups?

There are several factors. Depending on the maturity of the ecosystem in the region or industry of the accelerator program, there may not be enough startups overall. On the other hand, competition is also increasing among accelerators as was shown earlier in this document. Even though the number of startups has increased considerably, this is a global market – startups do not shy away from going abroad to accelerate with the most popular and reputable accelerators.

Strategies from the industry
Quality comes through quantity

Accelerators are putting different strategies into place to increase the number of applications to their programs. Here are a few examples of different strategies being implemented:
- Run your own pre-acceleration program
- Partner with pre-acceleration programs
- Promote your accelerator at universities & events
- Actively scout startups at events and platforms such as F6S and Fundacity

In addition, there are basic best practices for driving up the quality of the applications received as well as to identify the best quality startups:

- Define the selection criteria that will guide the scouting and choice of startups for the program (eg. stage, application target, industry/technology/team, geography/international/national) [9]
- Define a strategy for communicating the acceleration program (unique value proposition, channels)
- Define a selection process. Here's an example of the selection process of top tier acceleration programs:
  > Startups fill in a detailed questionnaire, including a video presenting team/startup
  > Startup founders interview online with startup experts
  > Panel interviews (online or personal)
- As 500 Startups is now doing, run a 1 month pre-program as part of the selection process to identify the best teams

2. Attract quality mentors
The challenge

For startups and entrepreneurs, mentorship is crucial

8 Best Practices for Designing & Running Startup Accelerators, Andy Cars, 2015
9 Read more on "Best Practices for Designing & Running Startup Accelerators, Andy Cars (2015)"

and pretty much the best way to learn. Every startup is a start, a trial of something that has not been done before, typically in a fast paced environment and sometimes immediately in the global market. There are best practices and guiding methodologies but there is hardly a run book. Startups need to learn from other experienced entrepreneurs and mentorship is therefore a fundamental component of acceleration programs.

The importance of attracting quality mentors

An accelerator's network of mentors is one of its major assets. Mentorship is one of the biggest values that an acceleration program provides to its startups. A good mentor, often an experienced entrepreneur, will share unique expertise acquired through experience as well as access to his/her network. Founders will frequently stay in touch with the mentors they meet in an accelerator long after they graduate from the program. An accelerator's network of mentors is key for attracting startups and building creditability.

"Many of the mentors in Techstars are experienced entrepreneurs."
Brad Feld, Managing Director at Foundry Group and co-founder of Techstars

Accelerators are putting different strategies into place to attract and leverage on the best mentors. Here are some examples of different strategies to address this challenge:

▪ Scouting mentors: have a clear offering of what is in it for them.
▪ Leverage on your alumni community: alumni can become mentors.
▪ Scout in events/conferences/etc.
▪ Add international mentors to your network as startups, particularly in Europe, can benefit greatly from working with mentors from abroad. However, value face-to-face meetings rather than online.
▪ Carefully interview prospective mentors: not all entrepreneurs are good mentors.
▪ Communication is key: coach the mentors if needed.

Make it clear beforehand what is expected from them.
▪ Match mentors with startups (eg. culture/way of working, skills, how much value will the mentor be able to add to the startup).
▪ Review your mentors: create a form to collect feedback from the startups regarding the mentors (cover both the content delivered as well as the way in which it was delivered).
▪ Help startups to leverage on their mentors: sometimes they don't know how to best use the mentors. Guide them to prepare questions and to leverage on the contacts of the mentors.

3. Build credibility
The challenge

Building credibility as an organisation in an already established industry isn't easy but building credibility in a new, unproven industry is even harder. The first accelerator, Y-Combinator, was only launched in 2005 and the first European accelerator, Seedcamp, in 2007: this means that the titans of the industry are only around 10 years old so, to some, the verdict is still out on whether or not accelerators actually add value or are just selecting the best startups and claiming them as their own victory. This means that accelerators not only have to prove themselves in the market but they have to prove that accelerators as a whole are worthwhile.

Credibility in this industry is built of heroes and exits. To get there you need good quality startups graduating from the acceleration program and raising investment. Credibility takes time to build as startups take time to succeed. In addition, credibility is linked to many factors: reviews, reputation, exits, network. This is no trivial matter, in particular in an industry so young as the acceleration one.

Strategies from the industry
▪ It is a crowded space: differentiate your program. One

way for doing this is to run a vertical program (focused on an industry or technology). Specializing makes it easier to deliver value to the startups that you are accelerating as well as to attract sponsors and mentors. Vertical programs also tend to attract more later stage startups which are already more focused and ready to achieve.

▪ Connect with corporates: associating your acceleration program with well established corporate brands reinforces the credibility of the program. This can be done in a number of ways (e.g. sponsorships or partnership).

▪ Your network is your biggest asset: make sure it adds to the credibility of your program through the mentors, VCs, startups and entrepreneurs that are a part of it. Leverage on it by getting ambassadors from your network to refer your program as well as make use of your association with them in your marketing and communication activities.

▪ Measure value delivered and communicate it clearly (e.g. what is your value proposition to the different stakeholders you deal with, what results has the program achieved).

▪ Join a network such as European Accelerator Network or Global Accelerator Network to learn from peers and work together to elevate the reputation of the industry of acceleration.

4. Financial sustainability of the acceleration business model
The challenge

Finding a sustainable business model is still a core challenge and one that is a necessity to the long term future of any accelerator. The industry is still young which means many business models are yet unproven. There is not one business model in this industry. There aren't even a couple or a hand full. Whereas the programs are not that structurally different, the business models of the acceleration makers are many and as distinct as

those same organizations. This next section will examine a number of different accelerators looking into how they operate and their model of work.

Strategies from the industry

▪ Continuously re-evaluate your business proposition and business model. Keep in mind that you are operating in an industry in discovery mode and competing at a global level.

▪ Tune in to the needs of your ecosystem. The ecosystem is evolving, the business models are evolving. Re-evaluate strategic goals and grow along with the ecosytem you are in.

5. Measure value delivered
The challenge

Exits and heroes take a while to come.

Depending on the maturity of the ecosystem, they might take a long while to come and meanwhile the question prevails: how are accelerators adding value? This is not just an economically relevant question but it is also a question that each and every accelerator needs to answer for itself. Answering this question is fundamental for an accelerator to attract startups, partnerships, investment.

"We track a variety of metrics to measure delivered value. From the progress of each of our start-ups on the "Business Objective-Key results" agreed with them at the beginning of the program, to the growth of their core KPIs. Funds raised post program are a good indicator of how the venture community values our work."
Olivier Mougenot, NUMA

There is a lot of talk about the value of acceleration programs. Do acceleration programs really add value to startups or are they just selectively picking out the winners? Normally the discussion surrounding the value

THE EVOLVING BUSINESS MODELS
The struggle for sustainable business models

"It is very early stage for all of this. I think it will take another 5 years until we know which acceleration business models work and which ones do not."
Paul Miller, Bethnal Green

500 STARTUPS
Focusing on growth, distribution and fundraising for startups

Founded in 2010, 500 startups is an early-stage venture fund and seed accelerator. Their standard acceleration program invests $150k for 6% equity in a startup that, in return, gets access to their vast network of mentors, alumni and investors. Additionally, startups receive help with distribution and growth. This focus on growth and distribution is part of what distinguishes 500 Startups from other accelerators. 500 startups have 15 in-house online marketing and sales experts that work with startups on metrics, marketing channels and sales processes. 500 Startups has a special focus on growth, distribution and fundraising.

"We think it is important for the ecosystem – there is starting to be a demand [for accelerators] from corporates and government. There is an opportunity but it is also good for the ecosystem- a lot of people don't know how to run an accelerator and they end up wasting their time and a lot of startups' time" Marvin Liao, 500 Startups

After years running accelerators, 500 Startups recently launched a "how to build an accelerator" and a "corporate unlocked" program. They also run the "Distro Dojo" program a post seed accelerator for companies that have raised seed money but don't have the metrics for series A. This is a 12- week program whereby each company is paired with a distribution expert who helps them with their metrics and growth engine.

THE EVOLVING BUSINESS MODEL:
Trying pre-acceleration; Distro Dojo; educating corporates & accelerators.

NUMA
From Paris to the world

NUMA is one of oldest European organisations in this sector, starting in 2000 as an entrepreneur's club, opened the first co-working space in France in 2008 and, in 2011, they launched their first acceleration program. In 2014, NUMA also started working with corporates with open innovation program.

NUMA used to rely on sponsors for their funding but in recent years they have turned to an equity-based program whereby they take 5% for a €25k investment. Their accelerator is for early stage startups and provides mentorship, access to NUMA's corporate network and a spot in their co-working space. Today NUMA focuses on three areas: open innovation, acceleration and community events. They are trying to position themselves as the moderator between corporates and startups, helping corporates to be part of the ecosystem.

"Between the ecosystem and the corporates, we want to be at every stage of the value proposition. Having one-on-one meeting between corporates and startups or corporates as speakers in a conference about a new trend or new technology, that's what we call acculturation and the final step is open innovation program or acceleration program dedicated to corporates"
Claudio Vandi, NUMA

Additionally, in 2015, NUMA started to push an internationalization strategy, opening offices in Moscow, Bengaluru, Casablanca, Barcelona and Mexico in partnership with a number of local organizations. This strategy is designed to allow them to help startups launch internationally into a global network.

THE EVOLVING BUSINESS MODEL:
Moving for profit; taking equity; working with corporates; internationalization

BETHNAL GREEN VENTURES
Accelerating social impact

Bethnal Green Ventures, born out of a social investment camp, started in 2008 as a part-time accelerator supporting startups that had the goal of solving the world's social issues in industries such as education, healthcare and energy. Funded by the Office of Civil Society, Nesta and the Nominet Trust, Bethnal Green has been using public funding to propel the ecosystem and attempts to bring innovation to certain sectors. As a result of this, startups do not have to be dependent on angel investors meaning that there is no great pressure to abandon a socially impactful project for a more lucrative one.

"We have teams come to us because they know we're really comfortable with them sticking with the goal of social impact and we wont put them underpressure to just divert because there is an opportunity that comes up that is more financially lucrative but that does not help them achieve their social impact. For a social impact venture, we are a better home."
Paul Miller, Bethnal Green

One of the main challenges cited by Bethnal Green is that their accelerators are often looking to work with bigger, long standing institutions and organizations, as for example the Nation Health System. These organizations are typically running on execution mode and are considerably risk averse. Bringing innovation to these long established industries presents a challenge.

"Despite the single market in Europe there are so many differences in how to talk to schools for instance that we need local partners to help our startups expand to those markets.It is a goal for us to grow our across Europe through partnerships and to be able to provide more capital to startups as they grow (later stage funding – seed)."
Paul Miller, Bethnal Green

THE EVOLVING BUSINESS MODEL:
Creating partnerships across Europe; new sources of funding as corporates recognize the value of acceleration.

TECHSTARS

Techstars launched their first accelerator in 2007 and as off mid-2016 had accepted over 800 companies into its program, collectively raising $2,300,000,000. In exchange for 6% equity, each company accepted into the program receives $20,000, access to Techstar's network of investors, alumni and mentors and a 3-month support program. Techstars is highly selective with fewer than 1% of startups applications accepted.

Techstars has a history of acquisitions and in 2015 made the strategic decision to acquire Up Global which ran a number of events and pre accelerators. Almost three quarters of the founders that have been through Techstars have also been through Up Global. Techstars has also made a number of other acquisitions (Springboard, London and Excelerate, Chicago) expanding its main accelerator. This is part of an overall strategy to expand their global network in order to help connect entrepreneurs.

THE EVOLVING BUSINESS MODEL:
Expansion through acquisitions; extend portfolio of services to cover the entire startup lifecycle (from pre-acceleration to later stage).

of acceleration is focused on what value the programs bring to startups and how they measure it. Whilst the value added to startups is of fundamental importance, accelerators are creating other types of value that are significant and need to be accounted for.

STRATEGIES FROM THE INDUSTRY

KPIs used by the programs: number of applications and survival rates of startups that have been through the program. Most accelerators focus on measuring the financial success of the startups passing by their programs (money raised, market capitalization of startups, exists, revenue). A few have KPIs related to the impact in the ecosystem. 1/3 also consider measuring the partnerships startups create through the program. Typical KIPs in use by the best accelerators:

▪ Funding raised per startup
▪ Startups alive 2-5 years after graduation
▪ Exits and valuations directly linked to the acceleration provided
▪ Satisfaction of alumni with program
▪ Startups accepted in top accelerators

6. Attract funding for startups
The challenge

In order to properly realize any big ideas, startups need to attract investment to fund the development and launch. However, investment is not just important to the startups but also to the accelerators. As stated earlier, credibility is built on heroes: accelerators depend on the success stories of their alumni in order to attract the best startups and build their credibility. If their startups finish the program, no one invests and they fail - that can reflect badly on the accelerator. Thus helping startups in their quest to secure funding is of utmost importance. Additionally, for accelerators that take equity, they rely on their startups to succeed and exit. Investment is a step in that direction.

"The capacity of our startups to rapidly access funding is critical to their success. As an accelerator, we are today lacking follow-up capacity to help our startups fund themselves more rapidly."
Olivier Mougenot, NUMA

STRATEGIES FROM THE INDUSTRY

▪ Nurture your network of investors. Target the right type of investor depending on the stage of the startups graduating from your acceleration program (angels, super angels, VCs).
▪ Look for smart money – investors with experience, know-how and who go the extra mile in support the startups in their portfolio with contacts and knowledge.
▪ Prepare your startups to negotiate with investors: pitching is just one element of startup interaction with investors. Once they have actually engaged in conversations, they need to understand deal structures, valuations, negotiate, evaluate if the investor is right for them etc.
▪ Inform your startups of public investment options and support funds (commercialization programs, Erasmus for Young entrepreneurs, etc)

TRENDS

What the
future will look
like for
accelerators

A lot is happening in the field of acceleration. The expansion and maturing of the ecosystem, particularly in the United States and in Europe, is driving an increase in competition among accelerators. Acceleration is becoming more established, driving up the demand for acceleration programs and attracting corporates and governments which were initially cautious and doubtful of the value of acceleration. While the words startup and accelerator are still unknown to many, economies and societies in Europe are opening up to the startup and entrepreneur way. Whereas acceleration programs are still fairly new, a few visionaries are becoming early adopters and creating opportunities for the makers of acceleration.

Throughout all the talks carried for the preparation of this report, it was clear that it is nearly impossible to conceive what acceleration will look like in 2020. With increased competition and many accelerators experimenting with their business models in search of sustainability, there are several viable paths for accelerators to generate cash or raise capital, including: raising funds, taking startup equity, acceleration as a service, expanding program size or geographic reach and monetizing space among others. Given that only a select number of accelerators have clear, sector- leading results or global brand recognition, it will be interesting to see how the makers of acceleration will incorporate the above paths and explore the trends that we have identified.

Trend 1:
Satisfying the corporate client

Whereas acceleration programs were originally focused on fostering entrepreneurship and growing startups, a new type of stakeholder has moved in the last years: the corporate. Accelerators struggling to find sustainable business models or just eager to grow have a new client to satisfy: corporates. Corporates are seen in two ways: firstly, as part of the ecosystem, they are able to connect and support later stage startups connecting them to the first big clients; secondly, some accelerators are looking at corporates as a new client to satisfy.

Now that the industry has begun to mature, corporates start to view accelerators in a more favorable way - as the gatekeepers to startups. It is expected that corporate partnerships with accelerators will continue to grow in line with the confidence corporates place in accelerators and the startup ecosystem. Corporates can benefit from accelerators in different ways:
▪ Build a more innovative brand: by associating themselves with the world of innovation that accelerators and startups represent.;
▪ Nurture entrepreneurial corporate culture: corporates might be looking to use startups, and by extension accelerators, for internal culture change and to nurture their own intrapreneurs;
▪ Identify innovation: corporates sometimes are looking to bring innovation to their industry and by being connected to accelerators they can see and be part of the innovation that is taking place among startups.

"Most corporates have little time to dedicate to startups but they have real problems that they want to see solved. If you bring them a framework to help solve these problems thru outside startup innovation focused on their problems and you get this done in 1/10 of the time, next time it will not be the accelerator pushing the corporate, but the corporate asking to do it again and again as they see the true value they can get from this partnership."
Ricardo Marvão, Beta-i

Corporates can partner with accelerators in a number of ways including sponsorship, whereby they would sponsor an event or a program having their branding placed on signage, appear in press releases or promotional videos. Another form that partnership can take is mentoring, whereby a company may lend its industry knowledge to startups through an acceleration program. Often, mentors stay in touch with startups long after an acceleration program ends meaning that companies can build long lasting relationships with startups. Accelera-

tors can run incubators for intrapreneurs, or run training on startup methodologies. Finally, corporates can opt to run acceleration programs either by themselves or in collaboration with accelerators. From these many ways of collaborating with accelerators it is expected that corporate acceleration and working "the startup way" will be the formats that will demand more from organizations running acceleration in terms of satisfying the corporate client in the years to come.

Corporates can bring reputation and knowledge (route to market, marketing, industry, own mentorship or identify relevant mentors from their specific Industry) to startups helping to develop business and improve deal flow. In exchange corporates normally get equity in startups, or the privileged access to working with these startups.

It is a two-way game: corporates are seeking accelerators and accelerators are seeking corporates.

"We never consider corporate as being outside the ecosystem. Since the beginning, we thought and we still think that corporates are part of the innovation ecosystem. This is not startups against corporates. It's best to work together, the best way possible at the right time with the right people.
It is a matter of balance, of moderation and we consider the relationship very good between startups and corporates. Corporates can become investors, business partners, corporate mentors, experts to help startups at specific moments of their life or even technical partners. Between startups and corporates there is a wide range of relationships that's developing constantly and that's what we orchestrate as NUMA."
Claudio Vandi, NUMA

Trend 2:
Verticalization continues

As acceleration continues to mature as a sector, the number of accelerators has grown. As discussed in this report, new accelerator makers have entered the market with new objectives, ideologies and resources. This growth in the number of accelerators paired with the new kinds of players has meant that accelerators have begun to specialize either in an attempt to differentiate themselves in a crowded market or to carry out the different objectives of acceleration makers. This specialization takes the form of vertical accelerator.

"We'll see more programs focusing like on verticals (Startup bootcamp example) – what is the speciality in your local environment/what is your region known for? For instance, what are the universities around you really good at? " Marvin Liao, 500 startups

Startups are beginning to realize, especially in sectors like Internet of Things and Finance, that there is value in being accelerated with sector experts.
This narrow industry focus allows startups to work with peers in their industry and receive more tailored mentorship. Corporations can also find their place in this scene by supporting accelerators that cater to their market. It might be easier for a bank to support a fintech accelerator than a generic one. This corporate backing of accelerators is happening in mature startup ecosystems as corporates understand the inherent value of engaging with startups. As this continues we will continue to see more vertical accelerators enter the market.

Trend 3:
The rise of post-acceleration services

Why are scale-up services becoming attractive: maturity. As the startup ecosystem continues to develop, more startups are seeing themselves enter the later stage. At this stage, startups have to deal with a host of new challenges that are less to do with product development and more to do with creating commercial opportunities. This lends itself to an increase in demand for later stage accelerators.

STARTUP PRESPECTIVE

Petable, a Lisbon based startup, went through a generic accelerator (Lisbon Challenge) and proceeded to join a vertical accelerator in insurance (Deloitte Digital Disruptors). According to them, startups can profit from this type of "growth" strategy: the generic accelerator helped Petable to get things of the ground – "got us into the right mindframe to manage a startup"; the vertical accelerator was an opportunity for exploring a specific market - "it helped us to start thinking of our value proposition in terms of money and it taught us to work with corporates. As much as corporates try to behave as startups, their speed of decision making is really different. Sometimes it takes them two weeks between one meeting and the follow up".

The startup was at different stages at each of the accelerators. Therefore, each accelerator served one specific purpose. In addition, according to Petable, Lisbon Challenge was more community oriented and helped them enter the portuguese ecosystem trusting relationships in the Portuguese startup ecosystem. At Deloitte Digital Disruptors (DDD), the vertical accelerator, startups were already at a more advanced stage and each team was more focused on their own goals.

"We are exploring business opportunities with Deloitte in the UK and in Canada. They are really doing business development for us. They talk with their client, present our product and once the client signs the deal with us, Deloitte gets a percentage. Deloitte is almost acting like a broker (where they see that it makes sense for them and for their existing clients). They (Deloitte) took it very seriously and were able to mobilize a great number of internal resources and make them available to us at the hackathon and businessathon."
Bruno Farinha, Petable

"We wouldn't be where we are right now if it wasn't for Lisbon Challenge. The main value added was the frame of mind: the way in which you think your business and how you communicate your business, learning about the startup world and how your business fits in it. This change in frame of mind was achieved through the conversations with the mentors and contacts we were introduced to by the programme. The value of Deloitte Digital Disruptors will be measured in terms of deals closed and it was valuable anyway because of helping us to frame our business to this industry."
Bruno Farinha, Petable

According to the founders, in order to gain from an acceleration programme "you need to make yourself available to learn, to listen, to accept but also to draw the line to say this is enough, this is what I'm doing. You chose the advice you take".

This is where commercialization programs and other scale-up services come in. Programs like Coca-cola's Bridge or Microsoft Ventures aim to use their experience dealing with big corporate clients to help later stage startups develop. These larger companies can offer a wealth of experience on a wide range of issues that help startups work with large clients.

Many startups come from a development background which is adequate for their startup up until the later stage, when they need to develop new skills. In order to open themselves to larger clients, new approaches and a level of professionalism is required. At this stage, it is quite possible that the startup has out grown generic early stage accelerators and they need new kinds of support and mentorship. Large firms can share their experience in performing large transactions and dealing with big clients, provide commercialization training and open new doors to startups. Distro dojo from 500 Startups is another example of a service for pos-acceleration. It is expected that the next years will see expansion and diversification of these type of services.

Trend 4:
Accelerators becoming investors

For the top tier accelerators the equity-based model, whereby accelerators financially invest in their startups claiming usually between 5-7% equity, is the norm for quite some time: In 2009, after 4 years of operations, Y-Combinator received investment that allowed it to invest in its startups. Although investing may be the normal for the most established players, it is beginning to become a trend for more upper-mid range accelerators as well. In an attempt to formalize and expand their operations typically non-profit, community serving incubators are turning to for-profit models of operating. This model allows accelerators to profit long term from the work they have been doing with the startups accelerated.

"Becoming investors in accelerated startups is a natural move for all accelerators once they have found their secret sauce and can demonstrate their impact on startups. For startups, giving away equity to work for a few months with experienced professionals committed to solving problems they have is a reassuring way of aligning interests."
Olivier Mougenot, NUMA

This provides a number of benefits to an accelerator. First of all, investing capital is useful in attracting better startups and competing with other accelerators. If a startup has to choose between two accelerators: one that promises €25k in investment and another that does not- it may be an easy choice. Secondly, it allows accelerators to claim equity, potentially paying back their investment in the startups – who generally don't pay to join acceleration programs. The statement above from NUMA also shows how accelerators becoming investors is important in establishing the credibility of the accelerator industry- if accelerators truly believe they are adding value then they will invest if they can.
H-Farm recently raised a fund as well and Beta-i is in the process.

Trend 5:
Internationalization

With the maturing of the acceleration industry, internationalization is a natural next step for the more established players. However, in this specific industry that aims to support startups and their global ambitions, internationalization is not just a strategy for expansion. In this particular case, internationalization is both required for an accelerator to be better able to support startups to grow and to be able to increase deal flow for its programs.

For some top tier accelerators, it is clear that expansion is possible through mergers and acquisitions or just by opening new offices.

Trend 6:
Universities specializing in pre-acceleration

When writing this report, the topic of the future pre-accelerators did come up- some accelerators, like Techstars, are funding and pushing forward pre-acceleration programs as a way to increase deal flow and address the issue of lack of startups. However, at the same time, other accelerators, such as Beta-i, consider stopping those programs as they are not profitable by themselves. This leaves pre-accelerators in a sort of limbo between not being profitable enough to run but also too necessary for the ecosystem to continue to develop.

Universities running accelerators is not new: Stanford University's does it since 2011. However, most universities, despite having their own incubarors, do not run acceleration programs.

As mentioned earlier in this report, different makers of acceleration come with different objectives: whilst most corporates will consider that pre-accelerators are a risky investment as it is too early to know if the business will be profitable, universities might be the one type of acceleration maker with interest in running pre-acceleration. More and more universities are looking at entrepreneurship as a distinguishing factor by which they can differentiate themselves from other universities. In the last years we have seen universities creating courses and specializations on entrepreneurship. The next step will be running pre-accelerators. As universities seek to educate and encourage entrepreneurial spirit. Universities have a large reach in regards to potential talent- students and even potential mentors. Finally, universities already have the infrastructure necessary to facilitate pre-acceleration programs.

This puts universities at the right place, with the right reach to students, an educational infrastructure, resources and with the right objective to operate pre accelerators. Paired with accelerators, there may be a sustainable way to run successful pre-accelerator programs.

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