Understanding Start-up Acceleration Programs: A Resource Exchange Lens

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Abstract
In this study we identify four dominant stakeholder types of accelerators (investor-based, corporate-based, university-based and government-based) and six major characterizing variables that map an entrepreneurial ecosystem in Western Europe. Our findings lay the foundations for understanding the impact of accelerator’s dominant stakeholders on accelerator programs, and their impact in the overall ecosystem.
ABSTRACT

In this study we identify four dominant stakeholder types of accelerators (investor-based, corporate-based, university-based and government-based) and six major characterizing variables that map an entrepreneurial ecosystem in Western Europe. Our findings lay the foundations for understanding the impact of accelerator’s dominant stakeholders on accelerator programs, and their impact in the overall ecosystem.

Keywords: Accelerators, Start-Ups, Stakeholders, Resource Exchange Theory, Inductive Research, Case Study.
INTRODUCTION

The first critical years can be difficult for early stage ventures as they struggle with resource constraints such as ill-developed organizational routines and limited legitimacy (Goswami, Mitchell, & Bhagavatula, 2018; Kolympiris & Klein, 2017; Paik, 2014; Smilor, 1987; Stuart & Abetti, 1987). Business incubators (BI) have traditionally operated as a mean to increase the chances of survival of start-ups, cushioning them from a harsh business environment (Kolympiris & Klein, 2017). In exchange for a fee, BIs typically provide start-up entrepreneurs with resources such as office space, administrative support, consulting services, and networking opportunities (Bergek & Norrman, 2008; Bruneel et al., 2012; Grimaldi & Grandi, 2005; Mian et al., 2016; Pauwels et al., 2016; Van Weele et al., 2016). However, BIs are primarily focused on the initial survival mode and launch phase (Rice, 2002) and offer limited support aimed at scaling up the ventures via specific management training, growth financing and access to customers (Pauwels et al., 2016).

Over the last decade, the accelerator has emerged as an innovative mechanism for boosting the growth of early stage ventures. For the purpose of this research, our definition of an accelerator is aligned with Pauwels et al. (2016) as “an organization, which aims to accelerate new venture creation by providing education and mentoring to cohorts of ventures during a limited time” (p. 2). Accelerators differ from traditional BIs (Isabelle, 2013), as they aim to speed up the learning process of growth oriented ventures in order to maximize their market interactions, market entry, and possibly growth financing (Christiansen, 2009; Cohen & Hochberg, 2014; Miller & Bound, 2011; Pauwels et al., 2016). Accelerators are organized as to assist specific cohorts of ventures by providing mentorship and training through a structured and fixed-term program (Cohen & Hochberg, 2014). In addition, accelerators may offer financing and often facilitate critical networking opportunities (Christiansen, 2009; Miller & Bound, 2011;
Gabrielsson, Politis, Persson, & Kronholm, 2016). As such, the focus is on the rapid development of high-potential ventures into investment ready businesses via knowledge intensive forms of acceleration support.

Entrepreneurship research has witnessed significant progress towards understanding structural elements and components of accelerators. However, while the growing number of accelerators across the globe seems to share commonalities (Pauwells et al., 2016), there also seem to be systematic differences in the way they organize and design their programs and operations. Pioneering accelerators such as the Y Combinator (Christiansen, 2009) creates value by offering training, mentoring, networking and capital investment in exchange for equity in the firms accelerated, with the ultimate goal of reaching a liquidity event. On the other hand, other acceleration models offer resources in exchange for non-financial outcomes such as technology spillovers or preferential partnerships, student engagement and satisfaction, or simply a more dynamic entrepreneurial ecosystem (Adomdza, 2016; Christiansen, 2009; Dempwolf, Auer, & D’Ippolito, 2014; Goswami, Mitchell & Bhagavatula, 2018; Guttman, 2015; Hochberg, 2016, 2016; Kohler, 2016; Miller & Bound, 2011; Pauwels et al., 2016; Radojevich-Kelley & Hoffman, 2012; York, Metcalf, & Katona, 2016).

When structural elements and components of accelerators diffuse across entrepreneurial ecosystems they become standardized as part of an “industry recipe” (e.g., Spender (1989)). The configuration of resources and activities that underlie these structures has implications for the acceleration process (Pauwels et al., 2016; Gabrielsson et al., 2018). However, to date, limited research has focused on understanding how different models of acceleration seek to create value, how the arrangement of resources and activities that produce this value are organized via accelerator programs, and how value is captured and apportioned between stakeholders. Against this, our research aims to better understand the exchange of resources surrounding the process of
entrepreneurial acceleration. We use an inductive methodology where we build our theorizing and logic on the resource exchange theory (Huang & Knight, 2018), and we conduct eight inductive case studies of accelerators to identify their main currency of exchange: the six major characterizing variables.

**LITERATURE REVIEW**

Entrepreneurship and the start-up phenomenon have received considerable attention from researchers and policy makers, with a particular focus on topics such as the identification of new ventures’ success factors and conditions that foster new venture creation processes (Grimaldi & Grandi, 2005; Maine, Soh, & Dos Santos, 2015; Roberts, 1991; Smilor, 1987; Stuart & Abetti, 1987). Accelerators are part of a growing range of support initiatives aimed at stimulating the creation and scaling up of “high-impact” start-ups, who have a high likelihood of providing value, wealth, and satisfaction for their primary set of stakeholders as well as for broader society (Pauwels et al., 2016). Overall, the literature acknowledges that accelerators provide value in entrepreneurial ecosystems by shortening the time that a start-up needs to understand its market, validate its business model, raise capital from investors, network with strategic partners, and make their first sales (Miller & Bound, 2011; Pauwels et al., 2016; Gabrielsson et al., 2018).

The dynamics characterizing entrepreneurial acceleration have, over the last decade, been led by the power of accelerator programs to generate disruption through innovative companies. It is reasonable to assume that the success of the pioneering accelerator Y Combinator known for their acceleratees Scribd (started in 2006), Dropbox (started in 2007), and Airbnb (started in 2008) have motivated a new breed of acceleration models worldwide (Christiansen, 2009). Today, a growing number of accelerator program are seeking results that go beyond pure financial returns, spanning into other areas from innovation to social impact. While the growing
ecology of accelerators share common structural elements and components, they also differ systematically in the way they create and capture value. For example, some accelerators seek to create value by providing pre-seed, seed, and other forms of financing traditionally offered by angel investors (Christiansen, 2009; Pauwels et al., 2016). Others do not offer funding, but instead seek to create value by offering access to specialized labs, support via field-specific know-how, or even access to their customer base (Clarysse & Bruneel, 2007; Soetanto & Jack, 2013). Adding to this, accelerators also differ in the ways they capture value. Some decide to charge a fee to each participant of the program, others obtain sponsorship from public and/or private organizations, take an equity stake in the company being accelerated, or simply maximize indirect benefits obtained from being associated with innovative start-up businesses. As expressed above, a central feature of acceleration programs is the exchange of resources between the accelerator organization and its stakeholders. Frameworks embedded in exchange theory have, with the exception of Huang & Knight (2017), seen limited use in the entrepreneurship literature. However, it seems to bring the foundations necessary to understand the resource exchange occurring between accelerators and their stakeholders. Hence, in the next section, we embed our theorizing and logic within the resource exchange theory and relate it to the core actions that represent an accelerator`s strategy.

**Exchange Theory**

Exchange theory, at its core, is a “frame of reference that takes the movement of valued things through social processes as its focus” (Emerson, 1976: 359). Within this framework, an accelerator`s program represents an exchange: a bidirectional transfer of resources that generate value for the range of potential stakeholders surrounding entrepreneurial ventures. A resource represents something that another party in an exchange feels is valuable and that brings reward (Cropanzano & Mitchell, 2005).
Two umbrella categories of resources can be identified within the framework: financial and social (Huang & Knight, 2017). Financial resources exchange is well understood by the literature – particularly the investment process and how cash is exchanged for equity (e.g., Gompers and Lerner (2001) and Kaplan and Stromberg (2001)). Financial resources are all resources that have a quantifiable financial value. Social resources are composed of resources that, while not directly measurable in terms of financial value, are rewarding to a given exchange party. Social resources comprise information (mentoring, training, industry know how, scientific expertise, etc…), influence (warm introductions, referrals, endorsements, networking opportunities, etc…) and solidarity (feeling of belonging) (Adler & Kwon, 2002; Sandefur & Laumann, 2000).

**METHODOLOGY**

Building on the theoretical insights from the resource exchange theory, our empirical analysis focuses on uncovering characterizing variables that express how value is created via the exchange of resources between the accelerator organization and its stakeholders. Given limited theory and evidence, we used inductive theory building with a multiple case study design (Eisenhardt & Graebner, 2007; Tracy, 2010). The inductive methodology was used instead of the deductive methodology — eight case studies, instead of a large scale statistical analysis. Deductive methods make sense when there is strong theory and derivative propositions to support the research. Case studies have long being recognized in the literature as valuable for spotting and seizing qualitative details via interviews and other sources of rich data that might otherwise be overlooked by deductive methods (e.g. Gioia, Corley, & Hamilton, 2013; Tripsas & Gavetti, 2000). Their weaknesses, on the other hand, lies on their limited generalizability compared with inferential statistics (Gupta, Hoopes, & Knott, 2015). While we have some assumption on why
and how accelerators operate, the goal is to observe how each creates and capture. We want to understand why there exits such a diversity of models, and how they differ in practice. Thus, while we engage in this study with certain assumptions, our data and methods allow us to discover how accelerators operate and assemble facts not bound by those assumptions.

**Empirical Setting**

The empirical setting for our research was accelerators operating in Switzerland. We chose this setting for several reasons. First, studying accelerators that operate within the same entrepreneurial ecosystem enables more valid comparisons. Second, we wanted to examine accelerators in an advanced economy where innovation is intense and diversity in entrepreneurship is high, as it facilitates rich and diverse insights about the design and approach of accelerators. As a country, Switzerland was ranked number one in innovation by the Global Innovation Index (2016) and the European Innovation Scoreboard (Hollanders, Es-Sadki, & Kanerva, 2016), number one for competitiveness by the Global Competitiveness Report (Schwab & Sala-i-Martin, 2016), and number two by the World Competitiveness Scorecard (IMD, 2016). Further, non-native Swiss founders (immigrants) represent two-thirds of the Swiss entrepreneurial ecosystem, as reported in the Global Entrepreneurship Monitor (Monitor, 2014). As such, we believe that the intensity and diversity of the Swiss entrepreneurial ecosystem provide fertile ground to understand different approaches to acceleration.

**Sample**

We used theoretical sampling to identify and select our cases (Eisenhardt, 1989). Following Pauwels et al. (2016), our criteria for identifying and selecting accelerators were:

i) a structured training program with time-limited support;

(ii) an application process;

(iii) cohorts of start-ups that start and finish the program at the same time;
(iv) a focus on small teams of founders; and

(v) a final presentation of projects accelerated via demo days (or similar).

We identified six Swiss accelerators representing eight different acceleration programs that fulfilled these criteria. A description of the accelerators is provided in Appendix A.

**Data Collection**

We used multiple sources of data, including: i) archival data, including webpages, live presentations, and news articles; ii) interviews; and iii) follow up e-mails and phone calls to clarify details. The primary source of data was a combination of structured and semi-structured interviews undertaken with the management teams of the accelerators. Interviews were done by phone and lasted between 15 and 25 minutes. The secondary data provided means to triangulate the data and bolster confidence in its accuracy (Huberman & Miles, 1983). It also enabled us to prepare for the interviews, write down our core assumptions beforehand and confirm, clarify, rectify or reject any of them during the interview. Importantly, it also but also allowed us to connect with the accelerator’s managers instantly both on the phone and via email as we were familiar with their program before hands.

First, we used secondary data to study each accelerator in our sample. The description was based on variables emphasized in the strategic management literature to depict accelerators in terms of their long-range and short-range strategies (e.g., mission, objective, strategies, policies, etc.) as well as their observable strategic actions and plans, (e.g., programs, acceptance criteria, procedures). Embedded in literature and research on strategic management, we focused our analysis on why the accelerator exists (Collins & Porras, 1996; Montgomery, 2008), who the target customer is, and where and how it carries out its activities (Hitt, Ireland, & Hoskisson, 2008; Porter, 1996). This served as our starting point for building an understanding of
accelerators and how they create and capture value with their model vis-a-vis of their competition (Amit & Han, 2017; Rietveld, 2018).

Second, we wrote short, individual case stories and designed tables to make sense of the secondary data we collected via secondary sources. Once we had a solid understand of the accelerator, we contacted the management of the accelerator through LinkedIn and/or email to ask for a brief telephone interview. To generate interest and thereby increase response rates, our messages were customized and personal. We also added a short text describing our preliminary research based on secondary data to trigger interest and show our commitment to the research at hand (Yin, 2013). Communications via email and telephone were used to schedule interviews. Third, we undertook structured and semi-structured interviews with the management of the accelerators. Our questions attempted to understand the why, who, where, and how of each accelerator. During the interviews we asked what makes their accelerator unique, and how it differentiates from competing programs. Further, we encouraged interviewees to express pertinent details about their acceleration programs, from strategy to operations. We also consulted them on the characterizing variables we had previously identified via secondary data, and asked them if they made sense, and if we were missing anything. This grounded process enabled us to build case relevant data that were embedded in the contextual richness of the experience of the respondents.

Analysis

After collecting both primary and secondary data, we conducted a cross-case analysis to establish similarities and differences across all observations (Miles & Huberman, 1994). Characterizing variables were compared among the respondents in order to find patterns and generalities across the cases. Following Eisenhardt (1989), we looked for inter-case similarities and differences with respect to recurrent variables emerging from the data. Moving between the qualitative data and
relevant theoretical arguments in an iterative fashion, a data structure progressively took shape, which translated into theoretically relevant characterizing variables (Locke, 2001) that made sense in the light of the exchange theory. First, through several re-readings of the data, initial characterizing variables that were similar in essence were combined. Every time data did not fit well into a preliminary variable, it was reviewed. Second, preliminary variables were combined into fewer, theoretically relevant, variables (Strauss & Corbin, 1990). Systematic comparisons of the emerging variables with case data and with existing literature were undertaken with the aim of assessing fit and adjusting labels (Gioia et al., 2013).

**FINDINGS**

Based on the emergent variables developed by iterating and contrasting data with the management literature and theory on resource exchange, we identified six characterizing variables that depict the arrangement of activities that generate value creation and value capture via the exchange of resources between entrepreneurs and other stakeholders (i.e. mentors, investors, and sponsors). We provide an overview of the characterizing variables together with supporting literature in table 1.

---------- Insert Table 1 about here ----------

**Funding.** Funds may be given by the accelerator to the acceleratees within its program. It can take the shape of equity funding (where the accelerators provides funding in exchange for equity in the firm) or in the form of a grant, cash prize or stipend with few strings attached.

**Facilities.** Different accelerators provide start-ups with different facilities throughout their program. Some accelerators offer office space during the acceleration program, while others do not provide office space by access to labs or specialized facilities (manufacturing spaces, factories, logistic centers, etc…).
**Support:** Depending on the core mission of the stakeholder dominant accelerator, accelerators might deliver programs that focus on a specific industry, know-how, or technology. The more focused an accelerator defines its target profile, the better they will be able to leverage their expertise and know-how when accelerating participating start-ups. These competencies may be technical (e.g. focus on a particular technology), industry-related (e.g. focus on a particular competitive environment), privilege network-based (e.g. access to a specific network) or generalist.

**Network:** Different accelerators provide start-ups access to different kinds of network. Some have strong connections with scientific networks, public domain networks, within a specific industry or vertical, or within the entrepreneurial ecosystem of investors and large corporates looking to acquire innovative companies.

**Endorsement:** In terms of the origin of accelerated projects, they may stem from either internal or external sources. For instance, accelerators connected with universities may endorse ideas developed internally within the university. Others affiliated with corporates may give priority to internal staff, encouraging corporate spin-offs, while endorsing other projects under their wings. Some other accelerators may endorse their acceleratees by presenting them to their intimate network of investors and potential acquirers, while others may bring regional or even national recognition to the acceleratees they work with. Overall, acceleratees can strongly benefit from the endorsement of the program they frequent, and can leverage social resources such as the accelerator`s credibility and brand image for their own.

**Value Capture.** While creating value, accelerators also capture value for themselves in the exchange. Examples include controlling deal flow (e.g., Bellavitis et al., 2017) as well as uncovering new business ideas based on novel technological advances. Value can also materialize itself in the form of reputational effects that emerge from supporting successful start-ups as
colleges do with their sports teams, to attract students, professors, and even research funding (e.g., Slaughter, Slaughter and Rhoades (2004)). In addition, accelerators create value and benefits by supporting the development of the entrepreneurial ecosystems (Goswami et al, 2018), which create employment and prosperity for a region.

**Core Exchanges and Dominant Stakeholders**

The identified characterizing variables provide unique insights into the various features and activities that underlie the resource exchange offered in accelerators. However, our inductive analysis also suggests that dominant stakeholders governing and controlling the organization are largely defining the core exchange taking place within accelerator programs. In this respect, the dominant stakeholder directly influence resource exchange processes by providing and channeling critical and scarce resources that underlie the value created in the exchange. At the same time, the dominant stakeholder also influences the direction and performance of the accelerator by defining the mission, goals and aspirations levels at which the accelerator program is evaluated (e.g., Bergek & Norrman, 2008). Our review and analysis identifies four dominant stakeholders that influence the core exchange of resources in accelerators. We classify them as investor-based, corporate-based, university-based and government-based accelerators. Table 2 presents our classifications in the light on the resource exchange theory.

--------- Insert Table 2 about here ---------

*Investor-based Accelerator.* Investor-based accelerators have an explicit financial drive, where the accelerators are used to foster deal flow and investments. They use their networks to connect start-ups with investors, experienced entrepreneurs and possible acquirers. In exchange, acceleratees give up equity in their companies. In some cases, direct financing is offered as part of the program. The programs are usually condensed in time with consistent training during the whole period. An international representation of a typical investor-funded accelerator is the Y
Combinator. Founded in 2005 by the investor Paul Graham in Massachusetts, the Y Combinator, it became a worldwide source of inspiration (Christiansen, 2009). Another example is Seedcamp, the earliest European accelerator, which appeared in 2007. Launched in London, this accelerator resulted from the vision of a group of 30 investors to help boost the European entrepreneurial ecosystem and secure equity in the companies being accelerated (Butcher, 2016). In our sample, the Swiss Startup Factory fits the description of an investor-funded accelerator as exposed in the appendix.

*Corporate-based Accelerator.* Corporate-based accelerators are run by large corporations, whose aim is to use acceleration programs as a source of inspiration to remain on the vanguard of innovation (Becker & Gassmann, 2006; Hill & Birkinshaw, 2014). This embeddedness provide benefits for acceleratees who, in addition to a structured training approach, can leverage the corporation’s experience, knowledge, infrastructure, and network for their benefits (Kohler, 2016; Weiblen & Chesbrough, 2015). Through this program, acceleratees can validate concepts, access competencies, and reach stakeholders hard to reach otherwise. On the other hand, corporate-based accelerators are embedded in a larger organizational structure with its own strategy. One of Europe’s pioneer corporate accelerator is Wayra from Telefónica. Wayra allows acceleratees to access suppliers and customers of the telecom giant on a global scale (Phan & Lamine, 2016).

While similarities abound, corporate accelerators differ from investment-based accelerators in one critical area: their primary objective is not to accelerate the start-up towards a liquidity event. Their interests are intrinsically connected to innovation, learning and the development of synergies between the corporate and the start-up companies. In fact, some corporate accelerators may even hinder liquidity events due to possible conflicts of interest with potential acquirers (Guttman, 2015). In our sample, the F10 accelerator fits the description of corporate-funded accelerators as exposed in the appendix.
**Government-based Accelerators.** Government-based accelerators emphasize economic development in their overall approach to acceleration. Their primary goal is to promote employment growth and foster innovation via start-ups in the local entrepreneurial ecosystem. Government sponsored accelerators do not request any kind of equity from the start-ups as they are funded by public sector funds, however, they may charge a fee from participating in the programs. An international example is Start-up Chile launched by the Chilean government in 2010. The objective was to bring entrepreneurs from anywhere in the world to Chile to set up their businesses. It is an incentive both materialized through financing and free office space, which has contributed to the growing population of entrepreneurs geared towards the country’s burgeoning technological sector (Romaní, Atienza, & Amorós, 2013). In our sample, both INNOSUISSE Business Creation and INNOSUISSE Business Growth fit with the description of government sponsored accelerators as exposed in the appendix.

**University-based Accelerators.** University-based accelerators emphasize the commercialization of research and the diffusion of entrepreneurship and technological innovation. Access to accelerator programs is typically restricted to students, professors, or graduates/alumni of the university (Hochberg, 2016). Typically, they do not make investments in exchange of equity, but may offer prizes. An international example is the Launchpad accelerator at the London Metropolitan University, which offers a 10-week, structured acceleration program and where attendance is restricted to students and graduates from the university (Mendlen, 2018). In our sample, INNOSUISSE Business Concept fits the description of university-based accelerators, as exposed in the appendix.

Some of the accelerators in our study were sponsored and controlled by a coalition of two or more stakeholders, which leads to an expanded pool of available means, but also an expanded pool of constraining ends. The rationale behind this hybrid form seems to lie in balancing these
benefits and tradeoffs. Table 3 offers a comprehensive view of the various accelerators present in our study, their associated characterizing variables and classifications.

--------- Insert Table 3 about here --------

An example of an accelerator supported by local corporate and public entities is MassChallenge Switzerland. They profile themselves as “the most start-up-friendly accelerator,” with the distinctive characteristic that they do not partake in the equity pool of the accelerated start-ups (Colao, 2012). In our sample, MassChallenge Switzerland, Kickstart, and Fintech Fusion represent hybrid accelerators, as exposed in the appendix.

**DISCUSSION**

Entrepreneurial acceleration is a fast-emerging form of early stage venture support where innovative start-ups can access resources for growth. However, while there has been a growing number of studies that have explored the structural elements and components of accelerator programs (i.e. Pauwells et al., 2016), little is still known about how the growing ecology of accelerator programs differ from each other in their dynamics of resource exchange. Based on inductive case data from eight accelerator programs in Switzerland, we used the resource exchange lens to examine how accelerator programs differ in their provision of financial and social resources depending on the dominant stakeholders that control and govern the accelerator. Our analysis identifies four dominant stakeholder types, namely investor-based, corporate-based, university-based and government-based accelerators, and six major characterizing variables that express the dynamics of the exchange. Differences in the dynamics of resource exchange across the different types of accelerator programs are materialized via the arrangement of resources and activities in the program, which defines the value creation process as well as how value is captured and apportioned among stakeholders. As such, our findings open avenues for
understanding the impact of accelerator’s stakeholders on accelerates and the ecosystem they operate in.

**Implications for Research**

We believe this study offers several contributions for research. First, we add to the growing literature on accelerators, a still under-researched phenomenon. While most of the past research on accelerators has been predominantly descriptive (the what), this study takes a resource exchange theory lens in order to understand “the how”.

Second, findings emphasize the importance of understanding the process of value creation and capture in acceleration programs. This approach advances the field by moving from describing and comparing structural elements and components of accelerators towards explaining the dynamics embedded in this movement.

Third, our theorizing and findings direct attention towards the relationship between resource exchange, value creation and capture. Accounting for this relationship furthers our understanding of why and how acceleration programs add value to certain stakeholders in the entrepreneurial ecosystem (Goswami et al., 2018). It allows for the better understanding of how value is created, captured and apportioned across different stakeholders and across the ecosystem as a whole (Lepak, Smith, & Taylor, 2007).

**Implications for Practice**

From a practice perspective, our research accentuates the importance of understanding the dynamics embedded in the exchange of resources between entrepreneurs and the dominant stakeholders. The organization of resources and activities within the program are often seen as a design choice in the hands of accelerator managers. However, as emphasized in our study, there is significant variability in program design based on how the dominant stakeholders seek to create and capture value via the acceleration process. In this respect, accelerator’s managers face
different stakeholder contexts that put boundaries on their autonomy and discretion, and which influences the direction and development of the accelerator.

Furthermore, the stakeholder approach in the study allows for the positioning of the various accelerators within an entrepreneurial ecosystem. Such an approach allows policy makers to rapidly understand the various interests at stake, and the underlying nature of the exchange. As a result, they may better assess the contribution of each kind of accelerator to the entrepreneurial ecosystem and overall economy. Specifically, the characterizing variables exposed in this research may serve as criteria for the evaluation of accelerators` role and impact in the ecosystem. On the same note, it allows entrepreneurs considering an acceleration program to better understand which particular program best meet their needs. Working as potential selection criteria, the characterizing variables presented in this study allow for a straight-forward contrast analysis between the different acceleration programs. By comparing the value they aim to bring (value creation) to the underlying exchange expectation (value capture), entrepreneurs are able to make better-informed decisions.

**Limitations and Future Directions**

Our study has a number of limitations that should be addressed in future research. First, even if in this study we did not intend to conduct a comparison of entrepreneurial acceleration across cultural contexts, conducting the study in the Swiss context may nonetheless have influenced our results. Different cultures are likely to interpret and respond to similar strategic issues in different ways (Schneider & De Meyer, 1991), and traditional Swiss values concerning honesty, hard work, and material possessions may influence the way accelerator programs seek to create and capture value across programs, budgets, and procedures (Chevrier, 2009). Moreover, the pragmatic and conflict-solving emphasis characterizing Swiss national culture may have increased the tendency of using hybrid forms of entrepreneurial acceleration. Thus, further
research is necessary to understand the effects of national culture on ways accelerator programs seek to create and capture value.

Second, while our theorizing and findings emphasize that accelerators, largely contingent on the dominant stakeholder, offer different kinds of value based on their exchange of financial and social resources, it does not address the dynamics embedded in the exchange relationship. Future research should thus continue to examine the process that unfolds through the dynamics of resource exchange when ventures participate in particular types of accelerator programs. To date, most research that examines ventures that participate in accelerator programs is much focused either on the beginning (selection/entry) or the end (post-acceleration growth) of the acceleration process. However, their relative importance and value of resources depends on the strategic problems that ventures face at a given stage of development (Kazanjian & Drazin, 1990). Opening up the black box of different sources and types of resource exchange in the process of entrepreneurial acceleration may in this respect be essential for understanding why and when accelerator programs contributes to growth across different ventures.

CONCLUSION

To conclude, we build upon the resource exchange theory to understand how accelerators create and capture value via their program design. By studying their strategic actions and consequent characteristics, we identified four dominant accelerators ‘stakeholders that we classify as investor-base, corporate-base, university-based and government based accelerators. We document their differences expressed by six major characterizing variables embedded in resource exchange that reflect their value creation and capture behaviors. By suggesting that dominant stakeholders have a strong impact on the design and outcomes of acceleration programs, as well as on the character
of the exchanges taking place, our study can help guide future research and provide a better understanding of the process of entrepreneurial acceleration.

REFERENCES


https://doi.org/10.1007/BF00167541.


**TABLE 1**

Description of the Characterizing Variables in Light of the Literature

<table>
<thead>
<tr>
<th>Variables</th>
<th>Roles</th>
<th>Key literature</th>
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<tbody>
<tr>
<td>Funding</td>
<td>Defines sources of revenue</td>
<td>(Adams, Licht, &amp; Sagiv, 2011; Buysse &amp; Verbeke, 2003; Henisz, Dorobantu, &amp; Nartey, 2014; Tantalo &amp; Priem, 2016)</td>
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<tr>
<td>Facilities</td>
<td>Defines resources and activities</td>
<td>(Hanlon &amp; Saunders, 2007; Kolympiris &amp; Klein, 2017; Mian, 1996; Phan, Siegel, &amp; Wright, 2005)</td>
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<tr>
<td>Support</td>
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<td>Main Network</td>
<td>Defines strategic network/partners</td>
<td>(Fernhaber &amp; Li, 2013; Hoang &amp; Antoncic, 2003; Lund &amp; Nielsen, 2014; Soh, 2003; Stuart, 2000; Walter, Auer, &amp; Ritter, 2006)</td>
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<tr>
<td>Value Capture</td>
<td>Defines sources of value</td>
<td>Bellavitis et al., 2017, Slaugher &amp; Rhoades, 2004</td>
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Goswami et al, 2018,
## TABLE 2
Accelerator’s Dominant Stakeholders and Core Exchanges

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Financial Resources</th>
<th>Social Resources</th>
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| **Investor** | Offers investments and office space. | i) Tend to focus their acceleration curriculum on specific verticals where their expertise and know-how lays.  
ii) Tend to offer warm introductions to venture capital and angel investors, experienced entrepreneurs, as well as to potential acquirers or growth partners.  
iii) Tend to work as a stamp of quality for acceleratees accepted into the program. |
| **Corporate** | Offers office space, and may offer a stipend, cash prizes or even equity investment. | i) Tend to focus their acceleration curriculum on a specific vertical relevant to the corporate’s strategic agenda on innovation.  
ii) Tend to offer privilege access and warm introductions to the corporate’s stakeholders, such as customers, partners and suppliers.  
iii) Allows acceleratees to leverage the corporate’s brand awareness and reputation for their own endeavors. |
| **University** | Offers office space, lab access and sometimes prizes. | i) Tend to have an acceleration curriculum that is general and adequate for student projects.  
ii) Tend to offer introductions to scholars who are expert in a certain domain  
iii) Allows acceleratees to leverage the name of the school in their endeavors. |
| **Government** | Offer prizes or grants. | i) Tend to have a broadly applicable acceleration curriculum geared towards the growth of companies and their impact in the overall society.  
ii) Limited influence, generally to government agencies or departments.  
iii) Allows possible recognition at a national level as an innovative and/or socially oriented project. |
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<th>MassChallenge</th>
<th>Kickstart</th>
<th>INNOSUISSE Business Concept</th>
<th>INNOSUISSE Business Creation</th>
<th>INNOSUISSE Business Growth</th>
<th>F10</th>
<th>Swiss Startup Factory</th>
<th>Fintech Fusion</th>
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<td><strong>Value Creation</strong></td>
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<td><strong>Funding</strong></td>
<td>Non-equity based Cash-Prizes</td>
<td>Non-equity based Cash stipend</td>
<td>No direct funding, no equity taken</td>
<td>No direct funding, no equity taken</td>
<td>No direct funding, no equity taken</td>
<td></td>
<td>Equity Based Investment</td>
<td>No direct funding, no equity taken</td>
</tr>
<tr>
<td><strong>Facilities</strong></td>
<td>Office Space</td>
<td>Office Space</td>
<td>Possible access to facilities and labs of the University</td>
<td>No facilities provided</td>
<td>No facilities provided</td>
<td>Industry related / privileged network</td>
<td>Office space</td>
<td></td>
</tr>
<tr>
<td><strong>Support</strong></td>
<td>Generalist 4 months Program</td>
<td>Technical 3 months program</td>
<td>Generalist ≤ 1 month program</td>
<td>Generalist ≤ 1 month program</td>
<td>Generalist ≤ 1 month program</td>
<td>Industry related 3 months program</td>
<td>Industry related 12 months program</td>
<td></td>
</tr>
<tr>
<td><strong>Main Network</strong></td>
<td>Public / Corporate</td>
<td>Public / Corporate</td>
<td>Scientific / Public</td>
<td>Public</td>
<td>Public</td>
<td>Corporate</td>
<td>Corporate / Entrepreneurial Ecosystem</td>
<td></td>
</tr>
<tr>
<td><strong>Endorsement</strong></td>
<td>External</td>
<td>External</td>
<td>Internal</td>
<td>External</td>
<td>External</td>
<td>External / Internal</td>
<td>External</td>
<td></td>
</tr>
<tr>
<td><strong>Value Capture</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Major Sponsor</strong></td>
<td>Public Sponsor / Private Sponsor</td>
<td>Public Sponsor (INNOSUISSE) / Private Sponsors</td>
<td>Public Sponsor</td>
<td>Participant Fee + Public Sponsor</td>
<td>Participant Fee + Public Sponsor</td>
<td>Specific Corporation Sponsor</td>
<td>Private Sponsor</td>
<td></td>
</tr>
<tr>
<td><strong>Accelerator Model</strong></td>
<td>Hybrid</td>
<td>Hybrid</td>
<td>University</td>
<td>Government</td>
<td>Government</td>
<td>Corporate</td>
<td>Investor</td>
<td>Hybrid</td>
</tr>
</tbody>
</table>
APPENDIX

Mass Challenge
MassChallenge was launched in 2010 in Boston, the USA, and claims to be “the startup-friendliest accelerator on the planet”. MassChallenge’s program lasts four months and takes place in Boston, London, Mexico City, Jerusalem, and Lausanne. In 2015 alone, it accelerated over 200 companies around the world. The program does not focus on a specific vertical, accepting all kind of projects. Strategically located in Switzerland, it accepts ideas and early-stage projects from all over Europe and the world. MassChallenge operates in Lausanne, home of top academic institutions such as the leading Swiss technical school: EPFL. During the four months, teams are offered office space, training on various topics, coaching, and networking opportunities. The top ten finalists of the program are awarded a prize of CHF 100,000. MassChallenge does not take any equity in their startups and is financially supported by the Swiss Canton of Vaud as well as by several private sponsors such as the Bühler Group, Givaudan, Nestlé, and Barry Callebaut, among others. Beyond financing, public and private partners allow MassChallenge to blend itself within the entrepreneurial ecosystem they operate in.

Kickstart
Kickstart was founded in 2016 as a non-equity accelerator backed by academia, corporates, and the local startup system. Kickstart is a hybrid accelerator with a strong focus on IT. The program is based in the metropolitan area of Zürich, more specifically at the ImpactHub Zürich, a global co-working space. Kickstart is one of the most selectiv e accelerators in Switzerland with an acceptance rate of 3.5% and a worldwide outreach. Over 11 weeks, the program supports seed-stage startups through the provision of work space, training, coaching, networking, and access to capital in the form of prize money and small stipends. The
management team, while engaged during the program, has no direct interest in the participating startups. Kickstart is financed through a large number of public and private sponsors, and relies on a large network of external partners and associations such as digitalswitzerland.

INNOSUISSE Entrepreneurship

INNOSUISSE Entrepreneurship (Formerly CTI) was established in 2003 by the Swiss Federal Commission for Technology and Innovation responsible for encouraging science-based innovation in Switzerland by providing training and coaching to early-stage business ideas and startups. Under the INNOSUISSE Entrepreneurship umbrella, it offers three distinct programs: 1) Business Concept; 2) Business Creation; and 3) Business Growth. In total, every year over 3,000 participants take advantage of this Swiss federal initiative. Those programs aim to support students, educators, and entrepreneurs in order to develop their project without requesting equity or offering funding. Their core mission is to support innovation projects, foster economic and technological development, and ultimately improve the competitiveness of Swiss businesses, particularly SMEs, thereby contributing to a strong, innovative economy in Switzerland.

**Business Concept.** By focusing on universities, the Business Concept accelerator shows their commitment in transferring knowledge and in creating successful university spin-offs. The Business Concept program is free of charge and geared towards students and staff from universities (mainly the idea stage). The program provides 10 sessions per cohort. Sessions take place in evenings, usually at a partnering academic institution. Participants are free to pursue non-technology-based business ideas, solving local and/or international challenges. The program does not provide office space or funding, and there is limited contact with
potential investors. Their added value relies on: a) access to business acumen delivered through structured training led by practitioners and academics; b) the network of student participants with diverse backgrounds which generates synergies/complementarities; c) facilitated access to academic laboratories; and d) access to academic specialized knowledge. The program’s team then has more of an administrative nature than an active role in the projects accelerated. Students and educators from the hard sciences departments particularly appreciate this program as most have limited business acumen. Although the Business Concept program contributes to an entrepreneurial culture within the universities, we noticed that few projects convert into new rent-generating ventures. However, the program has been largely successful in opening academics’ minds towards the possibility of commercializing research results through startups.

**Business Creation.** The Business Creation program aims to support early-stage projects that are beyond the idea stage, but not necessarily company owners. The program costs CHF 300 and neither equity nor financing is offered. The program is composed of five sessions spread over several weeks. Sessions take place around Switzerland, at both universities and science parks. Office space and financing are not provided, and contact with potential investors is limited. The management team usually actively participates in the training sessions, while no direct interest in the form of investment or equity takes place within the program’s boundaries.

**Business Growth.** The Business Growth program has the same characteristics as the Business Creation program (the main difference being the stage of the projects being accelerated). The participants must be leading a company that already generates revenues (early growth) – a necessary condition to be accepted within the program.
Both the Business Creation and Business Growth programs are publicly funded. Both programs provide an intensive structured training program led by mentors with practical experience in order to equip entrepreneurs with business acumen. Both accelerators have informal relations with several local public entities, including universities and technology parks. Yet, the lack of formal relations might be a challenge for startups wanting to set up steady and continuous relations with external sources of competencies and knowledge (universities or institutes), or set up commercial agreements with public entities (having the public sector as a client, supplier, or partner).

F10

F10 was founded in 2015 as a corporate initiative by Swiss Infrastructure and Exchange (SIX), but started acting as an accelerator only in late 2016. F10 is a corporate accelerator with close ties to PWC, the Julius Bär Group, and SIX. The accelerator is privately funded, free for participants, and does not provide an upfront direct investment in exchange for equity. F10’s focus is clear: Fintech. Located in Zurich, the program’s duration is six months spread over three main stages: 1) Idea to prototype; 2) Prototype to product; and 3) Product to market. The management team is composed of seven dedicated members with experience in the field. Applications are open to candidates from all over the world and more than 100 applications were received for the first run. F10 supports idea- and seed-stage startups by offering office space, specialized coaching, training, access to a network of possible investors/acquirers, small stipends, and privileged access to a global network of major players in the financial sector.
Swiss Startup Factory (SSUF)

SSUF was founded in 2014. Located in Zürich, Switzerland’s main digital hub, it was among the first equity accelerators in the country. The management team has considerable experience in business and owns equity in the startups being accelerated, and some have even invested their own money in the acceleratees’ post program. Thus, the management is highly motivated to obtain a return on their investments.

SSUF has a strong network of strategic partners from both academia and the corporate world. Companies such as the Goldbach Group, AMAG, Nespresso and Microsoft are part of the list. In three months, participants receive full support, including networking opportunities with industry partners, coaching by experienced entrepreneurs, training, direct investment, and office space. Every participant receives CHF 30,000 in upfront funding plus CHF 20,000 by way of in-kind support. In return, the accelerator takes a 10% equity share in the companies accelerated. SSUF also offers services on a cash-for-service basis, as well as an ideation session in local universities. The accelerator averages between 8 to 10 startups per cohort at various stages of development.

In the case of the Swiss Startup Factory, the management team has considerable experience in business and owns equity in the startups being accelerated, and some have even invested their own money in the acceleratees’ post program. Thus, the management is highly motivated to obtain a return on their investments.

Fintech Fusion

Fintech Fusion is Switzerland’s first Fintech accelerator launched in 2015. It was set up by Polytech Ventures – a Swiss venture capital firm based in Lausanne focusing on early-stage startups working on digitizing industry value chains such as financial services. Fusion is also supported by a large number of corporate partners from the banking, insurance, and
commodity trading fields. In addition to financially supporting the program, partners provide a global network of relationships with the industry. Its main corporate partners are: the Temenos Group (banking software company), Notz Stucki (wealth and asset management company), Swisscard (card company) and BNP Paribas (banking & financial services company). This broad network of relations is brought in by the founding and management team whose members have considerable experience in the finance and banking industry. Fintech Fusion provides the following support: coaching, training, dealflow referral to Polytech Ventures, office space, and privileged access to industry players within its vertical. Fintech Fusion has a cohort of 10 projects per year.