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HOW DO THE STARTUP ACCELERATORS HELP THE START-UPS TO SCALE?

Case study Kiuas Accelerator

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Start-up entrepreneurs emerged as a phenomenon all over the world and in Finland as well. However, becoming a founder of a startup is one of the most difficult journeys. The young entrepreneurs can create a lot of breakthroughs which will play an extremely essential part for our future. In contrast, they lack the experiences to establish a business. As a result, many potential startups fail because they have not received proper support. The concept of startup accelerator was appeared to support the early-stage or growth-driven startups to reach their potentials and boost their chances for success.

The purpose of this thesis is to distinguish the startup accelerators from other institutions which also support the early-stage startup such as incubators. Not only that, it can be used as the guideline for startup founders to choose the right acceleration programs and join the programs. The thesis was designed to understand the structure of acceleration programs and their roles in helping startups to scale. The case study is Kiuas Accelerator's program which is produced by Aaltoes (Aalto Entrepreneurs Society), to give a look inside an accelerator.

The theoretical part was conducted from recent researches, reports, journals and books which provide prevalent insights in term of definitions and business models used. For analyzing the case study, an interview was conducted with the leader of Kiuas Accelerator Program to have an accurate picture of an accelerator program in reality.

Key words
Aaltoes, Accelerator, ecosystem, entrepreneurs, investors, Kiuas, startup.

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1 INTRODUCTION

There is no doubt that the phenomenon of start-up entrepreneurs is expanding in all over the world. Following the trend is the emerging of a new method to incubate the technology start-ups: accelerator programs which are backed by the successful start-up founders and a number of investors (Miller & Bound 2011, 3).

It was not until 2005, the seed accelerator program named Y Combinator was introduced for the first time in Silicon Valley. In the beginning, their program only accepted a small batch of potential start-ups. They applied the lean start-up approach for the start-ups in their program. (Walters, Stacey, Haley & Roberts 2014, 4-5.) In the period less than ten years, the developing of accelerator program was considerable in the US. Soon after that, the programs were quickly replicated and adapted in Europe. The quality of programs was proved by the number of successful start-ups. The main purpose of this program is to connect the start-ups, investors, and entrepreneurs together, play an essential part in shaping the early-stage startups. It was said that the program can create the positive impact on the start-ups and the founders as well. Especially, accelerator program features the top-notch mentors and good quality start-up teams which can also bring back the benefit of the society and the companies. (Miller & Bound 2011, 3-4.)

However, it was not a surprise when the world saw the emerging of the accelerator programs. Taking all advantages of digital technology, the expenses to establish a tech start-up decreased. As a result, along with the increasing of start-ups, the demand for new ways to support them is higher than ever. Additionally, the cost of start-up fell down significantly which means that the investors can invest the smaller amount in start-ups compared to the past. (Walters, et al. 2014, 4-5.)

As the author of the thesis, I decided to choose this topic after my internship in an accelerator in Canada. Working closely with start-up founders inspired me a lot since I had a chance to listen to their start-up stories, experiences and also obstacles that they have to deal with. Especially, my supervisor during my internship period, Miryam Lazate, the CEO of LATAM Startup accelerator program, gave me valuable support. She gave me the motivation to investigate more about start-up ecosystem and start-up supporting programs. I realized that I

have a passion for supporting start-up founders. To be clear, I am not interested in having my own start-up but supporting and assisting start-ups to overcome the obstacles and develop.

Therefore, right after coming back to Finland, I decided to stay in Helsinki and learn about the start-up ecosystem here if it is similar or different from the one I have seen in Toronto, Canada. The start-up scene in Helsinki is changing drastically and becoming one of the hottest start-up hubs in Europe. Also, it was ranked the first start-up ecosystem in the world in the aspect of local connectedness.

I joined the biggest student-run entrepreneur organization in Europe named Aalto Entrepreneurship Society (Aaltoes) which was behind so many successful programs and events for start-ups and entrepreneurs such as Slush, Startup Sauna, Junction to name a few. Kiuas accelerator is one project under Aaltoes which aims to support early stage start-ups, encourage the new ideas and innovations and turn them into profitable businesses. Hence, they can build a stronger start-up ecosystem in Helsinki.

Having some conversations with my friends who are having their own start-ups or having a plan to start-ups, they all know it is beneficial to them if they can attend a start-up supporting program. However, there are so many different programs that they are confused and not sure which one is suitable. One more time, it motivated me to write my thesis, in order to enhance my knowledge in this field and possibly, I can help my friends in the future.

The purpose of the thesis is to give an overview of accelerator program to start-up founders: the history of accelerator program and the development of it. Also, the thesis answers the questions how to define an accelerator program, how to distinguish it from an incubator program and five key components shaping an accelerator. Additionally, the thesis introduces three emerging archetypes of accelerator programs. By understanding different types of program, the founders can easily find the most suitable one for themselves and for their team. In chapter 3, all benefits that the founders can derive from the program are emphasized. Above all, the thesis aims to become a guideline for all start-up founders, especially the first-time founders to find their suitable programs and get the most from them. Using Kiuas Accelerator program in Finland, the thesis provides an actual example of an accelerator program: the application process, program curriculum, and activities within programs. In addition, it briefly introduces the start-up scene in Helsinki, Finland.

For the theory part, all information is taken from the latest and up-to-date journals, reports, books, and articles. Therefore, the thesis reflects the recent image of accelerator program and start-up scene. For the research part, an interview was designed with the leader of Kiuas Accelerator to give the readers a deeper insight into the program. My own observation while working closely with Helsinki start-up community and from the internship is also indicated in the thesis.

2 ACCELERATOR PROGRAM

The concept of startup accelerator was appeared to support the early-stage or growth-driven startups to reach their potentials and boost their chances to succeed. Acceleration has a broad definition in the startup community and the accelerators are commonly misunderstood by other institutions which also support the early-stage startup such as incubators.

However, the model is flux, thus there is no consensus about how to define the program. This chapter aims to provide the brief introduction to accelerators. It helps you to understand what can be considered as an accelerator program based on five key features; how it differs from incubator; five main components of an accelerator programme and different types of the accelerator which will assist the start-up founders to compare different accelerator programs and choose the most suitable one.

2.1 The appearance of Accelerators

The term "Accelerators' did not appear before 2005 when the first US accelerator named Y Combinator was launched by Paul Graham. Y Combinator holds much in common with traditional incubators but still presents its own distinctive characteristics. (Miller & Bound 2011.)

In 1959, the general idea behind the incubator is to help to develop the business ideas and start-ups by offering an institutionalized environment. The length of the program in the incubator is usually extensive, can range for several years. Prerequisites are normally provided by the incubator, for example, office, business contact or mentor. Not only that, the expenses while start-ups generate the ideas can be supported. Comparing to other start-ups not attending the program, there are more opportunities to succeed for the ones joining the program. The incubator model is largely known by the start-up community and it can be suitable for different kinds of companies based on their ideas and the time they want to spend on the program. (Barrehag, Fornell, Larsson, Mårdström, Westergård, & Wrackefeldt 2012.) Following the trend within the dot-com bubble, the incubators paid a lot of attention to IT start-ups, the single project requires a large amount of investment from the investors.

However, the inflation of dot-com bubble had led to the scene of many high potential start-ups could not generate the revenue and the investors lost their money, but no value was created. At that time, the incubator was called as "incinerators" to indicate the fact that the investors had to invest a large amount of capital before seeing any measurable deliverables. (Miller & Bound 2011, 4-5.)

Meanwhile, the technology was changing rapidly and the business environment as well on an international scale. According to Ryzhonkov's research, he indicated the transformation from different perspectives: business and tech, entrepreneur and investor in order to explain the appearance of the accelerator program. First of all, the digital age brought the opportunities for people to work despite the geography, culture, and nationality. Therefore, it is easier to establish a business in the tech sector. Not only that, the business environment is turbulent and hard to predict. The strategies of big companies, corporations were switched to short-term planning from long-term as they used to have in the past. The business had to start their ideas immediately or die if they cannot adopt the changing. Last but not least, the reason why the accelerators increased specifically in the tech sector is that in a limited period of time, a tech business can be accelerated. (Ryzhonkov 2014.) Especially when you have an idea and you are the developer at the same time, you only need more support from business expertise, then you can start your own business.

What about from entrepreneurs' perspectives? The dramatic growth in numbe entrepreneurs made up more than 400 million in 2012 and it is estimated to be 1 billion in 2025. Still, there is short of the approach to business resources for instance: capital, the network accession of investors, talents, coaches, etc. It became extremely competitive for the start-up founders. Besides, there is no doubt that the entrepreneurs will need those kinds of programs which give them the chances to improve themselves, learn from the experts and the most important is that they can build their dream team and stronger network as well. Not only that, the financial support can be provided during their spare time. The introducing of the accelerator program, from entrepreneurs' perspectives, will not only meet all the demands above but also give them the best environment and help them to focus on developing their ideas without expenses concern. (Ryzhonkov 2014.)

On the other hand, the introduction of accelerator programs was partly because of the lesson after the dot-com crash. Since the investors were recovering after that, an entrepreneur, Paul Graham, introduced the new concepts which initially caught the attention of them. It was said that the incubation cycles should be shortened, and the start-up targets should be IT based companies. (Barrehag et al. 2012.)

Y Combinator was launched in Silicon Valley in 2005. Comparing to its predecessor, the length of one program is not more than 3 months and the investments in each start-up are smaller in both structure and cost (Barrehag et al. 2012). The first program of Y Combinator invested in potential start-ups, for example, Loopt and Reddit. In 2012, the mobile location start-up Loopt was sold for $43.4 million. The approach of the accelerator program is lean start-up which the start-ups are required to work intensively in short period of time to prepare for pitching to the investors. (Walters et al. 2014.)

2.2 The growing of Accelerators

Over the past few years, the number of accelerator programs has increased considerably within the US. Moreover, the model has been quickly replicated in Europe and spread all over the world. After Y Combinator from Silicon Valley, TechStars was introduced in Boulder, Colorado by David Cohen and Brad Feld in 2007. Besides, the first program of Seedcamp in London was plotted by Saul Klein and Reshma Sohoni. Now, Techstart expands their operation in 4 different cities in the US and plays an important part in contributing the network of start-ups, investors, experts, etc. around the world. In Europe, Seedcamp has become a popular program which attracts more than 2000 application from start-ups each year. (Miller & Bound 2011.)

The demand for building the tech start-ups with ambitious and talented teams has never been higher, especially after the dot-com boom. The introduction of the accelerator program is to boost the opportunities for innovation in this market. Additionally, the British Government wanted to recover the economy and make "East London one of the world's great technology center". Accelerator program was one part of this strategy. Since 2005, not only in the US but the increasing speed in the number of the accelerator in Europe was incredible: from one

program to more than 10 just after 5 years. (Miller & Bound 2011.) The following figure will indicate the expansion of accelerator program within the US.
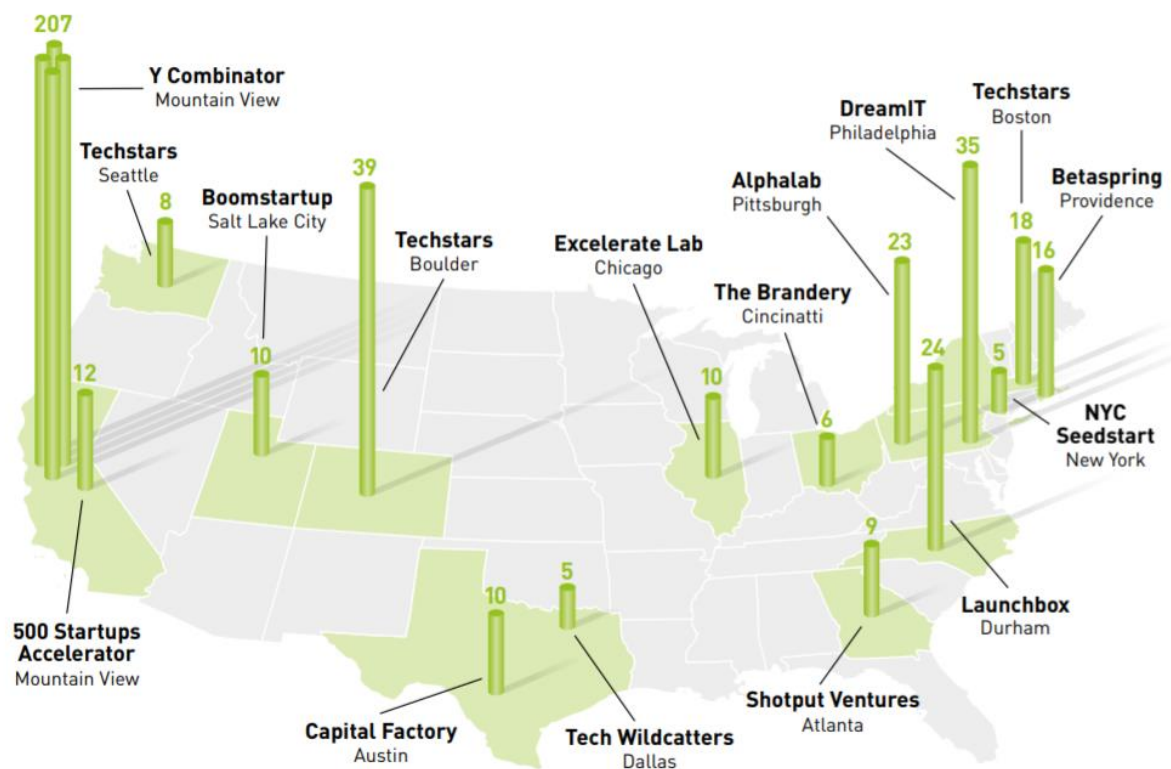
Note: Bar size indicates number of startups funded to 2010.

FIGURE 1. US seed accelerator programs by location (Miller & Bound 2011)

2.3 The definition of Accelerator Program

This part will define an accelerator program by analyzing five key features. Additionally, this part is going to distinguish between accelerator program and incubator program.

2.3.1 Key features

The definition of accelerator program is not fixed in the start-up community yet. On the other hand, accelerators are developing and aiming to create more innovative methods to support the

start-ups. Hence it is hard to have a permanent explanation for this term since its model is in flux.

There are several ways to define an accelerator but according to Miller and Bound (2011), there are five main characteristics of an accelerator program which differentiate it from incubators or other start-up support programs:

1. An application process that is open yet highly competitive.
2. Provision of pre-seed investment, usually in exchange for equity.
3. A focus on small teams, not individuals.
4. Time-limited support comprising programmed events and intensive mentoring
5. Start-ups supported in cohort batches or 'classes'.

First of all, it is extremely competitive for the start-ups who want to apply for the programs. Normally, the accelerator programs have the online application processes that everyone from anywhere can register. Moreover, they try to prevent the paperwork. For example, TechStars encourage the participants to have the introduction video with the only one-page application form. In the form, they mainly want to know about the idea of the start-ups and then the team working on the project. After the first round, applicants will come to the interviews and notable, the selection process from the deadline for application to the main program is quite short. (Miller & Bound 2011.)

It is considered very competitive for start-ups to be accepted into the program. The experts in the industry will judge all the teams and pick the most promising ones. The ratio could be less than one in ten applications. Especially, the higher profile the accelerators are, the harder for the start-ups to be successful. Normally, in order to keep the high quality of the application pool, the accelerator programs spend lots of time and effort to run events which can help them to approach the potential candidates. The number of start-ups can be supported in each batch depends on the capacities of accelerators such as co-working spaces, mentors or staff.

Secondly, the amount of investment by the accelerator programs for start-ups varies. It is basically calculated according to the living costs needed for one co-founder during the programs and a short period after that. It can range from £10 000 to £50 000 in the form of equity investment or a convertible note. (Miller & Bound 2011.)

Thirdly, most programs prefer small teams rather than individuals. It was said by the Y Combinator that start-up was too much work for one person (Miller & Bound 2011). Not only

that, the teams larger than four are also not likely to be accepted because of the greater living cost investments.

Fourthly, accelerator program is a packed program including events and mentoring in a time-limited period. It is usually run between 3 to 6 intensive months which is partly because of the short-time requirement to establish an IT-based start-up. Additionally, it helps to boost the progress by putting it in a high-pressure environment. The core aspect of the accelerator program is contacting directly with investors, experienced founders, experts, professionals. It can be introducing the team to those people or specific sessions which mentors will share their experiences and offer one-to-one support. The objective of this mentoring is two-fold: first of all, it is meant to leverage the start-ups by challenging them and giving honest feedback; secondly, it can enhance the relationship with mentors who might involve in the advisory board for a long time. It is quite common for the mentors to become investors after working with the companies. (Barrehag et al. 2012.)

Building a network of high profile mentors is essential for an accelerator program. It notably concentrates on the depth and impressive quality of mentoring. To attract top-notch mentors, the accelerator operators not only possess good connections but also have the ability to approach a desire from founders, investors who are thrilled to contribute to the start-up community. Also, the structured events play an essential part of an accelerator program. Commonly, it provides workshops whose topics can be ranged from tax and legal advice, basic information to establish a business to pitching skills. Demo day is a consistent feature in the program. It is the ultimate objective of an accelerator program and requires an insane preparation. The purpose of the demo day is inviting all start-up teams in the program together with venture capital investors and angel investors. It is the showcase for all products or services which are developed during the program and moreover, give the companies the opportunities to launch to the world with the media coverage. The events give the exclusive access to the best quality group of investors which is extremely hard to get without the accelerator program. (Miller & Bound 2011.)

Last but not least, the fifth key feature of an accelerator program is a cohort program. It can be understood as a group of companies is invested, trained and supported at the same time in one place. The main advantage of the cohort is the peer support among the start-up teams. The founders can support each other by exchanging feedback and avoiding any mistakes in the

presentations for investors on a demo day. In another the word, this method brings a supportive and motivating working environment for start-ups founders where they can not only expand the network but also lift the working efficiency by helping each other. (Miller & Bound 2011.)

2.3.2 How is Accelerator different from Incubator?

The two concepts "accelerator" and "incubator" both possess some overlapping features but there are the key distinctions that the founders should notice before deciding which programs they should participate in. From the beginning of the programs, they all provide the opportunities for start-ups which can help the founder to develop their business. Until the last stages, the start-ups will increase the chances to call the investments from top VC firms. However, accelerator and incubator programs have different frameworks to boost the success of start-ups. (Forrest 2014.)

The major difference can be explained through the ultimate goals of each program. While accelerator programs tend to "accelerate" the growth of an existing start-up or company, the incubators follow the ambition to build a company and business model by incubating innovative ideas. The accelerators center around scaling a business. The incubators, however, more focus on promoting innovation. There is one sentence in the report of Forrest (2014) which can clearly indicate the difference between accelerators and incubators:

> If an accelerator is a greenhouse for young plants to get the optimal conditions to grow, an incubator matches quality seeds with the best soil for sprouting and growth.

In term of program structure, the accelerators normally design a timeframe for their program from a few weeks to a few months which the start-ups can work with mentors and develop their business by preventing possible obstacles. At the end of the program, there is always a demo day which the start-ups have a chance to pitch in front of investors. In contrary, the incubators have no set schedule for their programs and they tend to work with early stage companies. They pay more attention to the start-up's longevity rather than speed up the growing process. It is common that one incubator program can last for more than one year. (Zajicek 2017.)

The application process of accelerators is extremely selective and mainly focus on the ideas and the team behind regardless the geography. The ideal candidates have to be the top start-ups which are scalable, investable and definitely possess the fast growing abilities. The admission is based on a cohort basis. Meanwhile, some incubators might have the application process, or they will accept the ideas, companies that they have the contact from a trustworthy partner. Additionally, the accepted start-ups will relocate to work with other companies in the same incubator program, therefore, incubators tend to support and select local start-ups. And the incubator program can specifically focus on a market or vertical depending on the sponsors, then they will pick suitable start-ups into their programs. As it was mentioned above, the incubators focus on the longevity of a start-up, hence, slow growing or less scalable ones can be accepted. Their admission is based on the ad hoc basis. (Zajicek 2017.)

Start-ups attending the accelerator program will be given a small seed investment and in return, they will take a specific amount of equity. Because of this, the accelerator programs have more responsibility in start-ups' success. The incubators, in contrast, do not commonly give the capital to the start-ups and they normally are funded by the other institutions for eg: economic development organizations. (Zajicek 2017.)

2.4 Five components

Even though the concept of the accelerator is still very young and they vary widely in their models, there are five core components that shape the structure of an accelerator program: Strategic focus, Programme package, Funding, Selection process, Alumni service (Clarysse, Wright & Hove 2015). Each accelerator has different ways to approach these components according to their ideal business models. Therefore, it is essential for the start-up founders to examine thoroughly them before making the decisions which programs are suitable for them.

2.4.1 Strategic focus

Strategic focus is the first component and one of the most important factors to differentiate the particular accelerator programs. Since the number of accelerators running is increasing significantly and the market becomes more and more crowded, strategic focus helps to define

a program among others. Additionally, this core component separates the accelerators into three archetypes that the thesis will discuss more detail in the next part. The key objectives of the accelerators heavily depend on the types of supporters or stakeholders of the programs such as private sectors, public funders or big corporates. (Clarysse, Wright & Hove 2015.)

Selecting a specific sector or industry to focus is the next important part of the strategic choice. The choice can be very generic which has widened approach, no vertical focus. In contrast, it can focus on a specific industry. There are some examples from accelerator programs that attend to a specific industry such as Healthbox focuses on the health-tech sector, Startupbootcamp Berlin has fin-tech as their main consideration. They believe that since they have a specific theme, it is easier to create a solid group of mentors and teams and aim to be the top. (Clarysse, Wright & Hove 2015.) On the other hand, the accelerator programs also have the geographic focus and it can be either local or international programs. The LatAm Startup based in Toronto aims to help start-ups from Latin America to scale in Canada. On the contrary, Techstars not only has spread their programs within the US but also has expanded to New York, Boston and so on (Techstars 2018).

2.4.2 Programme package

One of the main objectives of every accelerator program is providing essential training and support to grow the start-ups and help them to be prepared before jumping to the market. There are two core parts: standardized programmes and mentoring package (Walters et al. 2014).

The programmes and services are varied depending on different accelerators, however the majority offer:
- **Co-working space**: it is important to leverage the collaboration and knowledge sharing
- **Training program**: it consists of training courses, seminars which cover multiple topics, for example, PR, marketing, legal aspects, financing, design and so on.
- **Regular counseling**: the management team regularly has meetings with the teams to enhance the mutual trust, review the progress weekly and provide business assistance.
- **Events**: inspiring speeches, meetups, workshops

- **Demo days**: the accelerators organize the demo days for graduates to pitch their startups to invited-only investors. For some accelerators, they also use the demo days to get very first customers for the start-ups in programs.

The programme package cannot be completed without a well-planned mentoring package. It also plays an important role in the accelerator program which ensures the possibility of start-ups to access the mentor network. The background of mentors is reviewed carefully before joining the program and they are usually serial entrepreneurs who have lots of experiences. Notably, they voluntarily spend their expertise and time on the programs. The mentors can join the program in different types such as ad hoc mentors, long-term commitment mentors or investing mentors. A feedback is commonly conducted after each program in order to assess the mentors' quality. (Clarysse, Wright & Hove 2015.)

To match the mentors and mentees, matchmaking or speed dating events are held by the accelerators. The events enable the chances the mentors and teams find each other and see if there is any chemistry among them. For early-stage start-ups, they also have other options.

- Office hours: since it is hard for start-ups to navigate their own mentor from a large group, start-ups can sign up for the mentoring open sessions operated by the accelerators.
- Peer mentoring: it is the benefit deriving from a cohort-based program. Learning and asking for support from people who are facing the same issues or in the same situations are the best way to improve quickly. (Walters et al. 2014.)

By working with the right mentors, the start-ups can be helped out with their business model or how to approach their ideal customers and investors.

2.4.3 Funding structure

When discussing the funding structure of an accelerator, these two elements have to be mentioned: the funding for the accelerator program and the start-up investment model.

The mission of an accelerator defines the type of funding it will receive. The accelerators which are backed privately can be funded by the private investors or corporates. On the other hand, the public funding may derive from national, local or even international institutions. Recently,

the number of accelerators receiving public funding is increasing since the government considers it as a way to boost the economic development. Only a small number of programs can get the revenue from investing in the start-ups in the programs. Additionally, some other programs can create alternate revenues by developing their offerings. For example:

- Introducing learning programs that require the tuition fees

- Organizing profitable events such as TheFamily which run many tech meetups in France.

- Leasing the working space as the way Startupbootcamp in Berlin has already done successfully. (Clarysse, Wright & Hove 2015.)

The funding receiving from the investors and funders is used partly for operating program. The rest is used for investing in start-ups accepted in the programs. There are several types of investment models:

- Usually, the accelerator programs take the equity in the start-ups after offering a small amount of investment. It is common to take 3 to 10% equity for £3 600- £50 000 investment (Clarysse, Wright & Hove 2015). If the equity percentage taken is too high, then it is hard to attract start-ups to join the program (Walters et al. 2014).

- Some programs offer the investment and consider it as a soft loan which the startups can repay in a very flexible term.

- Several accelerators which are corporately backed neither take any equity nor provide investment.

- The publically backed programs may offer to fund but do not take any equity. (Clarysse, Wright & Hove 2015).

- Accelerators take a small amount of equity as the program fee and do not offer any funding.

However, the primary goal of accelerators is not making a profit directly from the start-ups. The first reason is to boost the economy. Secondly, it is an extreme cost-saving way to get inside the talent pool and approach new innovations without putting a lot of effort and money on in-house projects. (Walters et al. 2014.)

2.4.4 Selection process and criteria

The fourth core component is the criteria of the selection process. This part will answer the questions "how" and "why" a start-up is selected into a program. From accelerator point of view, the selection of start-ups to be in the program is important. Having wrong ones, for example, the one does not have any potential to scale or which the accelerator program cannot provide any means to support it, may lead to the failure (Walters et al. 2014). The common screening method may vary depending on the accelerators. It can be a just simple two-stage processor very complicated multiple-stage process. Basically, the online application is opened in a specific period which the start-ups can apply and register via software named Angel.com, F6S.com and so on (Clarysse, Wright & Hove 2015). Besides, many accelerators actively look for start-ups before the application opened by taking part in different start-up events and call for new participants. Startup Sauna, as an example, had organized an amazing tour called "#100finnishstartups" during their application period. The tour was part of the program which celebrated 100th Finnish Independence Day in 2017. The team went through 12 cities in Finland within two weeks in order to attract the most promising start-ups in the country (Startup Sauna 2018). In order to maximize the impact of accelerator programs, the start-ups are filtered according to their types to fit in the programs.

After the online application period, there is a standard screening process which aims to pitch suitable candidates, the accepted number per batch depends on the accelerators. The process may include the management team and external stakeholders. For some specific programs, the team might have to present their ideas in person in front of the selection team. Notably, the team behind the project is one of the main selection factors. In contrast, the single founders are only accepted in specific situations (Clarysse, Wright & Hove 2015, 12-13). Besides, the management team may consider the quality of their ideas, their knowledge, and experiences towards their solutions based on the application.

The figure below indicates two examples of the selection process in two famous accelerator programs recently: TechStars London and Fintech Innovation Lab. Both of them have the online application round using a software platform. After that, the TechStars London has two rounds to filter the applications to go to the final face-to-face interview. A core team of the accelerator and the industries' experts play important roles in the selection process. Meanwhile, in the Fintech Innovation Lab which focuses specifically on financial technology sector (

Fintech Innovation Lab 2018), the top executives of their partner banks plays the main roles in the selection process.
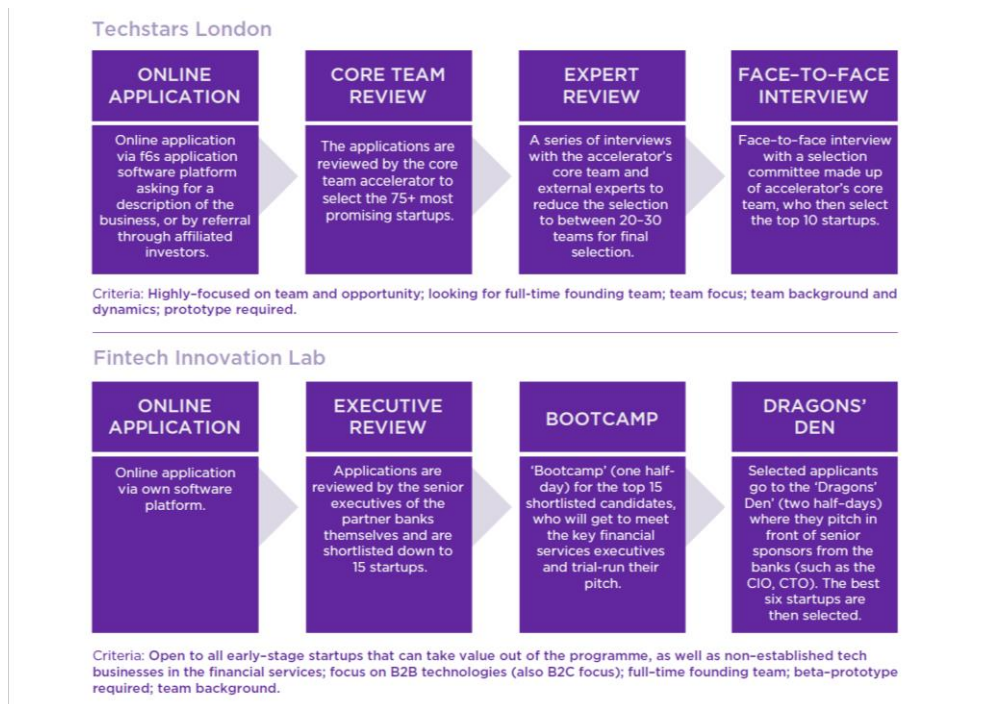

FIGURE 2: Examples of selection process (Walters et al. 2014)

2.4.5 Alumni service

The last component that shapes an accelerator program is alumni service. Most of the accelerator programs tend to keep a really tight relationship with the start-ups which took part in the program, even after they graduate. The alumni events are run frequently in order to keep in touch with them and during the event, the alumni can meet up with each other and share their own experiences. Notably, the start-ups who are taken equity by the accelerators can receive the after program support to succeed. More important, after several years of running programs, the accelerators may build very strong alumni network which can be a great source for future investors and mentors. Many successful start-ups have the tendency to come back to invest in the community which helps them from the beginning. (Walters et al. 2014.)

2.5 Three emerging archetypes

Because of the different ways to approach five core components, there are notable differences among accelerator programs. However, by analyzing the first core component, strategic focus, the accelerator programs can be divided into three groups:

- The investor-led archetype
- The matchmaker archetype
- The ecosystem archetype

(Clarysse, Wright & Hove 2015)

In this chapter, the thesis will discuss three archetypes of the accelerator, what are their main stakeholders, the ultimate objectives, and benefits which the founders can get from each group.

2.5.1 The investor-led archetype

As it can be derived from its name, this type of accelerators is backed by the investors who are venture capital funds, business angels or corporate venture capital to name few. The original concept of two famous accelerators in the US, Y-Combinator, and TechStars is similar to this type (Clarysse, Wright & Hove 2015). Since realizing the gap of equity between start-ups which are in their very early-stage and investable businesses, the objective of this accelerator type is to fill the gap. As a result, the start-ups which can take the capital and turn into a potential investment proposition are prioritized to join the programs. Normally, these accelerators take the equity of start-ups and provide them the seed investment.

On the other hand, the later stage start-ups are these accelerators' main targets. These start-ups may have a compelling track record since they started their projects, for example, they have called a pre-seed investment (Clarysse, Wright & Hove 2015). The more popular the accelerators are, the more competitive to be selected to the programs. As a result, they have to select the best ones.

As it was mentioned in the "strategic focus" part, there are two strategic options for the accelerators to decide: become industry-specific or very generic (Walters et al. 2014). The investor-led archetype tends to choose one specific industry to follow. There are many benefits

when they spend their concentration on specific sectors. Especially, the management team can focus on developing the essential knowledge and expertise within the industry which can maximize their possibility to support the start-ups. The mentors in the programs are not only the experts in the industry but also are business angels who will take care of following up the investment.

2.5.2 The matchmaker accelerator

 Matchmaker accelerator is the second archetype which is commonly operated by the corporates. The collaboration between corporations and start-ups indicated a significant growth in 2015. The motivation behind is that by connecting early-stage start-ups with full of fresh ideas and large firms with strong financial, network capacity, they believe that they can foster the innovation. Usually, the corporates sponsor for the accelerator programs because they want to develop the services for themselves or their customers can have the benefits from these projects. Some corporates outsource the partner such as TechStars or Nest to launch the accelerator programs. Additionally, many accelerators are run directly by the large corporates: Google, Microsoft, Samsung, Orange and so on. (Kupp 2018.) One example is Orange Fab whose main objective is to create the commercial collaboration between their business units and start-ups. Textolife is the start-ups accelerated by Orange Fab. They provide the solution which can transform the virtual conversation, for example, WhatsApp, Messenger into a word document. The partnership between Orange and Textoli can support Orange clients to save their conversation in Orange Cloud and share with others by themselves. (Orange 2017). There is another similar case in Microsoft. They opened Microsoft Ventures accelerator in order to leverage the benefits for their SME customer across EU (Clarysse, Wright & Hove 2015).

Usually, the corporate stakeholders actively play an important part in the selection process of new start-ups. For example, FinTech Innovation Lab' s selection process includes people holding high positions in a large financial bank (FinTech Innovation Lab, 2018). As a result, the start-ups selected into the program is the one can attract the attention of these difficult judges from the corporates. Besides, the mentors are also from the corporates, they have extensive experiences in the industry which can support the start-ups to develop.

Notably, these accelerators are mostly non-profit programs. They neither provide any financial support for start-ups inside the program nor take any equity or program fees from them. Alternatively, they can significantly support the start-ups to connect with the potential customers since their customer base is so strong and powerful.

2.5.3 The ecosystem accelerator

This type of accelerator can be considered the government-backed accelerator since they are typically sponsored by the government agencies. The ultimate objective of this type is to leverage the start-up activities within a specific region or within a particular niche in the technology sector. (Clarysse, Wright & Hove 2015.) As a result, the start-ups accepted in the programs are the ones that can meet the criteria required by the accelerators and must be suitable with the vision of the program. Let's have an example about Climate-KIC Accelerator.

The European Institute of Innovation & Technology (EIT) was established in 2008 as an independent body of the European Union (EU). They aim to enhance the entrepreneurship and innovation within Europe. The EIT Innovation Communities are introduced to implement their mission by bringing the businesses, universities and research centers together. At the moment, there are six Innovation Communities focusing on multiple challenges of the society. The European Commission wants to support the establishment of accelerator programs inside their Innovation Communities by sponsoring them. Climate-KIC Accelerator is the only accelerator program in the EU which concentrates on the impact of climate by bringing cleantech to businesses. (Climate-KIC, 2018.)

In the three archetypes, this one has the curriculum which is specially designed to focus deeply on the specifics. In order to help the start-ups generate their ideas and enhance the value proposition, the accelerators hold a lot of workshops, training session or events. The mentors play an important part in the programs and they involve in the projects more than in the first two archetypes (Clarysse, Wright & Hove 2015). For instance, the mentors are not only the instructors but they play as a business developer or consultant of the start-ups.

The business model of the ecosystem accelerators is not clear because they need to facilitate their operations based on the requirement of the stakeholder.

3 HOW DO THE START-UP FOUNDERS BENEFIT FROM THE PROGRAM?

The previous chapter is to explain the definition of accelerator programs and what inside it. But is this program really necessary for the start-ups? The trend is expanding and the demand from founders is increasing significantly. This chapter is meant to indicate the benefits which attract a lot of attention from start-up founders.

3.1 Funding

Commonly, the start-ups since joining the accelerator programs may receive a small amount of money. This feature attracts people to apply for the programs but it is not the most important factor when people make the decision to be in the programs (Miller & Bound 2011). The amount is different and it depends on the accelerators. The main purpose of the funding provided is to cover the expenses emerging while they are developing their ideas. More importantly, this allows the founders to concentrate completely on their start-ups.

3.2 Comprehensive advice and support

Joining the accelerator programs gives the founders a high opportunity to access the network of people in the industries, they can be from the large companies or from the successful start-ups. In the accelerator programs, they always hold multiple related events which can connect people in the start-up ecosystem, entrepreneurs, and potential investors. Not only that, the mentoring is the essential part of the program which helps the founders to get the feedback on their products and company. There is no doubt that the opportunities and advice received through the program are unreplicated and hard to find outside the program.

Moreover, the intensive period of the accelerator program is full of activities from mentor meetings, workshops, feedback sessions, a demo day, networking event and so on. They bring numerous benefit to the founders and their start-ups. On the other hand, the founders can derive valuable knowledge from the experiences and skills of mentors of the management team. That concentrated knowledge helps the founders to quickly speed up their start-ups while preventing unwanted obstacles. (Gibbons 2018.)

Let's have a look at Airbnb example and see how a start-up takes advantages from the accelerators' networks. The potential of Airbnb could not turn it into a profitable business until it had a chance to meet the appropriate networks and resources. In the beginning, the founders tried to approach the investors to present their initial idea of renting out the beds in the living room for the guests and also serve them breakfast (Salter 2012). They were quickly denied by the investors because of too small market size. They struggled to manage their business and had to face the fact that their money was running out. However, in November 2008, everything was turning around when they joined the founder dinner and decided to apply for Y Combinator accelerator program. Paul Graham, co-founder of Y Combinator accepted them to join the program because he liked the founder but not the idea. Then Airbnb received their first $20 000 investment from Paul. By joining the accelerator program, they received a lot of good advice to develop their business. Not only that, they can approach many generous investors. In the Demo Day in 2009, they called for $600 000 investment from Sequoia and continuing after that. They were one of the highest valued startups from Y Combinator. (Miller & Bound 2011.)

3.3 Bridge to potential investment

As it was mentioned above, the funding the start-up founders received from the accelerator programs is not much. However, they do connect the founders to the potential investors. It is extremely difficult for first-time founders to approach suitable investors and present their ideas. Being part of the accelerator programs, the founders can access the quality groups of companies and investors. They can meet and mingle with the investors, in addition, the founders have the opportunity to pitch their ideas to invited-only investors during the demo day. It is the most important part of an accelerator that measures the value of the program: how many start-ups can raise further investment and how much they can get during and after the program
.

3.4 Validation

It is admitted that once your start-up is accepted to be in the accelerator programs, it is evaluated by successful investors and founders. As a result, it brings your start-ups undeniable advantages over others for instance with future clients, investors or journalists. Being selected, you can be

considered a promising or potential start-up. The better reputation of the accelerator program, the more valuable the validation can be. Calling for investment is always difficult for any start-ups but for a first-time entrepreneur, it's much harder. There is no better evidence to reassure the investors to fund your start-ups rather than the validation. However, there is an opposite face of the validation. The founders need to keep in mind that they have to find the way to get beyond the brand of the accelerator. The early-stage investors commonly pay attention to the team first and then the idea. Therefore, even if your start-ups receive the validation from these important people, it does not mean your idea can work properly in reality. The founders have to wait until they can approach their first customer and get very first revenue. (Miller & Bound 2011.)

It is also one advantage when a start-up joins the accelerator program. The target audiences in the demo day of these programs are not only investors but also the potential customers. Therefore, you can pitch your idea to attract the investors and call for investments, meanwhile, you also present your products, your companies to create more buzz around your company. The publicity can provide the validation to start-ups from the customers' perspectives. (Gibbons 2018.)

3.5 Peer support group

Accelerators are the places that help to connect the founders and moreover, build a tighter relationship. For sure that the founders, entrepreneurs can occasionally meet each other in some kind of events for start-ups, monthly meetups or hack days. But it is still hard for them to meet frequently unless they are in the same building and work together in the program within several months. More importantly, by working together, they can actively support each other and provide invaluable advice, guidance since they all go through the same difficult periods and in the same stage when starting their businesses. This can create an encouraging environment for the start-up founders and they do not feel alone in their journeys.

Additionally, the importance of alumni network has to be emphasized in this part. Both success or failure stories from predecessors are meaningful to founders in the programs. The lessons behind those stories are definitely what other founders need to know in order to set their future goals and prevent the obstacles. It was said by Harj Taggar about the power of Y Combinator's

alumni network that no investor can screw over a start-up in Y Combinator's program. Because just after a few hours, all people in the network (about 450 people) will be announced about it (Miller & Bound 2011).

3.6 Pressure and discipline

Participating the accelerator programs means the founders have to one hundred per cent concentrate on their projects. In order to do so, a number of deadline and frameworks are set and they need to follow. Not only that, there are regular meetings with the management team to review the progress, therefore the founders have to discipline themselves to finish their deadlines. According to Paul Rawlings, an entrepreneur with many years of experience, a founder of Screenreach, it is attractive to be in a forced progress. (Miller & Bound 2011.)

Screenreach, when they decided to take part in The Difference Engine program, did not expect what they can get from the mentors in the program. They simply wanted to have time to work on their project and to be not distracted by external factors. Surprisingly, the value that they received from the mentors was unexpected. Just within a month, they had to pitch their ideas to more than 80 people and understand their market: what they want and how to sell. Not only that, one of their mentors actually became a part of their start-up as a COO. After the program, from a two-member company, they increased to 20. (Miller & Bound 2011.)

3.7 Risk management – Long term view

In order to succeed, the start-ups need not only a good idea but also a bunch of business management processes. All start-up founders are afraid of the risk to fail. Obviously, they need to understand the target market and see if their products or services are suitable. The execution of business functions in the start-ups such as marketing, HR management, finance, pricing and so on play an essential role, however, most of the start-up founders do not have enough experiences in these fields. Working in accelerators, the management team and also mentors can help start-ups to identify the risks and instruct the way to prevent them.

On the other hand, it is quite difficult for the start-up founders to have a long-term vision for their business, about more than 6 months. But working with a further view and objectives is extremely necessary, and the accelerator will be the one who can help the founders think outside the box by asking questions which can disembroil the difficulties. They can somehow assist the founders to think about a bigger picture and then after that, advise possible tactics and tools to achieve the objectives. (Gibbons 2018.)

4 CASE STUDY: KIUAS ACCELERATOR PROGRAM

Kiuas Accelerator is the program designed for early-stage startups located in Helsinki, Finland. The duration is 10 intensive weeks during which the founders will receive thorough coaching sessions on all aspects to establish a business for example: legal, sales, funding, tech, marketing and so on from top-notch professionals and entrepreneurs in Northern Europe (Kiuas Accelerator 2018). The organisation behind is Aaltoes which is founded in 2009 and is the starting point for more than 500 projects and start-ups (Aaltoes 2018). The following chapter will also indicate the startup ecosystem in Finland currently using data from lastest sources. The Kiuas Accelerator part is written based on the document provided by Aaltoes and Kiuas Accelerator and from the interview with the leader of Kiuas Accelerator program, Vilma Viala. Vilma is an active member of Aaltoes. In 2017, when Kiuas Accelerator was fully rebranded from the former program Summer for Startup, she became the leader of program.

4.1 Finnish startup ecosystem

Although being the sparsest populated country in the EU (about 5.4 million people), Finland get more than 10% of the existence of the start-ups in the all over the world. Within the last five years, Finland can see the appearance of at least one billion-dollar a year. According to the CEO of Finpro, Markus Suomi, Finnish start-ups are having a tendency to be purchased before they can list. And it's not something to be surprised since there are more than 500 start-ups just within the Helsinki area. Finland is coming to the dreamland for gaming startups, in 2015, the revenue in this field reached $2.4 billion. Additionally, other areas are growing very fast that many investors want to jump in, for example, fin-tech, clean tech or food services. Finland now is considering start-ups as their priority and wants to take advantages of young entrepreneur generation to make a huge impact on the future. (Armstrong 2017.)

But what makes Finland become a hot spot for start-ups more than ever? In 2018, the start-up scene in Helsinki is ranked the 1st according to the Global Startup Ecosystem report by Startup Genome, specifically, when it is discussed about the local relationships among the experts, investors and start-up founders. The community affects directly to the performance of the ecosystem, hence, the higher relationship within the community can lead to the higher

ecosystem's performance in the aspects of start-up valuations, output and value. Marja-Liisa Niinikoski, the CEO of Helsinki Business Hub believed that Helsinki is so strong that it can solve the greater global challenges by possessing the best collaboration among the start-ups, cities, research institutes and big companies. In addition, due to the small market in Finland, they are aiming to expand to the global market and that is the reason why they have to work together and therefore, become a stronger community. Still, according to the report, Helsinki presents a high level of local connectedness in the world where the founders are willing to help each other rather than compete against. Nowadays, it is not only about the game industry when people talk about Helsinki start-up scene but also artificial intelligence and health are their strengths. (City of Helsinki 2018.)

Notably, the Finnish start-up scene has developed significantly over the years. The Finnish startup investment result was published by FiBAN and Finnish Venture Capital Association (FVCA) in 2016, showed the 42% increase in the startup investment comparing to 2015 and reached the new record. €383 million euros were invested in more than 400 start-ups in 2016. The statistic indicated that the Finnish venture capital investments reached €80 million euros while the direct investments from foreign investor achieved €216 million euros. Besides, the investments from Finnish business angels and other sources were rising considerably. (Fiban 2017.) The figure below will show the statistics about both private and venture capital investments in Finnish companies in 2016.
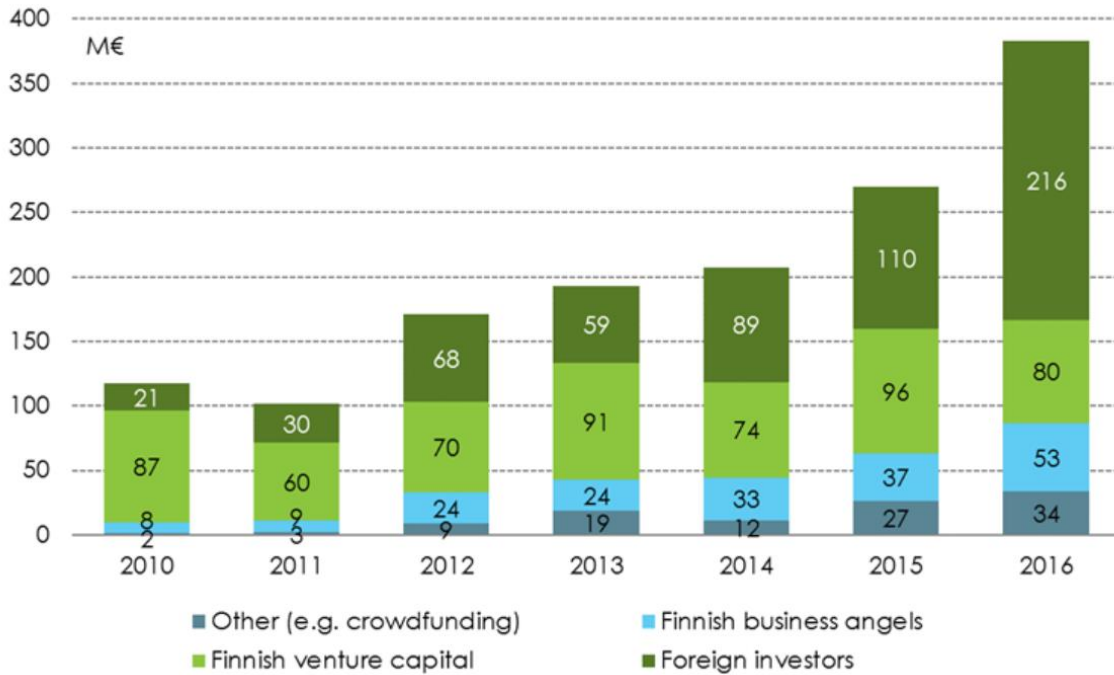
FIGURE 3: Private and venture capital investments in Finnish companies in 2016 (Fiban 2018)

In 2017, one more time, the Finnish start-ups set a new record, the foreign investments to Finnish start-ups and early-stage companies increased by 33%, attracted €208 million euros. That means the foreign investors are attracted by the Finnish ecosystem since it is also the home of the biggest start-ups event in the world, Slush, and the largest start-up hub in Nordics, Maria 01. The attendance to Slush event was 40% higher than in 2016 with more than 1600 investors from 68 countries. (Närhi 2017.) It somehow proved the excellent quality of Finnish start-ups and the attraction of the ecosystem.

The culture also plays an important part in the success of the scene. During too long and dark winter in Finland, people may not have other activities than focusing on developing their start-ups. The typical Finnish attitude is to get thing done and create as low a barrier as possible. The business circles are quite close in Finland which makes it is much easier for people to network. Also, the community is open and encouraging, people are happy to share experiences and knowledge. They have made a solid history of doing things together as opposed to contending. (Armstrong 2017.)

4.2 Overview

The story started from a student run organization named Aaltoes which consists of all people fascinated about entrepreneurship. In the organization, all members are encouraged to try out new ideas and Aaltoes will stand behind and continuously support. Back to 2008, when the entrepreneurial mindset was not popular in Finland and becoming an entrepreneur was considered "the worst decision" that a person can make, a student group from Aalto University wanted to make a change. After the trip to MIT and a meeting with a Nobel laureate, Bengt Holmström, Aaltoes was born with the ambition to set the foundation for entrepreneurship activities in Finland. An old warehouse was their first office which, nowadays, becomes the top co-working space in Nordic - Startup Sauna. In the series of success stories from Aaltoes, Slush is the evidence that has to be mentioned. From a few hundred attendee event in 2011, Slush becomes the biggest startup event in Europe hosting 17500 guests and funding for many startups in 2016. Project Startup Sauna and Summer of Startups were two accelerator programs kickstarted in 2010. (Aaltoes 2018.) While Startup Sauna targets later-stage startups which have a fixed team and a clear vision for their startups but want to enhance their skills and so on, Summer of Startup focus on earlier-stage startups which are taking the first steps to form their own startups. Later on, Summer of Startup was fully rebranded into Kiuas Accelerator with the mission:

> Kiuas facilitates the creation, development, and the transformation of high value business ideas into early-stage startups.

(Kiuas Accelerator 2018)

Dissimilar to other accelerators, Kiuas Accelerator is non-profit and does not ask for any equity in exchange while providing the support for the chosen teams. It is the only accelerator program which accepts the startups in the idea stages with the low-barrier entry and offers low-risk environment. They realized the demand for this kind of program is high because 15 000 students from Aalto University becoming more and more entrepreneurial. The applications are more than 100 teams and the number is growing considerably every year. (Kiuas Accelerator 2018.)

And being supported by Aaltoes, Kiuas possesses a huge collection of experienced entrepreneurs and mentors in the network of Aaltoes. Kiuas Accelerator program receives 10

to 15 startup teams created by students and recent graduates who are having a business idea. The chosen teams are provided a low-risk environment to develop and try their first step as entrepreneurs. During the program, the team will receive a comprehensive coaching session from the best entrepreneurs in Finland and experts from multiple business sectors. Aaltoes and Kiuas team will assist the chosen teams with marketing and PR support. Not only that, they are given the access ability to the venue Startup Sauna 24/7 and funding to cover their living expenses during the program which helps them to concentrate completely on business development.

Kiuas Accelerator program is organized in the summer, normally from the beginning of July until the beginning of September. The program is wrapped up by a Demo day on the last day of the program. In the Demo day, all the teams can present their ideas in front of about 400 to 600 guests include investors, students who will be the first ones witness their amazing ideas.

The average number of companies founded after each batch is from 3 to 5 companies whose revenues have reached over millions. Their alumni profile is also extremely powerful for instance Catchbox, the producer of throwing microphone or Venuu which is the online platform for finding the venues for events (Kiuas Accelerator 2018).
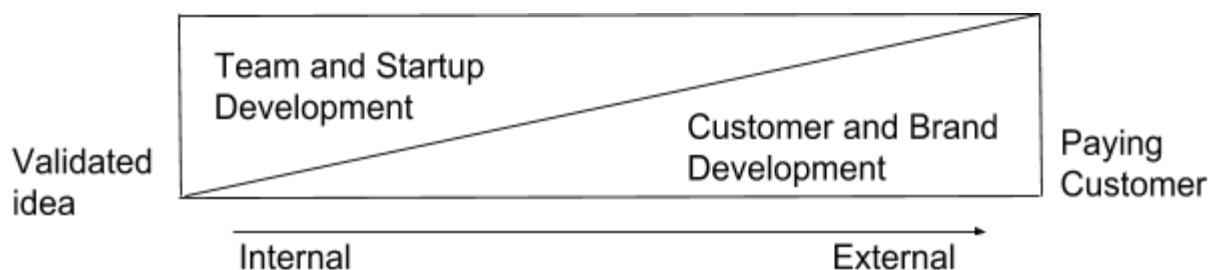
4.3 Program vision

FIGURE 4: Vision of Kiuas Accelerator Program (Kiuas Accelerator, 2018)

Kiuas Accelerator program provides full packed internal to external supports for chosen teams. Internal support is to help the start-ups build their team, culture and develop their start-ups. The process is continued by adding more contacts of prospects in order to lead to external

support. The external objectives are to build the brand identity and position the brand in the market with the marketing strategies which tend to achieve the ultimate objective: having the first paying customers.
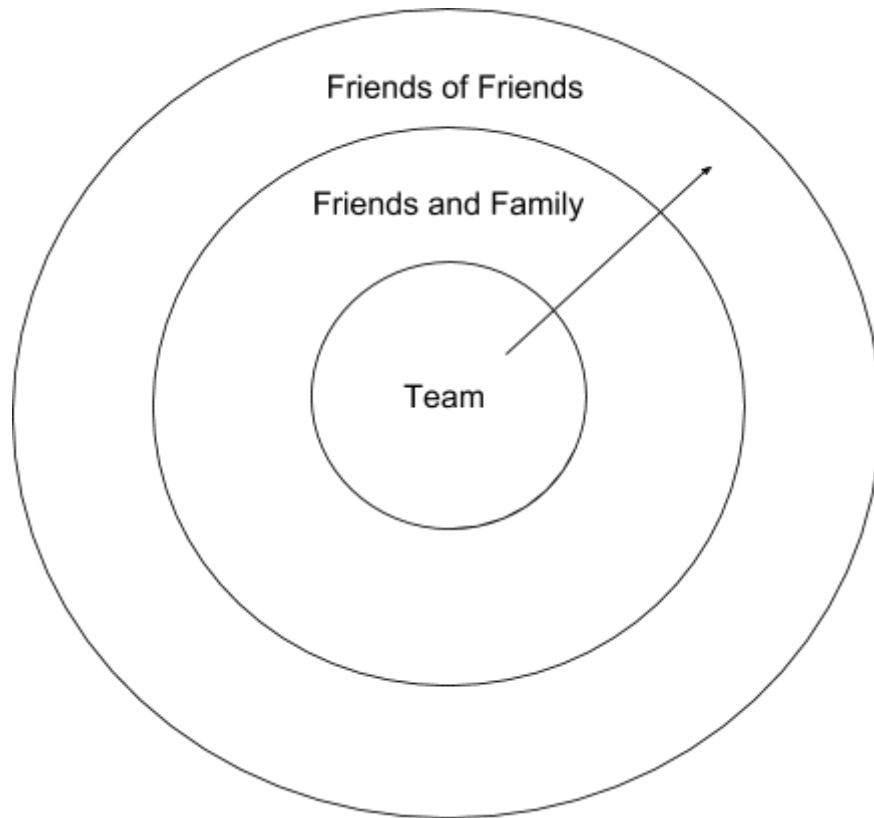
FIGURE 5: Vision to dominate the market (Kiuas Accelerator 2018)

The second approach in Kiuas Accelerator's vision is to dominate the market by expanding the network circle: from the internal network to public.

4.4 Five components of Kiuas accelerator

This part will analyze the case study Kiuas Accelerator program based on five key components which are mentioned in Chapter 2.

Strategic focus: As it was mentioned above, Kiuas Accelerator program is backed by Aaltoes, a student-driven organization and the biggest stakeholder of the program is Aalto University. Therefore, their strategy is to cultivate and encourage the entrepreneurial mindsets in students, at the same time, to shape and simulate the start-up ecosystem in Finland.

The strategic choice of Kiuas Accelerator program is very generic which is designed for start-ups from all industries and there is no vertical focus (Viala 2018).

Programme package: Aiming to prepare for the start-ups essential knowledge and skills before jumping to the market, Kiuas Accelerator program provides standardized program package and mentoring package.

First of all, the program offers the top co-working space Startup Sauna which is known as the focal meeting point for like-minded investors and entrepreneurs in Northern Europe. The 1500m2 co-working space is packed with meeting rooms, offices and 2 stages. Notably, Startup Sauna is the home of the biggest start-up community in Europe. It is the open space with full of energetic people who love to support and empower each other. All teams that are accepted to be in the program can receive a keycard which allows 24/7 access to the venue and also the chance to get to know people in the community. (Kiuas Accelerator 2018)

The general workshops are organized once or twice a week for all teams. The workshops' topics cover almost every aspect that the teams need help with. Along with the workshops, individual mentoring sessions are available in the program. The team will have the opportunities to access to excellent mentor pool and discuss with them even outside the program. There are 8 aspects which the program will cover during the workshops and mentoring sessions:

- Sales: emphasize the importance of sale strategy and create a customized one for the teams for example: what channels can try to approach and who will do it, how to create an impressed sales pitch.
- Product: the design of products or services, software/ hardware development, technical capacity, website, etc.
- User: what is the target group for the start-ups, user experience and customer behaviors, service, and satisfaction.
- Marketing: offline/ online marketing strategy, digital/ physical channels, organic and paid marketing skills, how to generate the leads, etc.

- Financial, investment, and funding: general knowledge in term of cash flow, financial statements, equities. Also, the advice to prepare for investment calling, how and where can get it, common mistakes should avoid.

- Legal: Agreements with stakeholder, employment contracts and the how to make the deal for partnership.

- Pitching: enhance pitching skills, pitch deck structure instruction, how to interact with audiences and the preparation for Demo day.

- HR: how to build and motivate the team, where and how to recruit talents, leadership skills, etc.

(Kiuas Accelerator 2018.)

Unlike other accelerator programs, Kiuas Accelerator holds traditional BBQ-event every Wednesday during the summer program. The networking event is not formal but extremely relaxed setting where the team can interact with each other, discuss the new features of products or services. Moreover, they can get to know and become closer to the ecosystem.

Last but not least in the Programme package, a Demo day in the last day of the program. One-day showcase event attracts more than 400 startup enthusiasts, experts, professionals, investors, media representatives. The Demo day is the occasion for all start-ups to present their products or services – with everything that they are learned and prepared during the program. There are stage shows, interactive demo booths in the Demo day and it is closed by an afterparty. (Kiuas Accelerator 2018.)

Funding structure: Kiuas Accelerator is a completely non-profitable program and the majority of people organizing are students and they are building the program voluntarily. Therefore, the sponsors from partnership play an important role in Kiuas Accelerator. The chosen teams do not have to pay any kinds of the fee during the programs and there is no equity is taken from them. On the other hand, all teams can receive the financial add to cover their living expenses and the prices for the winner in the Demo Day. (Kiuas Accelerator 2018.)

The partners who sponsor the program can receive a benefits package for visibility and branding and the interaction with the teams. All fees are used only for running the program. One of the biggest sponsors is Aalto University and followed by venture capital, huge tech companies, and the alumni from Aaltoes network. (Kiuas Accelerator 2018.)

Attending to the program, each team will receive a financial aid during program period up to € 2 500 per month. This amount of money is calculated for the team to cover their basic living expenses when taking part in the accelerator. (Viala 2018.)

FIGURE 6: Kiuas Accelerator' s application process

Selection process and criteria: The only application period is open in one month from the middle of March to April. Applicants have to answer 8 questions which aim to get to know the team behind projects, the business ideas and the stage of their projects. The list of questions is shown in Appendix 1.

The online application round chooses 25 to 30 companies from more than 100 applications. According to Viala (2018), the most important criteria they used to filter the applications are whether they have a strong team behind or not; if they have any potential to scale and if Kiuas Accelerator helps them to develop? The selected team will move to the next round which is interviewing the whole team. In this round, Kiuas Management team with a coach will see how the team presents themselves as the founders of their startups. They mainly focus on the energy of the team, how consistent they are with their projects and their pitching skills.

Alumni service: Kiuas Accelerator considers their alumni network as their invaluable asset. Trying to keep in touch with the team, Kiuas Accelerator constantly updates the news from their post attendees and provide support as much as they can. In the Demo days, all alumni are invited to attend to meet all community, share their stories and discuss with the current participants as well as invited investors.

4.5 Feedback from founders after programs

After each batch, Kiuas Accelerator always collects the feedback from attended teams in order to understand what their opinions are and what they get after the summer and how the management team can improve in the future. From the programs, the young founders can avoid a number of mistakes that they often make. Not only that, the accelerator plays an important role to build their team and encourage the teams to work harder. One of the most important things which Kiuas Accelerator gives their teams is valuable contacts and connections which the young founders cannot have without the program. Especially, Jasu Koponen, the co-founder, and CEO of Venuu said that only within 10 weeks, their companies developed from the idea stage to having more than 20 paying customers. (Kiuas Accelerator 2018.)

6 DISCUSSION AND RECOMMENDATIONS

There is no doubt that the emerging of the accelerator program is an opportune reply to the rising of start-up phenomenon. By providing sufficient support, the accelerator program can help start-up founders step out of their comfort zone and moreover, accelerate their start-ups to the next level and be ready to go to the market. The considerable rising of accelerator program reflects the rising in demand of start-up founders and the development of startup ecosystem as well. However, the term is still very young and they are trying to shape themselves. Although there are main features that help to define the accelerator programs, the accelerators have own ways to present themselves and it is more or less modified compared to the original definition. The thesis has shown three main archetypes of the accelerator, but in reality, there are more than that number and they might be the mixture of those archetypes. Let's take Kiuas Accelerator Program as an example, they seem to belong to the ecosystem accelerator archetypes except that they are not sponsored by government. Therefore, it does create many confusions for any founders who are looking for this type of programs. However, the most essential thing that a founder should keep in mind while looking for an accelerator program is that how the program can help them to develop. First of all, the founders should consider what stages they are in and what kind of help that they are looking for. Then when looking for programs, take time to look at their program packages carefully, their mentor profiles and networks. The accelerator should provide workshops which can fulfill the shortage of attending startups, additionally, the network and connected industries behind the accelerators should be helpful for their attendees. Especially, the successful profiles of their alumni can also indicate the effectiveness of the programs.

According to the interview with Viala (2018), from accelerator management team's perspectives, she gave the valuable recommendations for the start-up founders who want to attend the program. The recommendations will be around two aspects: tips for the start-up founders to be accepted in their desirable programs and how the founders can get the most from the programs. As it is mentioned before, the criteria the accelerator management team uses to pick the teams are:

- Strong team: a good idea cannot make anything without an amazing team. The background and experiences of people in the team should be relevant and helpful to their project. The consistency of the team and the passion for start-ups.

- Potential idea: it can be proved by the number of prospects that they have contacted, how easily the idea can be validated and scaled.
- The ability to support: the accelerator will consider the need of applicants and see if they can provide necessary support. For example: if the stage of start-ups is too far away and not far enough, the accelerator wants to make sure that they can push their start-up teams to move forward. Or if the start-ups require specific support from the industries, and the accelerators do not have enough resources to help them.

Additionally, during the interview round, the accelerators want to see the level of energy, how the team can present themselves, how dedicated they are, and basically, it is all about interpersonal not achievements. Not only that, the prototype is another important factor: their websites, their demo products (if it's available) and so on. After filtering and assessing the online application form, the accelerator team wants to understand more about the team, they want to see them in reality and feel the energy of the startup teams.

The second aspect is how the founders can get the most from the program. The most crucial thing is that they should take advantage of the network they are involving in. It is a great channel to connect with potential investors, business co-operation and potential customer. In addition, the founders should try to talk to as many people as they can. In doing so, they can create greater attention to their products or services. Last but not least, they should 100% concentrate on developing their start-ups during the programs since they do not have to care about other expenses.

7 CONCLUSION

The thesis aims to provide an overview of the accelerator program for start-up founders who are confused about what kinds of start-up supporting program they should apply for. It provides the general definition of a start-up accelerator program which contains five key features. It is a very competitive program to apply in the cohort base which focuses on small teams and contains 3 to 6 intensive months with comprehensive program packages and mentoring packages. Not only that, the program also provides seeding investment to participating start-ups and take some equity in exchange. Besides, the main differences between accelerator program and incubator program can be seen clearly through their purposes, durations, application process and investment capital.

Additionally, five key components which help to shape an accelerator program and differentiate them from others are emphasized in the thesis. The strategic focus mainly depends on the supporters behind the programs and it defines the strategy for the whole programs whether to support the ecosystem or bring benefit to a specific organization. Also, programme package, funding structure, selection process and alumni service are important components. From the strategic focus, the thesis introduced three emerging archetypes of accelerator programs which are investor-led, matchmaker and ecosystem. They all have customized-program packages that can provide the best support to the teams. Not only that, the funding structure heavily depends on the sponsor organizations. The selection processes are quite similar to the online application and interview round, but the criteria to select is varied. They all agree on the value of alumni network by organizing and continuously supporting the start-ups even after they graduate from the program.

There are quite many benefits that the start-up founders can derive from the programs. Especially, they can have the access to the network of experts, professors, entrepreneurs and investors which is very difficult to get without accelerator program. The start-up founders can also enhance their knowledge to establish their business and essential skills to foster the start-up.

The Kiuas Accelerator program case study provides the insights of an accelerator program in reality. In the case study, the Finnish startup ecosystem is introduced as one of the hottest start-

up hubs in Europe. It is developing considerably and gets more and more attention from the foreign investors. Kiuas Accelerator program is an accelerator program based in Helsinki, Finland and backed by Aaltoes, the biggest student-driven organization for entrepreneurship. The detailed analysis is based on five main components which are written in the theory part. Their strategy is to stimulate and support the start-up ecosystem in Finland and their strategic choice is very generic.

The last part is the discussion around the accelerator concept and the recommendations for start-up founders. The concept is young and developing, therefore, there are more than three archetypes in reality. Most importantly, the founders should keep in mind what they need from programs to pick the most suitable one. The recommendations are given by the leader of Kiuas accelerator program which provides the advice to apply to accelerator programs in two aspects: tips for the start-up founders to be accepted in their desirable programs and how the founders can get the most from the programs

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Online application's questions

1. What is your team's name?

2. Who is your contact person? (name, email, number)

3. Who are your team members and what are their roles/backgrounds?

4. How have you validated your idea? (e.g how many customer contacts have you had, what methods did you use and what was the feedback)

5. What is your unique competitive advantage?

6. How do you plan to make money?

7. What do you wish to achieve from Kiuas Accelerator?