Fostering Entrepreneurship through Shared Workspace Models
May 27, 2015
Accelerators

- What is an accelerator?
- Before you begin
- Business models
- Accelerator Benefits
  - Entrepreneurs
  - Community organization
  - Investors
- Examples
What is an Accelerator?

- Typically focuses on providing support to early stage startups
- Selective process for application
- Can be specialized by vertical, e.g.
  - LearnLaunchX for Ed Tech
  - Cleantech Open for Clean energy
- Well defined duration, typically 3-4 months
- Structured sessions and curriculum
- Strong mentorship model
- Provide some financial incentives
  - Some tied to investment
  - Others either grant based or prize based
- Some co-working space for duration of program
Before you begin

• Build community support
  – Sources of ideas
  – Space and shared resources
  – Sources of sponsorship and financial support

• Develop a network of experts/mentors
  – Mentors – Key to success of program
  – Domain Experts/Coaches
  – Training content experts

• Increase visibility
  – Build awareness in community
  – Create a pipeline of ideas

• Financial partnerships
  – Sponsors and donors
  – Investors
  – Access to capital

• Seek Partners who can help beyond the program
  – Space
  – Ongoing Mentorship
  – Domain Expertise
  – Pipeline to other programs
EforAll’s Cycle of Entrepreneurial Success

Introduce entrepreneurship into the local culture

Enable residents to think of what they could do on their own

Celebrate success and inspire others

Select some individuals with the best ideas

Invest in the most promising ventures

Instruct them in the skills of entrepreneurs
EforAll’s Programs

Follow-on Support

Pitch Contests/Community Programs

Funding Support

Accelerator Programs
Business Models

• Investor model
  – Raise funds from investors or operate a fund
  – Take 5-10% equity in startups for $50 to $100K
  – Focus on return to investors and pipeline

• Non-profit model
  – Raise funds from sponsorships, grants and donors
  – Do not take equity in startups, grants to finalists
  – Mission driven
Accelerator Benefits

• Entrepreneurs
  – Keep them focused on launching the business
  – Strong mentorship support
  – Peer Networking and support
  – Introductions and networks
  – Financial connections and access

• Community organizations
  – Strengthen Economic fabric of community
  – Builds community support and inspires others
  – Improved success rate of businesses
  – Economies of scale in supporting entrepreneurs
  – Increased visibility with investors and entrepreneurs

• Investors
  – Improved quality of deal flow
  – Earlier access and visibility to entrepreneur plans
  – Greater probability of success
EforAll: founded 2010, accelerator started Dec 2012

- Focus: Any startup in midsized cities
- Duration: 3 month program held twice a year
- Programming: 12 weeks of classes, twice a week
- Capital: Compete for $30K per cohort of 12-18 startups
- Equity or Grant: Grant
- Startups: 77 startups, 75% active, $800K raised
- Mentors: over 60 mentors
- Investors: Attracts angels and patient investors
- Space: Available
- Location: Lowell/Lawrence – soon Fall River/New Bedford
Some EforAll Stories

**Thomas Bell, The Food Train**
- EforAll Accelerator March 2015
- Lost his job in a layoff, father of 7 children
- Invested IRA savings into creating an “artisanal” food truck service

**Brenna Schneider, 99Degrees Custom**
- EforAll Accelerator March 2013
- Custom built-to-order apparel
- Winner MassChallenge $100K
- Raised $400K, Employs 19

**Mickey Cockrell, Catie’s Closet**
- EforAll Accelerator, March 2014
- Provides clothing for students in need
- 26 schools, 18,000 students served
- Won $100K MassChallenge and several nonprofit awards

**Keo Rattana, KEO Ice Cream**
- EforAll Accelerator, March 2013
- Vegan, gluten-free ice cream
- 25+ retailers, 3 Whole Foods
- Single Mom, Laotian immigrant
Other Accelerator Examples

**Y Combinator – started 2005**
- Focus: Web/Mobile
- Duration: 3 months twice a year
- Programming: weekly founder’s dinners, office hours
- Capital: $120 for 7% or $50k/50K for nonprofits
- Equity or Grant: Equity
- Startups: 840 as of 3/15; 75 in Winter 2014
- Mentors: Core group of partners hold office hours weekly
- Investors: over 400 investors attend Demo day
- Space: Available
- Location: Mountain View CA

**TechStars – started 2007 in Boulder**
- Focus: Web based/software. National or worldwide reach
- Duration: 3 months multiple locations
- Programming: 2 – 3 times a week informal sessions
- Capital: $18K plus $100K convertible for 7-10%
- Equity or Grant: Equity
- Startups: 524 startups as of 4/15; 400 active; $1 Billion+ raised
- Mentors: around 100 mentors per site
- Investors: 200 investors on Demo Day
- Space: Required
- Location: 9 locations worldwide including Boston
### MassChallenge – started in 2010 as a nonprofit
- Focus: High growth ideas both nonprofit and for profit
- Duration: 4 months
- Programming: Boot camp plus courses throughout session
- Capital: Compete for $1 million in $50K to $100K prize increments
- Equity or Grant: Grant
- Startups: 617 as of 5/15. $706M raised; 528 active
- Mentors: over 400
- Investors: Exposure to VC and angel community
- Space: Available
- Location: Boston, London, Israel

### Venture Valley Mentors – launched 2015
- Focus: High impact new ventures
- Duration: 4 months on weekends
- Programming: Monthly weekend boot camps plus weekly workshops
- Capital: Compete for $250K in prizes from $10K to 50K
- Equity or Grant: Grant
- Startups: first cohort of 30
- Mentors: yes over a 100
- Investors: Just started
- Space: Yes
- Location: Springfield MA
Questions ?
EforAll Accelerator Results:
77 Early Stage Ventures from a Variety of Industries

**Local Ideas:**
Baker, Day care/training center; florist; printmaker; citizenship training; leather medallions; dyed yarn

**Non Profit Ideas:**
Juvenile justice; college preparedness; matching needs vets with service dogs; clothing for poor children

**Tech/Scalable Ideas:**
Classroom & homework software; Presentation software; Computer insert for running shoes; Dinner planning service

**Pie Chart:**
- Local: 60%
- Non Profit: 20%
- Tech/Scalable: 20%