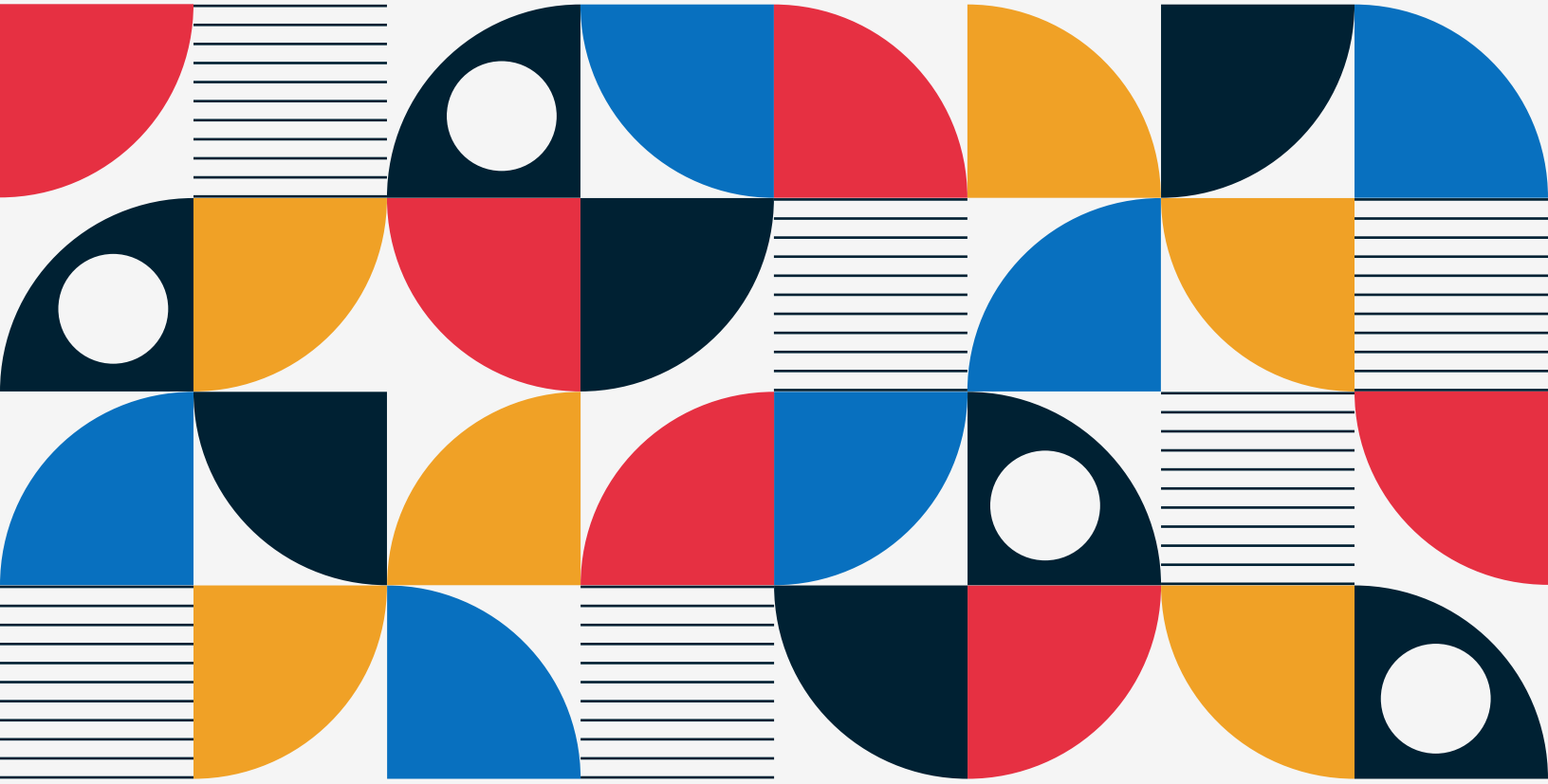


Reviewing 15+ Years of Accelerator Dividends:

Innovation & Entrepreneurship Returns and a Roadmap for Future Success

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About GAN

GAN (GAN.co) is a highly curated community of independent accelerators, studios, partners, and investors who work together to ensure that no startup stands alone, and that all startups can build where they live. For over a decade, GAN has been at the forefront of the entrepreneurial building industry with thought leadership, best practices, and access to resources and capital.

Learn more at http://gan.co.

About the Author

Over 15 years ago, Eric Mathews started the early stage tech startup ecosystem in Memphis, Tennessee, which included starting one of the first 100 startup accelerators to operate in the world. His work has since expanded to support a cadre of digital and economic advancement initiatives in Memphis and beyond. In 2011, he co-founded Start Co., a venture architect firm where he serves as CEO. Start Co., in addition to building new startups, provides the processes for corporations, governments, universities, and other organizations to build data and technology solutions, new business models, and civic innovations that leverage the power of digital cities, innovative talent, venture development expertise, capital, and global connectivity.

In the Memphis area, Start Co. has materially supported over 300 entrepreneurs and their businesses, several Fortune 500 & 1000 companies, and many impact organizations.



Over 40% of the entrepreneurs served are women and over 40% are people of color. Beyond Memphis, accelerators, business associations, real estate, governmental, corporate, and other organizations are leveraging the unique innovation brokerage systems of Start Co. As a board member of GAN, Eric's reach and influence have helped countless other venture development organizations and their startups launch and grow across the world. Prior to these endeavors, Eric was the Associate Director of Corporate Research & Development at the FedEx Institute of Technology. Eric has a B.S. in Chemistry from Rhodes College and an M.S. in Cognitive Psychology from the University of Memphis where he studied artificial intelligence. He has been quoted hundreds of times in media outlets globally on building startups, as well as the use and influence of innovation in business. Eric is the author of From Garage to Greatness: Succinct First Steps for Early Stage Entrepreneurs, an accessible ebook for first-time entrepreneurs and those supporting them about how to move from idea to business launch. Beyond tech startups, Eric has a diverse portfolio of other direct investments in the manufacturing and real estate industries. Eric is an Eagle Scout.

Introduction

Accelerators have proven to be not only viable, but critically valuable, and not just to the startups that join these entrepreneurial systems. Corporations, investors, civic institutions, and others are all realizing benefits. Accelerators provide a blend of returns, only some of which can be measured on "vanity metrics," such as capital raises, exits, and job creation. The more we, the GAN team and I, thought about and researched accelerator returns, the more we found that existing accelerators are likely at the beginning of a period of compounding impact and results that may even exceed direct investment returns in value. While we see the accelerator model at a point of maturation developmentally, we do not want to mistakenly view this maturation as linear, or even at a plateau in terms of returns and opportunity, when the reality is there are larger returns yet to be realized.

To get those larger returns will require careful analysis and debate over which features of the accelerator model we keep and refine over the next 15 years - all of which we will discuss in this whitepaper.

As supporters of accelerators around the world in 40 countries and 140 locations, with over 19,000+ founders served and $3.9 billion raised, we wanted to take stock of the accelerator after over 15 years of documented history.

While the leading indicators of success are solid, we document herein a possible outsized role that accelerators have played in changing and shaping entrepreneurship and the communities in which the accelerators were built. It is here where we see the early curve bending - an indicator of a geometric function and greater returns. We highlight a wide range of real returns for communities, corporations, startups, and the entrepreneurs, mentors, and others engaged in starting up new businesses via accelerators.

Who is this whitepaper for:

For those wondering if a startup accelerator is the right way to build your new business, we believe this whitepaper validates accelerators as a viable path to creating early-stage, high-growth startups, though we acknowledge that it is certainly not the only option, nor may it be the right option for you on a personal level or your business.

For investors who are reviewing whether accelerator deal flow should be a part of your channel strategy, we believe accelerators may be a viable answer to your deal flow, and we will demonstrate why in this paper.

For corporations that are looking to open their innovation ecosystems, we describe two ways to achieve this end goal: through partnerships or building your own accelerator systems.

For other venture development models, such as startup studios that may be asking 'what can I learn from the past 15 years of accelerator operations?', this whitepaper provides some pointers and tips for addressing how accelerators can help you achieve your growth and your cities' growth goals as leaders in the communities you serve.

For our friends and colleagues in the world thinking about what is next for your accelerator, we paint a compelling picture for your expanded role in shaping and growing your community economically and even your country. We know first-hand the financial and non-financial impact you've made, and we highlight some of your stories in the case studies.

We hope you find this update on startup accelerators informative. It is our goal to help startups thrive wherever they call home. The best opportunity we have as leaders is to make sure the tools and resources to build new businesses are available globally wherever an entrepreneur happens to be. Papers like these are important in our view because they foster the sharing of best practices. That is why we created GAN in the first place. This type of sharing happens regularly in the GAN Community from accelerators sharing dealflow, investment capital, and other resources, including mentors, contacts, and strategies. It's this same commitment to sharing openly with others and defying profit motivations that is in the end truly profitable for all involved.

Landscape of Today

Globally, populations are growing and standards of living are rising. At the same time, there are tough problems that need to be solved at the global, national, and local levels. As a result, we need new entrepreneurial talent, new technologies, and new business models. The challenge lies in figuring out how to build businesses efficiently to commercialize new business models and technologies when the deck seems stacked against this vision now more than ever.

For investors seeking returns, capital has dramatically increased and become more widely available. For the first time, fewer than 20% of all deals will be in Silicon Valley in 2021[1]. At the same time, capital is not distributed equitably. For instance, women received only 2.3% of all venture capital in 2020, according to Harvard Business Review[2]. In our case study on the Hillman accelerator, we show why equitable investment is so critical globally. In corporations, 80% of executives believe that their current business models are at risk of disruption, and only 6% are satisfied with their innovation performance[3]. In our H-Farm case study, we speak to how we can address talent and innovation gaps.

At the same time, there are fewer entrepreneurs creating businesses today by choice to address innovative opportunities that they have identified. In the US, women and minorities were more likely to create a business out of necessity, i.e., they were unemployed and needed to create a job for themselves with a known business model, rather than opportunity[4]. For advanced and developing countries, the UTEC Ventures and Flat6Labs case studies we have included at the end may be a guide to building change here.

In addition to these innovation challenges, entrepreneurs are still facing many more. We generally need to lower the time it takes to get innovative ideas off the ground to address global challenges in energy production, banking the unbanked, food production, and so much more, all the while sharing learnings from failure faster. Corporations, governments, and communities have realized that entrepreneurial thinking and problem-solving will be critical for success, along with the ever-increasing availability of capital to a wider global geography. This is where accelerators can be a critical bridge. They lower the overall costs of failure, while providing other real returns that are not just capital in nature.

It is in this context that accelerators have risen to such prominence over the past fifteen years and stand to remain a steady support system for innovation and entrepreneurship in the future. Accelerators lower the cost of apprenticeship and failure, as well as distribute learning from failure across networks -- often the very diverse networks -- that they build. Combining the traditional startup ecosystem -- entrepreneurs, mentors, technologists, and capitalists -- with scaled apprenticeship, creates a well-balanced ecosystem in communities across the globe.

[1] Stanfill, Cameron, Kyle Stanford, and Joshua Chao. "2021 US Venture Capital Outlooks." PitchBook, December 11, 2020.
[2] Bittner, Ashley, and Brigette Lau. "Women-Led Startups Received Just 2.3% of VC Funding in 2020." Harvard Business Review. February 25, 2021.
[3] McKinsey Global Innovation Survey. McKinsey&Company. Accessed June 2021.
[4] Opportunity Share of New Entrepreneurs. Kauffman Foundation. Accessed July 8, 2021.



Quick Review of Today's Accelerators

While we wanted to provide background for those new to accelerators, we also wanted to provide some perspective on what it means, in our view, to operate an accelerator. We realize it is easier now to draw conclusions after fifteen years of this startup support model, and we make no claim of ownership or self-bestowed authority. However, we wanted to highlight our observations and even invite dialog. For those that are thinking about starting an accelerator, including corporations, civic leaders, serial entrepreneurs, angels, etc., and those that are looking to support accelerators and the startups they serve, we wanted to quickly give some context.

What does an accelerator look like today?

Accelerators are a unique system for supporting new business models. They are more or less defined by a set of common traits that are widely accepted. These characteristics are as follows:

1. Accelerators recruit, take applications, or otherwise filter through a wide range of new businesses.
2. Selected startups participate in an intense program consisting of business and technical support to "accelerate" business changes that are hopefully beneficial.
3. These programs have fixed terms, which means there is a deliberate, compressed timescale for learning, growing, and building.
4. Startups are grouped in cohorts or batches, which could include just a few businesses, but generally range around 10-20 startups. These startups move together through the process, though there may be a rolling program of admission too.
5. The programs are apprenticeship or mentor-driven, which means there are experts diving in to guide and help the startups, though many, if not most, accelerators have group or workshop-based training too.
6. Accelerators culminate in a graduation-type ceremony, which could be a "demo day" (public or private presentation), investor meetings, or other milestone or experience that signals the next stage of startup development beyond the program.

We also find that today's accelerators have these important traits that compound returns on many dimensions:

A Accelerators deploy real investment capital into participating businesses and become economically aligned with the outcomes of the founding team and follow-on investors.

B They support startups and communities year-round to both increase returns in startups, as well as returns in their community of choice (industry verticals, geographies, etc.)

C Accelerators create new trusted networks for innovation and change, which may include investors, alumni, corporate partners, and more.

D The programs are started and led by those who are passionate about building startups and the communities in which they reside.



How many accelerators are there?

In 2012 and 2013, TechCrunch published articles reporting the demise of up to 90% of all accelerators. At the time, they believed there were 170 or so accelerators operating[5,6]. Though it is truly hard to know the exact number of accelerators and incubators in the world, the estimates are invariably quite large. A 2018 report by Startup Yard references a statistic from the investment platform, Gust, that found the number of accelerators (not incubators) to be over 10,000 in 2016[7]. A 2019 Forbes article is the latest to try to peg the number with information from Hackernoon and the International Business Innovation Association, believing there to be "around 7,000 business incubators and accelerators."[8,9] Unfortunately, using the criteria above, most groups that refer to themselves as "accelerators" are not accelerators at all. Rather, they are characterizing themselves as "accelerators" just because they have a "programming" or "cohort-based" approach to startups. Consequently, many of those using "accelerator" to define a program of startup support may not be representative of true accelerators. So, their "best practices" wouldn't apply here. It is only those who are following the methodology above who should expect most of the successes we define further below. According to GAN's surveys and internal data, there are currently 582 accelerators globally based on the stated criteria above that meet the definition of an accelerator.

What about the accelerator model has led to its success?

Accelerators are platforms. They optimize outcomes for a diverse set of parties by aligning stakeholders and helping everyone realize a return on investment and a return on involvement. Beyond cash returns, accelerators have proven to be powerful engines for open innovation in corporations, recruitment and retention systems of talent, cheap due diligence for investors, builders of new capital sources, and much more.

Accelerators tap into the social behaviors of humanity. Humans are social creatures and gravitate and cooperate innately. Accelerators mirror this social behavioral dynamic and direct that toward building innovations. Founders, supporters, mentors, investors, and others learn through experience and social interaction, cooperative risk and reward, trust building, and other mechanisms that bring out the best in humanity. In fact, we estimate that by acknowledging the humanity in starting anything new, we are all better off.

Accelerators align all parties. All stakeholders involved take on risk, from entrepreneurs and investors to mentors and service providers. Furthermore, everyone learns by doing. Everyone finds the work purposeful -- building the future together is very rewarding even in the face of the risks.

[5] Lennon, Mark. "The Startup Accelerator Trend is Finally Slowing Down." TechCrunch. November 19, 2013
[6] Relan, Peter. "90% Of Incubators And Accelerators Will Fail And That's Just Fine For America And The World." TechCrunch. October 14, 2012.
[7] "This Will Make You Think Again About Accelerators." StartupYard. Accessed December 29, 2020.
[8] Cremades, Alejandro. "How Startup Accelerators Work." Forbes. January 10, 2019.
[9] Moss, Angelique. "Should you join a startup accelerator? Here's what you need to know." Hacker Noon. April 3, 2018.

Should I build an accelerator?

We don't know - for you. The growth of accelerators can be viewed as genuine growth of an industry model that is meeting a genuine need for entrepreneurial support globally. As with any new venture, you should do your customer and market discovery before building an accelerator, and "eating your own dog food" is the first step to building a high-integrity and high-impact accelerator. We will highlight a variety of different accelerators in this paper that we hope you can use as inspiration and a starting point. You can also use them to see if and how your current entrepreneurial support program compares to their successes.



Accelerator Role: Planting a Seed for Tomorrow

For cities across the world, there is a desire to increase economic opportunity. There is a lot at stake, and many statistics point to this reality. However, we think what we need to measure is impact. For us, we think job creation stands as the most important metric globally because it impacts human life, families, and society directly.

There is good reason for leaders to focus on new job creation as the most important economic opportunity statistic; according to the World Economic Forum, 65% of children entering primary school today will ultimately end up working in completely new job types that don't yet exist.[10] If you are looking to maintain or even grow economic opportunity in your community, for your corporation, or for your country, you have to have a focus on creating jobs that do not yet exist. The question for policy makers, corporations wishing to stay in business, and communities at large is how do they create jobs that do not yet exist anywhere on earth. The answer is they don't. Entrepreneurs do.

If there were a way to retain prospective entrepreneurs in your community, attract new entrepreneurs to come alongside your corporation, increase success rates for new business creation, align networks that increase capital availability, along with other benefits of entrepreneurship and innovation, would you want to move forward? The model at present that combines capital efficiency and job creation is the accelerator model. The proliferation of the model is a signal of its success. Accelerators have matched apprenticeship to talent, capital, expertise, and networks to build the jobs of tomorrow.



[10] Leopold, Till A., Vesselina Ratcheva, and Saadia Zahidi. "The Future of Jobs Report." World Economic Forum. 2016

4 Types of Returns from Accelerators

Economic Opportunity Returns from Accelerators

Accelerators should be encouraged by policy makers, leveraged by corporations, and built by entrepreneurs if the goal is to increase economic opportunity in your community. The National Bureau of Economic Research in the United States dove into the returns that accelerators generate.[11,12] Here are a summary of the findings:

- When an accelerator is started or enters your community, the number of startups increases overall in the community, beyond the accelerator itself.
- New local investors emerge
- New outside investor groups arrive
- More startups are funded in the community outside of the accelerator, meaning there is local "entrepreneurial spillover activity."

This last point is worth reiterating - communities that have an established accelerator program have more funded startups that are non-accelerator graduates. The takeaway is that accelerator programs bring out "latent regional interest in entrepreneurial activity."[13]

When there is more startup activity, there is more job creation activity. Economists agree that all net new job growth stems from high-growth entrepreneurial companies that are 5 years old or younger.[14] If you want the jobs of tomorrow in your community, you need entrepreneurs, and if you want more entrepreneurs betting on themselves, betting on their ideas, and betting on your community, then establishing an accelerator gets you there faster -- it "lifts all boats" in the community.

Finally, when venture capital increases in metropolitan areas, so does startup success.[15] In other words, there is a real return on establishing an accelerator. For startups, this is also good news.

[11] Fehder, Daniel C., and Yael V. Hochberg. "Accelerators and the Regional Supply of Venture Capital Investment." September 19, 2014.
[12] Yael V. Hochberg. "Accelerating Entrepreneurs and Ecosystems: The Seed Accelerator Model." in Innovation Policy and the Economy, Volume 16, Josh Lerner and Scott Stern editors, National Bureau of Economic Research. (2015)
[13] Fehder, Daniel C., and Yael V. Hochberg. Spillover Effects of Startup Accelerator Programs: Evidence from Venture-Backed Startup Activity. April 20, 2019.
[14] Stangler, Dane, and Robert E. Litan. " Where Will The Jobs Come From?" Kauffman Foundation Research Series: Firm Formation and Economic Growth. November 2009.
[15] Venture Capital, Entrepreneurship, and Economic Growth. Sampsa Samila and Olav Sorenson. Posted Online January 21, 2011.

Investment Returns

Accelerator investment performance is comparable to what angels get on their returns. When we evaluated GAN accelerator membership, we found that accelerator investors could earn a 2-3x return, which is similar to what angels get.[16] New evidence published this year by the Global New evidence published last year by the Global Accelerator Learning Initiative shows that accelerators do improve investment outcomes for accelerated companies and "this value persists beyond the year of acceleration."[17] Still, accelerators are experimenting in a variety of ways to increase capital efficiency, which would translate to even greater returns for accelerator investments. Alternative accelerator business models are assisting here as well, as policy-makers look to increase entrepreneurial activity in communities, all of which have the effect of increasing rates of return by offsetting or lowering operating costs.

Follow-on investors also benefit from accelerators. The Brookings Institution summarized these findings best in a 2016 paper.[18] Startups in accelerators reach milestones faster than their peers, such as getting customer traction, receiving future funding, getting to exits more quickly, and failing faster, which is a net benefit to all involved, as it frees up talent and time. For follow-on investors, this is excellent. Again, this is also great news for startups.

Innovation Returns

For corporations, universities, and other institutions, including government entities, accelerators provide a return on innovation. These returns exist in the form of learning, antifragility (defined here as making sure you are aware of future disruptions and are strong enough to face them), formation of intellectual capital and clusters, and other broad benefits.

For corporations, the imperative is real. Corporate Research & Development (R&D) spending in 2015 was half of what it was in 1950.[19] The "leaning out" of supply chains, operations, and other costs, including R&D, has created an overall challenge for corporations in the innovation landscape. Generating returns on innovation with less R&D capital has created a push for incremental innovation and short-term gains, making corporations fragile. Most corporations cite having serious difficulties in mitigating long-term threats and disruptions in the current environment.[20] Corporations are increasingly looking at accelerators for innovation returns.

[16] Hugh Mason. JDFI Accessed February 23, 2021.
[17] Davidson, A., Roberts, P. W., Guttentag, M., & Hume, H. "A Rocket or a Runway?" Global Accelerator Learning Initiative. May 2021.
[18] Accelerating growth: Startup accelerator programs in the United States. Brookings Institution. 2016. Accessed July 15, 2021.
[19] National Science Foundation. US Trends and International Comparisons. Accessed on February 23, 2021.
[20] Innovation Stats. Viima. Accessed February 23, 2021.

Accelerators run by corporations or those with which they partner afford these benefits:

- The easiest return stems from hedging internal technology bets with alternative innovations that do not currently fit inside the corporation, thus "outsourcing" long-term innovation to young, agile businesses that are finding different commercial channels, business models, technologies, or territories faster than corporations would be able to do.

- Working with an accelerator shows customers and employees that there is a real commitment to innovation and futhers the innovation culture of the company with cross pollination with startups.

- Corporations are also lowering their learning expenses and increasing their speed of learning by failing with others -- in the case of accelerators, this could mean working with 5, 10, or even more startups per year.

Corporations wanting to work with startups is good news for startup teams, as this means more proof of concept opportunities, paid pilots, investments, and potential acquisitions.

Universities seek a return on innovation as well. Universities have technology, but they need to be transferred to commercial applications. Accelerators create a path to market for university alumni and their intellectual property. At the same time, accelerators demonstrate to the university community that entrepreneurship and commercialization are more than mere lip service. The rise of university-based accelerator programs is directly related to this return.

For community and civic leaders and their institutions and governments, there are also returns on innovation to be found. Economies with an accelerator will build up industrial capability or capacity in a particular geography or sector. Further, when R&D, commercialization, and startups fail, the local community or ecosystem learns. Because an accelerator boosts entrepreneurial activity (aka innovation activity) with multiple experiments underway at the same time, the overall scale of the learning happens faster. Sharing the technical and financial risk of innovating occurs with these concentrations.

Downstream Returns

We outlined the spillover impact of accelerators on entrepreneurial activity. However, there are spilldown effects as well. The returns above look at the benefits of successful startups, and largely ignore the benefits of failed startups, but this is probably the biggest return of all. For communities, corporations, and other institutions, failed founders represent highly trained innovators who can matriculate into organizations and make an innovative impact. For growing startups, failed founders are pre-trained and predisposed to work in the dynamic startup environment. We looked at the trajectories of such founders in Memphis, Tennessee, a mid-sized United States metro area, and found the following:

- 1 went on to create the entrepreneurship center at a regional university and another went on to create the entrepreneurship center at a national university (both in Memphis)
- 2 went on to build an adult coding school that is turning out technology talent for the community
- 3 went on to build a K-12 coding program to feed talent into local university science, technology, engineering, and math (STEM) programs
- 2 went on to support the building of new accelerators in Memphis
- 1 went on to start and manage a new Fortune 1000 innovation program
- Many have gone into the social impact sector
- Many more went to work in other startups in the community - a big benefit to those startups
- Many more went on to found new companies that are successful (small and large) -- on average, it takes 3.8 failures before achieving success as an entrepreneur and there is proof of that in Memphis.[21]
- The remainder are gainfully employed in other ways and are applying their sharpened entrepreneurial and innovative mindset.
- Around 50% are still engaged in supporting new startups in the programs in which they participated, which bodes well given their employment at corporations, non-profits, small businesses, government, capital firms, and more as they open their rolodexes to support teams in the accelerator. These founders are all over the world, strengthening the network's impact.

[21] From quote attributed to Lisa M. Amos.

The impact of starting just one accelerator program in one community could be viewed as successful if only evaluated on these grounds. It is a bold claim for sure, but not unfounded. The Memphis community has new systems to elevate the local workforce, scale innovation, and build new things at scale. It has greater innovation skills extending into corporations. There are new businesses from these founders who will build their second startup with less draw on local resources -- this means higher efficiency and faster time-to-hire for new jobs. There are new student talent development pipelines into entrepreneurship and pathways to commercialize university faculty research. And because all the founders came through the same program, with the majority of alumni participating each year to help others, all these innovators know each other, trust each other, and have the vocabulary, knowledge base, and mindset to tackle other community challenges.

At a time when nearly three in four global executives believe that a lack of skills is an issue facing their industry and 64% say this lack of skills is restricting their ability to innovate, you can see why even in failure, accelerators provide big returns downstream (though now we like to say “forced to exit” instead of “failed”).[22]

Overall, the multi-million dollar economic impact of the first Memphis accelerator far exceeds the initial $200,000 investment put into its development.

For startups, this is often an overlooked benefit of participation in an accelerator. The intellectual and social capital garnered from participating in an accelerator is robust.

[22] Innovation Barometer 2018, GE. Accessed February 23, 2021.

Arguments For and Against Accelerators

In this report, beyond the returns and other qualitative and quantitative analyses, there is still a case in our view for accelerators to be established widely around the globe. Our survey shows a set of solid returns without diving deep into the core metrics. Do all accelerators check all these boxes to some extent? The answer is likely "yes" as we assume the positive intent of all parties looking to help entrepreneurs build new businesses. Do all programs operate at 100% peak return potential on all dimensions? The answer is likely "no" -- not even the "best" do that. Regardless, we believe that across all these dimensions, the overall blended return and ongoing compounding return of an accelerator makes a very solid case for most accelerator operations globally. They are also a benefit to the startups they serve in their communities.

Still, pessimism exists. Several researchers cited above even acknowledged that some of the benefits of accelerators becoming more widely available could come at the cost of shifting money and talent away from other regions. Put another way, the increase in startup activity brought by an accelerator likely represents a shift of investment dollars and startup activity away from other regions into the accelerator's region. On the flipside, the accelerator likely lowers the outbound movement of investment and startups away from the region of the accelerator. This is to say that the companies now being funded locally at the new accelerator may have been the companies that would otherwise have gone to one of the "main hubs" (aka California, New York, or Boston) and been financed there, but are now financed in their home regions. However, both of these likely outcomes, though only anecdotally discussed in the research, are probably the motivation behind establishing an accelerator in a community in the first place.[23] Still, it is our belief that almost every city in the world should have an accelerator, and many cities should have more than one. To put this in perspective, there were 1,692 cities in the world with at least 300,000 inhabitants in 2014, according to the United Nations.[24] Do all these cities have an accelerator program? Probably not. Should they all establish a program? Perhaps.

[23] Fehder, Daniel C., and Yael V. Hochberg. Spillover Effects of Startup Accelerator Programs: Evidence from Venture-Backed Startup Activity. April 20, 2019.
[24] World Cities Booklet. United Nations. Accessed February 23, 2021.

There are many questions we should ask about how real the growth of accelerators in the world could and should be, for instance:

- Will investment grow at the same rate as the number of accelerators in existence?
- Are accelerators too expensive for communities to stand up and operate?
- Can all accelerators produce great companies?
- Will investment returns be elusive?

There are certainly other detracting arguments, but there are some common themes to all these questions, which we will address briefly. Common themes come with common voices on each side of the debate. Some are arguing against the proliferation of accelerators. We think we have established that the building of a balanced startup and business ecosystem in cities around the globe will likely need the boost of establishing an accelerator -- it is a great organizing social platform for entrepreneurship. Those standing against the establishment of more and better programs are likely the same people that stand to see their influence and returns diminish as a result. On the flipside, you see others who recognize untapped potential in building local economies, a shrinking world that makes sharing and market access increase rapidly, and shifts of money as a result of decentralized sources and even grassroots funding.

For us, though, the debate doesn't matter, as money and resources will seek a return and the world needs job creation. Further, building and operating accelerators is inherently entrepreneurial, and we believe that when we align with the risk-takers, and not the critics, we always align well. Here is how we look ahead optimistically.

Argument

Everything taught at an accelerator can be found online.

VS

Reality

Accelerators and innovation centers do not operate like classrooms.

After many years of corporate innovation training and online learning marketplaces (e.g., Udemy), we have not seen the empowerment of a new generation of entrepreneurship and innovation. While inherently a knowledge economy effort, entrepreneurship and innovation are not learned in the classroom. Apprenticeship and experimentation have always been the most effective way to "learn" entrepreneurial thinking and drive innovation.

Argument

There isn't enough investment capital to sustain the growth of accelerators.

VS

Reality

There have been real improvements in local financial support

We now know that when an accelerator forms in a community, the amount of risk capital grows in that community and accrues not just to the benefit of the startups in the accelerator, but to the community at large -- which means other businesses not associated with the accelerator also see improved access.[25] Why is this? A community that didn't have an accelerator probably didn't have an angel investor network, or if it did, it served only a subset of dealflow. Accelerators bring together a community for communal work. Investors, mentors, technologists, other experts, and corporations all come together and roll up their sleeves to learn together. This leads to learning about new deal flow in the community and tapping into latent risk capital sitting on the sidelines or going to other geographies that are now applied locally. Beyond local investment, new seed funds created on the "coasts" are looking to invest not just in the flyover regions, but also overseas. There are even VC training programs that supply first checks for emerging managers to get started in these alternative geographies. Increasingly, specialization for verticals and/or the specific backgrounds of the founders they serve has given rise to new funds as well. Abundance begets abundance.

[25] Fehder, Daniel C., and Yael V. Hochberg. 2015. "Accelerators and the Regional Supply of Venture Capital Investment." Working Paper no. 2518668, Social Science Research Network.

Argument

This is only helping a small subset of the community.

VS

Reality

Existing businesses and not just startups are benefiting.

It is not just high-tech startups that are benefiting. For instance, in Knoxville, Tennessee, existing minority-owned businesses are now receiving business and technical assistance, as well as more financing resources than previously existed as a result of accelerator operations in that community.[26] Not only that, the Knoxville program is based on a program built by an accelerator in Memphis with city government.[27] Both of these programs come with financial support that did not previously exist in these communities. Not only are communities growing accelerators and new programs for other businesses, they are sharing their programs rapidly to the benefit of their sister communities.

Argument

Accelerators serve the majority.

VS

Reality

Underserved founders are still underserved, but more are in the forefront for many programs and increasingly benefit from access created by accelerators in non-typical startup hubs.

As further evidence for the increasing forms of capital, there are now communities that have subsequently created diversity, equity, and inclusion (DEI) programs, including programs for minority and women-led technology businesses. Many of these accelerators and their communities made these changes as early as 2012 before typical startup hubs made shifts.

[26] 100Knoxville, Knoxville, TN.
[27] The 800 Initiative, Memphis, TN.

Argument

Global accelerators can't compete with innovation concentrated in Silicon Valley.

VS

Reality

New frontiers mean new opportunities, especially for vertical-specific programs.

The rise of vertical-specific accelerators coincides with the strengths of communities in industries that are sitting at the frontier of further disruption. For instance, we find fintech accelerators in Charlotte, North Carolina, which is a large banking center in the United States. Charlotte is home to Bank of America's Global Headquarters, Wells Fargo's East Coast Headquarters, and many headquarters of other Southeastern banks. In agricultural technology, you find programs in Chicago, St. Louis, and Memphis. In medical and healthcare technology, there are programs in Nashville, Tampa, and Houston, among other cities. Internationally, you also find specialization, such as fashion in Italy. Many of these industries haven't been disrupted because they are difficult to disrupt with high barriers to entry, knowledge, regulation, culture, and much more. Being on the ground in these alternative hotbeds with farmers, doctors, bankers, designers, and others makes a big difference. Many of these communities are described as "show up" cultures as in you have to be there to build the trust needed to understand and find opportunities for change.

Argument

Downturns show the fragility of accelerators and their fledgling startup communities.

VS

Reality

As opposed to being fragile, accelerators create community antifragility.

Even during the pandemic in 2020, startups, accelerators, and other startup support systems were expected to fail. While we do know that like most industries, the startup support organizations faced a rough year and some did fail, we also know success stories of pivoting business models (even temporarily) to support “main street” businesses in their communities, raising funds for founder mental health and restructuring their programs to accommodate building businesses in a virtual world. The resourcefulness and perseverance of accelerators should come as no surprise to anyone in the startup ecosystems they serve. Further, it is anticipated the economic recovery and support for economic recovery will center around entrepreneurial activities, which are increasingly coordinated by accelerators in communities across the globe.

Argument

Accelerators don't produce great companies.

VS

Reality

It's hard to judge a book by its cover. Accelerators come in all shapes and sizes.

A quick search through Academy of Management abstracts and papers finds a mixed track record for accelerators, but also points at why it is so hard to judge a book by its cover or even its purpose. One study finds that later stage startups will be more successful in an accelerator than early stage startups, and that accelerators serve as good filters more than anything.[28] This means the best programs, as judged by metrics, are picking the best teams and those companies would have probably succeeded without the intervention. Another study finds that the accelerator cohort or batch that a startup participates in has a greater impact on startup success than the accelerator program.[29] For startups, this means picking the right place for you -- find your tribe. Another study finds that for emerging markets, accelerators are valuable interventions over and above incubation.[30] Over the past 15 years, we've seen accelerator operations grow to large numbers with the varieties and flavors expanding at the same time. Growth is an indicator that even in non-startup hubs, accelerators are a better model. It is now no surprise that we have corporate accelerators, VC accelerators, university accelerators, non-profit based accelerators, incubators with accelerators -- the list goes on.

The variety of programs out there speaks also to growth. We have accelerators that take equity and some that are equity-free. Some accelerators charge startups to participate (fee-based or charge back from the investment), while some charge nothing at all. Some provide no money and some provide $250,000 of cash upfront. Some accelerator programs are on-site only, while others are fully remote, and still some offer both (hybrids).

Some have a short duration (5 weeks) and some are long-term programs (1 year plus). Some are for tech startups only, while some are non-tech oriented.

[28] Yitshaki, Ronit. The Role of Accelerators in Explaining Startups Scaling Up. Published Online: 1 Aug 2019. Accessed on December 29, 2020.
[29] Dushnitsky, Gary, and Sayan Sarkar. Variance Decomposing of Accelerator and Cohort Effects Among London Startups. Published Online: 9 Jul 2018. Accessed December 29, 2020.
[30] Leatherbee, Michael, and Juanita Gonzalez-Uribe. The Effects of Business Accelerators on Venture Performance: Evidence from Start-Up Chile. Published Online: 30 Nov 2017. Accessed on December 29, 2020.

Some support existing businesses with acceleration, such as those supporting existing minority and women-owned businesses, while others specialize in supporting idea-stage startups. And, of course, almost every industry sector now has an accelerator attached to it.

Other critiques we've heard include:

- "Accelerators just put lipstick on pigs," which could be the case in some programs.
- "Accelerator models don't justify the equity stake they get," which is best addressed economically and mathematically -- pricing is market-driven and all investors need to run the numbers to get a return. The same goes for founders who take on investment.
- "Accelerators don't provide enough real support," which could be the case in some programs.
- "Accelerators don't work with the best companies," which we spoke to earlier regarding selection bias and a selection issue overall.

Our Overall Verdict

Our point is that defining what an accelerator is and how to measure it is a difficult problem in the face of competing goals for their creation. A broad brush is no longer a valid tool with which to paint all accelerator programs. We believe that every founder should have the opportunity and resources to build a business as close to where she lives as possible to bring both the founder and her community benefits. If an accelerator, in whatever flavor it is formed, is created with a positive intent and does whatever is in its power to help founders and their communities succeed, then it is a good program. It is really not our place to judge, nor is it really anyones. As we've pointed out, the many, many other returns are very hard to ignore.



Where Do Accelerators Go From Here?

Accelerators and those that start and lead them are not just building startups for startups' sake. These leaders and their teams are contextualized builders of their communities. They wake up with a bigger external vision for the impact of their programs. For instance, Alpha Lab, an accelerator in Pittsburgh, sits in a larger movement to help revitalize a city by building new industrial clusters in robots and hardware. Tampa Bay Wave is an accelerator that is leading a regional economic movement along the Gulf Coast of the United States. Next Media Accelerator in Hamburg, Germany, is rethinking the European media landscape. These leaders and their brethren are leading further.

Accelerators are taking on more ecosystem-building. Programs often have to start the first angel networks and/or angel funds in their communities. Many provide crucial entrepreneurial support in adjacent markets, such as starting code schools, running high school startup immersion programs, launching university startup centers, building social impact programs, and, as seen previously, providing support for small existing businesses. Still, another program is addressing the digital divide in its city and building an innovation district with smart city technology. Other programs are moving toward corporate innovation support, operating corporate accelerators, and conducting startup scouting programs. Some accelerators form new venture funds and help other programs get up and running in sister cities. Yet another is building an entire university campus for advanced industry talent development.

The need for entrepreneurship, digital advancement, business growth, job creation, and innovation support is quite large in all communities and organizations. The growth of the accelerator toward a larger scale venture development organization that uses entrepreneurial problem-solving to address community challenges and opportunities is the future role we see for accelerators. These accelerators are not giving up their accelerator operations. Instead, most keep adding to their missions to create even greater economic opportunity.

For those looking for our predictions about the future of acceleration, we point you to the larger visions, expanded scopes, and bigger impacts of programs, such as H-Farm in Venice, Italy, UTEC Ventures in Lima, Peru, Hillman Accelerator in Louisville, Kentucky, and Flat6Labs in the Middle East and North Africa. These programs form our case studies in the appendix.

I'm a _____.

What Should I Do?
How Do I Get Involved?

Given the expanded role accelerators are playing in global innovation and entrepreneurship, we often receive many questions for how to get involved to empower current accelerators and build new programs.

I am a corporation (or in leadership at a corporation)

For corporations, this is how you help the accelerator reach its vision for impact:

- Reach out to your local, regional, or industry-specific accelerator program and offer to provide your time (dive in to help), talent (your social graph), and treasure (investment, sponsorship, and other resources).
- Consider building a new accelerator program to benefit your industry vertical and innovation interests by tapping into existing startup ecosystem leaders.
- Build a corporate venture capital arm to invest in startups in your industry and adjacent industries.
- Build a proof-of-concept "on ramp" with your local startup community leaders and others through which you bring in and test new solutions from startups.
- Provide accelerators and their teams access to your product and services at no or low cost until it makes sense for the startup to pay ever-increasing amounts for the product or service.
- Encourage employees to get involved in your local startup community.

I am in government and/or appointed or elected to serve my community

As a government, this is how you help the accelerator reach its vision for impact:

- Honor the risk-takers and highlight their stories
- Examine your economic development budget and make sure that 5-10% of it is going to new business formation activities in your community. With that budget, support the operating expenses of your accelerator programs to ensure they reach a period of performance for compounding returns.
- Look at your investment funds and consider diversifying your assets toward the risk-takers and particularly emerging managers who will invest in diverse startups.

I am at a university in community outreach, technology transfer, alumni affairs, etc.

As a university, this is how you help the accelerator reach its vision for impact:

- Encourage your students to get involved as interns in accelerator programs and their startups.
- Encourage your alumni to get involved in the startup community by investing and providing other types of support.
- Partner with your local startup community to build on-campus programs to support students and faculty.
- Break down barriers to technology transfer by simplifying deal terms and lowering the economic barriers to access intellectual property until proven viable by a commercialization partner.
- Encourage faculty, staff, and students to create new ventures and give them the freedom to do so. Consider counting commercialization activity towards tenure and degree completion.

I am an angel investor or work in family office management

As an investor, this is how you help the accelerator reach its vision for impact:

- If you have not done so already, develop an investment thesis that makes sense for you and your portfolio and determine what else you bring to the table apart from money.
- Based on your investment thesis, invest in startups.
- Participate in angel networks and funds in your community, or help found them with your local startup community leaders.
- Reach out to accelerators and other venture development programs and offer to mentor startups.
- Consider investing in new seed and venture funds in your community, particularly in emerging managers (emerging managers are first-time fund managers who are women and/or minorities) who are more likely to invest in diverse startups.

I am a current or future entrepreneurial ecosystem leader

As a current or prospective accelerator operator, this is how you help the accelerator reach its vision for impact:

- Be realistic about your strengths and weaknesses as a leader and build a balanced and diverse team around you.
- Build with diversity, inclusion, and equity at the forefront of your work.
- Expand your vision beyond startups and investment to make a larger community impact. When your vision grows, you will grow your impact in your community.
- Set the tone for the cultural norms and values of your startup community, lead with your actions, and police the community for bad actors.
- Commit to a lengthy period of leadership to realize compounding returns for the accelerator program.

Conclusion:
A Call to Alignment

It is our perspective that accelerators have been a crucial part of economic growth for communities around the world over the 15 years since the model was pioneered. While the model is evolving and other startup and business growth programs will arise, we remain convinced that accelerators are efficient, open, and inclusive systems for building new solutions, networks for talent, and all forms of capital in communities. The return on investment is there, but more importantly, the return on involvement, the second ROI, is equally, if not more, valuable. Entrepreneurship is learned through apprenticeship and, as a result, is inherently a human-to-human activity. This is where the power of an accelerator truly lies -- convening and aligning us all to explore the unknown together. These platforms of human alignment are and will continue to change the world.

To our colleagues already building economic opportunities across the world, we honor and thank you for your work. For those seeking to build economic opportunity, we invite you to join us.

Appendix: Case Studies in Expanded Roles



H-Farm Case Study

Venice, Italy

Based on an Interview with Timothy O'Connell, Senior Partner

From Incubator to Accelerator to Innovation Powerhouse

H-Farm was founded in 2005 as a venture incubator and launched its first structured accelerator program in 2012. Since its founding, H-Farm has made 116 direct investments into startups totalling $26 million. Fourteen of the businesses have exited with an average maultiple over 6.5. It is an impressive track record, but the team at H-Farm had set their sights on something bigger. After running several batches through the accelerator program, it became clear that H-Farm could and should expand its focus into adjacent areas of innovation support, specifically by providing corporate innovation and building talent for innovation. With a big dream on the horizon, H-Farm needed big money.

Going Public Creates International Excellence

While H-Farm could be comfortable with a local, regional, and national focus, the leadership team realized that in order to be internationally competitive as a startup and innovation engine, alternative thinking would be needed. To open up innovation, create alignment with broader European innovation, and to advance to the next level of growth, H-Farm listed on the Alternative Investment Market (AIM) stock exchange in Milan, Italy, in 2015. This fueled a rapid expansion of H-Farm, which now has over 500 employees divided between Investments, Innovation, and Education.

While H-Farm has always had a joint mission of promoting innovation and entrepreneurship across the key members of its ecosystem (i.e., students, startups, investors, corporates, and institutions), going public enabled the accelerator to achieve a scale and scope in which all actors could work in concert to cultivate a thriving ecosystem.

Corporate Collaboration

H-Farm's Innovation arm identified early on the importance of "Open Innovation" in the Italian and broader Europe markets in which venture funding will never be able to compete with what exists in the United States. H-Farm tested methods to support collaboration between startups and corporates across all industries: automotive, insurance, fashion, food, retail, and many more.

Full Spectrum Education

H-Farm's Education arm is potentially the most ambitious effort ever taken on by an expanding accelerator in the world; the accelerator built an entire educational campus and opened it in 2020. Now, those as young as 3 years old all the way up to executives seeking professional education have a school and university that combines innovation and education in one location. H-Farm has international pre-K through secondary schools, colleges and advanced and professional training schools. It is a milestone like no other in the accelerator world.

The H is for Human

The 'H' in H-Farm stands for Human. Innovation has to start with people in mind, which is why H-Farm evolved into an education-focused accelerator that supports students, university-building, and professionals working in corporations that aim to build a better future by solving complex challenges. Future value and growth will be created by great entrepreneurs who are supported by corporations and new talent each and every day.

Hillman Study Case

Cincinnati, United States

Based on an Interview with Candice Matthews Brackeen, Founder

Creating Something Great

The Hillman Accelerator started because there was a real need in Cincinnati, Ohio, to support women and people of color in technology commercialization and startup innovation. Motivated by the #ProjectDiane report released in 2016, which stated that less than 1% of all venture capital goes to Black-led startups, the team at Hillman decided to address the challenges with direct solutions. What began as a weekly meet-up of local entrepreneurs, the accelerator is now entering its fifth year of operations. Having gained support from major corporations and founders in several cities throughout the Midwest, the program is meaningfully supporting the growth of minority and women-led technology startups and their underserved ecosystems.

First Things First

The Hillman team wakes up knowing that the most important role and purpose of any accelerator is to get companies funded. Hillman adds to this purpose a need to demonstrate that innovation and success can come from any walk of life -- that women, BIPOC, LGBTQ+, and disabled founders with proper support can and are creating great businesses. Bringing light to these great technology startup founders on top of much-needed equitable support has created a snowball effect for Hillman to expand its resource base and operations. Over the last few years, they have grown to three cities in Middle America and now have plans to expand further. In addition to the cities they serve, their LPs and partners look to Hillman for thought leadership in this space.

Starting at the Top: Space

The leadership of Hillman believes that it is important to not only work from the ground up, but also the top down by addressing innovation policy, academic cultures, and collaborative systems by serving on the boards of Lunar Surface Innovation Consortium for NASA, Ohio State University, and Cincinnati Children's Hospital. All accelerator leaders should step into these roles to ensure that representation in technology and innovation is inclusive not only of new, disruptive ideas, but also includes a diversity of people. When building new cultures and economies, everything now needs to be considered with a diversity lens.

Diversifying Investment by Diversifying Investors

Candace Matthews Brackeen, the founder of Hillman and Lightship Capital, often finds herself as the only woman and only person of color in the room. To highlight the power of this difference, Candace gives the example of Dr. Amy Beckley who started Proov, a "Fem tech" startup, to help women track their progesterone levels when they're trying to get pregnant. Dr. Beckley was pitching a room full of men and Candace. Candace was the only one in the room to understand the business and the opportunity, and now Candace is Proov's first and only institutional investor for the time being.

Expanding by Saying "Yes"

Candace and her team have expanded their impact to underrepresented founders with the acquisition of the NewMe Accelerator in Miami and the deployment of venture capital to underrepresented founders from the oversubscribed Lightship Capital Fund I. They are capitalizing on their unique ability and track record of saying "yes" to founders and innovations that better-known accelerators and investors have overlooked and are helping those founders achieve amazing growth and success. Men traditionally have been the ones sitting on investment committees and making decisions about what needs to be built in the world. The diverse leaders of Hillman, Lightship, and NewMe are capitalizing on the opportunity to innovate with women, BIPOC, LGBTQ+, and disabled founders around the challenges and problems that only these founders and their families face. The returns and rewards are already coming to fruition.

Flat6Lab Case Study

Cairo, Egypt
Based on an Interview with Dina el-Shenoufy, Chief Investment Officer

Seeing A Bigger Need

The founders of Flat6Labs initially sought to launch a Series A venture capital fund to invest one million dollars into later stage companies, but quickly found that there were not that many Series A deals available. Instead, their application page was flooded with many compelling investable ideas and seed stage startups in which they could provide extensive business and technical assistance. With the inherent risks of early stage investing, the team knew they would need to invest in many companies across a wide base of opportunities with a subset of them creating the returns needed to justify the overall effort. These were the roots of the system that is now Flat6Labs. Though it seems like an accelerator program, at the core rests a team of seed fund managers who are optimizing for real economic returns.

Economic Alignment with Investors

Flat6Labs aligns its interests with the entrepreneurs it supports. By creating value for entrepreneurs, the team at Flat6Labs also creates value for its investors. When entrepreneurs win, Flat6Labs wins, and investors win. From this perspective, all activities, from ecosystem engagements and angel group support to mentorship and other efforts, work to create more successful companies and entrepreneurs.

10 Years of expanding geography and scope

Ten years ago, Flat6Labs launched in Cairo, Egypt, with just one accelerator program. The key early on was educating and slowly bringing more players into the ecosystem. Going it alone wouldn't work in the long run and a broader ecosystem would be needed. Flat6Labs played the role of the ecosystem-builder. The effort since then has included reaching out to universities across Egypt to support student entrepreneurship, adding service providers, such as lawyers, accountants, and auditors who understand startup needs, creating Egypt's first Angel group, advocating to governmental entities to explain needs of entrepreneurs, and sourcing corporates to engage more with startups.

Recently, Flat6Labs successfully focused exclusively on supporting female entrepreneurs and increasing participation in its ecosystem. This included raising awareness, education, and inspirational sessions for females across the Middle East North Africa (MENA) region, particularly in Egypt. An additional focus has been on social impact businesses. Partnering with donor organizations, Flat6Labs operates a pre-acceleration program for social impact startups, which now feed systems like StartEgypt and Flat6Labs Ignite in Tunisia.

The Only Success Metric: Trust

Flat6Labs biggest success metric, while difficult to quantify, is the strength of the relationships the accelerator has built with portfolio companies. Going above and beyond for founders is the key to building strong founders and enlisting supporters. The Flat6Labs team views itself as an "institutional co-founder" that brings a much more engaged mindset. The accelerator wants founders to view Flat6Labs as a first resort and not as a last resort for support and advice. This mindset serves and supports portfolio companies well and, in turn, creates value for investors.

Scaled Acceleration Operations for Scaling Startups

Flat6Labs is now in multiple geographies in the Middle East North Africa (MENA) region and has the strength to connect different markets through this regional footprint. For a portfolio company out of Tunisia called GoMyCode, this footprint was critical to success. GoMyCode was founded by two brothers who dropped out of college to pursue the opportunity. Yahya and Amin recognized that while the world was moving towards digital education, the prevailing Tunisian culture remained keen on human interaction. As a result, they developed a coding school that is partly online and partly in person. Within months, their courses were attracting all age groups across Tunisia. Yahya quickly recognized that the opportunity was the same across the entire MENA region. Due to Flat6Labs' presence in Egypt and Bahrain, the accelerator was able to help GoMyCode establish a presence in these two other countries as well within months. Flat6Labs provided GoMyCode with intros to local partners, sourced key talent in those markets, made connections to commercial real estate brokers, gave advice on legal and accounting differences by country, and facilitated connectivity to regional VCs. GoMyCode is now fully operational in 3 markets and is attracting thousands of learners, revealing that when accelerators scale up, their startups scale up with them.

UTEC Ventures Case Study

Lima, Peru

Based on an Interview with Jose Deustua, Managing Director

Young University Drives National Startup Change

UTEC Ventures was started in 2015 as a part of Universidad de Ingeniería y Tecnología (herein UTEC University) with the purpose of promoting innovation, technology, and startups in Peru and Latin America. The startup ecosystem in Peru is young, less than 10 years old, and is growing fast as a result of trends seen broadly across Latin America. As a non-profit organization, UTEC Ventures helps to diligently grow the startup ecosystem and to help Peru innovate.

No Ordinary University

While there are other university-based startup programs, UTEC Ventures is special in that it has its own investment fund. Further, UTEC Ventures and its investments are not limited to only students, alumni, faculty, and staff of UTEC University; the program is open to anyone who wishes to apply. Both of these counterintuitive design choices stem from the fact that UTEC University is a startup itself and was founded in 2012 to make an impact beyond the walls of the University. A young university has a small pool of entrepreneurs, but UTEC has big ambitions to support entrepreneurship in Peru and Latin America. Thus, UTEC Ventures has used a regional approach to work with different startups from different countries since inception.

Freeing Up to Build

UTEC Ventures now has new programs and a regional approach to building startups and the Latin America startup community. Diverse investors, local funds, Peruvian investors, and the government are now funding the effort and startups, on top of investment grants from the government, which allows participating startups in the accelerator programs to receive equity-free financing. With a broad mandate to build Peruvian startups, UTEC Ventures works with pre-revenue, mostly software-based startups in different markets, including fintech, foodtech, agritech, edtech, and more.

Convene, Convene, Convene

An accelerator is a small startup ecosystem. UTEC Ventures has grown its impact beyond acceleration, creating a new angel network in Lima, Peru, and also working to grow the local, national, and international startup community for Latin America founders. One out-of-the-box method UTEC Ventures used to connect internationally was creating the Peru Ventures Capital Series for which attendance grew each of the first 3 years to 1000 attendees total by the end of year 3. In Latin America, UTEC Ventures is well-networked with the other top programs, including 500 Startups Mexico, Start-Up Chile, and RockStart in Columbia.

University Focus Still Fundamental

As part of a university, UTEC Ventures takes responsibility for building the on-campus startup community. Students are supported because they believe in the possibility of tomorrow and that anything can be cultivated. Researchers and professors are helpful to the student ventures in building capacity and scaling basic technologies to commercial technologies that students can commercialize. Matching researchers and professors to the students helps manage the risk orientation of all parties of the university startup community.

Measuring Success is a Short, Mid, and Long-Term Process

UTEC Ventures believes that success is measured best by founder satisfaction. That's one reason that Net Promoter Score is one of the key metrics used. Since starting, UTEC Ventures reached an NPS of over 90% from participating founders post-program. Almost every founder recommends UTEC Ventures to others. In the long run, UTEC Ventures will seek to measure network growth and strength, as well as trailing measures of startup success. In the interim, UTEC plans to follow leading indicators of startup success, such as investment, sales, valuation, and employment -- especially new job opportunities in Latin America created by their new tech companies.

From UTEC to MIT: Thinking Bigger than an Accelerator

When UTEC Ventures created the Peru Venture Capital Conference, it set in motion even more investment in Peru. Techstars is coming to Peru along with big investors like Softbank and even multinational corporate innovators. By raising the bar for the community, UTEC Ventures raised the bar for founders and their startups, motivating them to create great things while learning from the top minds in the world. These expectations are paying off, as evidenced by the fact that a UTEC startup was selected by MIT as one of the top four inclusive innovation companies in the world. A team from a small town in Peru came to UTEC, found much-needed support, learned from top minds via the Capital Conference, and took that experience to win recognition from an international contest organized by MIT. This story highlights the power of the approach at UTEC and shows how acceleration can lead to bigger opportunities. UTEC Ventures is always experimenting, leading, and thinking beyond the accelerator. The organization is now serving in leadership at the Peruvian Seed Capital and Venture Capital Association, supporting government initiatives for economic development, building a program for female founders, and opening programs for all types of businesses during the Pandemic.

Going Big in Tough Times

As part of a university, UTEC Ventures takes responsibility for building the on-campus startup community. Students are supported because they believe in the possibility of tomorrow and that anything can be cultivated. Researchers and professors are helpful to the student ventures in building capacity and scaling basic technologies to commercial technologies that students can commercialize. Matching researchers and professors to the students helps manage the risk orientation of all parties of the university startup community.

Epilogue: The History of GAN

GAN (GAN.co) is a highly curated community of independent accelerators, studios, partners, and investors. In 2010, two co-founders of Techstars—Brad Feld and David Cohen—had the great idea to connect the top mentorship-driven, seed-stage accelerators around the world. At the time, Techstars was becoming more well-known and accelerators were popping up everywhere. Alongside the White House's Startup America Initiative, GAN was launched as the TechStars Network to align the accelerator industry around globally accepted best practices and create a standardized model for their success.

In January 1, 2014, GAN became an independently operated organization, no longer owned by Techstars and changed its name to the Global Accelerator Network, now GAN. GAN had around 45 accelerators and a handful of corporate partners. As a neutral third-party in our industry, GAN is now able to identify, address, and support all members equally.

Today, GAN has more than 100 accelerators in our community, running programs in 120+ cities all over the world, which have supported a total of more than 10,000 startups. Corporate groups like Comcast, Twilio/SendGrid, UPS, and many others are seeking to build meaningful relationships with the startups in our community through our corporate partner system. In 2016, GAN Ventures, a new investment arm of the business, was launched to further empower startups, wherever they are. In 2019, GAN acquired the Global Startup Studio Network, with the goal to grow greater affinity groups to support entrepreneurship globally. More support is flowing to more startups globally than ever before because of our many startup support organization members.

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