



Co-funded by the
Erasmus+ Programme
of the European Union



BEEHIVE

Setting Up Your Accelerator



INCUBATOR vs ACCELERATOR

	Incubators	Angel Investors	Accelerators
Duration	1-5 years	Ongoing	3 months
Cohort(s)	No	No	Yes
Business Model	Rent/Non-Profit	Investment	Investment; can be non-profit
Selection	Non-competitive	Investment	Investment; can be non-profit
Venture Stage	Early or late	Early	Early
Education	Ad hoc; HR & legal aid, etc.	None	Seminars
Mentorship	Minimal & tactical	As needed	Intense
Venture Location	On-site	Off-site	On-site

Cohen, Susan. "What Do Accelerators Do? Insights from Incubators and Angels." innovations 8.3-4 (2013): 19-25.



The Role of an Accelerator

TEACHER

- * School for startups
- * Classes, trainings, consultancy
- * Prepare to pitch to investors

Good quality of applicants

AGENT

- * Connection to customers / corporates
- * Market research, other services
- * Maintain linkage

Need for startup and corporates

MERCHANT

- * Startups whose successes market their programs
- * Spend a lot on marketing

Corporate Accelerators

BUILDERS

- * Pull business ideas from their network and form an internal team to build the business.
- * Focus is on commercialization

Resource intensive



Setting up an Accelerator / Incubator





Pre-Design: Understanding the Landscape

- Industry Verticals

Software, Agriculture, Healthcare, Social Enterprise, etc.

- Geographical Reach

Within the city, Nationwide, Regional, etc.

- Team Maturity

Students, Alumni, Must be in teams, etc.

- Funding trends and options

Grants, Angel Investments, Bank Loans, etc.

Design: Key Considerations



Financial Investment

- People
- Trainings
- Seed Capital
- Services



Program Management

- Curriculum
- Legal framework
- Business skills training
- Domain skills & tech training



Infrastructure

- Office space + conference rooms
- Software licenses / Tech Support
- Web services
- Internet



Network Connections

- Mentors
- Subject Matter Experts
- Industry leaders
- Entrepreneurs
- Investors



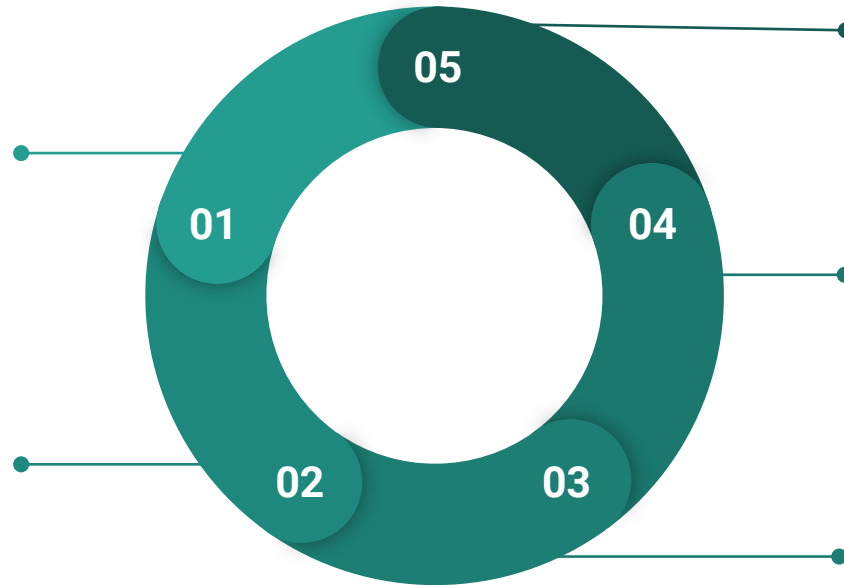
Set-Up: Program Outline

Self-Discovery and Vision Setting

Clarifying their motivation for pursuing the business and aligning it with their personal goals in life.

Team Building

Establishing a team with a shared vision.



Network Building

Connecting with partners, investors, and people who can help bring their business forward.

Lean Product Development

Developing a product based on the customers' insights and with minimal resources.

Market Validation

Understanding their customers and what the market needs.



Operations: The End-to-End Process

Batch Intake (Selection)

Running the Program

Graduation

Branding and Marketing

Application Process

Shortlist and Selection

Milestones & Roadmap

Workshops and Trainings

Progress Check Meetings

Mentor Connections

Industry Connections

Evaluation

Demo Day

Funding*



Evaluation: Success Factors

Pre-Program

Application-Selection Ratio, Rejection Rate, Acquisition Cost, Database with Applicants' Information

In-Program

Pivots in business strategy, Product improvement, New customers/leads, User Base Growth

Post-Program

Mortality Rate, Active Mentors, Growth after the Program, Follow-on Funding



CASE





Case 1

Josiah is a very driven startup founder. He is clear on what he wants his company to be and how he will get there. With a background in engineering, he realized that he needs some business background so he got himself an MBA degree. Motivated, and driven by his passion, he embarks on his entrepreneurial journey.

He struggles, however, with scaling as he is a solo-founder. He has explored getting co-founders as teammates-- he got his High School best friend with technical expertise and he got a former work colleague to join the team. Unfortunately, because of work ethics differences, the team fell apart in less than a year. Now, Josiah struggles with scaling his production and marketing efforts as he is trying to balance everything on his own.

Josiah goes to your accelerator and is seeking for your help, what do you do? Design a program to help Josiah scale his business.



Case 2

Marisa, Carl and Jacob are the top graduates in Computer Science in their university. Their technical skills are exceptional such that even before graduating, they have gotten impressive offers from big tech companies. But they are determined to build a business because they believed that it has been their childhood dream to be a business owner.

They tried self-studying by enrolling in the BEEHIVE MOOC and doing some validation by talking to their friends. They felt that they were not making much progress and feel that they need an intervention and the guidance of an accelerator.

Marisa, Carl and Jacob knocks on your door and wants you to intervene and help them. Design a program for them.



Case 3

France, together with his teammates, aced his undergrad thesis defense and have gotten feedback that he should pursue it as a business. They come from families with traditional mindsets who expect that they get a job after they graduate— so the idea of turning their thesis project into a business is something that their families are not very supportive of.

Still, they decided to develop the product, with the help of a small grant from their school, enough to get interest from a few potential customers. A couple of months later, they realized that the journey is not very easy. The grant money is already running out, and they are months away from getting revenue from their potential customers. Some of France's teammates have already been pressured by their families to quit the business and get a job. 2 out of the 4 have already left and France is already feeling frustrated and unmotivated.

France feels that being part of your accelerator can help his situation. How will you help him?



Case 4

Allan and Vans have been best friends since High School. Allan is a visionary and an inventor by nature; with a background in engineering, he enjoyed tinkering and making things out of nothing. Vans is a designer and has a keen eye in putting structure and processes in place. They have decided to build a startup based on a product that Allan has envisioned and invented.

When it was time for the company to be registered, they argued with the equity split. Vans felt that he had to have more shares because he was going full time in the company, and he handled all of the operations anyway. Allan felt that since the idea and the vision originally came from him, he should have more shares in the company.

Allan and Vans felt that they needed advice from your accelerator to settle their argument. Design something to help them with their problem.



Case 5

Pen and Cath are business majors who had a wonderful idea for a startup. With strong backgrounds in finance and marketing, they did the necessary studies to understand the market and their customers. They have done their business model canvas, market validation, and even financial projections excellently. The only issue is none of them are capable of building the product. They tried scouting for software development companies but none are willing to develop the product for them for free (or even at a discount). They tried looking for a tech cofounder but the ones they have recruited required a salary that they cannot provide.

What do you think are the next steps that Pen and Cath should take? How can your accelerator help them?



Keep in mind:

Listen to your customers

Always give them feedback

Mutual value from you and your partner

Connections. Sell the idea. Sell the vision.



Synthesis



Pitching workshop as framework on items to train your startups on i.e. business overview, defining the problem, articulation of business solution, market validation, financial projections, framing the ask

Identifying persons with inherent values of a startup mentor / coach (internal and external to your HEI)





Synthesis

Using financial model templates as a visual tool in conveying advice



Facilitating teamwork among the teams supported

>> Solo founders? Existing team? Exhibited working relationship?

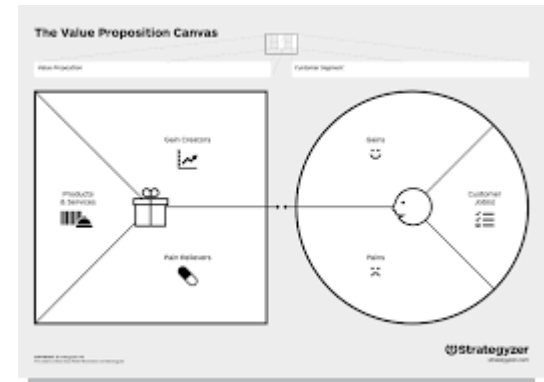


Synthesis



Ecosystem mapping as determining institutions, facilities and persons to tap and strengthen accelerator program

Value proposition canvas as tool to match market demand and what your accelerator can provide



Synthesis

Strategic and operational considerations in building your accelerator as guidelines on what key components to address



Case studies as simulation on how to support startups within the context of your acceleration program

