



The Good, the Bad and the Ugly of Corporate Accelerator Programmes



Introducing The Whitespace Corporate Innovation Club

The Whitespace Corporate Innovation Club is a community of over 40 international and global corporate brands with a shared passion and interest in using innovation to help create different and new experiences and revenue models. The senior representatives from the different corporates either have a direct remit around driving innovation on behalf of their company or are a key contributor to it. The purpose of the community is to learn from each other – both successes and failures – but also learn from invited subject matter experts around specific topics or themes.

The Club meets bi-monthly and is always hosted by a Club member and chaired by Whitespace. The topics to be discussed have been collectively agreed by the members to have relevance to them and ones where they can both share and learn from. Depending on the topic external experts are invited to present, engage and provoke an honest and open dialogue amongst all the members.

This is the first report and output from the meeting of September 28th and is an aggregated commentary drawn from the presentations and open dialogue. Chatham House Rules are applied to help foster an open discussion. As such no individual or company will be attributed to any commentary and the opinions reflected in the reports are a collective summary rather than a specific opinion stated by any one member.

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Meeting Theme

The September meeting of the Corporate Innovation Club sought to explore the practicalities of implementing a meaningful corporate Accelerator programme, looking at 'the good, the bad and the ugly' of past initiatives, while learning from invited expert presenters, as well as the experiences of the Club's own members.

While pragmatism and frank reflection defined much of the discussion, the gathering also asked an important question: why do corporations run Accelerators, and who do they do it for?

The discussion also gave voice to start-ups that have passed through several different Accelerator initiatives. Importantly, that provided fascinating 'customer feedback' on the Accelerator process, and provided a chance to understand the opportunities and challenges of joining such a process from the end-user point of view.

Key Takeaways

Why implement a corporate Accelerator programme?

While attendees of the meeting largely brought experience of running an Accelerator, a broad sense prevailed that many corporations are taking on such initiatives for potentially undermining reasons, or spending too little time on the planning, and too much time on the race to execution. Based on discussions ignited by the presentation by invited guests Startupbootcamp, three broad themes surfaced as to the why:

- **Brand storytelling:** Seeing Accelerators only as a marketing operation or as a means to 'keep up with the Joneses'.
- **IP incubation:** Believing they are purely an investment opportunity or means to make technology and talent grabs.
- **Sparking different thinking:** With a recognition that it can be challenging to disrupt business models and create new customer experiences through internal teams and thinking, Accelerators can be used as a way – especially when themed by a technology or industry vertical – to create new thinking from tech founders.

While corporate Accelerators can indeed provide marketing and investment functions, it was suggested that a corporate must have a more open-minded, less linear sense of the benefits, while thinking carefully about what the start up teams gain. A good programme needs well-defined give/gets, and transparency with this upfront. On that point, discussion turned to the merits of adopting a 'lean start-up' strategy to de-risk and create a new system, which complements and engenders innovation. A well-designed Accelerator can give the corporate's staff involved a chance to deep dive into new areas to develop their skills and experience, and bring that back into the company and help create greater understanding of 'how' and help better inform the 'why'.



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Practical insights into making a corporate Accelerator productive and sustainable

- Without support at a CEO level, many Accelerators are doomed to fail. Top down engagement gives the air cover and helps accelerate execution.
- Make sure your staff with practical, day-to-day experience of the core practice of your business are at the front lines of your Accelerator, meeting the start-ups and mentoring. Recognise and understand though that a corporate culture and approach is not one that founders may naturally get or understand. As with any successful partnership the expectations for each party must be clear, communicated early and delivered upon.
- C-suite staff may expect predictable returns and low risks. Be careful to communicate that the benefits of corporate Accelerators are generally far from tangible or inevitable. Where possible, endeavour to craft workable metrics to record impact and results and don't work to corporate quarterly or fiscal year cycles.
- Recognise that operational processes and procedures may not work well when engaging with relatively early stage fast growing start-ups – start-ups being approved as a vendor to a corporate was cited by a number of members as being challenging. Corporates should consider a different operational approach as part of a building an Accelerator programme.
- Corporate staff involved should regularly report back to senior teams and C-suite, with clearly structured feedback, and employing an honest appraisal of good and bad outcomes, while considering a comfort level in hitting the refresh button if needed.
- A rushed Accelerator is a wasted opportunity. Give the Accelerator time, in preparation, execution, and at the post-mortem stage. Do not be driven by corporate FY requirements.

How do start-ups see corporate Accelerators?

What start-ups want from corporate Accelerators seems clear. They hope to gain mentorship, insights from voices of experience, networking opportunities, business development direction, and education on skills outside those at the core of their emerging business.

However, it appears many start-ups are today spoiled for choice with the sheer number of Accelerators available, where many do not project or assert a clear framework, aim or focus, and where some are more demanding of start-up resource than they are helpful. Equally, the number of corporate Accelerators today has made many start-ups 'Accelerator savvy' and 'Accelerator fatigued', and as such, start-ups can readily identify Accelerators that are a 'marketing play' or have less than useful motives.

Finally, many start-ups are immediately suspicious of Accelerators that require giving equity as a default of joining up, and greatly favour those with a clear focus.



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Identifying the disconnect between start-ups and corporates

Start-up culture, experience and practice is – particularly in this context – very different. As such, much effort must be put in to exactly how the two are connected so as to deliver an Accelerator with outcomes that benefit both sides. Successful Accelerator programs have focused on communication, managing expectation both of start-ups and C-suite, and offering goals and focus should be clearly defined. Additionally, it was generally agreed that the aforementioned metrics to measure innovation progress could be adopted.

Final thoughts...

Simply put, if the impact cannot be identified, felt or qualified, it may be time to radically restructure or entirely abandon your corporate Accelerator.

For Further Discussion

- How to address where industry regulation and Accelerator process are in conflict.
- What tools, technologies and methods exist or are needed with regard to tracking impact and results of corporate Accelerators?
- What areas do Accelerators currently fail on? HR, hiring and legal advice have thus far been highlighted.

Further Reading

The Nesta report 'Scaling Together: overcoming barriers in corporate-start-up collaborations' www.nesta.org.uk/publications/scaling-together-overcoming-barriers-corporate-startup-collaborations was recommended as essential reading with regard to better understanding collaborations of this nature.

If you would like to find out more about the Whitespace Corporate Innovation Club please contact Andrew Webber from Whitespace at andrew@whitespaceventures.com



Whitespace is focused on helping high growth technology startups build a strong and repeatable business as quickly as possible. We do this by learning from startups and Corporates that we closely partner with and the combined experience of our founders. We identify the common areas where startups struggle or make mistakes and we build Intelligent Cloud technology solutions to break down barriers to entry for the founders around business planning, investment raises and professional services that are needed to help mature and scale their businesses.