

Incubator or Accelerator

What's the right fit ?

To establish a successful business, today's entrepreneur often looks for programs that could help their business grow

Support at Every Stage of Evolution

India is already emerging as a hot spot for start-ups. The start-up environment in last about a decade has largely moved in a positive direction. With many AIFs entering Indian start-up environment, funds have become relatively easier to access since formal banking and NBFCs didn't cater to this space for long. Like the boom in the IT / ITES sector in 1990s, the start-up environment in India looks promising particularly in technology driven ideas.

Incubators and Accelerators offer platform and opportunities to grow. They are designed to guide start-ups in identifying MVP (Minimum Viable Product) and advancing their business model & strategies while grooming them to become valuable in the eyes of investors.



If the product or service is only a promising idea on paper and if you are still working through important details such as market fit, product development, finance and other resources or even how do I pitch the idea to potential investors, then an incubator may be the ideal option

If you're at the MVP stage, have solid financial planning, you have your core team in place, immediate market is determined / identified post a proper market research and need expert mentorship & support on how to proceed to the next stage of your company's growth & development, an accelerator is a better choice

Incubators nurture start-ups in building foundation and assist in developing ideas and at discovery stage



Goal

Accelerators objective is to assist in accelerating growth to increase value and prepare for funding

Incubators usually hand-hold an idea, a business model and a team over a longer period of time



Time line

Accelerator program typically lasts for a few months before new companies are set off on their own

Incubators offer mentorship, office space and collaboration opportunities but generally do not offer capital, hence they may not ask for a share in equity instead may charge a fee



Stake

Accelerators may also offer office space, mentorship and collaboration opportunities but unlike incubators they generally provide capital, hence may ask for a share in equity

The key to achieving business success with your startup is to approach an incubator or accelerator at the right time, it is then up to the startup to take advantage of all the services, resources and collaborations offered. While, both incubators and accelerators offer an environment of collaboration and mentorship, even the best incubators and accelerators cannot work magic, it is ultimately the efforts and talents of entrepreneurs that drive success.