Four Questions to Ask When Choosing an Accelerator Program

When you're starting your own company, you have many big decisions to make that can either lay a solid foundation for success or result in a shaky infrastructure over time. Beyond coming up with a great idea and strategically choosing team members, many of your earliest and most crucial decisions will revolve around the partnerships and alliances you make.

Accelerators are one way many startups are choosing to get their idea up and running, but choosing which accelerator program to join (or whether to even join one at all) can be a challenge.

At SXSW Interactive, four entrepreneurs shared their accelerator experiences, providing insights, challenges and best practices for making the most of these programs. EpiBiome's Lucia Mokres, Trendanalytics' Karen Moon, Springboard Enterprises' Anna Consani and Olark's Ben Congleton shared the questions entrepreneurs should consider before joining an accelerator.

1. What types of accelerators exist, and which one is right for me right now?

The definition of an accelerator is flexible and can range from an incubator or an in-house support system to financial support or structured networking opportunities. When picking an accelerator, it's important to consider your current needs to figure out how to meet your most pressing business goals.

Mokres first participated in the Illumina Accelerator, which provided a physical space, use of equipment, networking opportunities with venture capitalists and training for the founders. As her business needs evolved, she went through three additional accelerators that fit those changing needs.

While the first two provided the training and mentorship opportunities she needed to build a solid foundation, she then went on to the National Science Foundation, which guided her through the process of choosing her product market fit, and the Stanford StartX program, which helped her with her next fundraising round.

In contrast, Moon found an accelerator that only accepted ten companies at a time to take classes and share a coworking space together. Her experience resulted in a tight-knit group of entrepreneurs who received $100K in office space, mentorship and other perks upon "graduation."

Consider what stage your company is in and what you need most to get to the next level, whether it's mentorship, equipment, work space, training or investors. You also have to be prepared to make sacrifices to join certain accelerators, like relocating or giving up equity. Remember that you have the opportunity to join new accelerators as your company grows, so think about your current goals and situation when vetting accelerators rather than where you'll be 10 or 20 years from now.

2. What is the reputation of the accelerator, and what have its alumni gone on to do?

The built-in networks are a large part of the value an accelerator can offer. When choosing an accelerator, don't just look at mentors and investors; research alumni to get a comprehensive picture of the program's reputation. This is especially important if you're giving up equity to ensure you're actually getting value in return.

"More and more people are calling themselves accelerators and I'm not sure what all their motivations are," Mokres said. "Do your due diligence, research and find out if you can talk to someone and see what their experience was to really understand the terms of the program. The strength of the network and reputation is very important. Having your name tied to a reputable name can help raise money."

"The quality of the accelerator matters especially if you're wanting to sell to a retailer or partner with a big company," Moon added. "The first place these big companies go to are accelerators for a company list. It's a tremendous value for startups."

Congleton recommended looking at accelerator alumni not only for name or brand recognition, but also to examine how far they've gone and if you want to look like them or be in a similar position in the future.

3. Am I prepared to quit my job and go all in on my startup?

Starting your own business is already a huge commitment in itself. Joining an accelerator can take your company from a pipe dream to a reality, but many accelerators require participants to give up everything else to focus on their startups full time.

"Our third co-founder quit Microsoft when we got in our accelerator," Moon said. "That was invaluable for us to really get committed. The way to think about it is that accelerators are not charities, they're investors. You want to take it really seriously and show why you are the team to own it in this space."

This gamble can be scary, but it's also beneficial in showing you're fully invested in your idea. Moreover, it can help you attract talent and seeds. Investors are not simply looking to fund your idea; they need to believe in the team bringing the idea to life.

"We actually had not quit our full-time jobs when we got into the accelerator," Mokres said. "They told us to quit our jobs and do this full-time or they would take back the award, and they were absolutely right. It lights the flame under you to pull the trigger on what you're doing."

4. Am I willing and able to give back to this accelerator's community over the course of my career?

Joining an accelerator is a commitment that lasts well past the initial stages of your business. Accelerators invest much more than time and money in each startup, and many expect entrepreneurs to repay the favor by guiding the next generation of entrepreneurs to go through the program, whether your startup fails or succeeds.

“The last question we always ask in our interview process is, ‘What are you looking to give back to our community and alumni network?’” Consani said. “We hear entrepreneurs that come in wanting mentoring, etc., and we’re here to provide that, but we’re also asking you to buy in because this is a lifelong commitment. That’s our culture.”

The overarching message from all four speakers is to do your research every single time you’re looking to join an accelerator. In contrast to the usual advice, think about the “now” to find the best fit for your startup today. But also remember that joining an accelerator is truly a binding and reciprocal contract in which you must expect to put in just as much as you want to receive in return.