

A QUICK GUIDE FOR SMEs AND START-UPS:

Using accelerators and incubators to support your business



About *Space to grow: new models of business support. Accelerators, incubators and accountants report*

Space to grow: new models of business support. Accelerators, incubators and accountants report examines how alternative business support models, such as accelerators and incubators, are being used to allow more small to medium-sized enterprises (SMEs) and start-ups to achieve rapid growth and support their recovery post COVID-19. The report highlights the growing importance of small business support ecosystems and provides information for accountants and small and medium-sized practices (SMPs) looking to collaborate with these new support models.

The full report can be accessed at: [ACCA Professional Insights page](#) 

What are accelerators and incubators?

There is no hard and fast definition of incubators and accelerators, but very simply they are support mechanism to help businesses grow.

INCUBATORS support business creation and development, they are typically physical spaces, available on relatively flexible terms, which provide additional support services, specialist equipment or facilities such as laboratories.

Incubators usually support early stage founders refining their product, but also mentor and consult entrepreneurs over longer time period.

Incubators can be non-profit institutions set up by universities, governments, donors, or commercial enterprises and investor groups. They can be charging rent or membership fees to residents, often on a monthly basis.

ACCELERATORS are focused on growth and access to funding, typically aiming to stimulate companies that will scale rapidly or fail fast. Although elements such as networking, mentoring and market access are increasingly seen as equally important.

Accelerators typically accept companies that have a minimal viable product (MVP), offer more focused, sector-based approach and are more resource and finance intensive.

They offer highly selective, cohort-based and time-limited programmes (usually 3-12 months). Accelerators can often base their business model on equity from the start-ups.



Both accelerators and incubators are also providing post- COVID-19 recovery support that is important for mature businesses looking to reimagine themselves.

What type of support you can get from accelerators and incubators:



Top-tips for SMEs and start-ups

Accelerators and incubators offer valuable support for entrepreneurs, whether launching new business ideas or scaling up for growth. We put together some top-tips for the SMEs and start-ups looking to interact with accelerators and incubators.

SELECTING A PROGRAMME	<p>UNDERSTAND YOUR NEEDS BEFORE APPLYING. It is essential to clearly define what are the needs that your company is willing to address: is it market access, investment, business knowledge, grant funding, partners. SMPs and accountants having robust data about a company are well positioned to navigate small business through the existing business support landscape.</p>
	<p>USE INCUBATORS AND ACCELERATORS TO SUPPORT POST-COVID-19 RECOVERY. There is a growing number of support programmes rolled out by incubators and accelerators that are targeting small business recovery post- COVID-19. Those programmes, leveraging on the existing support ecosystem, are targeting some specific areas, such as for example digitalisation and transformation of SME business models, access to new markets.</p>
	<p>ASSESS VIRTUAL AND INTERNATIONAL OPPORTUNITIES. There is a growing number of acceleration and incubation programmes that are also offered for international candidates with a possibility to participate virtually. Some of those programmes can better address the needs of a particular business or sector, so exploring international and virtual landscape can bring fantastic growth opportunities.</p>
APPLYING FOR A PROGRAMME	<p>PREPARE A COMPELLING FINANCIAL STORY. Preparing for acceleration or incubation process, it is important to put the business on a sound footing. Compelling financial story is a crucial element in a relationship with investors.</p>
	<p>LEARN FROM THE APPLICATION PROCESS. Going through the application exercise can be very useful in understanding and organising ideas, even if the company is not accepted onto a programme.</p>
WHILE ON THE PROGRAMME	<p>SHARING AND LEARNING MIND-SET IS ESSENTIAL. If accepted onto a programme it is important to understand that one can get as much out of it as put in. Participants should be prepared to learn from, share and partner with other participants of the programme. Ambitions are important, open-minded approach will help maximising opportunities available on the programmes.</p>
	<p>LEVERAGE ON THE BREADTH OF OPPORTUNITIES. Joining a programme, it is important to leverage on breadth of opportunities, funding should not be the only focus: networks and mentoring are just as important, if not more so. Getting the right mentor can be crucial. In addition to practical advice from people who have faced or who share similar challenges, there is an emotional element of support and validation that is invaluable to entrepreneurs and their teams.</p>
AFTER THE PROGRAMME	<p>STAY CONNECTED. Many companies that “graduated” from accelerators and incubators stay connected to the community that brings further business opportunities.</p>
	<p>GIVE BACK TO THE COMMUNITY. Returning as a mentor and giving back to the community of new comers can be a very rewarding experience, mentorship can help you learn from the experience of others.</p>