IS THERE A STARTUP ACCELERATOR BUBBLE?

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The way to create technological businesses in the ICT sector (Internet, e-commerce, software, mobile applications...) has nothing to do with the way in which a traditional company is undertaken. **In this world there is a success factor that stands out above all: SPEED.**

The new technological companies -startups- devise and market applications at a dizzying pace and it is the market that, in a matter of days, or months, determines if it is an interesting product or not. If in the creation of a traditional business previous experience, references from other clients and even longevity mean an advantage **in the ICT world, the speed at which these applications break into the market means that a model must be used of very different growth, financed entirely, or in large part, by attracting foreign investment.**

The birth and death rates are extraordinary. Just take a look at websites like http://startupcharts.com/london/ where you can see the huge number of unknown startups out there. , at all times, in some of the most important hubs in the world. The dynamic of success for investors, entrepreneurs and local development agencies consists of generating hundreds or thousands of startups in short periods of time, launching them with the minimum possible resources and verifying their fit in the market. **It consists of achieving a critical mass of projects that guarantees that a small success ratio serves to amortize all the "necessary failures".**

In this adventure, a unique actor appears on the scene and one of enormous profusion in the present: **business accelerators**. Since the pioneering Y Combinator was founded in the US in 2005, its model has been replicated throughout the world. In Europe we have relevant accelerators in London, Berlin, Birmingham, Barcelona, Madrid... mainly focused on digital businesses: websites, mobile applications... It is surely in this sector that it is easier to create a company with potential of growth (scalability) with limited capital. Or, at least, it is in this sector where there are more success stories.

The statistics speak for themselves. Collecting the data from SEED-DB, which includes only the programs that appear in the list, there are 120 accelerator programs in the world, counting these with 1,455 accelerated companies, 69 exits worth 979,458,100 dollars and that have mobilized 1,215,909,411 $ of financing. YCombinator, on its own, has managed to found more than 400 companies and have sales of more than 900 million dollars. In http://startupfactories.eu/ present us with a map with the main European accelerators. In Spain, the initiatives of Wayra, SeedCamp are well known Barcelona or the most recent Startup Spain. The phenomenon of startup accelerators is also breaking through here.
Accelerators are usually created by entrepreneurs and businessmen with experience in creating businesses of this type and who decide to take the step towards mentoring and investment. Through an accelerator, they bring together various business angels or private investors in order to attract interesting projects. **This is where the most fun begins, since the model most used to attract startups consists of holding contests** in which startups have to shine, both in the "one-pager" they send (summaries of one page where they describe the keys to your business), on your websites, demos or prototypes and in the eventual face-to-face presentation with investors. This presentation that pivots on **the "elevator pitch" is like the ten seconds in which a future star, in pure "OT" style, has to show that he is a crack but in an entrepreneurial version.**

But these accelerators have a role that goes beyond mentoring and investment, serving as true hubs for the creation of digital businesses. These accelerators manage to attract interesting projects and generate a community of entrepreneurs in places that are sometimes far from the main business centers, attracted by the combination of co-working, financing and mentoring.

The approach of these accelerators is usually the recognized "just do it". No business plans, excels or strategic reports. Prototypes are built and put on the market and for this reason the accelerators are mainly occupied by technologists and programmers.

Are they worth it?
The technological entrepreneur, normally overwhelmed by a huge workload, swinging between tasks between marketing, technology, development... faces the evaluation of the need to resort to an accelerator to facilitate the start-up of his business . Undoubtedly, there are important things to gain: financial support, mentoring, networking... Networking with similar companies can be vital for the entrepreneur to overcome the "I'm alone" effect. In London, Google has adapted an entire seven-story building to house Startups called Campus London.

However, in recent months some voices have started to gain strength that They denounce a kind of "acceleration bubble". Do all the existing accelerators help the entrepreneur? Are the mentors of all the accelerators people with sufficient experience and knowledge? How many of them seek to generate a city-brand (created by local public agencies), a company-brand (created by corporations) or simply generate a new market for the sale of services? Do they all generate value for startups?

There are no comments yet.