WELCOME TO THE “WILD WEST”: SEGMENTING A BUSINESS ACCELERATOR POPULATION AND IMPLICATIONS FOR VENTURE SUPPORT (INTERACTIVE PAPER)

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WELCOME TO THE “WILD WEST”: SEGMENTING A BUSINESS ACCELERATOR POPULATION AND IMPLICATIONS FOR VENTURE SUPPORT

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Principal Topic

Business incubators and accelerators have become a dominant mechanism for stimulating and facilitating the growth of new ventures, catering to the support needs of entrepreneurs in various stages of venture development. Yet, there is evidence that those service portfolios might not meet or match the actual needs of incubator tenants (Ratinho et al, 2012). Intangible resources offered don't always produce the desired effect. In this study, we want to know what the demand characteristics of entrepreneurs within business acceleration programs are, and how these evolve and differ across types of entrepreneurs. By doing so, we follow calls for investigation of how role identities of entrepreneurs influence firm creation processes and their outcomes (Fauchart & Gruber, 2011).

Method

The research design is a multiple case-study undertaken at a business accelerator. We draw on very detailed qualitative as well as quantitative data collected of twenty entrepreneurs throughout one year in a business acceleration program. We purposively sampled the cases for experienced entrepreneurs as well as relative novices. We focus on business opportunity development by entrepreneurs characterized by differing experience, background, and business idea. Specifically, we were interested in identifying patterns with regards to intangible support needs and which support mechanisms fulfill these needs.

Results and Implications

High-tech, high-growth ventures sampled here show distinct segments. It is possible to distinguish between at least four distinct groups in business support programs. Those four groups were labeled in reference to distinct socio-economic groups (and role identities) often portrayed in movies about the ‘wild west’ of the United States: cowboys, trappers, greenhorns and saloon-owners. Just as these groups show distinct patterns regarding demand for and consumption of intangible resources, so too do the segments identified here. Most notably, these segments differ with regards to network use, self-efficacy, skill development and goal-setting behavior.

We suggest that segmentation is a valuable instrument for understanding – and facilitating – the venture creation processes. Our results demonstrate the methodological utility of combining qualitative and quantitative micro-level data in order to understand how entrepreneurs and their ventures co-evolve, here identifying interesting segments within accelerator populations.

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