The Role of Accelerators in the Development of the Practising Social Entrepreneur

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Abstract

Objectives

Practicing entrepreneurs must develop knowledge and skills to grow their businesses, but seldom participate in formal academic education. Social entrepreneurs face the added challenge of creating not only economic, but also social or environmental value. Seed accelerators are a recent innovation in start-up support: intensive, non-formal entrepreneurship education that provide cohorts of entrepreneurs with advice and networks. The purpose of this study is to explore the experiences of social entrepreneurs who participate in accelerators.

Prior work

Comparatively few scholars have studied accelerators and most describe programme characteristics and assess performance. Cohen (2013) notes that in contrast to incubators, accelerators expose entrepreneurs to market forces. She emphasises accelerators’ intense process of mentoring and education, and their role in expanding entrepreneurs’ networks. Hoffman and Radojevich (2012) suggest that these networks have a lasting impact on participants. Miller and Bound (2011) suggest that accelerators help VCs become familiar with firms considered for investment. Scholars agree that little is known about the micro processes by which accelerators create value for entrepreneurs. Lall, Bowles and Ross (2013) suggest that this is particularly true of accelerators for social entrepreneurs.

Approach

Employing a case-study approach, three accelerators run by a third sector organisation are studied. Participants and managers were interviewed during the accelerator, immediately afterwards and six months later. A questionnaire was also sent to entrepreneurs one year after graduation. During the accelerators several days were devoted to direct observation.

Results

The accelerators studied differed from one another in terms of process and outcomes. Several ventures in accelerator 1 were at the idea stage and were later discontinued. All of the ventures, including those with highly competent founders, had difficulty in attracting investment. In contrast, most of the ventures in accelerator 2 survived, despite the programme being fraught with conflict. Participants noted that two key contributions of the accelerator was the strengthening of their ventures financial sustainability and their ability to ascertain and communicate their social impact.

Implications

The study suggests that accelerators for social enterprises play an important role in developing ventures’ hybrid identity. Accelerators can contribute to the development of new ventures at several different stages and accelerate the abandonment by entrepreneurs of weak start-ups. Importantly, each process of acceleration is unique, as the accelerator is co-created by managers and entrepreneurs. The tasks that entrepreneurs associate with their participation in accelerators has a significant effect on their interaction with the learning activities and with their peers. Consequently, accelerator recruitment processes are an important factor in determining programme performance. As much for the purpose of creating effective ‘cohorts’, as for the purpose of recruiting entrepreneurs with promising startups.

Value

The study clarifies the contributions of accelerators to the development of social ventures. It also discusses entrepreneurship education from the perspective of adult learning theory and develops a model of the entrepreneurship education process in accelerators.
Accelerators and social entrepreneurship

This paper discusses the role played by accelerators in the education of social entrepreneurs. Accelerators are a relatively new way of supporting the development of nascent ventures and despite their increasing popularity (Miller and Bound, 2011), scholars suggest that little is known about their effectiveness – nor about the processes by which ventures are developed (Hallen et al., 2013, Lall et al., 2013, Hoffman and Radojevic-Kelley, 2012). Consequently, a Professional Development Workshop at the 2013 Academy of Management conference described accelerators as a: “potentially large, yet heretofore underexploited research opportunity” (AoM, 2013). This is particularly so for accelerators that recruit social enterprises, which are only discussed by a handful of scholars (Lall et al., 2013).

The purpose of this paper is to explore the learning associated with accelerators for social enterprises, with a particular emphasis on the role of the entrepreneur’s peers (the accelerator ‘cohort’) in enhancing or reducing learning. This is done first of all, by providing the reader with a brief introduction to the topic of social entrepreneurship and by emphasising the need for a greater understanding of the accelerator process (this section). In subsequent sections the literature on accelerators is summarised and a contemporary theory of adult education is introduced as a possible means to understanding entrepreneurs’ development. Readers are then introduced to the study that forms the backbone of the paper – and in particular to ‘Kenny’, whose personal journey is used to illustrate the accelerator process and typical outcomes. Subsequently, the implications and limitations of the study are discussed, before suggestions for future research are made.

Scholars are devoting increasing attention to the role that ‘new’ forms of enterprise play in combatting social challenges traditionally addressed by charities and non-governmental agencies (NGOs). In particular, scholars have studied social enterprises and the development of the social entrepreneur. Martin and Osberg (2007) note that scholars have defined social entrepreneurship in several ways. In this paper I employ the European Economic and Social Committee¹ (EESC) definition, which identifies social enterprises as organisations pursuing social or environmental goals by means of trading – and that invest a large proportion of their profits in the enterprise and/or the pursuit of these goals (EESC, 2014). However, to avoid an unnecessarily narrow definition, I do not restrict my use of the term to enterprises that have participatory structures of governance (as suggested by the EESC). Martin and Osberg suggest that Social entrepreneurs make important contributions to society, by engaging in innovative activities that shift a sector of society that is in “stable but inherently unjust equilibrium” towards a situation that is more inclusive, just, sustainable or prosperous (Martin and Osberg, 2007). Many societies are therefore keen to make the operations of practicing social entrepreneurs more effective. Accelerator programmes are an example of this type of activity. Their existence is based upon the assumption that it is possible to both improve and hasten² the development of new ventures.

Lewis, Harper-Anderson and Molnar (2011) note that the terms “accelerator” and “incubator” are sometimes used interchangeably. Miller and Bound (2011) however, suggest that accelerators are distinct from incubators and that they are characterised by five characteristics. An open and highly competitive application process, the provision of investment, a focus on small teams as opposed to individual founders, a relatively short period of programmed events and intensive mentoring, and the training in ‘cohorts’ of startups – rather than individual companies. Cohen (2013) and Borella (2012) suggest that a sixth distinguishing feature is the conclusion of programmes with a ‘demo’ event that exposes entrepreneurs to investors. When these definitions are compared with one another and with practice, some traits are clearly more foundational than others. Most accelerators include events in which entrepreneurs are introduced to investors, but not all accelerators provide entrepreneurs with investment. Although some accelerators train teams of entrepreneurs, many recruit individuals to their programmes. Importantly, from an educational perspective it is important to note that accelerators educate entrepreneurs in a less instructor-driven manner than a typical university course. Coombs, Ahmed and Israel (1974), and La Belle (1982) characterise this type of education as ‘non-formal’.

¹ Also known as the ‘Strasbourg Declaration’.
² Hence the term “accelerator”.

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I suggest a two-tier definition of accelerators that includes both ‘necessary’ traits (without which a programme would not be considered an accelerator) and ‘common’ traits (characteristics that many, but not all accelerators display).

I define accelerators as non-formal programmes of entrepreneurship education that:

- **Aim to shorten (i.e.: accelerate) the development process of one or more stages of new venture creation.**
- **Aim to improve the quality of a new venture’s product or service, and its financial sustainability.**
- **Train entrepreneurs simultaneously as a cohort (rather than providing training individually as entrepreneurs join the program, as with most incubators).**
- **Involve an intensive development process of limited duration, with a maximum programme length of six months.**
- **Include a structured programme of business-oriented education.**
- **Provide entrepreneurs with individualised coaching and/or mentoring.**
- **Involve the expansion and/or refinement of the entrepreneur’s network.**

Furthermore, many (but not all) accelerators are characterised by:

- **An open and highly competitive selection process.**
- **The provision of seed-funding, or the introduction of entrepreneurs to potential investors.**
- **A duration of three to four months.**
- **Shared office space at a common site, with subsidised access to basic administrative services.**

**What we already know about accelerators**

Scholars describe the accelerator ‘movement’ as a new phenomenon and associate its beginnings with the **Y-Combinator** programme of 2005. Since then programmes have multiplied and in 2013 the Global Accelerator Network noted that accelerators had been founded on six continents (GAN, 2013). In 2013 however, Lennon (2013) suggested that growth had begun to slow. He attributed this to a ‘drying up’ of the ‘pool’ of investors – and to entrepreneurs’ awareness that participation is now less likely to lead to investment. Scholars note that entrepreneurs often identify contact with investors – or the growth of their networks (usually including investors) – as accelerators’ main contribution (Cohen, 2013, Hoffman and Radojevich-Kelley, 2012). In view of the opportunity costs associated with accelerators, it is important to determine whether they make significant contributions to nascent ventures apart from investment and expanded networks.

Most scholars studying accelerators[3] have tended to conduct explorative studies; defining the phenomenon, identifying the main ingredients of accelerator education, surveying the field, and describing ‘macro’ outcomes (such as venture survival and post-accelerator investment). Practitioners (for example: Feld, 2012, Stross, 2012) have documented their experiences – and in combination with scholars’ publications, a clearer picture of accelerators has emerged. Scholars note for example: that accelerators play an important role in the development of nascent firms, as many programmes are linked to business ‘angels’[4] (Hoffman and Radojevich-Kelley, 2012). For this reason programmes are often termed ‘seed accelerators’, reflecting a focus on helping ventures become ‘investor ready’. Nonetheless, Lall et al (2013) suggest that accelerators can provide support to ventures at "any stage of development".

Scholars have discussed the ‘ingredients’ that make up accelerators and a fairly consistent picture emerges – even if accelerators at times use different terms to refer to similar activities. A typical accelerator requires entrepreneurs to move to a common geographical location and involves a relatively short, but intense process

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3 Note that the term “business lab” is occasionally used for programmes that share many of the characteristics of accelerators. For example: Curley and Formica (2010).

4 According to Hoffman and Radojevich-Kelley (2012) these investors are often prepared to invest smaller amounts of money in firms at an earlier stage of development than the firms funded by venture capitalists (VCs) – who also tend to invest larger sums.
of education, networking and practical work. Entrepreneurs follow a structured programme in which the educational part tends to follow a cycle of ‘lecture’ and ‘individual coaching’ (Cohen, 2013, Miller and Bound, 2011). Visiting lecturers\(^5\) introduce entrepreneurs to key aspects of entrepreneurial performance such as accounting, finance, marketing and product/service development. These ‘coaches’ then spend time with individual entrepreneurs discussing how these concepts can be operationalised. They also provide entrepreneurs with assessments of their ventures from the perspective of their specific field of expertise. This stringent assessment of each aspect of the enterprise resembles the ‘Lean Startup’ methodology (Ries, 2011). Usually entrepreneurs continue to incorporate coaches’ advice into their ventures after their visits. Because many accelerators emphasise investor-readiness, input from coaches is often used to create or refine a business plan. Furthermore, most accelerators link entrepreneurs to individual mentors who accompany them throughout the programme – and sometimes afterwards. Mentors provide entrepreneurs with advice and contacts, and (if they continue to mentor the entrepreneur after the accelerator), with legitimacy. Entrepreneurs are also expected to interact with one another for additional support and feedback (Curley and Formica, 2010). Value is also created through the ‘sharing’ of networks by entrepreneurs, accelerator managers, coaches and mentors. Feld (2012) suggests that it is this ‘inclusive’ characteristic of accelerators that a factor in their success, as successful programmes tend to create what David Tisch (in Feld, 2012) terms “a community of deep engagement”.

Several scholars have studied accelerators from a ‘performance’ perspective. Hochberg and Kamath (2012) in particular have ‘scored’ accelerators in the United States on the basis of a six factor analysis. By implication, their ranking of accelerators according to these factors suggests that they are indicators of performance. The factors they employ are qualified financial activity\(^6\), qualified exit\(^7\), reputation with venture capitalists, alumni network\(^8\), percentage of equity taken by the accelerator in exchange for services, and the amount of money provided to entrepreneurs as a stipend. Nonetheless, Lall et al (2013) suggest that accelerator performance is more often simply measured in terms of ‘success’ and ‘survival’. The figures published by accelerators suggest that this is an accurate observation, as programmes often publicise ‘success rates’ in terms of post-accelerator investment – and ‘survival rates’ in terms of percentages of participating ventures still in operation. Renowned accelerators (such as Y Combinator and Techstars) report high levels of post-accelerator investment (94.4 % and 53.7 % respectively) and a relatively low failure rate of ten to fifteen percent (Miller and Bound, 2011). Hoffman and Radojevich-Kelley (2012) however, suggest that most accelerator managers expect a slightly higher proportion of firms (twenty percent) to fail.

Until recently, few scholars have provided convincing evidence that accelerators are effective support mechanisms for new ventures. This is particularly the case for accelerators that recruit social entrepreneurs, where fewer studies have been conducted. Indeed, many of these latter studies are exploratory in nature and some fail to distinguish between accelerators and incubators (Baird et al., 2013, Casasnovas and Bruno, 2013). Consequently, a recent study by Hallen, Bingham and Cohen (2013) is useful. Their study employs a control group of ‘non-accelerated’ entrepreneurs and finds that qualitative differences exist between accelerators – with entrepreneurs in certain programmes making no more progress than those in the control group. Entrepreneurs in the ‘top’ accelerators however, reached key milestones more rapidly than both of the other two groups. These findings suggest that accelerators do not succeed by simply recruiting the best entrepreneurs\(^9\), but rather by adding distinctive value to ventures. Hallen et al suggest that accelerators’ contribution is primarily a reduction in the ‘liability of newness’ on the part of participating ventures. They link this reduction to three main factors: the refining of the business model through formal education, the teaching of basic business skills (such as fundraising and pitching) and the access programmes provide to resources, through networking. They conclude that effective accelerators are difficult to implement and that more research is needed in order to understand exactly what is meant by ‘quality’ in the context of accelerators. In other words: why do some accelerators

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5 I refer to these visiting speakers as “coaches”, to distinguish their role from that of the mentor.

6 Defined as raising at least $350 000 USD within 12 months of graduating.

7 Either through selling firm so that founders earn at least $ 1 million USD – or issuing of Initial Public Offering.

8 Number of companies that have graduated from accelerator.

9 The study controlled for the influence of social and human capital.
function better than others? This study attempts to provide some initial answers to this question and does so by drawing on the ideas of the adult educator Peter Jarvis.

**Education as the creation and resolution of disjuncture**

Pittaway and Cope (2007) suggest that a weakness in entrepreneurship education research, lies in scholars’ failure to ground their work in disciplines with a strong theoretical base – such as education, management learning and adult learning theory. Although many scholars suggest for example, that entrepreneurship education should be based on experiential learning, most scholars make only superficial reference to the content of these theories and do not take into account later developments or critiques (Honig, 2004, Pepin, 2012, Neck and Greene, 2011 are notable exceptions) Consequently, there appears to be a risk that scholars will have difficulty in explaining why entrepreneurship education produces the outcomes it does, by failing to borrow from theories of learning at sufficient depth.

One educational theorist whose work’s relevance is attested to by his peers, is Peter Jarvis. His theory of experiential learning is described by Merriam and Caffarella (1991) as “refreshingly comprehensive”. Jarvis (2010) argues – in keeping with Dewey, Knowles, Kolb and other scholars of adult education – that learning is based upon experience. He suggests that adults learn when they experience a contrast between what they expect to perceive and what they actually perceive. Jarvis employs the term “disjuncture” for this process\(^{10}\). Consequently, education for Jarvis involves educators adopting a role similar to that which Dewey (1938) portrays, namely the ‘designer of progressive experiences’. What makes Jarvis’ work interesting is his exhaustive survey of past research on adult education and his incorporation of this scholarship into his own writing. Jarvis draws for example, on the work of Rogers (1969) in arguing for the content of learning to be perceived as relevant by learners. He also draws heavily on Dewey’s argument that educational experiences are influenced as much by the internal state of the learner, as by the learning environment. Jarvis contends that adults do not only learn through reflection (as some theories imply), but rather as ‘whole’ individuals: through emotions, action\(^{11}\) and reflection. This emphasis of the ‘whole’ person as a learner is reflected in Jarvis description of his theory of learning as “existential” – a characterisation also found in Neergard et al’s (2012) suggestion that entrepreneurship education address issues of identity, emotions and “deep beliefs”. Because the whole person is involved in learning, Jarvis (2006) suggests that learning is best understood as an ongoing, cyclical process of ‘becoming’. In this process the taken-for-granted life-world of the individual is constantly subjected to experiences of disjuncture that must either be transformed into new meaning (and a new, taken-for-granted life-world) – or ignored.

Jarvis theory of learning is useful in illuminating the ‘why’ of accelerator education for several reasons. First of all, he enables us to move beyond the simple suggestion that entrepreneurs ‘learn by experience’ – to a more detailed model. This enables us to distinguish between different processes of experiential learning and to understand that experiences of disjuncture may be transformed into new meaning through emotion, reflection or action. This idea counteracts an unbalanced emphasis on reflection as the primary means by which disjuncture is transformed – as evident in the ideas of Freire (1972, 1998), Boud and Walker (1991), Mezirow (1997, Mezirow, 2000), Brookfield (1988) and Schön (1983). Jarvis also emphasises the role of intentionality in learning (here he draws on the ideas of Boud et al., 1985). For entrepreneurship scholars this is an important emphasis, as it has to do with the ‘future-oriented’ transformation of experience. Finally, Jarvis pays extensive attention to the phenomenon of ‘non-learning’ and identifies three processes by which individuals may fail to transform experiences of disjuncture\(^{12}\). As will be seen in my discussion of the accelerator process, without this theoretical background it would be difficult to explain many accelerator outcomes in a satisfactory manner.

When the ideas of Peter Jarvis are developed in the context of an accelerator programme, it is possible to construct an initial conceptual ‘scaffold’ that lends structure to subsequent discussions of the process of entrepreneurship education. The figure below is therefore not a model to be tested, but rather a tentative

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10 Other scholars employ similar terms such as “dissonance”.

11 Or ‘practice’.

12 Presumption (the assumption that a new situation is identical to one experienced previously), non-consideration (for some reason the individual does not focus attention on the situation and therefore does not learn from it) – or rejection (for some reason the individual rejects the opportunity to learn from a situation).
conceptualisation of the ‘what’ and ‘how’ of learning in accelerators. It provides what Whetten (1989) describes as a “framework for interpreting patterns, or discrepancies in our empirical observations.” In the figure, the process of education in accelerators is depicted as involving the interaction of two distinct actors (or groups of actors), namely the entrepreneur and the ‘learning-oriented design’ of the accelerator. From an educational perspective the goal of the accelerator is to help the entrepreneur develop new entrepreneurial capabilities — in the belief that these will result in more positive venture outcomes. The entrepreneur and the ‘accelerator’ interact at the centre of the figure in order to develop these capabilities. Drawing on Jarvis, this interaction is portrayed as involving the creation and resolution of disjuncture. Naturally, all of the ‘boxes’ in the figure are oversimplifications of a complex educational process and one of the tasks of this study is to create a richer understanding of their content.

Figure 1: A preliminary model of non-formal entrepreneurship education from the perspective of adult learning theory

In subsequent sections I will discuss the impact of my study of a series of accelerators for social entrepreneurs, on this initial conceptualisation of the educational process. Before doing so however, I will briefly describe the methods used to gather and analyse information about these accelerators.
Gathering and analysing information about accelerators

In order to study accelerator processes in more detail a series of longitudinal case studies were carried out in collaboration with a Scandinavian NGO: the ‘Network for Social Entrepreneurship’ or ‘NSE’. This organisation received government funding to run a series of accelerators for social entrepreneurs, targeting in particular individuals whose ventures create social value in developing countries. In this study the NSE accelerators are referred to by the pseudonym ‘Booster’. NSE ran a series of accelerators over a three period, holding a single eight-week long accelerator once a year. I approached NSE shortly before the start of the first programme and suggested that we cooperate in learning how to run effective accelerators. In return for access to the accelerator, I would help managers learn from their experiences and the experiences of participants. Consequently, although I approached NSE in what Stake (1995) terms an ‘instrumental’ manner (choosing the case because it offers insight into a phenomenon), in practice my study was ‘intrinsic’ in character – displaying interest in the workings of a particular organisation. My study was also qualitative and highly interactive in character, involving regular dialogue with practitioners about study results and interpretation – in keeping with the Scandinavian tradition of interactive research (Johannisson et al., 2008, Aagaard Nielsen and Svensson, 2006).

Initially, my study was based on a series of baseline interviews with entrepreneurs that I hoped to complement with their writing of weekly ‘diaries’ throughout the programme. Unfortunately, it rapidly became clear that we had failed to allow for the intense nature of the accelerator and that entrepreneurs were unwilling to provide us with the regular accounts we had hoped for. In the first accelerator the data collection strategy was adapted so that after the baseline interview, entrepreneurs were interviewed halfway through the programme. At the end of the programme entrepreneurs’ experiences were then gathered by means of an extended focus group. In the second and third accelerators, baseline information was gathered from secondary data (such as CVs and applications), and entrepreneurs were interviewed halfway through the programme and also in the final week. In all three programmes interviews were augmented with several days of direct observation. Five to six months after each accelerator, entrepreneurs were interviewed by telephone – and then asked to complete an online questionnaire twelve months after their graduation. The interviews conducted during the accelerator were semi-structured in character and asked questions about entrepreneurs’ experiences of learning and interaction. The interviews conducted after the accelerator focused more on venture development and the perceived contribution of the programme. Several programme stakeholders (for example: the NSE board members who wrote the application for accelerator funding) were also interviewed, as were the managers responsible for coordinating each accelerator. Substantial secondary data was collected, in the form of filmed interviews of entrepreneurs made by NSE staff, written interviews made by journalists and excerpts from entrepreneurs’ websites and newsletters.

Interviews and film clips were transcribed and copies sent to interviewees for checking and comments. Interviews were then uploaded into the qualitative data analysis package NVivo and following the routine suggested by Ritchie and Lewis (2003) initially coded according to a basic, common-sense structure to facilitate the retrieval of information. Examples of these ‘basic’ codes included “background”, “outcomes” and “interaction with mentor”. Interviews were then coded a second time, taking care to allow new coding categories to emerge. A note was made about comments that I found interesting or hard to understand, and many of these queries were followed up in later interviews.

Although a total of three accelerators are being studied, different amounts of data are available for each one. For accelerators one (A1) and two (A2) data is available from the one-year follow-up questionnaires. The third accelerator (A3) ended in June 2014 and consequently, no follow-up data was available at the time of publication.

13 Pseudonyms are used for all organisations and individuals mentioned in the study.
14 In my discussion I refer to the different accelerators as A1, A2, etc...
Participants and Process

An overview of the 24 entrepreneurs that participated in the three Booster accelerators is provided in table 1. The table also indicates the stage the venture was at when the accelerator began, as well as its focus in terms of product or service. Finally, it provides an overview of the development of the ventures after the accelerator, in terms of survival and success in raising funding.

Recruitment to the first accelerator was done in a short space of time, due to the approval of funding only a month before the planned starting date. This affected the ability of NSE to ‘market’ the accelerator to its intended audience (social entrepreneurs developing products or services for developing countries). As a result, all of the A1 entrepreneurs had close connections to Western Europe15, even if two of the participants were immigrants. Subsequent accelerators recruited more entrepreneurs from developing countries, with A3 being the most heterogeneous in terms of gender and nationality. On closer analysis it also became clear that several different categories of social entrepreneur participated in the accelerators. Although some of the categories overlap16, it was clear that several of the entrepreneurs had considerable experience in top management positions17, regardless of their countries of origin. In the table these entrepreneurs are labelled “E” (expert/experienced). It was also clear that several of the entrepreneurs were forming their enterprises around their own professions (for example: Gabriella’s product built upon her experience as a graphic designer). In the table these entrepreneurs are labelled “P” (profession-based). Finally, two distinct types of social entrepreneur were apparent in all of the accelerators: the expatriate social entrepreneur (ESE) and the indigenous social entrepreneur (ISE)18. The existence of a distinct group of expert entrepreneurs in underserved markets is witnessed to by a study conducted by Brännvall and Johansson (2012). Furthermore, these scholars note that expatriates and “entrepreneurs from underserved markets” tend to follow different patterns of innovation in developing countries. Individuals who I term ‘indigenous’ appear to be more reliant on the success of their venture for their own prosperity and have a far weaker safety net to fall back on should their ventures fail. For expatriate19 social entrepreneurs operating in similar contexts, the failure of their venture tends to result in little more than embarrassment and a comparatively small financial loss20.

It is also worth noting with regards to accelerator participants, that in A1 and A3 some participants (Catrin, Rebecca and Zayd) were not the founders of their enterprises, but were instead sent on the accelerator by the venture founder. Only one venture was represented by a more than one entrepreneur (Goodlink: Alice and Edward).

The accelerator process is described by entrepreneurs as very intense. In the Booster accelerators, entrepreneurs were expected to develop a business plan by the end of the programme and to present convincing arguments for their financing and communication strategies, and target markets. Each week they met several coaches who presented key business ideas, before discussing the application of these ideas on a one-on-one basis. At the same time, entrepreneurs interacted on a regular basis with their mentors and with the other entrepreneurs in the accelerator. Most participants commented on this intensity and interestingly, towards the end of the programme even those who said that intensity was not a problem described symptoms of stress (such as making mistakes and forgetfulness).

15 Furthermore, all but one of the A1 entrepreneurs were based in Scandinavia.
16 Where entrepreneurs fit into more than one category the primary category is listed first in table 1, the secondary one in brackets.
17 Usually in prestigious organisations, either in the not-for-profit sector (such as the United Nations), or in traditional for-profit multinationals.
18 As the terms infer, ‘expatriate’ social entrepreneurs are typically resident in the countries in which they work for a limited (although often long) period of time. In contrast, ‘indigenous’ social entrepreneurs ‘belong’ to the countries in which they work, through birth or a similar mechanism of life-long embeddedness.
19 Often, but not always also ‘Western’.
20 As Henrik commented: “I’m actually not very worried, my life doesn’t depend on Garbage Garments.”
<table>
<thead>
<tr>
<th>Name / Enterprise</th>
<th>A</th>
<th>Provenance</th>
<th>Cat.</th>
<th>Enterprise focus</th>
<th>Status @ start</th>
<th>Status after 1 yr</th>
<th>Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barry / CellSun</td>
<td>A1</td>
<td>Scandinavia</td>
<td>E (ESE)</td>
<td>small-scale renewable energy</td>
<td>survival</td>
<td>startup &gt; part-time</td>
<td>moderate investment / funding</td>
</tr>
<tr>
<td>Catrin / Imbani</td>
<td>A1</td>
<td>Western Europe</td>
<td>ESE</td>
<td>cross-border money transfer for migrant workers</td>
<td>inception</td>
<td>survival</td>
<td>none</td>
</tr>
<tr>
<td>Henrik / Garbage Garments</td>
<td>A1</td>
<td>Scandinavia</td>
<td>ESE</td>
<td>youth employment on rubbish dumps</td>
<td>inception</td>
<td>startup &gt; part-time</td>
<td>minor investment / funding</td>
</tr>
<tr>
<td>Alice / Goodlink</td>
<td>A2</td>
<td>Scandinavia</td>
<td>P</td>
<td>web service for targeted giving</td>
<td>inception</td>
<td>startup &gt; part-time</td>
<td>none</td>
</tr>
<tr>
<td>Edward / Goodlink</td>
<td>A1</td>
<td>Scandinavia</td>
<td>P</td>
<td>web service for targeted giving</td>
<td>inception</td>
<td>startup abandoned</td>
<td>none</td>
</tr>
<tr>
<td>Gabriella / Brottle</td>
<td>A1</td>
<td>Scandinavia*</td>
<td>P</td>
<td>construction / recycling</td>
<td>inception</td>
<td>startup &gt; part-time</td>
<td>none</td>
</tr>
<tr>
<td>Andrew / C-Cure</td>
<td>A1</td>
<td>Scandinavia*</td>
<td>P (ESE)</td>
<td>employment / combating spam</td>
<td>inception</td>
<td>startup abandoned</td>
<td>none</td>
</tr>
<tr>
<td>Lewis / BioVolt</td>
<td>A2</td>
<td>East Africa</td>
<td>E</td>
<td>renewable energy</td>
<td>survival &gt; growth</td>
<td>no information</td>
<td>no information</td>
</tr>
<tr>
<td>Isaac / MobiClin</td>
<td>A2</td>
<td>East Africa</td>
<td>E (ISE)</td>
<td>mobile health care</td>
<td>survival &gt; growth</td>
<td>rapid growth</td>
<td>substantial investment</td>
</tr>
<tr>
<td>Heidi / Bottle Art</td>
<td>A2</td>
<td>North America</td>
<td>ESE</td>
<td>female employment / recycling</td>
<td>survival &gt; growth</td>
<td>steady growth</td>
<td>none</td>
</tr>
<tr>
<td>Jamal / AgriTech</td>
<td>A2</td>
<td>Scandinavia*</td>
<td>ESE</td>
<td>agriculture / energy</td>
<td>inception</td>
<td>startup &gt; part-time</td>
<td>none</td>
</tr>
<tr>
<td>Kenny / AfriTech</td>
<td>A2</td>
<td>West Africa</td>
<td>ISE (ESE)</td>
<td>English-language training</td>
<td>inception &gt; survival</td>
<td>some growth</td>
<td>minor investment / funding</td>
</tr>
<tr>
<td>Nelson / Pistols to Poughs</td>
<td>A2</td>
<td>West Africa</td>
<td>ISE</td>
<td>employment for child soldiers</td>
<td>survival &gt; growth</td>
<td>some growth</td>
<td>some investment / funding</td>
</tr>
<tr>
<td>Peter / AfriPads</td>
<td>A2</td>
<td>East Africa</td>
<td>ISE</td>
<td>sanitary pads from renewable materials</td>
<td>survival &gt; growth</td>
<td>some growth</td>
<td>moderate investment / funding</td>
</tr>
<tr>
<td>Steven / Bibliothèques Communitaires</td>
<td>A2</td>
<td>Central Africa</td>
<td>ISE (P)</td>
<td>community libraries</td>
<td>inception &gt; survival</td>
<td>some growth</td>
<td>minor investment / funding</td>
</tr>
<tr>
<td>Miriam / Better Work</td>
<td>A2</td>
<td>Scandinavia</td>
<td>P (ESE)</td>
<td>garment workers' rights / safety training</td>
<td>inception</td>
<td>steady growth</td>
<td>moderate investment / funding</td>
</tr>
<tr>
<td>Thomas / TourFair</td>
<td>A3</td>
<td>East Africa</td>
<td>E (ISE)</td>
<td>ethical tourism</td>
<td>survival &gt; growth</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Willis / AfriChoc</td>
<td>A3</td>
<td>West Africa</td>
<td>E (ISE)</td>
<td>employment for child soldiers / fair-trade cocoa</td>
<td>survival &gt; growth</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Nadia / Femicharge</td>
<td>A3</td>
<td>Western Europe</td>
<td>ESE</td>
<td>women's employment / energy</td>
<td>inception</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Patience / FairCare</td>
<td>A3</td>
<td>East Africa</td>
<td>ISE</td>
<td>health care for sex workers</td>
<td>inception</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Rebecca / Spread IT</td>
<td>A3</td>
<td>East Africa</td>
<td>ISE (ESE)</td>
<td>community IT training</td>
<td>survival &gt; growth</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Olga / Rough Diamonds</td>
<td>A3</td>
<td>Western Europe</td>
<td>ISE (P)</td>
<td>combating human trafficking</td>
<td>survival &gt; growth</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Vinay / Sunpower</td>
<td>A3</td>
<td>South Asia</td>
<td>P (ISE)</td>
<td>renewable energy</td>
<td>inception &gt; survival</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Zayd / Puretech</td>
<td>A3</td>
<td>Middle East</td>
<td>P (ISE)</td>
<td>water recycling / purification</td>
<td>inception &gt; survival</td>
<td>na</td>
<td>na</td>
</tr>
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</table>
In A2 and A3 entrepreneurs were asked to draw diagrams of their stress levels, interaction and learning during the accelerator. Usually the line depicting stress rose towards the end of the programme. In A3, when the stress line rose, the line drawn by several entrepreneurs to represent learning sank. In the last week of the A2 accelerator Steven described the intensity of the experience in this way:

“Then we see the pressure and stress. It has been highly stressful in this… for me in particular, because we have to deliver a plan by the end and we have the obligation to do that.”

Despite the similarity of the three accelerators to one another in terms of content and design, interviews suggested that the three ‘cohorts’ of entrepreneurs had interacted with one another in distinct ways. The entrepreneurs in A1 and A3 got on well with one another and a positive group dynamic rapidly developed – as Patience commented in week eight of A3:

“It has become like, you know, a family where you joke about anything, so it’s not only mental but also, you know, the emotional attachment and the companionship that you feel when you are around the people that really know you or understand you.”

In contrast, practical concerns entrepreneurs who were sharing accommodation – while also coming to terms with the harsh Scandinavian winter – contributed to tensions in the A2 group. This tension was exacerbated by the perception that some individuals had come to the accelerator primarily in the hope of getting money, rather than to learn. The entrepreneurs in question (primarily Isaac, Lewis and Nelson) never verbalised this expectation, as they had been told in the recruiting process that they would not be provided with seed funding. In the programme evaluation however, they critiqued the accelerator for failing to provide entrepreneurs with investment – suggesting that their main objective in participating may have been financial. The ‘Western’ participants (Heidi and Miriam) interpreted the inattentive behaviour of these entrepreneurs, as disrespectful to visiting speakers and felt it reflected a lack of a desire to learn. Additionally, in A2 two of the more experienced entrepreneurs (Lewis and Isaac) gave the impression of being ‘too big for their boots’ and seemed unwilling to take on board others’ ideas. Consequently, Kenny described the interaction among the African entrepreneurs in the A2 group as fraught with conflict:

“Like you heard, there’s a fight in the house [laugh]. You understand, you know stuff like this one is beating this one. Enemies here and there is [laugh]… It happened, it happened you understand. Side talk. This one not see, you understand, gossiping, backbiting, the issue of food, attitude…”

Unsurprisingly, the tensions in A2 group affected the group dynamic and even entrepreneurs’ learning. When asked if the tensions affected his learning, Kenny said that it did not. Heidi however, struggled to concentrate and described how she eventually decided to sit at the front of the room in seminars. She did this to avoid observing the inattentive behaviour of some of her peers, thus minimising the negative impact of her feelings on her learning. Peter made a similar comment about his decision to learn as much as possible during the accelerator, despite what he described as “that crap” – his impression of the interaction generated by the entrepreneurs who he felt “want to show that they know a little bit”.

**Outcomes**

As noted earlier, in this study it is only possible to compare ‘meta’ venture outcomes (survival and investment), for A1 and A2. In terms of survival, a far higher proportion startups were abandoned (or only pursued on a part-time basis) after A1 than after A2. A1 entrepreneurs were also more likely to obtain little or no investment, with the exception of the ‘experienced’ entrepreneur Barry. One of the A1 entrepreneurs (Edward) decided not to continue with his startup, on the basis of his experience of the venturing process in the accelerator. In contrast, most of the A1 participants whose ventures accelerator managers felt were going nowhere, let their startups ‘fizzle out’ – by finding paid employment and gradually spending less and less time on their venture. In contrast,

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21 In A2 the male entrepreneurs who had travelled to the accelerator from Africa shared accommodation and prepared their own meals.

22 Almost certainly a figurative expression, none of the entrepreneurs described a physical conflict.

23 Note however, that two years after the accelerator Barry has also been forced to run his venture in his spare time and has taken a ‘regular’ job.
most of the A2 ventures reported high levels of activity after a year. Relatively few had been able to source significant levels of investment, but many of them reported taking on new members of staff (Elvis, Heidi), establishing new partnerships (Miriam) or developing their product or service in some way (Steven).

When the less-tangible aspects of venture development are considered, the drawbacks of evaluating social ventures primarily on the basis of survival and sourced investment become apparent. Scholars who discuss venture development in terms of stage (Scott and Bruce, 1987, Lewis and Churchill, 1983) tend to focus on traditional businesses that move in a linear manner from the idea stage, through survival, towards growth and maturity. Many of the A2 and A3 entrepreneurs however, were not founding a new venture per se, but were adding a business component to an existing NGO – or enhancing the financial sustainability of a charitable organisation. This entails more of a ‘sideways’ move towards the hybridity discussed by Pache and Santos (2010), with ventures hoping to gain access to new revenue streams. Consequently, many of the A2 entrepreneurs described the accelerator’s contribution as involving financial sustainability and the measurement of impact. The development experienced by Kenny’s text-based English language tutoring service illustrates these outcomes:

“Before I came, I had a notion that this is a non-profit and that I should keep seeking grants for people to help us to help others […] I discovered that no matter whatever mission you are, for-profit/non-profit, you should be able to design a way that you can sustain yourself.”

“I send SMS to people teaching English vocabulary. How do I know if what they are listening, they are using it, if they benefitting? I just keep sending, for example, before I was sending, sending all the time… all I know is that it says, ‘message sent’. […] It was a big issue for me… during the course of my accelerator, two months, eight weeks, I’ve been able to see ways on how I could imagine it”.

Despite Kenny’s discussion of sustainability, a year after the accelerator his venture had not attracted the investment he was hoping for – even if he was loaned € 8 000 by an NGO he met during the programme. Kenny identified funding as an issue that troubled him, but nonetheless his venture had made progress. Its ongoing survival and effectiveness appeared to be linked not so much to investment, as to the effectiveness of his interaction with a group of around 150 volunteers. In the follow-up questionnaire he states that he is in contact with investors/funders – but also that he has recruited more people to his venture and developed his business ‘system’ (defined in the questionnaire as “marketing, financial management, sales, etc.”). Kenny also describes a change in perspective with regards to his own role as a social entrepreneur:

“Before that time [A2] it was more like a hobby for me, you know, it wasn’t that like more business thing, but now it’s a full-time career and I see it as a full-time career.”

Finally, several months after returning to West Africa, Kenny notes that the accelerator had had an impact on his legitimacy as a social entrepreneur:

“At the accelerator people believed in what I was doing. But when I came back people believed more because I had more authority, like you see he has been trained, you understand, he knows much of what he is doing… I got more involved with acquaintances, like more respect, and all that, like, ‘Oh you’ve gone for this training!’ and ‘You’re doing okay!’ and stuff like that.”

Kenny’s experience is similar to that described by other participants whose ventures are moving from ‘inception’ towards ‘survival’. He is somewhat unusual however, in not discussing the ‘insight’ outcome that many other entrepreneurs describe. Consequently, Heidi’s experience is used as an example of this outcome – which emphasises the value of entrepreneurs taking time out to reflect on their ventures:

“I don’t think that it’s changed… my goals or anything. I think the goals are still the same. And the ideas of how to get there are the same. But maybe […], had I not had this time to like really step back and say I’m going to do it now!’ ‘Cos… I mean it’s only been a year and I was like ‘Well there’s a lot of stuff to do in that year’. But from the beginning of the year, I said I wanted to export. And they haven’t shipped any glass. You know and that’s a full year… that they didn’t ship any glass. And if that is the goal, then maybe I shouldn’t be like… in three shops in [name of city].”
Discussion

The experience of the Booster accelerators contributes to our knowledge about accelerators in several ways. First of all, interviews suggest that the contribution of accelerators for social entrepreneurs is in some ways distinct from that of traditional accelerators. Success among social entrepreneurs is not only related to financial performance or to numbers of salaried employees, but is linked to social impact. In Kenny’s case, an increase in the effectiveness of his texting service was not necessarily reflected in his income or number of employees. Instead, the accelerator helped him identify and measure the value he was creating, as increased the perceived legitimacy of his enterprise. This contribution was only partly a result of an increase in Kenny’s skills in communication and business modelling. Stakeholders also appeared to adopt an attitude of ‘skill by association’, assuming that participation in an accelerator automatically enhances venture quality. It appears that accelerators function in the same way as greenhouses at garden centres. On the one hand they increase the air temperature inside, encouraging plants (i.e.: ventures) to develop more quickly – but by means of their transparent walls, they also expose plants to potential buyers (investors or partners in the case of accelerators).

A second way distinctive contribution of accelerators for social entrepreneurs has to do with ‘hybridity’. The A2 and A3 accelerators were especially effective in this area, with almost all of the non-Western entrepreneurs reporting a new perspective on venture sustainability. At this point however, the limitations of the venture ‘ecosystem’ appeared to make themselves felt. While Booster was able to move the mind-sets of the social entrepreneurs in the direction of a more sustainable, trading-based model of income; in practice the relative lack of ‘patient capital24’ in Scandinavia meant that it was unrealistic to effect a complete transformation. Consequently, many entrepreneurs simply added a for-profit ‘leg’ to their ventures. This contribution does however, bring into question the use of the term ‘seed accelerator’ (Hochberg and Kamath, 2012). The Booster experience suggests that several aspects of venture development can be accelerated, not all of which relate to investor-readiness. For example: among social enterprises the diffusion of social innovation may be linked to the speed at which effective partnerships are established.

An important contribution of this study is its identification of the central role of the entrepreneurial ‘cohort’ with regards to the learning process – and possibly outcomes. Some scholars (Hallen et al., 2013) suggest that ‘top’ accelerators may achieve positive outcomes by means of effective design – or “quality”. The contrast in accelerator processes between the three Booster programmes suggests however, that design is only part of the answer. Entrepreneurs have different reasons for participating in accelerators and the experience of the A2 entrepreneurs suggests that these intentions affect their interaction with one another. Some entrepreneurs perceive their ‘task’ as they approach the accelerator, to be that of raising investment. Other come primarily to learn – and many have mixed intentions. Difficulties arise when participants have – or are perceived to have – intentions that make it harder for other participants to achieve their goals. In A2, entrepreneurs who participated in the accelerator on the basis of the ‘investment’ task were less likely to engage in the interaction with their peers. In A1 and A3 this interaction was associated with learning. Importantly, the task-orientation of ‘investment-oriented’ entrepreneurs appeared to affect not only their own learning, but also the learning of their peers. Consequently in my revised adaptation of Jarvis’ theory of learning in figure 2, the ‘intention’ factor is labelled ‘perceived task’ to better reflect the entrepreneurial context of learning in accelerators. Furthermore, the ‘learning process’ at the centre of the figure is drawn with ragged edges to emphasise its dynamic and unpredictable nature.

Study findings provide initial evidence for the importance of taking into account the ‘whole person’ in entrepreneurship education. Unsurprisingly, a great deal of learning in accelerators is achieved cognitively through reflection. Most entrepreneurs appreciated the opportunity for reflection inherent in the accelerator structure: the obligatory ‘pausing’ of everyday operations for a significant period of time, in order to think about their ventures. The examples and questions of other accelerator ‘inhabitants’ provoke experiences of disjuncture among entrepreneurs. The transformation of these experiences into learning is promoted not only by the presence of peers, coaches and mentors (non-learning is a difficult option) – but also by the availability of the resources necessary to transform disjuncture.

24 The impact investment is also relatively under-developed in the region.
'Time' is an important resource in accelerator learning, even if my study suggests that it has a ‘double-edged’ impact. Initially, time is a resource that entrepreneurs are grateful for. However, as accelerators progress, assignments and deadlines transform time into a ‘scarce’ resource. When time becomes associated with pressure as opposed to opportunity, my study suggests that it has a negative effect on entrepreneurs’ ability to take advantage of learning opportunities – and their propensity to engage in interaction that might lead to learning. For this reason the factor of time is revised in figure 2 to reflect the duality of its role in entrepreneurs’ development.

My study identifies several examples of how disjuncture is created and resolved through action. Perhaps the clearest example is that of Edward in A1, where an unusual example of acceleration is seen – namely the acceleration of closure. By devoting eight weeks to the practice of social entrepreneurship Edward discovered that ‘this isn’t for me’ and pulled out of the venture he was initiating with Alice. Practicing entrepreneurial behaviour created an experience of disjuncture between what he had expected entrepreneurship to be and what he realised it actually involved. In a similar fashion, my study notes the role of emotion in entrepreneurship education. Several entrepreneurs mention the contribution of the accelerator to their self-confidence (and their
confidence in their venture ideas). Steven for example, described how he felt encouraged by the positive response of others to his venture. In this case, from a theoretical perspective Steven’s ‘life world’ was initially characterised by uncertainty with regards to the viability of his startup. His underlying expectation that his ideas would meet with rejection encountered disjuncture, as his ideas were met with interest and enthusiasm. The continued interest and confidence of others regarding his venture, lead to the resolution of disjuncture primarily on the basis of emotion: he ‘learns’ that his venture has promise. After this experience Steven’s ‘new’ life-world is characterised by a higher level of confidence in his own abilities and in his venture.

Areas for future research

This study is based on a single organisation and although the contribution of single cases is well documented (Jäger and Beyes, 2010, Siggelkow, 2007), research in other contexts can be expected to inform the cautious inferences discussed in this paper – and to produce further insights. In order to deepen our understanding of the role of the entrepreneurial cohort in accelerators, scholars could draw on theories of cooperative learning (Johnson et al., 2007). It would also be useful to learn about the relative importance of the different types of interaction that take place in accelerators. For example: between entrepreneurs and their peers, mentors and visiting speakers. It is also important to gain a better understanding of the different types of acceleration that take place at different stages of enterprise development – and, as this study infers, how the contributions of accelerators for social enterprises differ from those developed for for-profit ventures.

References


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