Guide to Impact Incubation and Acceleration

Collaborative Insights and Strategies in the Asia-Pacific
The creation of this guide was a truly collaborative effort.

The information available in this guide was originally created for Frontier Incubators, a capacity building program for incubators and accelerators with an impact focus working in South Asia, Southeast Asia, and the Pacific Islands.

Frontier Incubators is part of the Scaling Frontier Innovation program, an initiative of the Australian Department of Foreign Affairs and Trade, which supports social enterprises to scale their development impact in the Indo-Pacific region.

Frontier Incubators was delivered by a consortia of SecondMuse, Conveners.org, and ygap.

SecondMuse builds economies of the future in collaboration with visionary cities, countries, nonprofits and startups.

Conveners.org recognises the transformative power that convening, when done right, has to positively change the world.

ygap is an International Development not-for-profit with an innovative approach to poverty alleviation.
The wealth of content that can be found in this guide was developed by eleven incredible incubator and accelerator organisations who delivered the capacity building component of the Frontier Incubators program. It is their knowledge, experience and expertise that you see on each and every page of this guide. Without them, neither the Frontier Incubators program, nor this Guide to Impact Incubation and Acceleration would have been possible.
Many of the Frontier Incubators participant organisations also contributed to the creation of this guide by reviewing content and providing real-world case studies. Their contribution has helped to make this guide as practical and relevant as possible for intermediaries like themselves, who are delivering incubator and accelerator programs in a variety of sectors and contexts.
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Introduction

The Guide to Impact Incubation and Acceleration is an interactive resource for entrepreneurial support organisations (ESOs) who are running impact-focused incubators or accelerators in the Asia-Pacific, and beyond.
The Gender Lens Incubation and Acceleration (GLIA) toolkit is an interactive resource, to guide accelerators and incubators (or ‘intermediaries’) through the journey of uncovering how our activities impact, and are experienced by, different gendered groups. This toolkit will equip us as intermediaries with the mindset, strategies, and frameworks to amend and improve both our organisation and program to increase accessibility and inclusivity of our work by all genders.

As intermediaries, we work directly and deeply with entrepreneurs as well as the ecosystem that supports them. In doing so, we are in a unique position of power. We have the opportunity to drive and influence gender-equitable change by identifying and solving for disparities and gaps that exist between people of different genders. This can be done using two distinct approaches:

Learning and innovation go hand in hand. The arrogance of success is to think that what you did yesterday will be sufficient for tomorrow.

WILLIAM POLLARD
KisStartup Innovation, Vietnam

KisStartup’s vision is to make a valuable contribution to the increase of innovation efficiency for ASEAN and Asian startups and enterprises, right from their business model generalisation and market validation stages, and assist them to realise the innovation and startup dreams in the regional area and in the world. We realise our mission through a series of activities: training, coaching, mentoring, research, community building, and knowledge sharing.

The Problem We Were Facing

We needed to clarify our business model to focus on 2-3 products and services. Previously, we were working with different stakeholders in the startup ecosystem, such as universities, governmental agencies, corporates and startups, and were providing them with training, coaching, and mentoring. However, we were unsure of which strategy to take.

At the same time, we wanted to add more value to our startups by giving them the chance to access to angel investment. But we did not know how to start!

REFLECTION

In Vietnam, angel investment is a new concept. People invest in the stock market and real estate, and normally look for quick returns on investment, which means they want to invest in profitable projects in a short time. Mentoring is also new to the market, so that efforts in building an angel investment network, so far, have not really been effective.
CASE STUDY

How We Addressed It

We are working as a profit-based company and, as a result, we are not very experienced at applying for grants. Frontier Incubators (FI) is the first-ever program that we applied for because we saw it as our chance to learn.

When we joined FI, we spoke to every expert in the field that we had a chance to meet. We asked them questions and spoke to them about the challenges that we faced, our strengths, and our weaknesses. We are well aware that we are small and new, so we won’t be able to do everything at once. What we can do, however, is connect people with an insightful and quality network. We work with different stakeholders in the startup ecosystem in both the public and private sectors.

Our Frontier Incubators Experience

Thanks to FI, our team has learnt that a lean team can be even more effective. Our team has learnt to qualify the network that we make, build strong cooperation with partners and focus on our startups’ pain points in order to build value for them.

Thanks to FI’s experts and mentors from organisations like Fledge and Spring, we have been carefully working, step by step, to clarifying our vision and mission. We are now defining action plans for developing corporate innovation activities and are also working to develop an angel network.

We really appreciate the opportunity to work directly with Spring in Hanoi, as we were able to work intensely on our vision, mission and values.

The Angel Accelerator series, run by Fledge, was great for us to better understand the market. Some content has even been translated into Vietnamese to help us gather our very first local angel investors, and educate the market. We treasure the mentorship we received as it has really helped us to shape the mindset of being prepared, not being rushed, and doing careful market discovery.

REFLECTION

Through innovation and entrepreneurship training, we have been able to open up even more networks and more potential cooperation. We take firm actions rather than quick actions, and we test the market with a lean startup methodology. By moving quickly, we are able to make fast decisions, based on what we have learnt from reality.

In November 2019, a local fund of angel investors officially signed a cooperation agreement with KisStartup to fund projects in agritech and e-commerce.

With our strengths in innovation and entrepreneurship capacity building, as well as our growing network, we will be a perfect match for the fund.
Investing in our human resources is always the best ever strategy especially when incubators and/or accelerator activities are almost the same everywhere. What makes you different is how you deliver it. People make a great deal of difference, they are your value delivery channel above all.

Support programs like FI will only ever contribute effectively to our growth, when we are aware of our problems and keep asking good questions. There are always good listeners who give you good questions to think about.

No matter how many experts you meet or how much advice you are given, you and your team are the only ones who can decide how to move forward. Keep building hypothesis/MVP like a startup, measuring them as hard as you can with clear KPIs and data, and learning as much from them as possible. In short, the Build-Measure-Learn loop from lean startup really works if you are serious in applying it.

Mentors are important for startups and for intermediaries as well. Therefore, building a mentor network requires effort and patience, but it will bear fruit in the long run.

Coaches who can ask good technical questions are important. They are complementary to mentors in every incubator or accelerator.

"Bird in hand"- making best use and building everything from your strengths is the best strategy.

Do not forget we put them in the centre of every activity. Sometimes, for short term survival, we forget this and focus on something else. However, when we are clear and remind ourselves often, we find the meaning in whatever we do.
Incubators and accelerators are structured support programs aimed at building key capabilities and refining business propositions that are generally run by entrepreneurial support organisations (ESOs), sometimes referred to simply as incubators or accelerators.

While definitions and offerings vary, it is generally agreed that incubators support entrepreneurs and early-stage ventures, while accelerators work with more mature ventures.

Why Incubation and Acceleration?

What Makes Them So Important?

These programs and the organisations that run them play a critical role in the development of entrepreneurship by increasing awareness of entrepreneurial opportunities and pathways, providing vital early-stage support, and facilitating engagement between key stakeholders (i.e. entrepreneurs, investors, corporations, and government).

The Impact of Incubation and Acceleration

If these organisations and the ventures they support have an explicit focus on creating a positive impact through their work, then these efforts can represent a localised, sustainable approach to development. An approach that focuses on supporting local individuals or organisations to address relevant issues in more appropriate ways, and through this, creates both social and economic value.

There are many examples of ventures growing and delivering both financial returns and development outcomes. They are often referred to as either social or inclusive businesses, social enterprises, or impact ventures. There is growing interest in these models from governments, corporations, development organisations, and investors, and as a result, more incubation and acceleration programs are focusing on ‘impact’.

By supporting incubation and acceleration programs and working with ESOs we can raise the quality and stability of support for entrepreneurs.

This can contribute to the development of more viable ventures, increased investment, and the scaling of valuable products and services.
INTRODUCTION

While the growth (in quantity and quality) of impact incubation and acceleration programs is important, so too is the growth of broader support systems, as ventures require many types of support over time to grow.

ESOs can (and often do) also improve the conditions for entrepreneurship by working on a set of complex interdependent factors often referred to as the ‘entrepreneurial ecosystem’.

While definitions vary, this generally refers to the various actors, resources, and qualities that shape the environment in which ventures operate.

While an ESO might generate many promising ventures, without follow-on financial and non-financial support these are unlikely to grow. Or, even earlier in the process, aspiring entrepreneurs might struggle to even register their business.

By working directly with groups of entrepreneurs ESOs have a ‘finger on the pulse’ of the ecosystem – this is what makes them so well placed to engage in ‘ecosystem building’. This is not something that an ESO (or any actor for that matter) can do alone, as these are complex systems made of many dynamic parts. However, in situations like those above, ESOs can highlight issues and catalyse efforts to address them.

EXAMPLE

Rural Healthcare Incubator

An incubation program attracts an application from a group interested in improving rural healthcare.

Their knowledge of the local dialects and customs could enable them to more easily engage communities, and to understand the nuanced issues with existing services.

Through this process they could develop a culturally appropriate service model that centres on training young, local women to mediate and translate between doctors and the community, helping to address trust and language issues.

This model could improve service uptake and health outcomes, while also providing employment.

The Role of Incubators and Accelerators in Ecosystems

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REFLECTION

The vibrancy of the ‘entrepreneurial ecosystem’ can be measured by the availability of talent, capital, and other resources required to grow, and the persistence of barriers to growth.

This could involve engaging potential angel investors, building a mentor network, supporting the production of guides that assist with navigating incorporation, or even working with the relevant government departments to simplify the process.
The Role of Incubators and Accelerators in Ecosystems

The Frontier Incubators program and this Guide have both sought to contribute to the development of ESOs, particularly in the Asia-Pacific region, by strengthening their operations and supporting their learning.

But they are just a starting point and an invitation to do more. For ESOs to more effectively support ventures and the development of ecosystems, they too need support. Development organisations, corporations, universities, governments, and more can all play an important role in this.

This is exciting, but improving the quality of support is also important. This was the aim of the Frontier Incubators program.

Acknowledging the different roles that ESOs can play is an important step towards better supporting them, and leveraging their unique position and capabilities to develop more robust ventures and more vibrant ecosystems.
How to Use

This guide covers a range of different topics relevant to incubators and accelerators. It was designed to be explored in the way that suits you and your organisation best. This may involve reading the entire guide from cover to cover, or you may wish to dive into the topic area that most interests you first. If you prefer to work offline, there is also a PDF version of the guide available for download at the link below.

There is no right or wrong way to engage with the information in this guide. We hope that you enjoy exploring the different ideas within it, innovating with your teams and creating your own practices, processes and solutions to create even more impactful incubators and accelerators. Happy exploring!

How should I get started?

You can decide what path you want to follow:

- **Continue Offline**
  Download a complete PDF of the Guide to print or to read offline
  [DOWNLOAD PDF]

- **Content Map**
  Select a specific area on the content map and jump straight to that section
  [VIEW MAP]

You may also want to read through each section one after the other. This can be done by clicking the Begin Section button in the Next footer of each page.
Sharing This Guide

This guide was created with the intention of supporting further learning in the areas of incubation and acceleration. You are encouraged to share this guide with your peers – either in its entirety or in individual sections.

If you wish to include parts of this guide in your own work (e.g. in a report or on a website) we ask that you please credit the guide according to the below.

This guide was created with the intention of supporting further learning in the areas of incubation and acceleration. You are encouraged to share this guide with your peers – either in its entirety or in individual sections.

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Working With People

How to work with and for the people that make your incubator or accelerator possible.
Working With People

Behind all of the program design, curriculum delivery and investment opportunities, incubator and accelerator programs are all about different people coming together to help one another to improve. Who those people are and how they interact with each other can really shape the effectiveness of your program and the kind of experience it creates for all involved.

This section looks at how to work with the people of your incubator or accelerator program; from the members of your team to the individuals in your cohort. It provides strategies and processes for selecting those that bring the most value to your program, and for supporting them to get the most value out of it.

**PURPOSE**

To get you thinking about the people that make up your team and your cohort and the different approaches you can take in working with them

**OUTCOMES**

- Reduced risk of mismatched teams or cohorts
- Improved ability to raise funds
- Techniques for effective management of difficult cohort members
- Practical ideas for ending programs well
- Practical ideas for setting up cohorts for future success
Building a Team

Your team is the face, the brain and the heart of your incubator or accelerator. They help to shape how your program is designed, who participates in it, what they learn and how they learn it. Your team is a strategic asset.

This section provides high-level strategies for bringing together the right people, with the right skills at the right time. It addresses the importance of company culture in uniting a team, and demonstrates how team structure can be designed to generate the best results.

Note: Full descriptions of all contributors can be found in the Index.
Put Talent Before Dollars

Traditionally, organisations think about raising money before recruiting talent on their teams. They believe that once they raise enough money, they will be able to find the right skills and talent to fulfil their mission. In this way of thinking, hiring is seen as an administrative, rather than a strategic responsibility.

In contrast, successful businesses understand that human capital (the team) is a strategic function that is critical to business success. In order to succeed organisations need to think about recruitment as a prerequisite to fundraise.

Develop People Internally

As new people are brought into an organisation, it is important to figure out what their strengths are and how they want to grow. By nurturing that talent, you will generate the most value from that individual, and will ultimately provide them with an employment experience that benefits them and their career.

It is important for organisational leadership to have an ongoing understanding of the skills and capabilities that exist within their teams, and to constantly evaluate those skills against the next milestones of the business.

Replacing members of your team can be a difficult but necessary decision, in some circumstances. By keeping an ill-suited team member on staff is not only damaging to the business, but it may prevent that person from finding a role that inspires and challenges them.

The best-performing CEOs spend more than 50% of their time on people, the worst spend less than 10%  

Shell Foundation & Village Capital

Reflection

People buy-in to a business vision for different reasons. Think about what you can offer them beyond an initial $ amount.

A lack of strong human capital is often the root cause of enterprises not being able to attract sufficient capital or funding.

If investors see too many holes in skills and experience they may see the business as too risky for investment.

Practical Tip

When evaluating the skills and capabilities needed to move the business forward, it is helpful to ask:

- Who has this skill already?
- Who can I build up and support to develop this skill further?
- Who is no longer serving the team?
- Are they more suited to another team or department, or do they need to be replaced?
Levelling Up People and Culture

Column 1: 5min
First, let’s revisit your next milestones. Take a few minutes in the first column in your workbook to identify 5 big things you need to accomplish in the next 18 months, whether to prepare for your next set of programs, to get to the next stage of your business, or to get ready for your next fundraising season.

Column 2: 5min
In the second column, write down the skills needed for each of these things to happen. Some examples are below.

**Team:** Ability to create key partnerships, Ability to build the product, Subject matter expertise

**Programming:** Functionality, Curriculum, Facilitation, Materials (selection, packaging)

**Value proposition:** Sales ability, Marketing, Distribution

**Business model:** Revenues: market understanding for pricing

**Costs:** financial management (budget, cost control)

**Scale:** Process management, Hiring, training, onboarding, Design and measure outcomes/ quality control

Column 3 to 5: 15min
Assess which skills exist internally and which you need to source from other places.
Assess when you would need these skills.
For these skills, brainstorm some real people or backgrounds experience who could fill them.

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**When the right people have the right attitude, anything is possible within a team.**

CHRIS O’NEILL, THE ĀKINA FOUNDATION

Source: The Hitachi Foundation & Broughton Consulting
CASE STUDY

Culture of the Ākina Foundation


The values of Ako, He Tangata and Bold Action are a key touchstone to the Ākina Foundation and have been chosen to be really unique to the organisation.

Ten principles help Ākina to enact their values in their day to day work. These principles are not about how the team relates to each other, but rather inform how the organisation makes decisions and executes their work. e.g. community-led or fail fast.

Ākina uses three protocols from the list of Core Protocols from Jim McCarthy and Michele McCarthy. These are practical activities consisting of defined steps and commitments. When used regularly, protocols can help to create a shared understanding of and language around how an organisation operates.

Source: The Ākina Foundation

PRACTICAL TIP

Teams look to their leaders to establish norms and expectations around an organisation’s culture.

It is the role of leaders and managers to:

- Articulate what the culture is and why it is important
- Provide an example of that culture as it plays out in the day-to-day realities of their work

WORKING WITH PEOPLE

Commit to Culture

One of the most important things you can do with the people who make up your team is to talk to them about culture. When shared effectively, an organisation's culture can help to guide a team in everything that they do.

A successful organisational culture is one that is understood and lived by people at all levels of the organisation, from the CEO to the most recent hire. A strong and unified culture can be even more effective at bringing teams together than an organisational strategy.

Organisational culture can be established and reinforced through a number of structural elements, such as organisational values, principles, rituals and activities.

PRACTICAL TIP

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It is the role of leaders and managers to:

- Articulate what the culture is and why it is important
- Provide an example of that culture as it plays out in the day-to-day realities of their work

BUILDING A TEAM

SELECTING A COHORT

DEALING WITH FAILURE
Choose the Right Structure

The number of people that you have on a team, the roles that they play and the responsibilities that they hold significantly influences how your team operates with one another, and in the delivery of projects.

RESOURCES

- The Human Capital Advantage
  A curriculum for early-stage ventures
  [DOWNLOAD]

- Village Capital Viral Pathway
  A set of protocols to aid in decision making and build trust in your team
  [READ & DOWNLOAD]

- How to Get Hired: Understand if you are an I, T or X-Shaped Person
  An overview of the different skill-set shapes
  [READ]

- The Core Protocols
  A set of protocols to aid in decision making and build trust in your team
  [DOWNLOAD]

CASE STUDY

Structure of the Ākina Foundation

The Ākina Foundation is a non-hierarchical organisation that structures their project teams using a very specific model.

Team roles include:

Team Leads: Jointly responsible for the delivery of the project. These tend to be internal Ākina staff.

Contributors: Responsible for doing one thing within the project. e.g. Designing a workshop on your topic area of expertise. Often external to the Ākina team (i.e. contractors)

Advisors: Advise the project team on different topics but without the responsibility for delivery.

Ākina recruits people with T-shaped skillsets. People who are good generalists, but who also have deep expertise in a particular area. i.e really good at impact or really good a procurement. Over time, these people are supported and developed to build out their areas of deep understanding.

Source: The Ākina Foundation
Selecting a Cohort

Selecting the cohort to take part in your incubator or accelerator can be a complex and challenging process. With so many entrepreneurs and social enterprises to choose from, it is difficult to know what to look for. Are they the right fit for your program? Is your program the right fit for them?

This section identifies what to look for in your applicants to ensure a diverse and balanced cohort for your program. It provides examples of different selection processes and timelines, as well as helpful tools for scoring applications in a balanced and methodological way.

Note:
Full descriptions of all contributors can be found in the Index.
Selection Criteria

Before selecting your cohort, first think about the different qualities that you want to see in your portfolio of entrepreneurs.

Do you want businesses from a range of sectors, or are you sector-focused? Do you want a balance of early-stage and late-stage businesses, or do you want businesses who are at the same stage of their development journey? Is it important that your cohort is innovative? Is it important that your cohort is delivering measurable impact in their communities?

These qualities will help to shape your selection criteria, which will inform how you score and rank the applicants to your program.

CASE STUDY

Spring’s Qualitative Criteria

In addition to the standard selection criteria surrounding business models and finances, Spring also like to include a number of qualitative criteria for their cohorts.

Impact Alignment
How impact aligned is this entrepreneur?
Are they contributing to the Sustainable Development Goals?
How do they describe the positive change that they want to have in the world?

Coachability
Do the people on this team work well together?
Do they have an open mind?
Are they open to feedback?
Are they willing to share information and experiences with others?

Investability
Are they funding-ready now or will they be in 6-12 months?
What support do they need before we can put them in front of investors?

Global Mindset
Are they thinking about their solution from a global perspective?
Have their considered exporting their product or service?
Are they able to think beyond their current context?

These qualitative criteria help Spring to understand what each entrepreneur can offer the cohort in their program, as well as what the program can provide for them.

Source: Spring
Sourcing Applicants

In order to source the largest amount of high-quality applicants to your program, it is recommended to utilise a variety of outreach approaches.

These can include:

**REFERENCES FROM EXISTING ALUMNI**

Entrepreneurs who have participated in previous programs with your incubator or accelerator are often a great source for new applicants. These entrepreneurs may have a diverse network that they can tap into, and will be able to provide prospective applicants with a unique perspective on what makes your program worthwhile.

**DISCOVER PARTNERS**

Organisations that provide valuable deal sourcing from communities that they cultivate.

E.g. Ashoka, Echoing Green

**EVENTS**

Networking and introductions made at conferences, meetups and other industry events.

The Miller Center for Social Entrepreneurship usually sees an even split of sources for their cohorts.

33%
REFERENCES FROM EXISTING ALUMNI

33%
REFERENCES FROM DISCOVERY PARTNERS

33%
REFERENCES FROM EVENTS
Dealing With Failure

Sometimes people just aren’t the right fit for the type of program you are trying to run. It may be because they aren’t willing to pivot towards a more success pathway for their business, they aren’t able to participate in the way that is expected of them, or they have simply realised that the program isn’t for them, and they want to leave. These aren’t easy situations to manage, but they do happen and it helps to be prepared.

This section looks at how to handle these situations in a way that respects your program, the individuals in question as well as the rest of your cohort. It provides some strategies for minimising the risk of disruption to your program if this occurs, how to track engagement to see the early warning signs, and tips for how to interact with someone once you have identified that there is an issue.

Note:
Full descriptions of all contributors can be found in the Index.
Minimising the Risk of Disruption

Trying to gauge a person's commitment and willingness to participate in your program during the selection process is the best way to minimise the risk that someone will either drop out of or need to be removed from your cohort halfway through. This isn't always an easy thing to predict, however, and there are some simple things you can do to help minimise the impact of someone leaving your cohort.

It can be handy to have some backup ventures who can step in to fill the empty slot if someone wants to leave.

It is likely that you had one or two applicants to your program that you were really interested in supporting but who just didn't make the final cohort. Keep them on a shortlist of sorts so you know exactly who you would go to if a place in your program suddenly opened up, for whatever reason.

Tracking Cohort Engagement

You want to be aware of any potential issues within your cohort before they begin to affect the experience of the broader program.

The best way to keep on top of this is to make sure you are tracking the participation of your cohort members throughout the program.

Are they showing up to meetings? Is the same person consistently engaging or is it a different person every time? Are they prepared? Do they ask questions?

PRACTICAL TIP

Getting your cohort members to provide a deposit to participate in your cohort can help to create a sense of value in their participation in the program.

Tie the deposit to a commitment to attending a minimum number of events and contact points throughout the program and refund it in full once your program comes to a close.

PRACTICAL TIP

Map out your participation expectations and requirements at the beginning of your program and share those with the cohort in the form of a Code of Conduct or commitment.

This will ensure that your cohort knows what is expected of them, and will help you to be consistent in what you are tracking and measuring.

If a cohort member is consistently not meeting these requirements, your tracking data will help you to identify this early-on so you can address it before it becomes an issue.
Having Difficult Conversations

If you find yourself in a situation where a member of your cohort is no longer a good fit for your program (for whatever reason) it is time to have a difficult conversation.

In some cases, the entrepreneur will make this realisation themselves and come to you to discuss it. These are generally much cleaner interaction as you can have an open and honest conversation about what is best for them and make a decision that is mutually beneficial for them as well as the broader program. In these instances, you can often share this decision openly with the rest of the cohort and explain why changes are being made.

In other cases, the entrepreneur will be either unaware of or unwilling to admit that a change needs to be made. These can be much messier interactions, especially if the entrepreneur’s conduct has already begun to affect the experience of others in your cohort. In these more difficult cases, it is just as important to be open and transparent about the cohort member’s options.

You can:

- Have an initial conversation with them about the issue or issues that need to be addressed
- Allow them to respond to the feedback and provide their perspective
- Outline the key milestones going forward that they are expected to hit in order to remain in the program
- Schedule regular checks to track their progress against these milestones and explain that they will not be able to continue in the program if these milestones are not met
- Discuss how they would like this change to be communicated to the cohort. Make sure they are comfortable with or at least aware that you will be updating others on the changes (if appropriate)
- Have an open and honest discussion with the cohort about why someone is changing their role in the program, or leaving the program entirely
- Be as honest as you can whilst still respecting the dignity and wishes of the entrepreneur

REFLECTION

It is normal and understandable that you will become emotionally attached to the entrepreneurs in your cohort.

However, if a company continues to stay in your program when they are not performing, it will impact the overall value for everyone else in your cohort. You will also be failing to create value for the company that you want to help.

Letting an entrepreneur go from your program sometimes be the best and most generous thing you can do for them, and for your broader cohort.
Designing an Impactful Accelerator Program

How to design your incubator or accelerator program to be truly impactful.
DESIGNING AN IMPACTFUL PROGRAM

Designing an Impactful Program

Every incubator or accelerator wants their program to be as impactful and valuable for their entrepreneurs as possible. With so many available options for content, structure and delivery, the task of designing your program can be a little daunting.

This section provides insights from some of the leaders in the field of program design. It covers how they look at structuring their business models, building out their curriculum, sourcing financial capital and deals, and ending their programs well.

PURPOSE

To give you the foundational building blocks of a great incubator or accelerator program

OUTCOMES

• Understand how to design your own program
• Understand the key elements in which you will need to support your cohorts through training and mentoring
• Understand the business side of running your program – how do you want to make money?
• Practical ideas for ending programs well
Supporting Enterprises

This section looks at some of the key concepts that will help to inform how you support your cohort, including development pathways, areas of expertise and support types. It also provides a brief overview of different learning styles before offering some tips for keeping different types of people engaged in your program.

It then explores the concept of working in or out ‘of the room’ of your program, and offers an example of how to split your programming so there is a mix of direct learning, supplied coaching, and independent testing by your entrepreneurs.

Note:
Full descriptions of all contributors can be found in the Index.
Developmental Pathway of an Enterprise

There are various definitions for the different stages that an enterprise can grow into, and many factors that influence their growth (or stagnation). Understanding where your entrepreneurs fit on the development pathways will help you to best assess their needs and support them through your program.

### IDEA

Have identified the problem/opportunity you want to address, and have begun to define a product/service and/or business model.

### PROTOTYPE

Are developing our offering(s) through interactions with customers, and defining how the business will develop.

### PRODUCT DEVELOPMENT

Are currently developing, testing, and getting patents on our product.

### GROWTH

Are established and focusing on growth.

Developmental Areas of an Enterprise

There are a range of areas that an enterprise may wish or need to develop through your program.

**These can include:**
- Leadership
- Team
- Business Model
- Value Proposition
- Product/Service
- Impact Model (or Theory of Change)
- Business Plan (or Operating Model)
- Strategy and Vision
- Governance and Management

**PRACTICAL TIP**

Resources, skills, needs (internal and external factors) should be considered in determining what you will focus on.

What is your value proposition for enterprises?
DESIGNING AN IMPACTFUL PROGRAM

Types of Support

The way in which you provide cohort with support can greatly affect how they engage with the content of your curriculum.

Types of incubator and accelerator support can include:

- Structured programs: Cohort-based or 1:1
- Technical assistance
- Mentoring and coaching: incentivisation, matching, training and preparing

Learning Styles

When deciding what type of support you want to provide, it can be helpful to think about the different ways that people learn and incorporate a range of learning styles into the delivery of your curriculum. Learning styles are incredibly important to consider, as they influence how we as individuals see, understand, and process information.

<table>
<thead>
<tr>
<th>VISUAL (SPATIAL)</th>
<th>LOGICAL (MATHEMATICAL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>You prefer using pictures, images, and spatial understanding.</td>
<td>You prefer using logic, reasoning, and systems.</td>
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<table>
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<tr>
<th>AURAL (AUDITORY - MUSICAL)</th>
<th>SOCIAL (INTERPERSONAL)</th>
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<tbody>
<tr>
<td>You prefer using sound and music.</td>
<td>You prefer to learn in groups or with other people.</td>
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</table>

<table>
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<tr>
<th>VERBAL (LINGUISTIC)</th>
<th>SOLITARY (INTRAPERSONAL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>You prefer using words, both in speech and writing.</td>
<td>You prefer to work alone and use self-study.</td>
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</table>

REFLECTION

Be sure to pick a model where you are engaging across ALL styles over the course of a day.
Keeping People Engaged

Incubator and accelerator programs can be an intense experience for entrepreneurs, who have to take in a lot of new information at once. This is especially true of in-person workshops.

Here are some tips for keeping people engaged throughout a day of content delivery.

- The afternoon snooze brain drain – try juggling ball activities, get people moving
- Ask a different person at the end of every session to summarize/extend/comment on something they have taken away from that day
- Have fun awards at the end of the day for the person who stretched the most/let themselves be the most vulnerable. Awards for the most audacious pivot, incredible customer interview insights, most assumptions tested on their financial model, etc
- Shape sessions with sound (e.g. with a Tibetan singing bowl)
- Draw the journey – have a large canvas/paper and routinely invite people to draw from their perspective
- Invite participants to write an encouraging card to another participant.
- Have only water and healthy snacks throughout the day and healthy meals. Keep carbs and sugary snacks/drinks to a minimum
- Create community with rituals

In the Room vs Out of the Room

There will be some things that are best taught during the contact hours that your entrepreneurs have with your program. This is referred to as what happens in the room of your incubator or accelerator – the activities and sessions that you do directly with your cohort.

For example, a workshop session on marketing and communications run by a member of your organisation.
DESIGNING AN IMPACTFUL PROGRAM

There will be other things that, because of the nature of the learning or because of other constraints, will need to happen outside of your program contact hours. This is referred to as what happens out of the room your incubator or accelerator – the activities or further research that your cohorts do separately from you.

For example, a customer analysis exercise that an entrepreneur performs with other members of their organisation to better understand who they are marketing to.

PRACTICAL TIP

It’s really important to understand the flows of people's lives and the time that they have, and to block and structure things to reflect them, your customer.

Design your program with them.

RESOURCES

Fitzroy Academy
A YouTube channel providing tools and lessons for not-for-profits and social enterprises

CASE STUDY

70:20:10 with The Difference Incubator

The Difference Incubator use the 70:20:10 framework when designing the contact hours of their programs.

10% of the journey is in the room – teaching the cohort and providing direct input
20% of the journey is supplied coaching – being there to answer real-time questions and engage with a problem
70% of the journey is individual learning – having the entrepreneur go off and apply what they have learned by trying it out and actually doing it

The 20% co-learning and re-enforcing stage is the KEY as it helps the entrepreneur connect what they have learned in a classroom type setting with what they will be doing in the real world with their business.

It includes:

• One on one coaching
• Targeted mentoring applied to tasks
• Peer coaching via a buddy or group sessions
• Chat rooms focused on problem-solving
• Access to an online learning library e.g. Fitzroy Academy

Source: The Difference Incubator
Building a Curriculum

A question that almost every incubator or accelerator wants to answer is “What makes a valuable curriculum?” Unfortunately, there is no one-size-fits-all answer to this, as every context will require its own set of skills, and every entrepreneur cohort will have their own areas that they wish to develop.

This section looks at how to navigate the infinite pathways that an incubator or accelerator program could take, with insights from five experienced intermediaries. It provides an overview of the key skills that an entrepreneur will need, as well as strategies and techniques for assessing the needs of your particular cohort.

CONTENT CONTRIBUTED BY

UNCHARTED

The Difference Incubator

Village Capital

ākina

Invest2Innovate

Note:
Full descriptions of all contributors can be found in the Index.
Key Skills for Success

In order to build an incubator or accelerator program that truly benefits the entrepreneurs in your cohort, you first need to understand the kinds of skills that small businesses and social enterprises need in order to be successful.

Every sector and context will require their own unique set of skills to operate successfully, however, there are a number of fundamental skills that will benefit all entrepreneurs.

These are:

- Impact management
- Financial management
- Partnering
- Risk management
- Communications/marketing
- Lean start-up
- Leadership
- Management
- Collaboration

**PRACTICAL TIP**

No incubator or accelerator program will be able to teach their entrepreneurs all of the above, so be selective.

You know your ecosystems and can identify the gaps in knowledge and skills.

“A question that you need to ask as you’re wrestling through curriculum is “what is truly essential for you?”

BANKS BENITEZ, UNCHARTED
DESIGNING AN IMPACTFUL PROGRAM

Beyond Skills Development

Social enterprises and small businesses look to incubator and accelerator programs for more than just skills development. It is equally as important to think about these areas and how you might best provide them for your particular cohort of entrepreneurs.

**COACHING**

Coaches are employed by intermediaries for the sole purpose of asking questions. They are not experts. As you think about your curriculum design, it is encouraged to think less about what can you talk about, and more what are the key questions that you can ask your cohort that they can reflect on, that they can develop.

**MENTORING**

Mentors are people with specific skills. They give advice more than ask questions.

**ACCESS TO MONEY (CAPITAL)**

Capital raising rather than just straight capital e.g. cash flow, non-equity programs.

**ACCESS TO BUYERS**

Access to markets they were unable to break into, or had not previously considered.

**LINKS TO THE ECOSYSTEM**

Partnerships with governments, businesses and the public.

Constructing a Responsive Program Design

Rather than providing the same curriculum year after year, the most valuable programs are the ones that address the needs of your specific cohort.

Four questions to ask yourself with every new cohort are:

- What is special about this cohort?
- What are we trying to achieve with this cohort?
- Are they focused on a special area?
- Are they lacking a certain thing, and have we been able to identify that?
DESIGNING AN IMPACTFUL PROGRAM

Where to Focus

Your organisation will also have your own set of goals and ideals about what you want to achieve for and with your programming. Maybe you are running an accelerator for a specific sector, within a specific region or your country. Alternatively, you may be looking to scale your program around the world, with the intention of licencing out your curriculum to other accelerator programs. These two very different goals, and will require very different areas of focus. Below are some examples of where incubator and accelerator programs choose to focus, and how this affects the design of their curriculum.

CASE STUDY

Building Viable Businesses with Uncharted

Focus: Creating an essential curriculum that can be licenced out to other accelerators.

Uncharted sees entrepreneurs as having two basic needs when entering an accelerator program:

1. A viable business
2. An investable business

Uncharted’s approach to building the curriculum is therefore focused on validating the entrepreneur’s business model, and preparing them for investment.

Business Model Validation

What problem are they solving?

Push the entrepreneurs to a process of customer discovery, prototyping, and making sales. Hold them accountable for growing revenue numbers and sales figures.

- Identify the foundational assumptions that underpin their venture
- Learn a repeatable methodology for how to do customer discovery
- Design and run experiments to validation/invalidation for the entrepreneur’s foundational assumptions by interacting with customers
- Build 2-3 prototypes of a key element of their venture and test with customers
- Conduct a break-even analysis of their business and identified the key cost and financial assumptions of their business
- Evaluate product-market fit by completing an audit of sales efforts to identify what’s working and what’s not.

Investment Preparedness

Is this enterprise and team ready for the type of investment and terms of investment that the investor is offering?

Can they produce the results they are promising?

- Understand the steps of the investment process and what is needed
- Diagnose where a venture is in preparedness for those steps, build a full plan for how to get ready, and actively work to get more prepared
- Work on various elements to become more prepared to raise funding (e.g.: develop their financials, write a strategic plan, clarify their funding ask, develop their pitch materials)
- Identify funder profiles
- Pitch and meet with actual funders
- Build out a strategic plan

Source: Uncharted
CASE STUDY

Preparing for Investment with Invest2Innovate

Focus: Preparing entrepreneurs to engage with investors.

I2I has built their curriculum around four essential elements, each designed to support entrepreneurs in their engagement with investors.

Increasing Traction in the Business
- I2I uses Lean Startup methodology for their cohorts to go out and test assumptions.
- Their entrepreneurs actually do about 50 customer interviews to test assumptions in the market. They can use that feedback to come back and iterate.
- I2I does revenue generation exercises that are focused on getting those companies to grow while they’re within the program.

Building Trust with Investors
- In Pakistan when investors meet the ventures they don’t tend to trust the companies.
- Therefore I2I uses investors as judges and mentors in the program to get them building those relationships with entrepreneurs really early.
- This helps entrepreneurs to get feedback from investors at the very beginning of the program.
- Having this initial round of feedback allowed I2I to start helping the companies to become investment ready from really early-on in the program.

Bringing in a Virtual Chief Financial Officer (CFO)
- I2I brings in someone to work with all of their entrepreneurs over the course of four months.
- The CFO starts out by doing a diagnosis of all the companies to see where they are and then based on that, works with them.
- The CFO doesn’t just give them their financials at the end but works with them throughout, so they’re able to understand it and are able to defend their financials.
- Their projections are based on the growth that they have in the program as well. That drastically improved the program as well as in the eyes of investors.

Preparing for Investor Negotiations
- Depending on where you are working geographically, there can be a lot of predatory investors in the marketplace.
- I2I does a lot of prep work with entrepreneurs on everything related to investor negotiations.
- I2I has created an Investor Toolkit to help create a greater understanding of entrepreneur/investor relationships in Pakistan. This can be localised for different markets to meet the needs of entrepreneurs.

Source: Invest2Innovate
Creating Common Language with Village Capital

Focus: Change how entrepreneurs receive funding and how they’re evaluated.

Village Capital has built the VIRAL (Venture Investment-Readiness and Awareness Levels) Pathway, which helps entrepreneurs and investors use the same common language around investment.

VIRAL helps entrepreneurs become self-aware and articulate just how ready they are for investment, and it allows investors to communicate the point at which they want to invest.

<table>
<thead>
<tr>
<th>Level</th>
<th>Name</th>
<th>Team</th>
<th>Problem and Vision</th>
<th>Value Prop</th>
<th>Product</th>
<th>Market</th>
<th>Business Model</th>
<th>Scale</th>
<th>Exit</th>
<th>Type of Funding</th>
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<tr>
<td>9</td>
<td>Exit to Exit</td>
<td>Entrepreneurs</td>
<td>Exit entrepreneurs from the ecosystem</td>
<td>Global range, global impact</td>
<td>Value of the entrepreneur, financial viability</td>
<td>Exit strategy</td>
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<td>8</td>
<td>Scaling Up</td>
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<td>Scale the business to reach a larger market</td>
<td>Local and national reach</td>
<td>Value of the entrepreneur, scalability</td>
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<td>Moving Beyond Early Adopters</td>
<td>Entrepreneurs</td>
<td>Move beyond early adopters to a wider market</td>
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<td>Moving strategy</td>
<td>Regional market</td>
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<td>6</td>
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<td>Validating an Investable Market</td>
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<td>Value of the entrepreneur, scalability</td>
<td>Validating strategy</td>
<td>Regional market</td>
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<tr>
<td>4</td>
<td>Scaling the Value Proposition</td>
<td>Entrepreneurs</td>
<td>Scale the value proposition</td>
<td>Global range, global impact</td>
<td>Value of the entrepreneur, scalability</td>
<td>Scaling strategy</td>
<td>National market</td>
<td>Scaling strategy</td>
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<tr>
<td>3</td>
<td>Setting the Vision</td>
<td>Entrepreneurs</td>
<td>Set the vision for the business</td>
<td>Global range, global impact</td>
<td>Value of the entrepreneur, scalability</td>
<td>Setting strategy</td>
<td>International market</td>
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<td>Establishing the Founding Team</td>
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<td>Establish the founding team</td>
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<td>Establishing strategy</td>
<td>National market</td>
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<td>Starting the Founding Team</td>
<td>Entrepreneurs</td>
<td>Start the founding team</td>
<td>Local and national reach</td>
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<td>Regional market</td>
<td>Starting strategy</td>
<td>Starting strategy</td>
<td>Cheapest strategy</td>
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Source: Village Capital
Sourcing Capital

This section looks at what you need to ask in order to better understand the investments that your cohorts are seeking. It provides a list of activities to help you to cultivate a stronger network of investors for your entrepreneurs. It then looks at five ways to facilitate better transactions between investors and entrepreneurs.

Note:
Full descriptions of all contributors can be found in the Index.
Understanding the Ask

Before an entrepreneur begins seeking investment, it is important for them to understand what they are asking for, why they are asking for it, and whether or not this ask can be justified. There are a number of key questions that you can ask your entrepreneurs in order to better understand the investment they intend to seek.

01. FUNDING AMOUNT

How do you know how much do you need?
What are your operating costs?
What are your venture’s strategic initiatives in the next 18 to 24 months?
What do you want to be doing to grow and strengthen your business?
What is the cost of those initiatives?

02. FUNDING TYPE

What type of funding are you looking for/would fit your stage and model best?
Grant?
Debt?
Equity?

03. USE OF FUNDS

What will you do with the money?

04. INVESTOR RETURN

What are the returns to the investor?
Are they social, financial or both?
What expectations will investors have for these returns?

PRACTICAL TIP

Not all capital is the same.
Entrepreneurs need to be aware that every form of capital will have a different impact on their business.
Telehealth

Telehealth is seeking $75,000 of grant funding to build new IT systems and expand partnerships that will double clinics in the next two years. Telehealth is also seeking $100,000 in soft debt financing to cover operating expenses as the new clinics build their client-base.

That investment will enable us to serve 200,000 people per year by 2020 which will generate an economic value of over $1 million in savings as patients do not have to leave the community for treatment.

This shows investors that:

- The entrepreneur has done their homework
- They know what they need
- Thought through their investment ask clearly

Source: [Miller Center](#)
Cultivating an Investor Network

As incubators and accelerators, you are in a position to bring together a network of investors to support, or ultimately invest in your entrepreneurs.

This can be done by:

- Building relationships with banks, crowdfunding platforms, government agencies, angel investors, and VCs
- Undertaking projects with funders
- Running investor-only events
- Holding annual donor and investor trips
- Holding fireside chats
- Providing vetted deal flow
- Partnering with angel networks
- Inviting investors to participate in Diagnostic Panels and be part of Investment Committees

PRACTICAL TIP

For Investment Committees:

- Get downstream investors who could potentially align
- Perform due diligence of partners in those funds
- Have a downstream investor lens at the accelerator/incubator level without conflicts

For Diagnostic Panels:

- Select a partner with high credibility, who are generous and have integrity (no voting power)
- Get an investor’s voice
Facilitating Transactions

Once you have your investor network, there are things you can do to help facilitate smoother, more mutually beneficial transactions between your entrepreneurs and investors.

01. PROVIDE INVESTOR-READY ENTREPRENEURS

Make sure your entrepreneurs are actually ready for investment before they meet with potential investors.

This can be done through:
- Funding roundtables
- In-person and online workshops
- Learning Management System
- Partner workshops and programs
- Pitch sessions
- Investor meetings
- Mentoring

02. MATCH WITH QUALITY INVESTORS

Work with your investors prior to them meeting with your entrepreneurs so that they understand the investment process and understand what to expect.

03. SHARE DILIGENCE DOCUMENTATION

Work with your investors prior to them meeting with your entrepreneurs so that they understand the investment process and understand what to expect.

04. STRATEGISE TO OPTIMISE

Secure term-sheets from more than one investor to use as leverage and accelerate negotiations to receive a better valuation.

05. ENGAGE AN ATTORNEY

Engage a professional attorney to advise on the implications of terms and clauses. You may wish to utilise technical assistance grants for this.
RESOURCES

- **The State of Seed Investing in 2018**
  An article from Mission.org

- **Smart Impact Capital Online Training**
  An online training course for raising capital from Case

- **Top 5 Crowdfunding Platforms**
  An article on crowdfunding for nonprofits and social enterprises

- **ImpactSpace**
  An open data and resources platform powering the global impact market

- **Accelerating the Flow of Funds into Early-Stage Ventures**
  A GALI report on funding flows
Ending Well

How your program ends will inform the ways in which the learnings of your program land with the cohort, and will help you to know that you’ve delivered on the things you set out to do with your support. When a program ends well, your entrepreneurs feel confident and supported, they know when it they can come back to you for more but also where else they can go for help.

This section provides examples of how five of the top incubators and accelerators from around the globe like to end their programs and why. Their case studies look at the pros and cons of pitch events, roadshows and retreats, and provide some strategies for connecting your entrepreneurs with investors.

CONTENT CONTRIBUTED BY

Note:
Full descriptions of all contributors can be found in the Index.
The Retreat

Taking your cohort away from the busy environments of their daily lives to focus on what they want and need, for themselves and for each other.

Guiding people to show appreciation for one another can really get your cohort communicating and connecting as people.

PRACTICAL TIP

Get your entrepreneurs to sit or stand in a circle. Each person turns to the person next to them and says something that they really love or appreciate about them.

OR

Give every person a stack of post-it notes and ask them to write down what they really love or appreciate about different people on each of the post-its. Then get everyone up and moving around the room, sticking the notes of appreciation on the backs of the people they are about.

CASE STUDY

A Retreat Into the Mountains with Invest2Innovate

Invest2Innovate end their four-month program the same way that they start it, with a retreat up in the mountains in Pakistan. These retreats help to create community amongst the cohort.

At the beginning of the program, the retreat is for the entrepreneurs to start to get to know each other and themselves, and to work on vulnerability and storytelling.

At the end of the program, the retreat is about showing appreciation for one another and what they have brought to the program experience. This serves to remind them that what they are doing is really about community, and not just about the transactional relationship of pitching to an investor.

Source: Invest2Innovate
CASE STUDY

Retreating as a Group Before Parting Ways

Uncharted use their final one or two day retreat as an opportunity to really mark the transition from 'inside the cohort' to 'outside the cohort'.

Prior to this retreat, Uncharted focuses on really clearly communicating the role shift that will take place once the program ends. They explain what the cohort will get from Uncharted during the final few months of the program and what the cohort can expect from Uncharted once the program comes to an official close.

While the retreat acts as a marker for this change, the expectations have been clearly set well before the retreat takes place.

Source: Uncharted

Create mock awards for your innovators to honour the experiences they have had together and the role that each person has played in making those experiences special. Something like a 'Most likely to...' award can help to playfully recognise the different contributions that the entrepreneurs have made to the program and the many different personalities that make up the cohort.

Pitch Events, Demo Days, Workshops and Showcases

Pitch events, demo days, workshops and showcases are all different approaches to getting your entrepreneurs in the same room as investors.

“Don’t be afraid to be a bit silly at the end of the program.

Everyone has worked hard and deserves to have a bit of fun.

PRACTICAL TIP

Investors (and people in general) are much happier with a full stomach. Bring plenty of delicious snacks and treats to keep your investors and your entrepreneurs going for a full-day event of discussions.

Keep some pots of coffee and tea handy to help everyone to keep talking!
CASE STUDY

Pitch Events with Invest2Innovate

Invest2Innovate finishes their program with a pitch event. Each entrepreneur gives a five-minute pitch, followed by a brief Q&A, followed by a 20 minute discussion with each investor at the event. It’s like speed-dating, with companies moving around to a new table with a new investor every 20 minutes.

Many of these investors will have acted as mentors throughout the support program, so will already be familiar with the entrepreneurs and their work. For most of i2i's programs, around 80% of the people in the room at a pitch event have already seen the companies at an earlier stage in the program. This brings with it additional knowledge about the companies, but also a personal and emotional connection between the investors and the entrepreneurs. They have seen them grow and improve over the course of the program, and are genuinely excited to see where they are headed next.

Invest2Innovate create an investment playbook in advance of the pitch event with a profile of all of the companies in their cohort to help the investors to prepare for the day.

Source: Invest2Innovate

CASE STUDY

Demo Days with Uncharted

Uncharted have found that pressuring their entrepreneurs to pitch can often distract from other areas of learning that they may benefit from during a final demo day event. Entrepreneurs can tend to focus so much on preparing for their pitch that they give little time or attention to anything else. Plus, it can really stress them out.

As a result, Uncharted have made pitches a very small part of their end of program demo day, only allowing one or two hours for entrepreneurs to prepare, and not placing too much importance on it as a way to secure money. Rather, Uncharted position the pitch as a way to get a meeting with someone and start to build a relationship with them. Uncharted's demo days usually run for a day and a half, and are much more about one-on-one or two-on-one meetings between investors and entrepreneurs.

Hour one of the first day is dedicated to the entrepreneurs giving a 30 second or two-minute pitch to the room. Uncharted share an information pack on all of the companies in their cohort with investors prior to the demo day so these quick pitches are more of an introduction session that a formal pitch. The rest of the time is spent in smaller meetings where the relationship between the entrepreneur and the investor can be built.

Source: Uncharted
Workshops with Village Capital

Village Capital set-up a number of 4-day workshops as part of their program. The last workshop that they put on is is really investor-heavy and focuses on getting their cohort to have different kinds of meetings with investors. There isn’t a lot of curriculum at this workshop as it’s more about getting the investors in the room and getting them to meet the entrepreneurs.

These interactions can include: Mock board meetings: The company sets the agenda. Investors as well as customers or industry experts help them think through a few strategic issues and come to a solution or give them advice.

Investor meetings: The company is paired one-on-one with an investor. The company will walk the investor through their pitch and get feedback on what works and what they can improve. In some cases this can lead to investment but these are often a great way for investors and companies to learn from each other and see if there is some kind of mutual benefit of them chatting to each other.

Investor dinner: An informal get together at the end of the workshop where investors can organically gravitate towards the ventures they are interested in, and where entrepreneur can meet some of the investors in the room that they haven’t had a chance to speak to previously. A low-pressure environment where people can talk and eat and get to know one another.

At the end of each workshop that takes place during the program, Village Capital gets the entrepreneurs in their cohort to rank each other. The first two rankings are just for transparency for each company to see where they are sitting. The final ranking is the one that counts, as the top two companies in this final tally receive investment from Village Capital themselves.

At the end of their final workshop, Village Capital’s investment analysts also create a deal book for each investor to take away with them. This includes a bit of a snapshot of each company in the cohort, what market they are playing in, what they are building and what their traction looks like.

Source: Village Capital
CASE STUDY

Putting on a Showcase with The Difference Incubator

After running a number of demo days as a way to end their program, The Difference Incubator found that in many cases the entrepreneurs in their cohorts weren’t ready for investment but were actually still a couple of years away. For this reason, they modified their demo day format into more of a showcase for the entrepreneurs.

Each entrepreneur presents a five-minute pitch to the room where they can ask for any kind of support except for investment. Afterwards, a number of tables are set up with around four people at each.

The entrepreneurs then go around the room from table to table discussing their pitch. They get to ask questions and the guests of the showcase get to ask questions of them too. The entrepreneurs move around the room for an hour and a half, asking questions, answering enquiries and forming relationships. Sometimes commitments of support are made. Sometimes internships are offered. Sometimes technical support is supplied. Sometimes introductions are made to relevant people in outside networks.

This is where the entrepreneurs get their next bit of help and advice, post-program.

Source: Uncharted

If you are getting your entrepreneurs to pitch to investors you can alleviate some of that pitching pressure by helping them to refine their pitch deck in the months leading up to the event.

Work with them on finding their voice and trial out a few different formats to see what works for them.

Provide investors with a profile on each of the companies in your cohort in advance that includes all of the hard data about what they’re doing and the markets they are working in. This will free up more space in their pitch to tell a captivating story, rather than just facts and stats.

REFLECTION

It is unlikely that entrepreneurs will receive a large investment on the day of your event. Many investments can take months or even years to land.

These end-of-program events are more about initiating or strengthening those relationships between entrepreneurs and investor, as it is these relationships that will lead to investment opportunities further down the line.

If you set up realistic expectations about these events with your cohort, you can help them to focus on building connections rather than collecting cheques.
As they run an ongoing incubator program, Villgro runs a roadshow over a number of months with investors across India.

In preparation for their roadshow, Villgro has taken their network of impact investors and mapped them to the particular stages and ticket sizes of investment that they do, as well as the sectors and stages of the companies that they invest in. This allows Villgro to create a customised matchmaking service that matches companies in their cohort with the investors who are interested in their size and sector.

Villgro provides these investors with a brief about who those companies are, what they are looking for, and any of the diligence or insights that Villgro has gathered on the company to date.

Source: Villgro
How to help the ventures that you support to measure the impact of their work.
Helping Ventures to Measure Their Impact

How do we as incubators and accelerators best support our social entrepreneurs (and ourselves!) in measuring, managing and reporting on their impact? At its core, a true social enterprise or impact accelerator program must be focused on creating a measurable and meaningful social and/or environmental impact.

This section identifies some of the reasons for measuring the impact of social entrepreneurs and provides a number of approaches and tools for intermediaries to use with their ventures. It looks at how to design and teach a Theory of Change (ToC) with your ventures, before addressing some of the challenges and techniques of gathering useful data for measurement.

CONTENT CONTRIBUTED BY

Note: Full descriptions of all contributors can be found in the Index.

PURPOSE

To understand the tools and resources available for supporting your social enterprise clients to measure their impact

OUTCOMES

- Understand the purpose and benefits of measuring impact
- Understand what a theory of change is and the different elements that comprise one
- Understand how to select outcome indicators
- Understand approaches to gathering data on indicators
- Understand how to use impact data to deliver and improve impact
Impact Measurement 101

This section provides an overview of the key terms and concepts of impact measurement within the context of social enterprise ventures. It looks at why impact measurement is important for the ventures that you support, and identifies some of the key questions that you can start asking your ventures to begin them on their impact measurement journey.

Why is Impact Measurement Important for Ventures?

As incubators or accelerators, we are in a great position to help build an effective impact plan with the ventures that we support.

Impact measurement can be used to help ventures to:

**PLAN: KNOW WHERE YOU WANT TO GET TO AND HAVE A PLAN TO GET THERE**

Refine the focus of activities by clarifying the change you want to make.

An Impact Strategy gives you clarity around the direction you are going and what you are trying to achieve. Your strategy should contain a Theory of Change (ToC), which is a theory for how the activities you do lead to positive impact. Your impact strategy links directly to your purpose, the change you are trying to make in the world. Working together with your business plan, an impact strategy helps you make decisions, such as how to invest your time and energy. It can help you stay on track when distractions come along and it can help you when you need to consider whether or not to pivot a business.

**DELIVER: FOLLOW YOUR PLAN AND MAKE GOOD DECISIONS ALONG THE WAY**

Having an impact plan helps you deliver better services and achieve the outcomes you want. You do more of what the evidence is saying is working and do less of what isn’t working. You can also support community partners who are not proving their impact to measure and communicate their impact better.

“Learning about impact measurement is much more than just learning about relevant metrics and applying them to your model – it has to come from deep within the organisation.”
Partner with the people who are experiencing hardship to determine what your goals should be. Partner with funders and consumers. Partner with the community and the stakeholders as key partners for change. You aren’t doing something to people, you are doing something with them. This is a very important distinction.

There is a partnering spectrum. Some partners just need to be informed about what you’re doing, others need to be more actively consulted while others need to be empowered by being directly involved in program design.

An important step is to look at their goals:
- Have you clearly understood your stakeholder’s goals? What process have you gone through to understand their goals? They might have the answers and they might have the resources to solve the problem with your support
- How involved in the decision making are they? Are you just consulting them, or are you truly involving them in the decision-making process? How will you check back in with them that you are meeting their expectations?
- Think about who you could collaborate with. Partners may also involve the government. They may be a source of data, a critical part of creating the impact, or a funder. Consider the IAP2 Spectrum of Public Participation (The IAP2 Federation has developed the Spectrum to help groups define the public’s role in any public participation process)

Your theory of change shows you what outcomes to measure. You can use indicators to measure whether those outcomes have been achieved or not. A ToC forms the backbone of an Impact Management Framework.

Where possible, you should align your impact measurement with existing frameworks such as the UN Sustainable Development Goals or the Global Impact Investing Network Indicators.

Sometimes you have to use proxies. i.e. There is evidence to show that if (A) happens there is a high chance the result is (B), but we measure (A) because sometimes you can’t measure the thing you want to change directly.

For example, climate change is hard to measure directly, but we can measure other things such as the size of polar ice caps.
HELPING VENTURES TO MEASURE THEIR IMPACT

PROVE: PROVE TO STAKEHOLDERS AND OTHER THAT YOU ARE HAVING THE IMPACT THAT YOU INTENDED

Proof is important to funders and stakeholders to show you are worth supporting (and also good for your own team). Proof can be hard to achieve, sometimes the best you can do is a credible logic model supported by measurement and research → give them the confidence that you are on track to achieving the long-term impact. Logic models based on credible research, and use of proxies, can help.

If you are collaborating, best to assess and figure out at the beginning. Collective impact framework – have shared measurement. Measure the same things in partnership.

PARTNER: PARTNER WITH A VARIETY OF PEOPLE AND ORGANISATIONS

Understand where to put your focus. Understand what you may need to change.

You may identify factors that contribute to increased impact.

For example, marketing your service at a certain time of year might prove more effective in increasing your impact.

By looking at these differences, you can identify who you should focus your efforts on.

You may also find that you aren’t achieving the change you want to. If this is the case, you can work out where the difference is between your model and the real world so you can address the problems. Thinking about all of these things means your organisation will have a learning culture that responds to signals and adapts to ensure the greatest impact is achieved.

PARTNER: PARTNER WITH A VARIETY OF PEOPLE AND ORGANISATIONS

Make sure you can back it up with data.

Your impact story is important to who you are as an organisation. It is the key reason why you exist. Your impact is what makes you different from many of your competitors. It is your secret weapon, so use it to your advantage. Make sure you can back up your claims. If you become successful, people will challenge your claims about impact, so you need to have data and metrics in place to be able to justify your claims (and protect from criticism). Remember to focus on your impact, not your activities. Talk about the change you enable, not the things you do.

People, particularly younger ones, are increasingly looking for jobs that create meaning in their lives as well as in the world around them. As a social enterprise (or impact accelerator program), talking about the story behind your enterprise and the change you want to create in the world helps to attract talent that you might not otherwise be able to. And once you have the talent you need to run your business or organisation successfully, you need to ensure that your employees feel like they have value within the organisation and are contributing to the greater mission and goals.
Understanding Attribution vs Contribution

**Attribution** is where you claim that the impact happened solely due to your intervention.

**Contribution** is where your work is one of many factors that led to the impact.

Generally, in an impact framework, we are looking at contribution, but this isn’t an easy out. You still need to be rigorous in thinking about what your contribution is and how big a factor that contribution has been in the impact seen.

Impact Plan

In order for an impact-driven venture to be sustainable, they require both a business plan and an impact plan. While the business plan helps to create financial sustainability, the impact plan helps to refine a venture’s focus, identify what impact or impacts it wants to create, and outline an approach for how they will get there.

A venture’s impact plan links directly to their purpose and the change that they are trying to make in the world. Working together with their business plan, an impact plan helps a venture make key decisions such as where to invest their time and energy, what to focus on, and when (if ever) to pivot their business.
Impact Management

Impact management for your ventures involves three key elements that are repeated and refined in a continuous cycle.

01. STRATEGY

The development of a theory of change that aligns with business model and strategy

02. MEASUREMENT

Defining clear outcome indicators, and designing data collection methods

03. MANAGEMENT

Reviewing learning and using insight to inform decision making

REFLECTION

The reason a venture has an impact strategy and is measuring what they are doing is so they can manage the social enterprise better in order to achieve that impact that is included in the strategy.
Impact Management Framework

An Impact Management Framework consists of a ToC, outcome indicators and data collection methods:

Theory of Change: Is a model that shows how the activities that an organisation delivers lead to positive social and/or environmental outcomes and impact

Indicators: In your framework there will be indicators that will let the organisation measure if it is achieving the key outcomes identified in the ToC

Data collection methods: The framework includes a plan for how the organisation will collect, store and analyse data on those outcome indicators

Key Questions to Ask Your Ventures

The first things a social enterprise should consider is:

Are you working towards the right thing?

What are you working towards and would it be a good thing if you achieved that?

Your social enterprise may have established itself to run an activity and that activity seems like the right thing to do, but you do not have the clarity around what the ultimate impact you are trying to achieve. You might have multiple things you hope to achieve, but have not refined your focus to one. You may also have assumptions on what you think should change without talking to people who are affected by the problem.

For example, you’re trying to tackle homelessness without speaking to people who are homeless.

Reflection

It seems simple, but many social enterprises haven’t asked themselves this question.
Do you have the right approach?

- Challenge conventional and traditional ways
- Look at research
- Have you chosen a good approach to help you achieve that good thing?

Is there a logical link?

There is a logic that when a basketball player shoots a basketball it will form a parabola, and if the basketball player lined it up right, and put the right force behind it (the good approach), that curve will ensure the basketball enters the hoop (the good results).

Can you describe the logic that links your approach with the good thing you are trying to achieve? Does the logic make sense?

PRACTICAL TIP

It is important for a social enterprise to:

- Get clear on what their approach is
- Be sure that they know what their goal is
- Have a clear logic that links their activity to the ultimate goal

The Akina Foundation
Activities and Outcomes

Historically, funders have funded social enterprises to undertake activities. More recently, the funding focus is shifting more towards outcomes.

For example, a venture may talk about running skills training but should be thinking about what change that training will create. Will the people involved be able to secure long-term jobs when they couldn’t before?

**REFLECTION**

A lot of organisations need support in making the shift from activities to outcomes.

Intermediaries can support organisations to identify what their activity is, and then help them switch their thinking to focus on what changes because of that activity.
Important Definitions

The impact-space is filled with different terms and phrases that are often understood differently in different contexts. For clarity, this is how some of the most common terms are understood within the context of this guide.

<table>
<thead>
<tr>
<th>TERMS</th>
<th>DEFINITIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity</td>
<td>The activity conducted by the venture is the thing they do that will eventually generate impact. For some ventures this will be their main activity (e.g. training people), but for others it might be something that is separate to their business model (e.g employing people with disabilities).</td>
</tr>
<tr>
<td>Outputs</td>
<td>The immediate result of an activity or intervention, such as the number of cooks stoves sold, or the number of training events held. They are generally easy to observe and count.</td>
</tr>
<tr>
<td>Outcomes</td>
<td>The changes that occur for individuals, groups, families, organisations, systems, or communities during or after an activity are outcomes. These are often changes in people's well-being such as health, education and income. Outcomes can also include changes in attitudes, values, behaviours or conditions.</td>
</tr>
<tr>
<td>Short-Term Outcomes</td>
<td>The most direct result of an activity, typically not ends in themselves, but necessary steps toward desired, longer-term outcomes ends.</td>
</tr>
<tr>
<td>Medium-Term Outcomes</td>
<td>Link an activity’s short-term outcomes to long-term outcomes.</td>
</tr>
<tr>
<td>Long-Term Outcomes</td>
<td>Result from achieving short-term and medium-term outcomes, and lead to the ultimate impact.</td>
</tr>
<tr>
<td>Impact</td>
<td>The culmination of the positive social or environmental outcomes that happen because of what a venture does.</td>
</tr>
<tr>
<td>Indicators</td>
<td>Measurable markers that show whether progress is being made on outputs or outcomes. Different indicators are needed to determine how much progress has been made toward a particular output, outcome or impact.</td>
</tr>
<tr>
<td>TERMS</td>
<td>DEFINITIONS</td>
</tr>
<tr>
<td>------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Measurement</td>
<td>Collecting data on your indicators. Measurement can be done via various manual or automatic methods such as surveys, electronic measurement or interviews.</td>
</tr>
<tr>
<td>Evaluation</td>
<td>The examination and exploration of what your measurement and data collection is telling you about your impact.</td>
</tr>
<tr>
<td>Assumptions</td>
<td>Helps you to state what the basis of your model is and why you think the model will flow as it does (also can help you think of barriers, roadblocks, and external factors that could affect your model).</td>
</tr>
</tbody>
</table>
Theory of Change

This section looks at the Theory of Change (ToC) tool and how it can be applied to the ventures that you support in your programs. It looks at the different stages of the ToC, their purpose and how they are useful. It also explores some of the more challenging concepts and ideas within the ToC such as what constitutes a logical link, and how to tell the difference between symptoms and causes.

What It Is

The ToC identifies the intended logical links between a social enterprise’s activities, outputs, outcomes (short, medium and long term) and impact. Outcomes may be positive, negative or neutral; intended or unintended.

There is no one way to represent a logic model – the test is whether it is a logical representation of the activities’ causal links.

Other similar tools to measure impact are: program logic, logical framework model, program theory causal model, outcomes hierarchy, results chain, and intervention logic.

The Theory of Change forms part of an Impact Measurement Framework (along with indicators and data collection methods). It is developed early on in the Impact Measurement process.
HELPING VENTURES TO MEASURE THEIR IMPACT

How it is Useful

The ToC model is a great resource and tool for helping your team figure out what the change is that your organisation wishes to create over the long-term.

This is an ever-evolving process that needs to be evaluated on a regular basis (annual or bi-annual) to ensure that your goals for impact and pathways remain the same as your organisation grows (or to modify if growth leads to different changes).

It can also be an incredible marketing tool to use with donors and investors because it shows the overall mission and vision of your organisation and how you are going to reach the impact you wish to create.

It also shows a commitment to impact on the organisational-level and can help keep your whole team on the same page when it comes to organisational goals and long-term aspirations for impact.

REFLECTION

A ToC isn’t just for ventures. It is also useful for:

- Companies that want to demonstrate that they are sustainable and are having a positive impact
- Teams
- Charities

The Akina Foundation
HELPING VENTURES TO MEASURE THEIR IMPACT

ToC is Good for all Stages of a Social Enterprise

IDEA

Idea stage ventures need to work out if they are planning to do the right thing and if they should even get started. They need to really understand the community they intend to work with.

Does the community have the particular problem that the proposed solution is supposed to address? Do they want it from the venture? If the community is receptive to the approach then is this the most effective intervention that can be done? Is there evidence that it has worked elsewhere? Are there partnering opportunities for the venture to either support an existing initiative or take a successful model from somewhere else?

START-UP

Useful to have a refined story (via a ToC) to tell people they are seeking funding or investment from. Start-Up stage ventures need to test and measure if their approach is working.

Are they achieving the outcomes that the theory of change says they should be? What isn’t working and needs to be changed? They also need to start thinking about how to scale their approach. If it’s working on a small scale, will it translate to other areas or more people? Are there business model limitations that would stop the impact scaling?

For example, is the target market big enough to support a larger organisation and impact?

GROWTH

A ToC is the foundation for gathering evidence to show the work they do is having the intended impact. Growth stage companies need to be demonstrating their approach can scale and affect a large number of people. This may be done through expanding the number of people supported or moving into new territories.

Growth stage companies should also be collecting high-quality data that they can use to prove the impact they are having. This data is key to being able to tell a credible story about the impact they are having.

To support their expansion, growth-stage companies will need to be creating relationships with funders and impact investors. These investors will be looking carefully at the business and its impact plans and data to test the social enterprise’s ability to grow its impact. The more complicated the venture, the more complicated the theory of change.
The Stages of a ToC

If you are finding that the theory of change is starting to look too complicated, you can simplify it by showing different streams of impact on separate diagrams. You can roll it together later.

The Stages of a more complicated ToC

In the complicated ToC below, the golden threads are the most important outcomes. Arrow links must be supported by primary data and/or other academic or governmental research.
HELPING VENTURES TO MEASURE THEIR IMPACT

The Process of Developing a ToC

Step 1: Defining the issue

What is the issue or problem? Why is there an issue or problem?

It is not uncommon for a social enterprise not to really understand what issue or problem it is trying to address and whether this problem is a big enough one that people want solved. So:

• Figure out what you don’t know and what you need to know
• How have other people solved this issue? Has it been dealt with successfully elsewhere? Is there evidence of what works to solve this issue? (Peer-reviewed literature)
• How has your organisation’s activities operated in the past to respond to this issue and have you seen change as a consequence? What have you done in the past that has worked or not worked?
• What causes the issue and at what level of the problem do you want to work?

PRACTICAL TIP

Ask ‘WHY’ five times as a starting point.

This process helps to bring complexity to the surface.

Step 2: What level of the problem?

Are you seeking to address the symptoms or the causes? You may need to engage partners to achieve goals.

Dig deep into the root causes of the issue so that your partners have the clarity with what you are doing and they know values are aligned.

Example: homelessness

• Why are they on the street?
• Because they don’t have a house – WHY?
• Because they don’t have any money - WHY?
• Because he doesn’t have a job – WHY?
• Because no one will hire him – WHY?
• Because he has no work experience – good place to stop – clear foundational problem that you could tackle.
Step 3: Using a problem tree

A deep understanding of the problem helps to formulate the impact the venture is trying to achieve.

- Put the core problem at the top of the page
- Consider direct causes to the problem
- Place the direct causes below the core problem. Here, each cause needs to be written in negative terms.
- Think of other secondary causes linked to direct causes
- Place them under each relevant direct cause

Issues: Costs, availability, and behaviour.

- Are you addressing all 3 causes?
- Are there people out there addressing them already? Call them in as partners if you’re going to solve ⅓ or ⅔
Step 4: Ask who is involved

Who are your stakeholders? Who is impacted in a material way?

For example, with homelessness, the obvious answer is the people who are experiencing homelessness, but there are many other stakeholders:

- Families of those experiencing homelessness
- Shopkeepers
- NGO’s supporting people experiencing homelessness
- Police

Group your stakeholders into those who (1) benefit, (2) support and (3) do the work → Are they impacted in a material way? Are they contributing to the change, to support in the refinement process?

- Customers, but may not necessarily include them
- Significant funder or government agency (if you have a demonstration model – need them on the journey for change)

Step 5: Identify Activities

List out the core activities that describe what you do.

If your organisation has identified a big issue and wants to start doing something about it (i.e. it doesn’t have any activities yet), you should develop a hypothesis and guess which activities you want to do based off research, your own observations or by talking to the community about what they want.

Step 6: Identify Outputs

Identify your organisation’s key outputs. These are usually things that are easily seen/ counted.

For example, with homelessness, this may be that 100 people attended a work readiness program.
Step 7: Identify Outcomes

You should spend time thinking about all of the outcomes that your organisation achieves in the short, medium and long term.

Short-Term: Demonstrate potential – quantitative

Medium-Term: Show progress that you are moving to your long-term goals – needs survey to see if there are behaviour changes/opinions

Long-Term: Proof that you’ve achieved your goals – quantitative

Outcomes, particularly longer-term outcomes, are more difficult to identify than outputs. To identify outcomes, you need to understand what changes due to an activity.

Remember to:

Note down any actual or potential, unintended outcomes (good or bad)

Consider the counterfactual i.e. What if we did nothing? Would the outcomes have happened anyway without our work?

Example: Your program provides free food for children. What impact might that have on local shops, or the general market for fresh fruit and vegetables? Will you take business away from local shops? Will you distort the prices in the market by paying or buying too much?

The image below shows an example of a reading program involving parents being trained to read to their preschool children. The outcomes have been mapped out over the short, medium and long term.
HELPING VENTURES TO MEASURE THEIR IMPACT

Step 8: Identify The Impact

This end-point should be within the realm of possibility that the organisation could have an impact on.

For example, although an organisation cannot end poverty in their lifetime, this can be a part of their impact story. Make sure they know their limited scope.

Step 9: Make the links and challenge the logic

Make the links between the underlying problem/issue, your activities, outputs, outcomes and impact.

Identify the Golden Thread i.e. the outcomes that are the most important for achieving the desired impact and what activities lead to those outcomes.

PRACTICAL TIP

Make sure you don’t have magic in your Theory of Change! In other words, there are no significant gaps in the logic model because of missing outcomes.

Look at whether there are some outcomes and activities that aren’t really that important to achieving the desired impact and consider whether they should be dropped.

Key Questions to Ask Your Ventures

- Is it a logical flow: cause and effect?
- Do the connections make sense?
- Have you got to the root of the problem?
- What is assumed and what is known?
- Which of the activities and outputs are critical to achieving the outcomes and impact?

PRACTICAL TIP

Respect the voice of the people who are experiencing the change. Did you speak to them to get their insights? International data may not be relevant to the unique context.
Teaching a ToC

This section walks you through the seven main steps for facilitating an effective Theory of Change workshop with a venture that you support. It covers what you need to know to properly prepare for the workshop, before exploring some of the practical exercises that you can run through with your venture. It identifies the things to look out for in your role as a facilitator and provides some alternative approaches if a workshop setting is not feasible for your program.

Step 1. Prepare for the Workshop

Workshop Objective

The objective of the workshop is to learn about, and then capture the theory of how change happens for various stakeholders because of what the venture does.

Perhaps the most important stakeholder, then, is the people they are seeking to benefit, so you should aim to hear directly from them how change happens for them.

Gathering Context

It’s also really helpful for you to have some context before you go into a workshop with a venture. You should have a look at their website and programs. Doing so will help you start to formulate some ideas before you meet the venture. Are there some things that are locked and not changeable?

For example, do they have an existing contract that requires them to undertake certain activities?

PRACTICAL TIP

If this is not possible, you can ask the venture to interview those stakeholders before the workshop. If that is still not possible, you could do some research to learn more about that community.

PRACTICAL TIP

Get your facilitator to do some research before the workshop. This will help to remove tunnel vision and it is always good to learn more about the field your venture is working in. Try to gain an outsider opinion as well as the opinion of your entrepreneurs by performing a Google search, and (if possible) conducting stakeholder consultations and focus groups.
TOOL/EXERCISE

Conducting Stakeholder Interviews

Stakeholder interviews help you to understand what changes for stakeholders.

You do stakeholder interviews to learn about:

- The outcomes
- The issues
- Current solutions/evidence
- Activities
- Outputs
- People / planet

How to do stakeholder interviews:

- Choose a diverse selection of stakeholders
- Have two interviewers if possible:

  **Question asker**
  - Use a neutral space
  - Push gently

  **Notetaker**
  - “What are the things that are important in your life?”
  - “What would you hope will change for your family?”

Source: Akina

Establish a hypothesis

Come up with a hypothesis first to help the organisation get out of tunnel vision or see if they have anecdotes.

Who’s in the room?

You also need to think carefully about who should be in the room for the workshop. Are the key decision-makers and influencers in the room? Should they be inviting funders/partners to get their perspective?

Often you may want to integrate some stakeholder interviews into the process to inform the outcomes. If so, you will need to arrange for them to be available at the appropriate point or be done first.

PRACTICAL TIP

Don’t put words in people’s mouths and don’t let your thinking colour what comes out of the workshop.

PRACTICAL TIP

Typically, you want your workshop group to be around 9 people and a mixture of:

- Front line workers
- Leadership team
- People who have been around to see change
Workshop duration

How long your workshop goes for depends on the number of people and how many stakeholder interviews you do before the workshop.

Keep it casual

You want to keep your workshop structured but casual so people feel like they can speak openly and share ideas.

Think about how you are going to arrange the tables. What kind of a table formation will encourage equal interaction among the participants?

Bring a lot of post-its, markers and paper to work with, rather than having people on digital devices.

Have your participants dress in informal wear, and have the conversation feel informal as well.

Step 2. Ensure they Understand the Issue

Use the problem tree tool. Describe the issue, and then describe the different levels of the issue.

What are the drivers of the issue? Then you can identify which level of the issue you are seeking to address? Keep digging until you identify some causes.

PRACTICAL TIP

The average duration of a Theory of Change workshop is 3-4 hours.

PRACTICAL TIP

If this exercise is too much, write on the whiteboard and summarise what has been shared.

If you can, refine it on the spot with a sentence. Otherwise, keep it as a long list.

Ask your participants:
"This process is iterative, we can park this for now and come back later?"
Step 3. List the Activities/People/Planet

Activities

Describe the activities the venture undertakes in order to achieve impact.

- Develop a long list through brainstorming
- Exclude business functions (e.g. payroll, volume, management)
- Refine your list (core activity + other things)

PRACTICAL TIP

You may want to group and cluster the activities in order to develop the theory of change.

People/Planet

Who are the key stakeholders for the venture?

- Develop a long list through brainstorming
- Who is materially affected?
- Refine the list to just the most important stakeholders
- Group the stakeholders into types of stakeholders

The most important stakeholders are the ones the program is trying to benefit and who are vital for the effective running of the program.

For example, in a parenting program, the core group of stakeholders would be the children and parents, and the external benefits would be their extended families. Even though the parents attend the sessions and the children do not, the program is specifically designed to benefit the children so both the parents and the children are core stakeholders. In another example, a children's soccer club is set up to benefit the children. The parents make friends while watching the soccer, and so benefit from the program. But that is not what the program is established for, so the parents in this case are not stakeholders.
HELPING VENTURES TO MEASURE THEIR IMPACT

Step 4. List the Outputs

Outputs are the Key Performance Indicators (KPIs) you usually count. They are the things that you immediately see but they do not represent the changes that happen for a stakeholder.

For example, the number of goods sold or number of clients.
- Develop a long list through brainstorming

It is not always necessary to capture the outputs. The outcomes are the most important. If you do include outputs, refine to only the most important outputs.

Step 5. Brainstorm the Outcomes

This is the most challenging and important step of your ToC workshop. How do you know which outcomes to measure? Which is the most important?

Form a working group

Form an internal working group to work out outcomes you want to achieve from the programs you are running.

List the activities, stakeholders & outputs

Write down all the activities and stakeholders (people/planet) and outputs (if you are doing outputs) on large paper or a whiteboard and refine the list.

Write down all of the outcomes

Encourage all of the participants in the workshop to write lots of outcomes. Encourage them to think about which outcomes would come next, which outcomes would happen as a consequence of the early-stage outcomes.

Consider outcomes that might happen in different aspects of the person’s life.

For example, the employee of the cafe might get more fulfilment and sense of belonging at work, and outside work they might enjoy more financial stability and stronger family relationships. Include both positive and negative outcomes.

PRACTICAL TIP

People may get confused or stuck at activities and outputs and can find it difficult to move to considering outcomes.

This could be because they were previously required to measure outputs.

PRACTICAL TIP

Get your participants to write the outcomes on post-its with big marker pens so they don’t write too much.
HELPING VENTURES TO MEASURE THEIR IMPACT

**Group the outcomes in clusters**

Group the outcomes into short-term, medium-term and long-term clusters.

Get your participants to read the outcomes and determine which cluster they fit into. As the facilitator, you can be taking the post-its and arranging them into the clusters as the participants call them out. If your participants aren’t confident to speak in front of a group, get them to put their post-its on the whiteboard, wall, table or floor and ask them to cluster them as a whole group.

You may also want to cluster them into groups of similar ideas, or into other types of clusters such as geographical or relevance to different stakeholder groups.

**Identify links between the outcomes**

Which cluster leads to which cluster?

Which outcome leads to which outcome?

Draw connections between linked clusters.

Does evidence exist for this link or do they need to find it?

For example, there is evidence that reading to a child more leads to improved relationships and increased cognitive development of the child.

**Remove the outcomes that are not needed for the long-term change**

Go through each outcome and determine whether or not the group thinks it is needed for the long-term change. Also do this with the list of activities. If the group decides that it is not needed, edit or remove it from the list.

For example, in a parenting program, it is good that the parents make friends in the class, but that is not necessary for the long-term goal of the child arriving at school ready to learn.

**PRACTICAL TIP**

The summary outcome can be in a different colour.

For example, ‘confidence’ as a summary note for a cluster.
Create a timeline

Take the remaining outcomes and spread them out horizontally on a timeline.

Identify the priority outcomes

Use the Golden Thread to identify the priority outcomes i.e. the outcomes that are the most important for achieving the desired impact and what activities lead to those outcomes.

Look for any gaps

Work through the logic and identify any gaps.

For example, you may identify that you can’t achieve your goal by yourself and you might need to have a partner to help you.

Add in outcomes to address the gap or gaps in the logic.

Read through your ToC

Read the priority outcomes out in order with the words "and this will lead to" in between. It should tell a compelling story of change. Now there is a theory of change. This can form the foundation for measuring those priority outcomes over time.

Step 6. Refine the Outcomes (if you have time!)

Identify which activities and outputs connect with key outcomes. This will help you to see what you missed or understand if the activities that are being performed are actually leading to any outcomes.

When should you do this exercise?

- Any time, but preferably as early as possible. A venture can do it at the beginning so that you know you’re on track.
- Again once a program has begun. It is also important to revisit the model to check you are on track.
- If you have been running for a while but have not done an impact model. It is never too late!

PRACTICAL TIP

Use a different coloured post-it for the outcomes you add to address gaps in the logic.

PRACTICAL TIP

If the venture is doing activities that don’t lead to any of the long-term outcomes, then perhaps they shouldn’t be doing that activity.
HELPING VENTURES TO MEASURE THEIR IMPACT

Step 7. Post-Workshop

The workshop is only the start of the impact journey for the venture. After the workshop, they will need to continue to do research and development and continue to develop the ToC through a process of refinement.

Key outcomes from the workshop are:

- Gathered insights
- Refined focus
- Better understanding of how impact happens
- Clarity on next steps
- A rough Theory of Change

What if I Can’t Do a Workshop with my Venture?

There are many reasons why it may not be possible to run a workshop with your venture. They may not have the confidence to participate. It may be culturally inappropriate for everyone to be together, or it may not be geographically possible to bring everyone into the same space.

If you find yourself in this situation, you can still:

01. TEACH YOUR VENTURE THE STEPS

Run through the steps of creating a Theory of Change in your one-on-one sessions or via a group video call.

02. GET YOUR VENTURE TO TRY IT

Set your venture some homework to go through the steps within their organisation.

03. REVIEW IT WITH THEM

Come back together in either your one-on-one consultation or on another group call and get them to walk you through what they have developed. Provide feedback on their draft Theory of Change and identify where they may need to revisit a particular activity or step.

04. REPEAT AND REFINE

Get your venture to keep performing the exercise and refining their Theory of Change until they are confident with their list of outcomes and the logic that ties them all together.
Key Facilitation Principles of a Good ToC Workshop

**BE BOTH A FACILITATOR AND AN ADVISOR**

Your role during a ToC workshop is to both facilitate and advise.

Facilitate: Hold the structure of the session and get the best ideas out of the participants. In this role you don’t provide advice, you just ask questions to help them.

Advise: Sometimes you need to step into the process and help them find the right answer. This might involve bringing along some research/statistics you could share to help them get to a good solution.

**ASK QUESTIONS TO PROMPT PEOPLE**

Keep asking ‘what changes because of that’ ... ‘and then what happens’?
Get them out of the tunnel vision
Understand the dynamics in the room. Are only senior leaders speaking? Gender roles? Language barriers? Get them to speak up by using post-its.
Try to put yourself in their shoes as a participant
Embrace the mess

**KNOW WHEN TO PLAY EACH ROLE**

Be a critical friend. You want to support the process but you also want to ask important questions. Can you see gaps or things that they have missed? How can you ask questions that help them uncover these challenges?

**DO WHAT IS RIGHT FOR THE VENTURE**

Understand the relationship between a theory of change and frameworks such as the Sustainable Development Goals. But be careful about claiming too much. Always do what is right for the venture.

**RESOURCES**

- **Workshop Template**
  A slide template from Akina for running a ToC workshop
  [VIEW & DOWNLOAD]

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Impact Measurement 101  Theory of Change  Teaching a ToC  Gathering and Using Data 79
Gathering and Using Data

This section covers the work involved in developing a framework for gathering data. The section will also discuss the importance of assessing how robust the data needs to be for a given purpose by considering who your audience is.

Identifying Indicators

After the Theory of Change, the next stage of the Impact Management Framework is identifying indicators to measure your impact.
Helping Ventures to Measure Their Impact

This is done by identifying indicators for each of the priority outcomes that were identified in the Theory of Change.

For example:

<table>
<thead>
<tr>
<th>Outcomes</th>
<th>Indicator</th>
<th>Data Collection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parents read to their children more</td>
<td>No. of hours parents spend reading to their children</td>
<td>Survey parents before and after the programme and ask:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&quot;How many hours a day do you spend reading to your children?&quot;</td>
</tr>
<tr>
<td>Increased cognitive development</td>
<td>Student performance in academic assessments</td>
<td>Collected from school records system of academic achievement</td>
</tr>
<tr>
<td>Parents have increased confidence in their</td>
<td>Parents share stories about their parenting</td>
<td>Staff observations of number of times parents share stories of experiences from home</td>
</tr>
<tr>
<td>parenting skills</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Components of an Indicator

There are certain questions to ask when trying to understand which indicator to select for a particular outcome:

- Who or what is changing? (e.g. parents spending time with their kids)
- How much is it changing? (e.g. number of hours of positive time)
- Is there a goal, and what is it? (e.g. at least four hours a week)
- By when does this outcome need to happen? (e.g. within six weeks of the program)

It is recommended to do both quantitative and qualitative data collection, because:

- Some audiences want numbers as they are perceived as more robust
- Sometimes stories (qualitative) resonate more than numbers with some audiences
- Sometimes it would create too much of a data capture burden to collect numbers (quantitative) and you will have to rely on stories
- Some stakeholders will value one type over the other
HELPING VENTURES TO MEASURE THEIR IMPACT

Quantitative and Qualitative Indicators

Quantitative Indicators

Good quantitative indicators are:

- Valid: accurate measure of a behaviour, practice, task that is the expected output or outcome of the intervention
- Reliable: consistently measurable over time, in the same way by different observers
- Precise: defined in clear terms
- Measurable: quantifiable using available tools and methods
- Timely: provides a measurement at time intervals relevant and appropriate in terms of programme goals and activities
- Relevant: linked to the programme or to achieving the programme objectives

Qualitative Indicators

Some changes are very hard to measure in a quantitative way. The effort required to collect the data might outweigh the usefulness, or it might be something that can be hard to measure like innovation. In these cases you will want to use qualitative indicators. You can gather stories from people about the impact an activity has had on them.

PRACTICAL TIP

Make sure your quantitative indicators are SMART:

Specific
Measurable
Achievable
Reliable
Timebound

PRACTICAL TIP

And Indicator Library can be a good starting point for ideas.

These could be from:

An international framework (e.g. the SDGs)
A national framework Government departments (e.g. Indicators Aotearoa)
Approaches to Data Collection

There are a number of different approaches to or methods for collecting data.

**CLEAR LOGIC**

Clear logic + Observable changes + survey stakeholders + use existing data/research

**EXPECTED RETURN METHOD**

Weigh the anticipated benefits of an investment against its costs.

For example, social return on investment (SROI), is one example of an expected return method that provides a framework to calculate an investment's present social value of impact compared to the value of inputs.

**MISSION ALIGNMENT METHOD**

Measure the execution of strategy against the project’s mission and end goals over time, using rubrics such as scorecards to monitor and manage key performance metrics on operational performance, organizational effectiveness, finances, and social value.

**EXPERIMENTAL METHOD (QUASI-EXPERIMENTAL METHOD)**

After-the-fact evaluations that use randomised control trials or other counterfactual approaches to determine the impact of an intervention compared to the situation if the intervention had not taken place.

**PARTICIPATORY METHOD**

Methods such as the Most Significant Change or Story-Based Evaluations solicit the perceptions of constituents about the performance of an intervention. Their feedback is then benchmarked against related interventions to demonstrate impact.

**SYSTEMS MAPPING AND MODELS OF COLLECTIVE IMPACT**

Brings together organisations across sectors to solve social problems by building a common agenda and shared measures of success. They develop maps to understanding complex, nonlinear, and adaptive systems; identify strategic leverage points for interventions within these systems; and then develop indicators to assess whether these interventions work, while recognising that systems-level outcomes are often unpredictable.
Tools for Data Collection

There are a range of different tools for data collection, each with their own pros and cons.

**TEXT MESSAGE SURVEYS**

Great for lower-tech environments where beneficiaries might not have access to a computer
Fast and effective (have high response rates)
Cheap to run
Work best for simple questions where you aren’t asking for a lot of detail e.g. how many hours did you spend reading to your kids in the last week
Not so good for gaining a deep understanding
Need to also think about context (e.g. if people have to pay to reply, women may not have phones, coverage etc.)

**INTERACTIVE VOICE RESPONSE (IVR)**

A system that calls people, gathers information and then responds based on their responses
Great for areas with lower literacy, but that have phone access
Similar to text message – good for simple questions, not so good for complex ones
Easier than text message for customers to provide detailed responses
Can feel like it’s lacking in care or personal connection

**ONLINE SURVEY**

Assumes the recipient has a computer or phone capable of doing the survey
Can gather more in-depth responses, but can risk asking too much
Lots of easy free tools available to do this
May pair with a paper survey for those who don’t have tech
Response-bias may happen if people opt-in willingly to those who are randomly chosen

**EXTERNAL DATA SOURCES (SECONDARY DATA)**

Government datasets
Academic research
Databases
HELPING VENTURES TO MEASURE THEIR IMPACT

FACE-TO-FACE INTERVIEWS

Let's you really understand the person you are talking to
Allows you to follow the conversation to generate deeper insights and follow leads
Great for collecting qualitative data (stories of change)
Less efficient for gathering quantitative data (numbers)
More time consuming than surveys
Have to look at context as well (e.g. male participants may not want to speak to women interviewers etc.)

FOCUS GROUPS

Allows you to gather insights from multiple people at once
Risk that a small number of voices dominate the conversation
Better for gathering qualitative information that quantitative
Also pair with quantitative survey

OBSERVATIONS

Using staff or volunteers to document change through observation
Risk of bias and interpretation
Can work well where there are ethical or capability issues, such as working with children
Also works well where the change is not happening in people, such as environmental change

INTERNAL SYSTEMS

Venture systems may already be collecting some indicators (e.g. comment section on your online store, data you are already collecting for an investor etc.)
Normally only collecting output indicators such as # of units sold, number of clients, # of people attending workshops. That output data may be useful, however, for revealing something about a change for someone
Efficient because it doesn't require extra work
Data out only as good as the data going in
Control Groups

If possible, it's great for your ventures to try and measure what would have happened without them. Would things have improved anyway?

Control groups are groups of entrepreneurs with similar characteristics to those your venture works with, but who don't receive their support. Your venture collects data on the control group that can be compared with the data collected from their program participants.

Control groups can be time-consuming, expensive to run and challenging to manage. It is difficult to not offer some entrepreneurs what you are offering others!

Lean Data Approach

The lean data approach is a useful way to approach data collection when working with limited time and limited resources. The lean data approach is:

Customer First

The idea that you are collecting data to create additional value for your customers or clients. Collecting their feedback and analysing data frequently allows you to implement changes faster and keep your customers engaged.

Uses Low-Cost Technology

The idea that you can collect useful data using low-tech and low-cost technology. For example, free online surveys and text surveys are a cheaper option than a research programme. This means it's perfect for social enterprises who are usually strapped for cash.

Decision-Driven

Focus on collecting feedback at multiple, continuous stages that can rapidly inform decisions. Allows moving quickly to change direction for both impact and the business model.

How is It Useful?

- Fast
- Prevents survey fatigue for your customers
- Only collects relevant data
- Respects your customers (e.g. time – no long term commitments)
- Improves decision-making
- Cheaper

Core Principles of Lean Data

- Bottom-up
- Useful
- Iterative
- Light touch
- Dynamic

PRACTICAL TIP

Think about your audience and whether or not you NEED a control group.

Some alternatives to a control group are:

- Establishing a baseline so you can measure conditions before and after your program
- Asking participants about the impact that they experienced and what they believe contributed to the change
Other Considerations with Data Gathering

- The speed and frequency of data collection
- The resources (financial, human) required
- The stage of impact measurement where they are useful
- The rigor to prove causality
- The statistical significance and reliability of results
- The level of impact they take into account (e.g., customer, company, or system?) – how big do you want to go?
- The subject (person, environment) – what does your audience want?

TOOL/EXERCISE

Creating a Survey

1. Setting Up

Decide what you want to know and why. Create a clear hypothesis.
- Think about what data will come back from the questions you are asking
- Make sure questions are relevant to the data you want to collect

Be clear on who you want data from and what that might mean for how you construct your survey
- Language
- Prior experience to surveys

Make your survey ethical and enjoyable
- Introduce yourself
- Be respectful of people’s knowledge and time. You are asking them for something and what are you giving back to them? Can you explain to them what the data is being used for and undertake to give the survey results to them? Remember you might be being paid to do the survey but they are unlikely to be being paid to complete it.
- Be careful to not include triggers in your survey that could cause stress or anxiety for vulnerable people. If you are working with a potentially vulnerable group, you could test the survey with people who work with the group first, or with a smaller sample group to ask for feedback before using more broadly.
- Less is more
Creating a Survey (cont.)

2. Framing Your Questions

Questions need to be objective for the organisation to inform decision making.

Mix up quantitative and qualitative questions:
- People respond well to open-ended questions. They feel listened to and the quality of their responses is higher.
- Qualitative can take longer so be mindful of the duration.

Avoid “brain pain.” Use plain language:
- Think about your audience and if they have any barriers (language/cost/electricity/tech etc.)
- Don’t ask complex questions
- Run it past a family member to test it first

Examples:

AVOID: “What was the state of cleanliness of the hospital room?”
ASK: “How clean was your room?”

AVOID: “Do you possess bovine livestock?”
ASK: “Do you own a cow?”

Avoid loaded questions – don’t inject your values and assumptions (this could influence the responses you receive).

Examples:

AVOID: “In the past week, how much money did you waste on cigarettes?”
ASK: “In the past week, how much money did you spend on cigarettes?”

Avoid asking double-barreled questions (where there are two questions in one and someone could just respond “yes” or “no” and you won’t know to which part of the question they are referring).

Examples:

AVOID: “Do you read and sing to your kids every day?”
ASK: “Do you read to your kids every day?”
ASK: “Do you sing to your kids every day?”

Avoid asking broad questions.

Examples:

AVOID: “What do you think of our cookstove?”
ASK: “What is the most useful feature of our cookstove?”
Creating a Survey (cont.)

3. NET Promoter Score

Net Promoter Score asks one simple question: "How likely are you to recommend us to a friend?" Respondents pick a numerical score between 0 and 10. The higher the score, the more likely they are to you recommend you – the lower the score, the less likely.

This is a good measure for determining whether the customer saw value in your service which can be an early-stage indicator of the customer receiving value that may lead to positive outcomes. It can be used for people receiving benefit from the service or from customers of the venture. It is frequently used in mainstream business so can be good for comparing the venture with other businesses.

4. Customer Effort Score

The customer effort score is another simple tool to learn how much effort the customer had to go to to fix a problem which is used in mainstream business so could be useful when comparing to other businesses but can also demonstrate customer satisfaction.

Examples:

Q: Have you experienced any challenges using the [product/service]?
A: Yes/No
Q: Has the issue been resolved?
A: Yes/No
Q: Do you agree/disagree with the statement: Overall, this product has made it easy for me to handle/resolve my issue.
Options: strongly disagree, disagree, somewhat disagree, neutral, somewhat agree, agree, strongly agree.

Source: Akina
Survey Design Tips

**USE CONSISTENT SCALES**

Have consistent scales so it is easier for the person doing it. For example, you could use the Likert scale. Thinking about the past month, how do you feel about the following statements?

“I have felt supported at work”

Answers: 5-point scale: (strongly disagree, disagree, undecided, agree, strongly agree).

“I have had enough food at home”

Answers: 5-point scale: (strongly disagree, disagree, undecided, agree, strongly agree)

**ASK DEMOGRAPHIC QUESTIONS**

Ask demographic questions for comparing survey answers (age/geographic etc. e.g. under 25 prefers xx compared to over 50s). Ask these questions last so you can build a report with them beforehand. Always ask age in the form of the year they were born, not how old they actually are. When asking for incomes, ask it in the form of a range and not the actual number and have it be for the whole household.

**DATE THE SURVEY**

Date the survey to show change over time and to keep track of your surveys once you are finished.

**CODE THE SURVEY**

Code your surveys so they can be anonymous as you are more likely to get more honest answers from people who know their name will not be shared. For example, use a numerical or letter system that you write on the survey along with the survey taker’s name and date of survey.

**KEEP IT BRIEF**

Aim for around 7-10 questions
Using Data

There are a number of different ways to use the data that you have collected.

- For storytelling
- For Reporting
- As a learning and strategic tool for business decision making
- To ensure all stakeholders tools and framework adopt the process and learning culture for all the stakeholders in the business

Analysis and Reporting

Using data to tell a story about or report on your program can help to:

- Demonstrate the impact you are having
- Inform the people who benefit
- Inspire your staff
- Show your donor what you have done. Donors want to give to organisations that meet needs. Not to organisations that have needs.
- Look more closely at your data and draw conclusions

Effective reporting:

- Puts the beneficiaries' voice at the centre of the impact by using case studies and data
- Focuses on outcomes. It can include activity measures but make sure they are not the sole focus of your reporting.

PRACTICAL TIP

In order to achieve Minimal Viable Reporting, ask yourself:

- What is the best place to start with reporting?
- What is the stuff you need to focus on to meet your learning needs and need of your funding and partners?

PRACTICAL TIP

There are many different ways you might want to report your impact.

- Presentations / slide decks
- Written report
- Interactive webpage
- Video

The about the format that best suits your information, and your audience.
Helping Ventures to Measure Their Impact

Identifying Your Audiences

Different audiences need different levels of impact reporting. This could influence your data collection methods so take that into account when deciding what data you are going to collect.

Possible audience groups are:

- People the venture is benefiting. Ventures should hold themselves accountable to the people they seek to benefit. Generally it is good practice to see this group as their primary stakeholder. Impact reporting can show how the venture is supporting people to achieve their goals.
- Management (complex, frequent)
- Board (complex, robust)
- Funders (combination, outcomes data, and stories)
- Media (stories)

Be comfortable that your data may not be perfect. Be willing to communicate what is perfect and what isn’t. Don’t overclaim. Transparency is key.

Gathering, Cleaning and Interpreting Your Data

Before you dive into all of the data you have collected across your program, think about:

- Which data needs to be collated, and which doesn’t
- All the different sources of data you have
- How to collate/normalise the data so you can group or connect

PRACTICAL TIP

When thinking about your audience’s needs, ask yourself:

- What are they most interested in? (e.g. funders want to see evidence)
- Are you asking your audience to make a decision based on your information?
- What are the key pieces of information they will need to make their decision?

PRACTICAL TIP

Put all of your data into a spreadsheet so that you can group and connect them.

Check that you are consistent in the language you use.

For example, don’t refer to participants as students in one piece of data and children in another.
Interpreting Quantitative Data

- Find an Excel expert or a data analyst to get the best results
- In Excel, learn to use tools like Pivot Tables to focus information
- Remember that specialists tools = need specialists skills

Interpreting Qualitative Data

- Qualitative data is more time intensive. Set some time aside!
- Remember to grab quotes as you go
- Identify key words, phrases and themes about impact and document them
- ‘Code’ or store the key information

Deductive vs Inductive Approach

**Deductive**: Based off a theory or hypothesis (ToC) that you have predetermined

**Inductive**: Emergent. Used when there is little research about your area of focus. As you go through your results, you identify patterns or trends.

Key Principles of Good Impact Reporting

**CLARITY**

The reader is able to understand a coherent narrative that connects the aims, plans, activities, and results.

**ACCESSIBILITY**

You present relevant information with plain language and use a range of formats (video, text-heavy or visually accessible).

**TRANSPARENCY**

Be full, open and honest. Try to hold yourself account to your community stakeholders as well. Doing so will increase trust.

**ACCOUNTABILITY**

Provide reassurance and make sure your data is verifiable. Information is there for people to appreciate.
Data Driven vs Data Informed

**Data:** Seems clear cut and provides justification for decisions.

**Intuition:** Combines multiple sources of data and experience to make a decision.

Act on Your Data

After analysing your data you will have insights that can inform the future direction of your work. There will be a lot to explore.

As you do your analysis, create a list of potential changes for consideration that you want to explore further as an organisation. Prioritise them based on different criteria e.g. cost, evidence, speed.

Don’t be afraid to tell people what didn’t work and what you learnt.

Impact reporting isn’t something you ‘do’, it is something you use.

RESOURCES

**Viz for Social Good**
A platform for data visualisation

**Sopact**
An impact measurement and management platform

**Socialsuite**
Impact management software

**SocialCops**
Tools to support large-scale data projects

**Biteable**
A tool for making informative explainer videos

**Pletica**
A tool for creating maps and diagrams

**Infogram**
A tool for creating infographics

**Google Data Studio**
Tools for visualising your data
Measuring the Impact of Accelerators

How you as incubators and accelerators can measure your own impact.
Measuring the Impact of Accelerators

It is incredibly important for intermediaries to understand the impact of your incubator or accelerator, as this what weaves together the underlying story of the change that you are trying to create through your work.

This section looks at impact measurement specifically for incubator and accelerator programs. It provides an overview of the different concepts within impact measurement, including common challenges, types of impact, levels of impact and reasons for measurement. It then looks at two impact measurement approaches from the Impact Management Project (IMP) and the Global Accelerator Learning Initiative (GALI).

PURPOSE

Help intermediaries to better understand the impact that they are creating through their programs

OUTCOMES

- Understand the key challenges of impact measurement
- Support understanding of varied impact management frameworks, tools, and approaches
- Sharing tools and know-how of how to identify, measure and collect meaningful impact data for their unique situations
Impact Measurement Concepts

This section provides an overview of the different concepts within impact measurement. It identifies some of the common challenges faced by intermediaries who are measuring the impact of their own programs before breaking down the different reasons and incentives for measuring and managing impact. It then provides a brief overview of the types of impact that can be measured, and how that measurement might look at the entrepreneur, program, organisation and ecosystem level.

Impact is the story of how you are making the world a better place.

SANA KAPADIA, SPRING
Challenges of Impact Measurement

Impact measurement and management is a complex area for all organisations. Measuring impact can be particularly challenging for incubators and accelerators, as you must consider a wide range of stakeholders, the complexity of data, the degree of attribution that can be made to your program, and the multiple possible levels of impact.

At the practical level, common challenges faced by intermediaries measuring their own impact include:

- Establishing a clear focus
- Establishing a clear link between support provided to entrepreneurs and their development and achievements
- Collecting and managing data
- A lack of clear templates
- Tracking outcomes once a program finishes
- Prioritising time and resources to dig deeper into impact

Reasons for Measuring Impact

Intermediaries and enterprises measure their impact for a number of different reasons:

01. CREATE POSITIVE CHANGE

Some enterprises are motivated to manage impact because the creation of positive change for people and the planet is why they exist.

02. MITIGATE RISK

Some are driven by a concern about regulatory and reputational risk.
03. UNLOCK VALUE

Some see it as a way to unlock commercial value — for example, cost-cutting through energy savings or increasing workforce retention or customer loyalty.

04. UPHOLD IDEALS

Some just believe that businesses should respect society and want to live up to that ideal.

Levels of Impact

The impact of intermediaries and enterprises can be measured at the:

**ENTREPRENEUR LEVEL**

This can include learning, mindset, and life impact.

**PROGRAM LEVEL**

This can include the number of participants, reach of the program, geographies covered, revenue generated, and funding secured.

**ORGANISATION LEVEL**

This can include the impact on finances, operations, and networks.

**ECOSYSTEM LEVEL**

This can include resources generated, lives impacted, and indications of economic change.

RESOURCES

- **Impactasaurus**
  A simple tool for reporting impact

- **Geckoboard**
  A business dashboard that can be used for displaying impact metrics

- **Pivot Tables**
  An Excel function to extract the significance from a large, detailed data set

- **Social Value Map**
  An Excel template of a value map with preset formulas to help you calculate your impact
Dimensions of Impact

This section provides an overview of a framework from the Impact Management Project (IMP) – a forum for building global consensus on how to measure, manage and report impact. It looks at the IMP’s five dimensions of impact and the data needed to make an assessment of each. It also looks at three types of impact and how they relate to the intentions of the intermediary or enterprise.

Note: Full descriptions of all contributors can be found in the Index.
The Five Dimensions of Impact

After hundreds of in-person and virtual conversations, the IMP reached a consensus that impact can be deconstructed into five dimensions: What, Who, How Much, Contribution and Risk.

WHAT

Tells us what outcomes the enterprise is contributing to, are they positive or negative, and how important the outcomes are to stakeholders.

*Data needed to make an assessment:*

**Outcome level:** The level of outcome experienced by the stakeholder when engaging with the enterprise

**Outcome threshold:** The level of outcome that the stakeholder considers to be positive or ‘good enough’

**Importance of outcome to stakeholders:** The stakeholder’s view of whether the outcome they experience is important

<table>
<thead>
<tr>
<th>WHAT</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• What outcome occurs in period?</td>
</tr>
<tr>
<td></td>
<td>• How important is the outcome to the people (or planet) experiencing it?</td>
</tr>
</tbody>
</table>

WHO

Tells us which stakeholders are experiencing the outcome and how underserved they were prior to the enterprise’s effect.

*Data needed to make an assessment:*

**Baseline:** The level of outcome experienced by the stakeholder prior to engaging with the enterprise

**Stakeholder characteristics:** Socio-demographics and behavioural characteristics of the stakeholder

**Boundary:** The area or location where the stakeholder experiences the outcome

<table>
<thead>
<tr>
<th>WHO</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Who experiences the outcome?</td>
</tr>
</tbody>
</table>
|                                     | • How underserved are the affected stakeholders in relation to the outcome?
MEASURING THE IMPACT OF ACCELERATORS

HOW MUCH

Tells us how many stakeholders experienced the outcome, what degree of change they experienced, and how long they experienced the outcome for.

Data needed to make an assessment:

Scale: The number of individuals experiencing the outcome
Depth: The degree of change experienced by the stakeholder
Duration: The time period for which the stakeholder experiences the outcome

CONTRIBUTION

Tells us whether an enterprise’s and/or investor’s efforts resulted in outcomes that were likely better than what would have occurred otherwise.

Data needed to make an assessment:

Depth counterfactual: The estimated degree of change that would occur anyway for the stakeholder
Duration counterfactual: The estimated time period that the outcome would last for anyway

HOW MUCH

• How much of the outcome occurs - across scale, depth and duration?

CONTRIBUTION

• What is the enterprise’s contribution to the outcome, accounting for what would have happened anyway?
MEASURING THE IMPACT OF ACCELERATORS

**RISK**

 Tells us the likelihood that impact will be different than expected, and that the difference will be material from the perspective of people or the planet who experience impact.

Data needed to make an assessment:

- Risk type: The type of risk that impact is exposed to
- Risk level: The level of the risk

---

**The Three Intentions of Impact**

The IMP states that an enterprise’s intentions relate to three types of impact: A, B or C

**A: Avoid Harm**

At a minimum, enterprises can act to avoid harm for their stakeholders.

For example, decreasing their carbon footprint or paying an appropriate wage.

**B: Benefit Stakeholders**

Enterprises can actively benefit stakeholders.

For example, proactively up-skilling their employees, or selling products that support good health or educational outcomes.

---

**REFLECTION**

Such ‘responsible’ enterprises can also mitigate reputational or operational risk (often referred to as ESG risk management), as well as respect the personal values of their asset owners.

These ‘sustainable’ enterprises are doing so in pursuit of long-term financial outperformance (often referred to as pursuing ESG opportunities).
C: Contribute to Solutions

Many enterprises can go further — they can use their capabilities to contribute to solutions to pressing social or environmental problems.

For example, enabling an otherwise underserved population to achieve good health, educational outcomes or financial inclusion, or hiring and skilled formerly unemployed individuals.

REFLECTION

A fourth category includes enterprises that do cause harm, or that may cause harm that they aren’t aware of because they do not measure for it.

TOOL/EXERCISE

B Impact Assessment

A tool for companies to measure their impact across five key impact areas:

- Community
- Environment
- Workers
- Governance
- Customers

Why should you use it?

Comprehensive: Considers all stakeholders and focuses on the positive impact created (or potential for positive impact).
TOOL/EXERCISE

B Impact Assessment (cont.)

Objective and aspirational: Questions are verifiable, stakeholder-driven, and independently governed.

Standard yet adaptive: Tailored based on a company’s sector, size, and location. Benchmarks are set for impact area, topic and question.

Operations and business model: Includes questions on the operations of a company and questions relating to the business model impact.

RESOURCES

Impact Management Project - Resources
A database of IMP resources

Impact Management Project - WHAT
An in-depth look at the 'What' dimension

Impact Management Project - WHO
An in-depth look at the 'Who' dimension

Impact Management Project - HOW MUCH
An in-depth look at the 'How Much' dimension

Impact Management Project - CONTRIBUTION
An in-depth look at the 'Contribution' dimension

Impact Management Project - RISK
An in-depth look at the 'Risk' dimension

B Impact Assessment
A B-Corp tool for companies to measure their impact
Value for Money

This section looks at the fundamental elements of measuring the value for money (VFM) of an incubator or accelerator program. It explores the concept of value for money and why you would measure it, before outlining the different calculations that need to take place. It then provides some helpful questions for intermediaries to ask themselves before undertaking a VFM measurement.
What is ‘Value for Money’?

Value for money (VFM) calculations consider the quality of what is being produced in addition to the economy and efficiency with which it is being produced.

For example, for every $1 invested into an accelerator program:

- How many jobs were created?
- How much additional revenue did businesses earn?

REFLECTION

The concept of value for money is explicitly comparative. This means that it is always measured against something, such as a benchmark, other similar programs, or alternative interventions.

Why Use a VFM Analysis?

01. USEFUL FOR INTERMEDIARIES

This can be a management tool for incubators and accelerators to understand when it may be necessary to reduce costs or work to improve outcomes.

02. BEST FOR COMPARING SIMILAR PROGRAMS

These measures are most useful as comparative tools to assess a portfolio of projects by a common standard, rather than a stand-alone metric.

03. ENABLES ONGOING DATA COLLECTION

Intermediaries or their funders should consider integrating this (or a similar) methodology into ongoing data collection processes.
Practical Calculations of Value for Money

For programs that have application and follow-up data for cohort ventures:

\[
\text{Average Cost Effectiveness} = \frac{\text{Program Cost per Venture}}{\text{Average Change in Outcome}}
\]

Where:
- **Program Cost per Venture** = Total Program Cost + Total Capital Invested by the Accelerator
- **Average Change in Outcome** = Cohort Average outcome in Year – Cohort Average in Baseline Year

A resulting statement might be: "Every $1,000 in accelerator costs was associated with the creation of one new job at cohort companies after two years."

For programs that have application and follow-up data for cohort ventures and a comparison group on non-accelerated ventures:

\[
\text{Net Cost Effectiveness} = \frac{\text{Program Cost per Venture}}{\text{Average Net Change in Outcome}}
\]

Where:
- **Program Cost per Venture** = Total Program Cost + Total Capital Invested by the Accelerator
- **Average Net Change in Outcome** = (Cohort Average outcome in Year – Cohort Average in Baseline Year) – (Comparison Average Outcome in Year – Comparison in Baseline Year).

A resulting statement might be: "Every $2,000 in accelerator costs was associated with one additional new job at cohort companies two years later, in comparison to non-cohort companies."
Questions to Ask Before Conducting a VFM Assessment

01. WHAT AND WHEN
What is an appropriate outcome based on your goals?
When can you expect to see this outcome?

02. HOW
How can this outcome be measured?

03. WHICH
Which costs should be included in your calculation?
Direct costs and investments made by the accelerator?
What about overhead costs?
What about research and development costs?

PRACTICAL TIP
Start by determining what type of value your incubator or accelerator is hoping to create.
Different accelerator types have different goals for their programs.

### ACCELERATOR TYPES AND GOALS

<table>
<thead>
<tr>
<th>Accelerator Type</th>
<th>Goal(s)</th>
</tr>
</thead>
</table>
| Business development-oriented | Venture growth  
                      | Job creation                                      |
| Impact-oriented          | Positive social or environmental impact           |
| Entrepreneur-oriented    | Personal development of entrepreneurs             |
| Ecosystem-oriented       | Entrepreneurial ecosystem / regional economic development |
MEASURING THE IMPACT OF ACCELERATORS

MEASURABLE ACCELERATOR OUTCOMES

<table>
<thead>
<tr>
<th>Time frame</th>
<th>Type</th>
<th>Outcome to measure</th>
<th>Example metrics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Immediately post-program</td>
<td>Founder</td>
<td>Growth in mentorship support</td>
<td>Number of mentors</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Improvement in business skills</td>
<td>Change in self-rated ability in different content areas</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Increased confidence</td>
<td>Change in self-rated confidence level</td>
</tr>
<tr>
<td>1 year post-program</td>
<td>Venture</td>
<td>Increase in commercial partnerships</td>
<td>Change in number of corporate partnerships</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Increase in financing*</td>
<td>Change in equity or debt funding</td>
</tr>
<tr>
<td>2+ years post-program</td>
<td>Venture</td>
<td>More ventures survive</td>
<td>Proportion of ventures that are still active</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Increase in revenue*</td>
<td>Change in revenue</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Revenue growth rate</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Jobs creation*</td>
<td>Change in number of employees</td>
</tr>
</tbody>
</table>

*Variables captured in the Entrepreneurship Database Program survey.

TOOL/EXERCISE

Modified Theory of Change for Accelerators

GALI has produced a modified theory of change model for intermediaries such as incubators and accelerators.

This is not meant to be a prescriptive model for every intermediary to use, but is an example based on a common accelerator structure that GALI have found in their research.

Intermediaries are encouraged to use this as a starting point to develop your own Theory of Change.  

Source: GALI

RESOURCES

Measuring the Value for Money of Acceleration
A methods brief from GALI that provides VFM guidance to practitioners

Modified Theory of Change for Accelerators
An example from GALI of what a ToC for intermediaries may look like
Financial Sustainability

How to keep your organisation or enterprise financially sustainable in the short and long-term.
Financial Sustainability

A lot of companies expect to get funding only from a single donor source. But what do you do if that source stops the cash inflow?

This section aims to support you on the path to long term financial sustainability. It provides some foundational knowledge designed to provide foundation knowledge with specific support and advice to fit your specific context. It should help you get to a clear plan for the upcoming fiscal year and beyond, with specific progress and milestones made.

### Purpose

Learn the different methods and tools that exist to help your organisation thrive instead of just survive on a recurring, annual basis.

### Outcomes

- Understand the different sources from which you can receive funding
- Understand the pros and cons of corporate innovation
- Understand the difference between corporate innovation and sponsorship
- Understand where to find sponsors and how to secure them
- Understand how your own financial sustainability links to that of your cohorts
Financially Sustainable Business Models

This section provides a brief summary of different business model options to help make your incubator or accelerator organisation financially sustainable. It outlines the benefits and considerations of each model as well as a number of case studies of the model in action.

1. Donors and Funders

Receiving money from donor organisations or funding bodies.

**Benefits**

They are a good source to get funding from if you are looking to launch your organisation or enterprise

They often like new ideas and projects versus ongoing funding of existing work

They are able to collaborate locally, nationally and regionally (but, they usually do have specific geographically requirements for their funding so be sure to check their websites before sending them a proposal)

**Considerations**

These relationships take time to cultivate, and the goal is to build relationships to improve the chances of funding support by better understanding the donor’s goals, needs, and ways of doing business

They tend to support launching and early-stage organisations, but not support you over the long-term.

It can also be difficult sometimes to receive funding from them if you already have a track record. On the flip side, sometimes they require you to have a track record before funding you, so it's always best to check out their funding requirements before spending time writing a proposal.

**CASE STUDY**

**Impact Hub LATAM**

Two years with no follow-up funding

Developed a regional capability plan which included organisations from five countries with support from the Inter-American Development Bank (IDB).

The program covered: program development, skills, space, and corporate innovation.

This resulted in three new incubators and accelerators launched and a capacity of five communities impacted.

Source: Spring
2. Sponsors

Corporations who sponsor programs, workshops and/or events

Benefits

- They often support your vision and want you to succeed
- They may value your entrepreneurs as potential customers and want them to succeed

Considerations

- Their support may be a component of their Corporate Social Responsibility (CSR) targets and this may affect what they prioritise within your program
- They may look to acquire early-stage companies as clients (for example, a bank or a law firm)

CASE STUDY

Spring

A private for-profit entity and are fully privately funded.

Spring has been pursuing sponsorship from the beginning from a range of industries such as banking, insurance, accounting, legal as well as software companies. At its peak in 2017, 20% to 25% of their revenues for the entire year came from sponsors. This is an important part of their financial sustainability mix.

From experience, it takes about 3 to 4 years to get the full potential of a sponsorship relationship. Initial sponsorship may be small but as you continue to build the relationship and show value in what you are doing, it will grow. For example, a bank started by sponsoring one event for $4,000 and currently brings $50,000 a year in annual sponsor revenue to Spring.

To get sponsorship, Spring did not tell but asked what the sponsors’ goals and objectives are, what is important to them and from that, they found alignment between what they were trying to achieve and what they were hoping to do.

The important thing is to cultivate and nurture the relationship as you would with a partner in terms of and investing the time making sure that they also know what is happening in the community.

Source: Spring
3. Coworking and Events

Running a coworking space alongside an incubator or accelerator program and running events within your ecosystem.

Benefits
- Coworking meets a secondary need of your ecosystem
- Coworking has different clients to an incubator or accelerator so has the potential to diversify risk
- You are able to run (and charge for) all types of events, every day

Considerations
- It has different clients to an incubator or an accelerator so should be set-up as a separate, standalone business (e.g. an incubator business won’t rent desks and coworking members won’t take programs)
- Coworking as a business needs its own budget, goals, staff and focus areas
- If you own, rent or lease space as a marketplace for your community, you are a landlord and you need to maximise your revenue per square foot/metre

CASE STUDY

Impact Hub: Belgrade

An incubator and accelerator organisation and coworking space.

Impact Hub Belgrade make full monetary value and financial sustainability by treating their space like a real estate asset and running it like a business.

They have a diverse range of events every night which are promoted to everyone in their community (e.g. wine tasting, workshops, and parties).

This helps them to be financially sustainable and gives them the breathing room to run programs such as incubation and acceleration.

Source: Spring
4. Corporate Innovation

A consulting business that works with a corporation to respond to a specific problem or need by building them a custom solution. Sometimes called Open Innovation.

The five types of corporate innovation are:

1. Training
2. Startup surveys and scouting (for acquiring)
3. Internal incubation and acceleration: Exclusive to their staff, no external call for companies or entrepreneurs
4. External incubation and acceleration: Corporations pay you to run a specific incubator or accelerator often themed with an external call for entrepreneurs
5. Venture building

Benefits

• Corporate innovation projects can lead to high financial return
• Running events and workshops for corporations tend to have a very short sales cycle, around 60 days or less

Considerations

• The corporation's needs may not align with your values
• Local corporations may not have the mandate to diverge from global practices. Start with global corporations and it will teach the local corporates

CASE STUDY

Highline Beta

A global leader in corporate programs.

Highline Beta started as a classic incubator and accelerator but then they found that in North America there was an opportunity to dive deeper into corporate innovation. Now they offer full corporate programs and are considered a global leader.

They do it through three primary means:

• Individual training
• External incubator/accelerator
• Venture building

Source: Spring
4. Investment Returns

Getting a financial return on investments made by your organisation.

Benefits

- Offer less immediate risk than other models
- Revenue-backed financing and redeemable shares may help to accelerate returns

Considerations

- Are a longer-term focus than other models
- Usually takes an average of 7 to 10 years to get your money back (this number is consistent with brick and mortar, micro-enterprise/bootstrap organisations and incubators and accelerators that focus on high-growth, technology-related businesses)

CASE STUDY

BK Holdings, Vietnam

BK Holdings is embedded in one of Hanoi’s leading technical schools and their core focus is helping professors and students to launch new businesses by technology transfer (transferring new technology ideas out of the University and into business).

Some funding is provided but they also take a percentage of the company (of whatever money is raised).

Revenue = School (donor) funding + % of funding raised + corporate training revenue

In doing so, they are also able to secure a percentage of the investment round. When the company raises that first round as its transferring out of the university, they take a percentage of that round at the same time.

Source: Spring
5. Venture Building

Get paid by an entrepreneur or a corporation to build a product or an entire company

Benefits

• You have guaranteed payment from a single source

Considerations

• Less than 5% of accelerators and incubators venture build
• You will need to have ready access to talent, talent you know and trust
• Sometimes you may need capital to float the start-up and you are paid afterward

CASE STUDY

Axiom Zen, Canada

Axiom Aen are sometimes paid by customers like entrepreneurs and corporations and with the profit they generate, they build their own ideas.

They have had three successful product launches that have come from their own ideas and have been able to raise money and generate revenue to fuel all of their work. They have the benefit of working exclusively on blockchain-related projects and have their own internal technical and business teams.

However, the biggest challenge they are facing is balancing culture – trying to manage a business at the same time as generating their startups.

Source: Spring

CASE STUDY

Ministry of Programming, Sarajevo

Ministry of Programming is exclusively paid by clients to do venture building. Those clients are diverse and cover the full spectrum – corporations, startups, financial technology-related businesses, etc.

Like Axiom, they have their own technical team (employees) and they balance their workload with staff budgets. If they don’t have enough clients but have employees, they need to know how to deal with that cost.

Source: Spring
8. Bootcamp Schools

Teaching people to a skill (e.g. to become marketers or designers) in 10 or 12 weeks.

Benefits
- Require a low number of contact hours for a high financial return

Considerations
- A bootcamp looks very different to an incubator or accelerator program
- You need to tailor your curriculum to suit this format and timeframe
- You may cannibalise some of your prospective incubator or accelerator clients

Key Questions to Ask
- Which one of the above is possible for your organisation?
- Which ones are logical given the marketplace you are in?
- What are my teams’ strengths and capabilities so we can find the right path?
Commercial and Corporate Innovation

Designing and running programs for established organisations or corporations can be a great way to build strategic partnerships, source mentors, build internal capabilities, and diversify revenue streams.

This section explores the different services that you as an intermediary may be able to offer a commercial or corporate client. It then looks at how to find potential customers and, once you’ve found them, how to develop the right services and programs to suit their needs.

What You Can Offer

There’s a range of services that incubators/accelerators are well placed to offer to commercial or corporate clients, but it is important to have an understanding of the ways your team can create value (via services or programs) before engaging.

This might come in the form of clearly defined services or programs, or simply capabilities.

Some examples are:

- Delivering training (on topics like design thinking, innovation, or agile management – areas of practice that your team is confident in)
- Running start-up surveys, research efforts, or scouting
- Designing and running internal incubation and acceleration programs for intrapreneurs
- Designing and running external incubation and acceleration for entrepreneurs they might want to partner with or procure from
- Venture building of potential partners/suppliers
- Strategic partnerships/sponsorship

PRACTICAL TIP

If you want to push corporates to do more, you can run an event to raise consciousness.

Target it at CEOs and bring speakers to inspire the audience. Ensure you are talking to people who are at the right level of seniority (those that have the power to make decisions) who have got the budget to spend.
Once you understand what you want to offer, the next step is to identify and engage potential clients. There are three key aspects to this:

- Build genuine relationships (find your advocate/champion in the client and establish a strong connection)
- Understand their context (take the time to explore pain-points and problems, and to identify causes and possible solutions)
- Find areas of alignment (identify areas of mutual interest that can be explored, or capabilities that are complementary to needs)

Start with global corporations such as financial services, tech and communications, extraction, manufacturing, and tourism.

**CASE STUDY**

**Canadian Telecom Company**

Helping them to find early-stage mobile health companies to partner with (it is a long-term strategy of theirs).

A telecom company found out from surveys that Canada is an aging population and its customers are thinking more about their long-term health and their health as a long-term population.

They believe part of the solution would need to come through their mobile phones (thus creating a driving force for the Telecom company).

With this information in hand, the company then:

- Went out to the ecosystem to look for local/national/regional startups that are addressing some of those mobile health questions (to fit the innovation needs of the corporate)
- Could be for partnering and/or acquisition
- Required experience in finding good companies and evaluating for the fit and needs

Source: [Spring](#)
The general manager of human resources or Corporate Social Responsibility (CSR) may or may not be interested in your offering vs passionate leader-agitator who is a junior manager but is enthusiastic to align with them and influence inside the organisation?

Try and enter through CSR or HR strategy with an offer of outsourcing, problem-solving, innovation or shared value.

Have a coffee with them and ask who should we look to reach out to, who do they work with and what kind of problems they are trying to solve, what kind of partnerships do they do (contact organisations and ask for advise on how to get into the sector). They could potentially turn to you and say this is us, and what can you offer us.

Go where they are. CSR, HR or Strategy Conferences, publications, professional networks, leverage an opportunity via a donor.

Pricing Your Work

When starting to work with different clients and offer new services it is important to develop an appropriate pricing model. This should reflect your costs and the client context. Before pricing services/programs understand your costs and develop a pricing model that incorporates these as well as management fees and contingency, to ensure there is some profit. Consider talking to management consultancies or other professional service firms in your area to get an insight into their rates.

Also consider treating your first client as a potential case study or reference point that could help you win work in the future, and charging less to get the client. As it can be difficult to increase rates, we urge some caution with this approach.
Understand your hourly rate, your daily rate, margin, etc.

Think about how you can recruit costs with value-based pricing for the amount of lead time that you put into the work to secure the client as well and the other work that you do that you are unable to charge for (build buffer).

Some steps for determining pricing include:

01. UNDERSTAND YOUR COSTS

Understand everything you are paying for and look at the market to use what your competitors are charging.

02. LOOK AT MARKET PRICING

What are people paying for the same or similar product/experience? Set your price below that to get business or higher to state yourself as a premium product/service.

03. LOOK AT VALUE PRICING

Look at the value of the product/service to the customer. If you can communicate and advertise on the value and reach those customers with a value offer, you’ll be able to win over your customer base.

This can also be “value” in terms of the impact your product creates for the world (e.g. Patagonia – high priced product that people will buy because of its social and environmental impact).
Internal vs External Incubation and Acceleration

<table>
<thead>
<tr>
<th>TERMS</th>
<th>DEFINITIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal</td>
<td>Corporations pay you to run an incubator or accelerator exclusive to their staff with no external call for companies or entrepreneurs.</td>
</tr>
<tr>
<td>External</td>
<td>Corporations pay you to run a specific incubator or accelerator, often themed with an external call for entrepreneurs.</td>
</tr>
</tbody>
</table>

Internal or external is chosen by the nature of new products or services; match on skills, market/customer; risk, governance. This tells you the answer as to whether you’re working on something inside the organisation with intrapreneurs and existing staff or whether together you’re establishing something separate.

It can be a combination of their culture and their goals/objectives. Some companies or organisations may want to protect their intellectual property or some want to drive culture change.

Six steps for running an incubator or accelerator program with a corporation:

01. **ARTICULATE THE PROBLEM**

Help them to articulate the problem(s) or opportunity(es) they have. This helps to grow your skill around asking and engaging insightful and leading questions.

02. **RUN AN IDEATION PROCESS**

Be sure to have the right people in the room and make it an open process.

03. **FIND THE “GOLD”**

Prioritise (using 3 to 5 priorities), gut feel, democracy vs specialist knowledge.

04. **CRYSTALISE THEIR THINKING**

Through market/customer tests and rapid iteration design. You must have the facts and data on the market, competition, and deep customer understanding. Throw idea after idea and keep designing before you pilot. This saves money and helps you to be faster later.
05. RUN A PILOT OR PILOTS

Don’t stay in the design phase for too long. Pilot and do short sprints to learn quickly.

06. COMMENCE PROTOTYPING

Duplication, triplication and then further scale into performance, or scale through more customers (depending on what the scaling is).

CASE STUDY

Internal Incubation: Disability Services Provider

Articulate the problem = Employment for people with a disability. Ran a 3-day explore with the company to understand the problems, what they want to solve, market insight etc.

Run an ideation process = Focused on people with disability (PWD), employers, staff, training organisation.

Find the “Gold” = A model developed around the technology of training, in-house SE that employs, with external employment as the final goal.

Crystalise their thinking = Interviews of PWD and employers. It was all about their skill sets and what they know.

Run a pilot or pilots = Started the first training.

Commence prototyping = Graduates moved into a social enterprise and company started the process again. Duplication was planned as well as scaling at other geographic locations.

Source: Spring

CASE STUDY

External Incubation: Global Software House

Articulate the problem = Indigenous Australia, 1 Billion Lives (CSR Program). Best idea of transforming difficult circumstances of people on the planet so they can touch 1 Billion Lives positively.

Run an ideation process = CSR team, TDi team, IBA and Indigenous social enterprises (brought networking strength to the table).

Find the “Gold” = Ideation using the company’s idea factory and local Indigenous people.

Crystalise their thinking = Interviews with Indigenous Business Australia (IBA) and Indigenous social entrepreneurs.

Run a pilot or pilots = Held the first Idea Factory (hackathon) in Melbourne. Assessed and refined.

Commence prototyping = Held the second Idea Factory in Sydney. ‘Boxed’ this process and made it available to all offices in the company.

Source: The Difference Incubator
Sponsorship

Securing corporate sponsorship of your program or events can be a great way to secure funds and build strategic partnerships. This section looks at the differences between sponsors and corporate innovation before examining some of the motivations, likes and dislikes of different sponsors. It provides guidance on how to first approach a new sponsor as well as some tips for maintaining a strong, ongoing relationship with sponsors that you want to keep working with.

What's the difference between sponsors and corporate innovation?

Sponsors are corporations but, unlike corporate, innovation sponsors (designed around specific programs/workshops/events) are those who support what we are doing without taking on innovation in their own organisation.

- Why are they driven to do this?
- Why do they have to innovate?
- To sponsor events
- To sponsor direct costs
- To put their money towards the overall missions and goals of the program
- Standing in front of a crowd and saying hello
- Their logos on banners and on social media
- Data and metrics (reach, demographics, social mentions)
- Introductions and referrals

Who Sponsors Are

What's the difference between sponsors and corporate innovation?

Sponsors are corporations but, unlike corporate, innovation sponsors (designed around specific programs/workshops/events) are those who support what we are doing without taking on innovation in their own organisation.

Their Motivations and Questions to Consider

- Why are they driven to do this?
- Why do they have to innovate?
- How are they motivated?
- How are they staffed and equipped?

What Sponsors Like

- To sponsor events
- To sponsor direct costs
- To put their money towards the overall missions and goals of the program
- Standing in front of a crowd and saying hello
- Their logos on banners and on social media
- Data and metrics (reach, demographics, social mentions)
- Introductions and referrals

Sponsors support your vision
Sponsors value your entrepreneurs as potential customers

PRACTICAL TIP

When running an event, get a venue that you will be able to fill up easily. This looks more impressive on the day and in any promotional photos and videos taken.
What Sponsors Don’t Like

- Proposals that are too big too early
- Just paying for overheads
- Lack of reporting

TOOL/EXERCISE

Introductions Spreadsheet

Spring has a spreadsheet that they use to track every single introduction they ever made to a sponsor. It includes who the person was referred to, date, and origin of the referral.

They send it to their sponsors at the end of the program or every quarter. This makes sure the sponsors know what referrals they are getting and helps Spring to stand out from the crowd. It shows them to be more organised.

Source: Spring

Sponsor Influence

The influence of a sponsor can be positive and negative, depending on how heavily they want to influence and how much alignment there is about what success looks like.

Collaborative design (or co-creation) of programs can help minimise this and it also allows for a stronger relationship to be built.

The more structured the program design is when you approach sponsors shows you have thought about it, done your research, have a strong rationale and can decrease the amount of influence they typically exert.

PRACTICAL TIP

Understand if they have the resources to meet needs because sometimes they will make offers we rely on and they cannot follow through.

Listen to what they are looking to do and how they are looking to get involved. Use this as a way to work with the partner.

PRACTICAL TIP

When dealing with corporates, make sure there is a value alignment, that their brand enhances/adds to yours, otherwise it can take you away from what you are doing or rebrand your project too far.

This can cause you to lose your credibility with your main cohort customers.
Making Your Initial Approach

Sponsors need to learn how to trust the work you do and that it will fit their goals, objectives, and budgets. Sponsorships often take a long time to get so look ahead to the next 1-2 years and consider with whom you might want to engage and invite them to events.

They also don’t like to be the only sponsors; this gives them a sense that the risk. If there are more sponsors, then costs can be divided among organisations, which also means lower risk to any one individual sponsor. However, there are some who want exclusivity (e.g. Toyota Impact Challenge).

The most important step is to cultivate relationships. When speaking to tentative sponsors, always lead with your strongest partners but try to develop multiple relationships, and let them know that there are multiple conversations to build confidence and trust. Be sure to demonstrate your confidence in what your organisation does and has to offer, and know your program through and through.

Try to have the sponsor engage with what you do today. Sponsor field trips can pay off big time as it lets them go in-person to see and engage in the work you are doing on the ground.

Consider starting small and working up in size. Prove to them in the first year what you can do and grow from there.

Pricing

Private vs Public

There is a big difference between what they expect to see in ‘the ask’ and what they need reported on.

Make sure to take this into account when negotiating pricing.

PRACTICAL TIP

Leverage your team. Get them to review and co-create the proposal, inject wisdom and enable them to see hidden costs.

Make sure the team is also confident about it and can verbally share the team’s mission, vision, and goals to sponsors.

PRACTICAL TIP

Start with broad but considered number. Start small, and provide options.

For example: High support: $10K, this includes...
Spring and the Royal Bank of Canada

Spring was running a one day, 400 pax event. They approached the Royal Bank of Canada (RBC) based on a referral (warm introduction). It took 1.5 years of building the relationship.

What they (the sponsors) liked about Spring:

• Fit their current year goals (CSR team) – by supporting impact entrepreneurs
• Liked the size of the audience
• Like the ability to stand in front of a big crowd

Support Given:

• Designed to cover all costs including overheads
• Wanted a report on attendees, mentions on social etc. (asked for specific deliverables)

Source: Spring

The initial sponsorship from Vancity was for one event to cover venue and food. After Spring delivered the event, Vancity saw its value.

The following year, they started to build on that with:

• One small project
• One small event
• One big event (500 people)

In the beginning, they did not give a blanket sponsorship, Spring had to go to them each time to tell them what they are doing and asked for sponsorship. Then on Year three, Vancity requested that Spring gave them a plan for the year and they would mutually agree on what Vancity will sponsor over the course of the entire year.

They are currently on four years of blanket support ($50,00 a year).

Source: Spring
Maintaining the Partnership

Once a relationship with a sponsor is established it needs to be nurtured and maintained.

This can be supported in a number of ways:

**COMMUNICATIONS**

Keep communications current: pre/during/post-event, and quarterly thereafter

**STRATEGY**

Talk about strategy as a team and then exceeding expectations

**TEAM**

Make sure the sponsors know multiple members of your team to expand the relationship and trust.

Have a CRM platform, have email thread in there as well to get the sponsor to speed quickly (e.g. HubSpot)
Make sure proposals and supporting documents are in a common filing system (e.g. Google Docs) so everyone knows where everything is at
If someone on the team leaves, make sure you reach out to the partners to let them know and to touch base again

**STORIES**

Tell stories of the entrepreneurs who are impacted by their programs. This shows the human side of the impact you are creating and helps the sponsor connect on a personal level.

**BUDGET CYCLE**

Know the sponsors’ budget cycle and build those relationships in advance.
Know when they get a new budget and start talking to them three months beforehand so they write you in.

**DIVERSIFICATION**

Don’t rely on funding from just one sponsor – build multiple relationships to ensure you remain well funded on an annual and recurring basis.
Running programs is the essence of what incubators and accelerators do. How can we create a scenario in which we are confident in raising money for ourselves and others?

This section looks at how you can support entrepreneurs to raise funding for their business while contributing to your own financial sustainability. It outlines a pathway that you can build to best position yourself to provide that support. It then looks at the five key areas where you can support your entrepreneurs and provides examples of how this support can look in practice.

The Impact on Revenue, on Your own Financial Sustainability

Organisations will inevitably ask themselves if they need to raise money or make a stance that they need to raise money. As providers of funding support, it allows you as an organisation to sit in the middle, to be the conduit of sources of funding and your entrepreneurs.

Your unique position provides tremendous value to them as you help them to curate the right introductions, help empower them with the knowledge and the training to raise money (and be successful).

Your position also brings value to the funders because they know that when they are introduced to a company from your organisation that they have been trained, empowered, equipped and ready. Therefore there can be a significant impact on revenue either through donors, sponsors, or through fees (in certain cases).
A Path for You to Build

01. **BUILD FUNDING CAPABILITY**

Before helping others, you should first build funding capability for yourself in terms of your own training and experience to ensure that you have the wisdom and knowledge that can then help support your entrepreneurs.

02. **BUILD INVESTOR CAPABILITY LOCALLY**

Build a community of investors locally but taking into consideration that some communities have more potential for angel investors than others.

03. **BUILD A SUPPORT SYSTEM**

Build a support system for those who are also helping organisations to raise money or construct relationships. A couple of examples include legal, accounting, GoFundMe, IndiGoGo, and Kickstarter.

Donors and funders should also be looked at as they will directly invest in startups and micro-enterprises.

04. **BUILD LINKAGES WITH GLOBAL ACCELERATORS AND INVESTORS**

Lastly on the priority sequence is building linkages with global accelerators and investors.

It is important to note that there are global accelerators who support a very diverse ring of startups; from patents pending, hi-tech through certain types of micro-impact enterprises.

**REFLECTION**

The path to build can be a long one so set expectations early as this is a process that might take many months to a couple of years.

Assessing where you are and trying to find the right investor or other pathway to sustainability is the first priority.
FINANCIAL SUSTAINABILITY

Key Areas Where You Can Support

There are some key areas that incubators and accelerators have the opportunity to provide support for entrepreneurs while being financially sustainable themselves. It is through:

- Training
- Tools
- Advisory
- Masterminds and Roundtables
- Introductions
- Custom pieces that may be relevant in your particular marketplace

Bonus: Investment returns (if you take a percentage of ownership in the business)

1. Training

Train to get your entrepreneurs ready. They only get one shot when they are pitching to investors and to do this successfully, you need to train them up on tools, advisory services, and customised support.

REFLECTION

How entrepreneurs perform in front of investors also reflects your brand.

TOOL/EXERCISE

Spring’s Training Path

Over the last five years, Spring has developed a process called The Training Path, that includes a prework component as well as five different modules for entrepreneurs.

Prework entrepreneurs can go through:

- Incubation
- Customer discovery
- Acceleration (sometimes)

1. Funding foundation: How do you raise money, what are the potential sources of funding from loans to grants, revenue, and various investments?
   Bonus:
   - Budget & forecasting for funding
   - Crowdfunding 101
   - Initial Coin Offerings (ICOs)

2. Pitch development: How do you prepare to pitch for the different types of money (investments/bank loans)?
   Bonus:
   - Pitch practice sessions and events (for those who are pursuing investors)

3. Valuation: Of a project/donor/business

4. Due diligence: Investor term for homework (funder will do on the organisation)
   Bonus:
   - Round mechanics

5. Negotiation

Source: Spring
While investors and funders may fund a workshop on The Training Path in its entirety. They may also wish to fund the lighter workshops (e.g. Funding 101 and Crowdfunding) for a particular group.

**PRACTICAL TIP**

Get the investor to pre-invest in your program so they save time with the entrepreneurs because they’ve gone through the workshops.

2. Tools

Provide your entrepreneurs with tools to support their learning.

These are not from standalone funding but to complement the training process.

- Checklists
- Sales Process (to grants/to investors)
- Ideal investor profile (who makes the most sense to work with)
- Investor funnel template
- Pitch template
- Due diligence framework
- Monthly investor update email templates
3. Advisory Services

Training gets them to the starting line, but how do we do advisory services? It is critical to start building some capability within your program over time to help advise your organisations on key topics such as if and when to raise money, and knowing what options exist for them to raise money successfully.

A good thing about advisory services is that you can bring in sponsorships alongside them (e.g. Lawyers and accountants, global accelerators and crowdfunding platforms, investors and Venture Capitalists who can support this). Sometimes you’ll be able to get entrepreneurs to pay for this as they get regular support and guidance.

PRACTICAL TIP

Advisory services can be very mentor-heavy so can be either delivered in-person (in a workshop) or virtually (through webinars).

4. Masterminds and Roundtables

Funding Masterminds or Roundtables are where you bring together a group of four to eight entrepreneurs who meet on a regular basis (biweekly or monthly).

This can serve as a structured scale of a way for your organisation to provide ongoing advice for companies raising money. It can help to track goals and introductions to ensure there is a place for them to ask questions so they can then be answered during or after the group. It creates a sense of community and authentic sharing.

Roundtables give entrepreneurs an opportunity to realise that they are not the only ones trying to raise money, or are alone in the process and that they can learn from other entrepreneurs, yourself or the mentors and investor community.

REFLECTION

This usually attracts entrepreneurs that have launched in the market (alumni or other great impact organisations) and who have an active support network.
5. Introductions For Your Companies

Be active with making linkages with investors of all types that are relevant for your companies (e.g. grant organisations, loan organisations, angel investors, Venture Capitalists, crowdfunding platforms).

6. Investment Returns

It is also possible to provide funding, training, and support to companies through investment returns.

As you help develop organisations, you also may have the opportunity to take a percentage of ownership in that company.

PRACTICAL TIP

Start by asking and looking to see who is investing in the ecosystem, make connections and meetings, and have a database to keep track of introduction and connections.

REFLECTION

If you are taking equity, it can sometimes take 7 to 10 years before that return is actually realised.
Angel Accelerators

How to better understand Angel-stage accelerators and the fundamentals of Angel Investing.
Angel Accelerators

How do we define this space of Angel Accelerators and Angel Investing and how they differ from other investment and acceleration models?

In this section, we will be exploring different instruments for investment and how you can structure an Angel Accelerator program.

**PURPOSE**

Understanding angel investment as a structure that can support the ventures going through your program and how to build a more robust angel investor community for your market or region.

**OUTCOMES**

- Understand the definition of Angel Accelerator and Angel Investor
- Understand the fundraising methods and options for Angel Investors
- Understand Angel fund management
- Understand different investment tools

Please Note: This section draws largely on the experiences of angel investors in the US, so if you work in a different country (with a different entrepreneurial ecosystem and market) the content may not be easily applicable to your situation. While angel investing is growing in the Asia-Pacific it remains less common for a range of reasons, each unique to the country and even city. Factors like attitudes to risk, the availability (or lack) of growth capital, and the protections offered to investors by local regulations significantly influence early-stage investment activity. These need to be taken into account when considering how to engage in or support angel investing.

We hope that you can learn some useful lessons and glean some practical ideas from this section, but advise that some contextualisation is required before strategies are developed.
Introduction to Angel Investing

This section provides an overview of what Angel Investing actually is, the role of an Angel Investor in entrepreneurial ecosystems and how to spot a good angel investor in action.

What is an Angel?

An Angel is an individual who uses their own money to invest in startups, usually in exchange for convertible debt or equity. A good angel investor is someone who takes the time to work out how to invest successfully.

What Makes for Good Angel Investing?

Angel investors are those that can recognise that investing involves significant uncertainty. They invest in sectors, geographies, or markets they already know or in which they are deeply involved or connected. They want to build a diversified portfolio through deep-dive due diligence and also will support the startups in which they invest in other ways like helping them develop out their financial projections or connect them with other investors that might want to invest in them in the future. Since these are higher-risk investments, Angel investors tend to set their expectations for their performance grounded in what they know about current market trends, economic projections, and geopolitical factors that might affect the success (or failure) of their investments.

Ecosystem Roles of Angel Investors

Angel investors are key for many entrepreneurial ecosystems in that they can (most times) be the first investor in a company and help decrease the risk for other investors who might want to enter at a later date. This decrease in risk helps in the overall success and growth of companies by allowing them the time and investment they need to get to a lower-risk stage to attract follow-on and growth-stage investors.

As mentioned above, they also help connect their startup companies to their network of investors and sometimes even accelerator programs to fill in gaps of funding and knowledge so that the founders and team of their startups can benefit from it and grow. Since Angel investors are so deeply embedded in their portfolios, they have a lot of knowledge and experience in the marketplace they can share with their startups as well as potential connections to new and external markets.

REFLECTION

If the Angel investors are well-known in the investment field, just by being one of their portfolio companies can give that startup the edge they need to get meetings with other investors and or service providers like exporters and large distributors.
CASE STUDY

The Seattle Angel Conference: Seattle, Washington, USA

The Seattle Angel Conference is a recurring Seattle Angel-driven event where the investors create an LLC, engage in due diligence of the applying startup companies, and ultimately pool funds to invest in one of the presenting finalists. It is the primary method Seattle Angel uses to find and fund new startups. The Seattle Angel Conference is open to any member of the community interested in learning more about both starting and investing in a new business and to hear the investment pitches from the finalists.

They host sessions that can last up to 12 weeks and each session has around 20-40 investors who have $100,000 to $200,000 of investment capital to invest. So far they have connected 31 companies to investment through their sessions and have created a network of 350 Angel investors. The Angel investors are in charge of working together on providing the capital, doing the due diligence, choosing investments, and of course learning from one another throughout the process.

Source: The Seattle Angel Conference

Some key questions to consider before setting up an Angel network:

• Is there a restriction in your country?
• How many angels are there?
• How many accredited investors are there in your community?
• What size cheques can they write?
• What is the appropriate size investment for your company?
• What is the legal structure to bring investors together?
• How much will the lawyer charge you to set it up even though it is not a company to comply with the law?

Some key questions to consider when trying to set up an Angel Fund:

• Fund set up – what will be the legal structure of your fund and what investment tools will you be using?
• What paperwork does the investor have to sign?

A key takeaway from the Seattle Angel Conference is that you need to know the investor scene in your own country.
Some of the benefits to a conference approach when setting up an Angel investor network are that it creates more lead investors which means more perspectives on the market as a whole and de-risking the portfolio you wish to create together.

There is also a smaller overhead cost to investing and setting up an Angel investor network versus having individual Angel funds all operating separately. When working at a conference, Angels can learn from one another and can screen multiple companies together as well as have access to newer and earlier startups.

Startups will also have the chance to meet more Angel investors in one space and get their feedback through the due diligence process, making their ventures more investment-ready. Overall, the conference structure creates better deal flow for Angel groups and fosters more collaboration between investors.

**Another Approach to Starting an Angel Accelerator: Teach and Invest At The Same Time**

There are some benefits to starting an Angel Accelerator program in that you have to find the investors first and then source the entrepreneurs based on the investors you get to commit to the program.

Recruiting Angel investors can take about 10 weeks of outreach, which can be done within your network as well as hiring and training an LLC manager to help you source for investors. For an Angel Accelerator, the type of investor you will be targeting will most likely be rich enough for $5,000 investment, but not able to invest $25,000 (a full-scale Angel).

**Reflection**

If the Angel investors are well-known in the investment field, just by being one of their portfolio companies can give that startup the edge they need to get meetings with other investors and or service providers like exporters and large distributors.

**Practical Tip**

Some things to keep in mind when recruiting investors:

- Not everyone invests in the same way
- Be mindful about investor code of conduct
- Have confidentiality agreements to build trust
- Screen them and get feedback
Once you have your Angel investors, then they can pick the startups, which can take up to a few weeks’ time. During the program, the Angel investors can then be taught how to be a lead investor (someone who knows how to set terms, willing to use social capital to lead the deal for the next round) as well as learn about portfolio management and Angel Investing 201, assuming they have gone through the conference or know basics.

They should also be trained on mentorship so that they can work with the entrepreneurs 1:1 on a weekly basis during the program and add value to the entrepreneur. Once the entrepreneurs have graduated, the Angel investors can gather fellow investors to serve as follow-up investors for a capital raise. The total time commitment to launch and run an Angel Accelerator program is about 30 weeks, which includes visa waiting time for participants.

01. 

**CREATES AN ANGEL COMMUNITY**

One that specifically supports you and looks to the startup accelerator for deal flow. It will be easier to recruit and raise money for the next program.

02. 

**CREATES LEAD INVESTORS**

Who pick up the burden of finding and providing follow-on funding for graduates.

03. 

**CREATES A DIVERSIFIED PORTFOLIO**

The Angels quickly build a large portfolio of startups, rather than just 1 or 2 or 3. To make money, you should invest in ~20 companies.
Angel Investing 101

This section provides an overview of all of the key information you need to start on your pathway of Angel Investing. It looks at how Angel Investors differ from Venture Capitalists, why someone might want to invest and the importance of networks to help them do so. It also provides some practical steps for getting started and building out that first portfolio.

Being Accredited

An Angel Investor is an individual accredited investor that uses their own money to invest in startups, usually in exchange for convertible debt or ownership equity. An Accredited Investor is an investor who is able to invest in unregistered stocks.

The US definition of an Accredited Investor is an individual who makes more than $200k ($300k with spouse) for at least 2 years with ongoing expectations of the same; An individual (or married couple) whose (joint) net worth exceeds $1M, excluding the value of a primary residence; A trust with more than $5M assets.

VC funds have large amounts of money to deploy (from other people's capital). They need appropriately sized deals, often in the $10M to $100M range and much bigger if they look at later stages (they take 2% per annum, 20% as profit – this is known as the 2/20 structure). Angel fundraising is most likely to be in the range of $500K to $1.5M with their own capital.

VC returns are almost all due to a few huge exits. They look for "unicorn" potential (over $1B company). Angels are more often invested in the sweet spot of acquisitions of around $50M.

VC funds invest in fewer, later-stage companies while Angels invest in more, earlier stage companies.
How Does Someone Learn To Do This?

First and foremost, you will need to learn from other Angels, which can be done either by finding them and having 1:1 conversations or joining an Angel group/club. In a group, everyone can still be an individual investor but you also get the chance to be presented companies every month, that are not guaranteed investments. Just pitching with other investors can help you gain a sense of what you are looking to invest in, how, and about different strategies for investing. This will also help narrow your focus and expertise.

There are also Angel accelerators available that you can join, where a pool of money is committed beforehand, which creates the urgency to invest. Milestones are also created for when investments need to happen, which can help to attract stronger, more investment-ready companies. There is also more structure for the investors, which can help make them stay more engaged and learn faster.

Being part of an accelerator means that you can learn from your peers in a more structured environment and have access to the most up to date resources on types of investment structures, exits, and relevant market information.

Ecosystem Level: The Importance of Cultivating Investor Networks

Angel investor networks help strengthen the entrepreneurial ecosystem as a whole. They help to foster the next generation of innovative ideas and take most of the risk when developing and investing in a new venture. They help to create virtuous capital cycles, and capital trends in the marketplace for the impact investing landscape. Angel investor networks also increase the access to capital for entrepreneurs, seeing as they are usually the first and only investors that will take that “leap of faith” as well as the risk for startup enterprises. In of itself, the creation of investor networks as a whole also helps build relationships with funding partners, which can then inject new capital into the ecosystem.

Angel investors know the risk and that they will fail more times than they succeed in their investments. But usually, the winning investments make up for the failed ones.
Why “We” Angel Invest - The Angel Investors Theory of Change

Angel investors, especially those focused on impact, want to make the world a better place. They the excitement of being the first to “discover” a company and thrill of searching for (and sometimes finding) unicorn companies. They also want to make money for themselves – and they payout for being an Angel investor, depending on the model of the company, can be enormous (note: there is money to be made. With discipline, 25% annualised return is a reasonable goal (excluding inflation).

Angel investors also get the chance, if they wish, to manage a diversified portfolio, which can reduce portfolio risk overall. They are usually largely uncorrelated with other asset classes, which also reduces their investment risk.

As an Angel investor, you can also learn about interesting companies, ideas, people, and of course deals. They have the unique role of working in-depth with their companies to help them succeed above and beyond giving them financial resources. And by helping their portfolio companies, they make a difference in the economy as a whole.

REFLECTION

A lot of Angel investors got into the business because they want to use their life experience and share it with others, as well as be advisors to companies and use their connections to help them.

Some Angel Investing Options

**LONE WOLF**

Go at it alone for a larger risk but potentially a much larger return.

**JOIN AN ACTIVE ANGEL GROUP**

Where everyone makes decisions and create deal flow. e.g. [Seattle Angel Conference](#) or [SeaChange fund](#).

**PASSIVE ANGEL FUNDS**

Where the decision-making process is more is algorithmic e.g. [Alliance of Angels Sidecar](#).

**JOIN AN ANGEL NETWORK**

e.g. [Element8](#), [Alliance of Angels](#), [Grubstake](#).

**INVEST THROUGH AN ONLINE PLATFORM/SYNDICATE**

Form groups where individuals may not have to do due diligence but can just follow and see potential investments. e.g. [Angel List](#).

**ACCELERATOR MICROVC**

e.g. [Techstars](#), [Pioneer Square Labs](#), [Madrona](#).
Building Your Portfolio. What Does It Look Like?

The biggest consideration when building out your portfolio is to keep in mind the size of portfolio you want to have. You should start with a minimum number of good, quality companies to spread out the risk because of the high failure rate (~20 if possible).

Since a typical minimum investment is $25K (USA/Europe), think carefully about how to achieve the desired diversification and develop your own goals/guidelines. Learn how to invest as part of a group investment and invest in what you know, increases your chance.

Spend time on deep due diligence to improve your investment outcomes including looking at market trends, competition, potential negative impact that could be create, and geo-political factors (including effects of natural disasters and other "acts of God") all of which could affect your investments. Also, always remember that data should be taken "with a grain of salt," some is old, incomplete, and/or misleading.

PRACTICAL TIP

Invest only a portion of your net worth dependent on your risk tolerance.

Typical guidelines include:

- 5% of your assets excluding primary residence
- 10% of free cash flow (strive for an internal rate of return of about 25%)
Why Do Startups Fail?

01.

MARKET-RELATED FAILURE

The number one reason cited in the ecosystem is because of a market-related failure. Many times they have a product or service that won’t survive in the broader market or they launch too early and they aren’t ready for the demand from their specific market.

02.

TEAM-RELATED FAILURE

Other times it is team-related; building a team to match the velocity at which a business needs to grow is no small task and in many cases, especially in emerging markets, finding the right talent to match the roles you need as a startup without being able to pay a competitive wage can make or break your business if you aren’t creative in building and retaining talent. Also with growing and scaling any business, there are growing pains where roles might need to be shifted and even founding members might leave or change.

03.

PROJECT-RELATED FAILURE

Other times it is project-related where there just wasn’t enough research done before product or service development and so the business fails to meet the perceived needs of its clients.

REFLECTION

A lot of Angel investors got into the business because they want to use their life experience and share it with others, as well as be advisors to companies and use their connections to help them.
Key questions to ask in your due diligence

- Over the last five years, Spring has developed a process called The Training Path, that includes a prework component as well as five different modules for entrepreneurs.
- Prework entrepreneurs can go through:
  - Incubation
  - Customer discovery
  - Acceleration (sometimes)
- Funding foundation: How do you raise money, what are the potential sources of funding from loans to grants, revenue, and various investments?
  Bonus:
  - Budget & forecasting for funding
  - Crowdfunding 101
  - Initial Coin Offerings (ICOs)

Why Do Startups Succeed?

According to Bill Gross, the founder of Idea Lab, companies’ success can be broken down by the following categories and percentages:

01. MARKET-RELATED FAILURE

When they have entered, what the current competition looks like, etc.

02. TEAM = 32%

Do they have the necessary skills to succeed on their team or do they need to hire additional people to fill skills gaps? Do they have strong leadership and team culture?

03. IDEA = 28%

How original and innovative is the idea? What is the need that it is filling? What is the market potential for that need?
What Makes a Great Company?

01. MARKET OPPORTUNITY

As mentioned above for why companies succeed, the market opportunity is one of the biggest factors in making a great company or a failed company.

02. PRODUCT/SOLUTION

How is this company creating a solution to a problem? How scalable can this product/service be? How much will people pay for it?

03. TEAM

Again, looking at the expertise on the team and the roles they have filled that are needed.

04. BUSINESS MODEL = 24%

How well thought out is their business model? Do their financials and financial projections make sense? Do they have a good handle on how they are going to make money and scale?

05. FUNDING = 14%

Funding is not the main barrier to the success of a company.
04.

GROWTH IN REVENUE

Seeing evidence of traction → revenue (this varies in opinion).

05.

EXECUTION AND/OR BUSINESS MODEL DEVELOPMENT

How well-developed the business model is and how well-versed the entrepreneur is in pitching it to you as the investor.

RESOURCES

The Single Biggest Reason Why Start-ups Succeed
A TED talk by Bill Gross, founder of Idealab

Angel Investing by David Rose
The Gust Guide to Making Money and Having Fun Investing in Startups
Fund Management 101

This section provides an overview of the different fund structures that exist. It also looks at all of the things you need to consider when creating your own fund.

Fund Structures

There are two main fund structures to take into consideration when looking to manage your own fund:

01. ACTIVE

Where a group of investors actively manages the portfolio. This is a very hands-on type of management and includes using analytical research, forecasts, and personal judgment and experience in making investment decisions on what securities to buy, hold and sell.

02. PASSIVE

This is the opposite of active management where the investors either trust the fund manager to make the investment decisions or a small number of investors sit on an investment committee to make those decisions.

Key Questions for Angel Accelerators to Answer

Do you want to (simply) raise a fund?

Or, do you want to build an investment community?

Or, do you want to build a thriving, viable ecosystem?
Different Considerations When Creating a Fund

**COMMITTED CAPITAL**

Do investors commit capital (money) at the time of investment? i.e. when they sign the contract to be a member of the fund. This is compared to “callable” capital promised e.g. Invest $1M but pay 20% per year for 5 years.

**TARGET**

What are you investing in? What’s the purpose of your fund and the specific industry/industries you want to invest in? What stage companies are you working with?

- Idea, pre-seed: have a prototype but no paying customer
- Seed: make prototype happen/pre-sales
- Startup capital: have traction, ready to grow
- Growth: million in revenues

One investment per company or multiple? Usually, later stages will give multiple cheques.

Do you have a specific sector you want to focus on? Any SDGs, or just 1, or a combination?

Do you have a specific geographical focus?

**INVESTMENT STYLE**

Debt, equity or both? Or perhaps neither? Revenue-based investing? Mezzanine debt? Convertible note?

**TARGET LENGTH TO SEE RETURNS**

10 years? e.g. invest in 3 and wait 7 years. Faster?

**FEES: HOW DO YOU PAY FOR THIS FUND?**

“2 & 20 fund”

This is the standard in America e.g. 2% management fee per year.

Note: no one likes taking 20% of the capital; this has the potential of lowering odds of expected returns e.g. 2:2% of $1M will not be able to cover even legal fees.

20% carried interest per year

Get back investment, the rest = profits and then split 0.8/$1 to the investor and 20% to the fund (carried interest – VC’s money) 20% on top of something else is called a hurdle.

Getting rid of the management fee

Don’t charge investors. 0 & 20 fund. e.g. Charge everything to entrepreneurs: will charge the management fee when Fledge makes an investment in the accelerator to the entrepreneurs.
Incorporation Options for Your Fund

**01. LIMITED PARTNERSHIP (LP)**

A legal partnership with two types of partners (not shareholders).
1. You have the General partners, and fund managers – who don’t put money in. General Partners are the ones liable for the fund.
2. Limited partners, with investors who have no say.

**02. LIMITED LIABILITY COMPANY (LLC)**

A corporation that looks, feels, and is taxed like a limited partnership and costs less to set up.

**03. HOLDING COMPANY**

A corporation that owns other companies.

**04. TAXES!**

LPs (limited partnerships) and LLCs (limited liability companies) get taxed as a partnership – taxes flow through the owners and they pay gains and losses in their personal tax returns. A corporation does not get taxed. Holding companies have to pay 20% of corporate tax and individuals have to pay as well.

**REFLECTION**

What does any of this have to do with accelerators?

1. A fund is a sustainable business model
2. The Angel Accelerator by definition either requires the existence of a fund, or the management of a lot of tiny investments.

**RESOURCES**

- **Active Management**
  An explanation of active management from Investopedia
- **Passive Management**
  An explanation of passive management from Investopedia
Investment-Grade Accelerator Selection

Investing in your own entrepreneur cohort can have a significant impact on the way you run your program. Participation is no longer just a case of charging your cohort to participate, or not charging them and covering their costs with donor funds.

This section looks at how the process of selecting companies for your accelerator changes once you start investing in them. It provides some useful questions to ask yourselves before taking the plunge into investment, and outlines some of the key criteria for making an investment in your own entrepreneurs worthwhile, for you and for the entrepreneur.

Basic Questions To Ask Yourself Before Launching An Investment-Grade Accelerator

**WOULD YOU RECRUIT THE SAME COMPANIES?**

What criteria do you use today?
Do you pay for the program?
Do you also receive grant funding to help supplement costs?

Are you choosing the most investable applicants?
Or those that need help the most?
Do you have a pool of investors looking around?
What is your criteria?

**WHAT IS YOUR LONG-TERM RETURN FOCUS?**

You succeed only when your graduates succeed
Aligning your interest with their interests in the long term
Startups need help for years so this gives you an incentive to help them

How does that change your choices?
Start looking at companies like an investor
Does investing become your sole focus or the flagship program?
WHAT IS YOUR GEOGRAPHIC FOCUS

Is your home city/country sufficient for deal flow?

Is it better to focus geographically or expand (your city) to be a centre of excellence (aka breadth vs depth focus)? e.g. Nairobi, Kenya has become the place to be for a place of global investments, Singapore is a financial and trade hub.

WHAT IS YOUR SECTOR FOCUS

When you’re bringing angels in to invest in your companies, is there a match between numbers of entrepreneurs, investment needs, and investment capital for that sector?
This will be a problem if ideas/values don’t match.
Understand what the investors want to invest in and find entrepreneurs in that sector.

WHERE CAN YOU CREATE THE MOST IMPACT IN YOUR ECOSYSTEM

What will you do for idea-stage companies?
Are you going to help them or is someone else going to?
If you are, what will the program look like?
How many programs are there between idea-stage and investable accelerators?

Note on ecosystem building: how do you make sure the angels you are teaching have the ability to help companies at a stage where they are not taking too much risk?

Prototype-stage companies?
Growth-stage companies?
Incorporation Options for Your Fund

01. THE TEAM

Great teams have a higher chance of success.
Compromises will come back to bite you (falling in love with the idea more than the team).
No “solopreneurs” (red flag these as they have a higher chance of failing).

02. IMPACT

Prioritised before or after return? Impact can come before return but don’t compromise the rate of return.
Make sure you have your own definition for what impact is to your fund and how you are creating impact through your investments.
Concessionary or market-rate returns?
e.g. total potential of lives touched or scale of the impact (One city? A few? A country? A region? Or global impact?)

03. ODDS OF SUCCESS

Take into consideration the opportunity size, competition, complexity, etc.
How long will it take them to get to half a million? 5 years? How complex is their business model? Who are their competition? How much money do they need to raise?
Picking Companies: 4 Key Application Questions for Entrepreneurs to Answer

1. When did you start?

You will want to know if this is a brand new company, or is it an old one? Is it a stale deal? And does the stage fit with your accelerator mission and overall programmatic offerings?

2. How much have you raised to-date?

Get insight into how much money it has taken to get where they are today. This also shows the level of trust by other investors and can show the experience and connections of members of the enterprise's team. Also seeing how much "skin in the game" (i.e. the founders’ money) they have used can show the commitment of the founders to the enterprise’s long-term success.

3. What were your revenues in the last 12 months? What does cash flow look like?

Know what a 5-year-old company looks like versus a 1-year old company.

RESOURCES

1000minds
An online suite of tools and processes to help individuals and groups with their decision-making
Due Diligence 101

This section provides a snapshot of what to look out for when performing due diligence on the companies you are considering for your cohort. It looks at how to set clear due diligence goals and outlines a simple process for performing due diligence.

Due Diligence Goals

Before you (1) define due diligence leads and (2) define members of the team, learn as much about the company as you can. Watch their pitches and do your online research to see if what they say and what is in their pitch aligns. If possible, ask if you can speak with past investors, employees, suppliers, or members of their advisory board. This is not always an option but wherever you can get more insider information the better.

Due diligence serves the overall purpose of:

1. Discovering the edges of the company
   - What does the founders’ thinking look like when validating their business model and how do they react to deep-dive questions that challenge their assumptions?

2. Validating what they said

3. Deciding as a group if they are investable

01. Evaluate Core Issues

See if you are able to stay with them for the long-term by looking at the team, market, product/service, and their finances.

02. Validate Statements in Pitches

Get outside validation (see the section above). Get customer validation.
03. DO A SITE VISIT
Get a 3rd party review of information. Get investors to visit the site. Get investors to talk to customers. Engage in competition evaluation.

04. EXPLORE THE HIGHEST RISKS TO THE COMPANY
Have a 1:1 with the company to give feedback to everyone who has joined the program. Review how far they have come.
Sit with the due diligence lead to walk through what other due diligence leads thought about them. Lead investors serve the role of evaluating if this is a good deal or not. For the other non-lead investors, ask them if this is a good company? Does it have what it needs to be a stable, functional company? The due diligence lead will be able to veto companies if they think they don’t have a good deal.
How to Invest Without Exits

a.k.a. Raising Funds and Non-Exit Capital

Investing in your own entrepreneur cohort can have a significant impact on the way you run your program. Participation is no longer just a case of charging your cohort to participate, or not charging them and covering their costs with donor funds.

This section looks at how the process of selecting companies for your accelerator changes once you start investing in them. It provides some useful questions to ask yourselves before taking the plunge into investment, and outlines some of the key criteria for making an investment in your own entrepreneurs worthwhile, for you and for the entrepreneur.

VCs call the other 492,000 companies “unfundable” because they do not see the potential of getting 10x return on their investments.
There are three ways to invest in a company:

1. Debt financing
2. Equity financing
3. Revenue-based financing

**Debt Financing**

Debt financing occurs when a firm sells fixed income products, such as bonds, bills, or notes to investors to obtain the capital needed to grow and expand its operations. When a company issues a bond, the investors that purchase the bond are lenders who are either retail or institutional investors that provide the company with debt financing. The amount of the investment loan referred to as the principal must be paid back at some agreed date in the future. If the company goes bankrupt, lenders have a higher claim on any liquidated assets than shareholders.

When a company issues debt, not only does it promise to repay the principal amount, it also promises to compensate its bondholders by making interest payments, known as coupon payments, to them annually. The interest rate paid on these debt instruments represents the cost of borrowing to the issuer. Source: Investopedia

However, there will always be a risk where companies will be unable to pay investors for the first few years and so investors will not be able to make their 15% or more return.
Equity Financing

Equity financing is the process of raising capital through the sale of shares. Companies raise money because they might have a short-term need to pay bills or they might have a long-term goal and require funds to invest in their growth. By selling shares, they sell ownership in their company in return for cash.

A startup that grows into a successful company will have several rounds of equity financing as it evolves. Since a startup typically attracts different types of investors at various stages of its evolution. Source: Investopedia

Revenue-Based Financing (Most Advisable)

Revenue-based financing, also known as royalty-based financing, is a method of raising capital for a business from investors who receive a percentage of the enterprise's ongoing gross revenues in exchange for the money they invested. In a revenue-based financing investment, investors receive a regular share of the business's income until a predetermined amount has been paid. Typically this predetermined amount is a multiple of the principal investment and usually ranges between three to five times the original amount invested. Source: Investopedia
### Examples

<table>
<thead>
<tr>
<th>Revenue-based loan example</th>
<th>Revenue-based equity example</th>
</tr>
</thead>
<tbody>
<tr>
<td>$100,000 investment</td>
<td>$100,000 investment buys 10% ownership</td>
</tr>
<tr>
<td>Payments of 5% of future monthly revenues (single digit topline revenue)</td>
<td>Company repurchases half those shares for $200,000</td>
</tr>
<tr>
<td>Totaling $200,000 (predetermined amount)</td>
<td>Using 5% of future quarterly (less paperwork) revenues</td>
</tr>
<tr>
<td>Providing a 2x return</td>
<td>Providing a 2x+ return</td>
</tr>
</tbody>
</table>

### Key Variables

- **% of revenues**
  - Single-digit percentage

- **X cash-on-cash returns**
  - Typically 2x-4x for seed stage
  - Commonly 2x for growth stage

### Reflection

**Key things to consider:**

- Debt or equity?
- % of revenue
- What ROI/IRR is fair?
- X return?
- How patient are you?
- What else is important to you?

### Resources

- The Next Step for Investors: Revenue-based Financing
  A book by Luni Libes on revenue-based financing

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- Introduction to Angel Investing
- Angel Investing 101
- Fund Management 101
- Investment-Grade Accelerator Selection
- Due Diligence 101
- How to Invest Without Exits

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Mentors

How to find, recruit, and set up your mentors (and entrepreneurs) for success
Mentors

Mentoring can be one of the greatest value-adds to any acceleration or incubation program. It is a chance to bring in experts to add knowledge and serve as a resource to entrepreneurs. Mentoring is different from coaching and counseling in that they help entrepreneurs to see where they are (present day) and where they’d like to be, and help connect them to resources and ask questions in order to get them there.

This section details how to create a mentor profile for your program to meet the needs of your entrepreneurs as well as how to source and train the mentors, and connect them with the best fit entrepreneur.

CONTENT CONTRIBUTED BY

Note: Full descriptions of all contributors can be found in the Index.

PURPOSE

Demonstrate what mentoring involves, and how to best prepare mentors in your program to support the needs of your enterprises

OUTCOMES

- Know what the different types of mentors are and what role they serve for your program
- What are the benefits and challenges of having a mentorship program as part of your program
- How to identify, source, and select mentors for your program
- How to onboard and train mentors
- Best practice review for successful mentor programs
- How to best serve your mentors
Identifying, Sourcing and Selecting Mentors

This section provides an insight into how Miller Center runs their mentoring programs. It outlines where to look for mentors, how to attract them to your program, and some steps and strategies for making sure the mentors you select are the right fit for the program that you are running. Certain aspects may be different in the environments where you operate, and some things will need to be adjusted and revised based on your local context.

Mentor Intake Process

Miller Center uses a five-step mentor intake process:
01. **APPLY**

The mentor intake process is initiated through a simple, online application. The application asks for a name, email, and LinkedIn profile. The Mentor Network Team reviews each application to determine if it meets the minimum skills and experience levels required for Miller Center Global Social Benefit Institute (GSBI) mentors.

02. **QUALIFY**

Applicants meeting the minimum requirements receive an invitation to meet with an existing mentor from the Mentor Interview Team. The Mentor Interview Team conducts the interview, looking for a match of skills, experience, demeanour, and values aligned with those of Miller Center. The Mentor Director or other evaluators must see evidence of these characteristics from the beginning in order for the applicant to progress to the next stage.

03. **FAMILIARISE**

Applicants are then invited to attend Miller Center events to familiarise themselves with the work and their role as mentor.

04. **OBSERVE**

Applicants are also invited to shadow a Miller Center team and observe how they operate. This allows the applicant to get a sense of the activities, and also the culture of the Miller Center to determine if they are the right fit. It also allows the Miller Center team to experience what it is like to work with the applicant, and understand a little more about their strengths and weaknesses.

05. **MENTOR**

Once an applicant has been approved by the Mentor Team, they begin their role as an Associate Mentor, Co-Mentor, Lead Mentor, Content Mentor or Executive Mentor. The type of mentorship that they offer is determined by their level of experience and expertise.

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**REFLECTION**

There is always a high attrition rate of mentors after the first year. Those who make it beyond 10 to 12 months will stay an average of 2.8 years. This means that recruiting needs to be an active and ongoing practice.
Mentor Outreach and Sourcing

Mentors should be sourced through a combination of outreach and recruitment, as good mentors can come from a range of different places:

- Referrals from existing mentors/staff
- Board members
- Local business community
- Professional organisations (e.g., women’s Business association)
- Civic organisations (Rotary, Kiwanis, Global Shakers, EO)
- Universities and alumni associations
- Corporate volunteer councils (e.g., IAVE Global Corporate Volunteer Council, Points of Light)

Outreach activities can include:

- Asking for mentor referrals
- Creating mentor outreach communications (email template, flyer, presentation)
- Hosting mentor information sessions/receptions
- Capturing interest: online mentoring program overview and a “learn more” sign up form

PRACTICAL TIP

Create a mentor outreach plan that identifies how many mentors you need to recruit, what types of recruitment activities you have planned for each quarter, and what resources you need to complete these activities.
Miller Center organises quarterly mentor networking events and runs social events throughout the year where existing mentors can meet prospective mentors. Sometimes these people are actively interested in mentoring, and other times they have simply heard about the program and are interested in learning more.

Miller Center also gets mentors from sign-up forms on their website, and from referrals.

We draw largely on our alumni and network to serve as mentors. This helps to strengthen our network by reconnecting us with past contacts, but also helps establish expectations with current cohorts. Entrepreneurs mentoring and investing in each other is a hugely powerful mechanism. By making this as collaborative as possible we make new connections, nourish the community, and encourage the sourcing of diverse views.

LUNI LIBES, FLEDGE

<table>
<thead>
<tr>
<th>Q2 2019</th>
<th>Q3 2019</th>
<th>Q4 2019</th>
<th>Q1 2020</th>
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<tr>
<td>Mentor recruitment targets</td>
<td>10</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Recruitment activities</td>
<td>• Referral request email to existing mentors</td>
<td>• Outreach to local partner organizations</td>
<td>• Mentor reception Nov 20th</td>
</tr>
<tr>
<td>Resources needed</td>
<td>• Create lead capture web page</td>
<td>• Target list of potential referral sources</td>
<td>• Develop screening questionnaire</td>
</tr>
</tbody>
</table>

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LUNI LIBES, FLEDGE

**CASE STUDY**

**Spring and the Royal Bank of Canada**

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<table>
<thead>
<tr>
<th>Reference Source</th>
<th>Applicants</th>
<th>Admissions</th>
<th>% Conversion</th>
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</thead>
<tbody>
<tr>
<td>Miller Center AB</td>
<td>4</td>
<td>4</td>
<td>100%</td>
</tr>
<tr>
<td>GSBI Affiliate</td>
<td>3</td>
<td>2</td>
<td>67%</td>
</tr>
<tr>
<td>Miller Center Staff</td>
<td>41</td>
<td>41</td>
<td>100%</td>
</tr>
<tr>
<td>Mentor</td>
<td>18</td>
<td>18</td>
<td>100%</td>
</tr>
<tr>
<td>SCU affiliate</td>
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</tr>
<tr>
<td>SCU Staff</td>
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<td>1</td>
<td>100%</td>
</tr>
<tr>
<td>Website Lead</td>
<td>34</td>
<td>17</td>
<td>50%</td>
</tr>
</tbody>
</table>

**Source:** Miller Center for Social Entrepreneurship
Mentor Screening and Selection

Mentor screening and selection involves asking yourself a lot of questions about what you are looking for in a mentor, and examining the applicant with as many sources as possible to determine if they are offering what it is you need. This process usually involves three key activities: reviewing the application, interviewing applicants and checking applicant references.

Reviewing the application

Although a lot of mentors may be referred to you through your existing network, it is still useful to ask all of your prospective mentors to submit a written application of some form. This can be an application that you design yourself, a standard resume or even simply their LinkedIn profile. Review these written materials to make sure the applicant has the level of expertise and focus needed for your program and its entrepreneurs.

Checking applicant references

Mentors that have been referred to you by a trusted contact are great for the screening and selection process. Even if someone hasn’t been referred to you specifically (e.g. they have applied to be a mentor through your website), it is still valuable to request 2-3 references that you can follow-up with. Reach out to the applicant’s references via email or on the phone.

PRACTICAL TIP

Make sure that your applicant understands the requirements of being a mentor. Be thorough when you are telling your potential mentors about their role.

Mentors need to understand what is required of them and the time commitment that they will need to make.

REFLECTION

Sometimes the people you want as mentors do not have the confidence (in their skills) to be part of the program and are on the fence about participating. Other times, the people who have applied to be mentors can be arrogant or don’t live the other mentor values.

Checking references can help you to better understand the strengths and weaknesses of your applicants, and sometimes even ways that you may address them.
Interviewing applicants

Interviews are a unique opportunity for you to sell the program to your prospective mentor, understand their motivation for being a mentor on your program and understand if the requirements and demands of the role will fit in with the prospective mentor’s schedule. It is a time for you to go into some more detail about the background and experiences, and to see if their values align with those of your organisation and program.

Some mentors may be unsure or afraid of taking on the role. Make them feel valued and secure throughout the selection process but especially during the interview. This will not only make the experience more enjoyable for both sides, but it will also ensure that you get to see them at their best.

PRACTICAL TIP

Pull out an applicant’s LinkedIn profile or mentorship application when interviewing them so that their information is fresh in your mind.

RESOURCES

- **Mentor Types and Characteristics Template**
  A Miller Center template for filling in different types of mentors

- **Outreach Plan (Example)**
  A Miller Center plan for reaching out to mentors

- **Life Cycle of a Mentor (Example)**
  The Miller Center mentor life cycle
Onboarding and Training Mentors

This section provides an overview of the different mentor onboarding activities that are available to your program. It looks at ways you might pair entrepreneurs and mentors up at the beginning of the program so that you can begin to train and observe them before allowing them to participate in the program.

Miller Center: Mentor Onboarding Activities

Miller Center undertakes eight activities to help onboard their prospective mentors:

1. **Create a mentor pipeline record**
   
   Once qualified, the new mentor joins the wait list for the next available cohort via a Customer Relationship Management (CRM) system, such as Salesforce.

2. **Invite mentors to join a community**
   
   At this stage, mentors are invited to Miller Center’s online mentor community in order to become familiar with the GSBI process.

3. **Provide mentors with access to mentor resources**
   
   Mentors are granted access to the GSBI library of documents and videos, such as the mentor handbook, articles, white papers and tutorials. They also receive invitations to GSBI’s local events such as the Investor Showcases and mentor networking events.
4. **Introduce mentors to members of the network**
Mentors are introduced to relevant individuals and organisations within the Miller Center network. These can include program staff, content leads (mentors who are not participating in the current cohort), and subject matter and category experts. These subject matter experts may also be called to do a workshop during office hours/webinar for a cohort if they are seeking to learn about a particular topic. These webinars are recorded and kept in archives.

5. **Hold a New Mentor Orientation session**
New mentors participate in a webinar orientation session. This provides them with an overview of the Miller Center, the mentor network that they are joining and their role within that network.

**PRACTICAL TIP**
Let new mentors know that they are all available as a resource and have subject matter experts they can draw on if their entrepreneurs have questions outside their expertise.

**REFLECTION**
Some mentors can be confirmed 2 to 3 months before the cohort starts. Webinars can act as an official handshake between the incubator/accelerator and the mentor. This is also a strategic move to keep them engaged before they get assigned.

**TOOL/EXERCISE**

**New Mentor Orientation Webinar - Sample Agenda**
1. Welcome
2. Overview of Miller Center
3. The Mentor Network
4. Program Manager’s Role
5. Core Curriculum
6. Lead Mentor’s Role and General Best Practices (clarity)

- As a mentor, what are you getting into? Relay how the engagement is going to work
- What are the expectations? Expectation setting
- When is the new cohort starting?
- What is the schedule?
- What if I miss a week?
- How to start
- Scheduling of time
6. **Get the mentor to shadow an existing team**
   New mentors are able to shadow a team. This may look different for different people depending on whether they’re ready to commitment to mentoring or they want to become a Mentor-In-Training (MIT).

7. **Pair mentors with an enterprise**
   When the new cohort is announced and is available for pairing with mentors, mentors will be able to express their interest in becoming a mentor for that cohort by confirming their availability and interest. After which, Miller Center puts them through a mentor-entrepreneur pairing process. The priority here is to create the best team to meet the needs of the enterprise.

   **This process has 4 main steps:**
   Step 1: Enterprises define mentor preferences (via intake form)

   Step 2: Mentors confirm commitment and availability

   Step 3: Share overview of organisations participating in the cohort → mentors may indicate preferences

   Step 4: Assign pairings based on the needs and preferences of the enterprise as well as the mentor’s preferences (considered, but not guaranteed)

---

**PRACTICAL TIP**

If you are having a hard time convincing your potential mentors, propose they sit in on a mentor call at least once or twice so they have an idea of what goes on during the calls and how mentor-entrepreneur relationships work.

Get permission from the mentor/social entrepreneur team and be mindful about disrupting the relationship that is forming with the assigned mentor and the entrepreneur.

**PRACTICAL TIP**

Before the mentors meet the social entrepreneur for the first time, recommend they have calls/meet frequently to talk about the role, understand one another’s expertise and ways of working, assign modules.
8. Transition mentors into a Mentor-In-Training (MIT) role

Every effort is made to find a suitable team for the new mentor to join as a provisional mentor or Mentor-In-Training. The commitment required of a Mentor-In-Training is to prepare for and participate in the regular weekly calls with the social entrepreneur and her other mentor(s) – this averages about two to three hours of work per week. In these weekly calls, the new mentor will have the opportunity to observe the mentoring process, learn about GSBI curriculum and to interact with their social entrepreneur.

The MIT then:

- Is paired with an experienced mentor
- Prepares for and participates in weekly calls
- Observes the mentoring process, learns about the curriculum, interacts with their entrepreneur
- Commits to 2-3 hours per week

PRACTICAL TIP

Pair your Mentor-in-Training with an experienced Lead Mentor. The MIT is there to co-mentor the entrepreneur, but the Lead Mentor is the one responsible for ensuring that the entrepreneur completes all of the elements of the training.

Once the MIT is comfortable, you may consider having them swap roles with the Lead Mentor for a few weeks, especially in the areas of the curriculum where they have expertise.

If you have a big group of new mentors and want to get them activated into a program, try adding a third Mentor-in-Training to the team who will be part of the team for the whole time.

RESOURCES

Mentor Onboarding Process and Activities Template
A Miller Center template for planning your mentor onboarding

DOWNLOAD
Mentor Care and Feeding: Ongoing Engagement, Measuring and Monitoring

Good mentors are incredibly generous individuals and offer a great deal of value to your program and its entrepreneurs. You want to do what you can to take care of them, and to make sure that the relationships that they have with the entrepreneurs are effective.

This section looks at how to monitor and measure the entrepreneur-mentor engagements in your program. It addresses the challenge of ‘unassigned’ mentors and offers solutions for finding other types of engagement opportunities to ensure they are still able to give and receive value. It also provides different approaches to appreciating and recognising the mentors in your program.

Note: Full descriptions of all contributors can be found in the Index.
Monitoring and Measuring Entrepreneur-Mentor Engagements

The sole focus of the mentor is on the social entrepreneur as that is where their energy and passion are focused. Relationship development is dependent upon the quality of the people involved – both the mentor and the entrepreneur. How do you track what is happening during the mentor’s engagement with the entrepreneur? How do you get input and feedback from the mentors?

01. Be scrupulous about the entrepreneurs you select

02. Think about pairing in terms of skill sets and personality profile

03. Put infrastructure around your curriculum

REFLECTION

A mentor and entrepreneur not being a good ‘fit’ doesn’t necessarily mean that either party is doing something wrong or needs to change their behaviour.

Sometimes it can be a simple as a personality clash, or an inexplicable sense that they do not understand each other in the way that they would have hoped. This is a perfectly normal and human response and simply means that the entrepreneur would benefit from another mentor.
Touchpoints

A series of touchpoints are important to make sure the program is moving along at an appropriate speed and that the relationships between the mentors and the entrepreneurs are being built.

These can include:

1. **A test period or “fit” check**
   Looks at how the entrepreneur and the mentor get along. A time for either party to raise initial questions or concerns about the relationship. It is a good opportunity for you to watch the relationship closely and track how it is progressing. Are they keeping regular calls and getting feedback from one another? Do they have clear goals of engagement? Is there chemistry? If reassignment is needed, this is a good time to make that happen.

2. **Enterprise Assessment Tool**
   Looks at the organisations and where they are in their progression (where are they in the development of their organisation). It is important to establish a baseline and identify gaps in areas of the business. The entrepreneur completes the assessment tool and reviews it with their mentors to get alignment.

---

### Practical Tip

You might want to try a 3-way mentor approach for the first few weeks of a new entrepreneur-mentor relationship, where the program manager of your incubator or accelerator sits in on a few of the initial calls.

This will give them an opportunity to observe the relationship first-hand.
3. Mentor-only check-ins

Looks at how the entrepreneur is progressing, from the mentor’s perspective. If there are any issues (e.g., the deliverables are not being completed), it is important to work proactively to improve and solve the problem before it becomes worse. This may include bringing in an expert to help keep things moving or replacing the current mentor with one that is a better fit.

The program manager plays a key role in the communication process as they have the best visibility to see how things are progressing and if some people are falling behind. They act as a middleman between the mentors and the entrepreneurs so that both parties are getting feedback from each other. They can also send a bi-weekly email to the team to check in and remind everyone of their deliverables.

4. Program Goal Tracking Sheet

Looks at how the entrepreneur is tracking in regards to their goals for the incubator or accelerator program. This is not a detailed report, but more of a high-level overview that gives program managers, mentors and the entrepreneur the ability to report how they are doing. It helps to clearly highlight when an entrepreneur is falling behind in particular areas and is an easy way to make sure that red flags are raised early.

### PRACTICAL TIP

A diagnostic panel or advisory group can be a great way to help entrepreneurs overcome particular challenges in their organisation that their mentor is unable to address alone.

A number of relevant experts are gathered to provide input and advise the entrepreneur on a specific topic or challenge. The mentor joins this group to support the entrepreneur in the gathering of advice. This is a great way to see their mentorship in action.

This doesn’t have to be an overly formal affair in a boardroom. The advisory group can even discuss the challenges together over dinner.

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Miller Center for Social Enterprise
MENTORS

Mentor feedback surveys

Looks at how the program is performing from the perspective of both the entrepreneur and the mentor. Gathering this information can help you to understand what is and isn’t working so that you can continuously improve your program.

PRACTICAL TIP

In addition to individual surveys, ask for feedback via an in-person focus group. You may find that people will share different insights in different environments.

Engagement Opportunities for “Unassigned” Mentors

As your mentor pool grows, it is likely that you won’t always have an entrepreneur for every mentor. Mentors also have different needs themselves. Some will take on multiple entrepreneurs, while others aren't ready to commit to mentoring an entrepreneur for six months. This doesn’t mean that your mentors need to remain idle and many mentors will want to work on special projects that match their appetite and availability. You can often find gaps in your cohorts and programs that these ‘unassigned’ mentors can fill.

Possible activities include:

- Helping to interview and select entrepreneurs
- Acting as a guest expert for workshops of webinar topics
- Helping to develop the content and curriculum for your program
- Acting as a feedback panellist for pitches and presentations
- Sitting on a Mentor Board: a core group of experienced mentors who give feedback on how your organisation can improve the programs offered for mentors and for entrepreneurs

Assigning activities to otherwise unassigned mentors is about more than just supporting your program. Regular engagement with entrepreneurs and your program helps mentors to feel more connected to and excited about your organisation’s mission to help entrepreneurs.

This ongoing connection will help to form stronger ties between your organisation and its mentors, which will help to create an even better experience for them and the entrepreneurs they are mentoring.

PRACTICAL TIP

Bring both assigned and unassigned mentors together every six months to provide updates and feedback on how their engagement is impacting the entrepreneurs.
MENTORS

## Mentor Appreciation and Recognition

Mentors are likely to work harder and show more commitment to their role when they feel appreciated and recognised for their efforts. While you should make all mentors feel appreciated, this is especially important when mentors are volunteering their time to work with entrepreneurs.

### Activities to make your mentors feel loved can include:

1. **Networking events**
   - Held at consistent points throughout the year (e.g. once every quarter)
   - Include meaningful topics for discussion about mentoring and social entrepreneurship
   - Can be held at a local wine bar or restaurant
   - A great tool to get new mentors, keep existing mentors excited and get new ideas
   - Provide an opportunity for mentors working with a virtual cohort to meet the entrepreneurs in person, sometimes for the first time

2. **2. Years of service awards**
   - Awarded to mentors who have given five and 10 years of service
   - Rewards mentors with more than just a plaque or trophy
   - Five year mentors — receive a painting
   - 10 year mentors — receive a mentor’s yearbook on their results as a mentor that presents the impact of mentoring over the 10 year period that they have been involved

---

**PRACTICAL TIP**

As you develop your programs and track the progress of your entrepreneurs, think about the different ways that this data can be used.

Not only are you helping the entrepreneur to develop program materials and advertise their successes, you are also gathering information that can advertise the success of your incubator or accelerator programs.

In addition, this data can demonstrate the impact that your mentors have had on entrepreneurs over a number of years.
New Mentor Orientation Webinar - Sample Agenda

Using the data that your organisation collects on a yearly basis from each organisation that is enrolled in your program, create a Mentor Impact Dashboard, along with stories of appreciation from the entrepreneurs, your own staff, and other mentors.

The dashboard can include:

- The number of enterprises mentored and the number still in operation
- The sum totals of lives impacted and dollars raised by the enterprises
- The sectors of social impact as defined by the UN Sustainable Development Goals (SDG)
- The places in the world the mentor visited (at least virtually) while mentoring an entrepreneur

Source: Miller Center for Social Entrepreneurship

The role of mentors can vary from program to program. Some programs will benefit from a traditional one-on-one mentorship role that tries to address any and all challenges that an entrepreneur may face. Other programs might see mentors more as experts who can give advice based on their professional experience and make connections to others in their field. Other times program may use coaches rather than mentors, and source these individuals from within their own team, rather than from outside.

It is important to craft and refine the mentorship role into one that best suits your program and the entrepreneurs that you support.

It is important to craft and refine the mentorship role into one that best suits your program and the entrepreneurs that you support.

RESOURCES

- Enterprise Assessment Tool (Example)
  A Miller Center tool for assessing the operations of an enterprise

- Program Goal Tracking Worksheet (Example)
  A Miller Center tool for tracking an entrepreneurs’ progress through the program
Scaling and Replicating Programs

When, why and how to scale and replicate your accelerator program into new territories or markets.
Scaling and Replicating Programs

When an incubator or accelerator program is financially stable and creating a positive impact, it stands to reason that scaling that program and replicating it in other areas will generate even more impact for more people. But scaling and replicating can be risky, and knowing when to do it, why you are doing it, what you will need to change and what you hope to achieve will help to prepare you for a more successful and sustainable stage of growth.

This section looks at some of the issues you may face with regards to scaling and/or replicating what you do in your current territory/new markets in your country or around the world. It provides examples of and strategies for thinking through how to manage the different challenges that growth inevitably creates.

CONTENT CONTRIBUTED BY

- Social Enterprise Academy
- Village Capital
- GEN Global Entrepreneurship Network

Note: Full descriptions of all contributors can be found in the Index.

PURPOSE

A deep dive review of how to scale and replicate your incubator and accelerator programs

OUTCOMES

- Deepen understanding of replication and scaling models, from plans to practicalities
- Clarify the selection and design of relevant strategies and tactics for scaling for your Accelerator or Incubator
- Build confidence in tools and techniques for the implementation and management of scaling for financial resilience and impact
Before You Scale

This section explores the different strategic drivers that determine what you are actually scaling and why. It then considers the different pathway option for scaling and what they will mean for you, your team and your programs. It also provides some practical approaches to assessing your organisation’s readiness to scale and replicate what you do.

Strategic Drivers - Why and What Are We Scaling?

The world needs you to scale as we work towards the Sustainable Development Global Goals. Our work is vital in helping to scale up the number of organisations that are working towards these targets that are going to keep our societies and our planet healthy.

We are trying to shift economies towards being more inclusive or impact economies. Our work needs to make sure that more organisations are trading with triple bottom line thinking – people, profit, planet – and have this money put towards working for impact.

Defining Scale: Key Concepts

Moving from a phase for you in your accelerators where you’ve been through start-up for maybe more than 2 years in, has innovated some programs, serving a need that you’ve spotted, prototyped your model and are refining things, achieved market entry and you’re gaining traction with key stakeholder, cohorts and people in the ecosystem.

Once you’re done with that, we’re going to growth. We’re going to take what you’ve already done and look at how that can be replicated or build upon or done in a new pace/markets. We’ll look at building your teams and also at how you can monetise your systems or “impatise” them – a phrase where we create yet more impact from doing the same stuff.

If you’re doing something good, you have a responsibility to share it.

MEL YOUNG, HOMELESS WORLD CUP

PRACTICAL TIP

A bankers’ mantra says that:

“Turnover is vanity,
Profit is sanity,
Cash is reality”

+ Impact is... necessity
What Are We Scaling?

- What is your vision for scale at the other end of your journey?
- Is it local or global?
- What are the principles and values that you’re using to guide your decision-making on that vision?
- What are your drivers for wanting to scale?
- Are you creating Unicorns or Zebras in your cohorts?
- Or are you about doing a good quality job for communities you are serving in?
What is a Sustainable Scale for You?

Certain organisations and their models need to achieve a certain size to achieve economies of scale.

Some questions to check on your motivation and drivers:

- Does your team have a clear diagnosis of the opportunity or challenge?
- Are you trying to grow your turnover just to sustain your current operation and make sure that everyone gets paid well?
- Are you looking at greater profitability for building reserves and making sure you stay strong?
- Are you trying to meet demand and need to deliver more activity? Where will the funds come from?
- Are you looking to create more impact in an area of significant need? What is that strategy?

The aim of the questions is to align with your organisation internally, ensure that you're measuring the right indicators and what matters, and that all decisions flow and keep stakeholders close to us.

Pathways to Scale: Options, Vision and Opportunity

Once you’ve figured out your drivers, we will look at the different options and pathways for how we can scale.

We’ve worked out our business model and we’re flying along and we’re doing okay standing out. There are different ways to scale but note that you should not rush into different ones.

If you’ve figured out a good model that has strategic advantage or an asset that is really working, there may be value in replicating that once we’ve figured that out and people may pay to license in order to accelerate.

REFLECTION

Rules of the journey start with what we’re trying to achieve and it means we can stay focused on what we are going to do.

PRACTICAL TIP

It is worth considering with your team how best you can maximise what you are doing, how can you maximise your current sales and only then diversify or replicate.
Path to Scale: Finance and Impact

01. **OPTIMISE (COSTS/PROCESSES)**

What you’re currently doing in order to make yourselves more profitable/efficient. A great place to start.

02. **MAXIMISE SALES**

Do you have a good Sales and Business Development practice? Have you maximised all your opportunities for selling your current products?

03. **DIVERSIFICATION / REPLICATION**

It is often tempting as entrepreneurs to think of the next thing, the next business idea but diversification can build on what we already have, it could extend our brand or bring in a new income stream that is essential to something that’s not quite working.

You could integrate it back to your original business and gain economies of scale and get an advantage from that.
Market Strategies

**MARKET PENETRATION**

With the products you’ve already developed, can you achieve scale by going for market penetration in the areas you are already in?

**MARKET DEVELOPMENT**

If you have a suite of products that you are spotting demand from different geographic areas and have new customer segments you can ship out to in market development terms.

**PRODUCT DEVELOPMENT**

If you have a good product but can be building more by listening to the needs of your customers and a product development strategy might extend your brand into other things. This would make you more sustainable without having to shift out of the current market you just starting to get established in.

**DIVERSIFICATION**

Diversification of new products into new markets which may be a strategy to bring in new income streams that you have looked in your financial sustainability modules. This can also be a distraction and high risk in your current business model.

For example, running an accelerator and diversifying into co-working.
Scaling Strategies

1. How effective do you collaborate with others or do you want to collaborate with others?
2. How adaptable is your model/brand and what you are doing?
   A framework for different options for different approaches to spreading your models.

**GROWN YOUR ORGANISATION / CAPACITY BUILDING**

If you prefer to stay in your area and are not into collaborating with others beyond partnering on a bid/funding bid, and you’ve got a static model that does one thing really well, and growing your organisation and building your own capacity is not a bad strategy. Keep it simple.

**EXPAND TO NEW SITES**

If you’re not looking to collaborate too much but you can adapt to new areas, build your team then expanding to new sites can be another way.

**KNOWLEDGE DIFFUSION / LICENSING**

If you have a really, really good product and you can collaborate with others then sharing out your knowledge through licensing/other creative commons style → good way to spread the impact really fast by working with others.
If you believe adapting and collaborating with others is the way to go, then social franchising/joint ventures become options in that mix.

You may want to consider strategic partnerships or a consortium where you partner with other organisations to bid and win funds.

01. **SALES-READY**

Having original products and the facilitator network set up.

02. **PROCUREMENT-READY**

Being able to tender and bid successfully for government contracts.

03. **INVESTMENT-READY TO REPLICATE AND SCALE**

Using money to become replication ready and to get your systems sorted out. Looking at what sort of model you could be using for going international.

04. **EXPORT AND INTERNATIONAL PROCUREMENT REPLICATION READY**

To do this, you may need to get investment at different points of time throughout the life cycle of your incubator or accelerator’s growth.

How can you ensure that funding will stay consistent?

By keeping investors and strategic partners close, ensures that you are constantly building and solidifying relationships with your funders, which in turn, makes them want to keep investing in your work.

**PRACTICAL TIP**
CASE STUDY

Replication of the Social Enterprise Academy

In the past six years, Social Enterprise Academy has replicated its model all around the world.

This has been achieved through a number of key considerations and activities:

1. Establishing a focused business model of Learning and Development
2. Establishing a revenue model of ‘Fee for Service’ and ‘Buying on Behalf of’
3. Developing a suite of adaptive programming
4. Consistently monitoring and measuring their impact on behaviour change
5. Creating a financial model and developing that model to suit the market over time
6. Targeting a range of stakeholders and customers to ensure viability
7. Identifying their strategic drivers for growth and analysing the opportunities available to them.
8. Planning out different growth scenarios and phases to test what kinds of replication was possible.
9. Building their team in Scotland over time in response to contract wins.
10. Changing the structure of their organisation from functional to divisional to matrix to accommodate their growth.

Source: Social Enterprise Academy
Strategic Global Partnerships

In order to create and run a social license model, you’ll have to be able to put it in local hands and operate as a social license network globally, sharing ideas and knowledge and leveraging on a bank of products that they have innovated and shared together.

Replication Readiness Assessment

This is an internal assessment of how sustainable you are right now and with this, you will also be able to check on your operations. This gives you a triple-bottom-line viewpoint. It can also help you figure out where the issues are and where you are strong/weak. This helps you analyse overall if your scaling journey will help improve your current sustainability or if it will drain your reserves/bank of energy in order to scale.

Key considerations to note:

Will scaling help to improve your sustainability?

Or will it make an existing problem bigger?
SCALING AND REPLICATING PROGRAMS

Key areas to focus on:

**FINANCIAL**

Do you have good turnover, profitability? Can you see market demand for what you are doing or do you need to scale and diversify to get your existing costs covered (be clear on your financial reality)?

**PEOPLE/TEAM**

Are they motivated and empowered and sticking with you to scale, and have the right skill sets? OR Do you need to recruit new people? How can you find new ways to keep them engaged with you?

**ENVIRONMENTAL**

Do you have a costly model or is it really light? Will your impact scaling go really well because of the way you’ve designed your operation (circular/with supply chain influenced)?

**SOCIAL CULTURE**

Are you well connected and embedded in the communities at the moment? Do you have a group of stakeholders that will go with you on this journey?

Where are we now?

Features of current readiness
- Strengths
- Weaknesses
- Opportunities
- Threats

To work on?

To increase our readiness
- Actions to take
- Things to change / end
- New initiatives / things underway

Social Enterprise Academy
## TOOL/EXERCISE

### C.L.O.N.E.D F.I.R.M

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<tr>
<td>LEARNABLE</td>
<td>Transferable knowledge and methods?</td>
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<tr>
<td>OPERATIONS</td>
<td>Systems and procedures in place?</td>
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<td>NEED/DEMAND</td>
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<td>Proven social impact?</td>
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<td>DUPLICABLE</td>
<td>Able to be replicated locally?</td>
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<td>Clearly understood and codified?</td>
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Source: [Social Enterprise Academy](https://www.seacademy.org)

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## RESOURCES

- **Making It Big: Strategies for Scaling Social Innovations**
  A report from Nesta to help social innovators consider the best options for scaling up their innovations
  
  [DOWNLOAD](#)

- **Webinar: Before You Scale**
  A webinar recording from the Frontier Incubators program, delivered by SEA
  
  [WATCH](#)
Design for Scale

This section looks at how to define market opportunity and value proposition for growth (and match your customer needs). It provides different approaches to exploring your scaling product offering and techniques for testing your scaling pathway, as well as looking at how to design elements of your scaling model to offer strategic competitive advantage and resilience as you grow.

Strategic Choices

It is worth thinking about the business models that are already out there in the world and testing them for our accelerators and incubators.

Are there already business models that we could draw on that would give us some ideas for how else we might be able to scale? Are we doing everything we can to enter new markets in the right way? Think with your teams – are you using the right business model for scaling?

For example:

- Can you ensure you reach low-income clients at an affordable rate because you’ve cross-subsidised your fee-for-service work too?
- Have a marketplace going on alongside/buy-one-give-one with different sponsors?
- Do you use multiple business models at the same time to keep viable?
- Do you have a good national model, that you are able to replicate?

REFLECTION

Many of the techniques that we can use for one scaling pathway will also still have value for others.

We still need some of those business basics in place knowing our metrics and having good strategies written down in business plans in order to get investments.
TOOL/EXERCISE

The 'Kernel' of Good Strategy

**Diagnosis** – Understand the problem / opportunity

- Define it
- Take advantage of it
- Understand if you have solved that problem

**Guiding principles** – Keeps you focused on your unique solution/set of products

- Don’t get distracted by other things to make money

**Coherent Actions** – Leverages your competitive advantage

- What things are you doing together that leverage your competitive advantage
- Check your if your business plan’s strategic objectives are coherent/work together

Understanding the Key Mission

Take a step back and ask “Who is my organisation serving? Why?”

Think of who your primary customer is and the multiple other customers around the primary customer. Are they:

- Responsible for the monetisable model, or
- Influencers of the customers who pay/use the service, or
- Internal customers: facilitators who take your content out

Creating a Value Proposition

**VALUE PROPOSITION**

We sell **A** (product/service) to **B** (customer)

**B** (customer) has a problem.

And it is **C** (problem).

We solve **C** (problem) through **D** (solution).

We are different because **E**.

Build a value proposition for every person who you see you as a customer/consumer of your product/service.

Create a profile for each of them that states:

- Who is this person?
- What is the problem that we are solving for them through our product/service?
- How is our solution addressing their main pain points?
- What is the competitive differentiation? Why us? Why not go somewhere else?
- After defining a value proposition for every customer/consumer of your content, we can now look at various opportunities to scale with that particular customer/consumer.

Some questions to think through when scaling your organisations:

- What is your organisation’s **North Star impact**? Why is this the most important thing for you to measure?
- How does this impact **drive your organisation’s growth**?
- How will you **measure** this?
- How does this data relate to **outcomes for your customer**? What does this mean in terms of what your customer sees/needs to do?
- What **actions by your customer** would grow this impact?
**Tool/Exercise**

**Strategyzer's Value Proposition Canvas**

The Value Proposition Canvas is a good tool for understanding your customer, what jobs they need served and what are the gains and pains that they have.

**Precisely define your customer profiles**
Identify your customer’s major Jobs-to-be-done, the pains they face when trying to accomplish their Jobs-to-be-done and the gains they perceive by getting their jobs done.

**Visualise the value you create**
Define the most important components of your offering, how you relieve pain and create gains for your customers.

**Achieve Product-Market fit**
Adjust your Value Proposition based on the insights you gained from customer evidence and achieve Product-Market fit.

Look at your scaling product. Interrogate your opportunity to support that customer with what you have. This may be different to the original proposition of your incubator or accelerator.

Source: [Strategyzer](https://strategyzer.com)

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**Assessing the Market**

![Market Assessment Diagram](image_url)

1. **Current Revenue**
   - **Defined:** The organization’s current revenue (today)
2. **Target Market**
   - **Defined:** Revenue captured from customers the company is currently targeting/pursuing for sales
3. **Serviceable Available Market (SAM)**
   - **Defined:** Capturable revenue with existing sales channels
4. **Total Addressable Market (TAM)**
   - **Defined:** Capturable revenue with no constraints
5. **Total Market**
   - **Defined:** Revenue in the general product or service category, though not necessarily by this company

Source: [Village Capital](https://villagecapital.com)
SCALING AND REPLICATING PROGRAMS

CURRENT REVENUE

What is the revenue you are currently making?

TARGET MARKET

What is the revenue you might make from a target market you are currently thinking of capturing?

SERVICEABLE AVAILABLE MARKET

Without significantly adding to your sales and distribution channels, what are the markets that you can directly service to so there could be another 40 customers of the same type in the same geographic region who you can target with the same sales channels.

TOTAL ADDRESSABLE MARKET

If you were to expand your sales channels, with no constraints, what is the total addressable market you can capture? This will be all customers of the same demographic within the larger geographic region that is outside the city/state you are targeting.

TOTAL MARKET

What is the entire demographic who would benefit from your product or service?
SCALING AND REPLICATING PROGRAMS

What's in the Box?

What is it that you’re offering so it can be replicated or shared?
For incubators and accelerators this may fall into four broad areas:

01. PRODUCTS

Products that other people can use, that will work for different cohorts (accelerators, pre-accelerators and post-accelerators) and develop leadership.

02. SYSTEMS

Systems for running your programs. e.g. making sure you are managing your different facilitator networks really well, booking systems on the website, systems for doing business development.

03. STRATEGY

Understanding the strategic value of structuring operations and processes for running an efficient business.

04. SUPPORT

Beyond products and content, you are focusing on delivering support to accelerators and cohorts.
Dimensions of Replication

**FINANCIAL**

**Funds out:** Fee from a partner to run your model.

**Funds in:** Securing funds centrally and putting them into an area

Blend of both?

**CONTROL**

**Flexible:** Can you give a bunch of resources and tools that people can draw on and do it in their way in a certain place?

**Inflexible:** Great model that has to be done in a certain way to really add impact value.

**BUSINESS MODEL**

**Charitable:** Raising funds to make something work.

**Commercial:** Selling and trying to stick to sales as a method and therefore have a commercial price point in each market.

**PARTNER**

**Individual:** One person to facilitate your model in certain areas/responsible for sales

**Organisation:** To take on your license or join your network so that you can draw on their organisational resilience and sustainability beyond the individual person.

Both?
Replication Spectrum: Licensing Types

Several licence types can enable innovation with your scaling/replication model to make it affordable in different contexts. Or you could blend features of the above models. For example, using a Perpetual licence perhaps with an additional small % fee annually based on revenue so you remain linked to growth of the licensee.

**PERPETUAL LICENCE**

Authorisation to use a certain product version indefinitely after a one-off payment of a single fee.

**SUBSCRIPTION LICENSE**

Continual payment of monthly or annual fees, with licensees only authorised to use content whilst paying the fee.

**CONSUMPTIVE LICENSE**

Licensees pay depending on the actual or predicted number of times they use something.

**SUB-LICENSING**

Can one of your licensees then license your product on again to somebody else? There are dangers of allowing sub-licensing – particularly quality control, with increasing distance between you and the person delivering your content. While this can enable business development pace, quality and brand reputation may suffer, and it may undermine building a strong network or other factors of the OPEN framework.
Risk/Responsibility Considerations

MANAGEMENT

What level of freedom does each license partner have for decision making? What level of reporting requirements are agreed – frequency and detail? What happens if certain milestones are not achieved by the licensee? Indefinitely after a one-off payment of a single fee.

MARKETING

Are targets for business development agreed? Is the brand and communication resourced centrally or locally? How flexible are communication channels for local operation? Is the local operator responsible for sales or just delivery of programs?

PRODUCTION

How fixed is the production process for products (i.e. the coordination and delivery of your programs), or is it the outcome that’s important? Are minimum standards or targets for quality agreed and clear? Are you clear who is approved to deliver your programs?

INVolVEMENT

Overall, how involved will you be in managing the ongoing performance and standards of your licensees? Do you want to have minimum standards that are consistently achieved before they gain the rights to scale further using your licence?

Licence features to consider:

Consumption: Limited/Unlimited
Exclusivity: Exclusive/Non-exclusive
Geography: Local/International
Time: Timebound/Non-expiring

PRACTICAL TIP

Whether you are scaling an organisation and building a network or you are licensing or franchising, it’s worth getting legal support.

This will help you to go beyond basic MOUs and into well-crafted, legal documents to serve you in your area.
Intellectual Property

How you replicate and how you give people other elements can make sure they stay with you.

People often focus on intellectual property and they make sure that they protect that when they are scaling. Entrepreneurs that have innovative tech/biotech could be under pressure to patent their product to secure investments.

For many of the things that we do as incubators and accelerators, the people who designed the programs are the ones looking at patents and getting the intellectual property (IP).

**REFLECTION**

It can be hard to ensure clarity in agreements when engaging other facilitators and mentors that have their own IP or bring their ideas to our program.

What is that intellectual property, where does it belong?

**TOOL/EXERCISE**

**O.P.E.N.**

How do we go beyond IP? How can we be OPEN?

The OPEN approach helps you to free people from thinking about how they possess the IP and getting them to stay connected to your overall scaling operation over time.

**Ownership**

**Processes**

**Enhanced Network**

**Name**

With the OPEN framework, partners/facilitators/stakeholders that are paying to be part of your operation do not have to feel like they’re abiding by a certain set of rules which can become adversarial, overly transactional and commercial.

**SEA Example**

**Ownership** = local ownership, able to adapt to their local context – not reinvention. After three years if they’re entering their long term 20-year sustainable license agreement, they get some form of ownership over their international network.

**Processes** = Replicable, proven processes. Leverage advantage on the trainings that SEA gives to facilitators.

**Enhanced Network** = Added value of other partners. Shared knowledge from different partners around the world.

**Name** = Brand, credibility, trust, reputation. Leveraging the brand in your own marketplace can give you a brand that allows you to:

- operate in a different place/sector of focus
- access another area
- gain credibility e.g. impact hub

Source: [Spring Impact](#)
Protection as You Scale

- IP protection can just slow competitors down
- IP can be a distraction and a waste of time for you to try to protect your core product – they can find a workaround
- Patents can be easy for other sectors e.g. tech design solution

So, how do we protect ourselves as we scale through our design?

**INTERNAL NETWORK CONCERNS**

Recognise other things your network partners can benefit from by staying with your company instead of stealing and damaging their reputation.

For example, an Enhanced Network where they are part of the facilitator team and gain something over time. This could be professional development or the fact that they are recognised as being part of the brand and network internationally.

Make sure they value the brand network.
Draft up good contracts to make sure that confidentiality or intellectual property is mentioned and make clear how they are benefitting e.g. by joining a collaborative network you can get stuff generated by others too.

**CLIENT NETWORK CONCERNS**

Sometimes corporates might want us to design something for free that they can spread/make open-source. Select how much you offer them in the contract.
Use the opportunity to add in a teaser for your own materials and create a pipeline towards what you do because you know you can offer a deeper and greater experience from that initial start. You have control Contracting? Set a cut-off time they can use the materials.
Recurring license? Subscription model? Update + Retainer fee = long-term r/s with client, repeat customer, protect r/s.
Protecting Your Network Investment

Sometimes members of your network will drift away from the work and focus on other things. This can be for a variety of reasons, but it may be because there was a misalignment of expectations. Maybe there just wasn’t enough work for them to keep them interested. Or maybe it has nothing to do with the work, but is due to something else that is happening in their lives.

You can’t control how people will behave or respond to the work over time, but you can put measures in place to proactively support the interest and engagement in the work.

PRACTICAL TIP

- Have one-on-ones with each network member
- Don’t over recruit: bring in the right amount of people for the amount of work
- Have other professional development programs to keep them engaged
- Have exercises that help them communicate the trajectory of growth they want as facilitators
- Plan for the next recruitment phase and include training
- Accept that people will leave
- Don’t be too dependent on a few facilitators: you need a network of people with different skills for different cohorts in different areas
- Create a buddy system to keep people active and accountable

RESOURCES

Social Franchising: Innovation and the Power of Old Ideas
Research conducted by Spring Impact

Social Replication Toolkit
A toolkit on replication readiness from Spring Impact

SEA Resources
A range of documents from SEA International

Webinar: Design for Scale
A webinar recording from the Frontier Incubators program, delivered by SEA
Ready to Scale

This section looks at how to visualise and share organisational communication for the stages of readiness and journey to scale, utilizing the VIRAL framework. It examines some of the ways you can build resilience and internal capacity to meet the demands of scaling, whilst considering team and partner profiles. It also looks at the different areas that may be demanding your time, and helps you to consider where you put your energy in order to achieve success.

VIRAL: Benchmarking and Readiness for Scaling

The objective of Village Capital’s Venture Investment-Readiness and Awareness Levels Framework (VIRAL) Pathway is to assist businesses to map their journey through different milestones, and help them to reach the higher levels of scale and exit.

The use of generic definitions enables customisation for unique business model alignments, and helps businesses to understand what needs to be done to move to the next level. The framework also informs businesses of the type of funding they need by matching the type of investor to the level of maturity of a business.

<table>
<thead>
<tr>
<th>Level</th>
<th>Name</th>
<th>Team</th>
<th>Problem and Vision</th>
<th>Value Prop</th>
<th>Market</th>
<th>Business Model</th>
<th>Scale</th>
<th>Exit</th>
<th>Type of funding typically closed at this level</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Establishing the Founding Team</td>
<td>Strong founding team with differentiated skillsets.</td>
<td>Leadership in problem-solving and ability to execute as team.</td>
<td>Product recognized as top in the market.</td>
<td>Market validated.</td>
<td>Strong unit economics validated.</td>
<td>Full-scale exit.</td>
<td>Growth with exit.</td>
<td>Acquirers or public.</td>
</tr>
<tr>
<td>3</td>
<td>Solilitating the Value Proposition</td>
<td>Founding team has strong, clear, and compelling value proposition.</td>
<td>Evidence of strong unit economics across multiple markets.</td>
<td>Evidence of strong unit economics across multiple markets.</td>
<td>Evidence of strong unit economics across multiple markets.</td>
<td>Evidence of strong unit economics across multiple markets.</td>
<td>Evidence of strong unit economics across multiple markets.</td>
<td>Close institutional VC for Angel/Seed Funding.</td>
<td>Grants for R&amp;D (Hardware).</td>
</tr>
<tr>
<td>6</td>
<td>Moving Beyond Early Adopters</td>
<td>Founding team has strong, clear, and compelling ability to scale.</td>
<td>Evidence of strong unit economics across multiple markets.</td>
<td>Evidence of strong unit economics across multiple markets.</td>
<td>Evidence of strong unit economics across multiple markets.</td>
<td>Evidence of strong unit economics across multiple markets.</td>
<td>Evidence of strong unit economics across multiple markets.</td>
<td>Close institutional VC for Seed Funding.</td>
<td>Grants for R&amp;D (Hardware).</td>
</tr>
<tr>
<td>7</td>
<td>Hitting Product-Market Fit</td>
<td>Founding team has strong, clear, and compelling ability to scale.</td>
<td>Evidence of strong unit economics across multiple markets.</td>
<td>Evidence of strong unit economics across multiple markets.</td>
<td>Evidence of strong unit economics across multiple markets.</td>
<td>Evidence of strong unit economics across multiple markets.</td>
<td>Evidence of strong unit economics across multiple markets.</td>
<td>Close institutional VC for Seed Funding.</td>
<td>Grants for R&amp;D (Hardware).</td>
</tr>
<tr>
<td>8</td>
<td>Scaling Up</td>
<td>Founding team has strong, clear, and compelling ability to scale.</td>
<td>Evidence of strong unit economics across multiple markets.</td>
<td>Evidence of strong unit economics across multiple markets.</td>
<td>Evidence of strong unit economics across multiple markets.</td>
<td>Evidence of strong unit economics across multiple markets.</td>
<td>Evidence of strong unit economics across multiple markets.</td>
<td>Close institutional VC for Seed Funding.</td>
<td>Grants for R&amp;D (Hardware).</td>
</tr>
<tr>
<td>9</td>
<td>Exit in Sight</td>
<td>Founding team has strong, clear, and compelling ability to scale.</td>
<td>Evidence of strong unit economics across multiple markets.</td>
<td>Evidence of strong unit economics across multiple markets.</td>
<td>Evidence of strong unit economics across multiple markets.</td>
<td>Evidence of strong unit economics across multiple markets.</td>
<td>Evidence of strong unit economics across multiple markets.</td>
<td>Close institutional VC for Seed Funding.</td>
<td>Grants for R&amp;D (Hardware).</td>
</tr>
</tbody>
</table>
The VIRAL framework was developed to support entrepreneurs and investors understand the growth pathways of ventures, and draws largely on benchmarks and experiences from the US. As such, if it is being used in different countries / markets / ecosystems some contextualisation is required. The Asian Venture Philanthropy Network have begun an effort to adapt the framework to make it more relevant for the Asia-Pacific region – this can be found here.

While the framework was developed for entrepreneurs and investors, it is also used by incubators and accelerators in a number of ways: 1) It can be used to assist program managers when assessing, supporting ventures, and engaging investors. 2) It can also be used to consider the growth pathway of your organisation, if you think about your programs as products/services.

In both cases, as the content of the framework is not all immediately relevant, we advise that some contextualisation is required.

For entrepreneurs, the framework looks to help:

Assess progress

Identify key milestones needed to achieve to raise capital for the next round

Build a profitable business with a successful exit

For entrepreneur support organisations, the framework looks to help:

Identify key milestones needed to achieve in the path to growth and self-sustaining growth

Identify priorities

Identify and sustain continued streams of revenue
Using the VIRAL Pathway

For each category, identify a definition on the y-axis that suits where your company is currently at. This will be your level for that category.
For the example above, an early-stage venture should identify their organisation at the lowest VIRAL level – at level 4 or 5, but not 6 because only 3 of their parameters match. The venture should work on stabilizing, validating their market and proving a profitable business model rather than work on their customer segments or move beyond early adopters.

For venture support organisations, parameters will be:

**Team**

Can your team deliver results as it grows? For example, as you grow your team, how does it impact the efficiency, quality, and type of delivered results?

Can your team make the right hires? What risks does the organisation face that requires new team members to be better than the founders at addressing/mitigating? How are you planning to grow beyond the circle of founding senior management?

Does the organisation have the ability to execute on their ambitions to deliver value to entrepreneurs? What are the constraints the team may face? Does the team have the relevant skill sets? Will we need to hire external consultants for some periods of the year for their expertise?

**Problem and Vision**

Are you solving a big problem for the ecosystem? Is it possible to make a true dent in the problem? Understand your limits as an entrepreneur support system.

Why will your solution win out over the competition in the next 3-5 years? Is there a differentiation now? What differentiation are you working on?

Does someone on the leadership team or program team have entrepreneurial experience?

What are the top 1-3 short-term outcomes related to your vision that you need to achieve over the next 12-18 months?

**Value Proposition**

What is the specific pain point that you’re solving for your customer?

How are you delivering measurable value to help entrepreneurs grow and scale their business? Should have a correlation between what you are delivering. Direct impact on revenue, metrics, team quality.

Is your solution differentiated enough that target customers will choose it over your competition, thereby giving you the pipeline you want?
Product (Program/Service)
What have been the main positive and negative points of feedback from your users so far?
How has your product/programming evolved over time in response to market needs?
What are the gaps on your program team?
Does your product/program have any inherent defensibility?

Market
Do you understand the market opportunity as well as the target customer? Are there enough (target) entrepreneurs in the market?
How do you sell into this market? How do entrepreneurs hear about you?
What other stakeholders do you engage with? How do you get buy-in from them?
What is your positioning in this market? How will this help you capture this market? What is your value/positioning?

Business Model
How do you sustain yourself?
Are you able to attract donor funding? Why / Why not?
What partnerships do you currently have in place across your value chain? What are the key ones you need to scale up in the next 1 – 3 years?

Growth and Scale
What is your expansion plan? Are you thinking across geographies?
Are you able to support entrepreneurs as they grow?
Does your product improve/get easier to use with scale?
Is your customer base growing? (month by month? quarterly?)
What’s the right pace of your organisation?
What is the feedback from customers?

When do you change gear?
Before you go up the hill.
Find Your ‘Core’

The ‘core’ of your business is the things that are fundamental to achieving social impact and making the model work in practice. It includes the things that make you unique, the things that are important, and the things that enable you to grow over time.

**Unique**: Your value proposition

**Important**: To your key customer priorities

**Growing**: Over time

To determine the core of your business, ask yourself:

- What is ‘beyond’ your business?
- What is in your core that is essential to achieving social impact?
- In what ways do you build resilience?
- How can you increase your competitive advantage?

**REFLECTION**

With hard-to-beat partnerships and a strong core, people will see you as a market leader.

**TOOL/EXERCISE**

**Nesta’s Standards of Evidence**

Nesta has developed five Standards of Evidence to help social innovators and support providers to improve their impact measurement. They can be useful for providing evidence of the ‘core’ of your business.

These standards come in five different levels and prompt you to question:

- Are you managing various stakeholder needs?
- Is this evidence demonstrable?
- Does your model work in a new market?
- Pilot evidence against your theory of change
- Do you have test cases?
- Do you have winning bids/contracts to deliver work?

Source: Nesta
People and Partners: Who’s on the Bus?

The people within your organisation, and those who you partner with, are essential to the success of your organisation and its programs. As you scale, these people and partnerships have the potential to build your organisational capacity to grow.

Growing Organisational Culture

When growing your organisation, it is important to keep people focused on your core and scaling mission.

You need to focus because you don’t want to scale something different that team hasn’t got anything to build off of, or build something that doesn’t follow your company culture or your values. In the end, you can end up with a different projects happening in different places, and you end up scaling problems rather than scaling real simple, great solutions.

PRACTICAL TIP

Make sure to recruit new team members to fill existing roles, so that your current team can move on to lead scaling activity and ensure your existing operation stays viable and focused while you scale.

Alternatively, bring in a new team to replicate and scale in new areas.

PRACTICAL TIP

Develop scaling principles derived from the values, beliefs and behaviours of your organisation. Ask yourself ‘What principles are we using to grow?’ and be sure to enable decisions to be made at all levels.

Build routines for automation, and rituals to keep the team happy and focused on what it is like being part of your organisation.
TOOL/EXERCISE

Disciplined Entrepreneurship: 24 Steps to a Successful Startup

Disciplined Entrepreneurship is a systematic and rigorous 24 steps for building new innovation-based ventures.

The steps are categorised along 6 sections:

1. Who is your customer?
2. What can you do for your customer?
3. How does your customer acquire your product?
4. How do you make money off your product?
5. How do you design and build your product?
6. How do you scale your business?

Source: Disciplined Entrepreneurship: 24 Steps to a Successful Startup
Pace to Scale

A lot of us want change to happen quickly but in reality, it might take us longer than we thought it would be. Organisations have to respond to markets or ecosystems that might not be ready for them yet and growing companies take a number of people involved to get it right in various contexts.

This section focuses on three key areas: thinking about how to scale; business development and; the sales focus of your organisation. It will help you to develop an understanding of new market entry for scaling and replication products and provide an overview of the process for entering markets or replicating in new areas.

Market Development Strategies

When considering growth and scale within individual markets that we’re already in, or new markets we’re looking to break into we must first ask ourselves:

What is your product?
- Program(s)
- Platform/Technology
- Consulting + Service Mix

What entry activity will you undertake?
- Deeper Market Diffusion (in an existing market)
- New Ecosystem
- New End-User Group
- Internationalisation

How is the brand/product positioned to fill market needs
- Opportunity to grow the team and capacity building
- Opportunity to secure strategic win-wins with partners
- Potential to become a market leader
- Opportunities to generate higher revenue and new loyalty

For the purpose of this guide, we will assume the product is Program(s).

For the purpose of this guide, we will assume the entry activity is Deeper Market Diffusion.
Market Development Strategies

Your organisation can leverage partners to scale and replicate. Finding the right partner organisation will help your company with targeting goals for end-users and participants. Partners can also help to address capital resource limitations, human resource limitations, knowledge gaps and skill gaps within your organisation.

Looking for partners is like trying to find the right piece of the puzzle, as what we’re looking for in partners will have implications later on in the business as we look to grow and improve.

Therefore, we have to consider the process for entering new markets or replicating in new areas – known or unknown.

01. IDENTIFY YOUR KEY NEEDS

Why do you need a partner? What are your priorities? Are the technical, about increased access, infrastructure-based, about credibility? What will they help you with? How will you engage with them? What are your limits?

02. UNDERSTAND YOUR STRENGTHS

What are your strengths in relation to the new market you are going into? What have you done well in your previous services markets?

03. DEFINE THE GROWTH PLAN

How long is the plan? What activities will you undertake? What challenges can you anticipate and how might you address them?

04. SCOPE OUT AND DO DUE DILIGENCE ON A PARTNER

Beyond products and content, you are focusing on delivering support to accelerators and cohorts.

PRACTICAL TIP

- Always remember your product/service
- Remind yourself of the customer using your product/service and who you will be targeting in the new areas
- Strive for wins. The more wins we have improves the morale of the team
**Criteria**

<table>
<thead>
<tr>
<th>criteria</th>
<th>Tech expertise</th>
<th>Access to target users</th>
<th>Physical infrastructure</th>
<th>Educator mindset</th>
<th>Respected brand</th>
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<td>Team capacity</td>
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<td>Curriculum Expertise</td>
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<td>Owns Space or Has Access</td>
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<td>Mailing Lists</td>
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<td>Reference (Clear Evidence)</td>
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<td>Mentorship</td>
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<td>Interest in Programs</td>
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<td>Co-Working</td>
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<td>Events and Workshops</td>
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<td>Partnership Portfolio</td>
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<td>Event Space</td>
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<td>Staff Network</td>
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<td>Press and Awards</td>
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</table>

**Understand your strengths (i.e. DEPTH of programs)**

<table>
<thead>
<tr>
<th>Small Businesses</th>
<th>Medium Businesses</th>
<th>Startups</th>
<th>Growth Businesses</th>
<th>Diversity/Inclusion</th>
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</thead>
<tbody>
<tr>
<td>Informal Sector</td>
<td>Informal Sector</td>
<td>Tech: Services</td>
<td>Formal Sector</td>
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<td>Diaspora/Migrants</td>
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<td>Formal Sector</td>
<td>Formal Sector</td>
<td>Tech: Products</td>
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<td>Ethnic Minorities</td>
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Training Manuals: Program + Operations
Case Studies (Use Cases)

Global Entrepreneurship Network
Growth Plans

It takes time to create growth and it could be a challenge to look beyond the first year.

The first-year plan should be about establishing your enterprise/programs in the new market through your partners and creating value-added use-cases. The use-cases will show signs of traction in the second year.

<table>
<thead>
<tr>
<th>Time</th>
<th>End-Result</th>
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</thead>
<tbody>
<tr>
<td>1-Year Plan</td>
<td>Establishment and Use-Case(s)</td>
</tr>
<tr>
<td>2-Year Plan</td>
<td>Traction</td>
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<tr>
<td>3-Year Plan</td>
<td>Diffusion and expansion</td>
</tr>
</tbody>
</table>

While that traction might not necessarily happen as cleanly, it will be a pivotal point for you to take what you have learnt from the first year to start diffusing across this new ecosystem that you’ve grown into. It will help you to start expanding your product offerings to build the brand, increase legitimacy with the community and also revenue.

REFLECTION

It can be a long, painful and arduous journey to get to Years 3 through 8. But you will start to see investment pay off at this time.
Due Diligence

Due diligence is performed to protect your product or service, as well as your brand and image in the new market. You might have been introduced to partners but you’ll need to understand how they work and who the decision-makers are to help drive the success of your company.

Some questions to ask:

1. Who are the decision-makers?
2. Who are the doers?
3. Who are the brand champions?
4. What are their successes?
5. What are the challenges they currently face?
6. What’s the community perspective on their brand and offering?
7. What’s the partnership process like?

REFLECTION

Aligning partners to your interests involves:

- Developing relationships with identified partners
- Allowing sufficient space for proper diligence
- Not compromising your values or mission
- Being selective and strategic

Supporting Your Team

The ability to effectively plan and communicate across the team helps to:

1. Increase agility to develop and build
2. Align common language and goals
3. Manage expectations appropriately when everyone knows where they stand
4. Root decisions in data

To scale and develop replicability efforts, bring your team together. Create a system that is repeatable, reflective and recognisable.
Facilitating a Team Meeting

Facilitate your meeting by:

1. Assigning each team to define role or project-specific KPIs
2. Getting your team to define and defend their targets
3. Allowing them to propose deadlines
4. Reviewing KPIs and challenge assumptions, gauge readiness
5. Setting common language, definitions, and assumptions
6. Identifying the current project roadmap and root proposals in reality
7. Refining deadlines

Meetings should:

- Be held weekly or bi-weekly to get updates on progress
- Reflect on data and root decisions on programs and rollouts based on new updates
- Confirm language and definitions. If refinement is needed, do it!
- Combine teams to adapt or refine work (e.g. marketing + finance teams)
- Break down your silos and adjust culture
- Push for ownership and accountability
- Always be documented. Share out adjusted deliverables and deadlines with the team.

Source: GEN

Scenario Planning

In scenario planning, ensure you have a Pilot and Phases 1, 2 and 3. How long those phases lasts for depends on your modelling. Each phase has a different characteristic to what you need to be doing and you should communicate the original scenario plans to your organisation so that everyone remembers and knows what they are supposed to be doing at the various stages of growth.
PACE and Prioritisation

When you are assessing your different markets, think in terms of impact benefit or financial revenue, as well as how much effort you need to put in. Prioritise where to go and how to consider the different markets at which you are looking.

Consider where your different opportunities land and place them on the PACE model.

Prioritise: Go for the low-hanging fruit!
Action: Slightly more effort, but it's ok.
Consider: Bit more uncertain, have to consider
Eliminate

Using a model like this helps with communication around the organisation; for the board and the senior team. This also helps when you are trying to consider where to put your energy or what to do. Being able to prioritise is absolutely essential.

Similarly, different markets might not be able to support your model. You may have areas of market failure (which desperately needed an impact style accelerator that cannot afford it in their geography/investment) and require innovating a different model or seeking out new customers to make it possible.
Models of Finance

Really knowing your markets will help you to determine if you should go for the push or pull model of finance.

<table>
<thead>
<tr>
<th>TERMS</th>
<th>DEFINITIONS</th>
</tr>
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<tbody>
<tr>
<td>Pull Model</td>
<td>You bid for contracts in that area and receive a percentage or fee from replication or licenced partners.</td>
</tr>
<tr>
<td>Push Model</td>
<td>You source funds from outside the area and push it in.</td>
</tr>
</tbody>
</table>

**Reflection**

Sales discipline is really key. Many of us in the acceleration space are trying to support social entrepreneurs, impact entrepreneurs or entrepreneurs to enhance their business skills to really get their impact ideas out into the marketplace. Many of those people won’t have the sales discipline required.
Sales Funnel

Make sure you’ve got your sales funnel in place and that you’re using decent Customer Relationship Management (CRM) software to communicate around your organisation.

Market Assessment

Move customers along stages of your market assessment and adapt as you explore rather than exploring first, then finding customers.

Using the stage approach allows you to take action without overcommitting or overspending. At certain milestones, however long that may take, you start giving away more things or put more effort in response to the reaction from the marketplace and making sure that products are matched in the new places.

PRACTICAL TIP

Use grids for documentation and to communicate well between team members.
Sales Funnel

Make sure you’ve got your sales funnel in place and that you’re using decent Customer Relationship Management (CRM) software to communicate around your organisation.

**STAGE 0: TOTAL ADDRESSABLE MARKETS / BEACHHEAD MARKETS**

Once you have acquired a status in that beachhead market, ask yourself what the follow-on markets are.

**STAGE 1: TESTING PHASE - SIMPLE MARKET ASSESSMENT**

So you don’t over commit and spend too much energy.
See if you are able to win some contracts to do a testing phase.

**STAGE 2: EXPLORATION - PARTNER/MARKET DEEPER ASSESSMENT**

If you have traction, you can run more programs, train facilitators, build a team, deeper due diligence.
Growth Hacking

Growth hacking is an approach that prioritises business growth over everything else. Many people think about big unicorn examples of this type of scaling or blitzscaling. Famous examples like Airbnb, Amazon and Facebook who scaled more rapidly than they were actually ready for and were successful in doing so.

It is a great technique, but there are also great warnings in growth hacking. Unless your product market fit is really right, be careful, because you can go too fast and flame out.

PRACTICAL TIP

Measuring and moderating your cash flow, teams and growth steadily is a strong tactic to staying around for the longer term.

Only step up into high tempo experimentation /growth push once you really know you have a ‘must have’ product.
### TOOL/EXERCISE

**Growth Hacking Monetisation**

1. **Map Monetisation Funnel**
   Highest potential experiments
   Via Customer Journey: Acquisition to retention cycle
   Where are you extracting financial value from those customers?
   Are there different revenue streams that you could monetize in different ways?

2. **Identify Pinch Points**
   Poor conversion rates (where are you not winning?)
   Friction / missed opportunities

3. **Experiment**
   Hack new options
   Localised testing

4. **Impact lens**
   Pinch points for additional impact?
   Pinch points for monetisation support for licensees?
   At what point can your customers afford to pay on the way into your process? Is that a barrier to their entry or is it an important hurdle for them that they put in some money down to feel bought in and are able to value the process?

Source: *Hacking Growth – Ellis and Brown (2017)*

### RESOURCES

- **Blitzscaling**
  A book on starting and scaling massively valuable companies
  ![READ](#)

- **Growth Hackers**
  An online community for discussing growth hacking
  ![VIEW](#)

- **Webinar: Pace to Scale**
  A webinar recording from the Frontier Incubators program, delivered by SEA
  ![WATCH](#)
Resourcing Scale

This section provides an overview of the resources you need to put in place to scale effectively, wherever you are in your scaling journey. You may be growing organically and at a steady pace moving from contract to contract, funding source to funding source, building teams and growth. Or you may be at a position where you want to seek investment and grow rapidly so that you can reach a larger and more sustainable scale. This section walks through the specific resources needed so that you can grow with quality.

Replication Stages

Look at the replication stages as key points to be aware of how much resource and effort you need to put in at each stage. In addition, be wary of people's time and commitment and how much effort you need to put in to get something over the line and the timescales you are going to take to do that.

It will become very operational and detailed planning is required so that they can be applied back into your financial modelling so you can be aware of the sort of revenue you can expect as an organisation.

Team Development

We can first turn to look at this in the team context. What scaling means to everyone in the business.

Firstly when we scale, we will stretch our capacity and limits and this might mean going out of an individual's comfort zone as they take on different tasks. These new realities and contexts forces us to (secondly) learn and adapt for our current/new markets.

Lastly, these learning opportunities help us to understand the concept of replicability of not only tasks and process but also the type of program(s) that are launching. Also, making sure they are iterative and fixing parts that need adjusting.

REFLECTION

Scale will mean different things and different situational strategies require real-time decisions to be made.

Scale is usually considered a challenge can also be framed as an opportunity.
SCALING AND REPLICATING PROGRAMS

Understanding the Challenges

Growth is usually painful and sometimes chaotic when it comes to what scale looks like to individuals. It puts a lot of pressure culturally on systems that you may have in place.

There will always be limitations such as time, capital (human and economics), subject matter expertise. Resources will be stretched and when in a new market, we’ll have to think about the business in a new lens.

New markets, new users/customers, new models, or new partner teams (on the ground).

How do I replicate? Founders and directors typically have a lot of insider knowledge so how we can take the best of what we are doing and transmitting it to someone else so they can work like them when scaling?

Understanding the Opportunities

Your team will develop scar tissue. They will go through trials and tribulations, will have made mistakes and have learnt from them. Teams become tougher, more cohesive and dynamic as a result

Stretching limitations = new capacities and skill sets. This is especially great for junior members who were least excited about the change/had difficulties.

Deeper market insights help to adapt to new realities, your team becomes better.

Iteration builds instinct – repetition! When focusing on growth and scale, it is best to be comfortable with job repetition after having limits stretched.

REFLECTION

Developing people is more than a simple workplace training on process or systems. Much of this work is about developing the soft-skills necessary to adapt in changing/new environments.

These can be developed and then it turns into instinct but often, that is the toughest part to teach.

REFLECTION

The more you’re able to do certain tasks, work with certain people, see different scenarios play out over and over, the more instinct you will form for that kind of work.
### Other Considerations

#### New/Current Hires

New and current hires are part of your growth journey. You should think about who makes the right fit.

What is better? Technical experience/hyper specific job roles OR scrappy/adaptive people?

Technical experience/hyper specific job roles might be good and relevant if you’re seeking to scale out of your current ecosystem but if you are thinking of going into new markets, the best approach would be to work with those that are most adaptable and malleable.

#### Staffing and Resourcing Factors

- Business development
- Quality team
- Sales travel
- Product development
- Administration support
- File sharing for remote teams
- Learning Management Systems and platforms
- Local agents
- External advice

---

**PRACTICAL TIP**

Context matters. Are you a “startup” in a new ecosystem or an established player in your ecosystem?

- **Startup** = scrappy/adaptable
- **Established** = experienced/hyper specific

**PRACTICAL TIP**

Be careful when you are pricing your investment piece/scaling opportunities.

Check direct and indirect costs because they will grow when you grow.
SCALING AND REPLICATING PROGRAMS

Team Types

How big is the replication/growth team?

Does that enable focus on replication and focus on existing business? How do you prioritise your time? Are you backfilling what you do by bringing in new people to help run your existing accelerator in your existing market or are you bringing in new people to help you replicate into new areas?

Sales Team? You can’t scale without business development.

Quality Team? Build your skill sets to improve your product development.

Delivery Team in new areas? Local relationships are key.

Employee Retention

As you grow and scale, things may become chaotic and may put pressure on some individuals. How do we bring on and effectively communicate what the opportunities are for new hires to work with us while also being realistic to the challenges ahead?

People are understood to have a hierarchy of needs that motivate them, from basic needs such as air, food and shelter, to needs such as personal fulfilment. The higher needs will unlikely be a motivator, until the more basic needs are being met.

PRACTICAL TIP

There is no ‘right answer’ as your team will depend on the particular needs of your organisation.

Make sure you are prioritising your resources for your greatest need.
There are certain factors in the workplace that cause job satisfaction, while a separate set of factors cause dissatisfaction and these factors act independently of each other.

**Factors for Dissatisfaction**
- Work conditions
- Salary
- Status
- Security
- Company Policies
- Relationship with supervisor
- Relationship with peers

**Factors for Satisfaction**
- Deeper meaning & fulfilment
- Achievement
- Recognition
- Work itself
- Responsibility
- Advancement
- Personal growth

**Hygiene Factors**

**Positive Motivators**

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**Keeping Teams Motivated**

**Strategic Selection and Recruitment**

Have the right resources to be able to find and recruit the right people.

**High-Quality Training and Development**

Get induction right and everything else will follow.

**Clear Legal Contractual Arrangement**

Put agreements in place that bring people with you for a long time (e.g. 3 to 5 years). It takes time to onboard them to learn your methods, products and also ensure you have a growing and valuable team that will stick with you. Offer very clear terms for specific engagements and specific program delivery in the duration of that contract.
STRONG RELATIONSHIPS AND DELIVERY MANAGEMENT

Build strong relationships with your growing team otherwise they may drift away. If you do not have the right business development opportunities matched with what your facilitators would like to deliver, they may look elsewhere.

INVESTMENT IN THEIR CONTINUOUS PROFESSIONAL DEVELOPMENT

Make sure they are recommitting to your methodologies to your organisation’s values, aims and aspirations as well as continuously improving the content of what they are delivering on your accelerator.

Managing Remote Teams

INNOVATION VS REINVENTION

Bring attention to the skills of building on what’s there, not reinventing.

FOCUS ON PURPOSE

Make sure there is no mission drift

COMMUNICATION IS FUNDAMENTAL

Keep people brought in feeling valued. Good communication is the basics of management but be aware – communication is ALWAYS highlighted as an issue, no matter how good it is.

FREEDOM WITH STRUCTURE

Localisation with the ability to adapt, but hold to structures, frames and models to ensure teams build on organisational knowledge, learning and core strengths.
## TOOL/EXERCISE

### Impact Value Chain

The impact value chain helps you to manage some of the processes and some of the routine functions that are necessary for you to deliver value. It enables you to link it to your operational work plan and get routines developed as well as objectives for each functional area.

1. Align on functions you are using to deliver your accelerator
2. What are your team roles and responsibilities and delivering those function areas?
3. What objectives and key results do you expect to see in each of those areas, so that you can performance monitor as you grow and make sure you have good quality control in place?

Source: [Social Enterprise Academy](https://www.seacademy.org)

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## Program Development

Partnerships are like a great marriage. It’s the idea of finding the right one. But what processes need to be in place to get to moments like this? Pilots.

Running pilots allows us to learn about our partners, it gives us opportunities to test a lot of assumptions and also helps us to set standards as we are looking to build and deepen relations with people on the ground. All of these opportunities help us figure out if this partner is the right one for us.

### Program Development

Pilots require a lot of planning. It requires experience in the current market to lay groundwork.

When we are going into a new market or expanding in the current ecosystem with a different group that we have never worked with before, do we actually TRUST our partners?

In a new market, we might not have all the answers and that is okay. However, that cannot stay like that forever.

How do we minimise (our own) weakness? Minimising weakness transmits strength to potential partners. It gives them a reason to trust us.

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### REFLECTION

Trust is fundamental to carry out the vision that we have by taking someone else’s expertise and best practices and insights.
Understanding the Opportunity

Diligent planning allows us to build “realistic” scenarios. What we’ve seen before might be or might not be true but more insights that we can bring into our planning sessions, “realistic” scenarios can be built to inform us.

Pilots can be the start of a long and healthy professional relationship. A pilot has some accountability to kick this off with partners.

Learned market insights lead to stronger and tailored programs. The only way to really learn about the end user after creating personas is to start working with them with the pilots. Once we learn, we improve our programs!

A recognised weakness causes us to improve, which leads to a better and stronger relationship with our on-the-ground partners.

Pricing

How do you get someone to open their wallet to give you money? And what sense of urgency is needed for that action to happen? We need to think about pricing.

Pricing our product right leads to revenue generation. Hopefully not only enough to cover expenses but also enough, as a result of good margins, to lead to a sustainable business. In addition, it is about brand strength and position. People pay because they see value in what we do and they see the strength of our brand in our position in the market.

Lastly, our pricing should be rooted in research and insights (from the market).

PRACTICAL TIP

Make sure you are repeatedly evaluating your pilots (and your partners) to assess what is working, what isn’t and whether they are the right fit.
Understanding the Challenges

Revenue. Can we survive? Can we sustain the type of growth that we’re looking to have? We can forecast but only when you’re on the ground then we will truly know.

Is our brand and image strong? If yes, prove it. Always question and think how we can be better and stronger.

Do our partners add value? If they are adding value that means that the stronger position with them, the enhanced branding that is provided and the opportunity to be able to leverage all of these different brands should help get us to a point where can be in a place to increase offerings to people.

Patience (research and launch). Finding the right price or way to transmit the value so that someone pays requires a lot of research and a launchpad for us to be able to evaluate. This is again one of the toughest things that we will have to contend with as we work specifically within the financial area of our business.

Tie in to programs

Price is a mix of (internal) perception of your product and the reality of what people are saying about your product.

A “good” price for your program is set to what the market can bear. Can your organisation make solid margins on this product? You have expenses, a team, partners, and you have a brand. All of this has a cost. Therefore, you have to find out the optimal price for what you are offering, for business sustainability.

Our programs are valuable. I believe it. You believe it. Does the CUSTOMER believe it?

REFLECTION

If you build it, they will come.
If it’s priced properly, they will come.
If they see the value, they will pay.

REFLECTION

Sustainability is our goal. These programs should not bleed us of our cash forever. A successful pilot program can be iterated and perfected to find a sweet spot in the market.

We should not be in pilot mode forever. We live and die by the successes of our programs.
Why is Our Program Great? How Can We Set a Price?

**IS OUR PROGRAM VASTLY SUPERIOR**

Does it have great content? Availability? Excellent mentoring? Network? Some or all of the above? Can you prove it?

By being able to do so, you will be in a better position to see that result come to life.

**IT IS EXCLUSIVE**

If you build exclusivity you can definitely come into higher price because there's a control for demand.

**IS IT OPEN-ENDED?**

If it’s open-ended you can give great value and you could still set a pretty decent price. Or you can set a low price and hit a different market. Again when we are figuring out where we're supposed to be, it's all about being able to prove it.

**WHO ARE OUR SPONSORS OR PARTNERS?**

Are you searching for high-profile brands to enhance your business? This gives legitimacy and credibility, especially if you’re going into new markets where those brands are stronger than yours. What else are they doing besides give that hype?

There might be a cost working with them so you have to take this into account.

**WHAT IS THE FREQUENCY OF RECURRENCE?**

Limited e.g. annually

4x a year? This affects exclusivity.

Offering once every 2 to 3 years? This affects the price and the type of demand that is coming in.

**DO WE HAVE AMAZING OUTCOMES OR STORIES?**

Is it the brand? Is it the “image” that you give off?

Testimonials can be powerful. Word-of-mouth of how our organisation has helped another.
Ecosystem Mapping

Mapping the ecosystem in which you are operating can also help to determine pricing. Ask yourself some questions to determine where your organisation fits in the ecosystem.

- What are the needs that we are currently seeing?
- What is the aggregated effect of all these needs on the market?
- What are the reputations of the different individuals that are in the market?
- Who are the people/organisations that are bringing and giving value?

### ORGANIZATION(s) PROGRAM DESCRIPTION THE FINANCES SUSTAINABLE?

<table>
<thead>
<tr>
<th>ORGANIZATION(s)</th>
<th>PROGRAM DESCRIPTION</th>
<th>THE FINANCES</th>
<th>SUSTAINABLE?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accelerator XYZ</td>
<td>Early-stage startups (tech). 2-hours of content/wk. All live program. 1x/wk mentoring. Depth of investor readiness training.</td>
<td>Price + Equity.</td>
<td>Maybe No big exits, the program is still new. Still scouting companies.</td>
</tr>
<tr>
<td>Donor Org + Local Implementation Partner X</td>
<td>Micro-enterprise incubator with a local implementation partner (nonprofit). Formalization workshops + basic accounting and sales training.</td>
<td>Free for microenterprises</td>
<td>No Reliance on donor funds and there’s a 4-year exit plan. Still figuring things out.</td>
</tr>
<tr>
<td>University XYZ</td>
<td>Entrepreneurship Fundamentals for college students + workspace in an “innovation center” with mentors (professors) and some ecosystem folks.</td>
<td>Price + University Grants</td>
<td>Maybe The university has consistent money coming. Politics could hinder growth.</td>
</tr>
<tr>
<td>Chamber of Commerce + Co-Working Space</td>
<td>Ongoing speaker series. Frequency - 2x/mo. Topics vary. The program doesn’t have much substance and there’s no consistent thread. Advertised networking.</td>
<td>Membership fee (recurring)</td>
<td>Yes Dues are coming in, but what is advertised as a program actually isn’t.</td>
</tr>
<tr>
<td>Tech Park (gov org) + Ministry of Commerce</td>
<td>Product development focused. Sector-focus on IoT and hardware. Plug into ecosystem w/ office space and access to tech knowledge. Hyper Focused</td>
<td>Rent + Programs Fee</td>
<td>No Barring political upheaval, this program will survive, but it’s heavily reliant on subsidies. Loss leader.</td>
</tr>
<tr>
<td>Our Organization + (partner(s))</td>
<td>WHAT DO WE DO? HOW DO WE DO IT? WHY ARE WE SUPERIOR?</td>
<td>Pricing Structure</td>
<td>Yes. HOW?</td>
</tr>
</tbody>
</table>

### RESOURCES

- **Introduction to Value Chain**
  Understanding how value is created in organisations

- **How the Hub Found Its Centre**
  An article on how Impact Hub redesigned its organisational structure

- **Webinar: Resourcing Scale**
  A webinar recording from the Frontier Incubators program, delivered by SEA
Sustaining Scale

This section focuses on sustaining scale once you have been growing and replicating your accelerator programs. It looks at how you can keep this going and operating for the long term by ensuring basic elements of incubator and accelerator programs are in place. This section builds on the Good to Great framework and looks at how to build programs to last by developing organisational culture, leadership and momentum. It explores some of the critical success factors, survival tactics and avoidable difficulties of scaling and replication.

Incubator and Accelerator Programs: The Basics

In order to sustain scale, it is essential that you have the basics of your incubator or accelerator program in place.
Understanding Your Impact

How are the learners in your program going to put what they’ve learnt back into their organisation as action? Look at your curriculum and make sure that it is working with:

Intrinsic factors of individuals that are coming on the program (e.g. self-belief, inner game)

Help them think through extrinsic factors (e.g. what is going on in their organisation and around in their ecosystem that they can try and have an impact on or deal with how successful the ventures are).

Attend to learning effectiveness by:

- Paying attention to different learning styles
- Paying attention to the quality of the learning that you are facilitating
- Ensuring the learners stand the best chance of translating what was learnt to behaviour change and action back into the workplace
- Tailoring programs right for those that enroll into your programs

REFLECTION

This all gives a great foundation for making a long-term sustainable product/service, mixing it with business development approaches (pace, growth, phases, dimensions of replication).

However, sustaining scale is a challenge.
Good to Great

By applying the Good to Great Framework you can build the foundations of a great organisation.

The Good to great Framework is a seminal piece of five-year research by Jim Collins and his team from the 1990s based on corporations in the USA.

It looked at companies that outperformed other companies by a large factor over a sustained period of 15 years.

This framework revolves around DISCIPLINE.

Disciplined People

Disciplined Thought

Disciplined Action

Source: Good to Great – Jim Collins (2001)
The Flywheel Effect

There is no single breakthrough moment but it is the humility of the fact that over time a lot of people contribute with their different skill sets and the graph shows the accumulation of visible results. Figure out core competencies and keep those steps forward going to keep that accumulation over time.

This is called the Flywheel Effect.

The Doom Loop

A departure from the Flywheel is called the Doom Loop.

A trigger of departure from the flywheel might be:

- A new program direction or program, leader
- Internal or external changes
- You react to the market without really understanding it
- You lose a big bid
- There isn’t enough work
- You lose staff

REFLECTION

Breakthrough comes after a few years of build up (it can’t be overnight!)

The Doom Loop can be a warning sign of growth. The key is to spot if this is happening. If you do, you can change course and rebuild momentum back behind your core principles.
Momentum

The key to sustainability is momentum. We need to maintain and understand our own pace of momentum if we are to be sustainable.

Running an incubator or accelerator organisation is an organic cumulative process where systems are built over time. e.g. file sharing and processes.

Organisational culture is also built over time, in the form of policies, practices and rituals.

Preserving your core and stimulating progress may seem paradoxical to do at the same time.

It is not about what core values you have, but that you have them, know what they are, build them into your organisation, and preserve them over time in terms of your organisational memory and heritage.

PRACTICAL TIP

In terms of practices and behaviours, make sure that your teams are enabled and empowered to make their own decisions.

Find the right people – those with the right behaviour and values will grow your organisation.

PRACTICAL TIP

Make sure organisational values are absolutely clear, well communicated and being referred to all the time when making decisions.
Ethics

Have your ethics ever been compromised? You may have your ethics tested as you have been growing and starting your organisation and those problems will not go away as you start to scale. In fact, it is important to make sure that all of the different people involved with your organisation are equipped and able to deal with any issue that arises.

Be sure you have policies and well thought through procedures in place to address any issues.

BRIBERY & CORRUPTION

Stamping out bribery is very important if you are facilitating and allow many people to work with you in multiple contexts where you may not be present. See development funders examples (e.g. Bond, Australian Aid, Department for International Development, Scottish Government International Development)

SUPPLY CHAIN STANDARDS

Track where you are spending your money. Are you spending money in the social economy/beneficiaries/beneficiary communities/big businesses? Sustainability of our operations are in those communities. Start a ripple effect of sustainability from the scaling of your operations.

Pack supply chains with purpose. Get corporations and the world to look at you as best practice in spreading sustainability.
QUALITY CONTROL

Have set standards in place so you know how to measure the quality of your work, and will be made aware if that quality were to drop.

INEQUALITY

Measure and monitor your teams for equal representation, especially in positions of leadership. Include quotas where necessary. Review your practices and materials to ensure they are accessible. Develop guides and practice handbooks to help navigate issues of inequality and talk actively with your teams about them.

Competition vs Creation

Be motivated by what you’re trying to create, not by the competition or by fear. Keep aware of the competition, but for long-term sustainability and growth, drive your team with the creative urge and inner compulsion to create. Not by being competitive or by the fear of losing out.

TOOL/EXERCISE

Critical Success Factors

In 2010 the Scottish Government conducted research on critical success factors for establishing a social enterprise in Scotland.

The findings that were derived from the research was from cross-sector organisations, established in rural to urban areas and was fundamental in helping to develop the government procurement for accelerators and incubators in Scotland for the social enterprise sector.

1. Clear and Shared Social Mission
2. Strong and Inspiring Leadership
3. Close alignment with Stakeholder and Market Needs
4. Product of Value to others
5. Effective Relationships
   - Repeat business.
   - Responsibility to grow the ecosystem, growing the understanding of the people that have the funds and ability to invest and to support those who do not have the ability to invest by ensuring they have the learning and acceleration.
Critical Success Factors (cont.)

6. Systems ensuring operational excellence

7. Entrepreneurial approach and strong business acumen

8. Culture of learning, openness and innovation

9. Sustainable scale and income base

10. Strong grasp of financial position
   - Extremely crucial
   - Stay on top of your position every month/quarter
   - Look at your cash flow and burn rates

Source: Scottish Government (2010)
Craft Your Own Critical Success Factors

1. Define your strategic objectives and goals
2. Consider success in what areas of business is essential to achieve each goal?
3. Clarify the specific action
4. Monitor and refer to CSFs at all levels – strategic and operational

Avoidable difficulties/some common mistakes:
1. Taking on flawed ventures
2. Carrying on loss-making activities for too long
3. Growing too quickly or in an uncontrolled way
4. Becoming over-reliant on others for success
5. Inadequate management and financial controls

Survival Tactics

**RISK**
Spot risks, understand them quickly and react decisively

**COSTS**
Reduce costs and increase efficiency

**CASHFLOW**
Manage your financial bottom line and burn rate

**CUSTOMER RETENTION**
Maintain a key customer base

**DRAW STRENGTH**
From others, beyond economic (loans) to emotional (self)
Gender and Power

How to increase accessibility and inclusivity for people of all genders.
Gender and Power

The entrepreneurship support space has been growing rapidly, and we have a lot to be proud of. However, the world of startups, entrepreneurship and investment is still not equally accessible for all genders. As a result, we are likely not generating the greatest impact that we can.

This section provides an overview of gender and power dynamics in entrepreneurship and the role that gender plays in your organisation, the programs that you run, and the ecosystem that you are a part of.

This section looks at some of the issues you may face with regards to scaling and/or replicating what you do in your current territory/new markets in your country or around the world. It provides examples of and strategies for thinking through how to manage the different challenges that growth inevitably creates.

CONTENT CONTRIBUTED BY

ygap

Note: Full descriptions of all contributors can be found in the Index.

PURPOSE

To increase participation and representation of all genders within the work of incubators and accelerators

OUTCOMES

- A deeper understanding of the role of gender in entrepreneurship and intermediary support
- Equal and diverse gender representation in your organisation
- More accessible and inclusive programs
- Ability to influence ecosystem partners towards more inclusive and gender-aware support opportunities
- Unlock greater potential for all entrepreneurs
- Better meet your desired business and impact outcomes
Gender and Sustainability

This section provides an explanation of gender within the context of this guide, and highlights some of the reasons that you as incubators and accelerators might want to improve the gender equality, diversity, and inclusivity of your organisations, programs, and ecosystems.

What is Gender?

Gender refers to the cultural or societal expectations and stereotypes that dictate appropriate roles, behaviours, and actions associated with a particular gender. Across the world, many people still hold that there are only two genders – men and women. This gender binary, the idea of only two genders, is based on sex assigned at birth. However, many societies and cultures have recognised more than two genders.

How Does Gender Differ From Sex?

While sex is biological, gender is socially constructed; gender is not the same as sex.

REFLECTION

Words and concepts can mean different things to different people around the world. You are encouraged to define gender and the ideas surrounding it in a way that makes sense to you and the contexts that you live and work in.

RESOURCES

- Five Key Concepts of Using a Gender Lens
  A handout from ygap and the Criterion Institute
  [DOWNLOAD]

- Practices to Support Action Plan Implementation
  A handout from ygap and the Criterion Institute
  [DOWNLOAD]

- Run #LikeAGirl
  A video from the Always advertising campaign
  [WATCH]

- Man Up
  A video from the Man Up social awareness campaign
  [WATCH]
There are many important reasons to strive for gender equality, diversity, and inclusivity within our organisations, programs, and ecosystems. Achieving gender equality also constitutes a fundamental human right, and is essential to achieving sustainable development, vibrant economies, and peaceful societies more broadly.

**01. IMPROVE UNDERSTANDING**
Better understand our entrepreneurs and investors’ evolving needs.

**02. INCREASE IMPACT**
Deliver more impactful programs and services that support entrepreneurs of all genders, and in doing so create a more diverse investment pipeline for our investors.

**03. IMPROVE DECISION-MAKING**
Make better decisions, as more diversity on our boards and leadership team can lead to a more balanced decision-making process.

**04. INCREASE COMPETITIVE ADVANTAGE**
Be more competitive and innovative as a result of incorporating a variety of views and ideas.

**05. ATTRACT QUALITY TALENT**
Attract, select, and retain talent with environments that are inclusive and supportive to all.

**06. SUPPORT SUSTAINABILITY**
Increase social equity and contribute to sustainable development by supporting the critical role that women play in economic, environmental, and social development.
Gender in Your Organisation

The gender dynamics within your organisation can be incredibly influential, and can affect the types of programs that you run, how you make decisions, and the different experiences that your staff and teams have while at work.

This section discusses how gender can be considered in three areas of your organisation: your board, your team, and your organisational culture.

Creating a More Diverse Board

Diverse gender representation ensures a range of experiences, attitudes, perspectives, skills, and frames of reference are brought to the table. This can make for more thought-provoking discussions, and enable your board to provide you with better support.

If you want to increase the gender diversity of your board, you might want to:

1. Develop an Organisational Code of Conduct outlining what constitutes appropriate versus inappropriate Board Member behaviour.
2. Include the value of diversity and inclusion in the position descriptions and selection criteria for Board Candidates.
3. Create a Board Matrix to identify where key skills, experience and background gaps are.
4. Use quotas to mandate board composition.

PRACTICAL TIP

Rotate your Board Chair regularly to allow for people of different genders to hold the position. Consider having two Board Chairpersons who alternate each Board Meeting.

PRACTICAL TIP

Ensure that your Board Chair and Agenda invite all members to speak and/or contribute at all Board Meetings.
Creating a More Diverse Team

A team should have the right mix of diversity, skills, abilities, experience, and backgrounds in order to achieve an organisation's vision, mission, and goals. Power in the form of decision-making and leadership positions should be equally distributed amongst all genders within the organisation in order to achieve the greatest outcomes.

If you want to increase the gender diversity of your team, you might want to:

1. Develop a Gender Diversity Policy for your entire organisation, and make it public to show your commitment to this.

2. Continually and deliberately analyse your team's composition, including the distribution of gender amongst key decision-makers, and take into account whose voices are being heard in the decision-making process.

3. Run regular reports that map your organisation and use this information to continually inform you about what changes might need to occur to maintain your goal of gender balance and equality.

   You may wish to map:
   - Staff numbers
   - Gender makeup
   - Part-time vs full-time employees
   - Salary distribution

4. Use gender quotas in your internal hiring process.

PRACTICAL TIP

Include a statement of the value of diversity and inclusion in your public and internally facing communications, as well as in your position descriptions when hiring new staff members.

PRACTICAL TIP

Incorporate blind selection into your recruitment process by hiding names, age, and any other identifying factors when shortlisting candidates in the pre-interview stage of recruitment.

REFLECTION

In some countries, anti-discrimination laws prevent requiring a candidate to be a particular gender. Please refer to your local laws when framing wording.
Creating a More Inclusive Organisational Culture

The culture of your organisation affects every aspect of what you do, from the types of programs you run, to how you talk about your work, to the outside world sees you, to the way your staff see themselves. In order to be truly inclusive of people of different genders, your organisational culture needs to reflect this position.

If you want to foster a culture of inclusivity, you might want to:

1. Publicise your values on all marketing collateral.
2. Create contextualised policies around gender diversity, equity and inclusion.
3. Update your existing policies so that they deliberately consider different genders.
4. Create a committee or advisory board that has members from all levels of the organisation who can address gender-related matters regularly and report this back to the organisation.

PRACTICAL TIP

Hold staff trainings on the topics of diversity awareness and recognising unconscious bias to help increase the understanding of all of your staff, not just the managers.

REFLECTION

Once you commit to being a more gender-inclusive organisation, make sure you are allocating the time and resources required to truly shift the mindset of your staff and the culture of your organisation.

Creating a true change in an organisation’s culture takes time and effort. Many well-intentioned attempts to strengthen organisational culture fail due to a lack of adequate resources.
Gender in Your Program

How you position (or don’t position) gender in your incubator or accelerator program may significantly impact your program’s success and the degree to which you are able to provide support to your entrepreneurs.

This section discusses how gender can be considered the lifecycle of your accelerator or incubator program, starting with the recruitment of entrepreneurs, followed by the selection of entrepreneurs, your program design and delivery, and ending on your post-program support.

Recruiting a Diverse Cohort of Entrepreneurs

Attracting the best entrepreneurs is a powerful and consistent source of competitive advantage for accelerators and incubators, enabling you to attract more funding, build a stronger brand, and achieve your impact goals.

Having gender diversity across your cohorts is a key way to diversify your and your investors’ portfolios. Running mixed-gender programs enhances the cohort’s learning experience by bringing a diversity of thought and insights into the needs of users and customers who identify with different gendered groups.

If you want to attract a diverse range of applicants, you might want to:

1. Review and revise your marketing and advertising collateral to replace any gender-charged language with more neutral words and phrases.
2. Advertise your program on a range of communication channels that cater to different gendered groups.
3. Include a number of highly-experienced female facilitators and mentors that other female entrepreneurs can relate to.
4. Partner with alumni and community groups to activate different communities/groups who work with the gender(s) you are trying to attract.

PRACTICAL TIP

Gender discrimination is systemic, meaning that the types of entrepreneurs that you may want to apply for your program may be prevented from doing so because of other barriers that they already face in society.

Try and help to overcome some of these barriers by offering to work with interested entrepreneurs to complete their application form, if required.

Running a pre-program to attract capable entrepreneurs who need support can also help to get these ventures to a stage where your program is suitable for them.
Selecting a Diverse Cohort of Entrepreneurs

Achieving gender diversity in your applicant pool may not lead to a gender diverse cohort if your selection process advantages certain gendered groups over others. It is important to become aware of, and mitigate, any unconscious biases that may be present when shortlisting and selecting entrepreneurs.

If you want to encourage diversity in your selected cohort, you might want to:

1. Publicise your values on all marketing collateral.
2. Create contextualised policies around gender diversity, equity and inclusion.
3. Update your existing policies so that they deliberately consider different genders.
4. Create a committee or advisory board that has members from all levels of the organisation who can address gender-related matters regularly and report this back to the organisation.

PRACTICAL TIP

You may consider removing the implicit bias that your team has by incorporating blind selection into your process.

This is done by removing or de-identifying names, age, and any other identifying factors when shortlisting entrepreneurs in the pre-interview stage of selection.
Designing an Inclusive Program

Accelerator and incubator programs can vary in duration and in how they deliver value to, and what they expect from, the entrepreneurs who they support. Entrepreneurs are also likely to differ in the way that they are able to receive, learn and apply information. Your program location and logistics as well as the way that your content is designed can be key inhibiting factors for applicants from particular gendered groups.

If you want to encourage diversity in your selected cohort, you might want to:

1. Consider the location of your program, and what could make it more accessible to all entrepreneurs, regardless of gender.

2. Understand the time and resource requirements for participating in your program and communicate these clearly to your cohort and consider adapting these if needed.

3. Create robust templates and frameworks for entrepreneurs to work through at their own pace to cater for different abilities and skill levels.

4. Include content to address gender and power issues within the curriculum so entrepreneurs can also incorporate gender practices in their enterprises.

PRACTICAL TIP

Work with your entrepreneurs to understand their level of technical ability so you can cater your program content accordingly.

REFLECTION

Entrepreneurs will likely have a range of competing demands on their time that will affect their ability to engage with your program.

Often, these demands will be different for people of different genders and differ depending on country and region.

It is important to be conscious of how these external factors may be affecting your entrepreneurs. You may want to try to find ways to minimise the disruption e.g. by scheduling meetings at a time that doesn’t clash with family commitments.
Delivering an Inclusive Program

The way your program is delivered can greatly privilege some gendered groups while disadvantaging others. It is important to create a safe and inclusive learning space for all entrepreneurs, to ensure everyone has an equal opportunity to engage with the content being delivered.

If you want to deliver your program so that it caters to a wide range of entrepreneurs, you might want to:

1. Have a gender-diverse pool of mentors and facilitators in your program.
2. Create a clear mentor/mentee code of conduct that both parties sign up to.
3. Be deliberate about creating a safe learning environment where everyone feels comfortable to contribute, and all voices are heard.
4. Have support facilitators to help with language or other areas where additional technical support may be needed.

PRACTICAL TIP

Consider power dynamics that may occur when matching different genders as mentors and mentees. Hold regular check-ins to ensure that negative power dynamics are identified (if any) and addressed.

PRACTICAL TIP

Hold relevant trainings for mentors, facilitators and all other content deliverers, so they understand how they can create a safe environment that is conducive to learning for all entrepreneurs.

Language plays a really critical role in not only privileging some genders but in creating negative power dynamics if not properly adapted to the context.
Gender in Your Ecosystem

As intermediaries, incubators and accelerators work directly and deeply with entrepreneurs as well as the ecosystem that supports them. This places you in a unique position of power to influence positive, inclusive change. to guide and influence and inform other actors within that ecosystem about the value of gender-diversity and inclusivity in entrepreneurship.

This section explores the ways in which you can engage with funders, mentors and government on ideas around gender, diversity and inclusivity.

Engaging Mentors

Mentors can play a critical role in supporting enterprises to grow and scale their enterprise beyond the support that intermediaries provide via their accelerator or incubator program. They can provide deep, long-term support to help ventures succeed.

If you want to engage mentors in a way that promotes gender-inclusivity, you might want to:

1. Ensure that the mentor pool is gender diverse to reflect the various needs of the founders and bring rich and varied expertise.
2. Develop clear policies articulating what is and what is not acceptable in a mentor/mentee relationship.
3. Create a Code of conduct for full transparency and accountability for both parties.
4. Be deliberate about encouraging a peer relationship between mentors and mentees to disrupt any negative power dynamics that may arise.

The best way to influence Government Policy or funding decisions is to show the positive impact on the social outcomes or economy from the initiatives proposed. In addition, the work needs to align with key Government priority areas.

PRACTICAL TIP

Before matching mentors with entrepreneurs, it is always wise to first develop an in-depth understanding of the entrepreneur’s needs and their perception of working with different genders.

This will help you to understand which mentor matches are likely to work, and why.
Engaging Funders and Investors

Financial sustainability of their company or organisation is key for intermediaries and enterprises to survive. They work at the heart of the impact so know the best option for where the funds should be spent to generate the greatest social impact.

Funders and investors play a key role within the ecosystem in enabling the growth of both intermediaries and early-stage entrepreneurial ventures, especially in their early years. If desired, funders and investors can use their funds in an innovative way to achieve gender inclusivity and equality.

If you want to engage funders and investors in a way that promotes gender-inclusivity, you might want to:

1. Invite funders to meet ventures face-to-face to help them to understand why particular criteria used to make funding decisions is needed while some other criteria may not be.
2. Adopt a disciplined approach to measure against ‘gender’ metrics and report on them regularly to create an evidence base and inform future funding decisions.
3. Create robust criteria and scorecard that aligns with an investment thesis and includes a gender lens.

Engaging Government

Government is likely critical stakeholders within the social enterprise ecosystem and their policies have the potential to support or hinder the business outcomes of intermediaries and entrepreneurs.

If you want to engage governments in a way that promotes gender-inclusivity, you might want to:

1. Collect financial return and social impact return data to demonstrate the impact of the work for which you are seeking government support.
2. Use data relating to gender and increased financial and impact returns to influence policy and funding decisions.
3. Gain support from and collaborate with partner organisations to present a variety of public and private-sector perspectives that support your collective position.
Founded in 2008, Ākina is New Zealand’s leading social enterprise (SE) development organisation, operating in New Zealand and the Asia-Pacific region. We deliver a range of capability building programmes for SEs at different stages of development, and provide specialist capacity building and advisory services in enterprise development, financing and market access, and sector development. Ākina believes that social entrepreneurs and social enterprise are key to building an economy that regenerates the environment and creates social foundations for people and communities to thrive.

Fledge is a network of conscious company accelerators and seed funds, searching the world of great mission-driven for-profit startups. By inviting 6-8 at a time to an intense 10-week accelerator, and investing in each using a unique revenue-based equity structure, Fledge creates a long-term relationship to continue guiding them from idea to success. (So far) Fledge runs programs in Seattle, Vancouver, Lima, Barcelona, and Padua, and are expanding in 1-2 cities per year.

The Global Accelerator Learning Initiative (GALI) is a collaboration between the Aspen Network of Development Entrepreneurs (ANDE) and Social Enterprise @ Goizueta (SE@G) at Emory University. GALI is set up to explore and answer key questions about acceleration. Social Enterprise @ Goizueta (SE@G) is a research centre within the Emory University business school that aims to generate positive societal impacts by making markets work for more people, in more places, in more ways through academic research, fieldwork programs, and student engagement.
The Global Entrepreneurship Network (GEN) operates a platform of programs in 170 countries aimed at making it easier for anyone, anywhere to start and scale a business. By fostering deeper cross border collaboration and initiatives between entrepreneurs, investors, researchers, policymakers and entrepreneurial support organisations, GEN works to fuel healthier start and scale ecosystems that create more jobs, educate individuals, accelerate innovation, and strengthen economic growth. Its extensive footprint of national operations and global verticals in policy, research and programs ensures members have uncommon access to the most relevant knowledge, networks, communities and programs.

The Impact Management Project (IMP) is a forum for building global consensus on how to measure and manage impact. They convene a Practitioner Community of over 2,000 organisations to debate and find consensus on technical topics, as well as share best practices. They also facilitate the IMP Structured Network – an unprecedented collaboration of organisations that, through their specific and complementary expertise, are coordinating efforts to provide complete standards for impact measurement and management.

Invest2Innovate (i2i) supports startup communities in growth markets, and has been operating in Pakistan since 2011. i2i supports entrepreneurs via the i2i Accelerator, an annual four-month program that provides business support and access to mentors and investment. Since 2012, i2i has accelerated 41 startups in Pakistan, which have gone on to raise over $6M, scaled their businesses, created over 1500 jobs, and deepened their social and economic impact in the country. i2i has licensed and customised its curriculum to support a number of initiatives, including the National Incubation Centre Islamabad, the Grameenphone Accelerator in Bangladesh, and trainings for youth in Pakistan, Ukraine and Nepal.
Miller Center for Social Entrepreneurship is the largest and most successful university-based social enterprise accelerator in the world. Founded in 1997, Miller Center is one of three Centers of Distinction at Santa Clara University and is located in the heart of the world’s most entrepreneurial ecosystem, Silicon Valley. Miller Center’s Global Social Benefit Institute (GSBI) helps social entrepreneurs to help more people. Since 2003 GSBI programs have accelerated 900+ social entrepreneurs, who have raised over $940M+, and positively impacted the lives of 300M+ people.

The Social Enterprise Academy (SEA) delivers transformational learning and development programs focused on leadership, entrepreneurship, learning and social impact for people working for social purpose at all levels, and organisations at all stages. 12 country teams are currently in development. As of 2018, the Academy has delivered 1,998 learning programs reaching 15,897 adult learners globally, and over 1200 schools with 41,000 pupils engaged in formal education. With local adaptation and innovation by a growing team of partners across Africa, Asia and Europe, the Academy aims to help build the strength of the social enterprise movement.

Spring exists to change the world through entrepreneurship. A certified B Corporation, Spring supports entrepreneurs who are using business as a force for good through incubation, acceleration, leaders roundtables, funding training, workshops, and ecosystem development advisory services. Headquartered in Vancouver, Canada, Spring supports entrepreneurs via City Partners in over 10 countries around the world. Spring has supported more than 700 entrepreneurs to launch more than 300 businesses in less than five years.
The Difference Incubator’s (TDi) mission is to awaken the possibility of doing good and making money by returning to the roots of business. They work across Australia and the Pacific with entrepreneurs and businesses to create sustainable business models that create measurable impact. Since 2014 they have accelerated over 400 businesses, from early stage entrepreneurs shaping their idea to those growing and seeking investment. TDi combine their significant experience in entrepreneurship, finance and investment, innovation, design, development and measurement with a flexible and relational approach that builds capacity and sustainable results.

Uncharted is the next generation of accelerator that uses the power of an entrepreneurial accelerator to address major social and environmental issues like the future of food, urban poverty, and hate and discrimination. They scale and connect organisations in three ways. 1. Accelerate: Resourcing organisations with mentors, funders, and customised training. 2. Connect: Bringing together ventures who are all tackling the same problem so they can share insights and find collaboration opportunities. 3. Empower: Giving power away and empowering others to change the world, whether through one-off specialised trainings or licensing their world-class curriculum.

Village Capital builds bridges for entrepreneurs who are creating an inclusive and sustainable world. Their programs connect high potential, early-stage entrepreneurs with the people, institutions, and capital they need to succeed. Since 2009, Village Capital has supported more than 1,000 entrepreneurs through their programs, and partnered with affiliated investment funds, including VilCap Investments, that have invested seed capital in more than 90 program graduates. Through their VilCap Communities program, Village Capital provides an all-inclusive solution for program design, management, and implementation of a venture development program.
Villgro Innovations Foundation is India’s oldest and one of the world’s largest social enterprise incubators. Established in 2001, Villgro supports innovative, impactful and successful for-profit enterprises who are tackling some of the most pressing challenges in the developing world – access to healthcare, education and modernising agricultural practices. So far, Villgro has supported over 150 social enterprises with $4.5 million in investments. These enterprises have created over 40,000 jobs, secured $17 million in follow-on funding, and impacted 19 million lives. Presently, Villgro's unique incubation model is being replicated in Kenya, Philippines and Vietnam.

ygap is an International Development not-for-profit with an innovative approach to poverty alleviation. They back impact entrepreneurs with solutions to local problems in some of the world’s toughest communities. They work across Africa, Southeast Asia, The Pacific and Australia, having run over 40 accelerators, supported over 500 entrepreneurs and invested in 7 early-stage ventures.
SCALING AND REPLICATING PROGRAMS

TURN CRISIS INTO CREATIVITY
Learn resilience, focus on the future

CONTROL DIVERSIFICATION
Develop multiple income streams

CONSOLIDATE
Streamline and restructure management

BUILD AN ASSET BASE
Acquire assets that appreciate, financial reserves

GO FOR GROWTH
Motivate teams and keep looking for opportunities
Keep people informed if things are tough, lead them into the future
Keep people close and they will help to get out of trouble

RESOURCES

Good to Great
A framework for building the foundations of your organisation

Success Factors for Establishing a Social Enterprise in Scotland
Research by the Government of Scotland

The Start-Up Factories
A Nesta discussion paper on the rise of accelerator programs to support new ventures

Webinar: Sustaining Scale
A webinar recording from the Frontier Incubators program, delivered by SEA

Before You Scale
Design for Scale
Ready to Scale
Pace to Scale
Resourcing Scale
Sustaining Scale