ACCELERATOR Prepared by < ISDI >

A whitepaper about how a new accelerator has become one the of the fastest-growing programs worldwide JANUARY 2017 - www.impact-accelerator.com



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Seayaventures







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Introduction

OPEN ACCELERATION: a transparent, data-driven approach to acceleration management

It has been more than two years since IMPACT Accelerator was created. Since our inception, we have learned from our successes and our mistakes, and we have continuously refined our approach, always with the mantra of do better, help better, create a better product. We have had high expectations, both of our startups and ourselves. They worked hard and we worked hard.

Now, after constant trial and error, we have developed a concept called **Open Acceleration**, a transparent, data-driven approach to acceleration management.



First batch startups celebrate IMPACT's kickoff.

This method delivers positive, verifiable results; recently, IMPACT Accelerator was ranked the number one top performing accelerator funded by the EU since 2014. IMPACT is also listed by Gust among the top twenty most active accelerators in Europe and is one of the fastest-growing accelerators in the world.

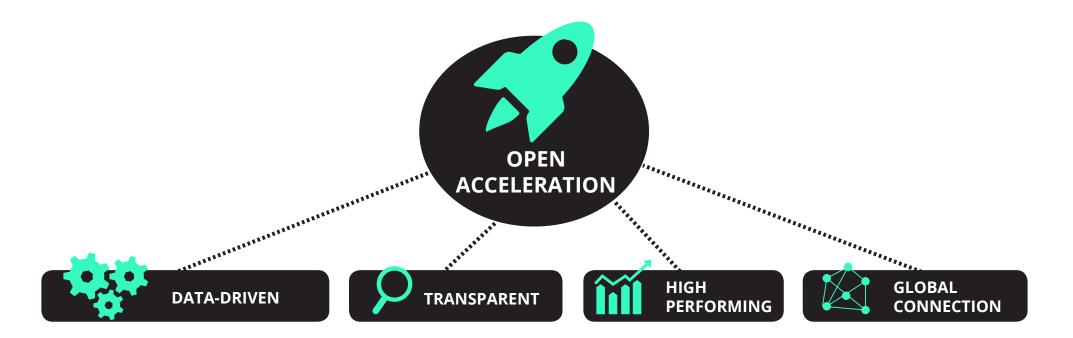
Our intention is to tell our story and explain our methodology, verifying our claims with data, so that the community can benefit from our experiences.



We hope the reader will gain insight into the key aspects of making a global impact in the acceleration ecosystem, as well as an understanding of the inside workings of a demanding and transparent Open Acceleration program.

WHAT IS OPEN ACCELERATION? Transparency as a fundamental value

Open Acceleration is a methodology for managing accelerator programs which is **data-driven**, **transparent**, **high-performing**, and **global**.





The best way to gauge whether our results are good or bad is by determining KPIs and other benchmarks, continuously monitoring the data, and making changes based on our results. This, incidentally, is known as the Build-Measure-Learn loop in the parlance of Lean methodology, a way of working that many startups use. Therefore, one could say that we are best able to help startups by treating our own accelerator program as a kind of startup: agile and constantly being improved.



Of course, the data generated can't do much good if we guard it jealously. We developed custom software, discussed later in this whitepaper, that shares our metrics and KPIs as openly as possible among mentors, investors, corporations and the community (respecting privacy where appropriate).



We take acceleration seriously, holding our startups to high standards. We expect a lot of them during the program. On the other side, we also have high expectations of our own performance. We strive to offer our startups the best experience possible.



Open Acceleration emphasizes a global network of startups, investors, and partners, bringing together players from all over the world to help each other, learn from each other, and do business together.

The Open Acceleration methodology holds everyone accountable, from each member of the startup teams to the accelerator program itself.

The concept of Open Acceleration emerged and grew together with IMPACT Accelerator itself. When IMPACT was founded, we didn't have a roadmap. We had to draw our own, by making hypotheses, trying things out, and learning from our experiences. Open Acceleration was the result.

The methodology sprang out of our core value of transparency. Openness and clarity in our operations are profoundly important to us and inform all that we do.



Steve Cadigan of LinkedIn inspires startup founders.

There are two reasons for this focus on transparency. The first stems from the fact that our funding comes from the European Commission (read more about this in the next section). The management of public money means that we are beholden to the public. We have a responsibility to use the money wisely and to report and justify our spending.

The second reason is more intrinsic. Protocols aside, we as a team believe that the best way to do business is through generosity and openness. Being transparent allows others to learn from our experiences. It also forces us to hold ourselves to the highest standard and thereby do the best work we're capable of. In this way, we are able to improve the experience of both startups and investors, adding value to the whole chain.

The origins of IMPACT

IMPACT Accelerator came to life in the summer of 2014, in Madrid, Spain, one of <u>Europe's tech hubs</u>. It is the result of a collaboration between an international consortium of digitally-savvy companies, led by <u>ISDI</u>, the first digital business school in Spain and Mexico, now also expanding to Silicon Valley.

IMPACT invests €100,000 without taking equity in return

The European Commission awarded the consortium with a €6.4 million fund, to be used to accelerate European <u>FIWARE</u> startups.

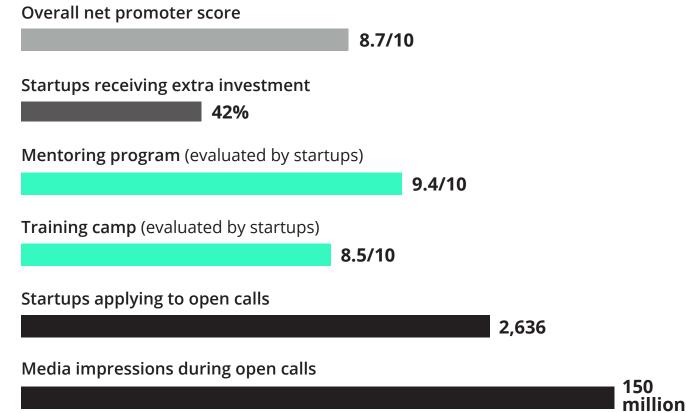
We planned to hold three open calls for startups during our first two years, choosing approximately 21 startups for each batch. Each startup selected for acceleration would be given **€100,000 without taking equity in return**, awarded in installments based on the successful completion of Milestones. They would also have access to **world-class training, mentoring** and to **diverse perks** offered by world renowned tech brands.



IMPACT offers startups training and mentoring.

It is important to re-emphasize that this whitepaper is the result of two years of work. When we first started, we didn't have a roadmap. We had to draw our own, by making hypotheses, trying things out, and learning from our experiences. Along the way, we created the Open Acceleration methodology (see previous sections). Since Open Acceleration is data-driven, it was important to set KPIs to measure our progress. Here are the KPIs with our cumulative results after two years.

IMPACT KPIs

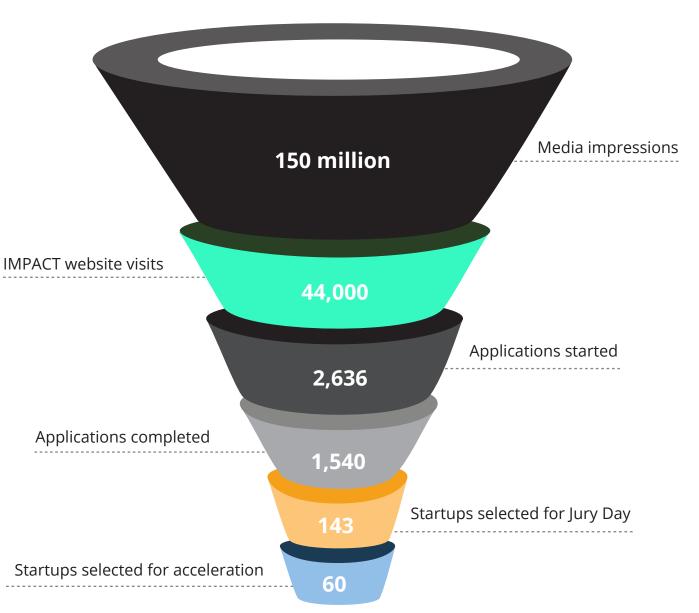


FROM ZERO TO 2,600 APPLICANTS: Spreading the word

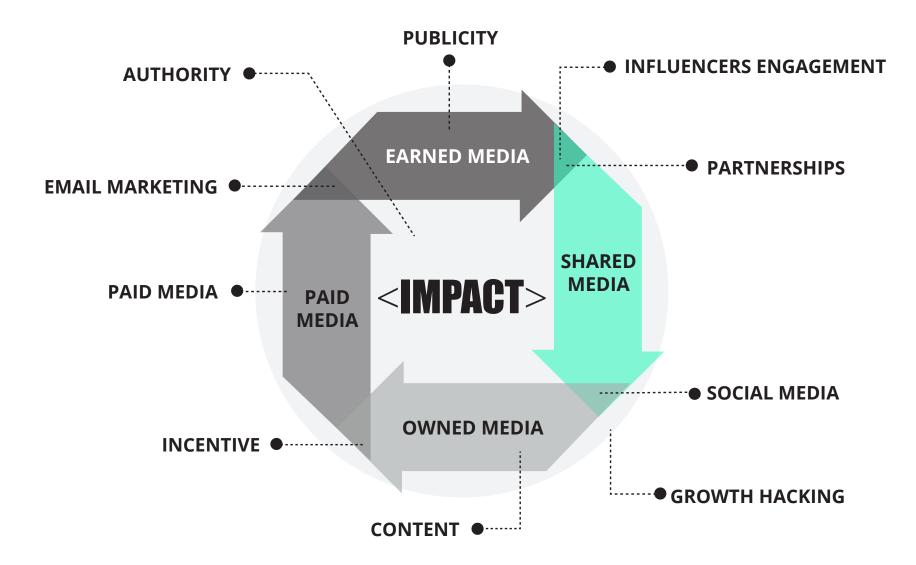
The first step in the acceleration process is to spread the word and generate as much interest as possible.

In the first two years, during three open calls, we generated a total of more than 150 million media impressions, which led to 44,000 hits on the IMPACT website. 2,636 startups initiated the application process, with 1,540 of those successfully applying to the program. A total of 60 startups were ultimately chosen for acceleration.

COMMUNICATION & SELECTION FUNNEL

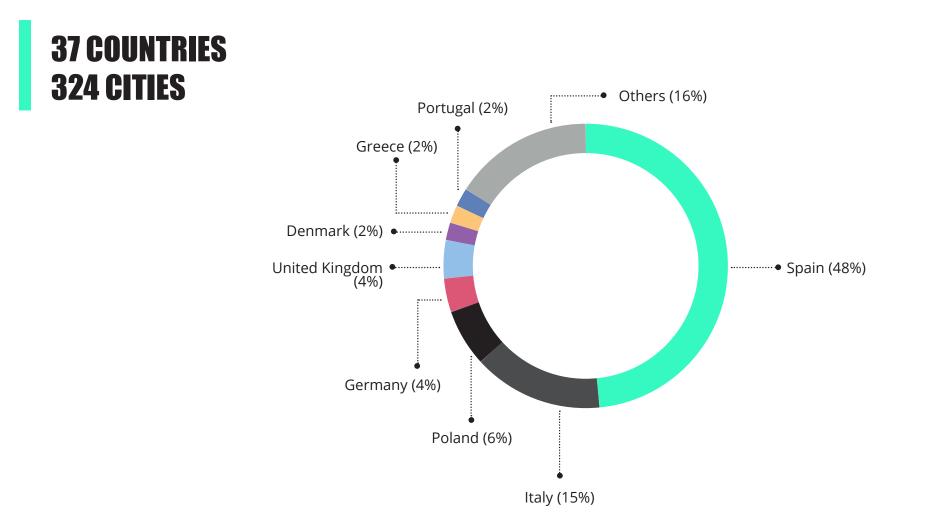


The following chart shows our basic marketing approach, used in our first open call and refined through successive open calls. We activate our network of earned, owned, paid, and shared media in order to get the word in front of as many people as possible.



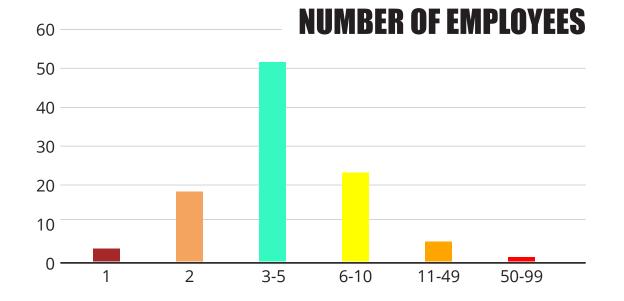
Some specific strategies we use include:

Live presentations
 <u>Webinars</u>
 Hackathons
 Traditional media
 Social media

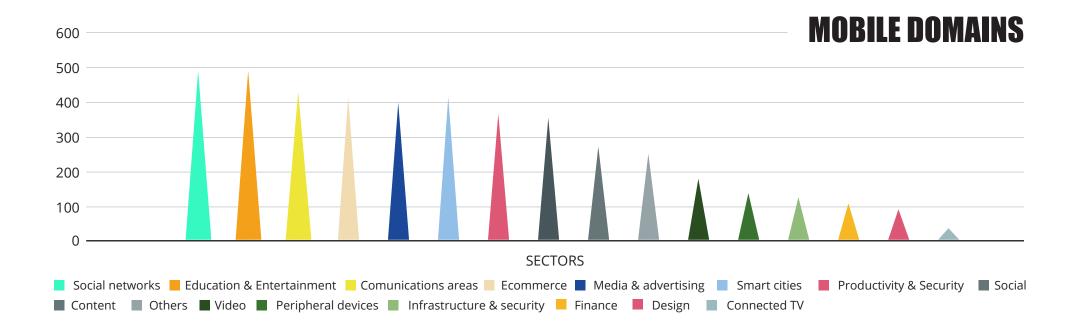


Relevant data from the application process:

- IMPACT has received applications from startups in 324 different cities located in 37 countries.
- 48% of applying startups, nearly half of all the startups that applied, are located in Spain, like IMPACT itself. From this we learned that we need to focus communication efforts on countries outside of Spain.
- 51% of startups have 3-5 employees at the time of applying to IMPACT. 23% have 6-10 employees, while 17% have 2 team members when they apply. 6% have 11 or more employees, and 3% are startups comprised of a single person.



 The majority of startups, 503, are social networks, while the field of education and entertainment follows closely behind with 495 startups. Other popular sectors are communications, e-commerce, and media and advertising.



 Startup founders were asked about their years of experience in management. We found that of all the applicants from three Open Calls, 4% had no experience in management and 17% had some experience. 37% described themselves as experienced, while 42% were very experienced in management when they applied for IMPACT.

FOUNDERS' EXPERIENCE IN MANAGEMENT	
EXPERIENCE	%
No experience (<3 years)	4%
Some experience (3-7 years)	17%
Experienced (7-10 years)	37%
Very experienced (>10 years)	42%
TOTAL	100%

 In the third Open Call, we began asking applicants how many years of experience the founders had in their target market. We found that 11% of founders had less than one year of experience in their market. 22% had 1 to 3 years, 25% had 3 to 5 years, and nearly half, 42%, had more than five years' experience in their target market.

FOUNDERS' EXPERIENCE IN TARGET MARKET		
YEARS OF EXPERIENCE IN THE TARGET MARKET	%	
Less than 1 year	11%	
1 to 3 years	22%	
3 to 5 years	25%	
More than 5 years	42%	
TOTAL	100%	

The selection process

AS stated above, IMPACT has received a total of 2,636 applications to date, over three open calls. Our objective has been to make acceleration management as streamlined as possible. This is reflected in the selection process we developed, which strikes a balance between ease for the evaluators and fair consideration for the applicants.

In this section, we will explain the **specific steps** of the selection process, as well as **offering insights** into characteristics that, up until now, have made startups more or less eligible for acceleration in IMPACT.

Startups are evaluated on their team, business opportunity, and strategic fit. As mentioned before, the Open Acceleration methodology means that we as accelerator managers are constantly revising and improving our processes. During the first three open calls, changes put into place mainly affected the criteria used to select the startups, not the process itself. Now, as we move into the next phase of our program's existence, we foresee that the selection process for the new open calls will change significantly. Therefore, these particulars should be taken as **general insights**, not as rigid guidelines.

The IMPACT selection process is divided into four stages:

Eligibility Check and Pre-scoring. The startups needed to comply with a number of requirements about the size and age of the company, country of origin, and use of technologies. Candidates applied online through <u>FundingBox</u>, the institution responsible for overseeing the program's compliance with the EU. FundingBox created an initial application form which automatically assesses and assigns a score based on eligibility, level of usage of mobile, founders' dedication to the project, team skills, proven experience in the market, and more.

Questions asked in this stage were close-ended questions. Each answer was assigned a point value. The more a given answer was in line with what IMPACT was looking for, the more points were awarded. At the completion of this application, a program automatically added up the points and filtered out the best startups. This automatic selection allows us to move quickly through this step of the process.

At least 250 startups were selected according to the pre-scoring questions.

The pre-scoring questions for the third open call covered the following areas:

QUESTION	EXPLANATION	OPTIONS
Mobile vs business model	Please select what is most appropriate. Important warning: The proposal has to lie within the MOBILE domain, because it is an eligibility criterion (See section 4 in the Application Form). If not, your proposal will be excluded.	-100 == Mobile technologies are NOT part of the business model 3 == Mobile technologies are used as a part of the business model 5 == Mobile is the core of our business model
Years since incorporation		7 == Not yet incorporated 7 == < 3 years since incorporation 3 == < 7 years since incorporation 0 == > 7 years since incorporation
Founders Owned Equity		0 == Founders own less than 25% equity 1 == Founders own less than 50% equity but more than 25% 2 == Founders own less than 75% equity but more than 50% 3 == Founders own more than 75% equity
Dedication to project	Choose the most appropriate description of your founders team dedication to the project. Select the skills mix that most represents your team composition as of today.	0 == 1 founder dedicated part-time 7 == 1 founder dedicated full-time 5 == 2 founders dedicated part-time 8 == 1 founder full-time and 1 part-time 10 == 2 founders, or more, dedicated full-time
Team skills	Select the skills mix that most represents your team composition as of today.	0 == Mgmt/Finance 3 == SW development 7 == Mgmt/Finance + SW development 5 == Mgmt/Finance + Mkt/Sales 9 == Mgmt/Finance + Mkt/Sales + SW development 10 == Mgmt/Finance + Mkt/Sales + FIWARE SW development <25>

Proven experience in the target market	Please indicate the years of experience in the target market by the most experienced member of the team (e.g. if one has 2 years, and another has 4 years, then mark "3 to 5 years" - and not "More than 5 years")	0 == Less than 1 year 3 == 1 to 3 years 5 == 3 to 5 years 7 == More than 5 years
Current progress or traction	Please select what is most appropriate to describe the current stage of your development.	2 == We plan to launch a beta within next 12 months 4 == We plan to launch a beta within next 6 months 8 == We already have users/pilots 10 == We already have users/pilots and sales 10 == We already have users/pilots, sales, and profit 0 == None of the above
FIWARE Technology Usag	Choose the most appropriate description of your current integration of FIWARE. Be aware that projects not even planning to integrate FIWARE are not eligible.	5 == FIWARE technology is already used in our product 5 == We plan to integrate FIWARE technology during IMPACT -100 == None of the above
Status at technological leve	Which of the following best describes your current status at a technological level? Select the skills mix that most represents your team composition as of today.	0 == Nothing built yet 6 == Mockups/Renderings 10 == Prototype (if you indicate this, you must provide the URL below) 14 == Private beta (if you indicate this, you must provide the URL below) 15 == Public beta (if you indicate this, you must provide the URL below)

Startups with no mobile component or without a plan to integrate FIWARE were immediately disqualified

As can be seen from the table, certain characteristics were favored over others. For example, startups with a publicly-launched beta were rated much higher than startups who hadn't started building, while a fully-committed team of two or more founders was preferred.

Startups with no mobile component or without a plan to integrate FIWARE were immediately disqualified.

External Evaluation. Next, all successful candidates were assessed again by an independent panel of experts. Startups were evaluated on their team, business opportunity, and strategic fit. To pass this phase, it was important to have a balanced and experienced team with people working in all the important fields of the company: management, technology, and marketing. It was common to see teams of two or three engineers, but these teams didn't do as well as more diverse groups.

Another factor was the startup's ambition; those with the goal of going global were more likely to be selected that those ones who did not express this ambition.

The level of maturity was also important. In IMPACT we were looking for startups that would be in the market immediately after the acceleration program, so having metrics before applying helped startups to be successful. Having users or clients was looked on favorably. It was important to have a balanced team experienced in management, technology, and marketing. The official Guide for Applicants offered this description:

IMPACT partners will aim to select the most ambitious projects that show the highest potential as global businesses.

The ideal project type IMPACT Consortium is looking for would be projects that already have a working prototype, and where there at least two founders work full time for the Project and own at least 51% of Shareholders' Equity. The target market launch date should be less than 6 months away or, if already launched, the product should have been in the market for less than seven years.

The more closey the projects matched the criteria described here, the more likely the were to be selected.

The more closely the projects matched these criteria, the more likely they were to be selected.

FIWARE Evaluation. A FIWARE Expert evaluated the proposal to implement FIWARE. The key to passing this phase was to use or have the intention of using FIWARE. Any startups not already implementing FIWARE had to learn about the technology and propose an architecture including some of the Generic Enablers. There are 51 <u>Generic Enablers</u> for four different purposes, among them IoT or Context Management.

Jury Day Pitching and Final Selection. A shortlist of at least 25 startups was then invited to pitch at Jury Day. This is an in-person event at which the qualifying startups pitched to a selection committee, formed of four members of the IMPACT Consortium and two external evaluators, who then chose the very best candidates to formally join the acceleration program.

In our case, as stated above, we selected a total of 60 startups over three open calls.



Four DON'Ts when applying to IMPACT (and two DOs)

DON'T apply with a weak founder team. Make sure you have at least two founders, of different backgrounds, preferably dedicated full time to the project.

DON'T apply without a plan. Startups that are already built and are beginning to see traction do much better than startups that aren't even in the initial stages of programming.

DON'T pass on integrating FIWARE. This is essential to qualifying for IMPACT!

DON'T skip the mobile component. Again, this is a non-negotiable part of all IMPACT startups.

And here are two things to definitely do:

DO show up with an ambitious, globally-minded roadmap.

DO apply when your startup is young. If your startup has been incorporated for 7 years or more, your chances of selection dramatically drop.

TRAINING: Program and management methodology

Training is divided into two parts: a face-to-face boot camp and online training. During the first week of the program, or Welcome Week as we call it, we provide intensive, in-person training which covers the most important abilities, skills, tools and strategies needed to launch a business. Online training courses are offered during the rest of the six-month training period.

Face-to-face training

Welcome Week consists of a Welcome Event on the first day, followed by the boot camp.

The Welcome Event, also known as Welcome Day, is a chance for startups to introduce themselves and get to know each other and the mentors. Our objective is to bring the IMPACT community together, as well as to involve the greater ecosystem. Welcome Day culminates with a keynote address, given by a top figure in the startup world, and open to the public.



Sebastian Muller, IMPACT Program Director, welcomes startups at the Welcome Event.

Welcome Week is seven to eight days of live classes taught by a variety of high-level professionals from companies such as Airbnb, Google, Yahoo!, and ING Direct. Each day after classes, startups fill out an online survey with their feedback of that day's events.

The information gathered in the surveys allows us to continuously adjust and improve our training week, to give startups the most value possible.



Felipe Navío, cofounder of job and talent, gives a great talk about startups.

The following lists show the class subjects and the instructor for each class. They are listed in order of most popular to least popular. The most popular class of all batches received an average score of 9.6 out of 10, while the least popular class received a score of 6.6. Everything else fell somewhere between those two.

1st WELCOME WEEK	
CLASS SUBJECT	INSTRUCTOR
The Elevator Pitch Workshop	Alex Barrera
Entrepreneur talk	Miguel Ángel Díez
Startups Management	Inma Martínez
Analytics & KPIs	Arnaldo Muñoz
Business Development	Inma Martínez
Funding Strategy & Startup Evaluation	Oriol Juncosa
Marketing Strategy	Nacho de Pinedo
Internationalization strategies and business growth	Ignasi Vilajoana
Entrepreneur talk	Iñaki Ecenarro

Legal environment	Ventura Barba
Entrepreneur talk	Luis Gosalbez
Social Media Marketing	Rodrigo Miranda
Technology & enablers	Marcelo Royán
The App Economy	Miguel Ángel Díez
Search Marketing Mobile	Thomas Petit
Product Development/Lean Startup	Jon Oleaga
The Term Sheet	Chris Cooke
UI / UX (User experience)	Jon Oleaga
Social Media Advertising	Álvaro Torronteras



Jo Goodson, Managing Director of Hampleton Partners, leads a workshop about M&A.

2nd WELCOME WEEK		
CLASS SUBJECT	INSTRUCTOR	
Funding strategy, startup valuation and term	Oriol Juncosa	
P2P Learnings and Summary	Miguel Ángel Díez	
What VC are looking for	Rodrigo Martínez	
Startup Management & Business Development	Inma Martínez	
What VCs are looking for	Luis M Cabiedes	
Marketing Strategy + Workshop	Nacho de Pinedo	
P2P Learnings and Summary	Sebastian Muller	
The App Economy	Miguel Ángel Díez	
What VCs are looking for	Esteve Jané	

Product Workshop	Miguel Ángel Díez
Analytics & KPIs	Jaume Clotet
Social Media Marketing	Bjorn Uhss
The Elevator Pitch	Alex Barrera
Product Workshop	Daniel Fernández
PR strategies for startups	Chris O'Brien
Technologies and Enablers	Marcelo Royán
Internationalization Strategies and Business Growth	Alex Barrera
Mobile Growth Hacking	Thomas Petit



Jaume Clotet, Digital Services Director of KPMG, teaches an intensive workshop about analytics.

2nd WELCOME WEEK		
CLASS SUBJECT	INSTRUCTOR	
Startup management & Business Development	Inma Martínez	
Marketing Strategy	Nacho de Pinedo	
Internationalization: the BuyVIP story	Gustavo G. Brusilovsky	
Mobile Growth Hacking	Thomas Petit	
HR: hiring & firing & company culture	Sebas Muriel	
How to do business with big corps	Alberto Díaz	
How to sell your startup	Miguel Arias	
Agile Internationalization	Miguel Ángel Díez	
Elevator pitch	Alex Barrera	

What VCs are looking for	Aquilino Peña, Iván Feito, Miguel Ángel Díez
Product Workshop	Daniel Fernández
Product Workshop	Miguel Ángel Díez
Technology & enablers (FiWare)	Marcelo Royán
P2P Learnings & Summary	Sebastian Muller & Miguel Ángel Díez
Analytics & KPIs	Jesús Martín Calvo
Warming up IMPACT Processes & commu	Inity Sebastian Muller & Daniel Twal
Social Media Marketing	José Llinares
CRM Tools workshop	Rafa Lopez & Cesar Crespo

Startups score each class on a scale from 1 to 10, with 10 being the best. The average class rating was 8.22 during the first Welcome Week, rising to 8.63 and 8.62 for the second and third Welcome Weeks, respectively. This change reflects improvements we made to class subjects and content.

Startups' evaluation of Welcome Week



Key learnings and conclusions from Welcome Events and Welcome Weeks:

- We found it important for the startups to present themselves and their companies, expressing their needs, challenges and goals so the mentors and the community could get to know their current situation.
- Mentors also present themselves at Welcome Week. The majority of mentors attended in person, but a small percentage made their presentations via video chat.
- Having high level and relevant content curation attracts the community and validates our model.
- To close deals with public or private institutions that amplify IMPACT's value proposition help IMPACT startups get more value from the program.



Third batch startups had a blast at their Welcome Day, held at Google Campus.

Online training

In addition to Welcome Week, startups are required to participate in online training offered by the platform InternetAcademi (now part of <u>ISDI</u>). The courses start after the close of Welcome Week and last for the duration of the six-month acceleration. Startups are required to enroll in at least two courses of their choice, but some enroll in up to six.

Startups learn how to work fast in IMPACT.

They develop their product quickly, and more important, they get in front of customers as soon as possible for reality checks. This allows them to get realtime feedback and enables them to immediately see when it's time to pivot if needed.

> Inmaculada Martinez Data Scientist for Product Innovation

Mentors create custom case studies for each startup and each course. Case studies are tailored to the startups' needs, so that they can get the most out of the experience. The results of this case study are then used as a deliverable for the startup.

Among the courses currently highest in demand are:

- User experience and information architecture
- Digital marketing
- SEO: Optimizing a web site
- Mobile UX / A/B

Startups most request courses on user experience, digital marketing, and SEO optimization.

Startups are also asked to evaluate various aspects of the online training, as well as giving an overall score out of 10. The average score awarded by startups is 8.38, indicating they benefit a significant amount from the education they receive.

Conclusions about online training

Evaluations revealed that online courses are greatly appreciated and many startups register for more courses than IMPACT required. However, we also observed that courses can be demanding and some startups drop out of extra courses, mainly due to work overloads related to closing investment rounds or important partnerships.

MENTORING: Program and management methodology

A key part of the acceleration process is mentoring. Focused, specific guidance by experts pushes the startups to achieve more in a shorter time frame. Additionally, startup founders come into close contact with, and learn from, professionals highly successful in their fields. As a learning experience, working with a mentor can be invaluable. Mentors can teach startups how to do business with big corporations, something founders often don't have experience with. If the mentor represents a large enough company, the mentor can end up teaching the startup how to do business with the mentor's own company, which can ultimately be extremely beneficial to startups.

The positive effects of mentoring don't necessarily end at the close of the acceleration program; mentors and startups often form a close professional bond that can be mutually beneficial for months or even years after mentoring formally ends.

Local and remote mentoring

In total, around three quarters (76%) of the total mentoring sessions are held remotely with the remaining quarter being presencial.We have learned that this "de-localized" methodology is appreciated and, in fact, essential to the continued success of many startups. Not every startup is able to uproot themselves to temporarily move to a new city. Additionally, the costs associated with temporary relocation can be prohibitive to many new projects just getting off the ground. By offering mentoring and training remotely, or by finding mentors in the startups' home base city, we are able to provide a sustainable program.



MENTORING SESSIONS

Follow Up Mentors

IMPACT has a network of more than 60 mentors, high level professionals experienced in entrepreneurship and various specific areas of business. Each startup has a Follow Up Mentor (FuM) that meets with and supports the startup through the six months of the program. We invest a considerable amount of time in studying the profile of each startup and mentor in order to provide the best possible match, taking into account industry, country, experience, the startup's weak points, and other factors. This allows both startup and mentor to get the most out of the mentoring experience. As

Mentors and Startups often form a close professional bond that can be mutually beneficial long after mentoring formally ends.

mentioned above, the relationship is long-lasting in some cases. One mentor ended up joining the startup's advisory board after acceleration, and was a vital support for the startup, according to the startup's founder. In the most dramatic case, one IMPACT startup actually hired their mentor as a full-time team member!

Specialized Mentors

Additionally, startups have the opportunity to book sessions with any of our Specialized Mentors (SM). The SMs are extremely knowledgeable in a specific area of expertise, such as user experience or customer acquisition. Startups can request a session with any SM in order to improve weak areas. Being a mentor at IMPACT is a professional activity. We have high expectations for our mentors, both in terms of time spent with startups and quality of advice and mentoring offered. This also means that we treat them professionally, adequately compensating all mentors for each session they give.



Rocío Pillado of ADARA Ventures mentors the Situm team.

Evaluating startups and mentors

Evaluation of the startups is carried out by the mentors. They spend the most time with the entrepreneurs, they are closest to the inner workings of the companies, and therefore they are the ones who are most qualified to evaluate the Milestones completed by the startups. FuMs report all relevant information: how many mentoring sessions were held, startups' metrics, scores assigned by the FuM, comments, and more. They evaluate the startups on a scale of 1 to 10 for each deliverable at each Milestone, on their punctuality, and on their implementation of FIWARE. Startups also receive an overall business score.

Startups also evaluate their mentors, as well as providing constant updates on their metrics and other measures of progress. All this data is organized by our custom management software, AcceleraThor. AcceleraThor is a logbook of data that serves as live due diligence, letting us monitor progress at every step and make corrections as needed. With <u>AcceleraThor</u>, we can oversee all the startups' progress with minimal time invested. We are then able to devote adequate time and resources to ailing or low-scoring startups, assessing their situation and reviewing improvements we can make.

The IMPACT logbook was essential to the mentoring process. The startup I mentored uploaded their metrics and milestones directly to the logbook, which saved us a lot of time in our mentoring sessions. I had all their data at my fingertips, and I could easily identify which areas we needed to work on.

Arnaldo Muñoz General Manager Airbnb Spain & Portugal



Noelia Fernández of PRISA works with the startup Lectios.

Learnings and conclusions about mentoring

- Give the startups a clear idea of what to expect from the acceleration program; from the beginning with a planning with estimated deadlines and a short description of tasks, and during the program, with a Dashboard showing how they will be meeting the deadlines.
- Be demanding with startups at the first Milestone, but show flexibility to understand the problems that may have arisen. We observed that this leads them to achieve all Milestones and a better score at the end of the acceleration program.
- Startups that are growing very fast may be less involved in the acceleration processes due to the demands of the professional challenges they are facing. Detecting these cases as soon as possible, being flexible, and coaching these startups could solve issues of this type.
- Work with mentors regularly to achieve their tasks, tracking their progress to detect potential conflict as soon as possible. The mentors' tasks are well explained, but due to their busy agendas, mentors may forget the specific acceleration methodology used in IMPACT.
- We have found it's helpful for the mentors' personal assistants (when applicable) to deliver the administrative task. Of course, the session must be done directly with the mentors.

Results

- On average, each startup had 9.2 sessions with the Follow up Mentor and 6.4 sessions with Specialized Mentors.
- There were 552 mentoring sessions with Follow up Mentors and 382 with Specialized Mentors. This
 makes a total of 934 mentoring sessions.
- After three batches of acceleration, Follow up Mentors had an overall average score of 9.35 out of 10, as evaluated by the startups.
- Startups achieved an average rating of 8.38 out of 10, as evaluated by their Follow up Mentors.







Acceleration benchmarks

Evaluation of startups is a key part of the Open Acceleration process. By gathering and analyzing data in real time, startups can adjust their progress as soon as potential problems are spotted.

As detailed in the previous section, Follow Up Mentors and startups report data after every mentoring session. This creates a dynamic picture of data which gives real insight into the startup.

The data reported falls into three categories:

Startup KPIs Personalized deliverables

Team KPIs

Startup KPIs include information such as revenue, costs, website hits, bounce rate, download rate, churn, users, and so on. The IMPACT logbook allows users to report a wide range of data, but startups generally focused on just a few key metrics. These metrics varied from startup to startup, depending on the company's sector and focus.

Personalized deliverables are specific assignments agreed upon between the startup and the Follow Up Mentor. These are highly customized, given the fact that every startup is in a slightly different position when beginning the program.

Deliverables are due at the first Milestone, three months into the program, and at the second Milestone, at the end of the program.

Examples of deliverables include:

- Hiring key team members.
- Creating a social media plan.
- Completing development of a new feature.

Team KPIs measure the effort and expertise of the team members themselves.

Specifically, team members were evaluated on:



Professionalism and knowledge

Mentors gave teams a score between 1 and 10 for each of the above categories after each mentoring session.

Average score across all areas of evaluation at key points (out of 10)			
	Program start	First Milestone	Second Milestone (final)
Overall	8.25	8.44	8.52
First batch	8.36	8.50	8.72
Second batch	8.09	8.27	8.69
Third batch	8.31	8.56	8.14

As the table shows, there was a general trend of improvement throughout the program, with each Milestone showing a better result than the previous one, within the same batch.

The exception is the third batch. The final score of the third batch dropped noticeably. This was due to two startups dramatically underperforming, even misleading their mentors. As a consequence, they were awarded extremely low scores. This brought the average down.

Here's how the startups scored in the specific categories:

	Analytical	Conceptual	Interpersonal	Communication	Involvement	Operative	Fast Learning	Professional	Knowledge
Overall 🕨	8.15	8.23	8.29	8.12	8.86	8.29	8.36	8.56	8.62
First batch	8.42	8.37	8.27	8.22	9.03	8.48	8.63	8.87	9.13
Second b atch	8.13	8.15	8.28	7.92	8.84	8.25	8.12	8.36	8.35
Third batch	7.91	8.18	8.31	8.23	8.72	8.13	8.32	8.45	8.38

Overall, the startups were strongest in the areas of involvement, professionalism, and general knowledge. They tended to be weakest in communication and analytical skills.

Extended investment opportunities

In addition to leveraging our own network of contacts, bolstered by our relationship with ISDI, we have held three Investors Days to help startups get funding. At this event, the best startups from each batch have the opportunity to pitch in front of top European investors. Certain startups are also able to have one-on-one meetings with interested potential investors.

Startups prepare for this events by attending a workshop held exclusively for them, typically given by Alex Barrera of <u>Press42</u>. The workshop focuses on communication and the use of storytelling to deliver an effective pitch.



Juan Bautista Tomás Gabarrón of MultiDub pitches at Investors Day.

IMPACT by the numbers

Employment

One way that startups measure their progress is by the number of employees and team members on board. IMPACT Accelerator gives participating startups resources and skills to keep their teams growing at a healthy rate.

Entering IMPACT, the 52 startups who voluntarily reported their data had a combined total of 225 team members, or 4.3 members per startup. After the six-month acceleration program, they had a combined total of 336.

EMPLOYEES BY STARTUP Before IMPACT Image: Start Image:

This means that during the first two years of IMPACT's acceleration, a total of 111 employees were hired, 2.1 employees per startup -representing an average team growth of 49%.

Investment

Startups enter IMPACT at a range of different phases. Some startups haven't achieved any funding before being selected, while others have gotten up to €1 million. Of the 52 startups who voluntarily reported their data, the average pre-IMPACT investment was €193,000 (rounded to the nearest 100).

The average reported investment received during and after IMPACT is currently €371,900 (rounded to the nearest 100). This includes the €100,000 awarded by IMPACT, but one can also see that the average startup achieves more than €250,000 through other investors.

The average startup valuation more than doubled after completing the acceleration program.

Startup valuation

Of the 52 startups who reported their data, the minimum valuation before IMPACT's acceleration was €30,000 and the maximum was €4 million. The average valuation before IMPACT's acceleration was €1,237,900 (rounded to the nearest hundred).

After acceleration, the minimum reported valuation was $\leq 200,000$ and the maximum was $\leq 22,400,000$. The average valuation after acceleration was $\leq 2,954,800$. This means that the average startup valuation more than doubles after completing the acceleration program. In some cases, startups are able to achieve a valuation up to five times their pre-acceleration figure.

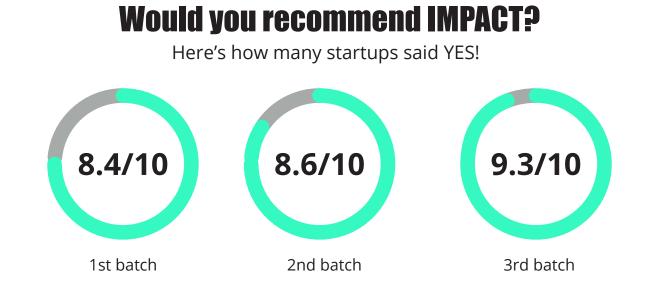
Average startup valuation

 Before IMPACT
 \$
 \$
 \$
 \$
 €
 1,237,900

 After IMPACT
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 €
 2,954,800

Net promoter score

At the end of the program, startups were asked whether they would be likely to recommend IMPACT Accelerator to others. The result is the net promoter score (NPS). The overall NPS is an average of 8.7 out of 10, meaning the vast majority of IMPACT startups would recommend the experience. Breaking the numbers down by batch, we see something even more interesting.



The NPS climbed steadily from batch to batch, thus showing that our processes were continuously improving and validating the Open Acceleration model.

What IMPACT offers to startups is incredible.

It's a wonderful opportunity for the teams to gain in-depth knowledge, funding, and experience. The startups I mentored were highly motivated and made huge leaps during the course of the program focusing on what matters for the business.

> Javier Rodriguez Zapatero Managing Director Google Spain & Portugal

A global IMPACT

High-quality work resonates in ever-widening circles. Even though our primary focus has been on attracting startups located within the 28 members of the European Union, so far we have received applications from companies based in 324 different cities located in 37 countries. To date, IMPACT has accelerated startups from Bulgaria, Croatia, Denmark, Estonia, Finland, France, Germany, Italy, Macedonia, the Netherlands, Poland, Slovenia, Spain, Turkey, and the United Kingdom.

Additionally, we've had media exposure in Europe, Latin America and the Middle East. Many IMPACT startups achieved funding from American VCs, and several startups have relocated to the United States.



European startups are highly

attractive to many investors on a world level, due to their great value propositions and their lower valuations

Finally, we are working to actively establish connections between Silicon Valley and the European ecosystem, as well as between the UK and the EU, through a series of Digital Missions. European startups are highly attractive to many investors on a world level, due to their great value propositions and their lower valuations. These startups offer a unique opportunity to have a high return on investments.

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Our Digital Missions are trips designed to build bridges and foster synergy between the community here in Europe and communities around the world. Investors outside the European Union will have the opportunity to meet and invest in promising startups that otherwise may not have come to their attention, while startups will be able to establish connections with toplevel VCs and Business Angels outside of their immediate circle. In this way, we can serve the important function of creating networks and relationships that are the foundation of the global startup community.



Getting ready for a meeting in London with Octopus Ventures.

Open Acceleration and you

AS stated earlier, Open Acceleration is a methodology for managing accelerator programs which is data-driven, transparent, high-performing, and global. It was developed through experimentation; we constantly iterated until we found the methodology that delivered the best results, as measured by startups' metrics.

Open Acceleration offers training, mentoring, and access to investors, while sharing data as freely as possible. All participants benefit from this "live due diligence."

Through Open Acceleration, startups have been able to:

- expand their business knowledge in more than 30 different areas,
- have a combined total of nearly 1000 mentoring sessions, rating the mentors an average of 9.35 out of 10,
- increase their team size by an average of 150%,
- achieve large amounts of funding,
- expand internationally,
- and more.



IMPACT staff snap a photo before a meeting with UK Tech City.

If you're a startup founder, does your accelerator use the Open methodology? If you're considering applying for an accelerator program, do your own due diligence before to find out how many features of Open Acceleration it implements. With an Open accelerator, you can trust the program and be sure your startup will get high value.

Ask questions such as: Can I see statistics from previous batches? Do I have to relocate my startup or can we stay in our home city? How much personalized attention can I expect from your mentors? What is your global network like?

Better yet, apply for IMPACT! **Subscribe to our newsletter** to stay up-to-date on open calls and other important information.

If you're an acceleration manager, Open Acceleration will help make your program easier to run and will deliver highquality results. Furthermore, Open accelerators inspire confidence in startups, investors, and others. How many features of Open Acceleration is your program already using? How can you implement other features?

Please get in touch with us if there's any way we can help you. You can email us at info@impact-accelerator.com. And check out AcceleraThor for a great accelerator program management system (launching soon, as of publication!).



Startups enjoy a quick break between meetings on the Digital Mission to London.

If you represent a corporation, have you considered implementing an innovation lab? Fostering startups allows your organization to incorporate agility and creativity in new ways. Need help? Please get in touch with us at info@impact-accelerator.com.

Open Acceleration is a methodology that helps all members of the ecosystem, from mentors and investors to the startups themselves. IMPACT is proud to be leading this movement and promoting transparency and excellence in the startup world.

Stay in touch -- together we can do great things.





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