

Open accelerators for start-ups success: a case study

Cinzia Battistella

*Department of Engineering, Information and Mathematical Sciences,
University of Siena, Siena, Italy, and*

Alberto F. De Toni and Elena Pessot

*Department Polytechnic of Engineering and Architecture,
University of Udine, Udine, Italy*

Abstract

Purpose – The purpose of this paper is to investigate how the context of open innovation offered by accelerators can affect the successful growth of start-ups. The authors explore accelerators practices and tools in sustaining start-ups and increasing survival probability in their innovation process, with the aim of addressing the following research question: how can start-ups benefit from participation in an accelerator programme from an open innovation perspective?

Design/methodology/approach – A review of the literature on start-up successes and failures and on major practices in the open innovation paradigm was carried out, delineating them in the context of accelerators. Given the absence of literature on accelerator practices for supporting start-ups, and aiming at a comprehensive understanding of how the open environment within the accelerator influences a start-up's survival (or even success) by mitigating the probability of failure, the authors conducted an exploratory case study in an English accelerator.

Findings – The open innovation practices mediated by an accelerator and the ones that are not covered, but that can benefit a start-up's survival, are shown. On the one hand, main effective practices, such as dyadic co-creation with accelerator network partners and crowdsourcing, are revealed to address mostly the lack of, or wrong direction in, product, marketing and relative managerial abilities, which are not usually owned by a start-up due to its "newness". On the other hand, some causes of failures, such as the intrinsic characteristics of founder teams, do not seem to be addressed by an open approach and neither does participation in an accelerator programme.

Originality/value – This paper is the first to study and link the literature on accelerators, start-ups and open innovation.

Keywords Case studies, Open innovation, Business failures, Accelerators, Start-ups

Paper type Research paper

Introduction

Schumpeter (1934) underlines the importance of new firms as key drivers of economic development, industrial evolution and innovation as they are founded to convert innovative ideas into commercial products (Beckman *et al.*, 2012). They renovate the market, facilitate competition and can also contribute to job creation (Birch, 1987).

Despite their potential, many new firms fail in the early stages of their life (Dahl and Reichstein, 2007) and few grow to medium size (Kirchhoff *et al.*, 2013). Different factors have been studied to explain the survival or failure of start-ups (Phillips *et al.*, 1989; Shane, 2001). In particular, the normally small size and the newness of start-ups entail a limited scope for investing in research and development processes (de Jong and Freel, 2010) and a lack of resources for structuring normal operative activities (Dahlander and Gann, 2010; Grimaldi *et al.*, 2013). Weiblen and Chesbrough (2015) argue that "when it comes to agility, start-ups have an edge over large corporations - whereas large corporations sit on resources which start-ups can only dream of".

Openness to external knowledge sources and creation of business relationships for innovation have been recognised as two crucial factors for overcoming such limitations in the early stages of a firm's development (Carlsson and Corvello, 2011; Kask and Linton,

