

# Accelerating Creative Entrepreneurs

*A proposal of an acceleration program for creative entrepreneur of TRACES Project*

## Preamble

Within the framework of the TRACES program, the regions Apulia and Western Greece are tasked to pilot the activation of an acceleration program to support the start-up and growth of entrepreneurs in the creative sector. To this end 10 Local Ateliers, who will operate at provincial level, are now being established, 5 in Apulia and 5 in Western Greece.

The Local Ateliers will be opened within already existing institutions enabling in such a way a path towards their own financial and operational sustainability, and each will be composed of a small team that will be empowered to provide direct services to the local creatives that will go through an acceleration program to sustain their growth.

Within the scope of the TRACES project, each atelier shall provide support to a minimum of 5 creative entrepreneurs, therefore there is a need to properly design the acceleration program to ensure that the target objective is reached and that resources are put to good use.

This document has the aim of supporting the partnership in designing an appropriate program that can be tested during the execution of the project and can then be taken on board by the Local Ateliers to ensure continuation of services.

## Specificities

During the past months the Project has assessed the needs of creative entrepreneurs through a solid fact-finding exercise that has involved creatives and major stakeholders. This has enabled the partners to gain knowledge about the perceived needs of the target users of the acceleration program and has provided key elements to properly design a support program around them.

Therefore, the following proposal takes into account the findings of the above-mentioned research as well as the key specificities that are underpinned within creative entrepreneurs.

## Creative entrepreneurs

As mentioned in many studies, and as confirmed by the findings of the research undertaken within the TRACES program, creative people present some characteristics that need to be considered when drawing an entrepreneurial support program. The main ones, for the scope of this document and not in order of priority, are:

- A. The sector is mainly composed by micro-business and freelancers working in fragmented niche markets;
- B. The work form is of temporary nature, usually concerning project-based prototyping;
- C. There is a strong emotional component within the work of creatives that can make it hard to embrace a culture of “market-driven pivoting”;
- D. There is a general lack of skills around business development, management and finances;
- E. Creatives are highly passionate about being creative and are driven from other factors other than economic interest.

The Traces fact-finding report “Creative people, what do you need to grow up” highlights, among other things, the following elements of interest for the purpose of this document:

1. Absence of physical spaces that allow creatives to exploit their full potential.

The call launched by the TRACES program within the Apulia region clearly states that the Local Ateliers should have already the necessary physical endowments to respond to the needs of the creatives that will be involved in the acceleration program, therefore providing an answer to this need in terms of coworking facilities, IT equipment and more.

2. Lack of knowhow on business skills that doesn't allow entrepreneurial growth (business planning, business management, marketing etc.).

The acceleration program therefore needs to include an academy, providing basic skills of start-up development and management to the selected creatives.

3. Widespread difficulty in accessing finances and credit, especially due to the low level of bankability of creative people.

There are many budget lines opened from the Puglia Region, which were explained by representatives of Puglia Sviluppo during the Knowledge Transfer workshops held at the end of March. Liaising with them is key. Furthermore elements of finance and investment readiness should be incorporated in the acceleration program and in the training academy.

4. Difficult access to professional services (accountants, lawyers, project designers)

Traces program is liaising with local professionals to be able to provide said services to the creatives that will be selected. It is fundamental to keep the pool of experts up to date.

5. Lack of internationalization that impedes going from local to global

TRACES is a program that touches two different regions (Apulia and Western Greece). Favouring internationalization among these regions can provide a first answer to the felt need of going international. However, although this can be part of the widespread services that can be provided to creative entrepreneurs, internationalization services fit into the last stage of entrepreneurship development. Some indication can be provided within the acceleration program, but it is unlikely that they can be tested within the duration of the TRACES project.

## Entrepreneurship support to creatives

A program to support creatives in setting up businesses can be framed within the various segments of the entrepreneurship support service value chain that can be broken down as follows:

## 1. Stimulation

Activities that are meant to stimulate local creatives to be more entrepreneurial and to convey their support requests to the Local Ateliers. The Local Ateliers should act as a **territorial animator** bringing creatives to start thinking that their work can be better channelled through the acquisition of a more entrepreneurial mindset. This action will feed the lead generation component of the Local Ateliers, ensuring the development of a pipeline from ideas to start-up.

## 2. Selection

The Local Ateliers will be able to provide support to a limited number of creatives. Indeed a minimum of 5 each needs to be reached by each one of them. There is no maximum number stated, however, there is an operational limit that cannot be surpassed if we want to ensure high level quality services. Setting up the selection process is therefore fundamental, as it will allow the Local Ateliers to enable high quality services directed to the most promising entrepreneurial ideas that have higher chances to achieve regional impact.

## 3. Skills acquisition

This part is meant to ensure that the selected entrepreneurs get up to speed with the basic skills necessary to conduct a business on all levels. A mandatory training academy, which selected entrepreneurs are required to attend, needs to be part of the acceleration program.

## 4. Coaching

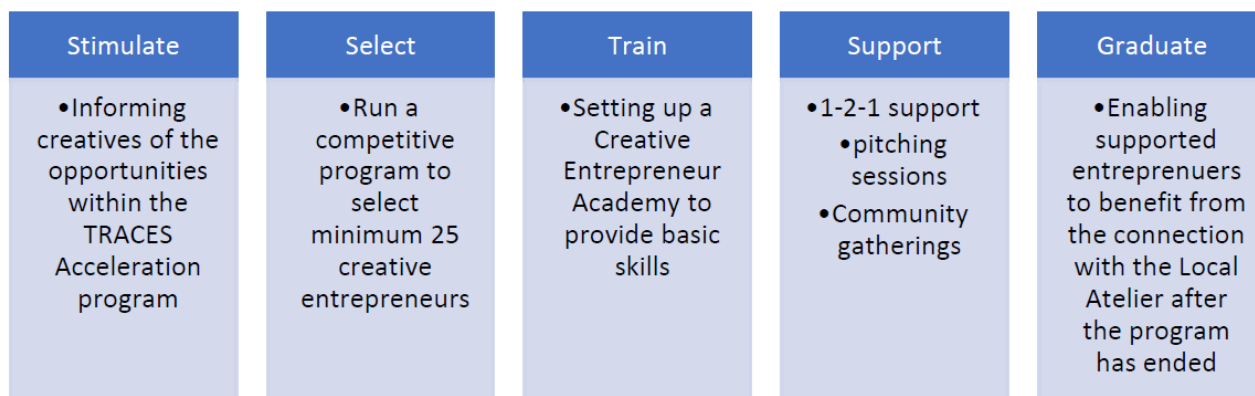
Creatives are looking for real hands-on and practical support. A coaching scheme where they can be supported in building the business is therefore of primary importance. This should take place as one-to-one meetings and through collective ongoing pitches towards the community.

## 5. Connecting

The acceleration program must find intrinsic ways to involve major actors and stakeholders for many different reasons. As the report “Creative people, what do you need to grow” states, on one side it is necessary to leverage opportunities at local, regional and international levels for business development and financing of creatives, and, on the other side it is paramount to sensitize the ecosystem around the massive opportunities coming from creatives.

## The TRACES Acceleration program

Given the above-mentioned specificities and assumptions, the TRACES Acceleration program could be designed through the following scheme:



## General characteristics

The TRACES acceleration program should:

1. Be addressed to local creatives people. The choice of specific themes and sub-sectors shall be done by the project partners.
2. Be a selective process, where the Local Ateliers make a first screening of the ideas before they are actually accepted.

3. Be business oriented and not project oriented. Support should be provided to creatives who actually want to set up a business and not to those who want to set up a temporary project.
4. Be limited in time and duration. The Local Ateliers should run the ateliers through a “cohort” mechanism. Creatives should be selected through a local competitive approach to ensure support is provided to those entrepreneurs who have a business idea and are more likely and committed to push it through successfully. Ideally the Local Ateliers will run an acceleration program of a duration of 6 months, enabling therefore 2 cohorts of entrepreneurs to be supported per year.
5. Be inclusive of the local communities. The Local Ateliers need to involve local and regional stakeholders during the selection process and during the implementation phase.
6. Be hands-on and practical.
7. Be inclusive of the local service providers. The Local Ateliers will not be able to provide all services to the creative entrepreneurs, therefore building good and stable connections with the local professional service providers is of utmost importance.

## Stimulate

This component of the acceleration program is paramount to instil in the minds of local creators the idea that they have potential to set up a business and the will to go for it. A well-delivered stimulation package will provide also for an ecosystem that is more careful of the potentialities of the local creative sector and the need to feed its growth.

Within the realm of the TRACES Acceleration program it is advisable that the Local Ateliers produce, at the minimum, the following:



1. Organization of at least 2 infosessions per atelier for local creatives to inform them of the new opportunities deriving from the establishment of the TRACES acceleration program for creatives. These should be no longer than 1h30 and take place in a central location, if not in the Local Atelier itself. The infosession should have the following format:

- a. Introduction of the Local Atelier
- b. Explanation of the acceleration program
- c. Explanation on who can benefit from the acceleration program and how to access it
- d. A motivational talk from a creative who has successfully established a real business (or from a successful case of acceleration from cohort 2)
- e. Question and Answers

2. Publication on mainstream media of the opening of the Local Atelier and its opportunities

- a. Local newspapers and magazine
- b. Local TV and Radio

3. Setting up a social media campaign through the appropriate channels of the Local Ateliers and the project partners.

These activities should be coordinated among the 5 Local Ateliers to produce maximum impact at regional level.

## Select

To select the first and subsequent cohorts of creatives there needs to be a competitive process, which should be kept simple in order not to discourage applications.

## Call for applications

Applications should be done through a simple electronic format on the Traces (or project partner) Website asking candidates to fill in a form with, at the minimum the following fields:

1. Name of the company;
2. Location of the company;
3. Logo (if available);
4. Website (if available);
5. Product or service (in a tweet – 140 characters);
6. Description of the product/service (max 500 characters);
7. Team
  - a. Names and roles;
  - b. Examples of how the team has worked in the past and its achievements (250 characters);
  - c. Why the team is a good fit for the scope of the application (500 characters);
  - d. Who do you think should reinforce your team (500 characters);
8. Market potential
  - a. What problem are you set to solve (250 characters);
  - b. Who will be your future clients (250 characters);
  - c. Who are your main competitors (250 characters);
  - d. How do you think will you make money? (500 characters);
9. Execution
  - a. Have you already launched? If not, when do you think you can effectively launch?

b. What are your ambitions (local, national international?)\_ (250 characters)

#### 10. Expectations

a. What do you expect from the Local Ateliers? (250 characters)

#### 11. Giving back

a. How are you going to contribute to the community within the Local Ateliers? (250 characters)

#### 12. Objectives

a. What are your top 3 goals that you want to achieve within the acceleration program (500 characters)

#### 13. Video

a. Convince us through a 1-minute video. Be creative!

The call should be launched as soon as possible, and the info-sessions should be organized within the first 2 weeks from the date of the launch. The call should be open for at least 1 month. The call will have to announce the obligation of the winners to take part into the acceleration program (calendar of the training academy, coaching sessions, board rooms etc.).

## Selection process

The selection process takes place through two steps:

1. Screening of the applications (2 days). Each application must be read by 3 people that will judge them through an evaluation grid that will consider:

- a. Product and/or service
- b. Team composition
- c. Goals and ambitions
- d. Market potential

This will allow the preselection of a specific number of candidates who will be invited to the second part of the selection process.

2. Pitch day. Candidates who have passed the first selection will be invited to pitch in front of a jury through the classic 3+7 format (3-minute pitch plus 7 minute Q&A).

At the end of the day the jury will have selected a minimum of 5 entrepreneurs per atelier to be inserted in the acceleration program.

The jury should be ideally composed of 5 personalities who could be:

1. Successful creative entrepreneurs
2. Experts in creative industries
3. People from the finance and banking industries
4. People from the local public administration

It might be necessary to invite preselected entrepreneurs to attend a half-day seminar on “how to prepare your pitch” between step 1 and step 2.

The selected entrepreneurs will then enter the TRACES acceleration program.

## TRACES Academy

A fundamental component of the TRACES acceleration program should be the Academy that will enable the selected entrepreneurs to access start-up development and management skills that they can apply while developing their own idea.

The TRACES Academy will take place over the course of 5 months (1 day a month) at the different locations where the Local Ateliers will be established. Participation to the academy should be made compulsory. The topics could be the following:

1. Basics of start-up management
2. Business modelling and planning for creative entrepreneurs, testing and validation
3. Customer journey and customer experience
4. Financing my company: where and when to ask for money
5. Crowdfunding: setting up a proper campaign
6. Founders and team issues
7. Marketing and sales

## Support

Coaching and entrepreneurship support actions can take place under various forms. The following are two services that can be activated within the Local Ateliers and that if put together can provide great added value to the selected entrepreneurs.

## 1-2-1 Coaching

Every entrepreneur who has been accepted in the TRACES Acceleration program should receive a minimum of two sessions of coaching per month. This will allow the entrepreneur to progress rapidly and to the staff to have a clear understanding of the advancements undergone by the entrepreneur to better direct needed support, which can take various shapes and forms, such as:

- a. Orientation towards the next steps to undertake with setup of milestones and key process and performance indicators;
- b. Definition of professional services needed during the acceleration path undertaken by the entrepreneur within TRACES program;
- c. Organization of contacts and connections with local, national and international stakeholders to support business development of the companies;
- d. Support to the numerous issues raised by the entrepreneurs (how to go about with...?).

## Boardroom

The entrepreneur should be able to pitch the advancement of his business to a boardroom whose members could provide great added value in terms of tips and suggestions. The boardroom should be entrusted also with the ability to kick out an entrepreneur if it assesses unjustified lack of commitment towards the TRACES acceleration program.

Boardrooms should happen at least once every two months and each entrepreneur should receive attention for a minimum of 30 minutes, where she/he gets the opportunity to pitch for 10 to 15 minutes and then intake comments and inputs from the board members for 15 to 20 minutes.

Members of the board could be chosen among the following:

### 2. Successful creative entrepreneurs

3. Partners of the TRACES project (during the project's life)
4. Key players of the local and regional creative industries
5. Regional and local authorities
6. Representatives of the local financial sector

## Community gatherings

Each supported entrepreneur should be able to communicate to the other members of the Local Ateliers about the status where she/he finds itself, about the key successes and the weaknesses of its operation. Gatherings should take place once a month and put together the creative entrepreneurs of all the Local Ateliers in one collective meeting, that could be made to coincide with the agenda of the Academy, to ensure economies of scale. Meetings should be coordinated by the staff of the Local Atelier.

## Graduate

Under this phase the Local Ateliers will define the services they can provide to creative entrepreneurs once they have finalized the acceleration program. To this end various possibilities exist, such as:

1. Logistics: possibility for the alumni to continue using the facilities of the local atelier (coworking);
2. Drawing up of specific programs and opportunities designed to support growth of successful creative companies such as:
  - a. Participation to specific calls of interest to the creative communities;
  - b. Internationalization support to access international market (pilot can be drawn with Western Greece);
  - c. Access to available financial instruments;

3. Access to roster of experts (e.g. accountants and lawyers) who have a partnership with the Local Ateliers, and therefore are specialized in serving the creative communities.

This element of the program, although not falling directly in the acceleration scheme can be crucial to enable future sustainability of the operations, as these specialized services should be accessed via a well-established fee structure.



## Governance and sustainability

### Coordination

The coordination among the 5 local ateliers is crucial. Indeed, it is advised to set up the Local Ateliers to be respondent to, and running, the same acceleration program, as to increase impact and visibility around the Apulia region. Coordination should be provided by one of the project partners who would embrace the role even following the closure of the TRACES project. This would facilitate sustainability.

Coordination is also very relevant given the capacities to learn from the experiences acquired by the singular Local Ateliers through an enhanced learning-by doing approach that will tailor better support services and an improved acceleration program in the future.

To this end, the proposed acceleration model encourages coordination by sharing the main events of the program itself. The Academy indeed should take place over time within the premises of the 5 Local Ateliers, and entrepreneurs and staff members are therefore forced to move into the various locations. Community gatherings are also construed to facilitate coordination and a learning by doing approach through the exchange of experiences and practices.

A central coordination will enable also the ongoing collection of data that will enable a general assessment and evaluation of the acceleration process that will produce evidence for the continuation (or not) of the program itself.

Furthermore, a more central coordination will allow opportunities coming from local, national and international ecosystem to be conveyed in a more efficient manner.

To this end it is necessary that the Local Ateliers agree on a committing to a democratic decision-making process that will empower one of them (or a third party altogether) to act as coordinator. This is fairly easy during the lifetime of the TRACES project, but not to be given for granted once the project ends.

## Sustainability

How to reach sustainability is the million-dollar question that needs to be answered, especially in the case of the TRACES accelerator, since the TRACES project is half way through, and there is time and budget to launch the activities to support just one cohort of creative entrepreneurs.

There is no clear budget that can be made available to the Local Ateliers to enable the full acceleration program to be replicated in the next future, therefore the whole operation might be difficult to replicate.

On the plus side, the Local Ateliers will be based in existing organizations, and therefore staff and cost staff can be more easily internalized by the organizations that will host them. However, they will represent an additional cost, as additional activities bring additional costs.

Moreover, there needs to be a way to ensure that the staff has adequate funding to guarantee that operations take place, budgeting a for example a training academy to take place twice a year and gatherings and coaching to effectively happen on a daily basis... not considering equipment, spaces and overheads...

A full budget needs to be elaborated to understand the full level of monetary commitment that is needed to enable the Local Ateliers to run an impactful acceleration program over the years.

Revenue streams can come from different sources:

1. Public sector subsidies and contributions – the Local Ateliers by servicing local creative entrepreneurs are engaging in a mission of public interest, therefore it should be natural for public sector to contribute specifically to the implementation of the acceleration program
2. Private sector funding – different revenue streams could be considered under this heading such as:
  - a. Corporate social responsibility funding from corporations operating in Apulia
  - b. Sponsoring from SMEs and Corporations of the region
  - c. Investments from the local financial institutions in support of the local creatives

- d. Revenues from fees to more structured creative companies that can pay for specialized services
- e. Membership fees, if we could consider an “membership based” approach, where creative entrepreneurs gather to find opportunities and share experiences

Finding the right balance to put to a test should be a priority for the TRACES Project.