Organizing for Innovation

The Case of Accelerators

Matthias Wenzel (Ed.)

Organizing for Innovation: The Case of Accelerators

This book begins to provide management scholars and students with an understanding of accelerators as a way of mastering the organizing–innovation paradox. As argued in this book, accelerators are organizations in which actors attempt to systematically produce novelty through the continuity of organized day-to-day work. Through problematizations of key areas of the work performed in accelerators, students of the Leuphana University of Lüneburg inspire alleys for future research on accelerators in particular and the organizing–innovation paradox more generally.

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Organizing for Innovation through Accelerators: An Introduction

Matthias Wenzel

"Innovation" has crystallized as key to organizational survival. It promises to create competitive advantage and economic growth (Nelson & Winter, 1982). In fact, innovation is part of, if not *the* signature of the modern era (Koch, Krämer, Reckwitz, & Wenzel, 2016; Wenzel, Krämer, Koch, & Reckwitz, 2020). With its relentless strive for "progress", modernity turns innovation into both a desire and imperative: Actors in organizations want to be innovative, and they have to be innovative (Koch, Wenzel, Senf, & Maibier, 2018; Reckwitz, 2017). This imperative spans a great variety of sectors, ranging, among others, from the funeral industry (Wenzel, 2015; Wenzel, Wagner, & Koch, 2017) to banking (Berger, Wenzel, & Wohlgemuth, 2018; Wohlgemuth, Berger, & Wenzel, 2016).

Given the central role of innovation in contemporary organizational life, management and organization studies has focused attention on attempts to "organize (for) innovation" (Vakili & Kaplan, 2021). "Organizing (for) innovation" implies the systematic "invention, development, and implementation of new ideas" (Garud, Tuertscher, & Van de Ven, 2013, p. 776) on a continuous basis. However, systematic attempts to produce innovation entail a paradox (Clegg, Kornberger, & Rhodes, 2005; Wenzel, Koch, Cornelissen, Rothmann, & Senf, 2019): While "organizing" is about creating order and continuity, "innovation" is about creating disorder and change. Therefore, organizing undermines innovation, and innovation erodes organizing. In light of these mutually exclusive dynamics, we lack a systematic and in-depth understanding of how actors organize (for) innovation (Sydow & Ortmann, 2018; Vakili & Kaplan, 2021).

One way to systematically foster innovation is to run accelerators. "Accelerators" are organizations with entrepreneurship training programs that offer support to new ventures (Cohen, Fehder, Hochberg, & Murray, 2019). These training programs typically are cohort-based, have a duration of three months to one year, partly include financial support in exchange for shares, and involve components such as mentoring, coaching, workshops, networking with investors, and coworking space. Hence, accelerators "organize (for) innovation" in that they bring together the components needed to foster the development of early-stage ventures as drivers of innovation. Yet, research on accelerators has mostly focused on the performance outcomes of these organizations (e.g., Chan,

Patel, & Phan, 2020; Hallen, Cohen, & Bingham, 2020). Therefore, we know little about the processes and practices performed in accelerators (Wenzel & Koch, 2018; Skade, Stanske, Wenzel, & Koch, 2020). This leaves us with an incomplete understanding of how accelerators organize (for) innovation.

This edited collection begins to shed light on this issue. As part of the course "Organizing for Innovation" in the Leuphana master program on "Management & Entrepreneurship", students have discussed the nature of accelerators and their contributions to organizing (for) innovation based on a deep reading of prior literature. The essays gathered in this collection are students' writings on important aspects related to questions around the role of accelerators in organizing (for) innovation.

The students' essays revolve around four main topics. The first cluster zooms in on *the purpose of accelerators*, i.e., their goals, reasons to exist, and outcomes. The second set of essays focuses attention on different *accelerator designs and their contributions to innovation*, such as university-based and corporate accelerators. The third cluster teases out specifics of *social impact accelerators* as a specific type of accelerator, one whose primary aim might not be business-focused. Finally, essays on organizational learning in and through accelerators provide insights into aspects related to the role of accelerators in knowledge production, transfer, and dissemination.

Taken together, this anthology begins to advance understanding of various facets of how accelerators organize (for) innovation. Hence, it provides readers interested in accelerators with initial insights into the processes and practices through which actors in these organizations systematically produce and reproduce new ideas.

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I. The Purpose of Accelerators

Distinctions and Relationships of Accelerator Goals: An Overview

Luisa Bohland

Accelerators are fixed-term, cohort-based programs that aim to accelerate successful venture creation by providing specific incubation services, including mentorship and educational components. They can be for-profit or non-profit and typically end in a "demo day" during which the graduating cohort of startup companies pitch their business to a large group of potential investors (Cohen & Hochberg, 2014). Most prior research on accelerators focuses on their underlying mechanisms and characteristics. But given the novelty of the accelerator phenomena, little is known about distinctions between the programs themselves. Pauwels et al. (2016) address this gap and find that the different objectives of shareholders and other stakeholders that are supporting or financing accelerators can explain heterogeneity among different model designs. Their study reveals three distinct design themes characterizing three types of accelerators which are driven by various objectives. Since the right selection of an appropriate and suitable accelerator program is very important for young startups and because previous literature presented objectives of accelerators in a rather generalized way, this work will simplify the selection process by developing an overview of the different goals of the three types and thereby extend the findings by Pauwels et al. (2016). The resulting question that guides this overview is "What are the goals of different accelerator types for 1) themselves and their investors, 2) their participating ventures and 3) their ecosystems?" The three goal categories have been composed after studying the existing literature about accelerator characteristics and will be elaborated in the analysis section of this work.

Theoretical Background and Method

The term "accelerator" has become an umbrella term that includes different formats, such as private for-profit accelerators, corporate accelerators, social impact accelerators and university-based accelerators. These different formats help participating entrepreneurs and their ventures progress in different ways (Yang et al., 2018). Each type follows its own goals, design logics and innate motivations (Hochberg, 2016) and thus provides different services and contributions to the entrepreneurial ecosystem (Goswami et al., 2018). Pauwels et al. (2016) started to fill the gap of research about distinct characteristics and drivers of accelerators. They find that accelerators'

activity systems contain five design elements and identified three main design themes which orchestrate and connect these design elements: the deal-flow maker, the ecosystem builder and the welfare stimulator. The deal-flow maker is funded by equity investors such as business angels, venture capital funds or corporate venture capital. It primarily focuses on identifying investment opportunities for investors. The ecosystem builder is typically established by large and existing companies for their own strategic reasons. It mainly matches customers with startups and builds the corporate ecosystem. The welfare stimulator is typically government-driven or university-based. It focuses on promoting startups and economic development. Further, the findings by Pauwels et al. (2016) suggest that the design themes are determined by the objectives of the affiliated shareholders. Investors want to identify interesting investment opportunities; corporate shareholders aim to build a company ecosystem and government agencies aim to stimulate startup activity and economic development. Their objectives are translated into the primary goal of the accelerator, whereas it is important to mention that there are also hybrid accelerators which incorporate characteristics of two types. Yang et al. (2018) followed Pauwels et al.s' findings to explore the values delivered by each type. They find that participating in different accelerator types leads to different development effects on entrepreneurs and their ventures because they have other focuses in terms of "whom" will be developed (entrepreneurs, ventures or both) and thus confirm that they might bring unique value to their selected startups. If the design themes are determined by different shareholder objectives, it would not be sufficient to outline overall accelerator goals and assign them to the three categories to help ventures select an appropriate type. Thus, this work will extend the list of each type's main objectives and assign them to one category. Nevertheless, all accelerators have common goals which will also be outlined. Similarities, contradictions, tensions and relationships between the goals of the three categories will be observed and explained.

Analysis

Category 1: Self-serving/Investor Goals

Deal-flow Maker

The primary goal of the deal-flow maker is to identify promising investment opportunities for its investors. It provides on average $26k, with a range from $0 to $150k, of seed financing to the portfolio companies in exchange for equity (typically 5-7%) and thus aims to bridge the equity gap

between early-stage projects and investable businesses (Hochberg, 2016; Pauwels et al., 2016). The deal-flow maker's selection logic is to "pick the winners" which are eligible for follow-on capital and have the ability to evolve into attractive investment propositions quickly. Thus, they rather focus on venture development than on spending their energies, resources and time to develop or transform entrepreneurs to the next level (Yang et al., 2018).

Ecosystem Builder

Unlike the deal-flow maker, the ecosystem builder most often has no profit orientation and offers no investment to the startups (Pauwels et al., 2016) but is also driven by self-serving goals. It is established by large companies and primary driven by their strategic reasons. They aim to gain an understanding of current market developments and trends, consider further development and integration of the products and services from the startups or evaluate innovative products and services that have the potential to be disruptive (Kanbach & Stubner, 2016). Further, they wish to develop and extend an ecosystem of customers and stakeholders around their company (Pauwels et al, 2016). Ecosystem builders focus on developing entrepreneurs by providing experimental learning opportunities, so that even if the startups do not become successful, the entrepreneurs can become potential employees in the company. If the startups survive, the parent company also benefits from their frequent engagement in symbolic actions such as broadcasting, newsletters and showcase events (Yang et al., 2018).

Welfare Stimulator

Although for a lot of welfare stimulators the business model is rather unclear, most public sponsors require some form of revenue after an initial financing period. Thus, it has to be mentioned that even it is not its main objective, the welfare stimulator is also characterized by mostly seed investment and equity engagement (Pauwels et al., 2016). If actions that support the accelerator's social mission simultaneously undermine its financial goals and vice versa, contradictions can be expected and can complicate their processes. In this context, contradictions are defined as bipolar opposites that are mutually exclusive and interdependent (Putnam et al., 2016).

Category 2: Venture Goals

Common Goals

Although self-serving and investor goals are of importance, most literature about accelerators emphasizes that their main objectives are about the participating ventures. Chan et al. (2020) state that their superior goal is to facilitate the development of conditions and support systems that will ensure successful business operations. Leatherbee & Katila (2019) extend this definition by highlighting the importance of the acceleration of the process from a nascent idea into a rapid developmental path through a "hypothesis testing" model of rapid learning. By doing so, accelerators shorten the time for raising capital, accelerate sales and shorten the startup's journey, resulting in either quicker growth or failure. Thus**,** learning could be an important subgoal which helps to develop startups into investment ready businesses. Besides learning there are other subgoals, such as consultation and networking and the mitigation of bounded rationality, which contribute to the successful development of startups (Cohen et al., 2019). Furthermore, prior research measured successful business operations of accelerators by reaching key milestones. The indicators of change in venture performance can be translated into performance goals such as equity and debt funding change, change in employee numbers, change in human capital costs, revenue change and profit status change (Chan et al., 2020).

Deal-flow Maker

The deal-flow maker focuses on the venture development to make sure that they evolve quickly into attractive investment propositions (Yang et al., 2018). It often chooses to specialize within a specific industry so that the accelerator management team can develop the necessary sector-specific knowledge and expertise to identify and exploit the economic potential of entrepreneurial teams (Pauwels et al., 2016). Although the deal-flow maker's motivation is of self-serving nature, the participating ventures can benefit from their efforts if they are already in a later stage of development and their primary aim is to develop into investable businesses fast. Nevertheless, if the deal-flow maker's goals will most likely be venture-centered (Yang et al., 2018), tensions in forms of stress, anxiety, discomfort or tightness in making choices (Putnam et al., 2016) that include the consideration of individual venture or entrepreneur-centered goals can be expected.

Ecosystem Builder

As a matchmaking device to connect lead customers with promising startups, the ecosystem builder nurtures the development of an ecosystem around its company and thereby adds value to its portfolio companies (Pauwels et al., 2016). It further supports the development of the founders by providing experiential learning opportunities (Yang et al., 2018). Although this support is driven by self-interest, the entrepreneurs will profit from these learning opportunities (Hallen et al., 2019). Therefore, especially entrepreneurs who want to acquire new knowledge and hope to get insights into the ecosystem of a specific industry should consider applying to ecosystem builders. If they take advantage of the offered opportunities and develop themselves and/or their businesses successfully, the parent companies will benefit, too. In conclusion, a positive mutually reinforcing relationship between the two goal categories can be observed. But despite the positive interaction between self-serving and venture goals, tensions can also be expected. If a startup develops into a direction which is not interfering with the business of the corporate shareholder during the program, the accelerator could reduce its efforts since it will not benefit from the startup's development anymore.

Welfare Stimulator

The primary objective of the welfare stimulator is to stimulate startup activity and foster economic growth, either within a specific region or technological domain. They typically select ventures in an early stage and therefore have very developed education components in their services. Training sessions, workshops and practical learning are oriented events to help the ventures develop their idea and value proposition (Pauwels et al., 2016). Taken together, the goals are most likely expected to be entrepreneur-centered, focusing on developing their skills and strengthening the "supply side" in the regional entrepreneurship ecosystem (Yang et al., 2018). Thus, there is a positive mutually reinforcing relationship between a welfare stimulator's primary objective (its ecosystem goals) and the goals for its ventures. Entrepreneurs who are at an early stage of development and aim to educate themselves and develop their capabilities will benefit from this interaction.

Category 3: Ecosystem Goals

Common Goals

The initial purpose of accelerator programs is strongly connected to their goals for the entrepreneurial ecosystem. They started in Silicon Valley as a means to support market discovery and technology validation for emerging innovations to make them ready for early-stage investments (Chan et al., 2020). Business acceleration is one of the latest tools that supports the organization of innovation, resulting in economic development. Nevertheless, accelerator programs developed to distinct types with distinct aims and therefore not all of them focus on promoting public intervention to improve wealth creation in a region in the first place.

Deal-flow Maker and Welfare Stimulator

One distinction between the three design themes are the objectives of their shareholders. The deal-flow maker and the welfare stimulator provide (mostly) seed investment or equity engagement and the respective investors aim to make returns on their investments (Pauwels et al., 2016). Hochberg (2016) defines accelerators as programs that oftentimes provide a stipend or small seed investment to their startups and receive an equity stake in the portfolio company in return. Thus, findings of Fehder's and Hochberg's (2014) as well as of Hochberg's (2016) studies about evidence on accelerators' effects on the regional entrepreneurial environment will be assigned to deal-flow makers and welfare stimulators. Accelerators aim to serve a dual function as deal sorters and deal aggregators. Because they aggregate promising candidates, they attract investors who might otherwise find the costs of searching for opportunities in smaller regions too high to justify. The presence of an accelerator leads to a shift in the general equilibrium of funding activity in the region, which is consistent with the notion that an accelerator program may serve as a catalyst to draw attention to this region more generally or may serve to galvanize local activity (Fehder & Hochberg, 2014). Goswami et al. (2018) deepened the study of the intermediary role of accelerators by investigating their contribution in the developing regional entrepreneurial ecosystem of Bangalore. Their findings show that accelerators help to develop entrepreneurial ecosystems by acting as a bridge between startups and the broader entrepreneurial environmental resources by helping 1) to form connections 2) to develop individual startups 3) to coordinate the right match among the various players in the ecosystem and 4) to select mentors and founders with

the appropriate motivation and knowledge. As accelerators ensure this support in their go-between role, they help build commitment to the broader ecosystem and enable success (or fast failure) of individual startups in a way that develops the overall entrepreneurial capacity. A positive influence of the deal-flow maker's self-serving goals on the development of the entrepreneurial ecosystem can be observed and the validity of the primary objective of the welfare stimulator to stimulate startup activity and foster economic growth is empirically confirmed.

Ecosystem Builder

The ecosystem builder is used as a matchmaking device to connect lead customers with promising startups and in this way nurtures the development of an ecosystem around the company. Although the matchmaking occurs due to self-interest, the ecosystem builder contributes to the development of its entrepreneurial ecosystem. Mutually, a growing entrepreneurial ecosystem will help the ecosystem builder in achieving its self-serving goals.

Conclusion, Limitations and Further Research

It can be concluded that the right accelerator choice is very important for startups. Each accelerator type has a distinct goal structure which is driven by its shareholders' objectives and leads to different outcomes for the participating startups. The observed interrelations between the goals could have positive and/or negative effects on the venture development and its performance. Thus, further research should empirically observe and compare the performance of the accelerator types. If they achieve significantly different success values, the differences in their goal structures and the resulting relationships and interactions could be an explanation which also has to be empirically evidenced. Nevertheless, it should be kept in mind that the accelerator types defined by Pauwels et al. (2016) are no fixed conceptualizations. Deviations and hybrids that follow different goals exist and could also be the right choice for some ventures.

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Why Startups Should Apply to Accelerators—and Why They Might Not

Antonia Thomsen

Accelerators are organizations that offer structured programs for startups with the aim to accelerate the development of the participants. New ventures can apply and receive a pre-seed investment in exchange for equity after they are selected (Pauwels et al., 2016).

Accelerator programs are limited in time, cohort-based and have a strong focus on interaction, consultation and learning (Hallen et al., 2020). They provide external information and link entrepreneurs with mentors, peers, alumni, and experts that help to grow the initial idea (Cohen et al., 2019; Pauwels et al., 2016). At the end of the program the participants present their products to investors (Cohen et al., 2019; Yu, 2020).

There exist many reasons in prior research why accelerators "may be broadly beneficial and worth pursuing" (Hallen et al., 2020) for startups. But even as accelerators are gaining more and more attention and the number of applicants is rising, there are still entrepreneurs deciding not to apply (Bliemel et al., 2019; Hallen et al., 2020).

So far there has mainly existed an one-sided view: Accelerators select new ventures (Bliemel et al., 2019; Goswami et al., 2018; Pauwels et al., 2016; Prexl et al., 2019). But it is also the decision of the founder or founding team to apply, and if they do so, to select matching accelerators.

Even though there are many benefits of participating in an accelerator program it is debatable if an application is useful for every entrepreneur. Therefore, this book chapter aims to provide an overview of reasons for startups to apply to an accelerator. Moreover, possible reasons why some entrepreneurs might or even should decide against an application are identified.

Reasons for Applying to Accelerators

Accelerators do not only provide financial help but aid new ventures in various ways (Bliemel et al., 2019). The reasons stated below illustrate why it might be beneficial for entrepreneurs to take part in an accelerator program and how they can profit from the participation.

Higher Speed of Development

Accelerator programs are mostly established as short-term programs with a defined start and end date (Cohen et al., 2019). In combination with fixed events during the program period entrepreneurs are motivated to speed up their progress (Qin et al., 2019).

Chan et al. (2020) state that the aim of an accelerator is to "rapidly move a venture through the development life cycle" (p. 227). With their "distinctive and explicit focus on speed" (Qin et al., 2019, p. 962) accelerators are able to increase the probability of startups achieving desired outcomes such as higher sales or raising capital (Chan et al., 2020; Hallen et al., 2020). Thus, an accelerator program helps startups to reach their goals or milestones in a shorter amount of time.

Another aspect regarding the pace of a startup's progress concerns the quality of its business idea. In an acceleration program the founders are able to gain certainty more quickly about whether their idea is of high quality and are able to decide about a potential exit earlier (Qin et al., 2019).

Networking Opportunities

Another reason to apply to an accelerator is the opportunity to create an efficient network. Accelerators provide a link to the entrepreneurial ecosystem the startup is embedded in. This "intermediary role" (Goswami et al., 2018, p. 120) enables connections, for example with alumni, experts and mentors, that are of high value for the entrepreneurs (Yu, 2020).

The emerging network provides startups access to more information from external sources and helps them to better understand the market and their business (Cohen et al., 2019; Goswami et al., 2018).

The large network accelerators are embedded in provides useful connections for the startups and enables entrepreneurs, among other things, to find the missing people for their team (Goswami et al., 2018).

For entrepreneurs it is very important to receive further investments. Accelerators connect new ventures to potential investors by hosting investor days or 'demo days' (Bliemel et al., 2019; Pauwels et al., 2016). These events make it attractive for entrepreneurs to participate in the program, as they have the chance to acquire new investments that may foster growth after the graduation from the accelerator.

Benefits of Collaboration and Mentoring

The network mentioned before consists of mentors, peers, alumni and experts from whom startups greatly benefit (Hallen et al., 2020).

Accelerators have the ability to create a good fit between new ventures and mentors. (Goswami et al., 2018). This fit is especially relevant as mentoring is essential to the program and the overall learning process. The high number of mentoring sessions and feedback helps entrepreneurs to improve their performance (Cohen et al., 2019; Yu, 2020).

Not only mentors are crucial for the startups' progress. Prior research found that collaborative learning and the sharing of ideas is beneficial for the members of a cohort (Cohen et al., 2019). Accelerators enable peer-to-peer learning, leading to knowledge spillovers by fostering transparency, exchange and mutual support (Bliemel et al., 2019; Yu, 2020).

Hallen et al. (2020) call it the "blending of several knowledge sources" that serves to avoid unnecessary mistakes and unwise choices (p. 404). It is the combination of different knowledge sources, such as mentors, alumni, and peers, that form an effective and manifold support basis to aid the startups with their progress.

Organization of the Learning Path

Learning, respectively education, seems to be one of the main mechanisms how accelerators affect new ventures (Gonzalez-Uribe & Leatherbee, 2018; Hallen et al., 2020).

Most accelerators organize the learning path of new ventures by using a standardization of activities or giving ventures a predefined selection of activities they can choose from (Cohen et al., 2019). Especially standardized learning activities lead to new perspectives and the examination of possible alternatives for the startups' strategies or the business models (Cohen et al., 2019).

Consultation also directs entrepreneurs into other directions which lead to a better outcome (Cohen et al., 2019). The education an accelerator offers gives participants the necessary knowledge about next steps and therefore redirects them into faster development with less trial and error (Bliemel et al., 2019; Chan et al., 2020).

Questioning the Generality of the Benefits of Participating in an Accelerator

Accelerators offer various advantages for startups. Nevertheless, participation in one of the programs is not equally useful for all startups. In the following, possible disadvantages of the participation in an accelerator program are highlighted and why applying is not a viable option for all startups equally.

Interference in Organic Growth

As mentioned before, speeding up the development of new ventures is a major objective of accelerators. The programs are therefore interfering with the organic growth a startup would normally go through (Qin et al., 2019). They lead to an avoidance of trial and error processes by providing several knowledge sources that help to sidestep harmful decisions in the early stages of startups (Hallen et al., 2020).

Due to the high speed and limited duration accelerators may hinder the organic growth and self-learning process of startups. It is questionable if skipping steps in the learning and growth process is always a viable alternative as those trial-and-error experiences might give the entrepreneurs opportunities to learn in the long term and be prepared for the future.

The existing time constraint makes entrepreneurs focus only on the current task and what is relevant to handle it (Qin et al., 2019). The lack of time also hinders founders to sometimes even focus on the important tasks, such as their work on the product (Skade et al., 2020). This results in not taking everything into consideration and not having time to build strong relationships (Qin et al., 2019). For the duration of the program the focus on current tasks might be efficient but for the long-term learning process it might have a negative impact.

Existing Knowledge and Networks

Accelerators often give their participants standardized activities which help them explore various alternatives for existing problems (Cohen et al., 2019). As this is very useful for unexperienced entrepreneurs, it might not be ideal for already well-coordinated teams with a clear vision and substantial knowledge.

Concerning the benefits of an emerging network, the results of Hasan and Koning (2019) could lead to the conclusion that founders with an already existing network do not profit much from peer

effects. They may even prevent the functionality of the accelerator itself because they hinder connections and potential knowledge spillovers.

If the true value of accelerators lies in the network (Yu, 2020) it is maybe not as relevant for already good connected startups with an efficient network to participate in one of the programs.

Differences between Accelerator Programs

It is also advisable to take the differences between the accelerator programs into account. In the overall picture accelerators focus on the same aspects. But there exist differences regarding the program's length (Breznitz & Zhang, 2019; Pauwels et al., 2016), the structure and how they run their program (Pauwels et al., 2016), the selection procedure (Prexl et al., 2019) and their effect on the startups (Hallen et al., 2020).

This illustrates the importance for entrepreneurs to know which accelerator fits best to their venture. Entrepreneurs should have an overview of the differences and they should be able to match this overview with their own goals and vision.

More importantly accelerators do not all provide the same quality. As Goswami et al. (2018) explain, an accelerator should be able to provide certain kinds of expertise to help entrepreneurs to engage with the ecosystem. The success of new ventures might be critical if the expertise of the accelerator is not comprehensive.

Prior research has shown that there is no universality of the positive effects of accelerators (Hallen et al., 2020). There is evidence that there are differences in quality and that some accelerators are better able to support entrepreneurs in their development than others (Hallen et al., 2020; Qin et al., 2019).

As the number of accelerators is increasing and new types and subtypes are emerging, many accelerators are young themselves and did not have time to prove their quality yet (Hallen et al., 2020; Prexl et al., 2019). When applying, an entrepreneur should be aware of the uncertainty associated with participating in an unproven accelerator. The first accelerators had a strong focus on tech startups (Pauwels et al., 2016). In other industries it is important to carefully consider the application to accelerators, as those are potentially still inexperienced.

Giving up Equity for Investment

For accelerators the entrepreneurs have to give up equity for receiving an investment (Pauwels et al., 2016). In comparison to angel investors or venture capitalists, the amount of equity issued is relatively large while the investment is rather small (Yu, 2020).

The reasons that speak for the participation in an accelerator program show that accelerators offer more benefits than just financial support. But entrepreneurs with very promising ideas of high quality often hesitate to give up equity (Yu, 2020). New ventures have to decide if they need the non-pecuniary support of an accelerator in an expensive exchange for equity.

Conclusion

There are reasons supporting the participation in an accelerator program. But this book chapter also named reasons for startups not to apply. The discussed reasons show that a participation in an accelerator program does not come without any benefits, but also not without any cost.

Accelerators foster fast development and help building a network within the regional environment. For many new ventures participating in an accelerator is a viable opportunity to learn, grow and profit from mentors', peers' and alumni' expertise. But still, they do not seem to be the path to desired success for every new venture. Entrepreneurs need to analyze if fast growth instead of slower organic growth is sustainable for their startup. They need to be aware of whether their network is sufficient for them in the current state or if they need external help to expand it. They need to figure out if they want to give up equity for an investment and the benefits of the program.

When deciding for an application it is important to keep the differences between accelerators in mind. Entrepreneurs may not blindly apply but inform themselves, not only about the accelerator and its quality but also about the fit of the program with their venture. It is therefore advisable for entrepreneurs to reflect thoroughly what they expect and need.

Even if the decision for an accelerator is done carefully, an accelerator is not the "panacea" for every new venture. It should not be generalized that the participation in an accelerator is the best or a necessary decision for each startup. Accelerators can be the aid that is needed and a chance to grow fast but participating in an accelerator program is not a guarantee for success.

As this book chapter is limited to existing research, future research may focus on reasons of startups not to apply to accelerators in detail and the features of successful startups that deliberately chose not to apply to an accelerator program.

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How Differences in the Performance of Accelerated Ventures are Attributed to the Design of Accelerators

Philipp Breford

The topic of innovation and how to organize innovation both as an outcome, so more oriented on the result, and as a process within the organization is omnipresent. For organizations, innovation can be very difficult to implement or allow to emerge (Clegg et al., 2019). The reason for this could be that innovation and organizing are in mutual tension with each other. Organizing comprises an order which has been created and is to be maintained. Innovation undermines and crosses that order through the need to bring a change and therefore create disorder. Regarding the fact that innovation can serve as a key driver of competitive advantage and economic growth, a possibility should be created to organize and systematize innovation and therefore ensure that there is an ability to generate novelties on a continuous basis. For the central question, how innovation can be organized and particularly ensure economic growth, could startup accelerators serve as an answer.

Accelerators are organizations that offer mostly cohort-based programs for early-stage ventures. These programs are fixed-termed between 3 to 6 months and include a variety of supporting offers such as educational services, combinations of cash, office space, or mentoring programs (Cohen & Hochberg, 2014; Yu, 2019; Cohen et al. 2019; Hallen et al. 2020; Pauwels et al. 2016). These characteristics and supporting mechanisms that constitute accelerators contribute to the assumption that the emergence of innovation can be organized. Accordingly, accelerators can serve as a catalyst for economic development and growth through supporting innovation (Roberts et al., 2016; Yu, 2019 as cited in Romer, 1990; Acemoglu, 2008). In this context, accelerators are seen here as a contemporary attempt to organize innovation.

Differences in Accelerator Programs and their Influence on New Venture's Performance

Recently conducted studies show that the venture's performance was affected positively by the accelerator program. Considering those findings, we can assume that accelerators have in general a beneficial impact on the venture's outcomes and their effectiveness (Gonzalez-Uribe &

Leatherbee, 2017; Yu, 2019; Hallen et al., 2020; Leatherbee & Katila, 2020). Since we know that an accelerator program could stand in relation to the outcome and therefore the ventures' performance after participating in an accelerator program, the question arises *if and how the inconsistency or differences in the venture's performance is relatable to the design of accelerator programs*. Especially because the accelerators can differ from one another in their design (Pauwels et al. 2016). In the following, three existing research and findings that deal with the impact of differences across programs on differences in venture performance will be reviewed and compared. These three investigations stood out in the own research process, particularly because of their scope and statements.

Comparison of Prior Research

To address the gap if and how differences across accelerator programs influence venture's performance Robert et al. (2016) examined the performance of accelerated ventures. They used data collected through the Village Capital Accelerator. This accelerator runs several programs that vary from another in their design and content. The required data had been collected by the end of 2015 before for program accepted ventures started the program. In addition to that, the data of those were collected which applied to the same programs of the Village Capital Accelerator but were not accepted to run on one of these programs. Six months after the completion of the respective program, so in total after one year, the non-participating and participating venture data on performance were collected again. To reveal differences in the venture's performance Roberts et al. (2016) used the changes in the revenue, number of employees and investments in the ventures after that one year. With these three metrics, the performance of accepted entrepreneurs, which became a venture, and rejected entrepreneurs were compared, and also the most positive and negative-performing programs offered by Village Capital Accelerator were identified. On these results, they conclude that the outcome of an acceleration program, the venture's performance may differ depending on the program. Also contrasts in performance after the program related to different programs are revealed. Even if there is an amount of shared program elements in the Capital Village Program the authors point out that "{…} a number of factors that vary across programs might account for the observed performance differences." (Roberts et al. 2016, p. 11). In addition, they mention the factor that different programs could focus on different outcomes. Accordingly, they do not disregard the importance of the program's content orientation regarding

its goal for the ventures while examining the relation of performance and outcome (Roberts et al., 2016). The key findings of them show that there are impacts of acceleration on the venture's performance within the first year after starting an acceleration program and that the respective performance of the ventures varies.

On the basis of a multiple case study with eight accelerators including the participating ventures located in the USA Cohen et al. (2019) point out that certain characteristics related to the accelerator's design are attributable to the differences in venture performance. Previously they found “that some accelerator program designs tailored activities, encouraging ventures to follow individualized programs to address their unique knowledge and needs, while others standardized activities, requiring a uniform set of activities and sequence of focus for all ventures.” (Cohen et al. 2019, p. 835). They examined the impact of different accelerator designs based on the variance in the venture’s outcome. Through the sales variance and the proportion of ventures in a cohort that are acquired, a classification of the performance could be determined. Cohen et al. (2019) conclude that accelerator activities in particular the consultations through the mentors, the interaction with potential customers for the venture and the way peer networking happens can be decisive for better venture performance. These activities can either be predefined, such as whether the ventures are assigned to attend scheduled peer gatherings and attend to a prescribed set of seminars. Therefore, activities can demonstrate a high degree of standardization so a small extent of customization through fixed factors of the activities in the design. These activities included in the accelerator's design thus seem to play an important role when it comes to the relationship between the accelerator's design and venture performance. Regarding to the venture's performance, it was determined by examining the variance in venture outcomes that ventures in accelerators which followed more standardized activities had higher performance. Despite the assumption that non-customized activities may reduce ventures’ performance by focusing on irrelevant activities and thus taking time that should be used for critical activities (Cohen et al. 2019, as cited in Eisenmann, 2006). In the result, this is visible at three of eight examined accelerators that offered all these three activities in a standardized way.

Chan et al. (2020) examined the relationship between differing accelerators and differences in the venture's performance and tested whether performance differences could be explained by variations in accelerator designs. They used a dataset taken from the Entrepreneurship Database Program (EDP) at Emory University in Atlanta, GA. This Dataset contains accelerator data from

the Entrepreneurship partner accelerators around the world. The final sample included 1442 ventures accelerated by 117 different accelerator programs across 22 countries. For a comparison data was collected between 2013 and 2016 from accepted and non-accepted applicants of the accelerators. Then one year later data was collected again from the accepted applicants, who have become ventures, and the same non-accepted applicants of the previous year (Chan et al. 2020). To measure the performance of the ventures in this one-year time slot, they focused on the financial performance by using "{…} six indicators of change {…}" (Chan et al. 2020, p. 229). These six indicators of change were the change in equity funding, debt funding, employee numbers, human capital costs, revenue and the profit status. For an examination of the relative contributions of these determinants of venture performance, Chan et al. (2020) conducted a variance decomposition analysis. The results show that four of these six indicators have the highest variance at the level of accelerator effects. Only the indicator of the change in employee numbers is higher in the country effects, which is according to Chan et al. (2020) likely the result of differences in labor laws between the countries. The result on the indicator profit status change is 0, which suggests that "accelerator differences do not explain differences in change in profit status" (Chan et al. 2020, p. 230).

The shown observations support the thesis that there is an attribution between differences in venture performance and differences in the design of the program. In the next section, an overview of the author's approaches and thoughts to explain the differences in performance is given.

The Attempt to Explain Performance Contrasts

To explain these performance differences Roberts et al. (2016) conducted a brainstorming session by asking Village Capital staff about the different performance outcomes of their examination to identify possible reasons for the performance differences. Based on this brainstorming 133 potential reasons were identified that could be responsible for performance contrasts. These reasons were classified into concise typologized categories and subcategories and explained through the staff. This allowed focusing on one specific set of reasons and explanations that were most frequently raised during the brainstorming session. The result were seven program elements that might influence the venture's performance and could lead to differences. The three aspects *Networking*, *Financials and Accounting Training*, *Mentor Quality* relate to the accelerators program design (Roberts et al. 2016). However, these results are used for further development of

the Village Capital Programs by making various predictions to investigate and improve the performance of the programs, not for the ventures themselves.

According to Cohen et al. (2019) the standardization of the above-mentioned activities leads to a higher performance of the ventures in contrast to customization because the ventures expanded and improved the effectiveness of the founder's search for refinements to their business model and strategy. They argue that the reason for that could be through the standardized sequencing of the activities the venture's entrepreneurs were forced "{…} to periodically turn their attention to different parts of their businesses." (Cohen et al. 2019, p. 840) Based on their analysis they define three key choices made by accelerators and suggests that "a particular set of choices is associated with improved venture development." (Cohen et al. 2019, p. 811). These key choices are "(1) whether to space out or concentrate consultations with mentors and customers, (2) whether to foster privacy or transparency between peer ventures participating in the same program, and (3) whether to tailor or standardize the program for each venture" (Cohen et al. 2019, p. 829).

Based on the results of the variance decomposition analysis by Chan et al. (2020) it can be seen that the highest variance is found at the level of the accelerator effects. So, the differences in venture performance can be attributed to the differences in the accelerators. However, the authors have not shown how the accelerators differ from each other in their design. Due to this, the results do not give information about how and which particular accelerator characteristics had an influence on a specific venture's performance.

Do Different Designs Cause Differences in Performance?

The prior literature thus shows that different characteristics in the design can have different effects on the performance of the ventures. But the relationship between a different design and different performance outcomes has been examined differently. While Roberts et al. (2016) point out certain aspects of program design that have an impact on performance, Cohen et al. (2019) conclude that the extent of customization in design-related aspects is responsible for differences in performance. However, it is not determined how and to what extent Roberts et al. (2016) factors should be designed in order to achieve high performance in the ventures. According to Cohen et al. (2019) the extent of customization should be kept small so the program design should have a high degree of standardization. This aims to ensure a standardized sequencing of certain activities to generate periodic attention to different business parts of the ventures which in turn has positive effects on

venture performance (Cohen et al. 2019). Chan et al. (2020) suggest that differences in “accelerator morphology” may explain differences in venture performance. The „accelerator morphology” here is composed of “financial resources, market intelligence, talent and technology assets” (Chan et al. 2020, p. 227). Variations in the accelerator morphology are in turn caused by “differences in the routines, structures, and resources (such as educational programs, networking opportunities, staff expertise, goal-setting style, and access to financing).” (Chan et al. 2020, p. 227). These characteristics thus seem to be relevant for the design-related effects on the performance of the ventures. However, the content and features of these characteristics were not discussed further concerning certain impacts through specific content aspects.

Besides the problem that the prior literature focused on and examining different design aspects, the problem of the measurement of the performance is obvious. The performance of the ventures is respectively measured by using different not always uniform metrics or factors. Roberts et al. (2016) assume that high performance is determined by growth in venture revenue, number of employees and the amount of the investment. Whereas Cohen et al. (2019) measured the performance based on variance values of the sales and the percentage of acquired ventures in a cohort. In contrast, Chan et al. (2020) used the six indicators, which have already been described in the previous part, to examine differences in the performance. The focus was limited to the financial performance of the ventures and not on the differences in the accelerator's design.

Due to the lack of consistent use of the same measurement factors and metrics, there is an incoherent assumption about the performance outcomes of the ventures. Whether the performance is high or low therefore is judged differently. Nevertheless, overlaps can be seen in the measurement of venture performance. It can be assumed, that especially financial metrics can be used to determine performance differences. For example, in the investigations by Roberts et al. (2016), Cohen et al. (2019) and Chan et al. (2020), the change in revenue compared to the revenue before the acceleration has been used. Also, the growth or change of the investment levels equity and debt seems to be important here, as both Roberts et al. (2016) and Chan et al (2020) used it as a factor. In addition, it can be assumed that the number of employees before and after the acceleration process could also play a role, as Roberts et al. (2016) and Chan et al. (2020) measured the performance differences here.

Discussion

To come back to the central question if and how the differences in the venture's performance are relatable to the design of accelerator programs, in the previous sections shown results confirm the assumption whether there is a relationship between the design of the accelerators and the performance of the ventures. Also, it can be assumed with firmer conviction, that variations in performance outcomes of the ventures are related to differences in the accelerator design. Furthermore, the differences in performance can be explained by differences in accelerator designs within a limited scope.

Overall, however, it should be not disregarded that different accelerator programs aim at different goals, issues or objectives in the venture. Generating high revenue for the venture for example is not always the goal as well as the amount of the investment depends on the needs of the ventures. It seems that this is the most challenging issue in investigating the dependencies between different accelerator designs and their impact on venture's performance or rather to trace different performance outcomes. It is also important to note, that the range and extent of the current research differ for example in their time, the number of examined accelerators and ventures or the consideration of different factors. The systematical attribution to certain design aspects of accelerator programs to performance outcomes of the ventures thus is difficult. Especially, because the investigation of the long-term effects of certain program characteristics, would be important to provide a coherent and consistent statement. In order to understand the differences in performance and whether in what they can be linked to differences in the programs, a more consistent process may be needed. For example, Kauffmans (2020) “4Cs of Accelerator Measurement: Consistency, Coordination, Comparison, and Continuation” approach could be helpful. Nevertheless, a one-size-fits-all approach may not always be appropriate due to the individual objectives both of accelerators and ventures. Thus, there should be developed a measurement that takes different goals, objectives and features of different types of accelerators into account.

Even if the presented information and statements are made on limited research, it can be concluded that the accelerator could serve as an essential driver when it comes to the venture's performance and the program design plays an important and, so far, meaningful role when it comes to differences in the venture's performance.

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II. Accelerator Designs and their Contributions to Innovation

Are University-based Accelerators Suitable for Innovation? An Overview

Ayoub Id Abdelkader

Introduction

The aim of this paper is to explore briefly the function of university-based accelerators or if it is possible to understand which are their strengths and which one of their weaknesses could be improved to offer good and steady projects to students. Overall, the idea that should come out of this research is that these projects could bring a consistent amount of innovation into both the startup and the university environment. This research explores the previous literature about this topic to develop an analysis of the strengths of student-run startups and accelerators such as the innovation that they could bring to the Alma Maters themselves, to the region or the environment around them. This essay starts with the basic definition of accelerators and after precising the difference with incubators, it explains what university accelerators are. Embedded in the idea of startup there is also the concept of innovation and this is why there is a short paragraph in this research that focuses on how to link the idea of university's accelerators to innovation. The second part of the essay shows what these projects actually bring to the societies in which they are created: what they bring to students, to universities and also to entrepreneurs who participates in the mentoring programs. The research also explores the weaknesses of this kind of accelerators and, most importantly, how to overcome them to ensure success to this new way to entrepreneurship.

In the conclusions, the research tries to understand if and how the reality of university-based startup could really represent at least a piece of the future of entrepreneurship. It is sure to say that it helps students to develop new skills and to improve their curricula and this is fundamental in these times when skills have the same relevance – or sometimes more – in comparison to academic achievements. It also helps with creating a network with entrepreneurs and investors so that when the period of accelerators comes to an end – since it is limited in time – students and young "startuppers" are not completely alone in the world of entrepreneurship.

Part I: University Accelerators – A Definition

Defining Accelerators

During this time of digitalization, accelerators are one of the most fundamental concepts regarding the world of startups and startups' entrepreneurship. First of all, it is important to give a definition of accelerators and it is useful to quote the work of Cohen et al. (2019) who define them as "Fixed term, cohort-based program for startups, including mentorship and/or educational components, that culminates in a graduation event". There are some key points that could be arisen from this definition. In the first place, they are programs limited in time, usually, they last between nine and twelve weeks and only in some cases they extend their period of function for a total of six months (Metcalf et al., 2020). The main function of accelerators is to provide especially working spaces and seed capital, this latter is defined as the type of financing that is used to fund a startup and it is usually provided by private investors in exchange for some equity stake (Kopp, 2020). It is fundamental to highlight the fact – too often forgotten – that accelerators also offer the chance to participate in mentoring parts of the program and to bonus from the experience of peers or entrepreneurs. Being a fixed-term program, there is usually a final day called "demo day" or "demonstration day" where startup founders can pitch and present their job to investors, other intermediaries such as incubators and peers.

By naming "Incubators" it is important to explain what is the difference between Accelerators and Incubators, also since often the two terms are used in the same way, occurring in a mistake. To define the difference between these terms it is useful to borrow the work of Sepulveda (2012) and highlight firstly the elements they both share and then the differences. The main share point is that they both prepare startups to the investment world and for growth by providing mentorship programs and aid. These features are carried out in different ways and more importantly in different stages of the businesses. Incubators offer to new-born startups the "fundamental care" they need, from office spaces to business training to all the pieces of advice that are required to start a startup. When the new firm is ready to go into the outside world, that is the point where the incubators programs usually end. But since the startup is still young and far from its implementation, this is the point where a business accelerator starts its help. Using Sepulveda's (2012) words "while incubators help companies stand and walk, accelerators teach companies to run". This means that while accelerators have the purpose to give something more to businesses, incubators often focus

on the innovative idea of business. Innovation - regarding the business' idea - is the ultimate key to understand the difference between them. That is why accelerators programmes last no more than six months, incubators keep the business for much more time. Other differences are seen in the threshold of acceptance, accelerators are more competitive compared to incubators.

How to Combine Accelerators and Innovation

Innovation is actually implied in the concept of startups. Recalling the Blank's (2010) definition, it can be stated that a startup is "a company, a partnership or temporary organization designed to search for a repeatable and scalable business model". That element of search is what link the idea of a startup with innovation. Through the founding of a startup there is a chance to give a business plan to a new and innovative idea and to profit by an "entrepreneurial dream" (Spender, 2017). Due to the fact that startups are often a small business with a few resources and little autonomy for growth, it is important to foster these new ideas and to let them enter in the world of businesses.

In the last paragraph, it has been said that innovation usually concern incubators and not accelerators, but dealing with an academic environment the push towards innovation is very strong. Spender (2017) – together with the previous definition from Cohen et al. (2019) – observed how one of the main goals of academic-type accelerators is to "increase the diffusion of new ideas into the economy" and he took as an example the Arizona State University Furnace Technology Transfer, that focuses its job on helping the commercialization of new technologies.

It is important to keep in mind that since universities focus on a various amount of specialization, also accelerators do not limit the topics or industry of innovation.

Exploring the World of University-based Accelerators

After understanding what is an accelerator and how to define the difference between them and incubators, it is time to define University's accelerators. Giving this definition, it will occur to mind that these kinds of accelerators are not directly recognisable as pure accelerators or incubators but they are a bit more of a hybrid. In fact, in the academic environment the two words are typically used to define the same concept, but observing the concept of university's accelerators it is possible to state that they meet in between the two entities.

University's accelerators share with the definition of incubators the fact that it is possible to develop new ideas through them and that they provide the fundamental care mentioned before (Metcalf et al., 2020). On the other hand, they provide the services that are typically seen in the organization of an accelerator, such as the limited duration, the chance of mentoring or networking and the access to funding. This latter option does not include the funding through private partners but it usually comes from the university itself. Cohen et al. (2019) identify two main roles for these kind of projects on one side there is the interest in developing – in a practical approach – the entrepreneurial skills of their student and on the other side the support of technology transfer. The two functions have different main characters, technology transfer usually concerns faculty members and graduate students and the improvement of entrepreneurial skills relates to current students or more recent graduates. Morris et al. (2013) added a new element to the traditional definition that has been explored earlier: the fact that the activity of university's accelerators is usually synchronized with the academic calendars and that sometimes they can be the direct extension of an internship. Morris in the same study provides an example of four best-practices derived from four types of university's accelerators:

- Type 1: University's accelerators that are more similar to the idea of corporate accelerators, therefore similar to the definition of Cohen et al. (2019);
- Type 2: they typically focus more on inspiration for a new generation of entrepreneurs through peer support;
- Type 3: here, mentoring is the key factor to draw the most from the educational experience. It has a fully academic approach with strict deadlines similar to university assignment;
- Type 4: it is based on technology transfer so that launching new ideas of business can actually bring successful companies.

One of the most peculiar characteristics of university's accelerators is that they do not take equity from the participants in opposition to corporate accelerators. That could be overall because the main scope of academic-type accelerators is education and development of new skills for students. Usually, university accelerators prefer currently-enrolled students or recently-graduated students in comparison to graduate students. At the same time, they also prefer undergraduate students more than Masters students. It has been showed (Metcalf et al., 2020) that students are preferred to faculty because they are more likely to establish more stable and high-quality startups.

Part II: University Accelerators: Two-side Projects?

What do University-based Accelerators Bring?

To fully understand what a University's accelerators really do it is useful to set an example. In this case the example is given by the study of Adomdza (2014), who examined the challenges faced by the Eastern Bay University – eLab, the university-run venture accelerator. The eLab started to differentiate itself from the normal business game models usually organised by universities all around the world. Its scope was to "support a number of ventures rather than a single out one 'winner' amongst the many applicants" (Adomdza, 2014). That is why they developed a unique model – called "Ready, Set, Go" to eliminate any difficulties that new ventures could face in their early life. The first step "Ready" was all about having a complete and strong business idea that could be implemented and reinforced with a team in the second step "Set". The final one "Go" basically meant that the idea was ready and the team could start executing the business plan.

The strong point of this project was severely linked to the setting of EBU that included in its curriculum a mandatory, full-time, paid internship for its students. This feature meant that all the students who decided to benefit from the university's accelerator had a strong previous experience in entrepreneurship, enriching both their business ideas and the accelerator. In fact, as it is seen in the study of Breznitz (2019), one of the most important goals for these projects is raising awareness and interest in entrepreneurship together with the more economical side.

One of the strengths of these project, according to Savoie et al (2017) is the "family" environment that the relationship between mentors and students/entrepreneurs can create. At the end of the limited time, students who took part gained experience to improve their curricula and – most of all – expanded their professional network. Talking about the attendance during mentoring sessions or during the final day of presentation, it has been shown that the participants shared knowledge and skills with both other students and their mentors. Too often students do not have a professional experience or a set of practical skills at the end of their degree, with the participation in a university-run accelerator they basically changed this outcome. Working on a self-developed project and being challenged by it really gives a chance to students to benefit from the entrepreneurial world (Savoie et al., 2017).

Educational programming and experience are often the key point of all university-based accelerators, they have the design to allow students to fill the gaps in their practical knowledge and at the same time show what they acquired with peers and mentors. Other than that, it is important to highlight the support and safety that students receive to improve their business ideas, boosting the students with the confidence necessary to start and keep their startups (Metcalf et al., 2020). In fact, it has been found that learning directly on the field but in a well-organized and safe environment facilitate students to develop entrepreneurial identity (Donnellon et al., 2014).

The presence of university-based accelerators is also important to modernize and sometimes industrialize the metropolitan area where it is founded. For this theory, Fehder and Hochberg (2014) showed how the presence of a university-based accelerator led to improve the industrialization on a certain area together with an increase of the number of investors, the number of venture capital and also of the funding available for new business ideas.

The studies reviewed until now confirmed the initial idea of positivity around university-based accelerators. On the field of education, this type of project shows evidence of improvement in developing entrepreneurial and business skills (Neck et al., 2011). On the concept of firm creation and industrialisation of certain areas, every business created through a startup contributes to innovation, regional economic growth, job creation and financing. Since universities offer different subjects of study, also accelerators do not put any limits on topics and areas of development, this allows to students with different backgrounds or majors to develop entrepreneurial skills to push their idea. And, as a consequence, to broaden the presence of different types of startup in the area of development (Metcalf et al., 2020).

What Could University-based Accelerators Improve?

Naturally, this kind of accelerators are not immune to flaws. It is important to recognise them to understand how to improve this important model of innovation. The study of Adomdza (2014) shows one of the most important bugs of these project: the turnover rate. If a university would decide to insert the participation in an accelerator – or in a pre-existing startup – as compulsory part of the study curriculum, it is almost sure that they would face the turnover problem. Accelerators lasts for six months at the most and if the commitment of students is only relatable to this period of time that could actually end the entrepreneurship experiment or reality. Even including first-year students there is a chance of a turnover because of the number of curricular

activities or assignment to hand in during the normal semester at university. It is not easy to balance study activities and management of a startup, especially during first times at university (Adomdza, 2014). Turnover could represent a problem also with external relations, it should be kept in mind that accelerators are made possible by the moments of mentorship and, most of all, by the network built between students and entrepreneurs but also lawyers, accountants and other roles in the university environment. Turnover could really damage this kind of public relation and in some way give a wrong impression of a certain accelerator.

Another reformable point is the desired outcome of an accelerator project. When talking about corporate accelerators, it is clear to see that the expected outcome is to fund and develop strong startups that allow to the early business idea to grow. With university's accelerators this outcome is not as clear as the one mentioned above. Education and the development of skills are surely the most important feature of the project but there is also the business part to carry on. This can bring a fundamental question: which outcome is more important in a university-run accelerator? Skills or startups?

Some reviews of literature pointed out that educating students to entrepreneurship through university programs does not promote new entrepreneurs or represent a factor into success or high entrepreneurial performance (Donnellon et al., 2014). In fact, it is not automatic that entrepreneurship education at university leads to a good outcome in startups. To really function, university-based accelerators should balance learning entrepreneurial skills with practical management of a business idea through the implementation of a realistic business plan. In other words, it is necessary to join the educational part with a more hands-on one, so that students can develop a larger number of skills and guarantee the growth of the startups.

Conclusions

Startups accelerators could actually be considered innovative? Their strengths overcome their weaknesses and how these latter could be improved? These were the questions that this paper aimed to answer. It has been showed how University-based accelerators are a hybrid between the usual idea of incubators and accelerators and so that they tend to acquire characteristics from both sides.

Firstly, this paper explored the main features of both incubators and accelerators to try and categorize the university-based ones but also to explain what precisely these projects are. This explanation was presented in the second paragraph of this paper trying to give a precise definition and to underline all the characteristics that bring together most of the projects around the academic world. This was done through the classification of Morris et al. of 2013, where four different types of academic accelerators were explained and typified. In the second part of this paper there are explained both strength and weaknesses of these projects. Starting with the example of Adomdza in 2014, who studied the eLab of Eastern Bay University it has been shown how the model "Ready, Set, Go" works. Together with other studies it has been explained how the "family environment" helps students and how young entrepreneurs could actually benefit from these experiences to enlarge and improve their curriculum. Another strength has to be found in the mentorship programs, one of the main characteristics of these accelerators where students can find a direct and continuous support from experienced entrepreneurs and investors with whom it is possible to establish a network useful for the future.

However, university's accelerators are far from perfect. The biggest problem underlined in this paper is turnout. In fact, in university is more difficult to keep students pro-active and dedicated to a project like a startup due to the amount of academic work. It could also represent a problem in the matter of external relations and stability of the program. Secondly, university-based accelerators have not a clear outcome. This means that in all the studies used for this paper, authors struggled to find the main success of these project. On one side, it surely brings students to improve their entrepreneurial skills and their resume but on the other side it should also look forward to improve the business idea and bring a new startup to the world. This needs further studies and explanations. Above all, it is correct to say that university-based accelerators bring some kind of innovation both into academic world due to its improvement of students' curricula and into entrepreneurship, opening the world to new ideas and new ways to reach them.

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Corporate Accelerators: Motivations, Benefits, and Challenges

Shahriar Mofiz

Introduction

Increasingly, business organizations understand that various approaches are needed to create innovative products and services. Recent studies indicate that corporate entrepreneurship plays an important role as a company-level phenomenon in stimulating creativity, revitalizing the enterprise, rising competitiveness, and eventually generating superior business benefits (Karimi and Walter 2016, Zahra, 2015). Corporations are searching for new business models of value creation that include a wide variety of market participants in the process of creating innovation to encourage corporate entrepreneurship in order to meet the demands of the contemporary market. Business models are described as a system of interrelated activities that decide how the organization "does business" with its clients, partners and suppliers (Amit and Zott 2012, Trimi & Berbegal-Mirabent, 2012). These developments have led to a shift in the understanding of the role of collaboration in the generation of technologies towards greater efficiency (in terms of cost effectiveness and time to market). In particular, in recent years, corporate accelerators have dramatically increased in size (Hochberg 2016, Kanbach and Stubner 2016, Kohler 2016, Pilewicz & Maria ,2017). They are characterized as business models that support cohorts of startups for limited duration through access to office space, mentoring, training and other company-specific resources in the early stages of growth (Cohen 2013, Kohler 2016, Shankar and Shepherd 2019, Yusubova & Clarysse, 2016). Large companies can grow and deploy innovation quicker, with less risk, through popular small business programs, while eventually learning how to be agile in developing innovation (Connolly et al. 2018). Additionally, imitating or replicating an entire revolutionary business model may be more challenging for rivals than a single new product or process. Innovation in the business model may therefore be considered a potentially effective strategic weapon (Casadesus-Masanell and Ricart , 2007). The purpose of the paper is to examine the motivating forces behind corporate start-up accelerators and to recognize the advantages and challenges associated with the innovation of this business model. This research focuses on defining the key dimensions (motives, obstacles and benefits) of collaboration between companies and start-ups carried out by corporate accelerators, based on five in-depth interviews and a focus group interview (FGI) with corporate representatives. Via cross-sectoral collaboration, this research

expands the reach of both the theoretical and realistic body of information on corporate entrepreneurship and innovation acceleration.

Organizing for Innovation: The Case of Accelerators

While variously identified by researchers (Morris et al. 2010, Sharma & Chrisman 1999b, Zahra, 2015), corporate entrepreneurship has long been known as a potentially cost-effective way of fostering and retaining competitive advantage (Covin and Miles, 1999). It refers to a collection of distinct and multidimensional organizational phenomena, including innovation growth, and is the driving force behind the purposeful redefinition to promote competitive advantage of companies, markets or industries. Covin and Miles (1999) suggest that several distinct organizational phenomena are correlated with corporate entrepreneurship, such as when (1) an existing organization joins a new company. (2) Individuals or teams are in charge of innovative product concepts in a corporate context and (3) the theory of entrepreneurship permeates the whole organization's experiences and activities. These phenomena are not necessarily alternative (i.e. mutually exclusive), but they can co-exist within one entity as distinct aspects of entrepreneurial operation. Different characteristics of corporate entrepreneurship phenomena can be described on the basis of the literature review (Sharma and Chrisman 1999a, Zahra, 2015): corporate enterprise, strategic entrepreneurship and innovation.

Strategic entrepreneurship, on the other hand, consists of a wide variety of entrepreneurial projects (including operational innovations) that are implemented to achieve competitive advantage (including strategic renewal, continuous regeneration, redefinition, rejuvenation of companies and reconstruction of business models) (Kuratko and Covin 2015, Kuratko et al. 2015). Innovation, in addition to these two characteristics of corporate entrepreneurship, refers to the production and implementation of new goods, processes and structures as the third stimulus (Sharma and Chrisman 1999a, Vanacker et al. 2017). According to Pohle and Chapman (2006) research findings, businesses that put more emphasis on developing new business models have increased their operating margins faster than their competition. Based on prior research, innovation in the business model can happen in many ways (Amit and Zott, 2012):

- "By introducing new activities - the "material" of the new activity framework is referred to as this type of business model innovation,

- This type of business model innovation is called the new "structure" of the system of activities, by integrating activities in new ways.
- This type of business model innovation is called the current "management" management system through the change of one or more activities.

Business model generation depends on the ability of the organization to develop and operate new skills and technologies from an innovation perspective, including those outside of their immediate expertise (Casadesus-Masanell & Ricart; 2007, Trimi & Berbegal-Mirabent, 2012). In research on emerging business models, extended business ties have gained increased interest over time. Huse et al. (2005), for instance, explored the features of the current business environment and the influence they have on companies' creative results. The creation of connections with smaller companies, and particularly with start-ups, poses various problems for a large mature business, as neither will naturally come across the path of each other, yet large companies use different means to create new connections. Their aim is to exploit technical and business areas in order to find disruptive ventures that are at an early stage of development or developments that are already in operation. A perfect understanding of consumer needs is a crucial characteristic shared by all outstanding innovators, as emphasized by Griffin et al. (2014). It can be presumed that start-ups play a potentially crucial role in the implementation of technologies, building on Damanpour (1992)'s early works dedicated to the relationship between business size and the degree of innovation. Such cross-sectoral relationships can lead to win-win relationships between big businesses and start-ups. By providing their expertise in project management for the expected launch of the product on the market, a large corporation will help start-ups market their inventions. Small players must learn from large corporations how to run an ambitious project, as Terziovski (2010) noted. In order to be effective, large mature enterprises are complex organizations that must have formal processes. Cooperation with small businesses will therefore promote the phase of innovation in large companies (Schaeffer, 2015). Since large corporations and start-ups are distant partners and do not work in the same arena, in order to increase their exposure and tap into new technologies, start-up competitions (e.g. hackathons, accelerator programmes) are organized within a market. In recent times, start-up competitions organized by large corporations are increasingly common but have not been extensively studied in the literature on corporate entrepreneurship (Kanbach & Stubner, 2016, Lambert & Schaeffer, 2011, Schaeffer, 2015). The competitions enable large mature businesses to recognize external technologies that could be

beneficial to their organization. The technology industry, in particular, has experimented with a number of business models involving start-ups, such as corporate accelerator systems, in its search for innovation. Therefore, an important strategic objective appears to be corporate attempts to reach out to the start-up ecosystem.

Accelerator as Business Model

Corporate accelerators have been an inherent part of company environments for decades, helping companies in their post-incubation process (Cohen, 2013; Roundy; 2017). In the past, they have been identified as programmes that help entrepreneurs market their goods and expand operations (Kupp et al., 2017; Pauwels et al., 2016). Corporate internal accelerators (Hochberg, 2016; Kohler, 2016; Weiblen & Chesbrough 2015),

- Non-corporate accelerators (Hoffman & Radojevich-Kelley; 2012; Kim & Wagman, 2014), e.g., independent acceleration programmes, and
- Accelerator programmes for the public.

Three distinct trends were established on the basis of a comparative study of the 13 accelerators around Europe, characterizing three different types of accelerators: the "ecosystem builder" (an accelerator usually set up by corporate companies who want to create an ecosystem of clients and stakeholders around their company), the "deal-flow maker" (an accelerator that receives funding from investors' investors). Four styles that are special in terms of programmatic organizational objectives and configuration have been established based on in-depth empirical analysis from 13 case studies of corporate accelerators. These are: the listening post, the investor in the value chain, the corporate accelerators from the research laboratory and the corporate accelerators from the unicorn hunter. Although the first three forms of corporate accelerators concentrate on particular business objectives (e.g., understanding and initiating partnerships with recent trends and innovations in the respective markets, discovering, developing and incorporating new products and services into the value chain of the parent company, providing a secure atmosphere to evaluate promising internal. There are distinctive features of corporate accelerators that distinguish them from regional ones operated by technology parks, universities or municipalities (Cohen, 2013). Corporate accelerators are generally time-limited programmes that, on a given date, selectively follow a start-up cohort. As part of a corporate entrepreneurship plan, these projects can be set up

and managed. Unlike current corporate investment programmes, corporate accelerators not only provide start-ups with direct and indirect financial resources, but also aim to accomplish additional targets with robust business models that facilitate digital transformation (Kanbach & Stubner, 2016). In addition, corporate accelerators are also a cross-sectoral global phenomenon, often involving businesses from various sectors worldwide (e.g., Walt Disney and Spring in the US, Citigroup and Samsung in Israel, METRO and Bayer in Germany) (e.g., the Microsoft Accelerator Program running in seven cities in Europe, Asia, North America and the Middle East) (Kanbach & Stubner, 2016).

Challenges

The establishment of accelerator programmes includes the creation of new procedures for management. As suggested by all respondents, participating in a structured and formalized partnership with start-ups creates various challenges. They stressed, first of all, the problems associated with human resources. The decision to set up a business start-up accelerator is taken by the top management of the business. It is not always possible to convert both personnel and executives to the philosophy. The intrinsic ability differences because of the novelty of the experience are another component of human capital constraints. The testimonials also represent the issue of timing, the lack of required skills and information. The mindset and behaviors of corporate managers is another problem that was found. Large companies are systems that appear to avoid risk and are not very agile and able to act, respondents have repeatedly confirmed. These characteristics are counter to start-up projects' modus operandi.

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How Sponsoring Corporate Accelerators and Innovation are Related

Jan Michael Richter

Introduction

In recent years the concept of corporate accelerators has become increasingly popular as it seems to offer a win-win scenario for established companies and new, innovative ventures. Richter et al. (2017) as well as Weiblen and Chesbrough (2015) explain that corporate accelerators aim to combine the experience and financial resources of established companies and the innovation power that lies in flexible, young ventures. One can see that this is a tempting approach because it seems clear how both sides can complement each other. On this level the importance of the topic is easy to grasp, so that it is interesting to see that there have already been efforts in literature to dig deeper and shed light on what corporate accelerators can and do look like as well as the ways in which they work.

The pursuit of innovation is what drives the creation of corporate accelerators from the sponsoring company's point of view, with a considerable attention to the concept of open innovation according to Richter et al. (2017). This book chapter shall show how sponsoring corporate accelerators and innovation relate. As these are both vast topics, the aspiration is to give a relevant overview of them and point to significant ways in which they relate. In the end, the understanding of the interwovenness of these topics will be sharpened, especially from the view of a sponsoring company.

Corporate Accelerators

The first step is to understand the nature of corporate accelerators and the ways in which they can contribute to innovation in the companies that sponsor them.

The Nature of Corporate Accelerators

Firstly, one should recall that accelerators are to be differentiated from incubators, business angels and venture capital investment although these are all means to help the development of ventures (Hallen et al., 2020).

Defining Corporate Accelerators

As Weiblen and Chesbrough (2015) explain, there is no one clear-cut definition of what corporate acceleration programs encompass but generally these will be limited-time programs, for which start-up companies apply, providing their product matches the category of product sought. Usually, there will be cohorts of start-ups starting at the same time, which then receive funding, coaching and other support and are often co-located with the sponsor and each other. The sponsor is a company in the respective industry, not one aiming to make or facilitate investments for the immediate financial return. Weiblen and Chesbrough (2015) state that the goal for the sponsor is to gain from the external innovation brought in by the accelerator participants, agreeing with Richter et al. (2017). However, Weiblen and Chesbrough (2015) also explain that corporate accelerators are not limited to bringing innovation from outside start-ups into the company but can intend to develop an own innovation with the help of outside start-up ventures, too.

Mahmoud-Jouini et al. (2018) outline that a corporate accelerator will typically have six characteristics: a competitive and open selection process, a group of start-ups (not just a single one), a time frame limited to around three to six months (matching the definition of Weiblen and Chesbrough's (2015)), intensive mentoring, coaching, and networking, as well as investment into the start-ups and a final event such as demo day.

Locating Corporate Accelerators Within the Greater Whole

In the effort to demarcate the field of acceleration programs, a helpful categorization is offered by Pauwels et al. (2016): They identify ecosystem builders, deal-flow makers and welfare stimulators as three types of accelerators. While deal-flow makers are designed to identify opportunities for investors and welfare stimulators are designed to support start-up activity in itself as well as economic development, ecosystem builders aim to develop the stakeholders around a corporate sponsor. Taking the understanding in regard to ecosystem builders of Prexl et al. (2018) into consideration, one can conclude that ecosystem builders according to Pauwels et al. (2016) allow for the sponsor to profit off innovation, even if according to this categorization innovation is not the main or only aim, being not necessarily implied in creating the ecosystem around the company.

Weiblen and Chesbrough's (2015) explanation of corporate accelerators fits into the ecosystem builder type of accelerator, being a bit narrower because it focuses on bringing in and developing

innovation through the collaboration with start-ups, taking the perspective of the sponsor rather than a neutral one such Pauwels et al. (2016).

Interestingly, one can not only define the scope of corporate accelerators in regard to other accelerator models but also in regard to other forms of corporate collaboration. Specifically, Weiblen and Chesbrough (2015) mention the related concept of corporate incubation, defining it as a way to bring internal ideas which are currently a misfit to market by allowing the respective team of employees to work in a start-up setting until the product will eventually be scalable an can be re-integrated or even sold if it still does not fit well. Another form of collaboration with start-ups is to invest venture capital to gain an insight into technologies and markets, which might even be directly financially beneficial and can lead to the complete acquisition of a venture.

Input to Innovation by Corporate Accelerators

It has been shown that corporate accelerators can be understood as ecosystem builders of which sponsors expect external innovation to be brought in. Kanbach and Stubner (2016) distinguish between four different types of corporate accelerators: listening pots, value chain investors, test laboratories and unicorn hunters. The latter is a type aimed at financial gain and therefore an exceptional type of corporate accelerator to be placed in the category of deal-flow makers, outside the scope of corporate accelerators as means to bring innovation into the sponsoring company. Listening pots have the objective to investigate new developments within a market and to initiate relationships therein. Value chain investors are meant to identify as well as develop and integrate new products and services into the sponsor's value chain. Test laboratories offer the possibility to try out external as well as internal ideas or possible combinations thereof. In addition to Kanbach and Stubner (2016), Weiblen and Chesbrough (2015) state that it is important for sponsors of a corporate accelerator to be clear about the objectives to be achieved and configure the accelerator program accordingly. This includes an appropriate degree of integration of the acceleration program into the sponsoring company, with consideration on the one hand for independence that allows the unimpaired work on innovative ideas and on the other hand proximity to the sponsor's respective business activities to which the generated innovations shall be applied; this already points to the fact that the acceleration program must be part of a strategy and follow a concept which the appropriate resources are allocated to and whose success the company is committed to (Weiblen and Chesbrough, 2015; Richter et al., 2017).

Innovation

After looking at corporate accelerators and how they can help companies innovate, the term "innovation" shall be looked at in more detail.

The Nature of Innovation

Meissner and Kotsemir (2016) and Edwards-Schachter (2018) explain that innovation has been understood as introducing novelty or significant improvements, which in the context of business studies may refer to for example a product or a business process. According to Meissner and Kotsemir (2016) it encompasses the whole spectrum from the first discovery of new knowledge to the eventual practical application. Not surprisingly, there is a great number of models of innovation which have been developed over time. Not diving too deep into detail, one can note that the earliest models followed a strictly linear, sequential perspective, which has evolved to a view of overlapping phases and backward loops.

Edwards-Schachter (2018) elaborates that for decades companies were considered the principal actors in innovation, but recently it has been acknowledged that many contributions to innovation stem from the voluntary sector (organizations that are non-governmental and non-profit), the public sector and from stakeholders around the company. Usually, teams inside an entity actively pursue innovation but it can also follow from developments that occur outside the entity that enacts the innovation, which relates to the view that innovation is not necessarily a linear, sequential process, but one that contains overlapping phases and loops back in order to make sense of and consider input from the outside, e.g. from an innovative start-up.

Among the many concepts of innovation there is the framework of open innovation, which is relevant as it is one of the more recent ones and one that relates companies' efforts in innovation to other players.

Open Innovation as an Innovation Framework

Open innovation according to Chesbrough (2004) assumes that companies are able to and should use external ideas in addition to internal ones in order to innovate. This is in contrast to closed innovation, which requires control and assumes that companies should generate and develop their own ideas. The external ideas sought in open innovation can be found practically anywhere and

West and Bogers (2014) outline that possible approaches include alliances or joint ventures with other companies as well as universities and making use of information intentionally or unintentionally revealed by users of the company's products; furthermore, external ideas can be sourced through acquisition. Richter et al. (2017) specifically add the corporate accelerator as a mode for open innovation.

According to West and Bogers (2014) open innovation is viewed to have four steps: Firstly, obtaining the innovations from external sources, secondly, integrating the innovations, thirdly, commercializing the innovations. This seemingly linear process is however multidirectional as the fourth step, interaction, interconnects the three steps to account for how innovation is perceived in practice as well as research. This matches the previously described more recent view on innovation as laid out by Edwards-Schachter (2018).

To measure the success of open innovation, Chesbrough (2004) suggests looking at quantitative data such as the share in sales or profit of products brought to market through open innovation and the trend of this share. Although this quantitative data does not directly capture all potentially interesting aspects such as the development of the corporate culture around innovation, these metrics also seem sensible to apply when evaluating corporate accelerators.

Success Factors for Open Innovation

West and Bogers (2014) explain that when looking at innovation through external ideas and collaboration, it appears that research has placed a big emphasis on the step of obtaining these innovations and considerably less on how to integrate and commercialize them. However, regarding integration, two areas can be identified which contribute to success in this area: The culture in respect to innovation, especially innovation from the outside, and the structures and systems within a company. This relates to the concept of absorptive capacity which is commonly seen as a key factor in the ability of companies to innovate (Volberda et al., 2010) and should be kept in mind in this context. West and Bogers (2014) furthermore point out that there has been little investigation in literature into how or if commercializing externally obtained innovation differs from internally developed innovation.

Weiblen and Chesbrough (2015) give examples of how innovation through collaboration with external partners in the form of start-up ventures can be successful, explaining that a company

should shield start-ups from bureaucracy and establish credibility as a trustworthy partner that will not leverage its power over the weaker start-up in an unfair way. Additionally, a company should seek to be integrated into the start-up support ecosystem by not viewing other players as competitors to fight for potential participants in one's corporate acceleration program but maintain an open mindset.

Relating Corporate Accelerator Sponsorship and Innovation

In the following, the topics of corporate accelerators and innovation shall be related further and there shall be room for an outlook in this field of research.

The Relation Between Sponsoring Corporate Accelerators and Innovation

Although some authors such as Weiblen and Chesbrough (2015) include the development of internal innovations through collaboration with external partners, it seems clear that literature agrees that the main focus of most corporate accelerators from the perspective of the sponsoring company is to bring in external innovations rooted in ideas of start-up ventures. The sponsoring company can in turn provide resources such as financial investments, experience and connections in an industry. Innovation is brought in as the sponsor uses the corporate accelerator to make observations and improve its understanding of e.g. a technology or a market or as the participating start-ups work on projects with clear purposes in relation to the sponsor's value chain or as experience is gained when using the corporate accelerator as a testing field (Kanbach and Stubner, 2016).

Corporate accelerators fit into the framework of open innovation, according to which the development of innovation will often be promising when carried out in collaboration with others, e.g. (start-up) companies, universities, or the sponsor's stakeholders; success, which in this case would be the fostering of innovation, is achieved through on the one hand the culture and on the other hand through the structures and systems of the company (West and Bogers, 2014).

Outlook

Although ways in which corporate accelerators relate to innovation in the sponsoring companies have been identified, the exact functioning of these ways leaves room for additional research. Richter et al. (2017) give recommendations for the successful implementation of corporate

accelerators but agree that gaps in the understanding of the working of corporate accelerators remain. It would be interesting to investigate for example if over time a sort of manual can be developed that allows to capture innovation according to the sponsor's needs through adjusting certain factors in the conception of a corporate accelerator.

Conclusion

As innovation is a major factor in advancing individual companies as well as society as whole, the relevance of concepts that support innovation is easy to acknowledge. Even though research around accelerators and specifically corporate accelerators is less abundant than for many other topics, this book chapter gives an overview of the relevant concepts to understand how corporate accelerators and innovation relate, especially from the viewpoint of a sponsor. This makes the reader knowledgeable in regard to this question as well as the broader topics of (corporate) accelerators and innovation, and it leads researchers into open areas left to explore.

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Accelerator Design and the Drivers of Social Entrepreneurship: How does Accelerator Design Impact the Inclusion and Success of Social Businesses?

Katharina Winkler

From Silicon Valley venture creation powerhouse *Y Combinator* to community-funded entrepreneurial bootcamps in emerging economies – start-up accelerators are a recent phenomenon but have rapidly become the model of choice for early-stage start-up incubation across the globe.

Accelerators are typically cohort-based programs with a limited duration, usually three to six months, and a defined timetable (Cohen et al., 2019). They differ from earlier approaches to incubation in that they support promising ventures not only through providing funding and office space, but placing a strong focus on mentoring, networking, and education opportunities for founding teams (Cohen & Hochberg, 2014; Pauwels et al., 2016). This unique structure makes the accelerator concept very successful: Since the launch of the first accelerators in 2005, an estimated 6,000 start-ups have participated in one of the ever-growing number of programs around the globe, among them ventures like *Airbnb*, *Twitch* or *Dropbox* (Cohen 2019).

Another development is quickly gaining momentum in the start-up scene: for some years now, a steadily growing number of newly founded companies have been addressing social and environmental aspects (Cacciolatti et al., 2020; Muñoz & Cohen, 2018). Many of today's entrepreneurs not only want to *break even* – they want to do it in a sustainable way and 'make a difference' in their communities and the world. To take on social responsibility or prevent environmental pollution, they can put less focus on turnover to the point of the willingness to sacrifice profit margins in favor of ethical business strategies. (Erro-Garcés, 2020)

But does this new trend towards social value and sustainability reflect in accelerator participation? Do accelerators provide a suitable frame for social ventures to flourish? How can the typical design features in accelerator programs impact the participation and inclusion of social enterprises? And in which ways can the business success of social start-ups get diminished or enhanced by taking part in an accelerator program?

To answer these questions, it is first necessary to discuss what comprises accelerator design and what makes it significant for the success of participating ventures. Further, it must be contemplated what drives and motivates social entrepreneurs and where they show strength or face challenge. Finally, the case of 'social accelerators' should be considered to find out how the drivers of social business and the accelerator concept can be combined.

On Accelerator Design

First, accelerators are not homogenous – there are some core-defining features that will unite most programs, but other program features, accelerator objectives and stakeholders can vary significantly between accelerators (Cohen et al., 2019; Fehder & Hochberg, 2014). Some accelerators are connected to a strong entrepreneurial landscape and aim for generating a return on investment capital (Cohen et al., 2019), they act as '*ecosystem builders*' (Pauwels et al., 2016), e.g. in Silicon Valley; others work as '*welfare stimulators*' towards building economic growth or nurturing an entrepreneurial landscape in their region, e.g. in structurally weak regions or emerging economies. They can have a strategic focus on a certain branch, industry, or location, with industry focused accelerators often leaning towards technological innovation (Cohen et al., 2019).

Most programs do have a lot in common though – they provide a selection of key resources that help new ventures quickly set foot in the market and generate results.

The program typically takes place during a fixed period of time, that usually covers 3 to 6 months, but can range from 4 weeks up to a year (Cohen et al., 2019). Participants are usually scouted in a standardized, multi-staged (Pauwels et al., 2016) and highly competitive selection process in which sometimes only a dozen out of hundreds of applicants make the cut. The selection process is often initiated by an open, public call for applications (Cohen et al., 2019). Start-ups that get selected are usually past the initial stage of business idea generation, with founding teams already assembled (Pauwels et al., 2016). In the selection process, a high emphasis is placed on the prospective turnover of the venture and the composition of the start-up team (Cohen et al., 2019; Duréndez et al., 2017; Yin & Luo, 2018).

Accelerator programs typically take in cohorts of multiple start-ups at once – around twelve on average, with numbers ranging from 4 to 128 (Cohen et al., 2019). This serves networking and investing purposes: it attracts the attention of high-profile investors who can meet a variety of start-

ups at once, and gives participants the chance to interconnect, push each other, and learn from each other (Cohen et al., 2019; Pauwels et al., 2016).

Funding and equity is provided to the participants in the form of seed capital that can be offered by companies, sponsors or investors in private or corporate accelerators, often in exchange for company shares, or via community funding in public accelerators (Cohen et al., 2019).

The start-up teams receive mentorship by an experienced panel of managers, advisors, investors, partners, entrepreneurs, lawyers or program alumni who provide advice, feedback and social support (Avnimelech & Rechter, 2019; Cohen et al., 2019; Pauwels et al., 2016). The accelerator also provides an educational curriculum to the founding teams that can range from single seminars on certain hard and soft skills to "semi-MBA" formats that provide sound business education (Pauwels et al., 2016).

Workspace is provided, often as a co-working space with desks, tables and possibly office hardware; this cuts down expenses for the start-ups and provides cohort peer effects (Cohen et al., 2019). The program usually concludes with a graduation pitching event in front of a larger audience of investors, known as "demo day" or "investor day" (Pauwels et al., 2016).

On Social Entrepreneurship and its Motivation

What is Social Entrepreneurship?

As mentioned before, there has been a tremendous increase of social business venturing in the past decades (Cacciolatti et al., 2020). A social enterprise is "an organization that aims to make money in order to serve a useful social purpose" (Cambridge Dictionary, 2021), rather than focusing on generating and maximizing profit for owners and shareholders.

The field of "social entrepreneurship" does not only comprise of "non-profit" ventures, but includes a wide variety of "for-profit" organizations that are e.g. focusing on social innovation or following a traditional business model but pursuing a social mission with their earnings or making an effort to be sustainable – the social purpose being the key defining feature (Cacciolatti et al., 2020). Social entrepreneurs develop innovations that can create or fuel economic and social development and progress (Erro-Garcés, 2020).

Social start-ups face their very own challenges going about their business: they often find themselves in a field of tension where they have to balance their social cause with the need to generate revenue in order to stay afloat. Due to these struggles many social ventures seek the support of accelerators to help them develop and refine their business model in order to generate both social merit and financial returns (Yang et al., 2020).

Drivers of Social Entrepreneurship

Research has shown that social entrepreneurs show specific altruistic motivations to start a business (Erro-Garcés, 2020). Some character traits and psychological aspects are common in founders starting social ventures, such as positive emotional intelligence (Ngah & Salleh, 2015), compassion (Miller et al., 2012) or self-efficacy (Tiwari et al., 2017; To et al., 2020). Self-efficacy describes "a person's belief that they can be successful when carrying out a particular task" (Cambridge Dictionary, 2021) and is particularly important in social entrepreneurship. Since they find themselves constantly torn between social merit and economic success, they depend on the internal motivation inherent to self-efficacy to not take the "easy way out" (To et al., 2020).

Also stakeholder theory plays a part: the socio-political environment (Erro-Garcés, 2020) and situational fit (To et al., 2020) of the founder are considered to be of big influence on entrepreneurial goals. There seems to be an inseparable relationship between creativity, compassion and stakeholders. Creativity is crucial to generate social innovation to improve the society an entrepreneur is a part of. Altruistic emotion and compassion are needed for the entrepreneur to even care and wish to improve that society. Often, a recurring problem or "daily challenge" in the society surrounding an individual sparks the wish of improving that society and serves as a starting point for the generation of the business idea (Erro-Garcés, 2020).

How can Accelerator Design Impact the Inclusion of Social Start-ups?

Accelerator Design Can Enable the Inclusion of Social Start-ups

Some aspects in accelerator design can be beneficial for the inclusion of social start-ups in the program. Ventures pursuing a social mission often show stronger entrepreneurial leadership and display better performance when marketing capabilities are developed. Their founders can be exceptionally passionate about their cause, and the ethical emotional value of "doing good" is

appealing to most audiences (Liu et al., 2015). Since the selection process in many accelerators emphasizes leadership and strong team spirit in entrepreneurs, this can be an advantage for social enterprises to make the cut.

Also research has shown that a high level of self-efficacy – a trait prevalent in social entrepreneurs – often positively correlates with a high level of social assertiveness in an individual (To et al., 2020). Social assertiveness describes the individual ability to represent oneself positively and gain social support. This could show in a confident, enthusiastic self-presentation and a successful pitch.

Accelerator Design Can Constrain the Inclusion of Social Start-ups

Of course, the field of tension most social start-ups face is at play in accelerators as well. Accelerator selection often aims for marketable innovation and growth potential in order to generate quick results, such as a timely break-even and a return on investment (Cohen et al., 2019; Duréndez et al., 2017; Yin and Luo, 2018). This is especially prevalent in accelerators funded by private investors. Start-ups engaging in social innovation are generally less profitable than their peers who don't necessarily submit to social values (Cacciolatti et al., 2020) and can therefore fall short in the selection process.

How can Accelerator Design Influence the Success of Social Start-ups?

Accelerator Design Can Enhance the Success of Social Start-ups

Research has shown that it is particularly beneficial for social start-ups to engage in strategic alliances. Start-ups usually must work with limited resources which can make the pursuit of a social mission especially challenging. To deliver on social mission goals while maintaining business value, social start-ups need to leverage collaborations with strategic partners that can provide them with money and resources to maintain profitability and improve their credit rating. A healthy balance between social mission and business performance can often only be maintained by establishing a good reputation, preserving it and performing consistently. Taking part in an accelerator program does not necessarily help with profitability, but can benefit credit rating (Cacciolatti et al., 2020).

The accelerator infrastructure, especially in a reputable program, and qualified feedback by experienced entrepreneurs, investors and advisors with a more formal approach on people management may help balance the altruistically driven passion in start-up teams, sharpen their view of their surroundings and change their perspective on revenue to view it as means to an end, necessary to fulfill the underlying purpose (Chatterji et al., 2019).

This can result in a mutually beneficial situation: investors and corporations can boost their image when collaborating with a social enterprise while the start-up can build trust and improve its credibility and business practices. Resources provided during the program can connect the startup to the local innovation ecosystem while simultaneously developing and extending their entrepreneurial skills for them to learn how to utilize this ecosystem's resources (Cohen et al., 2019).

Finally, it has also been shown that self-efficacy, one of the strongest motivators in social startups, can lead to inadequate preparation and irresponsiveness. Individuals showcasing a high self-efficacy can tend to underestimate obstacles or put less focus on the dynamics of their business surroundings (To et al., 2020). This could be counteracted through cohort effects and targeted mentoring.

Accelerator Design Can Diminish the Success of Social Start-ups

Alliances can also be detrimental to start-ups' development for various reasons. In the case of social start-ups, an image damage could arise if the accelerator or associated investors and companies get involved in activities counterfeiting the cause the start-up has submitted to. This often can not be anticipated before. The institutions offering seed funding to a start-up become its business partners for an indefinite time. If they align with the start-up's values now, this is no guarantee that it will stay like that forever. Founders should therefore choose carefully whom they make their shareholders.

Participation in an accelerator can also lead to a decline in responsiveness to peer advice after program completion (Chatterji et al., 2019). Combined with the possible negative effects of self-efficacy (To et al., 2020), this could contribute to social entrepreneurs misinterpreting their economic reality and becoming numb to advice. Conversely, this could also be a positive effect, if

the entrepreneur internalizes advice and feedback given in the accelerator and chooses to ignore 'bad advice' given by less economically qualified companions afterwards.

Outlook and Conclusion

The latest boom in social venturing that seems to only pick up speed as the global public is becoming increasingly aware of societal key issues such as climate change, environmental pollution and modern slavery, has led to the creation of special accelerator programs tailored to the needs of social start-ups. Social impact accelerators are focusing on ventures with the potential to generate both financial returns and social impact and aim to help start-ups navigate in the tension field between social welfare and operational effectiveness (Pandey et al., 2017; Yang et al., 2020).

Nonetheless, the effects of accelerator design on the success of social start-ups remain largely mysterious. The ways accelerator design can benefit or impede the inclusion and subsequent success of social start-ups presented in this chapter are purely hypothetical and require more in-depth research. While it is a relatively new topic, it will likely only become more relevant as social and sustainable business ideas become more important.

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III. Social Impact Accelerators

How Can Social Impact Accelerators Foster Social Entrepreneurship? How Can Both Phenomena Benefit from Each Other?

Lena Katharina Kuhl

Introduction

The Intermediary Role of Accelerators in the Ecosystem

Accelerators have grown rapidly over the last decade and play a primary role as a new organizational entity in the entrepreneurial ecosystem (Cohen, 2013). Broadly speaking, the aim of Accelerators is to help early stage ventures grow and to fasten their development process of value creation by providing support for their business development, infrastructure, network and financials (Lall et al., 2013). In contrast to the well-known and established phenomenon of incubators, accelerator programs have a limited duration of approximately three months in which they also offer seed capital and a working space for the participating ventures. Specifically, their cohort-based programs combined with intangible and knowledge-intensive services such as educational components and mentoring is claimed to foster the growth of the ventures (Cohen & Hochberg, 2014 ; Pauwels et al., 2016). The graduation of the cohorts is marked by a so-called demo day where ventures pitch their ideas and success stories to a large audience of investors (Cohen & Hochberg, 2014).

In parallel to the emergence of accelerator, one can also register a rapid growth and an increasing importance of social entrepreneurship lately, encouraging a special form of the accelerator program - the social impact accelerator (SIA). Due to the complex challenges social entrepreneurs face, SIAs provide tailored support to the development of sustainable business models in order to generate meaningful impact (Yang et al., 2020 ; Dacin et al., 2011).

Aim of the Book Chapter

Despite the strong growth of social ventures and consequently the one of SIAs, relatively little research was conducted on the relationship between the two phenomena. Consequently, the aim of this chapter is to generate a greater understanding if and how SIAs can foster social

entrepreneurship and to clarify how both phenomena can benefit from each other. To answer the proposed questions, I will define the identities and underlying motivations of social entrepreneurs at first. Subsequently, I will derive from those findings and current research implications for the programs of SIAs and how they might benefit from a focus on social entrepreneurship.

Combining both Phenomena: Social Impact Accelerators and Social Entrepreneurship

Identities and Motivations of Social Entrepreneurs

Social Entrepreneurship is the process of opportunity exploration and exploitation in the context of social issues. When entrepreneurs stimulate social change and aim to solve social problems by combining resources differently one can speak of social entrepreneurs. They can be differentiated from business entrepreneurs given their relative priority to social wealth creation compared to economic wealth creation (Mair & Martí, 2006). But what exactly drives social entrepreneurs to engage in social value creation?

In theory, individual characteristics play an important role in the entrepreneurial discovery. Cognitive capacities, such as prior knowledge and idiosyncratic life experiences influence the opportunity identification and how entrepreneurs perceive the world. As a result, mental corridors emerge and shape the cognition and thinking of entrepreneurs. The possession of those idiosyncratic life experiences explains why some people identify opportunities and exploit them, while others don't (Gielnik et al., 2014).

Although social entrepreneurs underlying motivation lies in social value creation, economic value is still of high importance. The success of a social business is closely related to a positive economic outcome. Consequently, there are two logics incorporated in social ventures: serving a social purpose while being efficient and gaining profit at the same time. It is especially challenging to keep up with the arising institutional pressures, because social entrepreneurs need to balance non-profit as well as for-profit institutional logics. Both aspects are undermined by substantially different values, creating operational tension between various, divergent stakeholders, which makes it particularly difficult to establish and organize a successful venture (Yang et al., 2020 ; Dacin et al., 2011 ; Mair & Martí, 2006).

Keeping the theoretical aspects as well as the two-sided dimension in mind, I want to explore on the distinctive characteristics and motivations of social entrepreneurs when comparing them to business entrepreneurs. As a matter of fact, five key concepts describe their identities best: entrepreneurial mindset, compassion and humanitarian aspects, innovation, risk-taking and perseverance. Especially the compassion and humanitarian aspect as well as the perseverance has to be stressed. Social entrepreneurs are emphatic and take their power from helping others. Moreover, social entrepreneurs have the ability to overcome strong barriers and persistently aim to drive social change despite the challenges they face. They're passionate about solving unmet social needs. Although their personal experiences might differ, they equally inspired them to start social businesses (Ghalwash et al., 2017).

To conclude, social entrepreneurs need to be aware of the complex institutional context they operate in and thus possess social as well as economic competence in order to align divergent stakeholder expectations. In this context, high motivation and compassion are critical for success (Ghalwash et al., 2017 ; Dacin et al., 2011).

Should Social Impact Accelerators Differ from Business Accelerators? If so, How?

Research Review

In this section I address two studies conducted on SIAs and social entrepreneurs. Due to the limited research on the respective topic, the studies provide a starting point for drawing initial, but no definitive conclusions in the following section.

The first study was conducted by Pandey et al. (2017), who highlight five key benefits associated with SIAs and discuss against the background of human capital theory how they're perceived by social entrepreneurs. The associated key benefits that SIAs engage in are business skills training, mentorship, networking, funding and the awareness and credibility developed when participating in an accelerator program. In terms of start-up's human capital theory suggests that value propositions in accelerator services are not equally likely perceived by social entrepreneurs. Consequently, human capital is classified into task-specific aspects such as prior founding experience, prior accelerator experience, management experience and into generic aspects such as education level and job tenure (Pandey et al., 2017). But how does human capital accordingly influence venture decisions, specifically the perceived value-propositions of SIAs?

Results showed that the benefit of business skills training as well as the mentorship benefit are not valued by social entrepreneurs with task-specific knowledge. Contrarily, there's evidence that social entrepreneurs with high levels of generic human capital indeed value the beneficials of having a mentor. Secondly, the importance of networking with customers and partners is only valued by social entrepreneurs who already participated in an accelerator program. In contrast to that, the importance of networking with like-minded entrepreneurs is not valued by entrepreneurs who already have prior funding experience. Furthermore, the given opportunity to acquire indirect funding through an accelerator program is especially valued by social ventures which consist of high levels of task-specific human capital. The findings also indicate that the importance of achieving awareness and credibility is not valued by social entrepreneurs with prior funding experience (Pandey et al., 2017).

To gain a different perspective, I will discuss a second study of Lall et al. (2013) who identified key aspects associated with the success or failure of accelerators in the impact environment. Firstly, it needs to be stressed that impact investors might not be the optimal solution for social entrepreneurs. Indeed, impact investors often struggle with funding for social enterprises as they do not meet their investment criteria perfectly. Instead, traditional commercial investors, for instance banks might be a better match as they can provide funding more readily than impact investors. Furthermore, there's a positive correlation between a low acceptance rate of ventures in the accelerator program and their following success. Thus, the selection process of impact accelerators needs to be strict and precise in order to serve as a benefit for social entrepreneurs (Lall et al., 2013).

Implications for Social Impact Accelerator Programs

I want to recall that accelerator programs themselves have a very limited duration of approximately three months and the accelerators usually take an equity stake in the nascent ventures (Cohen & Hochberg, 2014). They're focused on speed as well as on growth. In principle, social entrepreneurs need to ask themselves whether this strategy fits their distinctive philosophy. While SIAs are built on short-term strategies, social entrepreneurs have a long-term strategy of making the world a better place. Despite these contrary approaches, SIAs can still complement social entrepreneurs fulfilling their mission and scale their ventures by supplementing the missing resources. But they need to define growth differently since social ventures' primary mission is not based on financial

growth, but rather on social impact. Also, in order to counteract a potential reluctance, SIAs need to adapt to the potentially different needs of social entrepreneurs. Therefore, I will derive implications for SIAs by combining insights from current research as well as knowledge about social entrepreneurs and business accelerators. The implications are focused on four main characteristics of accelerator programs which are **training, mentoring, networking and funding.**

Firstly, not all social entrepreneurs value the training in business skills as highly as business entrepreneurs as their motivation lies primarily in solving social issues. It might be beneficial for business ventures while social ventures need a different type of support (Casasnovas & Bruno, 2013 ; Pandey et al., 2017). This statement is consistent with the fact that social entrepreneurs need to be very persistent to overcome strong institutional barriers. Thus, skills of a different nature are required to survive in a more complex environment instead of business-related skills. Given the various, divergent stakeholders social entrepreneurs have to cope with, SIAs need to help mitigating systemic information asymmetries between them by balancing the social logic as well as the business logic incorporated in social ventures. A training with a focus on how to deal with exactly these operational tensions in the institutional context could be of greater success.

As previously mentioned, social entrepreneurs are highly motivated and passionate about solving social dysfunctions. SIAs need to develop a sense for those wicked problems and need to understand the passion and motivation that drives social entrepreneurs, being crucial for their venture's success. The study of Pandey et al. (2017) suggests that social entrepreneurs might not value the mentoring aspect to a great extent. Bases on these insights, I conclude that SIAs should assure to partner with mentors who have a social background and experiences themselves so that they can serve as a benefit for the nascent ventures.

Accelerator programs are usually structured as cohorts in order to foster the networking between social entrepreneurs. The cohort-based focus is beneficial for business ventures but might not be as highly valued by social ventures. Instead of greatly focusing on networking between cohorts SIAs should rather shift their main focus on building an ecosystem which overcomes barriers such as the weak institutional support social ventures are undergoing. Establishing relationships with other institutions and leveraging their resources is important in order to foster social entrepreneurship further (Casasnovas & Bruno, 2013). It follows that SIAs need to build strong

relationships with governmental or non-profit organizations as well as providing social entrepreneurs a major platform to create awareness for their vision.

The success of SIAs lies among other things in the alignment of interests of social entrepreneurs on the one hand and impact investors on the other hand. As funding is a key resource for social ventures, SIAs need to offer specific funding channels (Casasnovas & Bruno, 2013). While impact investors need the fulfillment of specific investment criteria, social entrepreneurs need a credible source of funding to grow their ventures. But social ventures are risky, very specialized and non-profit oriented. Additionally, they need investors who are truthfully committed to their mission and with whom they can identify themselves. Otherwise, it's highly questionable to receive funding from investors who for instance only want to pretend to achieve legitimacy by supporting social ventures. It's therefore a challenge to convince enough credible investors. By including investors in a strict, competitive selection process, the position of the selected ventures can be strengthened (Lall et al., 2013). Following, these insights indicate that engaging deeply in building strong connections not only with a high number of investors but also with different investor types and diversified funding channels is even more important for SIAs than for business accelerators.

Advantages for Social Impact Accelerators

Due to the complexity of social ventures, SIAs face challenges as well. So, what advantages can accelerators themselves gain from a focus on these ventures? Generally speaking, traditional accelerator programs achieved great success by focusing on high-growth technology ventures. Similarly, there's high potential for SIAs to be successful in overcoming the "pioneer gap". The phenomenon refers to the fact that social entrepreneurs fail to drive and scale social change due to the lack of success-critical resources (Lall et al., 2013). As a matter of fact, traditional accelerators for example the *Y Combinator* have already established initiatives to support social venture growth (Yang et al., 2020).

Unfortunately, severe global problems still arise due to social dysfunction and the awareness for social problems is constantly thriving (Casasnovas & Bruno, 2013). As we face challenges such as the COVID-19 pandemic, the need of social initiatives is even encouraged and might be more important as before. Focusing on social ventures now can be beneficial as accelerators are able to capture valuable and promising knowledge. Due to the cohort-based program, SIAs can build a rare and strong knowledge base and develop absorptive capacity which then benefits the

succeeding cohorts. Especially tacit knowledge transfer might play an important role and can only be achieved by steadily accumulating knowledge and experience. Given the fact that SIAs are still a rather new phenomenon, the "dominant design" of such programs has not emerged yet (Casasnovas & Bruno, 2013). Thriving for a competitive advantage by focusing on social ventures now might be effective for future success.

Conclusion

The purpose of this chapter was to identify the distinctiveness of social entrepreneurs in order to explain how SIAs should differ from business accelerator programs to foster social entrepreneurship. By combining research on the respective topic and insights from social entrepreneurship several implications for SIAs could have been made. However, these implications are basic approaches and no definitive conclusions as there is only limited research on the topic available. Further qualitative research could focus on the different intentions social entrepreneurs have when applying for an accelerator program. Also, an ethnographic study could be conducted during the three months that social ventures participate in the program in order to identify to what extent the above-mentioned implications are perceived as beneficial. Thus, this book chapter can serve as a profound starting point for further research on the relationship between the two phenomena.

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Social Accelerators and Social Startups: Are They a Good Match?

Tao Li

Introduction

As a new type of organizational sponsor, accelerators have gained significant attention among scholars and practitioners. Accelerators are designed to support new ventures through training, mentoring and other means via fixed-term and cohort-based programs (Cohen, 2013). The most prominent startup accelerators such as Y Combinator or Techstars were designed to focus on for-profit, highly scalable young ventures in the technology sector (Hallen et al., 2014). In the meanwhile, accelerators for supporting not-for-profit and hybrid organizations (e.g. Echoing Green, SheEO, Villiage Capital etc.) started to proliferate. While social accelators are still a nascent topic, many research has been conducted through case studies to provide practical implication (e.g. Drayton, 2002; Harris & Kor, 2013), yet the formation and legitimacy of social accelerators is lagging theory driven explanations.

In order to answer the research question how and when social accelerators and social startup make a good match, it is helpful to reconcile a clear definition of what social accelerators are and how do they differ from the commercial type in terms of supporting social startups. Furthermore, institutional theory is applied as it provides theoretical foundation in exploring the emergence of the social accelerators as a new form of organization and the process by which they come to be considered as legitimate.

Social Enterprise

Social entrepreneurship is a field of study which has generated great interest in recent times. The concept of social entrepreneurship can be understood in a broad way as to pursue social missions or tackle social problems through innovative and financially viable business models (Mair & Martí, 2006; Peredo & Mclean, 2006; Smith et al., 2013). Social entrepreneurial activities have been around all the time, but in recent decades social entrepreneurship enjoys popularity among a divergent range of actors including scholars, policymakers, decision makers in for-profit, not-for-profit and public sectors (Pandey et al., 2017). On the one hand, it implies a blurring of sector boundaries which helps to broaden the playing field for social entrepreneurs to gather means of

serving their social mission (Dees, 1998), while at the same time, however, it indicates that social entrepreneurship is a concept with fuzzy boundaries still to be defined.

On organizational level, social enterprises can be seen as the tangible outcome of social entrepreneurship (Mair & Martí, 2006). The organization form can be defined as a hybrid form of ventures that pursue the creation of external social benefit through for-profit businesses (Hockerts, 2006). In practice, the number of social enterprises are growing as sustainability goals are incorporated in many for-profit entrepreneurial activities, but also commercial strategies are adopted by a growing number of social entrepreneurs.(Maurer et al., 2011; Wilson & Post, 2013). The dual goals have created competing demands which may lead to performing tensions in social enterprises (Smith & Lewis, 2011).

As Yang et al. (2020) point out social startups have to balance the social welfare logic which emphasizes social and environmental progress on the one hand, while market logic which focuses on profit and efficiency on the other hand. The hybrid orientation of social mission and business venture creates tensions, competing demands and ethical dilemmas (Smith et al., 2013), because each logic is defined by its own set of values, beliefs, norms and material practices (Thornton, 2002). This tension is less likely to occur in conventional businesses as they may focus primarily on the increase of shareholder value, where any social return is a nice-to-have by-product (Hull & Lio, 2006; Mair & Martí, 2006).

Even though many scholars proposed in their theoretical work that social entrepreneurship would create many benefits, e. g. increased social welfare, sustainability, societal innovation and transformation (Alvord et al., 2004; Dees, 1998; Mair & Martí, 2006), social enterprises will face tricky problems resulting from logic hybridity in reality. For instance, capturing the value created by social entrepreneurial in an economic form is difficult, the divergent stakeholder groups might rely on subjective system for evaluation (Hull & Lio, 2006) and thus tensions among the affected will arise. Social entrepreneurs also face limited access to resources (e. g. traditional capital provider might find social startups less attractive) which constrains the founding and growth of social startups (Calic & Mosakowski, 2016).

Given the challenges social startups face, social entrepreneurs tend to seek support from external entities to establish legitimacy and gain access to necessary resources.

Accelerators and their Social Variant

Accelerator is a prominent organizational sponsor type emerged in the entrepreneurs in recent years. They offer fixed-term and cohort-based programs, featuring training, mentoring and other means to speed up the growth of a new venture (Cohen, 2013). In sum, the mandatory elements of an accelerator model can be briefly described as a three-step process which includes the selection of startups, service and business support to the selected startups, and graduation (Prexl et al., 2019).

Initially, accelerators would target relatively low risk and highly scalable businesses mainly in the technology dimension (Latouche, 2018). However, the emergence of social accelerators is empirically captured in the study of Pauwels et al. (2016), although as a collateral finding. By investigating 13 Europe-based accelerators and analyzing their design elements, Pauwels et al. (2016) concluded with three major design themes adopted by these accelerators. *The ecosystem builder* accelerator is set up by corporations in an effort to connect its stakeholders with startups in the hope to establish a corporate ecosystem. The *deal-flow makers* bridge investors such as business angels and venture capital funds with investable projects. The *welfare stimulator* accelerators take in government agencies as their main stakeholder, with a focus on startup activities which foster economic growth. In addition, they identified the existence of hybrid accelerator types which combine characteristics of *deal-flow makers* and *welfare stimulator*, who leverage products and services for social good.

Setting aside the phenomenon, what could be the impetus that leads to the formation of social accelerators? Through the lens of institutional entrepreneurship, Tracey et al. (2011) provide a multilevel model in an attempt to explain the emergence of new organizational forms. On a micro/individual level, actors have to identify an opportunity where new institutional projects need to be initiated. In the case of social accelerators, the existing institutional structures such as social incubators are not suitable for tackling problems such as limited access to financial instruments and low scaling speed of the social startups (Casasnovas & Bruno, 2013). On an organizational level, the new organizational form has to be templated and theorizing to explain why it would be helpful to tackle the framed problems. For problems such as narrow financing channels and low scaling rate in new ventures, a for-profit, economic logic can be bridged over. Moreover, it will attract actors accustomed to a for-profit logic who also wish to achieve positive social impact. At the macro/societal level, the new organizational form has to be legitimized. An important way to

do that is by aligning with highly legitimate actors. Aligning with existing commercial accelerators and bridging over their participants can augment legitimacy of social accelerators' activities.

Gaining legitimacy and sustaining it is an iteration process since "legitimacy is seen as an organizational 'imperative' that is both a source of inertia and a summons to justify particular forms and practices" (Selznick, 1996, p. 273). Greenwood et al. (2010, p. 521) draw attention on the distinction of the two concepts, i. e. forms and logics by claiming that "organizational forms are 'manifestations' of, and legitimated by, institutional logics". Since institutional logics are represented by sets of values, beliefs, taken-for-granted norms and material practices (Thornton, 2002), it is helpful to understand how social accelerators work by analyzing its institutional logics.

Roundy (2017) finds that as an organizational sponsor, social accelerators are dominated by two institutional logics which play an integral role in forming, structuring and functioning of the entrepreneurial ecosystem. The first is the entrepreneurial-market logic, a market-oriented logic with entrepreneurial features. It focuses on effective business models, innovation, the creation of new markets and growth strategies, at the same time it tolerates uncertainty and explores opportunities under resource scarcity (Cunningham et al., 2002). The second institutional logic is the community logic which demonstrates social characteristics such as cooperation, altruism and a focus on community development. Both logics are necessary conditions for the creation and functioning of a social accelerator.

A Perfect Match?

The extent to which accelerators emphasize both logics or one over another might differ (Roundy, 2017), the equilibrium is decided by that type of accelerators. A *deal-flow maker* accelerator might exhibit both logics but will likely prefer a market logic over a community logic, whereas a *welfare stimulator* might give priority to community logic. Therefore, it can be argued that social accelerators must give equal importance to both governing logics, because social enterprises pay equal attention to attaining both commercial and social returns. The institutional logic congruence between the social accelerators and social startups is extremely important, because it enables common ground for cooperation with aligned values, beliefs, norms and material practices (Thornton, 2002). On the contrary, if support organization tends to be dominated by a commercial logic, it will attract startups with this same focus and nonprofit ventures will eventually be driven out.

The dual logics of the social accelerators can be transmitted to the program participants especially through the extensive emphasis on learning and education in accelerator programs (Hallen et al. (2020),. In turn, by experiencing accelerator programs, participants will be exposed to both logics very quickly and learn how to combine the two logics (Roundy, 2017). For instance, entrepreneurial-market logics can be incorporated into the education or mentor programs, and also can be demonstrated through the pitch competitions (Cohen, 2013), where the goals and focuses are more self-interest oriented. The community logic is exercised when accelerators encourage conversation or consultation across all types of stakeholders such as mentors, peer startups, alumni and industry practitioners.

Institutional logic congruence should guide the behavior of actors within social accelerators and connect appropriate interpretation or meaning with their actions (Thornton, 2002). On a conceptual level, this congruence enables possibilities of working together more frictionlessly, however in reality, problems are complex and wicked. For instance, prior research from Yang et al. (2020) shows inappropriate efforts been made to satisfy both logics by the social accelerators. The own interpretation about what is coherent with commercial logic and what with social logic can be subject to cognitive misconceptions and thus problematic. Consequently, highly qualified candidates or projects might not receive support from the social accelerators. In another scenario, not all social entrepreneurs will be able to find suitable accelerators with aligned logics, given that social entrepreneurship is often bounded by physically determined factors (Adner, 2017). Under such circumstances, institutional change and transformation is needed in order to address the continual emergence of new norms and practices, the process of creating new organizational forms by bridging institutional logics shall be practiced (Tracey et al., 2011).

Conclusion

By investigating institutional logics, congruence can be observed between social accelerators and social startups as they both juggle a commercial and a social logic (Smith & Lewis, 2011) which makes them a good match. Social startups have to align with the institutional logics of organizational sponsor to gain support and legitimacy. By experiencing accelerators, social startups gain better understanding on how to manage competing logics. However, in practice, institutional logics may play a rather guiding, suggestive role. Individual decisions and actions may according to own interpretation of the norms, values and definitions. Another implication is

that when new entrepreneurial norms and practices start to emerge continually, with no compatible support organization is available, institutional changes and transformations will be desired. Through the lens of institutional entrepreneurship, the emergence of social accelerators can be explained as a deliberate process of combining key aspects of existing commercial accelerators, to create and legitimate a hybrid logic organizational form.

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Accelerators: An Opportunity to Speed up Social Venture Creation?

Romy Linde

Introduction

Innovation is seen as a key driver in tackling and hopefully solving global problems, like hunger, inequality, global warming, or unemployment. Innovations addressing these social and environmental problems are developed, among others, by social ventures, that pursue the goal of creating social value by means of commercial activities (Acs et al., 2010, Bacq & Janssen, 2011; Saebi et al., 2019). Due to the fact that these crises urgently demand solutions, it is important that social ventures rapidly become stable organizations with a sustainable business model (Lumpkin et al., 2013). For this reason, it is interesting to consider the role of accelerators for social entrepreneurship as their aim is to speed up successful venture creation (Pauwels et al., 2016).

Unfortunately, prior research has provided only limited insights into the relationship between accelerators and social entrepreneurship. That is why this chapter sets out to explore how compatible accelerators and social ventures are. The research question is examined by focussing on tensions that arise in social enterprises and trying to align them with core elements and objectives of accelerators. For this purpose, existing literature from different research areas is analysed. This chapter provides the conceptual preparatory work for a possible multiple case study that explores in more detail if accelerators can speed up the start-up process of social ventures.

Therefore, I will firstly give a short definition of social entrepreneurship and highlight tensions arising in the context of social entrepreneurship. Followed by accelerators' characteristics and their objectives. In section 4, I will compare the elaborated findings and draw connections to suggest possible approaches that could endorse the compatibility of accelerator and social entrepreneurship. The chapter closes with a conclusion.

Social Entrepreneurship

Defining Social Entrepreneurship

Social entrepreneurship may be defined in many ways, because a definitional variety of the concept exists (Bacq & Janssen, 2011). Many scholars suggest embracing a broad definition like the one

from Mair and Martí (2006). They define social entrepreneurship as a social value creation process that comprises resources in new ways to stimulate social change, meet social needs and offer services and products or create new organizations (Mair & Martí, 2006).

Social enterprises are often described as hybrid organizations since they strive to create social value via an entrepreneurial process (Saebi et al., 2019). This leads to a dual mission of creating social and economic value and is also reflected in the behavioural characteristics of social entrepreneurs (Saebi et al., 2019). Many characteristics typically considered entrepreneurial like propensity to take risks, innovativeness, and ability to recognize opportunities are also shared by social entrepreneurs (Saebi et al., 2019). What sets social entrepreneurs apart from commercial entrepreneurs is the strong anchoring of prosocial behaviour (Saebi et al., 2019). According to Bacq and Janssen (p. 377, 2011) they "draw their strengths from collective wisdom and experience rather than from personal competences and knowledge". Furthermore, social entrepreneurs often have a different approach for the use of generated profits: they reinvest them in the social mission, whereas commercial ventures distribute profit to their shareholders or reinvest in commercial activities of the venture (Bacq & Janssen, 2011).

The overall economic relevance of social entrepreneurship can be seen in its implications for the economic system, like validating new business models, establishing new organisational and legal forms, and redirecting resources to neglected social problems (Santos et al., 2012).

Now that the term social entrepreneurship has been defined let us turn to tensions arising from the special features of social entrepreneurship.

Tensions

Tensions arise mainly from the aforementioned dual mission. Social ventures deal with conflicts that occur from pursuing social and economic activities (Dacin et al., 2011; Saebi et al., 2019). Like all entrepreneurs, social entrepreneurs face pressure from different institutions. Hence, they need to reflect on raised issues from a social and economic view and have to demonstrate their competence in both fields (Dacin et al., 2011). The attempt to maximize social and financial performance results in conflicts in organizational identity, resource allocations, and stakeholder management (Saebi et al., 2019).

The conflicting institutional logics are reinforced by an expanded need to consider stakeholders from the for profit and non-profit sector (Dacin et al., 2011). Stakeholders of social ventures have a fiduciary interest, like investors and employees, but in addition also have a nonfiduciary stake in the business, like government agencies or local citizens (Lumpkin et al., 2013). The interests of all stakeholders have to be considered and managed (Dacin et al., 2011).

The challenge of the dual mission is also evident in the financing of social ventures. Firstly, accessing financial resources has always been a problem for the development of small firms (Hernandez-Carrion et al., 2017). This threat also exists for social ventures that need start-up funding through loans, equity, grants, etc. (Acs et al., 2010). That is why, it is important for social ventures to grow and to establish a sustaining business model that breaks even (Lumpkin et al., 2013). However, social enterprises primarily pursue long-term goals and are not interested in fast but sustainable growth (Lumpkin et al., 2013).

Accelerators

Core Characteristics

According to Pauwels et al. (2016, p. 13) accelerators are "organizations that aim to accelerate successful venture creation by providing specific incubation services, focussed on education and mentoring, during an intensive program of limited duration".

Let us take a closer look at these characteristics. Typically, accelerator programs have a limited duration of about three months. This characteristic distinguishes them the most from other supportive organizational entities like incubators. Secondly, ventures participate in these programs in groups together with other ventures, called cohorts. Thus, entrepreneurs have the chance to motivate and help each other as they also share the same workspace provided by the accelerator. Furthermore, accelerators issue a small amount of seed financing and in return receive an equity stake in the venture (Cohen, 2013). In addition to such direct financing, they can also help entrepreneurs to receive indirect financing through access to investors (Pandey et al., 2017). Originally the aim of this funding is the prospect of growth that helps to achieve a positive exit (Cohen, 2013). In order to support the most promising ventures accelerators make use of a selection process (Pauwels et al., 2016). As most entrepreneurs have little experience, they are offered educational opportunities in form of seminars concerning entrepreneurial topics.

Additionally, entrepreneurs are supported by mentors. Typically, mentors are successful entrepreneurs, program graduates, venture capitalists, angel investors, but can also vary to corporate executives (Cohen, 2013). Entrepreneurs moreover benefit from networking effects and have the possibility to connect with investors and partners, and with like-minded entrepreneurs (Cohen, 2013; Pandey et al., 2017). Accelerator programs end with a demo day where the entrepreneurs pitch their ventures to a large audience of qualified investors (Cohen, 2013).

Objectives

According to Pauwels et al. (2016) accelerators' objectives are determined by their funding structure. Shareholders of accelerators can be distinguished in private investors, corporate companies, and public authorities. Accelerators funded by private investors are intended to explore promising investment opportunities for the investors. Whereas corporate accelerators are funded by companies that aim to build an ecosystem of customers and stakeholders around their company. Accelerators with government agencies as main shareholders try to foster economic growth and stimulate start-up activities within a specific region or domain (Pauwels et al., 2016). The first accelerators were privately funded and therefore were interested in growth as this results in a positive exit. Meanwhile, there are also some more accelerators developing that are nonprofit organizations (Cohen, 2013). Based on these findings it seems to be crucial for entrepreneurs to consider the goals of accelerator's shareholders in their selection for a program.

Bringing Together Accelerators and Social Entrepreneurship

The following section attempts to link the previously mentioned explanations. For this purpose, 3 main components of accelerator programmes are considered according to their influence on the tensions of social ventures: duration, education, and mentoring.

Limited Duration and Long-term Orientation

The first point I would like to highlight is the limited duration of accelerator programs which reflects the short-term focus of the programs. Participating entrepreneurs have to work on their ideas in a very short period of time within a structured program. However, social entrepreneurs have to work not only on economic value creation but also on generating social value. Considering both missions could be challenging in such a compressed timeframe. Moreover, social ventures

pursue long-term objectives and therefore may require longer durations of support (Lumpkin et al., 2013; Pandey et al., 2017). That the short duration does not suit social ventures optimal is reinforced by the fact that accelerators expect growth, which is helpful for a positive exit, since they have equity stakes in the ventures (Pauwels et al., 2016). Rapid entrepreneurial growth in the social ventures could be slowed down by strong focus on the mission, in addition to the pursuit of sustainable growth. With social mission as key driver, the social entrepreneurs could neglect further emerging ideas and opportunities (Bacq & Janssen, 2011).

Education Program

Entrepreneurs face underdeveloped operational and managerial capabilities and experiences (Cohen, 2013; Hallen et al., 2014). This, in turn, leads to challenges in access to funding and a lack of legitimacy by customers, employees, and other stakeholders (Hallen et al., 2014; Pandey et al., 2017). The structured education programs offered by accelerators can help to overcome these challenges and teaches the entrepreneurs basic business skills. However, these seminars are typically limited to entrepreneurial topics. Considering the dual mission of social entrepreneurship, I conclude that a focus on entrepreneurial topics is not sufficient. Educational offers should also be made on topics that concern the social context of the venture. Nevertheless, gaining entrepreneurial knowledge helps social entrepreneurs to scale their ventures as, for example, frameworks are provided to refine the business model or to successfully pitch to investor (Hallen et al., 2014). In summary, the participation in an accelerator program provides benefits for social entrepreneurs as they can expand their knowledge in a focused way and accelerate their pace of learning.

Mentoring & Networking Effects

As stated by Bacq and Janssen (2011) social entrepreneurs are very open to learn from the experience of others. Depending on the accelerator, different mentors are considered and also the number of mentors varies. The mentoring opportunities can mainly serve the social entrepreneurs to learn how to manage the different expectations of the stakeholders by sharing their own experiences. In addition, experienced founders who act as mentors can mediate between the entrepreneurs and investors (Cohen & Hochberg, 2014). They can also help to connect with customers or other stakeholders (Pauwels et al., 2016). Entrepreneurs get valuable insights from

mentors which they would otherwise only receive on their own after a long period of time (Pandey et al., 2017). For social entrepreneurs it might be worth considering mentors from the nonprofit sector alongside mentors from forprofit sector to learn more about stakeholders in this field.

It can be concluded that the ability to meet several mentors and work in cohorts with other entrepreneurs is a great help for social entrepreneurs to build up a heterogenous network in short time. Furthermore, the network to possible investors can be expanded (Cohen, 2013; Hallen et al., 2014). By building a broad network, social entrepreneurs have the opportunity to involve their various stakeholders and not lose sight of their interests (Acs et al., 2011). Mentoring and network effects seem to be by far the biggest benefits for social entrepreneurs.

To sum up, the characteristics listed suggest that accelerators and social entrepreneurship are compatible in some significant points. Accelerators can teach social entrepreneurs important entrepreneurial skills and help them build a network. Thus, they may support social enterprises in overcoming their tensions especially with regard to stakeholder management. However, the dual mission is probably not considered enough. It therefore might be helpful to adapt the programs more precisely to the needs of social entrepreneurs, for example in the fields of education and mentoring.

Conclusion

By and large, I conclude that the core elements of accelerators are suitable for social entrepreneurship. Like commercial ventures, social ventures can also benefit from a supportive ecosystem that offers education and mentoring. However, the aim should be to adapt the structure a little more to the peculiarities of social entrepreneurship to achieve an optimal outcome.

However, due to the paucity of literature on my research question, the results are based only on a comparison of the tensions of social entrepreneurship and the characteristics of accelerators. Proceeding from this, future research could analyse whether the accelerators help to speed up the start-up process of social ventures as they do for commercial ventures.

After presenting future research possibilities, it is important to acknowledge limitations of this chapter. One of the biggest limitations is that many hypotheses put forward by the scholars are based on small sample sizes and case studies which stresses the need for further empirical work that incorporates larger sample sizes.

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IV. Organizational Learning in and through Accelerators

Accelerators – the Business Schools of the Future? Accelerators as Learning Environment Compared to Higher Educational Institutions

Maximiliane Naß

About this Chapter

Accelerator programs are able to aid the development of early-stage ventures (Hallen et al., 2020). To aid the development they provide significant amounts of mentoring, advice and education to cohorts of such ventures over a fixed period of time (Cohen, 2013b). This focus on mentoring and education is a distinct characteristic of accelerators (Hallen et al., 2020). Learning and mentoring could therefore be an important influence on the success or failure of such programs.

According to this definition, accelerators can be seen as a form of entrepreneurial education (EE). Accelerators are referred to as "the new business schools" (The Economist, 2014) and "the true business schools of the future" (Golomb, 2015). A recent study of Hallen, Cohen and Bingham (2020) now supports these considerations. Their findings suggest that accelerators could have an advantage at promoting entrepreneurial learning (EL). The data indicates that the prior education of the participating entrepreneurs in higher education institutes (HEI), like universities and business schools, had little to no influence on the venture development.

This book chapter will hence examine accelerators and higher education facilities as learning environments for EE to understand their distinctive characteristics, their differences and (dis)advantages.

Basic Concepts

Entrepreneurship Education

The main objective of entrepreneurship education (EE) has shifted from solely encouraging students to create new ventures to a broader approach understanding entrepreneurship as a way of thinking and behaving (Leitch et al., 2012). EE strives to stimulate entrepreneurial learning.

Entrepreneurial Learning

Entrepreneurial learning (EL) is defined as the process that enables students to develop the needed knowledge to identify and act upon entrepreneurial opportunities (Hahn et al., 2017).

Traditional and Innovative Teaching Methods

EE can aim different target groups. It thus adopts a wide range of methods and contents and takes place in different learning environments (Mwasalwiba, 2010). Mwasalwiba (2010) reviewed a total of 108 articles about EE to gain more insights into these variations within the field. The identified adopted methods are mostly grouped into either traditional (passive) or innovative methods (active) by the different authors (Mwasalwiba, 2010). Traditional methods are characterized by the teacher initiating the learning process with the student as a passive recipient of knowledge (Hahn et al., 2017). Active learning methods require the student to be more involved (Higgins & Elliot, 2010).

Entrepreneurial Education in Higher Education Institutes

As many HEI are offering EE programs nowadays, they had a significant impact on the EL of students and entrepreneurs (Higgins & Elliot, 2010). They are hence an important comparison basis for accelerators as newly emerged learning environment.

HEI as Formal Learning Environment

HEI can be defined as typical formal learning environments – they follow a specific curriculum, the teaching personnel is designated to do so and the accomplishments of the students are assessed and certified (Hager, 2012).

Objectives of EE

The programs vary in their objectives and focus. According to Kirby (2004) three main objectives can be distinguished:

(1) Giving orientation and awareness about entrepreneurship
(2) Developing entrepreneurial competencies
(3) Small business survival & growth

In addition, there is a huge variation in program content. The most taught subjects are finance, marketing, idea generation an opportunity discover, business planning and managing growth, while subjects like problem solving, management of innovations and technology or communication skills are ranked lowest (Mwasalwiba, 2010).

Teaching Methods in HEI

Like in other business courses, most programs mainly use passive methods like lectures, case studies and group discussions (Mwasalwiba, 2010). Examples for active teaching methods adopted by HEI programs are project works, workshops, setting of real small business ventures or business plan creation (Mwasalwiba, 2010). Because passive learning methods have been found to be less influential on entrepreneurial attributes (Bennett, 2006, as cited in Mwasalwiba, 2010), HEI have been criticized for their pedagogical approach (Higgins & Elliot, 2010).

While the decision to offer entrepreneurial programs no longer remains a difficult one, it is still a challenge for HEI to align course objectives, teaching methods and types of students for academics (Mwasalwiba, 2010). The huge variety makes it hard to identify one general form of teaching and learning in HEI.

Entrepreneurial Education in Accelerators

Accelerators as Non-formal Learning Environments

Accelerators are a relatively young form of entrepreneurial education. In contrast to HEI they can be defined as a non-formal learning environment (Levinsohn, 2015).

Non-formal learning environments have similarities and differences compared to formal environments. The clearest difference is that non-formal environments are characterized by being an institution out of the framework of the educational system (Eshach, 2006; Levinsohn, 2015). Learning in non-formal environments however still happens in a planned and structured manner and is in some way guided or teacher-led. The motivation is typically more intrinsic than in formal environments (Eshach, 2006).

Authentic Learning Experiences in Accelerators

Accelerators are able to create realistic learning experiences (Miles et al., 2017). This distinguishes them further from HEI as learning environments. Because of the realism of the environment, exercises and learning, they provide an authentic learning possibility – a special form of experimental learning (Macht & Ball, 2016, as cited in Miles et al., 2017). Learning in accelerators takes place in the everyday practice and therefor with or without the awareness of the nascent entrepreneurs (Higgins & Elliot, 2010).

Learning Mechanisms in Accelerators – How to Do Things and What to Do

Hallen et al. (2020) could find clear indications that learning is one of the key mechanisms by which accelerators affect ventures. They conducted a qualitative study to investigate the involved learning mechanisms and found that two general forms of learning can be distinguished. One being the learning of general entrepreneurial skills that is described as "how to do things". The second one is a form of declarative knowledge about "what to do" in the specific venture as well as the awareness of alternative activities. This suggests that the effects of accelerators on the EL of participants is unlikely to be primarily driven by the learning of how to do things but by learning what to do in a specific situation.

Intensive Mentoring Services

The education programs of accelerators offer a greater variety of methods than HEI. While they cover similar topics like finance, marketing and management (Mwasalwabi, 2010; Pauwels et al., 2016) and partially use similar teaching formats like seminars (Cohen et al., 2019), accelerators additionally provide intensive mentoring services (Pauwels et al., 2016). These mentoring services by outside experts are speeding up the EL as well as the venture development by exposing the participants of the program to a wide range of ideas and feedback (Pauwels et al., 2016). The mentors serve as role models, offering different perspectives on the different aspects of the start-ups (Miles et al., 2017).

BIP Consultation

Hallen et al. (2020) identified a mechanism called BIP consultation when looking at the mentoring services in accelerators, which is characterized by the following four attributes:

(1) Learning in accelerators happens through consultation. Consultation can be seen as a form of knowledge exchange in which the source of knowledge is actively involved in the process and can translate their own experiences to the specific situation of the entrepreneur. The participants experience consultation for example when receiving mentoring.
(2) BIP consultation is broad in two ways. Firstly there is a large number of learning interactions and secondly those happen with a variety of different types of knowledge sources.
(3) The intensity of the consultation is another characteristic feature. The entrepreneurs are devote a remarkable amount of time and effort to consultation-related learning. In many accelerators this time adds up to 40+ hours a week.
(4) Accelerators pace learning. They provide a temporal structure which provides a kind of rhythm and encourages periodically made decisions. Different topics stand in the focus at different times. The temporal structure also enables the participants to gain new information about their venture and to take existing information into account.

The collected data of Hallen et al. (2020) indicates that the BIP consultation might has substantial impact on venture development. It must be emphasized that this is the case regardless of previous start-up experience of the participants and sometimes even complementary to it. BIP consultation acts as a forcing mechanism to keep search open and in this way prevents the participants from ending the search for new solutions prematurely and provides entrepreneurs a better basis for the decisions which alternatives should be considered, which experiments should be run and how to interpret their outcomes (Hallen et al., 2020).

Social Interactions as Learning Opportunities

Accelerators additionally are a special learning environment because of the cohort, consisting of a variety of different ventures, and the co-location of the different participating ventures. The (informal) social interactions with peers create additional learning possibilities (Cohen, 2013a; Pauwels et al., 2016).

Cohen et al. (2019) found that the disclosure level, the extent to which a venture is open and transparent toward and within their cohort, impacts the venture development. With fostering privacy the ventures were less likely to learn from their peers. Fostering transparency on the other hand had different positive effects. Participants were for example able to gain a better

understanding of cause-and-effect relationships through watching peer ventures decisions and outcomes. It also encouraged the entrepreneurs to consider a broader range of alternatives as they could observe the behavior of cohort members and then decide, if they wanted to imitate it.

Conclusion

Hahn et al. (2017) suggest that the outcomes of EL through EE at HEI is restricted. They argue that, while HEI are able to simulate the entrepreneurial experience, they are only able to do so up to a certain level. They assume that without being directly engaged into entrepreneurial practice, the nascent entrepreneur does not feel the need to gain further entrepreneurial knowledge and reaches a point of learning saturation.

This could be one aspect explaining the findings of Hallen et al. (2020) that the prior education of participating entrepreneurs almost plays no role in the venture development.

One clear difference between EE in accelerators and HEI is their nature as non-formal and formal learning environments. Learning in accelerators could hence be more intrinsically motivated (Eshach, 2006). Another one is that accelerators are exclusively educating nascent entrepreneurs while programs at HEI are not limited to actual or prospective entrepreneurs (Hahn et al., 2017). This makes both environments less comparable and could have an impact on the social interactions and experience within those programs.

Research has also shown that even though action-based teaching methods are proven to be more effective in EE, HEI still heavily rely on traditional methods (Bennett, 2006, as cited in Mwasalwiba, 2010). Accelerators are able to provide a larger variety of methods. While HEI are able to provide students with practice opportunities by setting up their own fictive start-up over the run of the course (Mwasalwiba, 2010), accelerators are working with entrepreneurs of real start-ups, providing an authentic learning experience (Miles et al., 2017) in which new competencies, knowledge and insights can be directly implemented and tested. Moreover their concept combines traditional teaching methods like seminars (Cohen et al., 2019) with informal social interactions of the participating entrepreneurs with their peers, providing further learning possibilities (Cohen, 2013a; Pauwels et al., 2016).

Beyond that accelerators provide intensive mentoring in the form of BIP consultation (Hallen et al., 2020). Hallen et al. (2020) suggest that this BIP consultation could be generalizable beyond its

original context. Further research is needed to investigate if and how BIP consultation could be transferred into universities and business schools.

While accelerators compared to HEI seem to have an advantage in stimulating EL and their diversity of methods, it is important to note that HEI still are an important part of EE. Accelerators accept nascent entrepreneurs. To reach this point, the nascent entrepreneur prior needs to become aware of and interested in entrepreneurship. This is one of the three objectives of EE identified by Kirby (2004) in which HEI could play an important role. Moreover they could be a place to meet later founding partners and help to identify start-up ideas.

In conclusion accelerators do not replace HEI. But they could stimulate the introduction of new teaching methods and the creation of a more realistic learning experience within the HEI programs.

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Why do Accelerators Use Workshops for Knowledge Transfer?

Marcel Siebert

Introduction

Accelerator programs are a new generation of the incubator model (Pauwels, 2016). In his recent paper "Understanding a new generation of incubator model", Pauwels (2016) identified five aspect or design elements that differentiate from other incubator programs: (1) Program package, which includes all services an accelerator offers, (2) specific focus that is generally more specific, (3) selection process, which is standardized, (4) funding structure that is supported by shareholders and (5) alumni relations, which functions as a source for mentors and investors. In this chapter, we focus on a specific part of the program package – the knowledge transfer. Knowledge transfer can be realized by several methods for example mentors, workshops, or tips by other entrepreneurs within the same cohort of an accelerator program. Drori & Wright (2018) found by comparing 205 incubators and 163 accelerators that significantly more accelerators use workshops for knowledge transfer than incubators do. Moreover, entrepreneurs have often to face uncertainty as one of their key challenges and workshops provide methods to learn under these conditions (Blank, 2013). Therefore, we seek to explore why workshops are such a common method for knowledge transfer, how they are characterized, and which frameworks are used to address the uncertainty of entrepreneurs.

Workshops in General

Lienhart (2017) describes in her recent book "Seminare, Workshops und Trainings lebendig gestalten", what a workshop is and how it differs from other learning methods. In a workshop a group of participants works on a topic by being supervised by a facilitator. This "working" is the key difference from a lecture where the participants are less actively involved than in a workshop, seminar or training. During a lecture the lecturer shows, explains and demonstrates his or her content and the participants learning by listening and watching. The seminar is characterized by an impulse lecture that briefly explains all relevant facts on the topic. The aim of a seminar is to work out a scientific topic and learn about it by being supervised by an expert in the field. The training is defined by learning specific knowledge by a trainer, which is to be achieved by the participants after the training. A workshop is not primarily on learning knowledge, but about

working together developing something new or better. The role of the facilitator in a workshop is to manage this developing process and to shift debates of the participants into a more productive setting (Bowman, 1995). A central part of the facilitator role is to observe the group, especially at the level of group emotions (Phillips & Phillips, 1993). Obviously, the boundaries of these formats are fluid, as similar methods are used and even in a workshop the facilitator must at least introduce the participants to the working method through an impulse lecture.

In summary, we conclude that the key mechanism of a workshop is to work in a group to develop new or better ideas by being supervised by a facilitator. There are a lot of workshop formats offered that meet these criteria, such as cooking workshops supervised by a celebrity chef or team workshops supervised by a mediator. For this chapter, we focus on strategic workshops because they are most relevant for accelerator programs and entrepreneurs.

Strategic Workshops

An underlying principle of strategic workshops is contingency orientation rather than a specific prescription for strategic thinking to deal with the uncertainty and complexity of the entrepreneurs' challenges (Eden et al., 1993). Developing ideas and exploring views of the environment are the main goals of every strategic workshop and therefore, for unique for each group. Also, because of the underlying team character that occurs in most of workshops (Bowman, 1995), groups are often influenced by social restrictions and mental limitations. First, team-playing often leads to self-censorship and the prevention the expression of criticism and doubts (Bowman, 1995). However, these social restrictions undermine productive thoughts by participants which are essential to the outcome of the workshop strategy. Secondly, mental limitations like groupthink and bounded vision (Eden & Huxham, 1993) lead to a subjective strategy by the members of the organization. This strategy is biased and therefore likely to fail if applied.

According to Cliff Bowman (1995) the success of strategy workshops relies on the quality of strategy developed and the commitment of the top-management to the strategy. He proposes a continuum for both variables and concludes four different strategy outcomes. If the commitment to and the quality of the strategy is low, it leads to an impoverished strategy. The workshop is more like an elaborate ritual and the outcome is apathy and indifference. Improvised strategies are often produced in a hurry, likely to be manipulated, because the thinking process was not great, and are viewed like a fashion item by the top management. If the quality of the strategy is high but the

commitment to it is low, Bowman speaks about a consultant strategy. Although the quality has emerged from an analytical process, it is not owned by the top management and therefore causes problems with the strategy implication in the organization. Low commitment leads to irritation, reinterpretation of the strategy and even sabotage by members of the organization. On the other hand, when the commitment is high, but the quality of the strategy is low, it is called blinkered strategy. The strategy is widely accepted by team members because it represents their functional plans but is not sufficiently challenging the required shifts of directions. Although the results of blinkered strategy are feelings of satisfaction and comfort, this process is unlikely to deliver a coherent business strategy. Bowman (1995) claims that a sound strategy is only achievable when both commitment to and the quality of the strategy are high. The outcomes are feelings of excitement and achievement coupled with appreciation and is called workshop strategy. Of course, every strategic workshop has the goal to develop a workshop strategy and Bowman (1995) claims that a key component of achieving this is the facilitator. The facilitator's role is "to manage the discussion, to introduce helpful frameworks and concept, and to ensure that all the members of team were able to contribute".

Managing the discussion is important because groups tend to have comfortable debates, where strategy options can be generated but not taken seriously because they do not focus on key challenges. The facilitator should intervene to move the debate from the comfortable zone, through the uncomfortable zone and into the intuitive core. Debating in the uncomfortable zone reveals differences in participant's implicit assumptions because the initial core is exposed. These implicit assumptions are based on knowledge structures of shared believes, paradigms, schemas and recipes. Typical reactions to an uncomfortable debate are to return to the comfortable zone because the team spirit that often pervades a workshop leads to self-censorship and avoidance of criticism.

Facilitators can intervene by feeding back aspects of organizational reality, challenging shared assumptions and exploring the extant culture (Bowman, 1995). Only, when the intuitive core of shared, implicit beliefs and assumptions is effectively probed during the process, high-quality strategies will be developed (Bowman, 1995). For this process to generate commitment, it is important that people who are involved believe in the process and feel to some extent ownership of it (Eden & Huxham, 1993).

Another important outcome of strategic workshops, besides the development of new or better ideas, is learning, as the participants learn through the distributed interaction, particularly about each other's perspektives (Morton et al, 2007). Marmer et al. (2012) found that a learning-focused, agile approach to Start-Up creation leads to relatively more successful ventures. To visualize a framework of a strategic workshop where idea development and learning is scientifically proved, the Lean Start-Up Framework is presented.

The Lean Start-Up Framework

"The Lean Start-Up Framework is a scientific approach to Start-Up creation and leads to more successful ventures than an approach that relies on unguided activities and entrepreneurs' intuition because the lean startup approach decreases the likelihood that entrepreneurs will pursue venture projects with false-negative returns" (Sheperd & Gruber, 2020).

The Lean Start-Up Framework is a collection of several methods that have been scientifically validated. The first two steps "Finding and prioritizing market opportunities" and "Designing business models", are based on the CANVAS framework most widely used by Start-Ups, developed by Swizz entrepreneur Alexander Osterwalder (2008). By finding and prioritizing market opportunities the entrepreneurs learn "where to play" with their Start-Up by becoming aware of key early decisions when they understand how to exploit multiple market opportunities (Gruber & Tal, 2017). By targeting other markets than they initiated, entrepreneurs can test their assumptions with different target groups at the same time. Thus, their ventures become more sustainable and do not have to perform a challenging "re-start" after being invested in the initially identified target market because they are often too optimistic about it (Blank, 2019).

"Designing a business model" is complex and also a key steppingstone for new ventures. The business model is based on assumptions of the founders which lead to hypotheses that need to be tested, especially the leap of faith assumption. CANVAS is the most commonly used model for a macro-perspective of the business model because it breaks the business model down to its key components. By visualizing a business model within a strategic workshop, the entrepreneurs learn "how to play" as a venture. However, Sheperd & Gruber (2020) found during their research that there is a need for micro-perspective business model innovation.

"Validated Learning" is the next step in the Lean Start-up Framework and is based on the assumption that entrepreneurs acting under conditions of high uncertainty and need to convert their assumptions into facts to create viable new ventures (McGrath & MacMillan, 1995). Validated occurs when it is not biased by mental simplifications like confirmatory search which often leads to poor decision outcomes (Shepard & Gruber, 2020). The framework suggests not testing the solution directly but focusing first on the problem, customers and competitors to address. With validated learning Start-Ups can address the ongoing market climate, be consistent with other data and therefore be accurate within their assumptions (Weick et al., 2005). Marmer et al. (2012) discovered that a learning-focused, agile approach to Start-Up creation leads to relatively more successful ventures. Within a strategic workshop the entrepreneurs can broaden their lenses, challenge their assumptions and create better hypothesizes for their venture.

Fourth, "Building minimum viable products" which includes all the major components of the product to visualize ideas and concepts for customers and shareholders. These MVPs have the purpose to learn and to test the made assumptions and hypotheses of the business model (Blank & Dorf, 2012). By breaking the product down to its key ideas and concepts, the workshop participants have to share the initial core of the product or create multiple MVPs to test contrary assumptions.

Core of the Lean Start-Up Framework is the final step "Preserve or pivot course of action" which is strongly related to the "failing fast" phenomenon of accelerators. By discussing the results learned from the first four steps in a strategic workshop the entrepreneurs have to decide whether to preserve or pivot their business model and product. A pivot is a "structured course correction designed to test a new fundamental hypothesis about the product, strategy and engine of growth" (Ries, 2011). A successful pivot leads the entrepreneurs and their venture to a sustainable business model and better growing opportunities (Blank & Dorf, 2012). Shepherd & Gruber (2020) suggest that "by effectively pivoting, startups become resilient to both entrepreneurs' mistakes and to changes in external environment". Effectively pivoting is when ventures "failing fast, failing cheaply" (Bakker & Shepherd, 2017) and therefore the Lean start-up framework is suitable because it questions early decisions made by the entrepreneurs.

A strategic workshop is the optimal setting to evaluate and optimize entrepreneurs' target markets, assumptions, business models, MVPs and decisions because the facilitator can intervene and help the participants with this framework.

Conclusion

Accelerators use strategic workshops for knowledge transfer because they are suitable for developing new or better ideas and this process is crucial for a successful venture. During this active format, participants face and work their individual challenges and work on them. This activity and contingency orientation of strategic workshops fits the mindset of entrepreneurs because they would rather work on their Start-Up than learning generic recipes. Moreover, they still learning “on the hop” where and how to play with their start-up while being supervised by a facilitator. The facilitator plays an important role within the knowledge transfer process as he or she introduces suitable frameworks and concepts such as the Lean Start-up Framework. In addition, the facilitator manages the discussions and probes the initial core of the entrepreneurs to develop high quality and committed strategies. Accelerators have the opportunity to select an appropriate facilitator and therefore significantly influence the outcome of a strategic workshop. By selecting a facilitator who can intervene with appropriate methods, the strategy outcome of the workshop will be better. If ventures of an accelerator cohort develop new or better ideas, they are more likely to succeed in the accelerator program. Another advantage of workshops is the size of the group. Here, the accelerator can combine many venture candidates in one workshop and profits from the synergies among the participants. It also reduces bounded rationality among ventures as they benefit from each other’s experiences (Cohen et al., 2019). Strategic workshops can also exploit wrong assumptions among the entrepreneurs and could therefore lead to the “failing fast” phenomenon in accelerator programs.

According to Shane & Venkataraman (2000) entrepreneurship is “the process of discovery, evaluation, and exploitation of opportunities” and this process of discovery and evaluation can be perfectly realized in a strategic workshop. A strategic workshop will widen the entrepreneurs’ lenses for potential problems, market opportunities (Gruber & Tal, 2017) and competitors (Eden & Huxham, 1988). Therefore, accelerator’s ventures which participate in a strategic workshop become more sustainable and resilient when faced uncertainty because they learn how to cope with it.

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Mentoring in Accelerators: Analyzing the State of the Art

Justus Paulsen

Introduction

Mentoring is a term which is used in many different socio-economic contexts (Sullivan, 2000). The following book chapter focuses on the mentoring of young entrepreneurs in the working context. The literature explored the importance of mentoring for the success of accelerator, but very little is known about the structure of the mentoring process (Cohen et al., 2018; Walker et al., 2020). The goal of this chapter is to bring clarity into the mentoring process of accelerators by analysing the existing literature on the accelerator process and compare it to the literature on mentoring.

Mentoring in the Literature

Mentoring describes a relationship between the mentor and the mentee with a common goal. There may be more than one goal and the goals can be implicitly or explicitly coincided with. The most usual goal is the development of the mentees skills and competencies (Godshalk & Sosik, 2003). The Mentor is an expert in a specific field, who trains a protégé (Kram, 1985; Ragins & Miller, 2000). He has experience and knowledge to help the mentee get insights his area of expertise.

The role of the mentor is hard to define as mentors usually have more than one role. In her qualitative study Kram (1985) lays the groundwork in the mentoring research. She was able to define five career functions and four psychosocial functions of mentors. The career functions consist of Sponsorship, Exposure-and-visibility, Coaching, Protection and Challenging assignments. They help the mentee in understanding the organizational life and prepare them for future opportunities. The psychosocial functions consist of Role Modeling, Acceptance-and-Confirmation, Counseling and Friendship. The psychosocial functions lead to an increase in the confidence of the mentee regarding his own competence and effectiveness.

In a specific mentoring relationship, the manifestation of each function depends on the current phase of the relationship. Overall Kram (1985) defined four phases of mentoring: *the initiation phase*, *the cultivation phase*, *the separation phase* and *the redefinition phase*. It is noteworthy that the phases are not completely clear-cut, and the length of each phase may vary.

Overall, the phase model provides insights on the theoretical framework of mentoring. It can generalize the complex concept of workplace mentoring and is still relevant in today's research on mentoring. While the model indicates important knowledge about mentoring, it fails to address the dynamic working environment of today.

In the follow up research of Higgins and Kram (2001) adapted the previous framework for mentoring relationships to the modern working environment. The modern working world changed due to the globalization, new technological innovations, and new ways of working, leading to a change in the mentoring process. The old definition with constellation of relationships as the focus changed to a new definition with the emphasize on developmental networks. In their study Higgins and Kram (2001) define the development network as "people a protégé names as taking an active interest in and action to advance the protégé's career by providing developmental assistance." (p.268).The key take away of the definition is that all developmental relationships of a person form his developmental network. Thus, the definition moves away from the conservative one mentor for one mentee relationship and includes everyone, who provides developmental assistance. It is noteworthy that only relationships known and identified by the protégé are counted into the developmental network (Higgins & Kram, 2001).

The quality of a developmental network highly depends on the diversity of the developmental relationships. In their study Higgins and Kram (2001) further split the diversity into density and range of the developmental network.

The density describes the interconnectedness of the single developmental relationship. The more developers of the protégé know each other, the higher is the density of the developmental network.

The range is determined by the number of different social systems (e.g. work, university, local community), where the developers derive from (Higgins & Kram, 2001).

Higgins and Kram (2001) also took the strength of each developmental relationship into account. The strength of a relationship is measured by the level of emotional affect, reciprocity, and frequency of communication (Granovetter, 1973). Combining both, the diversity of developmental relationships as well as the number of weak ties versus strong ties, determines the value of one's developmental network.

In addition to the general developmental network, Higgins and Kram (2001) identified specific types of networks. One of these networks is the entrepreneurial developmental network, which is defined by a very broad range of groups and subnetworks. An entrepreneurial developmental network contains people with a lot of different fields of expertise as well as overall strong ties to each person. Since an entrepreneurial developmental network usually goes beyond organizational boundaries, there is a reduced interconnectedness between individuals in the network (Higgins & Kram, 2001).

After the paradigm shift in the mentoring research induced by Higgins and Kram (2001), there has been a lot of research regarding developmental networks. In their literature review Dobrow et al. (2012) analysed the research of the decade following the paradigm shift. They were able to point out that the follow up research was able to back up the concept of developmental networks and identified the actuality of the prior research by Higgins and Kram (2001).

Mentoring in Accelerators

The accelerator is a socio-economic context in which mentoring functions as a key aspect (Cohen et al., 2018; Israel Drori & Mike Wright, 2018; Walker et al., 2020). In their scientific paper Cohen and Hochberg (2014) defined the framework of accelerators. An accelerator is an organization, which aims at the advancement of start-ups. The goal of the accelerators may vary, depending on the organization behind it, but the structure of each accelerator is similar. The focus lies on small teams with a range of two to four individuals instead of single entrepreneurs. Furthermore, the accelerator program is cohort based, meaning that not only one but several start-ups are accepted into the program (Walker et al., 2020). The application process is open for everyone, but the selection is highly competitive with a high rejection rate. The support by the accelerator is timely limited. The usual timeframe in which accelerators support start-ups is set between three to six months (Cohen & Hochberg, 2014; Walker et al., 2020).

The program focuses on mentoring and networking. By providing the young entrepreneurs with experienced mentors they do not only gain significant insights into the mentor’s respective fields of expertise, but also form connections to possible business partners and investors (Cohen et al., 2018; Yitshaki & Drori, 2018).

The motives of each accelerator vary depending on the organization or institution behind it. Accelerators funded by investors try to identify start-ups with a good growth potential in the near future (Pauwels et al., 2016). They create a win-win situation for start-ups and investors by providing the start-up with the necessary tools to grow and by providing the investors with an investment opportunity which has a good chance of having a high return.

Accelerators funded by big company's such as Microsoft tend to focus on expanding the funding company's ecosystem (Pauwels et al., 2016). By integrating the start-ups into their ecosystem, the company gains access to complementary technologies, which can be offered to potential customers, increasing the overall value of the company's products.

The design of the mentoring in each accelerator depends on the general structure of the program. As stated before mentoring is one of the key aspects of accelerators. Thus, it is common to keep the exact process a secret as it often is the unique selling proposition of the accelerator. The structure of each accelerator differs in strategic aspects, such as germinating, incubating and consolidating high potential ideas (Chan et al., 2020). In addition, the structure of the accelerator program depends on the targeted ventures. Characteristics of the venture that impact the design of the accelerator program are for example the technology, the investment status, the geographical emphasis, and the team development (Chan et al., 2020). As the structure depends on the targeted start-ups, the training and mentoring aspects of the accelerator are adjusted to the current stage of the participating venture as well (Chan et al., 2020).

Cohen et al. (2018) explored three core consultation design choices "(1) the number of consultative interactions during the program, (2) whether the interactions were scheduled by the venture or the accelerator, and (3) whether accelerators concentrated consultations upfront or spaced them out throughout the program" (p.823).

An accelerator often provides more than one mentor over the timeframe of the program. This procedure matches with the prior research of developmental networks. By providing more mentors the knowledge pool increases. Thus, leading to a reduction of the entrepreneurs bounded rationality (Cohen et al., 2018). It is noteworthy, that the input of too many mentors may as well be harmful due to the increase of the cognitive complexity (Eisenhardt, 1989; Yitshaki & Drori, 2018).

As the accelerator has to condense a lot of information into a short timeframe, the programs are usually structured into different topics (Cohen et al., 2018). Because of the fixed programs, some

accelerators predetermine the mentoring meetups. The consultation meetings can be either divided over the whole timeframe of the program or focused up front of the program. If the consultation is divided over the whole program it will become an iterative process. Thus, decisions can be reviewed and adjusted together with the mentor. In their study Cohen et al. (2018) pointed out, that most accelerators decided to space out the mentoring and have an iterative consultation process. The accelerator's mentors are often entrepreneurs themselves and have experience with different management roles in start-ups. In addition most of the mentors are active as investors and are using the accelerator to find promising start-ups (Yitshaki & Drori, 2018).

Regarding the content of mentoring in accelerators Yitshaki and Drori (2018) were able to define three key-aspects, "(1) sharing knowledge and experiences related to their field of expertise, (2) providing advices on recurring dilemmas and strategies that require knowledgeable understanding of the issues involved and, (3) exposing mentees to the social networks of mentors" (p.3). To sum these three aspects up, mentors do not only provide the entrepreneur with knowledge and consultation regarding venture specific issues but also connect the entrepreneur to his network.

Considering the literature about mentoring, the importance of developmental networks matches the prior findings of Higgins and Kram (2001). The developmental network of the mentor is a decisive impact factor on the quality of a mentor. A sizable developmental network indicates a high quality of mentoring due to the ability to provide the knowledge of many different experts. In addition the accelerator can attract a wider range of ventures as the pool of topics with matching mentors increases (Yitshaki & Drori, 2018).

Walker et al. (2020) identified another important aspect of mentoring in accelerators as they identified, that accelerators provide moral support through their mentors. This fits the prior research of Kram (1985) which concluded that mentors also have psychological functions.

In their study Yitshaki and Drori (2018) interviewed mentors of accelerators about their perceived role. The answers of the mentors matched with the previous research regarding the career functions of mentors. The mentors described themselves as objective educators, who give advice to the entrepreneurs based on their experience and knowledge. They also act as a sanity check and evaluate the ideas and plans of the entrepreneur. Considering the psychological functions, the answers of the mentors were lacking. Not only did the mentors not see themselves as a supportive pillar but as someone whose task it is to wake them up. This does not match with the literature

regarding mentoring, as psychological support was discovered as key aspect of mentoring. Furthermore, it doesn't match with the advertising of the accelerators. Walker et al. (2020) analysed the websites of accelerators and 17% were directly advertising their mentoring as morally supportive. As the 17% only amount to direct advertisement on the website, it is to be expected that the number of accelerators that have implemented a supportive mentoring approach is higher.

Another theoretical aspect of mentoring, that fell short during the interviews of Yitshaki and Drori (2018) is the providence of the mentor's developmental network. The answers of the mentors did not indicate the usage of their developmental network to help the mentee. Neither did the answers indicate that the mentors tried to introduce the mentee to people of his developmental network.

Regarding the detailed process of the mentoring, it was stated that the accelerators did not have any best practice advices or training for the mentors. The accelerators grant the mentors a lot of freedom in their mentoring approach. Thus, mentors develop their own methodology. This leads to a fierce competition between the accelerators. Accelerators need to have sufficient pull-factors for skilled mentors such as high potential start-ups, leading to a vicious circle in which the best mentors attract the best start-ups and vice versa (Yitshaki & Drori, 2018).

Conclusion

By analyzing the different literature regarding accelerators in general and mentoring in accelerators it becomes clear that the approach to mentoring varies significantly between accelerators. While the structure of the different accelerators is rather similar and planned out, the mentoring process remains unstructured and depending on the individual mentor. The accelerators create a developmental network by providing the ventures different mentors with varying fields of expertise. This matches the literature regarding mentoring and seems to be the best practice approach. In addition, accelerators seem to be wary of the different roles a mentor must fulfill. As some accelerators advertise not only the career functions of the mentoring but also the psychological functions.

The mentors seem to see themselves mostly as educators and consultants. They want to reduce the bounded rationality of the entrepreneurs by providing them with objective feedback and advice. While objective feedback and the providence of knowledge are important career functions of mentoring, the image mentors have of their own role lacks some important aspects of the

theoretical mentoring framework. They take a disruptive rather than a supportive position. This might be due to the high-performance mentality of accelerator programs. In addition, mentors only reported usage of their own expertise to mentor the mentee. They have not mentioned any consultation of their own developmental network.

Overall, the relationship between mentor and entrepreneur seems to be shallow. Because of the short timeframe of the accelerator program the mentor does not bond with the mentee. Due to the individual responsibility of the mentors, the competition for skilled mentors is very fierce. For future research it would be interesting to compare accelerators with and without a structured mentoring process. If structuring the mentoring process can reduce the dependence on the individual skills of the mentor, it might lead to an increase of efficiency in accelerators.

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Organizing for Innovation through Accelerators: Concluding Remarks

Matthias Wenzel

This edited collection begins to shed light on accelerators as ways of organizing (for) innovation. The students' contributions to this anthology elaborated on facets of the purposes and design of accelerators through which organizing (for) innovation occurs. They drew attention to features of social impact accelerators as a special type of accelerators with unique challenges related to organizing (for) innovation. Furthermore, they discussed various parts of the learning process through which accelerators organize (for) innovation.

This edited collection is an initial attempt to provide readers with an understanding of essential ways in which actors in accelerators organize (for) innovation. Therefore, this anthology is inherently incomplete. This opens up several alleys for future research, some of which I elaborate in this chapter.

One way to extend this line of inquiry is to set the organizing–innovation paradox elaborated in the introduction of this collection (Wenzel, 2022) as starting point. That is, rather than shedding light on either organizational or innovation features of accelerators, one may focus attention on these aspects in concert. Doing so generates questions such as:

- How do actors in accelerators bring organizing and innovation together?
- How do accelerators translate organizing and innovation from mutually exclusive opposites into "two sides of the same coin"?
- How do organizing and innovation reflect back on each other in accelerators?
- Which individual and organizational outcomes—both intended and unintended, both productive and destructive—does the interplay between organizing and innovation produce in accelerators?

Furthermore, future research may zoom in on the lived day-to-day practice of organizing for innovation at accelerators. Examined at a distance, organizing and innovation may seem to be mutually exclusive but interdependent opposites that create absurdities in day-to-day work (see Wenzel, Koch, Cornelissen, Rothmann, & Senf, 2019). However, in practice, members of

accelerators may normalize these absurdities as self-evident part of their day-to-day work, or they continually find subtle ways to work through these situations (see Skade, Stanske, Wenzel, & Koch, 2020). Such a closer look at participants' day-to-day work creates questions such as:

- How do members of accelerators view tensions between organizing and innovation in their day-to-day work? Do they even recognize these tensions?
- What are the everyday practices, tactics, and strategies that they perform to work through these tensions on a day-to-day basis?
- What are the enablers that explain the performance of these, rather than other practices, tactics, and strategies in specific situations at hand?

Zooming in on the lived practice of working through tensions between organizing and innovation at accelerators also focuses attention on different parts of these practices. In a general sense, practices include discursive, bodily, and material, but also cognitive and emotional parts, all of which are inseparably intertwined in the performance of these practices (Reckwitz, 2002). Accordingly, one may unbundle and examine these elements as well as their "multimodal" intertwinement (see Wenzel & Koch, 2018). This raises questions such as:

- How do actors at accelerators discursively act upon and bridge tensions between organizing and innovation?
- How do these tensions affect actors' bodies, and how do actors at accelerators live out these tensions through bodily movements?
- What are the features and affordances of material objects and artifacts that actors at accelerators use to enact tensions between organizing and innovation?
- How do actors at accelerators emotionally respond to tensions between organizing and innovation?
- How does actors' cognition play out in their day-to-day work with tensions between organizing and innovation?
- How does the "multimodal totality" of these and other parts of practices enable actors at accelerators to work through tensions between organizing and innovation?

Next to "zooming in", it is also possible to generate new research questions by "zooming out" (Nicolini, 2009). Specifically, if innovation is indeed a broader societal imperative that is relevant for a wide variety of organizations (e.g., Koch, Krämer, Reckwitz, & Wenzel, 2016; Koch,

Wenzel, Senf, & Maibier, 2018; Wenzel, Krämer, Koch, & Reckwitz, 2020), future research may look at these broader dynamics so as to gain an understanding of how the imperative is (re)produced and mobilized. For example:

- What are the narratives (Wenzel, Wagner, & Koch, 2017) that actors in accelerators and beyond share about the imperative to innovate?
- What are the narrative, storytelling practices through which actors produce and share these narratives?
- How do these narratives contribute to a collectively shared sense of having to innovate?
- How do actors at accelerators, in turn, mobilize these narratives to render following this imperative legitimate in action?

Examining these questions offers insights into the inner workings of accelerators in particular and the organizing–innovation paradox in general. The edited collection hopefully inspires future work along these lines.

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