ACCA

SPACE TO GROW: NEW MODELS OF BUSINESS SUPPORT

Accelerators, incubators and accountants

Think Ahead

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SPACE TO GROW: NEW MODELS OF BUSINESS SUPPORT

ACCELERATORS, INCUBATORS AND ACCOUNTANTS

This report examines how alternative business support models, such as accelerators and incubators, are being used to allow more small to medium-sized enterprises (SMEs) and start-ups to achieve rapid growth and support their recovery post COVID-19. The report highlights the growing importance of small business support ecosystems and provides information for accountants and small and medium-sized practices (SMPs) looking to collaborate with these new support models, so that they in turn can develop bespoke professional advice and access new commercial opportunities.

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About accelerators and incubators

Incubators support business creation and development. They are typically physical spaces that provide additional services such as training and mentoring for entrepreneurs, access to networks and, sometimes, specialist equipment or facilities such as laboratories. They can be non-profit institutions set up by universities, governments, agencies, donors, or commercial enterprises set up by private sector companies and investor groups.

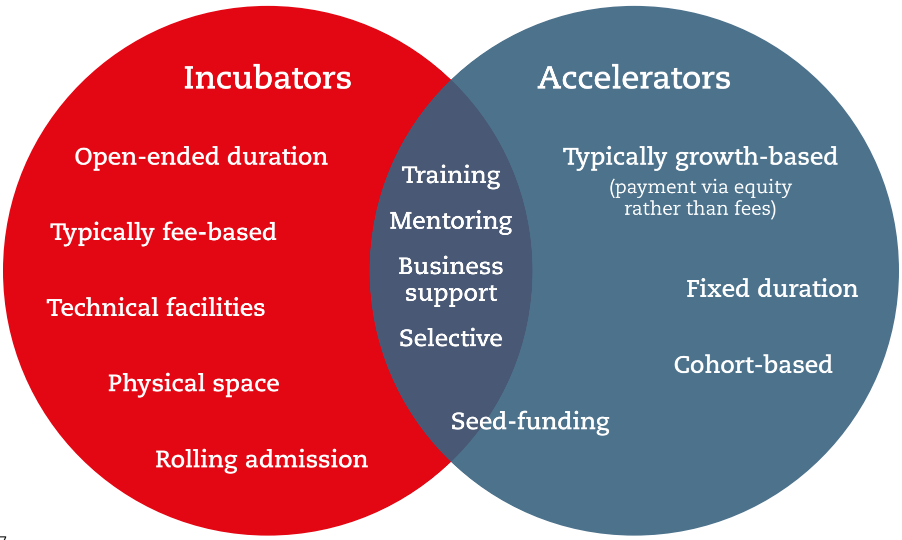
Accelerators focus on growth and have historically put greater emphasis on funding, although elements such as networking, mentoring and market access are increasingly seen as equally important. A key feature of accelerators is that they offer highly selective and time-limited programmes.

Figure ES1 graphically presents key distinctive features of accelerators and incubators as well as overlapping areas of support provided by both models. Experts interviewed for this report underline the increasing convergence between the two types of support models: the elements of both can often be found alongside each other in start-up and SME support programmes.

Accelerators and incubators are continuing to change the business support landscape

Depending on the country, incubators and accelerators can provide general business support and access to finance to a wide range of start-ups and SMEs, or in-depth support concentrated on specialised industry verticals and sectors. Their goals differ between countries and regions: in the emerging markets the aim may be primarily to foster

FIGURE ES1: Defining characteristics of incubators and accelerators



Source: Bone et al. 2017

entrepreneurship as an alternative to employment and encourage businesses that will themselves create jobs. Or they may intend to create 'clusters' of new enterprises and promote the country as a target for more inward investment. In more mature markets, such as the UK, incubators and accelerators may focus more narrowly on very high-growth sectors and candidates. Different goals have different patterns of risk: a high failure rate may be acceptable when the goal is to help investors to find the next 'unicorns', less so when it is to create a generation of resilient and self-supporting entrepreneurs.

Accountants can augment and support this evolving ecosystem

The role of incubators is generally either to fill gaps in existing support for businesses or to go above and beyond such support, as well as ensuring that businesses do in fact access that support. They cannot and do not attempt to replicate the accountant, and accountancy firms should not feel threatened by these models, but rather seek to join the 'ecosystems' that are growing up around them. This might mean access to clients or the introduction of their own clients to the right incubators or accelerators. Accountants can also learn from and replicate parts of the accelerator's and incubator's model in their own service offering.

Professional associations, such as ACCA, are also a natural partner for incubators and accelerators and can work with them to ensure that entrepreneurs get the highest level of professional support. They also play a valuable role in articulating business concerns at a policy level and helping to create a start-up-friendly environment

Finance and beyond: broadening the support base for clients

Assisting access to finance is a major role for accelerators and incubators, but advice and ensuring good governance are, if anything, more important. As well as introducing entrepreneurs to investors, accelerators and incubators will offer everything from a basic grounding in financial literacy to an understanding of the power of analytics.

For start-ups, the breadth of advice and access to communities of peers and networks of investors is more important than simple funding. In addition to practical advice from people who have faced or who share similar challenges, there is an emotional element of support and validation that is invaluable to entrepreneurs and their teams. Because these networks are also matching businesses with suitable connections, they create further opportunities: to trade and to partner and enter new markets, to innovate and adopt new technology. The key point is that these resources are blended: for example, start-ups select investors not just for their willingness to invest but also to add value from their experience, contacts, market access and so on.

Accountants, who are interested to replicate the accelerators and incubators models should therefore take a more holistic view of their clients' needs and ambitions and try to match it to what they themselves have to offer: in providing not just solutions to specific problems but access to communities and networks, to help their clients learn and develop, drawing on a broad mix of resources: financial, technological and advisory.

Incubators and accelerators foster responsible and sustainable enterprises

Some incubators and accelerators are very much targeted on a particular social impact, whether that be social inclusion, sustainability or other social benefits. But any incubator will be looking to set its entrepreneurs on a path which is both financially and socially responsible, pursuing not just growth but sustainability. The ecosystem mentality may have wider applications in promoting business resilience and sustainability more generally.

Impact incubators demonstrate how the support model can be fine-tuned to produce social outcomes. Incubators have been effective stimulators of entrepreneurship activities by women and people from ethnic minorities and other underrepresented groups. Some incubators focus on producing green products and disability aid or promoting financial literacy and employment.

New business support models will play a vital role in post-COVID-19 business recovery

COVID-19 has put extreme pressure on smaller businesses, many of which have had to close their doors as a result. Others have experienced extremely rapid growth. Many support networks have found their members and alumni looking to them for support, not to grow but to survive. A number of incubators and accelerators have activated their members and former members to work together for mutual support and to find innovative solutions to a range of issues thrown up by the crisis.

In this crisis, the tool sets developed by the incubators and accelerators have proved very adaptable: existing businesses may have been forced into start-up, or rather 'start-anew' mode, looking for new business models that will enable them to find new markets or serve existing customers in different ways, while coping with pressures on supply chains, logistics and finance. Others will have had to cope with the consequences of explosive and unexpected growth putting a strain on all their systems.

Accountants and small business support models – key points of synergy

Accountants can play a vital role in the new business support infrastructure and also complement it. Start-ups and growth businesses need sound financial management and data as they start and grow their businesses. Accountants and small and medium-sized practices (SMPs) can provide much more than mere compliance – they can become growth partners, and grow with their clients. Working with the accelerators and incubators might also mean access to clients or the introduction of their own clients to the right incubators or accelerators.

SMPs in particular can adopt some of the techniques and approaches used by accelerators and incubators and become "enterprise growth hubs" themselves. Some of the progressive practitioners combining their expertise powered by digital are already acting as accelerators and incubators for groups of high growth businesses and are also supporting the businesses seeking for support in their recovery or transformation post COVID-19.

The figure on the next page summarised some key points of synergy between the accountants, accelerators and incubators.

Enabling growth	Chief financial officers (CFOs) within SME sectors or SMPs acting as portfolio CFOs, looking beyond compliance, provide the expertise and insight needed to drive business growth and are often seen as growth enablers, which is aligned with the overall goal of small business support models, whether accelerators or incubators.
Early-stage start-up support	Accountants provide their clients with the solid financials and forecasting needed to enter incubation and acceleration programmes and pitch to investors. They help start-ups in telling their story using financial data. Start-ups often struggle to cover the costs of accountancy and accountants can offer support in exchange for support, particularly technical support, or even good will.
Access to finance	Finance is key to start-ups and accountants are best placed to guide their clients through the maze of finance options available and the pitfalls and benefits associated with each. They may even be able to connect their clients directly to sources of finance, possibly available within business support models, including accelerators and incubators.
Mentoring	Entrepreneurs whose businesses grow will be moving into unfamiliar territory which will challenge their business knowledge. Accountants who have developed their own business advisory capabilities will be able to both support clients in decision making and develop them as business leaders. Accountants are often invited to act as mentors on incubation and acceleration programmes.
External finance function	One of the key benefits of incubators is the 'back office' support they provide to entrepreneurs who may lack the skills to deal adequately with financial matters, or simply be better positioned for developing and promoting their business. Digital accountants can play a part in this, by providing packaged services, access to platforms or even a fully outsourced finance function.
Networking	Accountants can offer their clients a wide range of networking opportunities, both within their own client base and through their wider connections with the local or even global business community and support models such as incubators and accelerators. In this evolving ecosystem, accountants are collaborating with each other more actively to bring complementary skill sets to clients and small business support ecosystem.
Technology evangelists	Accountants and SMP firms are 'technology evangelists' for small business and the start-ups sector. They are at the forefront of wider small business digital transformation, not only implementing finance technology solutions, but also creating 'app stacks' within a particular app ecosystem or integrating 'best of breed' solutions tailored to small businesses. Technology is an important pillar for both the recovery and enhanced growth of the small business sector and accountants and those operating small business support models should see this as an increasingly interesting point of synergy.
Post-COVID recovery	Incubator and accelerator communities have risen strongly to the challenge of COVID-19 to create innovative solutions to problems created by the crisis, and to anticipate the needs of the post-COVID world. So have the accountancy community and SMPs, that were often referred to as the "emergency services" for small business sector working individually and collectively to keep thousands of small businesses afloat. As part of SME support ecosystem, the communities of accelerators and incubators and SMPs are expressing interest in further developing cooperation to support small business recovery.

Introduction

The events of 2020 have put unprecedented pressure on business: not merely to survive, but to adapt and grow in extreme conditions and compressed timescales.

New businesses and business models have adapted in record time, whether to address the pandemic directly or to deal with its consequences. This constantly changing business environment requires a sharp focus on the tools and resources that are available to support both fledgling and growing businesses.

Starting and growing a business is an inherently risky and difficult pursuit requiring access to a vast array of resources, from physical space and finance to professional services and learning opportunities. In the past, entrepreneurs might have sought this support from a variety of sources, such as government programmes and their bank manager.

The idea of bundling these resources together is not new: business incubators have existed in various forms since the 1950s, helping start-ups and early-stage businesses get through the initial hurdles that all new businesses face. Incubators support business creation and development. They are typically physical spaces that provide additional services such as training and mentoring for entrepreneurs, access to networks, and sometimes specialist equipment or facilities such as laboratories. They can be non-profit institutions set up by universities, governments, agencies or donors, or commercial enterprises set up by private sector companies and investor groups.

The concept became extremely popular as the dotcom boom became a bubble[1] and has gained renewed energy with the wave of innovation created by digitalisation. Accelerators are the more recent development, differing from incubators in focusing on the growth of established companies and start-ups, with an emphasis on mentoring, access to funding and networking. A key feature of accelerators is that they offer highly selective and time-limited programmes.

But increasingly these initiatives should be seen not as existing in isolation, but as part of a wider business ecosystem which both supports these models or replicates parts of them.

In this report, we examine how incubators and accelerators are being used to allow more start-ups and small businesses achieve rapid growth and development. We also separately discuss 'impact' accelerators and incubators, which seek to harness the power of the growth techniques used by 'mainstream' accelerators and incubators to address various social issues. Furthermore, we analyse how accountants can help their clients navigate this landscape and discuss the synergies that already exist or might emerge between the accelerators/incubators and accountants, all being part of the small business support ecosystem.

One might almost say that COVID-19 has acted as an accelerator for trends that have been developing for some time: some businesses have lived five years over the course of five months. Now more than ever, we all have to think like start-ups and consider the need to reinvent our businesses and ourselves. In this report, we therefore also look at the impact of accelerators and incubators to the recovery, share some success stories and reflect on opportunities association with COVID-19 for small businesses and start-ups.

This report also contains a collection of case studies from around the world that illustrate the diversity of the approaches used by, and opportunities within, the available support models. It also integrates the findings of experts' interviews throughout all chapters of the report.

1 Some internet incubators – such as Idealab, founded in 1996 – continue to this day, as do many of the companies they have fostered.

NOW MORE THAN EVER, WE ALL HAVE TO THINK LIKE START-UPS AND CONSIDER THE NEED TO REINVENT OUR BUSINESSES AND OURSELVES.”

1. **Incubators** and **accelerators:** what are they and how they work

1.1 What are accelerators and incubators?

There are no universal definitions of incubators and accelerators, and indeed they overlap in many of their offerings. The following definitions are drawn from the latest OECD report on incubators and accelerators (OECD/European Commission 2019) and UK Department for Business, Energy and Industrial Strategy (BEIS) report on business incubators and accelerators (Bone et al. 2017), but should not be seen as exhaustive or final.

Incubators support business creation and development. They are typically physical spaces that provide additional services such as training and mentoring for entrepreneurs, access to networks, and sometimes specialist equipment or facilities such as laboratories. They can be non-profit institutions set up by universities, governments, agencies, donors, or commercial enterprises set up by private sector companies and investor groups.

Key distinctive features of incubators' services include:

- open-ended duration (exit usually based on the stage of the company, rather than a specific time frame)
- typically rent/fee-based
- focus on physical space over services
- admissions are on an ad hoc basis (not cohort-based)
- often provide technical facilities such as laboratory equipment
- they supply their services on demand, including mentorship, entrepreneurial training
- selective admission
- emphasis on training and mentoring in business skills and developing the business idea
- networking with peers and other actors in the broader entrepreneurial ecosystem
- they supply finance from grants or seed capital.[2]

Accelerators focus on growth and have historically put greater emphasis on funding, although elements such as networking, mentoring and market access are increasingly seen as equally important.

A key feature of accelerators is that they offer highly selective and time-limited programmes. 'Accelerators more often base their business model on equity from the start-ups. This means that they are more growth driven, typically aiming to produce companies that will scale rapidly or fail fast, thus minimising wasted resources' (Bone et al. 2017).

Key distinctive features of accelerators' services include:

- fixed-duration programmes (usually between three and twelve months)
- typically growth-based (payment via equity rather than fees)
- they often provide seed funding
- focus on services over physical space
- admission is in cohorts
- provision of start-up services (eg mentorship, entrepreneurial training)
- highly selective
- like incubators, there are also 'virtual' variants – that is, programmes that do not offer physical space but aim to provide other services remotely.

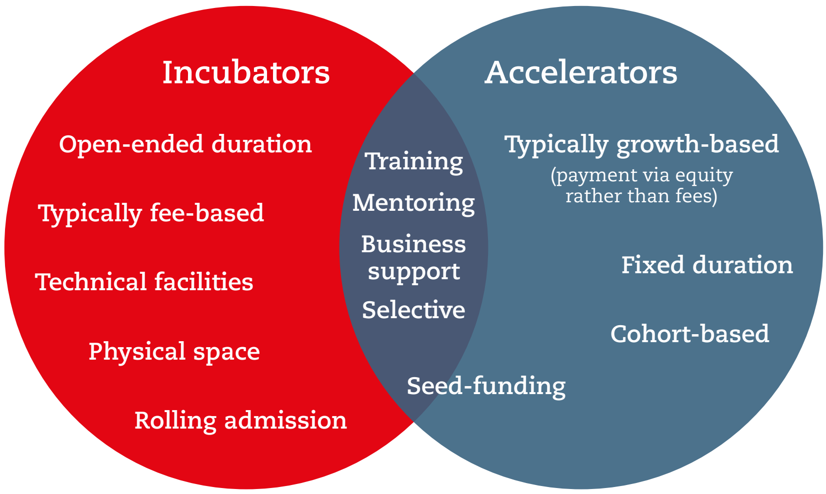
2 Seed capital is the capital raised to begin developing an idea for a business or a new product. (Investopedia, 2019).

Figure 1.1 graphically presents key distinctive features of accelerators and incubators and shows overlapping areas of support provided by both models. Experts interviewed for the report underline the increasing convergence between the two types of support models: the elements of both can often be found alongside each other in start-up support programmes.

Despite the overlap in resources and techniques, incubation and acceleration represent very different stages in a company's life cycle, and place very different strains on internal resources and founders. It is important that companies that need acceleration are treated separately if they are to prosper. Acceleration benefits from a more focused, often sector-based approach and is more resource and finance intensive; such services can be harder to find.

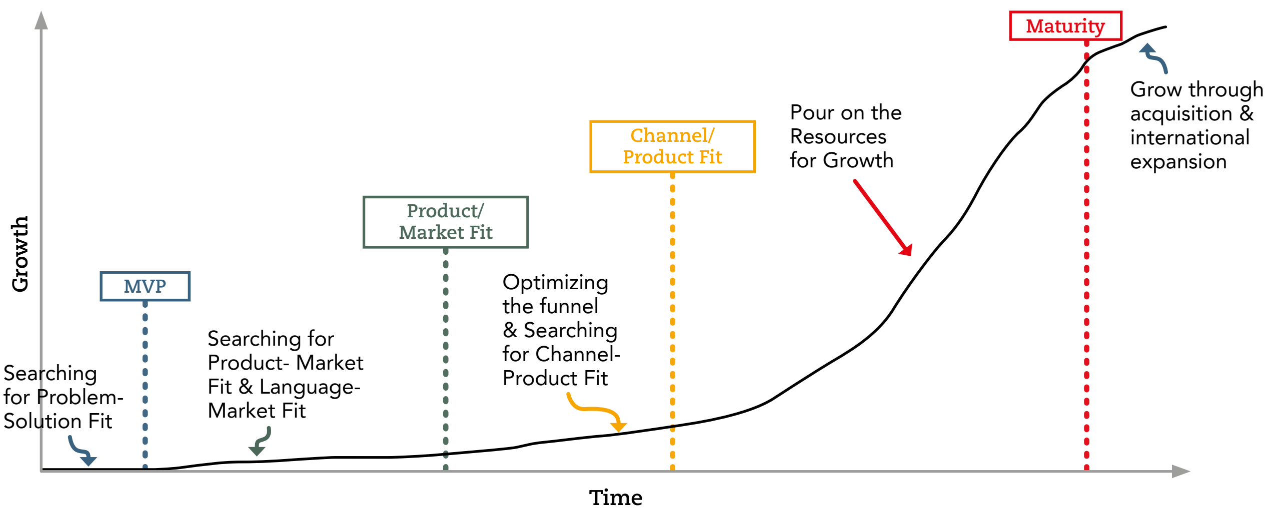
For financing, some of the accelerators and incubators ask for equity or fees for joining their programmes (some charge a nominal fee for the use of premises), others are financed by governments or universities, private sector or international donors. There is a growing trend of hybrid financing of the programmes – eg a combination of government and corporate sector as part of their corporate social responsibility (CSR) programmes.

FIGURE 1.1: Defining characteristics of incubators and accelerators



Source: Bone et al. 2017 adapted from Dempwolf et al. 2014

FIGURE 1.2: The five phases of the start-up growth life cycle



Source: Bass 2016

Figure 1.2 demonstrates various phases of start-up growth. Incubators operate very much at the earlier phases of the process, when the initial idea is being refined, and help start-ups gain access to markets. Acceleration happens during the steeper part of the curve. But these models are also about building resilience: start-ups and incubators will also be building the capacity of the business, both as a well-managed entity in its own right but also one which can draw on other resources such as mentoring and networking of the wider ecosystem. This model should therefore be seen in the context of a widening platform of support that underpins it, which will come from time-limited interventions, such as those of accelerators, and evolving relationships with the start-up community and professional advisers, such as accountants.

So, for example, a start-up at the minimal viable product (MVP)[3] phase might be put in touch with potential customers or channel partners to validate the founders' ideas. The next stage might involve seed capital to bring the product to fruition, accompanied by formal training or mentoring. Later on, access to talent might become more important, along with business matching and/or partnering. Incubators and accelerators often develop 'playbooks' which come into operation at different stages of the growth process. The growth curve on the right of Figure 1.2 might be repeated several times: locally, regionally, internationally, and might involve more than one formal phase of acceleration.

An important aspect of the incubator and accelerator experience is the creation of communities of start-ups and entrepreneurs: the opportunity to learn, cooperate with and be inspired by others are important motivations for joining a programme.

'THE REASON WHY WE PARTICIPATED IN CYBERPORT ACCELERATION PROGRAMME IS THAT WHEN YOU START A NEW COMPANY, IT'S QUITE A LONELY JOURNEY. YOU WANT TO BE IN A SUPPORTIVE COMMUNITY WHERE YOU CAN LEARN FROM OTHER SUCCESSFUL START-UPS.'

Fred Ngan, co-founder of Bowtie, Hong Kong SAR's first virtual insurance company

While Ngan always researches his subject deeply, he also feels that all the entrepreneurs have read the same books and that it is important to combine this with learning from peers and mentors.

'I know that some unicorns have scaled up very fast, so I just reach out to them and ask them "how do you do it? Where do you get the best engineers?"

'When reaching out to them, I am always surprised how willing they are to give us time and share their experience, all the ups and downs that every entrepreneur face from marketing to product development', says Ngan. 'We're learning a lot from the community'.

Over time, the cohorts of entrepreneurs evolve into a much wider and more established community. Businesses partner with each other, entrepreneurs return to the programme to offer mentoring or for more support, and their employees leave to form start-ups of their own.

Dirk Bischof, founder of the Hatch Enterprise, providing community-based entrepreneurship programmes to emerging entrepreneurs, noted: 'It's the community feeling of people who are on the same level with you, hustling hard, going through the daily grind [with] their business start-up or growth [phase]. The peer-to-peer connections are as important, I think, as the relationships between a mentor and a founder or a coach and a founder, the peer-to-peer stuff is critical'.

For the purposes of this report we will not look at incubators and accelerators in isolation, but as parts of an evolving ecosystem supporting start-ups and growth-phase SMEs. Some programmes (see The National Association of Software and Service Companies in India (NASSCOM) case study on page 30) offer multiple strands of incubation and acceleration which companies can move between. They should also be seen in the context of evolving offerings such as peer-to-peer crowdfunding and flexible workspaces such as WeWork.

3 A minimum viable product (MVP) is a version of a product with just enough features to be usable by early customers who can then provide feedback for future product development. (Wikipedia).

CASE STUDY: MDEC Malaysia – Think big, start small, scale fast

Since 1996, Malaysia Digital Economy Corporation (MDEC) has been behind Malaysia's push to build a knowledge economy.

This included the Multimedia Super Corridor. It was a twofold strategy, firstly aimed at attracting multinational tech companies looking for R&D, innovation and shared service centres, while at the same time building a critical mass of SMEs. In current situation with global shifts in innovation and digital transformation, MDEC has 3 key thrusts – digitally skilled Malaysians, digitally powered businesses and digital investments.

According to Raja Segaran, strategy and research head at MDEC, SMEs are one of its biggest priorities in positioning Malaysia as a leading digital economy within the Association of Southeast Asian Nations (ASEAN).

MDEC has created and built DTAP, the Digital Transformation Acceleration Programme, which helps companies to digitise and automate with a structured approach, focusing on specific outcomes such as productivity, new sources of growth, and reducing the use of foreign, semiskilled and unskilled workers. This approach is pursued via Digital Transformation Labs, which help companies implement new technologies and develop digital strategies and goes beyond merely funding the acquisition of tech products and services.

'We've already identified up to seven solutions to start with, for example, a point of sales, digital marketing, HR [human resources], accounting solution, remote working and e-commerce', says Segaran.

'WE HAVE THIS PHILOSOPHY, *"THINK BIG. START SMALL. SCALE FAST".* IT'S LIKE A MANTRA'.

The programme initially focused on the services sector including services around manufacturing and agriculture. Now MDEC has launched DX, its Digital Accelerator programme, to target SMEs and help them gain access to support, funding and incentives and adopt the right digital solutions for their business and increase their level of comfort with digital technologies.

'We have seen people's income increase by about ten times from what they were before. But how do we change the mindset of these people, and how do we move them up? It's not a one-size-fits-all approach'.

As in many areas, the pandemic has accelerated the move to digital in Malaysia. MDEC launched the programme 'Digital versus COVID', which brought together over 80 tech suppliers who offered discounted and free products and training to SMEs and micro businesses. Segaran says:

'FOR EXAMPLE, FARMERS HAD DIFFICULTY IN SELLING THEIR VEGETABLES, BECAUSE THE MARKETS WERE CLOSED, AND THEY REALISED "I CAN'T JUST RELY ON LOGISTICS ALONE, AND BRICK AND MORTAR, BUT I'VE GOT TO GO ONLINE". SO THINGS ARE HAPPENING VERY QUICKLY'.

The DX programme has two categories: a virtual DX, and a physical DX working in partnership with individual states and telecommunication companies hosting DX information points. In August 2020, MDEC organised the SME Digital Summit with the help of more than 60 partners and speakers. The virtual event was attended by more than a million participants across the country. Responding to the SME Digital Summit survey after the event, about 54% of the participants said they have started their digital journey, and, 55% said the summit had helped them in deciding 'what's next for their business'.

There are also private sector incubators run by conglomerates, which tend to be sector-based, and also venture-capital-backed programmes. According to Segaran, Malaysia now has a very healthy 'funnel' of start-ups moving beyond the idea stage, and a smaller but growing number of accelerators aimed at helping mature companies grow and expand overseas. Even here, COVID-19 has had an effect.

'Accelerators said it was a huge challenge because they had to move everything physical to online', says Segaran. 'But they had a pleasant surprise in that not only locals but now regional start-ups with ideas that are from other countries have applied to do online pitching. Malaysia is seen as a leading country in the region in providing the right ingredients for start-ups to grow.' ■

1.2 Do companies need accelerators and incubators?

This is a surprisingly hard question to answer: there is no doubt that these programmes provide support that entrepreneurs need, in one consolidated package. But as the BEIS report points out 'there rarely is one single measure of success. Many programmes are themselves unclear whether their primary motivation is to improve firm survival, create wealth or create jobs' (Bone et al. 2017).

Another issue is the question of additionality: accelerator programmes are highly selective, which means that not only do they pick the best candidates but their track record itself attracts investors. Nevertheless, in a survey of UK start-ups conducted by BEIS, most respondents considered the contribution of incubators and accelerators in which they had participated to be significant (43%) or vital (23%) to their success (Bone et al. 2019).

According to a recent OECD policy brief on incubators and accelerators: 'In addition to supporting new businesses, there is some evidence from the United States that incubators have been effective stimulators of entrepreneurship activities by women and people from ethnic minority groups, ie inspiring people to create a business. …Similarly, an evaluation of a business incubator for seniors in Israel was found to have the same effect'. (OECD/European Commission 2019).

'Start-ups' participation in accelerators is positively correlated with higher survival rates, increased growth in employee numbers and higher amounts of funds raised' says a BEIS report (Bone 2017).

These findings align with those in ACCA's report *Scale-up Success: What do SMEs Need to Supercharge their Growth?* (ACCA 2018), which concludes that SMEs can grow at any stage of their life cycle – and thereby increase productivity, turnover, and employment – if they adopt the practices of business with higher-growth ambitions.

One of the key findings' of ACCA's *Scale-up Success* report (ACCA 2018) is that external support is key to growth, and that SMEs can 'increase their chances of overcoming barriers to growth through being exposed to the benefits of a collaborative network', either through accelerator programmes or incubators.

'For any business seeking venture funding, unless the founders previously had quite a senior role in a business that's been successfully funded, it's very difficult to get that funding', says small business expert Carl Reader 'The final piece of a jigsaw is whether the business owner or founder is coachable as well. And are you necessarily the kind of person who could be told by somebody else what to do?'

Some studies have questioned the primacy given to accessing finance within accelerators, either as a source of funds or as a definition of success. Research cited in the *Harvard Business Review* (Hathaway I. 2016) suggests that 'the value of accelerators seems real and probably comes from the intensive learning environment itself'. It also highlights the value of accelerators to local economies, noting that 'areas where an accelerator is established subsequently have more seed and early-stage entrepreneurial financing activity, which appears not to be restricted to accelerated start-ups themselves, but spills over to non-accelerated companies as well'.

Nonetheless, it is also the case that success breeds success. Incubator and accelerator programmes spark investor interest that spills over into the surrounding region, where the communities of interest that develop will create support systems that are available to all:

ANISE Consulting's Heather Smith volunteered as a mentor with a Brisbane-based tech start-up incubator called River City Labs, and used their facilities to host ACCA-sponsored events for the accountancy community:

'I ran 50-plus networking events, to educate 900-plus members of the Cloud Accounting community; building an interested and engaged community around accounting technology has been helpful for me in growing my knowledge and helping my client base. Some have remarked that Brisbane leads the way in accounting technology and modern practices as an offshoot of being nurtured by this community.'

Accelerators can also play a vital role in connecting start-ups to the global business community:

After working with a local start-up incubator, Workup, Dogan Turan, CEO of Glocalzone, joined the Visa Innovation Program, a six-month start-up accelerator, and used this as his base for expanding internationally. 'In Turkey, there is not so much support for start-ups', he says. 'Our biggest motivation [for] starting Glocalzone is to establish a borderless world'.

The acceleration program saw Glocalzone expand from 10,000 users to 150,000 users of its peer-to-peer delivery service in which travellers are connected to shoppers who want to source products from the countries they visit.

'Visa saw the potential in our business idea and they also saw the potential in our team', says Turan. 'Our business model is very beneficial for them, because it involves cross-border e-commerce, connecting thousands of shoppers and travellers'.

Some of the common features of incubators and accelerators suggest a model for a much more widely applicable business support ecosystem, which can be deployed to support a wide range of outcomes and situation: economic, commercial, environmental.

CASE STUDY: Cyberport – a fully fledged community of more than 1,600 start-ups in Hong Kong SAR

Cyberport is Hong Kong SAR's of China (Hong Kong SAR) digital technology hub; it aims to foster innovation and entrepreneurialism, and has rapidly expanded to become a fully fledged community of more than 1,600 start-ups and technology enterprises.

The community includes a campus with four Grade-A office towers totalling 1,000,000 square feet, equipped with an array of state-of-the-art tech facilities, a five-star hotel, and a retail entertainment complex.

Its flagship incubation programme provides start-ups from Hong Kong SAR and around the world with free office space and support for two years, as well as HK$500,000 in funding with no equity commitment. It also hosts innovation centres for multinational companies such as AWS and Microsoft, and has established a network of global and regional partnerships, in particular in the Greater Bay Area of China, a market ten times the size of Hong Kong SAR.

These partnerships expose Cyberport's start-ups to a range of opportunities:

'We have a lot of companies like banks, airlines, retail conglomerates and property developers who come to Cyberport to look at all these different start-ups and find innovative solutions to solve their own pain points', says Eric Chan, chief public mission officer at Cyberport. 'When we first set up Cyberport we focused on creating business opportunities for our start-ups, but more and more corporates are also looking at investment opportunities, and some even go further and bring the start-ups into their own accelerator programmes'.

Cyberport aims to offer a full ecosystem for start-ups. In addition to its investors network, enterprise network, and technology network, it is developing a formal professional services network that gives start-ups access to lawyers, accountants, and HR consultants, many of whom are offering pro bono support to fledgling firms. Cyberport also has its own venture capital (VC) fund, which has proven effective in stimulating investment from other VCs, bringing in on average twelve dollars in co-investments for every one dollar it has invested in potential start-ups in the past year.

Fred Ngan and his business partner Michael Chan co-founders of Bowtie, Hong Kong SAR's first virtual insurance company, approached Cyberport in the early days of Bowtie.

'CYBERPORT HELPS ENTREPRENEURS UNDERSTAND WHAT IT TAKES TO BUILD A NEW VENTURE FROM ZERO TO ONE. IN THE EARLY DAYS OF OUR ENTREPRENEURIAL JOURNEY, CYBERPORT PROVIDED US WITH VALUABLE MENTORSHIP AND THE EXPOSURE IN THE FINTECH COMMUNITY'".

Fred Ngan, Bowtie Life Insurance Company

CASE STUDY: Cyberport – a fully fledged community of more than 1,600 start-ups in Hong Kong SAR

'Sometimes, as an entrepreneur, what you do is so new that you do not know whether the direction makes sense', says Ngan. 'We stayed humbled to learn, test and prove the market-product fit. You want to tell your team that they are doing well, but it's nothing better than getting external validation'.

'Cyberport gets the company "on stage" at big events, even encouraging them to compete against the big corporates for prestigious awards, which is valuable not just for exposure but also for team-building', adds Ngan.

'Building a fully licensed, full-stack insurance company from scratch is difficult. It requires a lot of investment for both regulatory and working capital. But the difficult part of fundraising is actually finding the right investor who not only believes in your equity story, but someone who can add tremendous value to the firm,' says Ngan. In fact, the company has been very selective in the investors it picks.

As trained actuaries, Ngan and his partner were very comfortable with putting numbers together, but still had valuable lessons to learn about creating a compelling story for investors to buy into.

'I remember Cyberport mentors telling me "your pitches are as boring as insurance"', he said. 'We needed more practice to have better storytelling, being able to articulate the addressable market and explain why we have the right teams and right business models'.

Since then the company have successfully completed the seed and Series A rounds. 'We still wanted to have the start-up mentality even though we raised USD $30 million', says Ngan.

Another Cyberport 'graduate', Pickupp, was founded in 2017 with a mission to redefine logistics, offering 'last-mile' delivery services to help companies scale, whether they are multinational companies, SMEs and start-ups.

Pickupp currently operates in Hong Kong SAR, Singapore and Malaysia, and is also expanding to Taiwan. Incubation has been key to helping the company grow.

'We've been very lucky to be supported by some of these great programmes in Asia', says Ma. 'We first started with Cyberport programme, Mizuho Crowd Brain, and now Sparklabs, an accelerator programme in Taipei.

'IT'S NOT JUST THE FINANCIAL SUPPORT, IT'S ALSO THE STRATEGIC ITEMS THAT THESE PROGRAMMES HELP US WITH ALONG THE WAY. BECAUSE OF ALL THE SUPPORT, WE'RE ABLE TO REALLY FOCUS ON BUILDING OUR BUSINESS, ON BUILDING A GREAT PRODUCT FOR OUR CUSTOMERS'.

Calvin Ma, Pickupp

1.3 Impact accelerators and incubators

Impact accelerators and incubators seek to harness the power of the techniques described above to address various social issues: this can be the promotion of specific socially beneficial products or services, or to increase economic participation by underrepresented groups. Despite a growing community of 'ethical' investors, start-ups founded by women or ethnic minority entrepreneurs can struggle to find funding. A recent study by Viktoria Ventures – an Angel investors[4] network in East Africa – showed that the majority of the start-up investment in many African countries was going to ex-patriate entrepreneurs (Njoki and Gugu 2020).

An OECD report from 2018 found that female entrepreneurs are only half as likely as male ones to expect to create at least 19 jobs over a five-year period, and concluded that: 'Business incubator and accelerator programmes can help stimulate growth intentions among women entrepreneurs, and help more women entrepreneurs achieve their business' growth potential. Dedicated programmes can have a greater impact than general programmes since there is greater take-up among women, more tailored support is provided, and more suitable networking opportunities are offered' (OECD 2018).

'Impact' or social enterprises are a highly effective way of coming up with novel solutions to deep-seated problems and can be used to address a wide range of issues. Nonetheless, these solutions often remain limited in scope. As the Rockefeller Foundation's report exploring challenges and best practices in impact accelerators notes: 'The challenge is that many impact enterprises are successful at a small scale, within a local context, but cannot increase the size of their operations to expand their impact. As they attempt to scale, they often struggle to reach more customers, attract talented human capital, obtain the right types of funding, and access the technical expertise that can help them adapt their business models at each stage of development. Impact investors are interested in supporting these enterprises, but often have trouble finding investment-ready impact enterprises that do not need significant business support' (Monitor Deloitte 2015).

Incubation and accelerator programmes can therefore play a vital role in not only encouraging the formation of start-ups but also helping them to grow and become both known and attractive to investors. A key issue for these early stage ventures is funding – not because it is not available, but because these early-stage enterprises are seen as presenting too high a risk by potential donors.

There is clearly a role for accountants to play here: a report by I-Dev International identified 'weak accounting or financial management processes and systems, weak corporate governance, and transparency issues with appropriate legal structure' as three of the four major constraints on investment (I-Dev International et al. 2014). As providers of one of the enabling services, accountants will play a key role in measuring and assessing the effectiveness and potential of any start-up, and provide continuous support as the enterprise becomes too large for the programme.

AS PROVIDERS OF ONE OF THE ENABLING SERVICES, ACCOUNTANTS WILL PLAY A KEY ROLE IN MEASURING AND ASSESSING THE EFFECTIVENESS AND POTENTIAL OF ANY START-UP, AND PROVIDE CONTINUOUS SUPPORT AS THE ENTERPRISE BECOMES TOO LARGE FOR THE PROGRAMME.

4 An angel investor (also known as a private investor, seed investor or angel funder) is a high-net-worth individual who provides financial backing for small start-ups or entrepreneurs, typically in exchange for ownership equity in the company.

CASE STUDY: Hatch Enterprise – incubation for mission-driven enterprises

Hatch Enterprise, based in London, provides community-based entrepreneurship programmes to emerging entrepreneurs, through an ecosystem of support that includes the provision of knowledge, mentorship and workspace.

Dirk Bischof started Hatch in 2013 after working with an earlier social enterprise supporting young people to find work placements.

'I met so many young adults who wanted to start their own business, but supporting individuals on this journey seemed ineffective, especially because you have to repeat the same things very often', he says. 'I was also researching commercial incubators and accelerators, and I thought there's got to be a way of using their methodology to teach groups of young adults [how] to start a business'.

After securing funding for the young entrepreneurs programme, Hatch branched out to supporting social enterprises through its social impact programmes. Both programmes immediately attracted far more female applicants than was the norm for incubators and accelerators, and this led to the JP Morgan-supported Female Founders programme.

'That's how we built our organisation: very organically from a needs basis', says Bischof. 'And that's now grown into various programmes that are running from idea stage to start-up and growth and scaling'.

The emphasis of Hatch programmes is very much on supporting their ventures with building sustainable revenue streams: Bischof points out that many of Hatch's entrepreneurs don't have as much 'freedom to fail' as other founders:

> 'YOU DON'T HAVE A LEVEL PLAYING FIELD BECAUSE MANY OF OUR FOUNDERS DON'T HAVE GENERATIONAL WEALTH BUILT UP THAT FAMILIES FROM MORE PRIVILEGED BACKGROUNDS HAVE; WHERE A FOUNDER HAS A MUCH STRONGER SAFETY NET, WHERE THEY CAN START A BUSINESS AND IF IT DOESN'T GO AS PLANNED, THEIR FAMILY CAN BAIL THEM OUT'.

Another issue is that investors themselves are not very diverse, tending to be white males in their 40s and 50s. But Bischof is seeing a convergence between both impact and commercial incubators and accelerators as well as commercial finance making its way into impact finance.

'If you look at the whole Tech for Good space, you've got some very specific technological incubators and accelerators there', he says. 'And big foundations like the Ford Foundation are raising billions in long-term finance through social impact bonds. I think we're just at the very beginning of a massive explosion in SDG [Sustainable Development Goals] and ESG [environmental, social and governance] investment in the coming years'. ■

A recent report from the OECD emphasised the role of personal growth and peer-to-peer learning in such start-ups and concluded that these programmes could be highly effective without being costly (OECD/European Commission 2019).

This will be even more the case where start-ups draw on existing ecosystems that have already been created, supplementing them with their own in-depth expertise in a similar manner to sector-focused programmes. For governments they offer a chance to tackle deep-seated problems, not with tactical solutions but through programmes that build long-term, sustainable projects and businesses.

Governments should also be looking at the social impacts of the 'mainstream' start-up ecosystem. According to research by Global Accelerators Learning Initiative (GALI 2017), acceleration programmes represent: 'one potential model for overcoming social challenges through support services and investment'.

We are increasingly recognising that what is good for the environment and society is good for business: accountants can play a vital role in this as they help their clients as well as impact accelerators and incubators, not just with non-financial reporting but also with managing a very wide spectrum of social and environmental impacts.

WE ARE INCREASINGLY RECOGNISING THAT WHAT IS GOOD FOR THE ENVIRONMENT AND SOCIETY IS GOOD FOR BUSINESS. ”

2. Accountants and the new business support ecosystem

2.1 Why look at start-ups?

Start-ups and fast-growth companies are an attractive client segment for accountancy practices. Figure 2.1 shows some of the areas where accountants can offer more specific support to businesses as they move through the start-up life cycle and either accelerate their growth or mature into long-term sustainability. Initially, accountants help with forecasting and planning and then ensuring that the business is generally run on sound principles. This then gives way to developing (or outsourcing) the finance function and then helping the business adopt appropriate technology. Finally, the focus turns outwards, creating the networks and partnerships that will support the business in the longer term.

FIGURE 2.1: SME Comparative growth map

1	2	3	4	5
Business plan written	**Early approach to management practices begins to be defined**	**Development of the finance function**	**Adoption of new technologies**	**Networking and external engagement**
HIGH-GROWTH SME Includes clear growth objectives, a value proposition and annual forecast targets.	**HIGH-GROWTH SME** Management team established. Formalised structure adopted with responsibilities (eg finance, sales, marketing, HR, logistics) decentralised and moved away from founder.	**HIGH-GROWTH SME** Wider range of responsibilities taken on while adopting a strategic role across the business. May lead to appointment of a CFO or financial director (FD).	**HIGH-GROWTH SME** Invests in systems that support the managerial approach, such as the performance monitoring of key operations and processes. Data, such as that obtained through cloud computing systems, is used to generate efficiencies and increase productivity.	**HIGH-GROWTH SME** Proactive networking approach undertaken in order to understand how the business can access funding, internationalise more quickly, and adopt new technologies to increase competitive advantage.
MODERATE-GROWTH SME Includes annual forecast targets.	**MODERATE-GROWTH SME** Responsibilities may be centralised around owner-manager or founder.	**MODERATE-GROWTH SME** Responsibilities centred on core accounting activities, including compliance, tax and reporting.	**MODERATE-GROWTH SME** Focused on supporting individual work practices and business processes (eg telecommunications and e-commerce).	**MODERATE-GROWTH SME** Engagement centred on intelligence gathering (eg relevant compliance and regulatory changes) and business referrals within limited network of suppliers and partners.

Source: ACCA 2018[5,6]

5 High-growth SMEs- businesses that were actively looking to scale-up and continue to grow with the aim of selling the business/exit or continue for high/fast growth within a short period of time (ACCA 2018).

6 Moderate-growth SMEs- SMEs that continue to grow steadily/moderately over a longer period of time or continue to grow but do not mind at what rate (ACCA 2018).

For an SMP, building a portfolio of capabilities for stimulating growth represents a massive opportunity. This is particularly the case for the 'progressive' digitally focused firms we identified in our earlier report, *The Passionate Practitioner* (ACCA 2019), which want to move beyond compliance and wish to provide more value-added services to their clients.

Growth can occur at any time in a company's life cycle: the ability to have meaningful conversations about growth may be important across the client base. For many SMPs growing their clients—both in terms of the services they use and in overall size is a more effective way of expanding their client base than acquiring new clients. Some even prefer to focus exclusively on growth clients.

2.2 Working with incubators and accelerators

Accountants play a vital role in the incubator and accelerator model: from a compliance viewpoint they help set up companies on a sound legal and financial footing, and provide valuable support by preparing data and forecasts for investors.

'A lot of young entrepreneurs are just technical experts and don't really have that business acumen. So for us, it's been extremely important to have the right types of finance professionals who can help these start-ups with the right kind of paperwork, setting the company up, what kind of taxes need to be paid, everything. Accountants that work with our start-ups help them with their overall business plan, start helping them with business connections, like matchmaking of their different clients,' says Kritika Murugesan, director of the 10,000 Start-ups initiative, providing incubation and acceleration to start-ups in India (see NASSCOM case study in Chapter 3).

Working with incubators and accelerators also makes good business sense: they can each be a source of new clients and a destination for existing clients who would benefit from their support. Accountants are part of the wider business support ecosystem and should be looking at whether they can directly or indirectly ensure that their clients can access these or similar resources, whether to grow, adapt or simply sustain their business.

There are also opportunities that come from the wider ecosystem itself, for accessing new ideas and innovative

CASE STUDY: Moscow innovation cluster – educating start-ups and investors

Different ecosystems respond to different problems: in Russia the lack of a community of venture investors is seen as a key weakness.

Moscow Innovation Cluster is a government-backed initiative that seeks to change this and create a flow of money to the innovation market. It adopts a sector-agnostic, market-driven approach, fostering products and services that can be adopted by the corporates, and thereby attracts corporate as well as government funding.

Moscow Innovation Cluster is offering broad spectrum of support, networking and product development services for start-ups. Acting as a bridge between start-ups and business, the cluster is running "Technology Challenges" that helps technology start-ups adapt their solutions to specific requests of large corporate partners within one month time.

It is also working to develop the investment community, addressing policy issues that can be challenging for investment and educating potential investors: in a way, the Cluster wants to create a 'reverse accelerator':

'We want to bring together venture investors and teach them different practices from Russia, United States, China, Europe', says Vladimir Diakov, head of Acceleration Programs, 'Usually start-ups are pitching their projects for investors. In this model, investors will be pitching their investment and investment strategies, for start-ups to make a choice as to which investor is more suitable for them'.

The centre provides a lot of back-office support: office space, HR accountancy, factoring at attractive rates, even going to the extent of negotiating discounted loans. Members of the cluster also offer their services at discounted rates to other members, giving them access to a customer base of over 20,000 start-ups.

'So it's a kind of inter-platform cooperation', says Vladimir. 'We can combine different FinTech and software solutions, and provide them for our members'.

There is also a wider network of traditional accountancy firms and outsourced providers who can provide niche expertise in different sectors and regions.

Like many programmes, Moscow Innovation Cluster has helped coordinate its start-ups to survive and find innovative solutions to meeting the challenge of COVID-19, and this has proved highly beneficial for the sector. ■

technology and creating a wider network of relationships and partnerships. Paying for professional services can be a problem for start-ups: Hong Kong SAR's Rosanna Choi, a partner at professional advisory firm CW CPA, says that many firms work instead on the basis of an exchange of services. In Ireland, the Business Financial Planning Grant programme covers up to €5,000 of a small business start-up's costs for professional accountants/advisory services. The initiative is managed by Enterprise Ireland, supporting entrepreneurs and businesses to help them grow and reach new export markets, and connects start-ups with a pool of accountants registered with the agency.

2.3 Learning from incubators

Although accountants are unlikely to compete directly with incubators and accelerators, they do have the opportunity to learn from some of the ways incubators and accelerators help their clients, and adopt those approaches in their own practices.

Accountants, who are interested to replicate the accelerators and incubators models should have a more holistic view of their clients' needs and ambitions and try to match it to what they themselves have to offer: in providing not just solutions to specific problems but access to communities and networks, to help their clients learn and develop, drawing on a broad mix of resources: financial, technological and advisory.

Many accountants already do this networking with their clients and encouraging them to partner; advising on and linking clients to sources of finance; acting as a business coach or mentor; and moving them to digital platforms.

Combined with existing accounting strengths and powered by digital, this makes the progressive SMP practice the natural destination for a growing firm or start-up.

2.4 Enabling growth

Chief financial officers (CFOs) within SME sectors or SMPs acting as portfolio CFOs, looking beyond compliance, provide the expertise and insight needed to drive business growth and are often seen as growth enablers, which is aligned with the overall goal of small business support models, whether accelerators or incubators.

Graeme Tennick, the founder of Tennick & Co, believes that the accountancy landscape has changed, and that by offering more than mere compliance, accountants can play a key role in aiding start-up and growth businesses.

'The needs of the business owner haven't drastically changed but [the] environment in which they operate has. It's a case of trying to bridge the expectations and the needs of the business owner with the actual capabilities of the accountant themselves.

'Technology, opens up so many doors, but accountants need to educate business about the opportunities. Just keeping the taxman happy is not going to see you achieve what you've always wanted out of your business'

Accountants need to educate business owners about the value they can offer: otherwise accounting support will be seen as either a commodity or an occasional need.

'Having really sensible, good looking, easy to understand management accounts has transformed the relationship between me and my board, because we're all on the same page. And our impact report is our "go to" fundraising tool. Financial storytelling is equally important: our accountants are helping us to tell the right stories in the right legal framework', says Dirk Bischof, founder of Hatch Enterprise.

Can SMPs take on at least some of the roles of accelerators and incubators?

Small business expert Carl Reader believes that a subgroup of accountants could be doing more and that they might even do a better job than existing accelerators and incubators.

'I think there's a real place for accountants to step up and ultimately take that role that the bank manager used to take, being the connected, educated signposter as well as the number cruncher', he says.

'For example, accountants can take an "agnostic" view of the type of funding clients seek: "Is it debt, is it equity? Is it invoice funding? Is it alternative lending or a peer-to-peer scheme?"' says Reader. He points out that accelerators and incubators in the UK tend to be very city-centric: 'I think there's a position for SMPs to offer the networking and the access to funders that an accelerator/incubator could offer: there's no reason why accounting firms can't be that hub in their local region'.

This might not even be a formally packaged service, but part of the 'additional services and marketing noise that accounting firms can make' as a key part of, and enabler for, the local business community: 'There's a number of firms that have done these kinds of things, really carved themselves out as being a little bit different and going over and above the standard compliance. And I think it's easily replicated', he says. ■

Incubators and accelerators in some countries can be too technology or finance-led to give their clients the full picture: finance and technology are only useful if they lead to business solutions:

'There are four key pillars: people, processes, data and technology. Business owners might get some of those four from an incubator, but it's unlikely you're going to get all of them. It's all those pieces coming together: an accountant can bring one or all of these pillars to the table, without which growth may stop or not even happen. Furthermore, accountants can also help clients identify the software that will offer genuine business solutions', says Graeme Tennick.

2.5 Adopting a growth mindset

In this evolving ecosystem, accountants are collaborating with each other more actively to bring complementary skill sets to clients.

'We try to be the connector; it's the ecosystem that is important. When we speak with our clients they are keen to know what is our perspective as a professional service providers, how we can help them or guide them to do things differently and effectively. For example, for a start-up whose head office is based in a foreign country, our knowledge of the ecosystem within the local market can benefit their business during their forming years', says Magdalene Ang, a director of R Chan & Associates PAC (R Chan).

R Chan offers a packaged service for start-ups, to provide a broad spectrum of services from business incorporation to accounting services such as payroll, tax compliance, audit assurance and any other special ad-hoc services.

Since participating in the ACCA Singapore's AccXelerator programme (see case study below), Magdalene got inspired to 'reinvest' in communicating with her clients better and learn more about their challenges and to rethink how as professional service provider, she can add value to their businesses. For Magdalene, the pandemic has highlighted the need for business owners to adopt a complete mind-set change and learn to be flexible and innovative to engage with stakeholders.

'To unlearn and relearn new skills sets are definitely the way going forward. Business owners have to adapt and transform their "old" ways of doing things to cater to the new norm. We wouldn't know how long the pandemic will last, but as long as we continue to make sure our businesses continue to be agile and keeping abreast with the changes we will definitely see the rainbow after the storm is over,' says Ang.

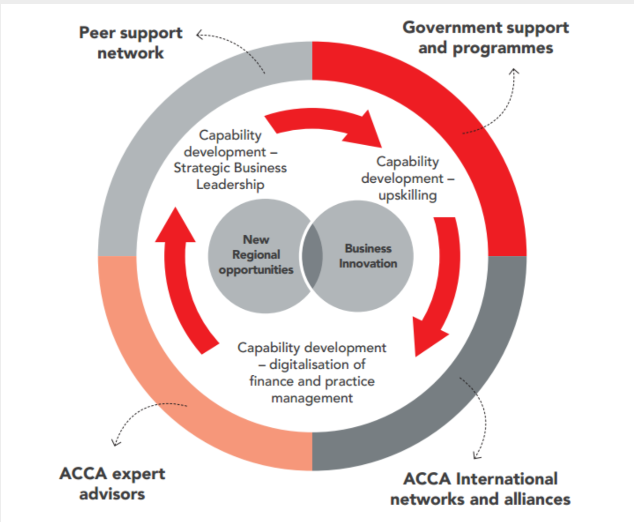
CASE STUDY: ACCA Singapore AccXelerator Programme for SMPs

ACCA Singapore AccXelerator is an ambitious programme to help SMPs transform and seek growth from new opportunities overseas.

It requires a mindset change in the SMP leadership in order to overcome existing obstacles to growth, and develop innovative capabilities to exploit increasing demand for professional services in the region.

The AccXelerator programme in Singapore leverages ACCA's research and professional insights, its global network of offices and members, available government programmes and support from like-minded peers, to help SMPs find their most efficient and direct path towards reinventing their mission and purpose, and jump-start their journey towards capturing overseas opportunities. ■

FIGURE 2.2: ACCA's AccXelerator Programme



Source: ACCA 2020a

2.6 Scaling up: the long-term story

Incubators and accelerators can take start-ups a long way on their growth path, but accountants will play a crucial role in their longer-term sustainability and success.

ACCA's report, *Scale-up Success: What Do SMEs Need to Supercharge their Growth?* (ACCA 2018) notes that there is great potential 'for the global SME sector to increase productivity turnover and employment if they adopt the practices of businesses with higher growth ambitions. These high-growth SMEs are not only source of job creation and innovation, but prove to be more resilient than other sectors in times of crisis'.

A key finding of the above mentioned report is that external support is key to growth, forming a vital part of 'a strategy which recognises the value of support from outside of the organisation as much as from within its own talent pool. Indeed, utilising external advice is often vital towards boosting an organisation's growth potential'. (ACCA 2018). Furthermore the report highlights that: 'High-growth SMEs were more likely than moderate-growth firms to value a management consultant, accountant or financial adviser when obtaining advice on growth.'

The report adds that growth can come any stage in a company's life cycle. Accountants will play a crucial role in the developing ecosystem that supports companies as they mature.

Karen Rudich is the CEO of Elementary B, a SaaS (software as a service) business platform being designed to support the financial management and decision-making needs of medium-sized businesses.

'I THINK THERE'S A PLACE AND TIME FOR INCUBATORS AND ACCELERATORS FOR START-UPS. THEY ARE FANTASTIC FOR YOUNG COMPANIES THAT HAVE A BRILLIANT IDEA THAT NEEDS MENTORING, NURTURING AND EXECUTION HELP, BUT CHALLENGING FOR COMPANIES THAT HAVE MATURED AND ALREADY ADVANCED, AND THEREFORE NEED MORE FUNDING AND WIDER CUSTOMER ACQUISITION ROUTES.'

Karen Rudich, CEO, Elementary B

'Accelerators inside banks are great for fintechs that are creating a solution that can be used by the bank, but we must be mindful that these initiatives are staffed by banking executives. Working in large financial organisations requires particular skills and mindsets, and few of these professionals have entrepreneurial backgrounds. Like many large corporates, the governance inside a bank operates very differently from start-up structures. These two very different cultures need to happily blend. If they clash, they can impact the chances for a firm or idea to reach its fullest potential.'

She also believes that, in the UK at least, accelerators are too narrowly focused on particular sectors such as FinTech and BioTech to help the majority of medium-sized businesses. 'The majority of fintech accelerators, for example, focus on a retail end client, a bank end client or a small business,' says Rudich.

Rudich says that medium-size business sector – firms with between £10m and £100m in turnover – have been neglected by the providers because of their envisaged complexity, which makes them costly to service when compared to individuals and small businesses. Elementary B's approach has been to create a data-driven platform to help companies have an end to end view of all their financial real estate information, with an ecosystem in which their accountants and other advisors can play a major part:

'There is a massive shift to digitisation in the finance world. We have approached a number of accountancy firms about a brand-new ecosystem-driven business model. There is an understandable concern that firms may be disintermediated. But this is legacy, old fashioned thinking. Any client that is empowered with real time data from multiple feeds, with commercially-important intelligence and data insights is going to be a better informed, ultimately successful client. As is proven time and again, this frees up the potential to focus on new business and revenue lines, unlocking ideas and opportunities.'

'Once accountancy firms recognise this potential – the big "Oh, wow" moment – they can see the value a data platform can bring to their ability to strategically advise their clients. So I think it's an industry that's going to shift very quickly towards embracing new business models, new technology and new cooperative and collaborative partnerships. There is a clear need to [form an] ecosystem', Rudich says.

So accountants can both work with the evolving ecosystems and fill in the gaps that emerge. Accelerators and incubators are proliferating, but are unlikely to be able to satisfy the demand.

'I believe the role of accountant and practitioner should be shifted from the day-to-day accounting support to the advisory role to support both small and large-scale businesses and their sustainability, We should act as accelerators/incubators in addition to [providing] a financial management assurance for this key sector of the economy that needs [a] high level of expertise on finance and accounting', says Yonas Fekede, the principal of Yonas Fekede Certified Auditors.

A number of accountants take on nurturing early stage businesses and fostering financial literacy as part of their pro bono CSR activity. For example, in Cambodia, BanhJi, a FinTech start-up aimed at improving financial inclusion among micro, small and medium-sized enterprises (MSMEs) offers free online accounting and market data to help companies expand, while in Kenya Robert Belle of Smip Consultancy addresses the high failure rate of small business by offering free coaching and financial tips to fledgling service businesses. For clients he 'develops a more customised approach which looks beyond survival to growth and sustainability' (ACCA 2020b).

CASE STUDY: Infinite CFO – the virtual finance function as growth enabler

Simon Smith is the founder of Infinite CFO: while working as CFO of a software start-up he came into contact with many early-stage venture-backed businesses as well as later-stage growth businesses that were coming towards the end of their natural life under independent ownership, and whose owners were looking to sell.

'It was there that I really started to develop the concept of the virtual CFO. I saw that founders or CEOs, start to lose their grasp on the financial part of the business especially from a strategic perspective. Typically, their first though is they need a CFO to come in and sort this out. And whilst there is some truth to that, in actual fact, what most businesses need is a smart analyst.'

As a result, businesses may hire a senior CFO, but rather than deploying them strategically, they end up being expensive number crunchers. Smith believes that there is an opportunity to provide early stage and growth companies with a more 'holistic solution':

'An outsourced finance function enables these companies to get a bit of an accountant, a bit of an analyst, a bit of a controller, and certainly a bit of a CFO, and to direct the right resources to the right objective.'

'FOR INSTANCE, WHEN IT COMES TO RAISING MONEY, THE FIRST THING THAT NEEDS TO BE DONE IS PUTTING TOGETHER A FINANCIAL MODEL. MOST FOUNDERS HAVE A VERY CLEAR VISION OF WHAT THEY WANT THEIR BUSINESS TO BE. A FINANCE LEADER NEEDS TO TURN THAT INTO A FINANCIAL MODEL THAT SETS OUT HOW THIS BUSINESS IS GOING TO PERFORM'.
Simon Smith, Infinite CFO

While Smith focuses on growth businesses, he believes these new approaches offer an opportunity for established businesses as well.

'If you look at some of the stats that are produced around the cost of running a finance function, a small company is never going to achieve the same efficiency benchmarks as a Fortune 500 company. The best companies worldwide have a very low cost of finance function, they have great systems but they also have that whole complementary resource from people who work in transaction processing, tax and compliance, all the way through financial planning and decision support. It's very hard for SMEs to achieve that'.

SMEs continually have to make trade-offs in the resources they employ, which puts them at a disadvantage: 'This concept extends beyond finance, it could go into HR or into legal. I think the virtualisation of the back office is a trend that we're going to see going forward, partly driven by the advent of Cloud computing, and partly driven by increased desire for individuals to have portfolio careers and flexible working'.

Recent events will only accelerate this trend.

'I can see little communities growing up, maybe not being incubators, but co-working places, where you're turning up, and you're getting that social interaction, but everybody in the building is working for a different company. I think we're just going to see a complete change in the way people work and that feeds into what we're doing, providing virtual services: the back office of companies will not operate in the same way as they have done before.' ■

3. Global support ecosystems and regional differences

3.1 Developing a global support ecosystem

All around the world, governments have created start-up programmes that combine incubation and acceleration to promote a number of objectives, from boosting self-employment to creating major shifts in the economic base. Of course, these aims are not mutually exclusive and the benefits can easily justify the outlay: the tax base grows whether the outcome of the initiative is to create unicorns or encourage the self-employed to register for tax.

But a key feature of all these programmes is the element of connectedness and the way that these networks of partnerships and relationships interlink with each other across national boundaries: there are many routes to the same goals: what one start-up learns in a class room another might learn from a peer: this level of connection adds to the networks' resilience and has been proven in the COVID-19 response.

CASE STUDY: FATE Foundation – supporting aspiring entrepreneurs in Nigeria

FATE Foundation was created with the goal of giving bright young people an alternative to traditional corporate careers:

> 'TO PROVIDE A PLACE AND A SAFE SPACE WHERE PEOPLE CAN COME AND SHARE THEIR IDEAS, AND WHERE THEY CAN GET SUPPORT, TO TAKE THOSE IDEAS AND BUILD PROPER BUSINESSES',
>
> Adenike Adeyemi, Executive director of the Foundation

Basic financial literacy and business skills are a still key part of the programme, but the foundation also launched a Business Support Services Unit, which provides support and advice on legal matters, accounting and financial management issues as well as talent management.

After running its Aspiring Entrepreneurs programme, the Foundation began to receive requests from more mature businesses and entrepreneurs, and this led to the Emerging Entrepreneurs programme for more mature businesses. The Foundation also saw the need to supplement it's 'sector agnostic' approach with more targeted sector knowledge and support, launching intensive sector-focused incubator and accelerator programmes.

Nigeria's tax and regulation system is highly complex and varies from sector to sector, and this can be a key vulnerability for a growing business. FATE Foundation also helps businesses finding accountants and other professionals with sector-specific experience that can guide the business in that area.

'We're building on an existing knowledge base, and on an existing pool of entrepreneurs', says Adeyemi. 'FATE foundation provides a wider ecosystem of support with a rich base of experts and resources that businesses can tap into. One of our great partnerships is with ACCA, which means that our entrepreneurs can tap into the most respected association of accountancy professionals in Nigeria and the pool of chartered accountancy specialists.'

The Foundation also maintains strong links with trade associations and chambers of commerce, and this helps not only with business networking but also with linking entrepreneurs to the policy environment, working in close coordination with different government institutions to communicate their needs. ■

These networks are also linking into the overall structure of business support: in the UK, for example, the long established Local Enterprise Partnerships (LEPs) have created a network of 38 Growth Hubs to link businesses with the local and national support they need. In 2016 the LEPs linked up with the Goldman Sachs '10,000 Small Businesses' UK programme to launch the 'Driving Economic Growth' LEP programme, which, in partnership with the Scale-Up Taskforce, looked to strengthen the operating environment for small businesses, equipping them with the tools to give better support to high-growth small businesses. In the post-COVID-19 environment these tools are being adapted to aid recovery: LEPs are currently proposing a £30bn 'Recovery and Rebuild Deal' to government, which will have green innovation as its central element.

3.2 International agencies

Accelerators and incubators can be the link that joins the humblest start-up to the greatest international institutions.

One organisation working to provide this higher level connectivity is the International Trade Centre (ITC) – a joint agency of the United Nations and the World Trade Organisation (WTO) with a specific mandate to support SMEs, particularly with trade-related technical assistance. It works with governments to provide this, advocates a better business environment, and provides practical support to young entrepreneurs via a specially designated Young Entrepreneurs community platform (YE! Community). ITC also operates at the regional level, for example helping the African Business Angels Network connect with business across the continent.

ITC works at 'mezzo level', using donor funding to support projects via institutions such as trade associations, chambers of commerce and, more recently, incubators and accelerators.

'When we work with incubators and accelerators, the ultimate goal of our projects is to strengthen them. So in that way, we are accelerating them as well', says Mayara Louzada, youth and trade associate programme officer at ITC. 'But it's usually within a wider context: incubators and accelerators are a vehicle that we use to reach the entrepreneurs because there is already valuable content and valuable services that they are delivering. And we just want to complement and support them in delivering better services'.

A key difference between the work of accelerators in the developed and emerging economies is that start-ups in the latter are not necessarily high-growth, high-risk propositions.

'In many cases, those incubators and accelerators, are going to work with micro-SMEs, which are regular businesses looking for regular steady income', says Louzada.

Therefore there is less opportunity than in developed countries for incubators and accelerators to be self-financing through taking equity stakes in start-ups, which means that donor funding is essential.

There are some gaps emerging in the support sector for mature start-ups:

'What we see is that usually at the idea and early stage the ecosystem is quite crowded, because in a way it's "easiest to do", [but] the more the company grows, that's where it becomes more challenging to get the necessary support', she says. 'There is not so much for companies that are already growing or need to expand internationally, because that's where it becomes more specialised, and most institutions don't really have the capacity to serve that niche'.

There is therefore a gap where companies have lost incubator support but are still not able to pay for professional support services:

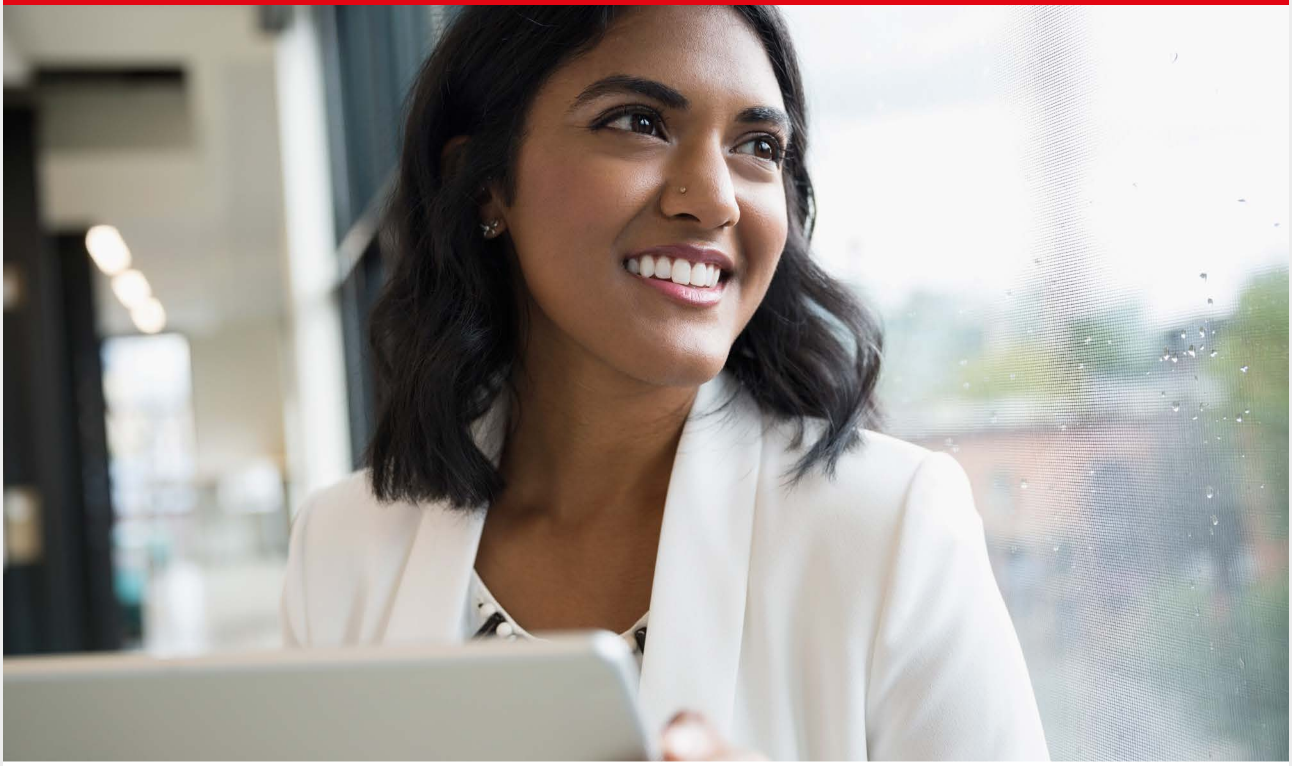
> **'THE SOONER THEY ARE CONNECTED TO THE PROFESSIONAL SERVICES, THE BETTER, AND THIS IS WHERE THE PARTNERSHIPS OF PROFESSIONAL SERVICE PROVIDERS WITH INCUBATORS AND ACCELERATORS COULD COME INTO PLAY: IF THEY HAVE 30 BUSINESSES WITH SIMILAR NEEDS THEY COULD POSSIBLY NEGOTIATE A PREFERENTIAL RATE FOR THEM'.**
>
> Mayara Louzada, Youth and trade associate programme officer, ITC

3.3 Regional differences

Accelerators and incubators play different roles in different countries. Broadly speaking, in economies such as the UK, accelerators and incubators tend to be quite specialised, with selective services available to and appropriate for a smaller subsection of start-ups, and even so are often oversubscribed – either because the service is very narrowly focused on a particular niche or sector, such as biosciences, or because the service provider is interested mainly in start-ups with the fastest growth potential and highest equity value.

By contrast, in the emerging economies accelerator and incubator programmes are expected to be more broadly supportive of entrepreneurialism generally, and to support wider social goals: employment, self-sufficiency, and

CASE STUDY: NASSCOM – Supporting the second-largest ecosystem of start-ups in the world



According to *Start up India*, the largest platform for start-ups and entrepreneurs in India, the country has the second-largest ecosystem of start-ups in the world, with over 20,000 start-ups and year-on-year growth rates of 10–12%.

'10,000 Start-ups' is the umbrella name for a wide-ranging group of incubator and acceleration programmes developed by NASSCOM, a not-for-profit industry association, the apex body for the 180 billion dollar IT BPM industry in India, an industry that had made a remarkable contribution to India's GDP, exports, employment, infrastructure and global visibility. In India, this industry provides the highest employment in the private sector.

'India has a flourishing community of around 560 incubators and accelerators, as well as 300 co-working spaces, nearly all of which have grown up since 2013. Our start-ups are well supported in the current ecosystem, with everybody buying for them and offering everything free', says Kritika Murugesan, director of 10,000 Start-ups.

The '10,000 Start-ups' initiative was a natural outgrowth of NASSCOM's role in building the ecosystem with the support of the IT sector, state and national governments.

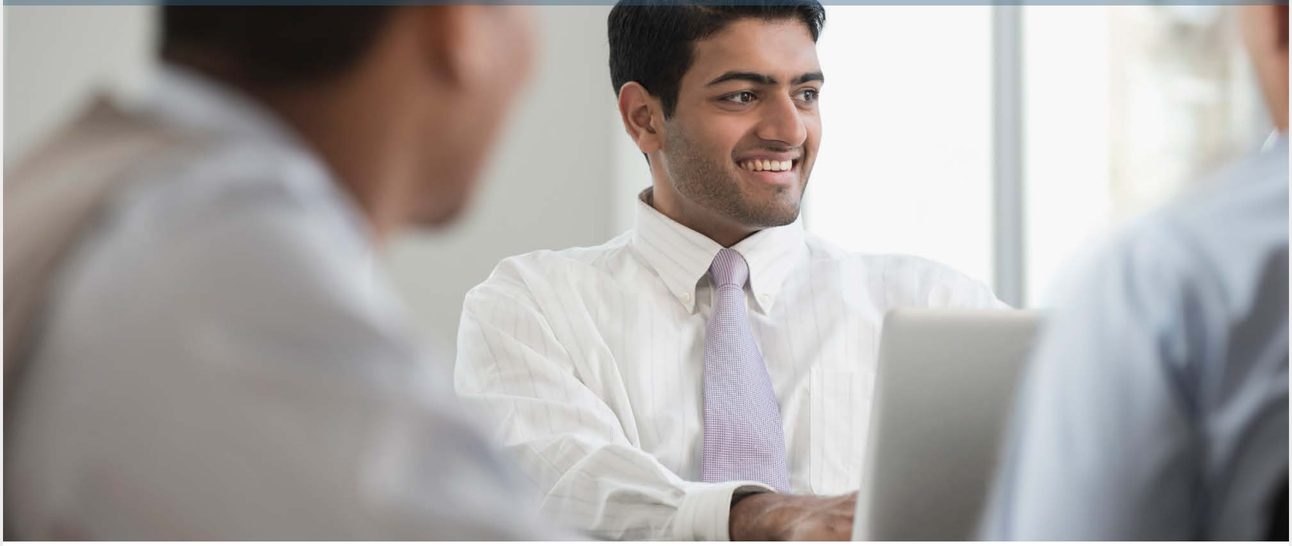
'As a trade association, we've always been in the forefront of building talent, innovation and policy, and we always do pre-emptive things that we think will benefit the industry and the country. Where is the next growth area for the country going to come from in terms of employment and GDP? Where is innovation going to come from?' she says.

'The product initiative was one of those things that we picked up on as early as 2007: how do we make India a product destination? We realised our next set of innovations had to come from very young and early stage entrepreneurs and that's how 10,000 Start-ups came into being', says Murugesan.

> 'YOUNG ENTREPRENEURS DIDN'T HAVE SPACE TO WORK FROM, NOBODY WOULD RENT OFFICES TO THEM. AND WE WERE THE FIRST INCUBATOR, WE WORKED WITH DIFFERENT STATE GOVERNMENTS AND PUT UP THESE "WAREHOUSES" SO THAT YOUNG ENTREPRENEURS HAD A SAFE SPACE TO WORK FROM AND COLLABORATE IN'.
>
> Kritika Murugesan, 10,000 Start-ups, NASSCOM

This has now been complemented by a virtual incubator programme which can address even more start-ups

CASE STUDY: NASSCOM – Supporting the second-largest ecosystem of start-ups in the world



regardless of their location. The space component is now a much smaller part of the business support ecosystem.

'Our focus is on mentoring, providing them the tools and technology that they need, getting them access to markets and getting them access to funding', says Murugesan.

Funding comes from state governments and corporate sponsorship: the programme only charges fees for renting physical space.

In the beginning Murugesan says that 10,000 Start-ups focused on the basics: how do I get my pitch deck together? Whom do I talk to? How do I build my business plan? How do I even set up this company?

'What you've seen over these seven years is the average age of a company founder has gone up. You see a lot more people setting up start-ups who have spent a good 15 to 18 years in industry, who've got a little money tucked away'.

These clients want deep technology mentoring and support to find customers.

'That's why the Enterprise Connect programmes have become hugely successful', says Murugesan. 'They want global market access, funding is the last priority: their focus is on getting a customer: "if you get me a customer, I will survive, I will build"'.

Market access is now a vital part of the programmes: every year a group of selected start-ups are taken to Silicon Valley to meet with investors and other start-ups and enterprises, and there are similar programmes in other regions.

'It's not just about the money, it's the access to that network', says Murugesan.

In this maturing ecosystem there are many avenues for start-ups to get the basic support they need. But where other incubators may be taking a 'deep dive' with six or seven start-ups in a sector, 10,000 Start-ups can be working with 100 physical and 500 virtual start-ups at one time, and offer them access to a broad range of experts and professionals. The programme is highly regarded, and its start-ups are very successful in getting selected by other programmes.

Start-ups present to the steering committees and are judged on innovation, ability to scale and quality of teas. Those that are not selected are often sent on to other, more appropriate incubators. 10,000 Start-ups is partnering and sharing knowledge with other accelerators and ecosystem members.

'Accountants and legal advisors are a really critical part of the whole ecosystem and right from the start of the journey', says Murugesan.

As a not-for-profit, 10,000 Start-ups also benefits from a lot of corporate support in the form of tools and other resources, such as Cloud credits from AWS, licences for QuickBooks, and access to the Microsoft platform.

'The support we get from the corporate sector is what really makes the difference for us', says Murugesan. 'These things bring down operational costs for the start-up hugely. For some, it's about getting the start-ups to use their platform. For some, it is about how to find new solutions to problems they are having. And for some of them, it's just about encouraging the innovation ecosystem'.

financial inclusion. Incubators and accelerators in such countries are deeply integrated into wider business support ecosystems and networks. Not only are the relationships longer term, but these structures are also able to provide valuable support to businesses affected by COVID-19.

Many of our interviewees spoke of the need to foster entrepreneurialism among the most highly educated and able graduates, who have in the past tended to pursue careers in the professions and the corporate sector. The role of incubation therefore becomes also one of education and culture change – and not just of entrepreneurs, but also of investors.

According to GALI, 'the effects of acceleration are remarkably similar for entrepreneurs across countries and even continents': accelerated ventures not only grow faster wherever they are but 'the average effects of acceleration on equity and debt raised were nearly identical in emerging market and high-income country contexts' (GALI 2017).

Nevertheless, there is a marked 'investment gap': companies in emerging markets struggle to attract the investment that similarly promising companies receive elsewhere, and local entrepreneurs are less successful than 'transplanted' expatriate founders. Accelerators might be better at attracting capital to their own ventures, but are not in themselves enough to close this gap.

CASE STUDY: NIC – fostering entrepreneurialism in Pakistan

Incubation is relatively new in Pakistan, but has seen a boom in the last three to four years, as the government has recognised the need to boost the technology sector and innovation and hence has created the National Incubation Centre (NIC).

'It's not just exports, not just new ideas that they wanted to grow', says Farhad Shafqat Qayyum, who manages the incubation programme in Peshawar. 'The main objective behind this is that we need jobs, we need people to have different sources of income. So more businesses mean more job opportunities'.

An important part of the centre's work in Peshawar is getting businesses properly set up and registered for taxes. The Centre works very closely with ACCA Pakistan, both helping ACCA students to set up their own businesses and matching start-ups with accountants:

'People often think that getting a chartered accountant is going to cost them a lot, which results in start-ups not getting accurate data, not knowing the future'.

'What we're doing is [that] we're making start-ups realise how important it is to be…crystal clear in your finances, registering your company, how you pay taxes and everything', says Bilal Farooq Khan, who is responsible for marketing and communications at NIC Peshawar.

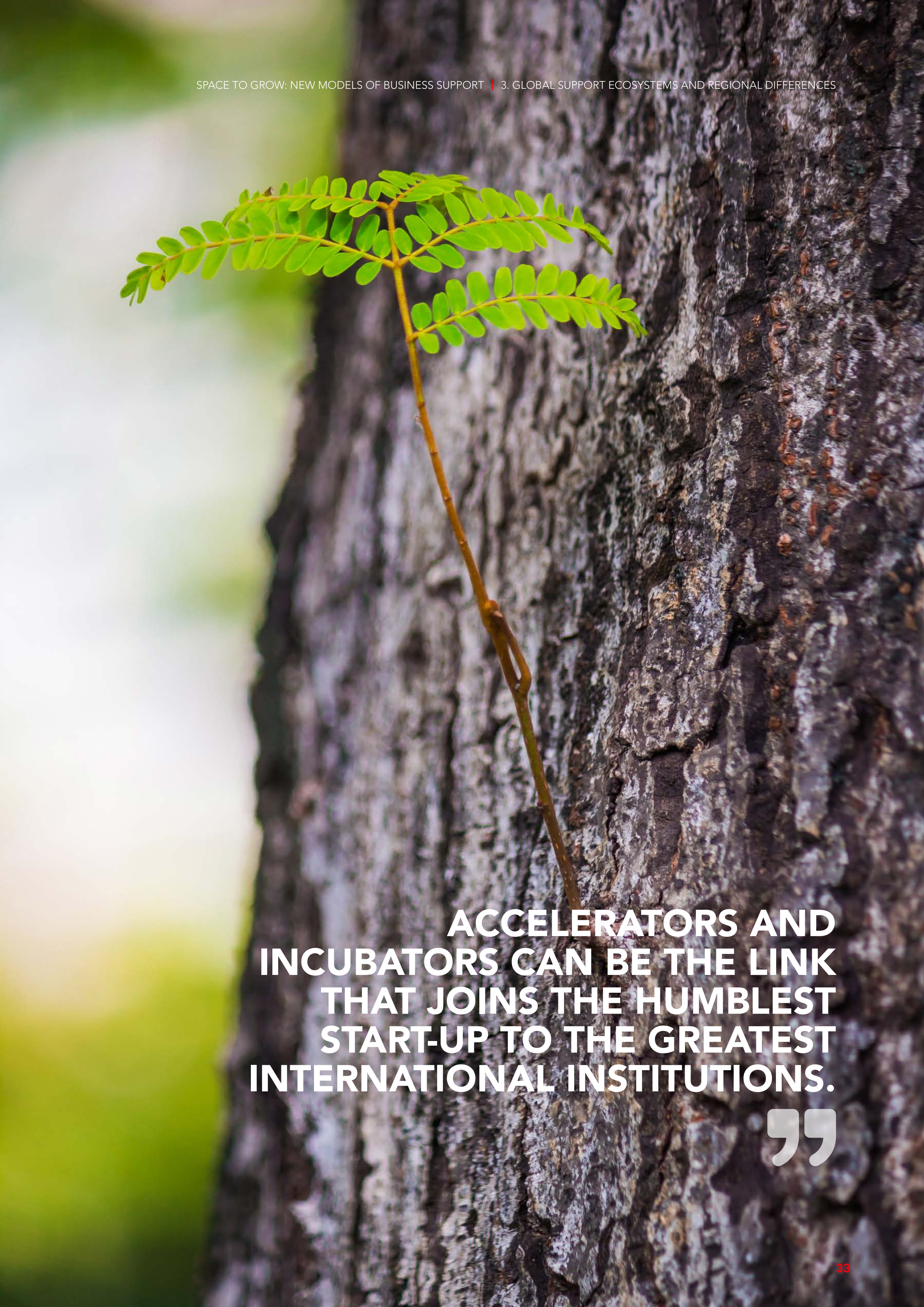
The centre in Peshawar focuses on various sectors: health, biotech, FinTech and agriculture. Through the programme of the incubation centre, start-ups get support in areas such as hiring, talking to investors, preparing pitch decks, branding and promotion. Matching start-ups with the right sources of finance is vital.

'When we look for an investor, we try to find someone who brings in a skill set for the start-up, not just money. You can get money from a bank, but the bank does not give you any support', says Qayyum. The Centre also matches start-ups with experienced entrepreneurs as mentors and coaches, who work on a one-to-one basis with the start-up on an intensive six-month programme. 'In this six months of focus time, start-ups grow really well', says Qayyum. 'We've seen huge difference in the revenues'.

The final stage is networking start-ups with vendors, manufacturers and global investors: 'everything that you can think of that can be done with a start-up, we do it', says Qayyum.

Qayyum says that Pakistan is experiencing a steep growth in the number of start-ups as people spot the opportunities. The NIC programme in Peshawar gets 400–500 applications for every 20 places and even when companies do not get on the programme they still pursue their goal.

'What we've noticed is that people who have applied for incubation at our centre and were not successful for the first time, applying at "idea-stage start-up", come back later with a working prototype, which means that they are really interested in pursuing their idea'. ■



ACCELERATORS AND INCUBATORS CAN BE THE LINK THAT JOINS THE HUMBLEST START-UP TO THE GREATEST INTERNATIONAL INSTITUTIONS.

4. **Opportunities** from **COVID-19**

Post COVID-19 is often referred to as a tough time for start-ups, but the time is equally challenging for all types of businesses. Start-ups have a unique advantage in the current climate as they have the benefit of being 'baggage-free': established businesses are laden with legacies.

'COVID-19 actually gave a lot of visibility for small players like start-ups, to show their solutions to big companies', says Vladimir Diakov, head of acceleration programmes of Moscow Innovation Cluster. Usually, to organise a meeting between some start-up and a big corporation you have to plan this meeting for six months. Now everybody is sitting at home and you can quite easily get their attention for a thirty-minute presentation of an interesting solution'.

Responding to the outbreak of the pandemic, incubators and accelerators have encouraged their members and former members to work together for mutual support and to find innovative solutions to a range of issues thrown up by the crisis.

In early February, at the early stage of the pandemic, Cyberport (see Cyperport case study on page 16) launched the 'Braving an Epidemic' initiative, a one-stop portal for Hong Kong SAR's general public to find and identify tech solutions that can help overcome challenges arising from the pandemic in four different areas:

- medical and health care
- distance learning and work from home
- household and workplace improvement
- insurance and relief funds.

'We have since gathered over 60 start-ups we believe offer innovative solutions that could actually help Hong Kong SAR to fight COVID-19, from both a citizens' perspective as well as a business continuity perspective', says Eric Chan, chief public mission officer of Cyberport. 'These innovative start-up companies came out with a lot of ideas. We also found this a very good exercise to stimulate cross-collaboration within our own community and offer integrated solutions, which are more valuable than individual point solutions'.

Some of the small businesses have experienced unexpected levels of growth and have managed to digitise and reimagine their business models rapidly.

'If you look around Barbados, given the pandemic, there has been an increase in start-ups. We never really had delivery services for supermarkets, but COVID has opened the door for these businesses', says Damien Skeete, associate partner of Skeete Best & Co., Barbados. 'I've seen a lot of small businesses digitise and going online, using digital to offer new services. That's sometimes a blessing with small businesses, they have the flexibility, they can turn on a dime'.

Many support networks have found their members and alumni looking to them for support, not to grow, but to survive. In this crisis, the tool sets developed by the incubators have proved very adaptable: existing businesses may have been forced into start-up, or rather 'start-anew' mode: looking for new business models that will enable them to find new markets, or serve existing customers in different ways, while coping with pressures on supply chains, logistics and finance.

To expect things to go back to how they were before overlooks the fact that we were already in a time of great disruption. The retail sector was in crisis, streaming threatened cinema, working from home was raising questions over the viability not just of commercial office space, but mass transit networks. Digital transformation was disrupting sector after sector, from the humble B'n'B to retail banking, and the green agenda was exerting similar pressure on transport and energy.

While incubators and accelerators may previously have had a narrow focus, whether by sector or life cycle stage, the innovation they foster and the learning they offer now answer a more general need.

In this report we have seen how incubators and accelerators are supporting the development of wider ecosystems of support for start-up and growth. Some of these resources have already been redeployed to deal with the imminent crisis as described earlier on in this chapter; the next question is how to evolve these structures so that they support not just innovation and start-ups, but also reinvention and rebirth.

The term ‘Building Back Better’ has been widely used in the context of the economic recovery from COVID-19: organisations have been forced to innovate to cope with the crisis and will have to continue to do so as new economic structures emerge and behaviour changes. Many see this as an opportunity to link recovery with longer-term agendas.

The OECD has called for recovery packages to be aligned to long-term emission reduction goals, to factor in resilience to climate impacts, slowing biodiversity loss and creating ‘circular’ supply chains. In this view, a return to ‘business as usual’ is not only unlikely but undesirable and governments will need to offer more resources to start-ups and support ecosystems, such as accelerators and incubators, to foster sustainable recovery (OECD 2020b).

This challenging period has also demonstrated the need to develop and strengthen partnerships with other stakeholders of small business support ecosystem and there are clear synergies with accountants and SMPs also supporting the recovery of start-ups and SME sector. The COVID-19 crisis has highlighted and reconfirmed the importance of the SMP and we have seen an unprecedented mobilisation of the SMP community: practitioners have been working individually and collectively to keep thousands of small businesses afloat. Both accelerator and incubators community and SMPs are expressing interest in further developing cooperation to support small business recovery.

Conclusion

Accelerators and incubators offer valuable support for entrepreneurs, whether they are launching new business ideas or scaling up for growth.

But they are now expanding their activities beyond a narrow focus on high-tech and high-growth companies: their toolkits and resources can be used to pursue a wide range of policy and economic goals, and the communities and networks they foster provide the foundations for an evolving business ecosystem which fosters sustainability, resilience and social responsibility.

Accountants will play a vital role in supporting and augmenting the evolving small business support ecosystem. This means not only broadening their own offering but connecting clients to a wide range of resources that go beyond finance alone. They will be called on to help clients who are starting afresh, as well as those who are starting from scratch, and help both groups build responsible and sustainable enterprises.

COVID-19 had been a challenging time for all businesses, but some start-ups have seen extraordinary growth as their solutions have come to the fore during the crisis. They have demonstrated not just the value of innovation but also of mutually supportive business ecosystems. As the global economy strives to recover and existing trends are accelerated, start-ups and SMEs have the potential to generate new and better solutions to the problems of the future. Incubator and accelerator programmes have risen strongly to the challenge of COVID-19 to create innovative solutions to problems created by the crisis, and to anticipate the needs of the post-COVID world.

A wide range of actors should recognise that creating, fostering, engaging with and expanding accelerations and incubation programmes can further their own goals.

SMEs and start-ups should carefully consider and select the programmes that suit their needs and are appropriate for their present stage in their life cycle.

Accountants should engage with these programmes, support growing enterprises and look to create their own packages and support networks.

Governments and non-governmental organisations (NGOs) should view supporting start-ups and growth programmes as a cost-effective way of using the power of entrepreneurship to achieve a wide range of policy goals.

Ultimately, **incubators and accelerators** should look beyond their programmes to build a community and knowledge base and partnerships, share their expertise widely and act as an advocate for entrepreneurs to policymakers.

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