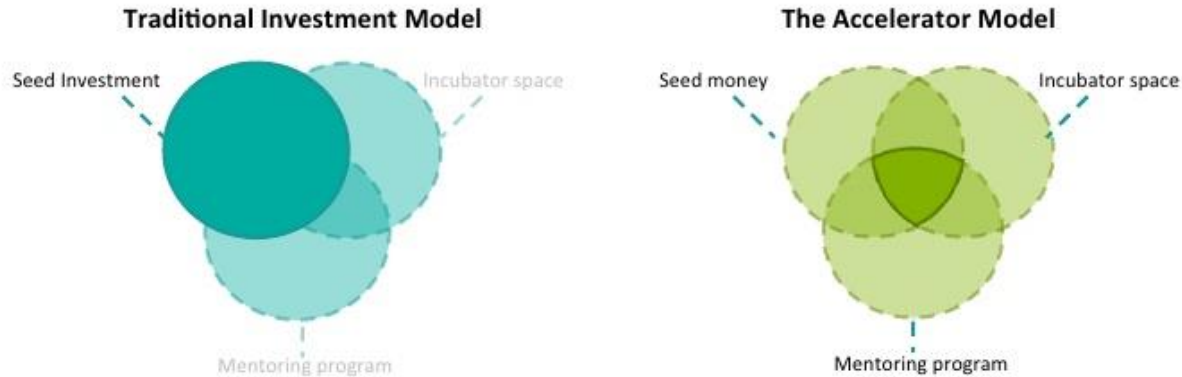


THE ROLE OF THE BUSINESS ACCELERATORS IN SMART STARTUP DEVELOPMENT

Business acceleration 1/4

Business acceleration - targeted set actions to boost the development and growth of a startup company.

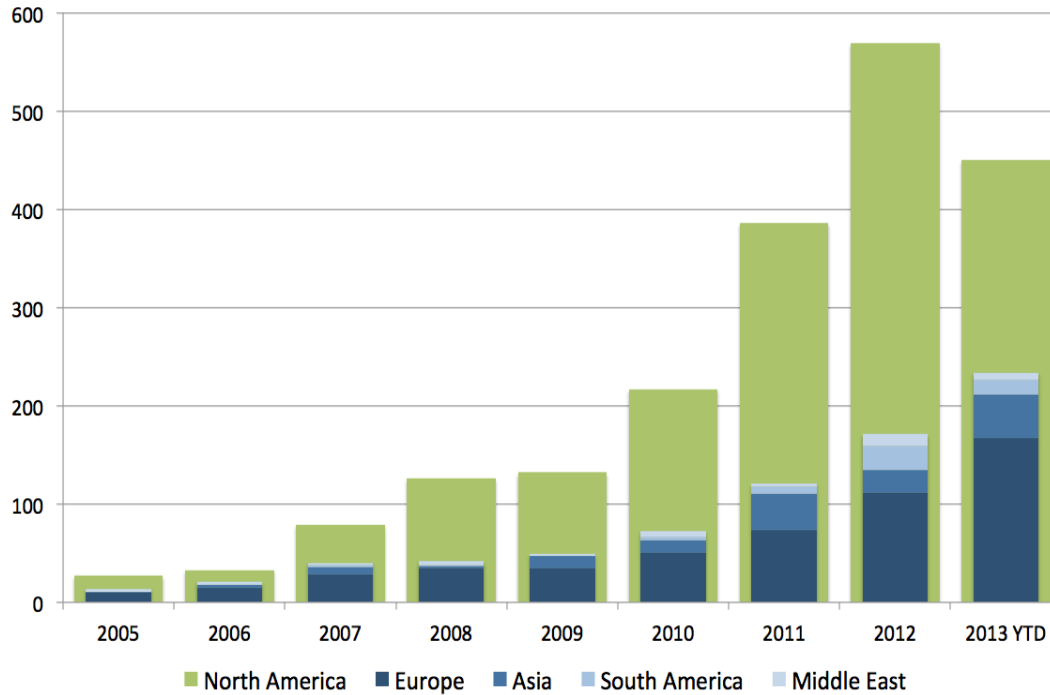
Making the money smart



Combining the benefits of co-working space, incubator & investor

Elements	Co-working space	Venture capital	Incubator	Accelerator
Lenght	Not defined	Years	Years	~ 90 days
Entry criteria	-	High	Low	Extremely high
Environment	-	-	Nurturing	Growth oriented
Office space	Yes	-	Yes	Yes
Consulting services	-	Some	Yes	Yes
Strong curriculum	-	-	-	Accelerator programme
Instructors / mentors	-	-	Some / staff	Yes, pre-selected
Funding	-	Investment	-	Yes, pre-seed funding
Follow on support	-	Follow-on investment	Some	Yes (equity stake)

Business acceleration 2/4



Accelerator statistics (by seed-db)

- ✓ **2005** – the first accelerator is established
- ✓ **234** programs world-wide (2013)
- ✓ **4858** companies accelerated (2013)
- ✓ **311** exits for \$ 3,525,448,600 (2013)
- ✓ **\$ 12,074,800,002** follow-up funding (2013)

Top 5 Accelerators

USA		EUROPE	
Y Combinator	841 companies	Startupbootcamp	140 companies
TechStars	527 companies	Seedcamp	118 companies
5000 Startups	359 companies	Springboard	110 companies
DreamIt Ventures	197 companies	Openfund	40 companies
Angel Pad	98 companies	NDCR Launchpad	30 companies

Business acceleration 3/4

Accelerator business model

Accelerator programme
<ul style="list-style-type: none">• Managing accelerator training programmes• Providing consultancy services• Publicity & marketing



Accelerator fund
<ul style="list-style-type: none">• One or more private or public investment funds• Pre-seed investments• Follow-up investments in portfolio companies

Accelerator programme operating model

Demanding acceptance process	1-3% acceptance rate
Initial funding	10 – 30 th.EUR pre-seed investment
Equity stake	6 -8%
Time-bound	3 – 6 months
Intense training programme / curriculum	<ul style="list-style-type: none">✓ Entrepreneurship (lean startup)✓ Business modelling (Business model canvas)✓ Presentation skills✓ Creation of Minimum viable product✓ Sales & marketing
Mentoring	Business, Technology & specific mentoring
Intense networking	With experts, startup owners, investors, entrepreneurs
Incubator services	Office space, secretary, consultancy service (legal, marketing etc.)
Competition elements	Jury assessment of the best companies
Demo day	Final pitching and demo event

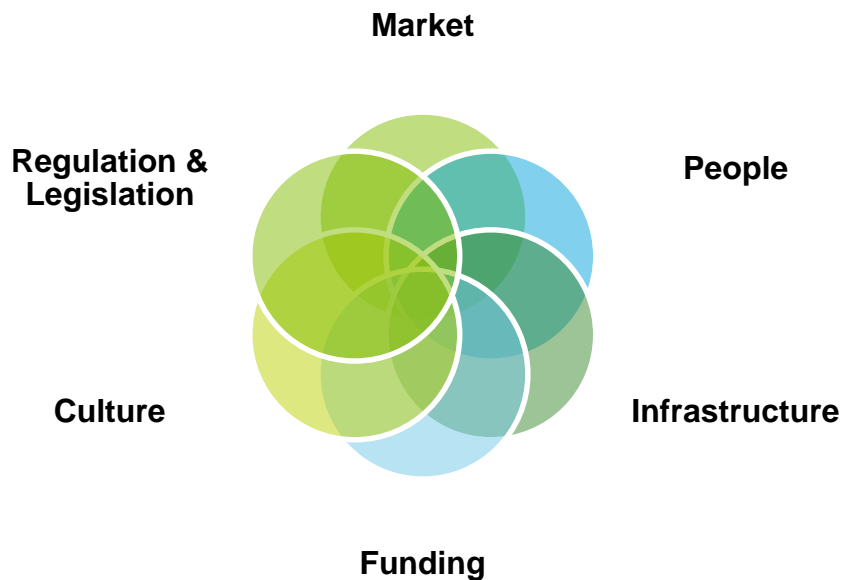
Business acceleration 4/4

Accelerator	Y Combinator	TechStars	Startup Bootcamp	Startup Sauna	Startup Wise Guys
Country	USA	USA	Denmark	Finland	Estonia
Year of creation	2005	2007	2010	2010	2012
Segments	IT, High tech	IT	High tech	IT	IT, B2B business
Participants in one programme	65	10	10	15	8
Duration of a programme, days	90	90	90	49	49
Seed investment th. EUR	10 – 18	5 - 16	15	0,15	30
Equity stake	2 – 10%	6%	8%	0	8%
No. of accelerated startups	841	485	130	-	24
No. of exits	101	55	3	-	0
Value of exits	2,2 billion EUR	156 million EUR	-	-	0
Attracted funding to portfolio companies	4,5 billion EUR	1,13 billion EUR	19,65 million EUR	-	1,66 million EUR

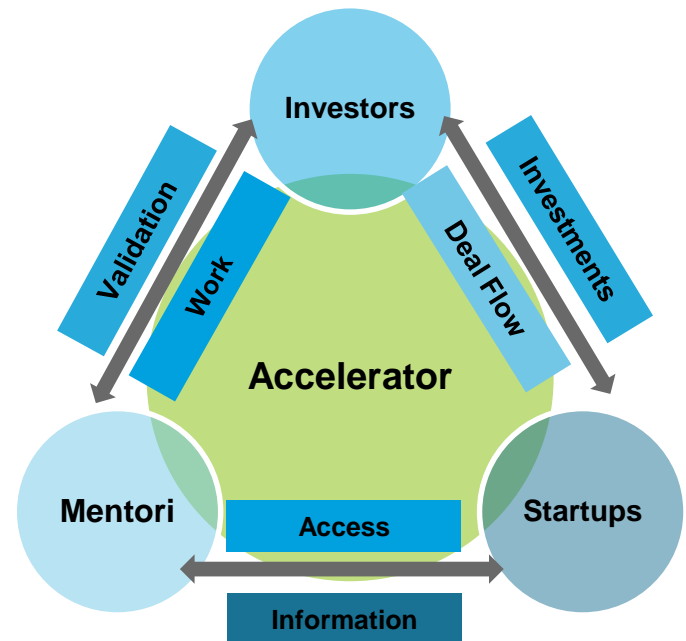
Startup Ecosystem 1/3

Startup Ecosystem – aggregation of elements that support creation and development of startups through interaction of elements.

Elements of Startup Ecosystems

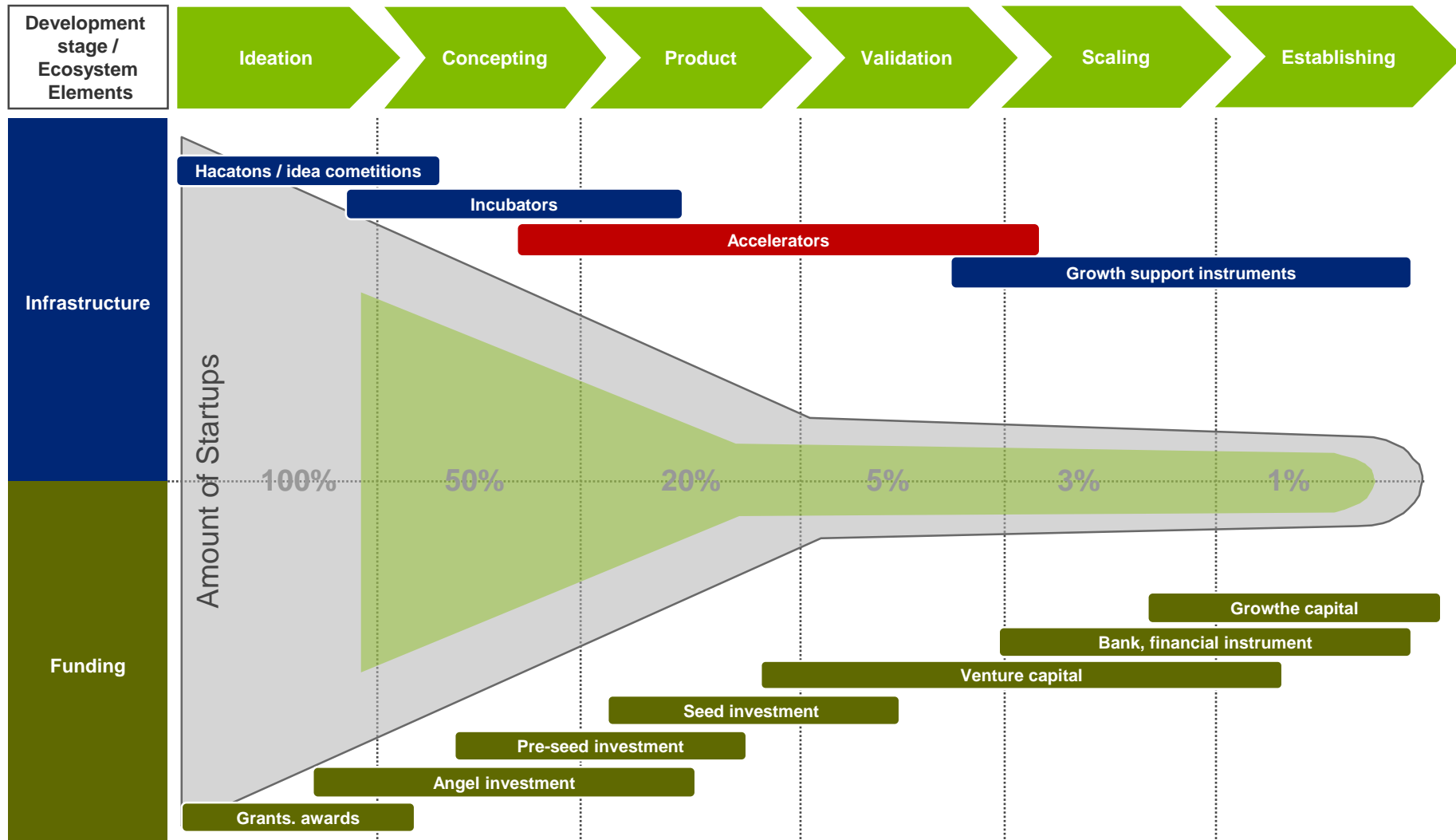


Interaction between accelerator and Startup Ecosystem



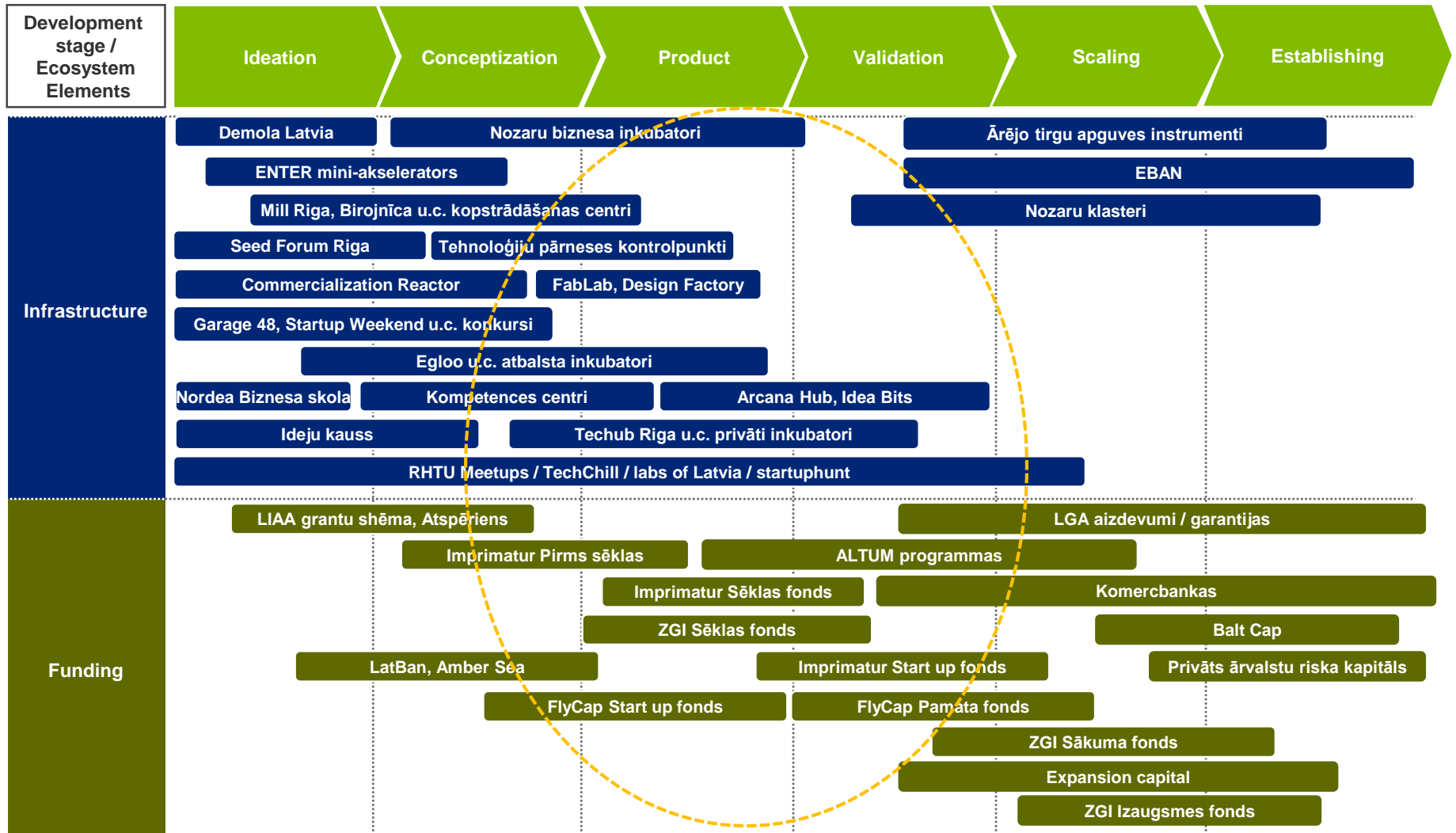
Startup Ecosystem 2/3

Infrastructure & Funding



Startup Ecosystem 3/3

Access to infrastructure & funding in Latvia



Questions?

Artūrs Zandersons

arturs.zandersons@gmail.com