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What is a startup accelerator?

January 15, 2023

There are two types of accelerators: accelerator for startups and for existing entrepreneurs. The most popular is startup accelerator.

There are over 200 startup accelerator programs in the United States — many more globally — and they differ in approach, focus, cost and effectiveness. The well-respected [Y Combinator](https://www.ycombinator.com/) and SVB’s partner, [Techstars](https://www.techstars.com/" \t "_blank), are investor funded and work primarily with tech startups. Others are sponsored by universities, in the case of [Stanford University’s StartX](https://www.startx.com/), or by corporations — the latter is particularly true for healthcare startups.

Private startup accelerators can provide funding, and the money helps cover early-stage business expenses as well as travel and living expenses for the three-month residency at the in-person startup accelerators. However, the funds and guidance come at a price. Just like any other equity funding, signing an accelerator agreement typically means [giving up a slice of your company](https://www.svb.com/startup-insights/startup-equity/startup-equity-dilution/). Startup accelerators generally take 5% to 10% of your equity in exchange for training and a relatively small amount of funding.

There is another type of accelerator (less popular), when its focus is not on new startup companies but rather on growth of existing companies. The Center for Entrepreneurship implements two types of programs. The ScaleUp accelerator is for existing entrepreneurs who are willing to grow existing business. The Startup Club program is for new startups.

Are startup accelerators worth it?

February 20, 2023

[Are startup accelerators worth it?](https://www.svb.com/startup-insights/raising-capital/startup-accelerator-right-for-you/) For most startups, the overwhelming answer is yes. First-time founders usually need a lot of support, and an accelerator can help you by: 

* Providing a playbook from past startups
* Making connections to investors
* Explaining the best ways to pitch
* Showing what a fund-raising cycle looks like

Accelerators can also connect you to subject matter experts to help you achieve product/market it or even help you develop a go-to-market plan.

Success stories abound. “I’m not sure we would have made it without Techstars,” says [EverTrue](https://www.evertrue.com/" \t "_blank) co-founder and CEO, Brent Grinna. In the years following its participation in the startup accelerator program, the company raised roughly $25 million in venture funding.

However, you need to choose carefully so you don’t end up giving away your time and [equity](https://www.svb.com/startup-insights/raising-capital/understanding-startup-cap-table/) in exchange for off-the-shelf help. While top programs boast of a large roster of well-known graduates, the number of[successful exits](https://www.growthmentor.com/blog/best-startup-accelerators/) and [amounts raised](https://www.seed-db.com/accelerators) drop off rapidly, according to reports in GrowthMentor and Seed-DB.

The Center of Entrepreneurship is providing startup programs like Startup club and StartupHuddle since 2016. More the 90% of participants reported that they saw substantial value in the programs