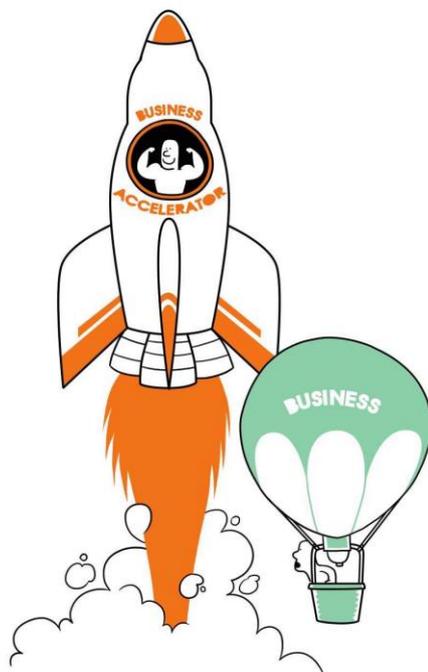


## Working Document

# Mobilising the innovative potential of rural businesses The experience of three rural business accelerators



September 2017

### Abstract

This case study provides **practical lessons from rural business accelerator programme examples from all over Europe**: AgriEnt (in Greece), the Masterclass (in the Netherlands) and the Academy on Tour (in Belgium)\* to answer questions such as: 'What is a rural business accelerator?'; 'How can it trigger business innovation?'; and 'What are the practical steps for setting up and running an accelerator programme?'

**Accelerators are focused business support approaches** that (i) run for a short period of time; (ii) focus on a small number of entrepreneurs with strong innovation potential or motivation to be innovative; (iii) use networking and peer-to-peer exchange widely (bringing together businesses, advisory, research, etc.); (iv) involve inspiring and innovative ways of supporting businesses; and (v) provide integrated business support (from emerging business ideas to starting up the business).

As such, accelerators **generate local economic development** (e.g. through creating new revenue streams for enterprises), it increase the capacity and self-confidence of rural entrepreneurs and improve local networks (of entrepreneurs, researchers, municipalities, etc.).

\* See detailed description of the three case examples. Special thanks to Thematic Group members Patrick Pasgang (Academy on Tour), Panos Madesis and Mara Tsoumari (AgriEnt) and Jan Willem van der Schans (Wageningen Economic Research).



**The case study on rural business accelerators is structured as follows:**

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## 1. What is an accelerator?

Business accelerators aim to speed up (accelerate) the development of innovative business ideas into viable business projects for both start-ups and existing businesses.

The accelerator approach has important differences to traditional business support (see table below).

Accelerator approaches build on:

- ✓ Process of **inspiration**
- ✓ **Peer-learning**
- ✓ **Networking** and **participative** business development

Aspect	Traditional consultancy	Accelerator process
<b>Expert involvement</b>	Single expert or business-support organisation provides expertise and know-how (e.g. through traditional training)	A team of experts and coaches, researchers and leading practitioners assist in a step-by-step learning (multi-stakeholder approach)
<b>Content development</b>	Content, format and schedule of consultancy process mainly defined by consultants	Content of the acceleration process mainly defined by the needs of the participants, and the flexibility to provide customised assistance
<b>Approach</b>	One-off grant with training focusing on a single business development aspect	Step-by-step process, integrated approach starting with identification of 'wild ideas' and moving onto operationalising ideas
<b>Methodology</b>	Top-down capacity building with limited exchange among participants	Peer-to-peer exchange is organised all along the acceleration journey. Collective learning is an important part of the process
	Traditional exchange about practices of other businesses, e.g. presentations	Innovative pioneers and leading practitioners give inspiration and provide transferrable practices
<b>Focus</b>	Often focuses on single aspects of business development such as organisational, financial or marketing problems	Holistic approach to business innovation (strategy development and solving technical, organisational, financial or marketing problems)

**Accelerators are** focused business support approaches that:

- ✓ run for a short period (e.g. 3 to 6 months period or even shorter) often with some follow-up actions;
- ✓ focus on a small group of entrepreneurs with strong motivation and/or innovation potential;
- ✓ use networking and peer-to-peer exchange widely (bringing together businesses, advisory, research, etc.);
- ✓ involve inspiring and innovative ways of supporting businesses;
- ✓ provide integrated business support (from emerging business ideas to starting up the business).



## 2. How can accelerators help improving rural areas & businesses?

**Business innovation** is key for allowing rural businesses to seize emerging opportunities and overcome new challenges and threats (such as responding to climate change, digitisation, new customer demands, maintaining biodiversity)<sup>1</sup>. However, the innovation potential of rural businesses is often less developed compared to those located in urban environments, mostly due to:

- weaknesses in entrepreneurial capacities, technical knowledge and appropriate capacity-building initiatives;
- structural factors, such as the lack of economies of scale and agglomeration economies, physical distance, and a lack of clustering advantages (e.g. limited face-to-face interactions);
- bottlenecks in the rural business ecosystems (e.g. access to finance or broadband).

The accelerator approach aims to provide a response to these challenges. In particular, it focuses on **appropriate and flexible assistance to support entrepreneurs** in turning innovative business ideas to viable businesses (including creating opportunity for face-to-face interaction). One of the main challenges is to adapt accelerator approaches (that are often designed for urban areas/enterprises) to rural conditions.

## 3. The three case examples in a nutshell

This case study is based on three specific examples of rural accelerator programmes. The examples have several common characteristics as well as differences:

- All three examples are targeted at **businesses with strong motivation and/or innovation potential** and aim to inspire and realise new innovative business ideas.
- All three examples are primarily targeted on **businesses in the agricultural sector**, however, they also have a strong focus on the diversification of these businesses, as well as relevance for non-agricultural businesses.
- While the AgriEnt and Academy on Tour accelerators aim to **fill the gap in terms of suitable holistic business support** that encourages emerging innovative business ideas in an efficient way, the Masterclass' primary goal was to contribute to **shaping the food landscape** of the Rotterdam region.
- **Time-requirement** from participants vary: while the Academy on Tour is exceptional in providing intensive business support within a one-day tour (based on meticulous planning), the AgriEnt and Masterclass programmes require more time from participants (between 10 to 30 days).
- **Available funding opportunities** (and therefore the scope and possibilities of programmes) differ considerably: the AgriEnt programme was developed fully based on voluntary (pro bono) support and in-kind contribution (with the aim of pursuing funding for its next cycle after proving the importance and impact of such a programme), the Academy on Tour used various public funding sources (including EAFRD-LEADER), and the Masterclass was financed by the Municipality of Rotterdam, the provincial government and local municipalities, and contributions from the farmers' union and the participants themselves.

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<sup>1</sup> See ENRD Thematic Group [Event's Summary No 2](#) (30 Nov 2016): 'Rural Businesses in 2030' (the vision of thematic group members) or EU Rural Review 24 - 'New opportunities for rural economies'.



### The Agricultural Business Accelerator (Greece)

AgriEntrepreneurship (AgriEnt) aims at assisting teams of young people or companies in realising promising innovative business ideas in post-crisis rural Greece by setting up new enterprises or diversifying existing companies in agri-food, agro/bio-technology, agri-tourism and rural development.

The acceleration process was conducted by an NGO, set up for organising the acceleration process. A series of 15 weekend meetings were organised, where mentors, coaches and experts helped the teams, through acquiring entrepreneurial skills and peer-to-peer learning. The main objectives of the meetings were to assess and optimise business ideas, tackle specific problems identified, foster the setting up of an enterprise if not already established, benefit from networking opportunities in the market and access suitable finance.

### The Masterclass Short Food Supply Chains (the Netherlands)

The Rotterdam municipality, through its already established Food Cluster, **searched for a possible contribution to the World Expo 2015 in Milan** to showcase the strength of the regional food landscape, and by presenting testimonials of agri- and food-entrepreneurs. It was expected that investments in entrepreneurship in the Rotterdam food cluster will not only pay off in terms of direct economic and social benefits (more jobs, more healthy food, nice landscapes around the city), but have the potential “to shape the Rotterdam foodscape for years to come”.

The Masterclass was conducted by Wageningen Economic Research (WEcR). It has brought together farmers and growers, wholesaling companies specialising in short food supply chains, and rural businesses engaged in urban-rural linkages to stimulate, facilitate and support business innovation. Participants of the Masterclass were given the opportunity to systematically develop a new idea or diversify/adjust their existing business model, through a series of six workshops.

### Academy on Tour (Belgium, Flanders)

Academy on Tour is conducted by Innovatiesteunpunt, an NGO that runs the innovation advisory service for agricultural enterprises, rural initiatives and local authorities for the professional association of Flemish farmers. The main objective is to help farmers looking for inspiration and professional assistance in developing and realising an innovative business idea. It provides a “fast track” opportunity through participating in an inspirational bus tour to a neighbouring country organised around a hot topic in agricultural innovation (such as Village Innovation, Food Innovation, Multifunctional Agriculture, Commercial Algae Cultivation, or Short Food Supply Chain). Other topics are being developed.



## 4. What is the main added value and results?

Accelerator programmes bring many benefits to rural businesses and rural areas (see graph below).

- Half of the innovative ideas presented at the **Academy on Tour** (on average 6 ideas / trip) reached a test phase, and roughly half of these reached the market. Among others the Academy contributed to new food products (e.g. self-grown saffron) and access to new markets & customers.
- New business activities created by the **Masterclass** include new products (e.g. quinoa production), improved processes (e.g. new packaging concept for pears) and new brands developed (e.g. selling milk from each cow separately).
- AgriEnt led to participating teams moving to a next level of developing their businesses and changing their business models. Out of the 12 teams **8 set up a new legal entity** or scaled up existing business.

✓ **New revenue streams of existing businesses and creating new businesses**

✓ **Improved (innovation) capacity and skills and self-confidence of existing rural businesses**

- The Masterclass involved 43 entrepreneurs with innovation potential.
- The Academy on Tour engaged 24 rural businesses in each of the 9 trips organised.
- The AgriEnt accelerator involved 12 teams and worked intensively until the final stage with 5 entrepreneur teams.

- The accelerator programmes improved client-orientation and marketing skills of businesses, and raised their self-confidence leading to innovative entrepreneurship.

- The Masterclass **stimulated peer-learning** and provided inspiring examples of innovative business models.
- The Academy on Tour showed that having people spending an intense day together on a bus is **far more effective** way of matchmaking than traditional business networking events.
- AgriEnt provided to all participating farmers and other teams involved in the food supply chain an **exchange and learning platform** to openly discuss and pursue innovative ideas.

✓ **New connections / matchmaking, mutual peer-learning, networking opportunities and new inspiration.**



## 5. Starting up an accelerator programme

### What are the main triggers for an accelerator programme?

Accelerator programmes are primarily triggered by:

- ✓ Lack of appropriate business support for new innovative business ideas that can respond to emerging new trends and opportunities (not to 'miss the train')
- ✓ Vision to transform a region and rural areas through developing businesses that respond to new opportunities and challenges effectively
- ✓ Need for supporting dynamic entrepreneurs with strong innovation potential.

#### a) Responding to emerging needs of rural businesses and rural areas

Accelerator approaches often respond to new emerging needs of innovative and dynamic businesses, and the need for relevant business support (see AgriEnt and Academy on Tour).

In other cases (such as the Masterclass) they are responses and tools to achieve a more ambitious vision for the region (e.g. to shape the Rotterdam food landscape through supporting innovative businesses).

##### How needs emerge?

- ✓ The **AgriEnt accelerator** programme responds to an increasing interest of young people and other professionals (looking for new opportunities) in the agro-sector to establish their own companies, and aims to fill a gap in supporting agricultural business start-ups in Greece by offering a holistic approach.
- ✓ The **Academy on Tour** accelerator is the result of a strong demand of farmers and other rural enterprises for a high quality, low-cost, time-efficient and needs-based assistance in the first steps of the business innovation process.
- ✓ The Masterclass was motivated by the expectation that investments in **entrepreneurship in the Rotterdam food cluster** will pay off in terms of economic and social benefits (more jobs, more healthy food, nice landscapes around the city), and bring sustainability and visibility to Rotterdam and its food cluster.

#### b) Innovation

Generating innovative businesses is a common feature of the accelerator programmes. All three accelerator programmes recognised that supporting innovation and emerging new ideas is a crucial element of improving local businesses and rural areas in general. Therefore, the programmes are targeted at entrepreneurs with strong motivation and/or innovation potential; while the methodology is based on inspiring the entrepreneurs through examples. In some cases, such as the Masterclass, some entrepreneurs with lower innovation ambitions were also admitted in order to prevent 'cherry-picking' (i.e. that always the same innovative entrepreneurs are selected for programmes).

### Who initiates and who is involved?

The main **initiators and stakeholders** involved are:

- ✓ Motivated initiators: municipalities, advisory services, researchers and farmers' associations.
- ✓ Existing networks (of initiator organisations and individuals) to identify relevant topics, participants, experts, and disseminate information.



## a) The initiators

The key stakeholders behind the accelerator programmes are:

- **Municipalities** (municipal leaders) who have a new development vision or would simply like to boost economy through business development in their areas.
- **Advisory services** that see a gap in available business support.
- **Research institutions** and/or universities that bring specialist knowledge and expertise to the programme.
- **Farmers' associations** (or other associations) that can help to mobilise participants (in case farm businesses are the main targets of the programme).

### Who is behind the initiative?

- ✓ The AgriEnt accelerator emerged from the AgriEnt community network, which supports the initiative. It was initiated by three collaborators **with complementary expertise and experience** in farming and agricultural development, in entrepreneurship and tech start-ups, networking and community development, and science, research and technology. The first cycle was supported by the Metropolitan Development Agency of Thessaloniki through providing facilities.
- ✓ The Masterclass was initiated by the Food Cluster of the **Municipality of Rotterdam** that had a new vision for the area; and it was conducted by **Wageningen Economic Research (WEcR)**, the leading Dutch competence centre with specialist expertise on supporting enterprises along the short food supply chain. **Local municipalities** interested in participation helped in the pre-selection and supported financially the participation of farmers.
- ✓ The Academy on Tour was initiated by Innovatiesteunpunt, the Flemish **Innovation Support Centre for Agricultural and Rural Development**, and was supported by Boerenbond (farmers' association) and Landelijke Guilden (local associations of families and volunteers engaged in rural community and leisure activities).

## b) The role of existing networks

The initiators of the accelerator programmes could largely capitalise on their extensive networks. These networks had a key role in:

- identifying the right themes and topics,
- disseminating information about the programmes,
- identification of suitable participants,
- engaging the right experts to support and run the programme.

Participation in (or coordination of) these networks also gave **visibility and credibility** to these organisations.

Furthermore, an important element of accelerator approaches is developing **cooperation and networking** between business innovators, experts, municipalities and cities, funding organisations, and businesses directly. The initiators actively used their existing networks to mobilise these key stakeholders at different stages of programme implementation.

### The role of networks

- ✓ The Greek accelerator programme was triggered by the **Facebook network AgriEntrepreneurship** that is a community of practitioners and a self-help group.
- ✓ **Innovatiesteunpunt** (the promoter of the Academy on Tour accelerator) **reaches out to more than 15,000 relevant enterprises**, organisations and institutions. To identify potentially promising innovators and entrepreneurs, Innovatiesteunpunt has been mobilising its partners and **networks**, stakeholders and local authorities.
- ✓ The Masterclass used the networks of supporting partners including those of the Food Cluster, Wageningen Economic Research municipalities and farmers' organisations.



## What are the main steps of setting up an accelerator programme?

The key preparatory steps for setting up the accelerator approach were identified as follows:

- ✓ Decide the specific theme(s) to be addressed based on needs
- ✓ Form and institutionalise the partnership
- ✓ Develop an innovative and engaging methodology
- ✓ Find the right experts and set up the expert teams
- ✓ Organise logistics, including finding the right venue
- ✓ Inform about the programme (including through the networks)
- ✓ Identify and select participants and set goals together
- ✓ Develop time schedule
- ✓ Secure funding

### Key steps of setting up the programme

- ✓ The **AgriEnt** accelerator involved initial steps for institutionalising the partnership, planning the framework of the programme based on the target audience's needs, identifying relevant experts, raising awareness of the programme, selecting participants and planning logistics.
- ✓ The **Masterclass** was set up in 3 steps: (1) awareness raising, identification of specialist experts within and outside of Wageningen Economic Research, planning of workshops and identification of participants; (2) securing funding and identification of farmers hosting workshops; (3) detailed workshop planning based on participants' needs.
- ✓ The key steps in organising the **Academy on Tour** involved defining the specific theme, identifying the target country and sites for the visits, finding inspirational examples, identifying participants, selecting experts, making logistics (VIP bus) arrangements and time management.

## How target businesses are identified and selected?

Key considerations when selecting participants are:

- ✓ **Target group:** agricultural and other rural businesses with strong motivation and/or innovation potential
- ✓ **Number of participants:** relatively small group that can be engaged through participative peer-to-peer methodologies
- ✓ **Mobilising potential participants:** through existing networks and on-line communication channels
- ✓ **Selection criteria:** including skills and knowledge, motivation and innovation potential

Targeting, including identifying and selecting the right businesses and business ideas for the programme, is probably the most important aspect of setting up the accelerator approach. The table below summarises the key features, i.e. target group, target numbers and selection criteria of the three examples studied.



	AgriEnt	Academy on Tour	Masterclass
<b>Target group</b>	Start-up teams of farmers, young entrepreneurs (or companies) in agri-food, agro/bio-technology, agri-tourism, and products or services for rural areas.	Farmers and SMEs working within or related to agriculture and horticulture	Farmers, growers, wholesale companies
<b>Target number</b>	10 teams of entrepreneurs (min 2 members in each team; i.e. min 20 participants)*	Maximum 24 participants from 12 businesses / tour	20 farmers
<b>Criteria</b>	<ul style="list-style-type: none"> <li>✓ Feasibility of idea</li> <li>✓ Level of innovation</li> <li>✓ Knowledge of the market</li> <li>✓ Realistic revenue streams</li> <li>✓ Common issues to allow peer-learning</li> </ul>	<ul style="list-style-type: none"> <li>✓ Entrepreneurs with ‘an innovative mind’</li> <li>✓ Motivations and expectations</li> <li>✓ Business, mission and future ideas</li> </ul>	<ul style="list-style-type: none"> <li>✓ Motivation</li> <li>✓ Ambition</li> <li>✓ Experience</li> <li>✓ Willingness and readiness to invest time</li> <li>✓ Innovative farmers or those with strong interest to innovate</li> </ul>

\* First acceleration cycle operated with 12 teams due to high demand.

In the three examples, the focus has been on agricultural businesses. However, the accelerator approach has wider relevance and is suitable for other types of rural businesses.

Programmes were targeted at a **relatively small group** of 20 to 24 participants that allows the implementation of more interactive, peer-to-peer methodologies.

Accelerator programmes set up a carefully designed application and selection process. A common feature of these programmes that they are mostly targeted at committed **businesses/individuals “with an innovative mindset”** or those open to become more innovative. Common key criteria include:

- Motivation and willingness to invest time
- Knowledge, experience and skills
- Innovation potential

During the identification of potential participants, all programmes **actively mobilised the networks** of participating organisations (municipalities, farmers’ associations, advisory service clientele, etc.); as well as used various communication channels (including website and social media).

## What financial resources are needed to set up the accelerator programme?

### a) Financial resources

The financial resources of a programme very much depend on the scope of the programme (i.e. number of farmers trained), the method (e.g. one-day bus tour and training or series of workshops) and the timeline of the programmes. Therefore, the preparatory costs provided in the table below are only indicative.

Appropriate financial resources are required **especially for the first round of the accelerator programme**. Setting up and operating a new type of innovation support service with uncertain results requires special efforts to secure funding.



	AgriEnt	Academy on Tour	Masterclass
<b>Estimated total cost of preparatory work</b>	3,000€ (one-day awareness events, organisation, basic logistics, without fees)	8,500€* (organisation of first tour, logistics, market research)	16,640€** (communications, organisation, fund-raising, design and planning)

\* The organisation of subsequent tours on the same topic is cheaper: €3,500

\*\* Includes the contribution of Rotterdam municipal staff.

### Common challenge of starting accelerator programmes

- **Identify and motivate participants:** finding the right match in terms of motivation, expertise and interest of more traditional farmers as well as those who are willing to innovate. Motivate farmers to participate despite the time commitment has been particularly challenging.
- **Develop inspiring and innovative methodologies:** the challenge to design methodologies that are inspiring and encourage innovation, are adapted to the needs of the agro-business sector. Identify inspiring examples and places to visit abroad (in the case of the Academy on Tour and the Masterclass).
- **Identify and involve the right experts:** to identify experts who have the right technical skills as well as ability to engage participants, to build trust between the rural entrepreneurs and the team of experts.
- **Access to finance (including harmonisation in terms of timing):** for the AgriEnt accelerator, funding has been a special challenge due to lack of public funding for newly established organisation such as AgriEnt, lack of resources of the entrepreneurs, and administrative difficulties of tapping into the national Rural Development Programme. In the case of the Masterclass, the specific challenge has been to harmonise the dynamics of the programme with the schedule of multiple funding decisions.



## 6. Running an accelerator programme

When running an accelerator programme the following aspects need to be considered:

1. **What are the right organisations** to run the accelerator programme? – The main finding is that specialist organisations (business advisory service and research) are most suited to run accelerator programmes.
2. **How to run the programme?** – Including designing interactive methodologies, selecting the right themes and follow-up activities.
3. **What financial resources are needed to run the programme?** – This will much depend on the specific scope (number of participants, timeframe, etc.).

### Who runs the accelerator programme?

Accelerator programmes can be run by different types of organisations. However, typically programmes include either specialised advisory services or research centres (with a practical research focus). Accelerators often have strong links with local development agents, such as municipalities and development agencies.

Driving an accelerator by well-established organisations with a track-record in promoting rural innovation allows to capitalise on existing competences and skills, tools and methods, networks and client relationships, and funding opportunities.

#### The role of networks

- ✓ The three initiators of the **Greek AgriEnt accelerator programme** are organisations specialised in business-advice and research, and established a Civil Non-Profit Partnership (AMKE) in relation to running the accelerator programme.
- ✓ The **Academy on Tour accelerator** is conducted by Innovatiesteunpunt (Innovation Support Centre), a well-established NGO that runs the innovation advisory service for agricultural enterprises, rural initiatives and local authorities for the professional association of Flemish farmers.
- ✓ The **Masterclass accelerator** is managed by a partnership of Wageningen Economic Research (WEcR) responsible for content and the Food Cluster of the Municipality of Rotterdam responsible for organisational and logistical tasks.

### How to run an accelerator programme?

#### a) Methodology

The main methodological features of the individual programmes are summarised in the table below. Common features include:

- ✓ Working methods that are interactive (peer-to-peer & networking), inspiring (site visits, films, presentations) and complemented with specialist and tailor-made expert advice based on needs;
- ✓ Small number of participants to allow interactive sessions (and finding common points of interest);
- ✓ Relatively short time requirement: from 1 day to 15 weekends.



	AgriEnt	Academy on Tour	Masterclass
<b>Working methods</b>	<ul style="list-style-type: none"> <li>✓ Expert and peer-advise matching with specific needs</li> <li>✓ Coaching and tailor-made advice through specialist mentors</li> <li>✓ Final pitch/ competition</li> <li>✓ Follow-up guidance</li> </ul>	<ul style="list-style-type: none"> <li>✓ Inspiration and motivation through visits and presenting business cases (films/ presentations)</li> <li>✓ Review and assessment of ideas through coaching and networking</li> <li>✓ Advice on how to access external knowhow and finance</li> <li>✓ Follow-up coaching</li> </ul>	<ul style="list-style-type: none"> <li>✓ Working in small group / interactive workshops</li> <li>✓ Getting inspired through study trips and exchange</li> <li>✓ Mentoring and coaching and expert advise</li> <li>✓ Final pitch/ competition</li> </ul>
<b>Number of participants</b>	27 entrepreneurs (in 12 teams)	24 entrepreneurs (from 12 enterprises) / tour	21 entrepreneurs
<b>Time requirement</b>	30+ working days 15 weekends and ad hoc sessions: <ul style="list-style-type: none"> <li>✓ 10 weekends (Stage 1, 12 teams)</li> <li>✓ 4 weekends (Stage 2, 5 teams)</li> <li>✓ 1 weekend (final boot camp, 5 teams)</li> </ul>	One long day / tour	6 workshops 9 to 12 working days

### b) Focus of programmes

A common feature of the three accelerator approaches is that, independently from the thematic area that they cover, they **take businesses through the whole start-up process**: starting from the identification of needs and innovative ideas, to the presentation of a final pitch or new business plan / model. In this sense, ‘acceleration’ means that the businesses receive ‘fast track’ support in all aspects of business development.

#### Main ingredients of an accelerator programme

- Identifying the basic needs of participant entrepreneurs
- Presenting business ideas
- Helping to acquire basic entrepreneurial skills & understanding business models (through mentoring & coaching),
- Providing inspiration to develop new or adjust existing business ideas (including visits, peer-learning and networking)
- Business planning: setting the agenda (concrete steps) and schedule for becoming operational (and adjusting the plan on the way)
- Sessions tailored to the specific needs of individual entrepreneurs
- Specific assistance to the most advanced entrepreneurs to operationalise their ideas (start up the business)
- Match-making: identification of suitable business partners e.g. to access new markets
- Support preparing a final pitch or business plan and presenting at large-scale business events
- Follow up coaching and activities



The main emphasis of accelerator programmes is on **improving basic business skills** and/or provide business planning tools, such as:

- ✓ business concept & planning (business model canvas<sup>2</sup>)
- ✓ SWOT and mission statement
- ✓ diversification or quality of products or services,
- ✓ customer relations or cooperation patterns,
- ✓ innovative ideas.

Furthermore, programmes may focus on **specific (sectoral) themes** such as village innovation, algae cultivation, short food supply chains, etc.

### c) Follow-up advisory services

Since accelerator approaches are often implemented during a (relatively) short period, ensuring follow-up can be particularly important. Follow-up actions may include continuity in providing mentoring and coaching or linking with a suitable development project funded from European, national or regional sources.

Continuous improvement of the method and approach is also a key aspect of accelerators. For instance, the AgriEnt programme used its first cycle of programme as a pilot and builds the second cycle on lessons learnt. The Academy on Tour accelerator also continuously improves its methodology and approach based on participants' feedback.

#### Thematic focus

- ✓ The **Academy on Tour** focused on themes such as product development, business concept (Business Model Canvas), village innovation, multifunctional agriculture, commercial algae cultivation, short food supply chains.
- ✓ The **AgriEnt** programme improved basic entrepreneurial skills (e.g. business model canvas, prototyping, identification of key resources and activities, marketing, branding, e-business, communications, social media) through tailor-made business support.
- ✓ The **Masterclass** businesses had an interest in product, concept and market development and diversification. The programme is not (only) targeting farmers and businesses that are currently leading in innovation but rather supports those that are willing to innovate but need some help.

#### Follow-up activities

- ✓ **AgriEnt** experts are still at disposal to the teams that participated in the accelerator programme for answering questions, providing advice and guidance, and assisting in networking and access to finance.
- ✓ The **Innovatiesteunpunt** organises follow-up activities in three ways: further coaching and networking support and opportunity to take part in the bi-annual ideas competition, inspiring and motivating other innovative agri- and horticultural businesses or initiatives, and improving the approach and methodology of a tour.
- ✓ The **Masterclass** does not organise follow-up support, but has made special efforts to connect participants to the RDP of the Province Zuid Holland to obtain funding for follow up work.

## What financial resources are needed for running the accelerator programme?

### a) Financial resources

The cost of running an accelerator programme will much depend on the scope of the programme (e.g. whether field visits are included, or how long the programme runs) and the number of participants.

<sup>2</sup> **Business Model Canvas** is a strategic management tool for developing new or documenting existing business models. It is a visual chart with elements describing a business' or product's value proposition infrastructure, customers, and finances, in order to assist enterprises in aligning their activities by illustrating potential trade-offs.



Typically, accelerator programmes are not financed through single funds, but through different funding resources (including public and private funding). During the initial phases, it is common to all the approaches to use voluntary (pro-bono) or in-kind contributions to implement the programme.

### Cost of running the accelerator programme

	AgriEnt (GR)	Academy on Tour (BE)	Masterclass (NL)
<b>Expert costs</b>	€25,000*	€5,000	€61,650 <sup>o</sup>
<b>Logistics</b>	€2,000	€4,000	€14,000 <sup>oo</sup>
<b>Travel costs for participants to meetings</b>	€15,000	€2,500	(At participants' own expenses)
<b>Total costs</b>	<b>€42,000</b> (estimate/ pro-bono)	<b>€11,500</b>	<b>€75,650<sup>ooo</sup></b>
<b>Estimated cost/participant</b>	€1,556* (for 15-weekend course)	€479 (for one-day tour)	€3,782 (for a 12-day programme)
<b>Funding sources</b>	<ul style="list-style-type: none"> <li>No available public funding</li> <li>Network experts work pro bono</li> <li>Meeting room by Development Agency</li> </ul>	<ul style="list-style-type: none"> <li>Flemish Regional Government (incl. RDP/LEADER)</li> <li>ERDF Interreg</li> <li>Advisory service – own resource</li> <li>Local or provincial government</li> </ul>	<ul style="list-style-type: none"> <li>Funding from Food Cluster of City of Rotterdam</li> <li>Funding by municipalities</li> <li>Provincial government of South Holland</li> </ul>
<b>Participants' contribution</b>	<ul style="list-style-type: none"> <li>No fee for participation but entrepreneurs cover own costs</li> </ul>	<ul style="list-style-type: none"> <li>No fee or charge for participation, or for travel.</li> </ul>	<ul style="list-style-type: none"> <li>Fee for participants: €500 (Main contribution for farmers' participation is from municipalities where the farmer resides (between 1000 to 3000 per farmer, farmers unions provided 250 per farmer who is member.)</li> </ul>
<b>Cost of follow-up actions</b>	€15,000 (fees for consultancy, for longer than the duration of the programme)	€30,000 (fees for consultancy)	€30,000** (evaluation & dissemination)

\* Total of 840 working hours for 15 weekends for AgriEnt team and external experts.

\*\* Note: not all entrepreneurs followed all the stages.

<sup>o</sup> Includes the (estimated value of in kind) contribution of Rotterdam municipal staff (worth €19,000 for expert costs and €7,000 for follow-up).

<sup>oo</sup> Including one-day study trip abroad.

<sup>ooo</sup> Additional €13,000 for the Pop-up Store in Markthal (engaged 5 farmers only), and €6,000 for communication.

The design of the programme needs to consider whether to charge a fee for participation, provide the services for free, or provide a contribution for participants so that they are able to participate (especially for start-ups)<sup>3</sup>:

<sup>3</sup> Farmers and family enterprises in food often have to organise substitutes to do the work when they are away from their farm/enterprise. These costs are real for the participants but have not been included in the overview above.



- **Participants' contribution:** participants most often cannot afford to pay the full cost of the programme. However, in some cases, e.g. in the case of the Masterclass, participants were asked to make a financial contribution.
- **Contribution towards participants' costs:** most organisations running the accelerator programmes of this case study did not provide direct finance for the participation of rural start-ups or enterprises (although farmers union co-financed the participation of the farmers in their areas).

## b) Human resources

Each of the examples recognise the importance of involving a **combination of expertise to provide integrated and holistic support to businesses**. This has been achieved through the cooperation of individual experts and/or organisations with specific skills and knowledge.

### Common implementation challenges of accelerator programmes

- **Timing:** to ensure the timely planning of events, and keeping the strict schedules and timing.
- **Budget:** ensuring that the programme fits within the available budget and securing voluntary or pro bono contributions (in the case of AgriEnt)
- **Ensuring continued interest from participants:** making sure that participants remain motivated and engaged, and participate to the whole cycle of the programme. This has been a challenge because of the time schedule of farmers.
- **Raising confidence and change mentality of businesses**
- **Ensuring pro bono and in-kind contributions** from experts with the right expertise and skills.



## 7. Main lessons and recommendations

Based on the lessons learnt from the cases, and the advice of the initiators of the programmes, some key recommendations can be drawn:

### Demand-led approach is at the core of successful accelerator programmes

It is important to note that all three programmes were highly demand-led (i.e. triggered by development needs of local businesses and areas). The specialist expertise and experience of the initiator or implementing organisation in business support largely contributed to understanding the real needs of farming and other businesses.

*"To start a successful accelerator programme you need to understand the needs of the farming business and have hands-on experience, the need of the market for agricultural products and the needs of the business starters."*

Mara Tsoumari

### Innovation need is the main trigger of accelerator programmes

*"To be a role model is crucial to be credible, as you can't expect others to do what you wouldn't do yourself, for instance taking risks."*

Mara Tsoumari

Programmes were primarily triggered by the needs to bring innovation and creativity to businesses that can help them responding to new rural opportunities and challenges (such as climate change, improving biodiversity, responding to new customer demand, short food supply chains, etc.). In all three cases, the main intention of initiators has been to support

businesses with strong innovation potential (especially in the agri-food sector) through new products, processes, brands and access to new markets and customer.

### Accelerator programmes can only be implemented by committed and experienced initiators

Due to the nature of the programme (good knowledge of business needs, flexibility, need for voluntary contributions in some cases, need for strong partnership, etc.) a key to the success is the vision and leadership of committed and experienced initiators. Initiators and lead implementers could capitalise on **existing networks** and through that develop credibility and facilitate the programme implementation at all stages (starting from identifying participants, through identifying the right trainers, to disseminating information, etc.).

*"Even if it is not possible to have funding from the beginning, start on a voluntary basis and become a catalyst for developing and enabling a nurturing ecosystem for people with new business ideas."*

*Be passionate and believe in what you do."*

Mara Tsoumari

*"Engage in partnerships with universities, foundations, business associations, financial institutions, LEADER groups and similar networks and partnerships to facilitate access to expertise for all the different aspects of developing a business and for access to suitable financing."*

Mara Tsoumari

### Partnerships are at the heart of accelerators

Partnership among various stakeholders was at the core of all three programmes. In particular, business support organisations / advisory services contribute to better understand the specific business needs; municipalities can help ensuring local commitment and identifying & engaging local farmers and other enterprises; research organisations can bring specialist expertise, financial institutions can contribute to costs and can help identifying relevant sources of finances for entrepreneurs.



## Pilot and test for refining programme, increasing credibility and ensuring on-going interest

*"Test all ingredients, trying out with participants you know very well and who are committed and open to thinking and working together."*

Patrick Pasgang

The examples show that in order to develop an effective accelerator programme, piloting and testing played a crucial role. Through the first experimental round of the programmes the initiators managed to draw lessons and improve subsequent programmes (in terms of content, format, financial models, etc.). Pilot programmes could help building credibility of

organisations (especially in the case of AgriEnt that ran the programme on a pro bono basis but aims to develop future programmes through a commercial model). Pilots, when successful, can also help engaging new participants in subsequent programmes (through spreading the word by existing participants).

### Make the programmes relevant, inspiring and motivating

To engage continuously participants (especially farmers with a tight time schedule), it is crucial that programmes are relevant, inspiring and motivating for participants. Key factors that can contribute to this include:

- **Agreeing personal goals** at the beginning and follow-up actions can help to avoid the risk that participants, after a meeting, will be caught again in their daily work and problems.
- **Flexibility:** The programme methodology, themes, etc. often needs adjusting and therefore, not all details can be defined in advance. Therefore, the programmes need to be designed with built-in flexibility.
- **Atmosphere that creates openness and builds trust** and a cooperative spirit between the participants; to this end, the number of participants should be limited.
- **Identifying trainers with the right technical knowledge and skills:** Trainers, facilitators and coaches do not only need to have the technical skills but also strong **facilitation skills** to encourage open discussion and trust among participants.

*"Make sure you have agreed with each participant a specific goal and a follow-up action plan, which will be their compass for focused activities in the following months."*

Patrick Pasgang

*"Be constructive and critical at the same time, and be as specific as possible to avoid repeating positions based on beliefs or stereotypes, rather than evidence and validated experience."*

Jan Willem van der Schans

### Multiple funding sources may be needed

Accelerator programmes often cannot be implemented through a single funding source, but a creative and flexible approach is needed to identify the appropriate funding sources. Due to its diverse nature (e.g. in terms of the types of support provided) various funding options may be available, e.g. through EU-funded programmes (such as EAFRD, ERDF Interreg, etc.).

### Accelerators may not yield immediate results

It has been challenging to demonstrate results of the accelerator programmes:

- Firstly, although the accelerator programmes are 'fast', the results may become evident much later than the end of the programme. Some innovative ideas can be realised quickly (e.g. new food products), whereas others may take several years (e.g. diversification into new services) due to need for capital and compliance with legislation.
- Secondly, some of the results of accelerator programmes are 'soft results' that are hard to measure, for instance the increased self-confidence of participants (reported by all three examples as a result) or new connections through networking.

*"Be real and realistic, as changes in farming take longer to yield results than in other sectors."*

Mara Tsoumari, AgriEnt