Estlat-Accelerate project
Impact assessment, replication potential and recommendations

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Tartu

Riga

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Estlat-Accelerate project overview

- **Project**: Pre-accelerator program for boosting Estonian-Latvian startups.

- **Program**: Interreg Estonia-Latvia.

- **Priority**: Increased entrepreneurial cross-border cooperation in the program area.

- **Duration**: 1 May 2017 – 30 April 2019.

- **ERDF funding**: 454,920 EUR.

- **Partners**: Baltic Innovation Agency, TechHub Riga, University of Tartu, Garage48, Latvian Startup Association.

Estlat-Accelerate main outputs

- **3 rounds** of pre-acceleration programs jointly organized in Tartu and Riga.

- **27 pre-acceleration events** organized, including 7 ideation workshops, 3 hackathons, 6 mentoring workshops, 3 mentoring academies, 6 graduation days and 2 joint study visits (officially promised: 24).

- **38 teams pre-accelerated** (officially promised: 20).

- **434 participants** at project events (officially promised: 210).

- **Brochure** „Quick guide to acceleration" published.

Estlat-Accelerate impact and quality assessment

Participant feedback

- After each of the 3 batches of teams graduated from the pre-acceleration program, an **online feedback survey** was carried out among the participants.

- The survey **focused** on:
  - What the participants thought of each of the organized events;
  - What the participants thought could have been better regarding the events;
  - How the participants felt they benefitted from the program;
  - What the participants though could have been improved in the program on the whole;
  - How the participants rated their commitment to the program activities;
  - Where the participants currently were in terms of registering as a company.

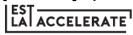- A total of **27 responses** were received, the **average scores** are presented in the following slides.

Participant feedback – event assessment

- Out of the 5 types of events offered to the teams (ideation workshops, hackathons, mentoring workshops, mentoring academies, graduation days), the **majority awarded 4 event types with the highest rating („It was great!")**.

- The only exception was **ideation workshops**, which the majority (67%) gave the second best rating (**„It was good"**). The qualitative part of the survey revealed that the participants appreciated events with **longer mentoring sessions and one-on-one feedback,** whereas the ideation workshops were designed as pre-events for hackathons, focusing on advising many participants and on having general discussions, not so much on tailored support.

- The lowest ratings („It wasn't that great" and „It was bad") were used **very infrequently** (0-4.3% of respondents).

Participant feedback – event assessment

- The mostly popular and highly rated events were **hackathons** (83% „It was great!") and **graduation days** (69% „It was great!"). The participants especially liked that these events offered **interesting speakers** and the chance to **pitch to larger audiences**, something that many hadn't experienced before.

- Here's what the **participants said about hackathons and graduation days:**
  - The hackathon was wonderful.
  - Very good experience of attending the sTARTUp day and dinner at graduation.
  - Very interesting speakers.
  - In terms of self-development – pitching experience was great!
  - Everything was great. I don't know what else could be done to make these events better.
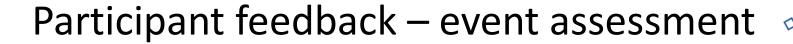 - Great experience and practice.

Participant feedback – event assessment

- **Mentoring workshops** and **academies** received very good, yet somewhat lower ratings (47% and 63% „It was great!", respectively).

- Similarly to ideation workshops, this can be attributed to the participants' preference towards **longer one-on-one mentoring sessions** with **industry-specific coaches** – something that wasn't always doable, given the time constraints and availability of experts.

- On the other hand, the participants appreciated many of the **mentors' experience**, the offered **mentoring sessions** as well as the **training content** provided (especially related to **pitching**).

Participant feedback – event assessment

- Here's what the **participants said about mentoring workshops and academies:**
  - Everything was awesome and mentors were huge help for us.
  - Useful and interesting.
  - I found two things useful: pitching and mentoring sessions.
  - Got some really good feedback from mentors.
  - Very good training on pitching.
  - Good mentoring format, no rush this time. Good guest lecturer – I found the topic of advertising very useful. Great trainer teaching us how to make pitches.
  - The mentors were really great! Good advice on product marketing and price testing.
  - Got new insights and practice with mentors.

Mentoring, pitching and workshops throughout Estlat-Accelerate

Participant feedback – event assessment

- In the 3rd batch, a special offer was made to attract participants – the opportunity to take part in the **international startup festival Slush** in Helsinki.

- This event proved extremely successful with **100%** of the respondents rating it as **„It was great!".**

- Here's what the **participants said about Slush**:
  - The BEST event I've ever been to! So inspirational and I got many amazing connections and lots of good thoughts.
  - Truly a great event!
  - Great networking!
  - The whole trip was organized really well.
  - The more travelling, the better.

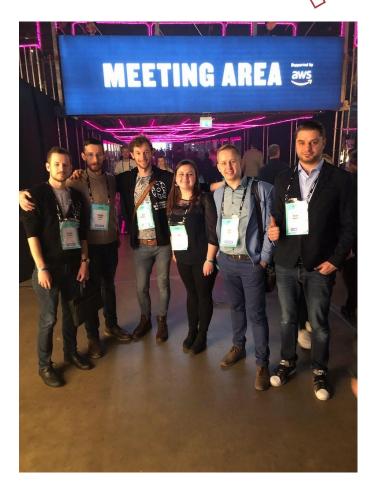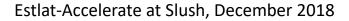Estlat-Accelerate at Slush, December 2018

Event assessment – to be improved

- The teams would prefer **longer mentoring sessions** so they could discuss their specific needs and challenges in more detail.

- **More informal events** with other teams could be organized besides formal training events so the participants could share their experience.

- The teams would prefer to get mentoring from **coaches who have specific experience** in their field of operation.

- Some found that on the graduation day, **personal feedback** to each of the teams could be provided besides declaring the winning teams.

- It was also said that the graduation days should involve **prizes** to make the program more attractive for startups.

- Some thought that the program was maybe too flexible – that instead, a **stricter framework of requirements** should be imposed on the teams.
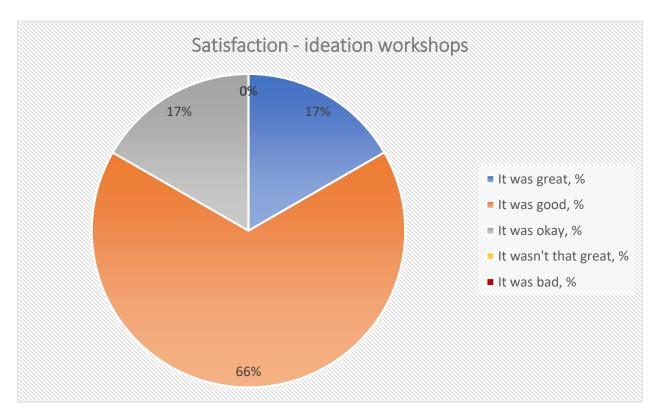
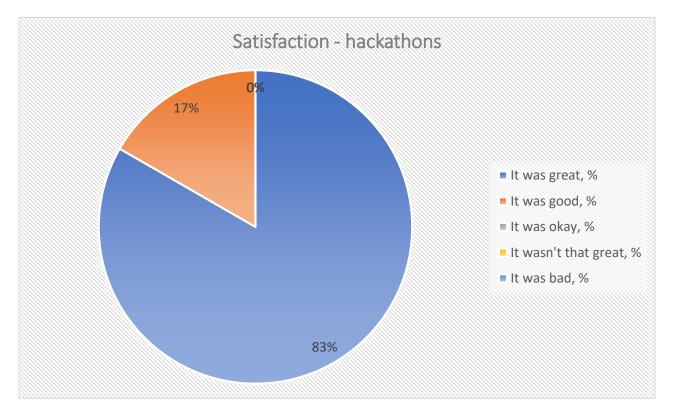# Participant feedback – ideation workshops

Satisfaction - ideation workshops

- It was great, %
- It was good, %
- It was okay, %
- It wasn't that great, %
- It was bad, %

17% 0% 17% 66%

Participant feedback – hackathons

Satisfaction - hackathons

0%

17%

83%

- It was great, %
- It was good, %
- It was okay, %
- It wasn't that great, %
- It was bad, %

Participant feedback – mentoring workshops

Satisfaction - mentoring workshops

- It was great, %
- It was good, %
- It was okay, %
- It wasn't that great, %
- It was bad, %

47%
39%
11%
3%
0%

Participant feedback – mentoring academies

Satisfaction - mentoring academies

- It was great, %
- It was good, %
- It was okay, %
- It wasn't that great, %
- It was bad, %

63%
34%
3%
0%

Participant feedback – graduation days

Satisfaction - graduation days

- It was great, %
- It was good, %
- It was okay, %
- It wasn't that great, %
- It was bad, %

69%
18%
8%
5%
0%

How did the teams benefit from the program? Most popular responses:

- **„I strongly agree that..."**
  - „...I intend to go on with the business idea after participating in the program" (60%).
  - „...our core team is still together and developing the idea after participating in the program" (61%).
  - „...I am happy that I joined the program" (63%).
  - „...I would recommend others to join the program" (57%).

- **„I agree that..."**
  - „...the program helped me develop the initial business idea significantly" (54%).
  - „...the program gave me relevant contacts" (59%).
  - „...we are now ready to join a „real" accelerator" (45%).

How did the teams benefit from the program? Most popular responses:

- **„I am not sure if…"**
  - „…the program gave me enough skills and knowledge to start a company" (44%).
  - At the same time, 52% said they had already registered their team officially as a company, 24% said they had plans to do so in the next couple of months and 13% in the next year or so.
  - Only 8% said they don't have plans to register their company, while 3% admitted they didn't work out as a team.

- **„I disagree that…"**
  - „…the program helped me find new team members" (30%).
  - This was expected as no activities were foreseen for actual team-building in the mentoring program phase, i.e. once the teams passed the hackathon phase.

The commitment of teams

- When asked about their **team's commitment** to the program activities and events:
  - 25% said it was „very strong".
  - 38% said it was „strong".
  - 32% said it was „average".
  - 4% said it was „weak".

- Estlat-Accelerate was not a strict program with specific requirements, but rather a **series of opportunities and events** that the teams could take to advance their business, so it was ultimately up to the teams to decide how much they benefitted from the program.

- According to the project concept, the teams will most likely join a full-time accelerator program **after graduating from the Estlat-Accelerate pre-accelerator,** so flexibility in the pre-acceleration phase was intentional.

Validating the impact assessment results

- A **focus group** was organized in April 2019 as part of the Estlat-Accelerate final event.

- **17 people** took part in the focus group.

- **10 Estlat-Accelerate alumni teams** were represented.

- The **aim** of the focus group was to:
  - Get an update from the teams regarding their current status.
  - Discuss the positive and negative aspects of the program.
  - Explore how to improve the program/concept for future applications.
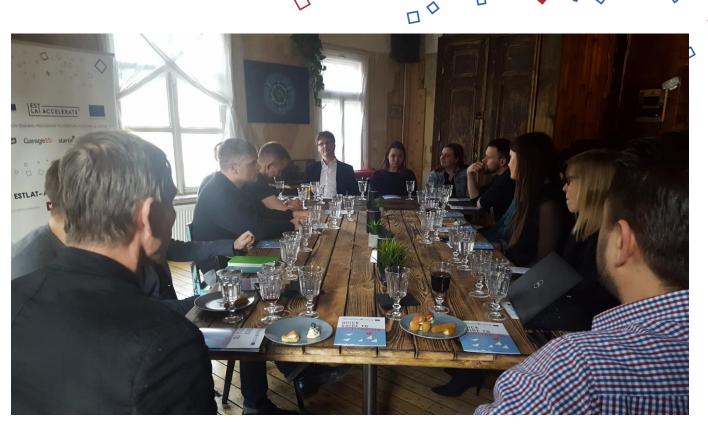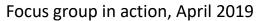
Focus group in action, April 2019

Validated results – positive aspects

- The program helped to **focus** the business idea (including narrowing down target users, specifying the MVP etc.).
- The program gave a good understanding of **what needs to be changed**, what needs to be focused on.
- The program ultimately **saved time**, helping to figure out whether the business idea should be pursued or not quickly.
- **Improved skills** in terms of business problem development, pitching, pricing etc.
- The program gave a lot of **experience** and **useful information**.
- The mentors asked **critical questions** that the teams themselves might have not thought of yet.
- The program enabled a lot of **good introductions** to industry people.
- The program had a **snowball effect**, opening up various opportunities through contacts, e.g. joining other startup programs.
- It was motivational to see **other like-minded people** working around you.

Validated results – to be improved

- The workshops would have a bigger value if **more time was allocated** and there wasn't a sense of rushing.

- The mentors didn't always have **relevant industry experience**, so the teams perceived less benefits from these sessions.

- In terms of skills development, **team-building and team formation** would also be appreciated.

- The teams might need more of a **push to get the results**, the program was very flexible and lenient.

  - At the same time, some participants appreciated that the program wasn't very strict, so it was **possible to take part of the program and still have a full-time job**. Most likely, that's not possible when entering an actual accelerator. It was agreed that this kind of pre-acceleration is invaluable with full-time employment and in case people are not ready to fully commit to entrepreneurship yet.

Assessment of the pre-acceleration concept in the program area

Based on the participants' experience

- Pre-acceleration in the program area is **necessary** because:
  - The concept **helps to save time** by encouraging the participants to figure out in a short timeframe whether the business idea is worth pursuing or not. This is especially important as the number of startups is constantly increasing and it is crucial to validate ideas quickly instead of planning them for years.
  - Flexible pre-acceleration programs like Estlat-Accelerate can be completed while **maintaining a full-time job,** making it expecially attractive for first-time entrepreneurs who are not ready to fully commit to entrepreneurship yet as well as to scientists who wish to proceed with research while engaging in entrepreneurship.
  - It **opens up new opportunities** by getting involved in the local startup ecosystem, e.g. making relevant industry contacts, meeting acceleration program managers and getting visibility through the project events.

Based on the project team's experience

- Pre-acceleration is a **good preparation** for joining a full-time accelerator, especially when it comes to making relevant contacts and shaping skills like pitching, business problem development, pricing, product-market fit etc.

- Statistically, **there should be more pre-accelerators** than actual accelerators:
  - **Pre-accelerators** give a valuable experience to people playing with the idea of entrepreneurship, help them validate their ideas and prepare them for actual accelerators.
  - **Accelerators** benefit from a better deal-flow of good-quality teams if there's a link between idea generation events like garages and hackathons and full-time accelerators – pre-acceleration is perfect for that.

Replication potential and exploiting the results

Learning from Estlat-Accelerate

- To **improve the concept** of pre-acceleration in Estonia-Latvia even more, we should learn from participant feedback that:
  - Pre-acceleration programs should definitely involve mentoring sessions, but to benefit the teams even more, **more and longer one-to-one mentoring sessions** could be considered.
  - A **wider pool of mentors with different backgrounds** should be engaged in one-on-one sessions, taking into account the focus of the program and the background of the teams.
  - The participants rated **hackathons** as the first major step and **graduation days** as the last major step of the pre-acceleration program with the highest scores, so these are the elements that could be considered in new programs as well.
  - The program could also include regular **informal meetups for the teams** so they could share their experience and discuss common challenges.
  - To increase the attractiveness of the program, **more prizes and incentives** should be included (e.g. joint attendance at Slush was very much appreciated).

Learning from Estlat-Accelerate

- To **improve the concept** of pre-acceleration in Estonia-Latvia even more, we should learn from participant feedback that:
  - Before pre-acceleration, many of the teams haven't had **pitching experience** yet, so trainings on pitching skills with plenty of opportunities to pitch their ideas at various smaller and bigger events is a must for new programs.
  - The training content could also put more emphasis on **team-building** and **team formation** as teams break up easily in this phase of company building and it's always relevant to find good people.
  - The program could have some **mandatory elements/requirements for graduation** (e.g. No. of events attended, No. of mentoring sessions passed) so that the teams would commit themselves even more to the program.

Learning from Estlat-Accelerate

- To **improve the concept** of pre-acceleration in Estonia-Latvia even more, we should learn from the project team that:
  - Pre-acceleration programs (and similar startup fostering incentives) **should not directly aim for cross-border team creation**, as setting such a KPI oftentimes results in building artificial and unstable teams.
  - Instead, these programs should focus on defining a **commonly interesting challenge** as well as **strong networking** of the participant pool for creating shared-value teams over a longer period of time.
  - It's important to keep in mind that one of the main aims is to help startup teams to **prepare for full-time accelerators**, so advice on joining accelerators, fostering relevant contacts etc. are crucial for pre-accelerators.
  - To increase the teams' commitment to the program activities, it could also be considered to make teams' **regular updates to the program managers** mandatory.

Exploiting the results

- Tailored pre-acceleration programs geared towards specific target groups, e.g. wannabe spin-off scientists and corporate spin-off teams, could be advantageous in **providing deal-flow variety** for regional accelerators.

- The project partners are on the lookout for **additional funding opportunities** to carry on developing the pre-acceleration concept in Estonia and Latvia (and with the right partners, why not also in the Baltic Sea region or beyond).

  - Pre-acceleration is **gaining ground all over Europe** as a crucial step before applying for full-time accelerators, providing mentoring, coaching and visibility to the teams instead of actual funding.

Estlat-Accelerate 'Quick guide to acceleration'

- Helping teams to navigate the water of startup acceleration.

- Explaining the role of acceleration in starting up.

- Tips on how to prepare for acceleration and use it as efficiently as possible.

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