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TITOLO

BUSINESS MODELING IN THE STARTUP ACCELERATOR INDUSTRY: THE CASE
OF STARTUPBOOTCAMP FOODTECH

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INTRODUCTION

The following paper is aimed to provide the reader a panoramic view before, and a detailed explanation after, about the business modelling usage in the startup's accelerators industry, bringing Startupbootcamp FoodTech, the first Italian vertically-focused acceleration program, as case study.

Detailing the paper's structure, it is composed mainly by three parts. During the first part, it will be provided an explanation of the business model concept evolution, starting from its origin up to a detailed illustration of its literature through the contributions of authors such as Shefar, Amit and Zott, Teece, Demil and Lecoq, Chesbrough, Casadeus and last but not least Osterwalder and Pigneur.

Continuing with the second part, here it will be provided a panoramic view about the innovation industry through the explanation of the main characters which play a key role in its ecosystem. Most important, we will have a look about how the business acceleration phenomenon is going to become a common practice around the world and which kind of impact it has had in the Americas, Europe; Asia, Oceania and Middle East. This second part will be concluded with a panoramic view about how such phenomenon has impacted the Italian reality.

Regarding the third part, here the attention will be focused on the case study, illustrating Startupbootcamp's accelerators family before and the Italian SBC's FoodTech accelerator after. In particular, at the end of this part, it will be provided a detailed analysis of the accelerator's business model by using the explanation of the nine building blocks described by Osterwalder and Pigneur in their Canvas model representation.

Finally, regarding the conclusions, they will be structured in two parts: the first one will try to address the issue relative to the understanding about which author's contribution seems to fit better with the business model concept outlined by the case study. On the other end, the second part will be focused on providing the list of elements which, according to the writer, can be considered the most representative of the innovation and uniqueness of SBC FoodTech's business model.

1. BUSINESS MODEL EVOLUTION

1.1 BUSINESS MODEL OVERVIEW

1.1.1 History

Over the past few years, business model is going to be a very common word into the management vocabulary. The problem is that, while it has become quite fashionable to discuss about business models, there is still much confusion about what they are and how they can be used. Particularly, business models can play a positive and powerful role in corporate management, but we will deepen this theme later on. Furthermore, in the continuous of the paper, we will see that even if many authors have recently offered definitions of business model, none appear to be generally accepted. This lack of consensus may in part be attributed to interest in the concept from a wide range of disciplines, all of which have found a connection to the term. According to Osterwalder, Pigneur and Tucci, a good way to figure out the origin of the business model, is the method brilliantly used by Abrahamson to study management dialogues. It basically traces the features of a specific management term taking in consideration a huge number of journals, magazines, paper and many others fonts to study its evolution over the years¹. Following, taking in considerations their studies after the query, they have found out that surprisingly the popularity of the term “business model” is a relatively young phenomenon. In order to have an idea about the first times it appeared in an academic article, we have to date back in 1957², followed by the appearance in the title of a paper in 1960³. Successively, the use of the term rose faster only towards the end of the 90s. A very curious thing is the fact that “this surge coincides with the advent of Internet in the business world and the steep rise of the NASDAQ stock market for technology-heavy companies”⁴.

¹ Osterwalder, Pigneur and Tucci, “*Clarifying Business Models: Origins, Present and future of the Concept*”; Communications of the Association for Information Systems; Volume 15, Article, May 2015

² Bellman, Clark et al. 1957

³ Jones 1960

⁴ Osterwalder, Pigneur and Tucci, “*Clarifying Business Models: Origins, Present and future of the Concept*”; Communications of the Association for Information Systems; Volume 15, Article, May 2015

Furthermore, it seems even that the number of times the term was published in a business magazine follows a trend which call back the shape of the NASDAQ market index at that time. Leaving the fact that it has with high probability a relationship with technology, it is not yet clear what to conclude from the aforementioned observations.

Focusing the attention on literature, it shows that the business model topic was very often discussed superficially and frequently without any understanding of its roots, its role, and its potential. Taking in consideration the companies points of view, it was during the 1953s which new business models came out from McDonald's Restaurants and Toyota, the first companies which start to apply new ways to think businesses, understanding before than others the potential impact which a well-designed business model could exercise on the success of a company, as can be easily seen today looking at their results.

Going on with the years, many companies begun to structure their businesses following different models such as Wal-Mart and Hypermarkets in the 1960s; FedEx and Toys R US during 70s; Blockbuster, Home Depot, Intel, and Dell Computer in the 80s; and finally, Southwest Airlines, Netflix, eBay, Amazon.com, and Starbucks during 90s⁵.

Nowadays, the type of business models used by companied in designing their businesses might depend on how and how much technology is involved. For example, there are many entrepreneurs which have created entirely new models focusing the dependency entirely on existing or emergent technologies. By using technology tools, today entrepreneurs have the chance to reach a higher number of customers than before, incurring also in lower costs, considered minimal compared to the result achieved. "In addition, the rise of outsourcing and globalization has meant that business models must also account for strategic sourcing, complex supply chains and moves to collaborative, relational contracting structures"⁶.

1.1.2 Definition

As just said, during last years the topic of business models was subject to numerous

⁵ Concerning the names of the companies and the date associated they were extracted by Wikipedia, consultable by linking "wikipedia.org/wiki/Business_model"

⁶ Quote extracted by Wikipedia, consultable by linking "wikipedia.org/wiki/Business_model"

publications by journalists, business people, magazines, articles, consultants and academics. It was discussed in various different domains, such as management, e-business, strategy and information systems. Despite such term redundancy, what came out is the fact that business models are still relatively poorly understood, especially because too many people tried during the years to provide an exact definition of it, leaving just a messy idea.

What we can do here in order to give the reader the key for the business model knowledge, is trying to provide the clearest and broadly accepted definition, or at least explain the evolution of the concept under different authors' point of view.

First of all, before figuring out the definitions of the expression "business model", we need to reflect on its linguistic meaning. Breaking the term in two parts, both business and model words have a specific meaning by themselves. As we will see, that meaning reflects many of the possible applications of the business model concept described later in this paper. According to Joseph Barjis, Tillal Eldabi and Ashish Gupta, the word "model" can be defined as "a simplified description and representation of a complex entity or process"⁷. Representation implies conceptualization, which can be described as "the objects, concepts and other entities that are assumed to exist in some area of interest and their inter-relationship"⁸. According to Saxena, Deodhar and Ruohonen, the dictionary definition of the word business is presented as: "the activity of providing goods and services involving financial, commercial and industrial aspects"⁹. Combining these elements together, according to Osterwalder, Pigneur and Tucci, the final outcome can be figured out as follow: "A business model is a conceptual tool containing a set of objects, concepts and their relationships with the objective to express the business logic of a specific firm. Therefore, we must consider which concepts and relationships allow a simplified description and representation of what value is provided to customers, how this is done and with which financial consequences"¹⁰.

Reviewing the use of the term business model in literature, is possible to say that

⁷ Joseph Barjis, Tillal Eldabi and Ashish Gupta, "Enterprise and Organizational Modeling and Simulation", 7th International Workshop, EOMAS 2011 held at CAiSE 2011, London, UK, June 2011, p.139

⁸ Genesereth and Nilsson 1987

⁹ K. Bhushan, C. Saxena, S.J. Deodhar, "Business Model Innovation in software Product Industry: Bringing Business to the Bazaar", p.13

¹⁰ Osterwalder, Pigneur and Tucci, "Clarifying Business Models: Origins, Present and future of the Concept"; Communications of the Association for Information Systems; Volume 15, Article, May 2015

there are two main ways of interpretation. From one side, there are authors which use the term referring simply to the way a company run its business; while on the other side, there are authors which underline the model aspect of the business. Furthermore, the proponents of this view have also proposed meta-models that consist of elements and relationship reflecting the complex entities they aimed to describe. To sum up the assumption made up to this point, we can state that the business model concept can be better understood if seen as a conceptual view of a particular aspect in a specific company.

Confusion about business model is also due to the fact that even if different authors have written about it, they do not necessarily mean the same thing. According to the literature, the expression assumed different meanings during the time, ranging from parts of a business model (e.g. auction model); types of business models (e.g. direct-to-customer model); concrete real world instances of business models (e.g. the Dell model); or concepts (elements and relationships of a model). In order to give the reader an idea of what we are talking about, it is reasonable to provide some definitions. Starting from Chesbrough, he defined the business model as “the heuristic logic that connects technical potential with the realization of economic value”¹¹; then we have Johnson and Uskewicz, according to which business model “consist of four interlocking elements, that, taken together, create and deliver value”¹². Considering Amit and Zott instead, the focal firm’s business model refers to “the content, structure, and governance of transactions designed so as to create value through the exploitation of business opportunities”¹³, whereas for Teece, “a business model articulates the logic, the data and other evidence that support a value proposition for the customer, and a viable structure of revenues and costs for the enterprise delivering that value”¹⁴.

Last but not least, according to Dr Ramesh Kumar Miryala, “a business model is a path to a company’s profitability”¹⁵.

Following the thought of Osterwalder, Pigneur and Tucci, there exist three different

¹¹ H. Chesbrough and R. S. Rosenbloom, “*The role of the business model in capturing value from innovation: evidence from Xerox Corporation's technology spin-off companies*”, Ind Corp Change, 2002

¹² Johnson & Uskewicz

¹³ Christoph Zott and Raphael Amit, “*Business model design: an activity system perspective*”, Long Range Planning, 2009

¹⁴ David J. Teece, “*Business Models, Business Strategy and Innovation*”, Long Range Planning, vol.43, 2010.

¹⁵ Dr Ramesh Kumar Miryala, “*Trends, Challenges & Innovations in Management*”; Zenon Academic Publishing, Mar 15, 2015, Volume III; p.131

categories of authors writing about business models, hierarchically linked to one another. The first category is represented by authors which have described business model as an abstract concept able to describe all the businesses run by entrepreneurs in the real world. In the second category, we figure out authors which have associated different business models' types to a particular set of businesses, each one related by common characteristics. Last but not least, in the third category we have authors which have tried to present aspects or conceptualization of particular business model taken by real world businesses¹⁶. Summing up, we can state that all the three categories just mentioned differ essentially in their design, ranging from quick definitions to a set of related, defined and conceptualized elements.

Finally, it is reasonable to conclude the paragraph with a clear definition: “a business model is a conceptual tool that contains a set of elements and their relationships and allows expressing the business logic of a specific firm. It is a description of the value a company offers to one or several segments of customers and of the architecture of the firm and its network of partners for creating, marketing, and delivering this value and relationship capital, to generate profitable and sustainable revenue streams”¹⁷.

1.1.3 Evolution

Talking about business model, it is important to highlight that even if it is a relatively young and not yet well understood concept, scholars tried to figure out its evolution over the years. Based on an extensive literature review focused hardly on the concept, what came out was a representation of business model evolution through five phases.

The first phase is represented by authors' definitions and classification of business models. As usually happen for every novel thing, during the first moment of its life, the term business model has caused a particular interest by authors and scholars which tried to find out definitions and classifications to provide a common understanding.

In the second phase, authors tried to complete the definitions by proposing what elements belong into a business model. Important to mention is that at the beginning, such propositions were simple shopping lists, just mentioning the components of a

¹⁶ in “*Clarifying Business Models: Origins, Present and future of the Concept*”; cit.

¹⁷ in “*Clarifying Business Models: Origins, Present and future of the Concept*”; cit.

business model rather than provide a clear description.

Passing to the third phase, here authors finally started to detail the description of the above-mentioned elements, figuring out for the first time building blocks, a clear distinction of the components which we will see better in the continuous of the paper. Moving on, during the fourth phase scholars started to model the components conceptually. As a result, during this phase business model meta-models were taken in consideration in the form of reference models and ontologies, starting also to be evaluated and tested in a more meticulous way.

Finally, in the ongoing fifth phase, such models are being applied in many different ways, as it will be better explained in the next paragraph.

1.1.4 Application

The fact that business model is a relatively young concept, made its relevance needed to be proved, but its contribution on the entrepreneurial success is at the same time already validated and cited by many scholars. What the paper want to provide here, is a panoramic view on how authors have addressed such theme. According to Osterwalder and Pigneur, “Its main area of contribution could be in the creation of concepts and tools that help manager to capture, understand, communicate, design, analyze, and change the business logic of their firm”¹⁸.

Trying to prove the relevance of business models, the authors have identified five main categories of its application: understanding and sharing, analyzing, managing, prospects and finally patenting of business models. Regarding understanding and sharing functions, it is possible to say that the business model utility is about capturing, visualizing, understanding, communicating and sharing the business model logic.

Going on, for what concerns the analysis function, according to Stähler business models can be seen as a new analysis’ unit, able to measure, observe and compare business logics of a particular company¹⁹. Passing to the managerial application, business models help companies’ managers to design, plan, change and implement the logic of the business, making the whole structure capable to reply faster to business environmental changes. In addition, what a business model can provide to

¹⁸ in “*Clarifying Business Models: Origins, Present and future of the Concept*”; cit.

¹⁹ Stähler 2002

the companies' management, is the possibility to align three essential companies' macro-areas represented by strategy, business organization and technology, facilitating as a result the possibility of success²⁰.

Looking forward, thanks to business model portfolios and simulation activities, it is possible to say that business model could be seen also as a tool able to boost innovation and increase the readiness for unpredictable future scenarios. Such application represents a critical skill that every company must have in order to increase competition in the market and to avoid possible future problems.

Last but not least, according to Osterwalder and Pigneur, business model plays a relevant role also on the legal company's side, especially thanks to the possibility of its patenting, predisposition which will help companies to enjoy a powerful competitive advantage²¹.

1.1.5 Literature

Once provided to the reader a panoramic view about business model, it is now the time to deep its concept meaning. In order to accomplish the task, in the continuing of the chapter we will pass inside the business model evolution taking in consideration thoughts of different scholars such as: Shefar, Amit and Zott, Demil and Lecoq, Chesbrough, Teece, Casadeus, and finally, Osterwalder and Pigneur.

Important to highlight here is that all of them have developed their personal opinion starting from studies of precedent authors, modelled according to their own point of view. As a result, as we will see better in a while, there are authors such as Shefar who see business model as a mix of core logics and strategic choices made by companies for creating and capturing value; other such as Amit and Zott who have described it under an activity system perspective; Demil and Lecoq who have introduced the RCOV framework; Teece and Chesbrough who have underlined its relation with innovation; Casadeus who has tried to separate it from strategies and tactics; and finally Osterwalder and Pigneurs, which have introduced the business model canvas to illustrate graphically what studied theoretically up to that time.

1.1.6 Shafer et al: The business model's power

²⁰ in "*Clarifying Business Models: Origins, Present and future of the Concept*"; cit.

²¹ in "*Clarifying Business Models: Origins, Present and future of the Concept*"; cit.

Starting with the analysis of Scott M. Shafer et al's article "*The power of business models*", according to the authors there is not a unique definition about business model, but contrarily, the business model concept is characterized by a huge amount of different opinions, unfortunately without having one accepted by the business community. After a deep analysis of many business model definitions provided by different authors, they came out with the conclusion that the business model concept seems to fall into four different categories: strategic choices, value network, capture value and create value. Starting from the former, strategic choices includes value proposition, customer segments, outputs, competitors' analysis, branding, pricing and many others. Passing to the value network category, according to authors it ranges from the net of suppliers to the customer relationship. For what concerns the capture value category, it embodies the economic aspects of the business model, particularly focusing the attention on the whole financial aspects. Last but not least, the final category represented by the create value one, it includes all the aspects which represent a way by which companies create value, including the internal ones such as internal resources, assets, activities and so on. Focusing the attention on the creating aspects, we can say that companies create value by doing things in a way that allow them to emerge in a competitive environment, something that is real and measurable for customers.

According to the authors, decomposing the two words, business refers to creating value and capturing returns from that value, while the model it can be seen basically as the reality representation. Particularly, Shafer, Smith and Linder have defined it as "a representation of a firm's underlying core logic and strategic choices for creating and capturing value within a value network"²².

Focusing the attention on a key word such as core logic, it suggests us that a properly crafted business model needs to articulate and make some key assumptions about cause-and-effect relationships and the internal consistency of strategic choices.

In addition to the numerous and sometimes discordant business model's definitions, worthy to be mentioned, is the fact that even if business model facilitates analysis, testing, and validation of a firms' strategic choices, it is not itself a strategy. In order to be as transparent as possible, now it could be appropriate to define what a strategy is considering different authors' point of view.

²² Scott M. Shafer, H. Jeff Smith, Jane C. Linder; "*The Power of Business Models; Business Horizons*", February 2005; p. 6

According to Henry Mintzberg, strategies can be viewed in at least four different ways: as a pattern, a plan, a position, or a perspective²³. Going deeply inside the concept, we can say that in a backward-looking context, strategy can be seen as a pattern of choices made over time. However, authors most of the times seem preferring to consider it in a forward-looking sense.

Continuing with the literature, Michael Porter, a well-known American academic famous for his theories on economics, business strategy and social causes, he sees strategy as a position. Particularly, as expressed in its article “*What is a strategy*”, he defined six principles for a company’s strategic positioning. First of all, it has to follow the right goal; it has to be able to allow companies to deliver its value proposition; it needs to be reflected in a distinctive value chain; it involves trade-offs; it defines how all the components of a company business fit together; and finally, it involves continuity of direction. According to the author, “only by grounding strategy in sustained profitability will real economic value be generated” [...] “it defines a way of competing that delivers unique value in a particular set of uses or for a particular set of customers” [...] “a company must abandon or forgo some product features, services, or activities in order to be unique at others” [...] “a strategy involves making choices throughout the value chain that are independent” [...] “without continuity of direction, it is difficult for companies to develop unique skills and assets or build strong reputations with customers”²⁴.

Finally, considering what said by Joan Magretta in her article “*Why Business Model Matter*”, “Business models describe, as a system, how the pieces of a business fit together. But they don’t factor in one critical dimension of performance: competition” [...] “A competitive strategy explains how you will do better than your rivals. And doing better, by definition, means being different. Organizations achieve superior performance when they are unique, when they do something no other business does in ways that no other business can duplicate. When you cut away the jargon, that’s what strategy is all about – how you are going to do better by being different”²⁵.

We can conclude saying that although the author’s points of view described up to now seem to differ in many ways, they all have in common the element regarding

²³Quote extrapolated through Henry Mintzberg’s book, “*The Rise and Fall of Strategic Planning*”, 1994

²⁴ Michael E. Porter; “*Strategy and the Internet*”; Harvard Business Review, March 2001, p. 12

²⁵ Joan Magretta; “*Why Business Model Matter*”; Harvard Business School, p. 4

making choices. Particularly, according to “business models reflect these choices and their operating implications. They facilitate the analysis, testing, and validation of the cause-and-effect relationships that flow from the strategic choices that have been made. In some cases, executives can best effect this by directly translating one set of strategic choices into a single business model, which they then analyze, test, and validate”²⁶.

As said before, business models allow companies to facilitates analysis, testing, and validate cause-effect relationships that flow from the strategic choices that have been made, meaning that in some cases, executives can evaluate one single business model or alternatively consider a range of them simultaneously, each representing a different set of strategic choices. As mentioned by authors in their article, a good example of what said is represented by the General Motors’ case. Summing up to the core of study, in the ’90s GM created a project team to define “OnStar”, a business model aimed to allow the company to produce wireless communication and GPS technologies to deliver a variety of safety to customers while they travel. Looking from the authors’ business model point of view, after the identification of relevant strategic decision choices, the set needed to be tested and analyzed to ensure that the cause-effect relationships were logical and the choices were mutually supportive and internally consistent.

At the time, they had two possibilities. First of all, they could see such new business opportunity as another car feature, representing the easiest solution. On the other hand, they could position telematics as a new service business, representing this time the most expensive solution. Finally, by adopting several management science methodologies, including system dynamics, conjoint analysis, dynamic optimization, game theory and simulation, the team proposes executives to adopt a more aggressive set of strategic choices and create a new service business, resulting an optimal strategy since OnStar was installed in all new General Motors’ cars, which made available it also for other auto manufacturers.²⁷

Moving on with the authors’ thought analysis, as already said, a well-designed business model represents a powerful tool for entrepreneurs, increasing notably the possibility of companies’ success in the future. However, if built in the wrong way, it

²⁶ Scott M. Shafer, H. Jeff Smith, Jane C. Linder; “*The Power of Business Models; Business Horizons*, February 2005; p. 6

²⁷ Regarding the General Motors’ case study, all the considerations are extrapolated taking in consideration “*The Power of Business Models; Business Horizons*, cit

can figure out some critical problems, bringing the company in the success way's opposite direction. Summing up the concept in a single sentence, we can state that business model problems represent a structural challenge to the sustainability of a company, at least in the medium-long term. According to authors, usually business model designing mistakes lead to four common problems: flawed assumptions underlying the core logic; limitations in the strategic choices considered; misunderstandings about value creation and value capture; and finally, flawed assumptions about the value network.

Starting from the bottom, it is possible to say that most of the time companies begin their road to the critical zone if their business model is based on unwarranted future predictions. In order to avoid this kind of problem, according to the author, "it is vital that, once a set of strategic choices has been made, the resulting business model be checked to ensure that implicit and explicit cause-and-effect relationships are well-grounded as well as logical. Furthermore, the resulting business model should be scrutinized to ensure that the set of choices is internally consistent and mutually supportive of one another"²⁸.

Moving on, another common problem faced by many companies, especially during the dot.com bubble, was the wrong believe that building a little portion of a workable business model means having the perfect business model design. "A business model should address all of the firm's core logics for creating and capturing value, not just a portion of that logic"²⁹. A great example of an unsuccessful business model structure is represented by eToys' case study. Summing up, in 2001 eToys went to bankrupt because of its incapability to structure its business model in all its components. Basically, instead of building its customer base and gain brand awareness as a consequence, the company prefers to maintain its focus on the customer acquisition strategy, missing also to develop a workable process for the fulfillment of the customers' order. As a result, eToys was not able to generate the volume of business needed to support infrastructure investments³⁰. Furthermore, according to Shafer et al, it is the business model concept itself that provides entrepreneurs a powerful tool able to avoid such situations. First of all, being a reflection of the strategic choices designed, business models underline the need of a deeper strategic decisions

²⁸ in *"The Power of Business Models"*; Business Horizons, cit.

²⁹ in *"The Power of Business Models"*; Business Horizons, cit.

³⁰ Regarding the eToys case study, all the considerations are extrapolated taking in consideration *"The Power of Business Models"*; cit.

considerations. Moreover, business models usually require management to discuss and evaluate the relationship strategic decisions' internal unanimously.

As third common problem, we find the possibility of a misalignment between how firms intend to create and capture value from their customers. Usually, in most of the cases management focus its efforts mainly on the value creation side of a business, leaving a little space on thinking how to capture such delivered value. Regarding this kind of situation, it is possible to say that as a consequence companies fail to catch economic returns able to make the business sustainable, resulting often in companies' bankruptcy.

Last but not least, very often companies erroneously think that the value of the network built and validated during the time, won't have the need for adjustments in the future, but contrarily it will embody its value for the company's entire cycle life. Obviously, it represents a huge consideration's mistake since in the real world everything is continuously vulnerable t to changes, small on huge they are. A well future oriented business model take in consideration different possible future scenarios, forecasting competition, trends, customer needs etc., enabling the company to be ready to change its core logic as faster as possible, maintaining its competitive advantage over competitors³¹.

Concluding the analysis, we can state that there are six main concepts pointed out by Scott M. Shafer, H. Jeff Smith and Jane C. Linder in their article. First of all, an organization's business model is never complete as the process of making strategic choices. Second, testing business model should not be a one-time process but contrarily it should be iterative and ongoing. Third, they highlighted the importance of the business model as a powerful tool that companies can use to analyze and communicate strategic choices inside and outside the firm. Last but not least, authors stressed a lot also the concept according to which a business model's organization will be never complete as the process of making strategic choices.

Finally, we can conclude saying that "while there are certainly no guarantees, we contend that the probability of long-term success increases with the rigor and formality with which an organization tests its strategic options through business models"³².

³¹ Regarding business model's problems, the concept is extrapolated taking in consideration "*The Power of Business Models*"; cit.

³² in "*The Power of Business Models*"; cit.

1.1.7 Amit and Zott: Activity system perspective

Continuing with the business model analysis through the thought of different authors, it is now the time to focus the attention on other two scholars: Amit and Zott. At the base of their thoughts, the design of the business model result a crucial point both for entrepreneurs who are starting their business both for managers who try to rethink and replace the company's old model into a new one able to fit well the company for a future vision. According to the authors, such difficulties are due to forces of inertia and resistance to change, especially once the business model template is set and all the activities are put in place. Every choice in the business model design lead to a different business model, which as consequence, implies a different set of activities, resources and capabilities to perform within or beyond the company. If in their previous work they have pointed out conclusions according to which business model has to be seen as a way for firms to exploit business opportunities by creating value for the parties involved, now they have stressed the attention more on the activity system perspective behind the business model design.

Following the thoughts of Amit and Zott, an activity in a focal firm's business model is defined as "the engagement of human, physical, and/or capital resources of any party to the business model to serve a specific purpose toward the fulfilment of the overall objective"³³. Once understood what authors mean for activities, we can move on in the understanding of the activity system concept. Concerning these theme, it is possible to say that an activity system, is a set of interdependent and organizational activities embodied in focal firms, including those run by its partners, customers or its vendors. Furthermore, what authors tried to express is also the concept that the firm's activity system may also transcend the focal firm and span its boundaries, but it is mainly always firm-centric, in order to allow a firm not only to create value with its partners but also to appropriate a share of the value created. Another key concept related to the activity system is the role played by interdependencies among activities. According to the authors they play a pivotal role and more important, they provide insights into the processes, strengthening the evolution of the activity system over time. They are basically the output of managers and entrepreneurs who shape

³³ Christoph Zott and Raphael Amit, "*Business model design: an activity system perspective*", Long Range Planning, 2009, p.2

and design both the organizational activities, both the links that bring activities into a system³⁴.

Once that the activity system concept is clear for the reader, now could be appropriate to understand how authors addressed the issue of business model definition and how they came to such conclusion. According to their article, the focal firm's business model refers to "the content, structure, and governance of transactions designed so as to create value through the exploitation of business opportunities"³⁵. What is interesting to explain now, is how they came out with such definition. Following the literature, authors take their inspiration by developing the thoughts of other scholars. In particular, it seems that the more relevant are represented by works of Afuah and Tucci, which described business model as "*a system made up of components, linkages between the components and dynamics*"³⁶; Johnson et al, defining business model as "*a set of which activities a firm performs, how it performs them, and when it performs them*"³⁷. Last but not least, it is also inspired by what said about key activities by Mitchell and Coles in 2008. According to them, "*training, development, manufacturing, budgeting, planning, sales and service are the key activities of a business model*"³⁸.

In addition of what said up to this point, it is important to remark that business model is also able to the firm's bargaining power. Thinking in a consequence manner, we can state that the greater is the total value created, the greater it will be the firm's bargaining power. Finally, the greater the bargaining power, the more it will be the amount of value the focal firm will be able to appropriate.

Moving the attention on the core logics under Amit and Zott's article, it is possible to say that the entire work is based on the assumption that there are two main parameters which play a key role in the activity system: design elements, which describe the activity system's architecture and design themes, which describe through which sources it was possible to create value. Going on deeply into such object, it is possible to decompose design elements and design theme into seven sub-categories: content, structure and governance for what concerns the design elements. On the other hand instead, falling into the design themes are: novelty, lock-in,

³⁴ in "*Business model design: an activity system perspective*", cit.

³⁵ in "*Business model design: an activity system perspective*", cit.

³⁶ Afuah and Tucci 2010

³⁷ Johnson et al 2000

³⁸ Mitchell and Coles 2008

complementarities and efficiency.

Starting from the design elements, regarding the content category it refers to the selection of activities that are performed to make the business actionable. Concerning the structure, it basically describes the sequences of activities described in the content, capturing also the importance which they have for the business model design. Concluding with the governance, such sub-category is aimed to describe who perform such activities, in order to have a better management of the what, how and who concept³⁹.

Passing to the design themes, first of all they can be presented as configurations of design elements or as the degree to which they are connected by distinct themes. Focusing the attention on the four sub-categories it embodied, starting from the novelty we can say that represents the degree of newness about ways through which activities are adopted, linked between each other and finally, governed. Continuing with the lock-in category, here it is important to underline that it is possible to design the activity system for lock in own customers, impeding them to switch to substitute services. Another key role in the activity system perspective is played by complementarities. According to the authors, they occur whenever the value of running activities separately results lower than if run through a system. Last but not least, for what concerns the efficiency category, it represents the ways through which the firm intends to achieve greater efficiency through the use of the activity system design and reducing transaction costs⁴⁰.

Once arrived to this point, we can conclude the analysis explaining benefits which the activity system perspective provided by Amit and Zott has on business models. First of all, it is possible to say that a business model can be considered a template of how firms conduct businesses, how they deliver value to customers and how they link factors and product markets. Furthermore, one of the first advantages which the activity system provides to managers is an accepted academic language through which addressing all the issues, stimulating managers to think in a creative way. In addition, what authors have pointed out in their work, is that focusing the attention on activities allow to give less importance to several assumptions on transaction costs literature, such as the homogeneity of costs and capabilities in the production process of a firm. Moreover, another benefit provided by the Activity System

³⁹ in *"Business model design: an activity system perspective"*, cit.

⁴⁰ in *"Business model design: an activity system perspective"*, cit.

perspective is the fact that it encourages firms to not remain focused on isolated and individual choices during the business model design process, but contrarily, it encourages firms to think more in a systemic and holistic way. Last but not least, the Activity System perspective provides also a better understanding of the micro-mechanisms about business models, encouraging managers to consider more what goes on within the black box of activities⁴¹.

1.1.8 Teece: Business model innovation

Passing over, following the road of the business model literature, it is now the time to focus the attention on another scholar which with its vision has changed the way of looking at business model: Teece. From a panoramic point of view, what we are going to touch in this paragraph is the definition of the business model concept, the exploration of the linkages which occur between business model, business strategy, innovation, management and economic theory, before ending the analysis with the explanation of conclusions pointed out by the author.

Starting from the business model concept, first of all what is important to remark for Teece is the need of business models more focused on customers. According to the author, a big help in such field could be provided by the use of technology, which thanks to its evolution during times allowed companies to collect information and provide customer solutions at a lower cost compare to the past. Deeping the concept according to which business models need to be more customer-centric, it is important to say that in addition, they have to be able to address customer needs in a more astutely way, especially understanding how to capture value from the provision of new products and services. According to Teece, without a well-defined business model, innovative entrepreneurs will never be able to either deliver and capture value from their ideas.

Regarding the business model definition, before providing the one stated by the author, it is important to underline from which scholar he was inspired. According to the literature, it is possible to state that Teece's thought was mainly inspired by what said by Shafer et al, stressing particularly the principal elements to take in consideration in the business model design process. Starting with the definition, according to Teece "a business model articulates the logic and provides data and

⁴¹ in *"Business model design: an activity system perspective"*, cit.

other evidences that demonstrate how a business creates and delivers value to customers. It also outlines the architecture of revenues, costs, and profits associated with the business enterprise delivering the value”⁴². Regarding this point, the author has identified six steps which business model designers need to take highly in consideration during the business model designing process. First of all, we find the selection and the application of the more suitable technologies and features to be embedded in the product or service the company want to deliver. Once defined the output, the next key step is about determining all the benefits related to the use of the product by customers, something that as we will see later on will allow companies to understand why customers will prefer one product rather than the one of another company. The third step, is focused on the definition of the market segment, figuring out the specific group of people the company aim to reach, allowing them to not waste time, money and resources trying to attract wrong customers. The next step, is characterized by the confirmation of all the available revenues streams. Economically speaking, it represents a crucial point for companies since it allows them to understand through which channels and activities they will be able to generate revenues. Finally, the last key step of Teece’s business model design process, is represented by the design of mechanisms for capturing value, meaning that designers need to be able to find out the right mechanism which will allow companies to convert payments received through the revenue streams into profits.

Anyway, developing a successful business model, most of the time results insufficient for ensuring a sustainable competitive advantage, especially if its gross elements are quite easy to imitate by competitors. In order to avoid this kind of situation and protect whatever competitive advantage will result from the design and implementation of new business models, it results crucial to couple strategy analysis with business model design. Specifically, it requires the setting of all the apparatus needed to deliver the value and more important trying to figure out isolating mechanisms able to prevent the business model strategy from being undermined through imitation. In addition, a differentiated, effective, efficient and hard to replicate business model design, is more likely to bring profits. Even if, theoretically speaking, the vast majority of business model seem to be not so hard to imitate, the author found out three elements that if applied, can impede such copycat behavior.

⁴² David J. Teece, “*Business Models, Business Strategy and Innovation*”, Long Range Planning, vol.43, 2010, p.173

The first element is about the implementation of business models through the application of systems, processes and assets resulting hard or not convenient to replicate. Furthermore, the second one is represented by the level of opacity which every business model has inside, the degree of “uncertain imitability” which most of the times led competitors to give up. Third and more important, what we need to take in consideration is also the fact that sometimes the imitation will never be act since it can involve for incumbents the possibility of sales and profit cannibalization.

At the shaves of Teece’s thought, it is easily observable a marked attitude to the role which innovation plays on a business model, coming to the delineation of the business model innovation concept. Before explaining deeply his thought, could be appropriate to give some definition. Starting from the innovation meaning, it can be presented as “the process of translating an idea or invention into a good or service that creates value or for which customers will pay”⁴³. Going on, it can be reasonable also to provide a clear definition of what a radical innovation is. According to “The Innovation Policy Platform”, a web-based interactive space developed by the Organization for Economic Co-operation and Development (OECD) and the World bank, it is expressed as “a radical or disruptive innovation is an innovation that has a significant impact on a market and on the economic activity of firms in that market”⁴⁴. Finally, concluding the panora mic view of the innovation world through some definitions, it cannot miss the explanation of the incremental innovation meaning. Following the thought of Melvin B. Greer Jr., it can be seen as “a series of small improvements to an existing product or product line that usually helps maintain or improve its competitive position over time”⁴⁵.

According to what said by Kul Bhushan C. Saxena, Swanand J. Deodhar, Mikko Ruohonen in their book “*Business model innovation on Software product industry*”, “Teece (2010) similarly discusses that how a technological innovation often needs a concurrent business model innovation in order to capture the value of the innovation.

⁴³George Leal Jamil, Josè Pacas Rascao, Fernanda Ribeiro and Armando Malheiro da Silva, “*Handbook of Research on Information Architecture and Management in Modern Organizations*”, IGI Global, Aug 17, 2015, p.153

⁴⁴Quote extrapolated by The Innovation Policy Platform’s website, consultable by linking innovationpolicyplatform.org

⁴⁵ Melvin B. Greer Jr., “*21st Century Leadership*”, iUniverse, 2013, p.8

The more radical the innovation, the greater the need will be for change in the old business model”⁴⁶.

Figuring out how to capture value from innovation is a key element of business model design, but before being able to do that, it is appropriate to clarify what a business model innovation is. According to the author, it refers to a conceptual rather than a financial model of a business, representing a pathway to competitive advantage if the model results sufficiently differentiated. Furthermore, what characterize business model innovation is also the implicit assumptions it makes about customers, about the changing nature of users’ needs and as consequence about future competitors’ responses and more important about the behaviors followed by revenues and costs. In order to profit from innovation, there are two main actions which business pioneers need to do: first of all, they need not only to excel in product innovation but also on business model design; second, they have to understand business model design options as they do for customer needs and technological trajectories⁴⁷. Coming back to the way of capturing value, the author has manifested extensively the concept of the profiting from innovation framework. It can be seen as a guide aimed to help entrepreneurs and strategists to find out reasonable business model strategies. Such framework is based on contracting theory and it figured out two extreme models through which innovators are able to capture value from its innovations. First of all, we find the integrated business model, expressed as “an innovating firm bundles innovation and product together, and assumes the responsibilities for the entire value chain⁴⁸”. Moving on, the other one is represented by the outsource business model. According to the author, this model implies pure licensing, and thus it is proper of those companies that show a strong intellectual property regime⁴⁹.

Concluding the Teece’s overview about business model, it sounds good to provide some useful remarks. Summing up the authors’ thought, we can conclude by saying that first of all, all kind of business, either implicitly or explicitly, need a particular business model. Second, it is important to remember that according to Teece, a business model describes the design of the value creation, delivery and capture

⁴⁶ Kul Bhushan C. Saxena, Swanand J. Deodhar and Mikko Ruohonen, “*Business model innovation on Software product industry: bringing business to the Bazaar*”, Springer edition, 2016, p.40

⁴⁷ David J. Teece, “*Business Models, Business Strategy and Innovation*”, Long Range Planning, vol.43, 2010, p.173

⁴⁸ in “*Business Models, Business Strategy and Innovation*”, cit.

⁴⁹ in “*Business Models, Business Strategy and Innovation*”, cit.

mechanisms employed. Furthermore, it is considered able to crystallizes both customers' needs and their ability to pay. Finally, last but not least it defines the manners by which business enterprises answer the problems relative to ways for customers' value delivering.

1.1.9 Demil and Lecoq: Dynamic consistency

Making a jump ahead in the time, we will now focus the attention on the business model idea provided by two relevant scholars such as Benoît Demil and Xavier Lecocq, especially taking in consideration “*Business Model Evolution: In Search of Dynamic Consistency*”, one of their most relevant article. Leaving a part for a moment the origin of the business model concept, it is possible to start by explaining first of all the inspiration at the base of the authors' thought. Regarding business model, according to their article, “the concept refers to the description of the articulation between different BM components or ‘building blocks’ to produce a proposition that can generate value for consumers and thus for the organization”⁵⁰.

Following their idea, it is possible to figure out two different uses of the business model concept: the static approach and the transformational approach. Starting from the static one, it is possible to say that it highlights the importance of the “model” concept rather than the business one, focusing the attention mainly on the coherence among its core components. As expressed by authors, “a BM is ultimately a blueprint – even a receipt- that fulfils important functions such as enabling description and classification”⁵¹. Furthermore, it also represents a useful tool for managers and entrepreneurs who have the needs to conceptualize all the activities employed by their companies to generate value and the mechanism for its value creation. As every approach, the static one illustrated by Demil and Lecoq shows strengths and weaknesses. Starting from strengths, it allows to set standards and study the degree of relationship between a given business model and its performances. Furthermore, it provides also a clear view of business model components, especially focusing the attention looking at how they are arranged. Going to the other side of the medal,

⁵⁰ H. Tikkanen, J.-A. Lamberg, P. Parvinen and J.-P. Kallunki, “*Managerial cognition, action and the business model of the firm*”, Management Decision 43, 2005

⁵¹ B. Demil and X. Lecocq, “*Business Model Evolution: In Search of Dynamic Consistency*”, LRP 43, 2010, p.228

regarding weaknesses, the biggest lack of such approach is represented by its inability in describing and capturing the process of business model evolution.

On the other side, for what concerns the transformational approach, “the BM is considered as a concept or a tool to address change and focus on innovation, either in the organization, or in the BM itself”⁵². Having a look also here to strengths and weaknesses related to this approach, regarding the former it is possible to say that its main attitude is about helping managers in the reflection on how they could change their business model. Concerning the weaknesses instead, its main gap is more logical. Basically, most of the time it is more oriented to block the business model concept and successively discuss changes rather than doing the opposite, thus looking more on how business model change themselves. The main goal of the authors in the writing of their article was to re-gather the aforementioned approaches. In order to manage this situation, they have adopted a deductive approach through which identify at first the business model components related to the static approach and successively try to understand how they will change looking at the organizational level. The results, was the introduction of the Demil and Lecoq RCOV framework, based on the Penrose’s view of the firm, according to which the growth of a firm is directly related to the interaction between two core competencies such as resources and their application. Basically, here business models are conceptualized as radical innovation⁵³. Going deeply inside the Penrosian view, every firm can be seen as a mix of resources, where this latter are a collection of tangibles and intangibles inputs controlled by the firm, used mainly in internal processes. Furthermore, it is important to highlight that her contribution has inspired authors mainly for the introduction of dynamic features based on interactions among core components. Specifically, among its key points, what is worthy to be remarked is first of all the fact that resources are not important “per se” but for the services of the resources themselves. Then, it is important to highlight also other two important elements: the organizational and entrepreneurial capacities of management. Starting from the organizational ones, they mainly aim to the way services support the organization’s normal ongoing process. Between its competences it includes the improvement of resource’s exploitation and a deeper analysis of its accumulated knowledge. Regarding the entrepreneurial capacities instead, they mainly include

⁵² in “*Business Model Evolution: In Search of Dynamic Consistency*”, cit.

⁵³ For further explanations about the word “radical innovation”, go back to p. 20 of this article

capabilities in the acquisition and development of new resources, considered essential skills in order to be able in the construction of new value proposition inside the same company. Last but not least, it is important to underline that according to the author, business models allow companies to ensure their sustainability.

Coming back to the RCOV framework, it stands for Resources and Competences, Organizations and Value Proposition. Following the thought of Demil and Lecoq, “the RCOV framework constitutes a parsimonious and dynamic approach to the BM, implying that entrepreneurs and managers have to consider jointly questions of accumulated and combined resources” [...] “in this framework, the BM’s ongoing dynamics come from the interactions between and within the core model components”⁵⁴. Regarding the interaction “between” components, it is possible to say that they usually follow choices aimed to the creation of new value proposition, new resources’ combination and finally, they are mainly oriented to organizational system changes. On the other hand, for what concerns the interactions “within” components, most of the time is observable their attitude to lead changes in the resource availability or on management competencies mainly through changes in the value network or in the value chain.

Moving on through the author’s roadmap, it is now the time to provide an illustration of how Demil and Lecoq have addressed the business model definition issue. According to authors, in order to define the business model concept, it could be appropriate to follow two steps: first of all, it needs to define ex-ante the core components which characterize a business. In the second steps, instead, entrepreneurs usually deal with complex processes related to changes and organizational evolution. Having a look at the advantages about this kind of two-steps approach can provide, it is possible to state that defining ex ante components, it allows companies to measure changes in these elements consistently, thus having a strong control on them. Nevertheless, from the disadvantage side it is possible to figure out its limit in expecting the same core elements in all the firms, a concept totally wrong since every company has its own characteristics related to their business model. According to this theory, business model can be seen as a lens able to help managers in the understanding of the architecture and functioning of a company, and it can be further described as the composition of three main elements: resources and competencies, organizational structure and proposition for value

⁵⁴ in “*Business Model Evolution: In Search of Dynamic Consistency*”, cit.

delivery. Starting from the resources and competencies, it is important to remark that the former can be acquired both on external markets both developed internally, while the latter refers more on managerial skills in developing both individually or collectively, the services which such resources are able to offer. Passing to the organizational structure element, what can be said is that it represents all the activities practiced and relations engaged with other companies for the exploitation and combination of held resources. Last but not least, “value proposition reflects the content of the transactions with customers, and the idiosyncratic deployment of resources that each organization manages so as to generate its offers”⁵⁵. Basically, the value proposition element describes the value a company delivers to customers in terms of products and services. Once understood the business model concept through the illustration of its definition can be followed by the analysis of the business model evolution. First of all, it is possible to start by saying that the main elements observable during a business model evolution are related to the structure of its costs and revenues. Particularly, a business model evolution can be related to the use of a new kind of resources, the development new revenues’ sources, reengineering of organizational processes and also the externalization of all the activities related to the value chain. Regarding changes which usually occur in the companies’ volume of revenues and costs, here it is important to highlight that such signs not have to be considered as a business model evolution, but rather a structural change.

Looking from a theoretical point of view, the aforementioned changes in a company business model, most of the time bring as consequences the increase or decrease in company’s performances, giving to the market a strong signal about how the business is going and the degree of the company’s sustainability over the time. Generally speaking, it is also true that business model changes are taken in response of poor performances.

According to the authors, looking at the picture from a strategic point of view, it is possible to conclude that business models can be lead to an evolution process due to the influence of both internal and external factors. Starting from the internal factors, they range from the outcomes related to decision processes of top-middle managers to the consequences directly linked to the dynamics within and between the business model core components. On the other hand, talking about external factors, it can result appropriate to say that they refer to events not controlled by companies since

⁵⁵ In “*Business Model Evolution: In Search of Dynamic Consistency*”, cit.

caused by changes in the surrounding environments⁵⁶. After a deep analysis about business model changes, we are now able to provide some useful remarks, as we will explain in a while. First of all, one of the most important thing to take in consideration is the level of risks and uncertainties that could influence a company's business model on a permanent basis. In order to overcome such issue, companies measure such parameters on a regular basis through deep environmental and intra-company analysis. Furthermore, another business model's key task is represented by the anticipation attitude towards the potential consequences linked to both environmental and internal changes. If such task could seem difficult to achieve, there is the necessity to underline that iterative thinking and a representation of sequences could result useful to have clear view of how such external events or internal trends may have an impact on the business model.

Concluding Demil and Lecoq business model analysis, it is possible to figure out four main key points. Starting from the top, first of all the RCOV framework represents a useful tool for managers, since thanks to it they are pushed to reflect on the business model design and about ways to change it adding value to the entire business. Second, authors' framework results very useful also because it helps managers and entrepreneurs to focus their attention more on the systemic interaction between the whole business model components, particularly on the sequences of causes and the potential consequences they are going to produce. Moving on, another important point stressed a lot in their work, is about the Penrosian view of the firm. Theoretically speaking, it helps to define the business model concept in a solid framework. However, according to Demil and Lecoq, "the Penrosian view enables us to introduce the idea that disequilibrium is a permanent characteristic of firm's business models, by underlining several processes affecting the individual elements, the core components and their inter-relationships"⁵⁷. Last but not least, it is worthy to be remarked also the fact that the RCOV framework sponsors a more dynamical strategy's point of view, mainly thanks to the use of tools which allow managers to audit consistency and take a series of decisions able to change the business model's profitability in a more sustainable way.

⁵⁶ Regarding the explanation of the internal and external factors, it was taken in consideration "*Business Model Evolution: In Search of Dynamic Consistency*", cit.

⁵⁷ in "*Business Model Evolution: In Search of Dynamic Consistency*", cit.

1.1.10 Chesbrough

Passing over, the purpose of this paragraph is to provide the reader a panoramic but at the same time focused view on Chesbrough's thought about the business model concept. In order to do so, it was taken in consideration one of his most famous publication, in particular "*Business Model Innovation: Opportunities and Barriers*". Starting from the beginning, at the base of his thought there is the relevance of the business model on the value of technology. In particular, stressed a lot on the fact that the technology's economic value could result null, depending mainly on the business model design. In order to understand the reasons behind such conclusions, it could be appropriate to illustrate first how he has defined the business model. According to his work, the definition of business model can be summed up by explaining which functions business model needs to satisfy. First of all, it has to articulate a value proposition, meaning that it has to figure out which is the real company's value provided to users, in particular those whose offers are based on technological functions. Soon after, business models need to identify a specific market segment and find out the mechanism through which revenues are generated. Third, it has to define in a detailed way the structure behind the value chain required to run the business, in particular the distribution of complementary assets required to support the position gained in the chain. Another key function needed to be fulfilled is the one related to the detailed definition of the revenue mechanism through which the company will be paid for the delivery of its value. Fifth, resulting crucial is also the estimation function of the whole cost structure and profit potentiality. Moving on, a description of the firm's position within the value network that link customers with suppliers. Last but not least, the final function to be run regards the formulation of a successful competitive strategy, a strategy which is able to allow innovative companies to gain and hold a sustainable competitive advantage over competitors⁵⁸. Another key point stressed a lot by the author in his article, is represented by the importance that experimentation holds over the business model's sustainability in the long run. Such relevance can be observable especially when the business model used by the company until that moment is no longer working. In order to explain this concept, Chesbrough came out with an example related to Radiohead, an English rock

⁵⁸ Henry Chesbrough, "*Business Model Innovation: Opportunities and Barriers*", LRP 43, 2010, p.355

band whose manager in 2007 decided to not follow the standard process imposed by recording companies, but contrarily he has decided to sell band's CDs on their website, letting customers to decide freely whatever amount they were willing to spend. The result of this experimentation was unexpected. In particular, during the first sixty days after the release, the band's website was visited by more than three million of people. Remarkable is the fact that one third of them decided to not pay anything, while the remaining two third have decided to pay an amount around 4 pounds⁵⁹. What can result questionable, is the reason why other organizations do not use so much this experimentation system which is able to avoid that external innovation let the traditional business model to become redundant. In order to answer this question, it is possible to say that business models experimentation face significant barriers which discourage its application. Such theme was object of studies by many scholars, and in particular it is worthy to be mentioned the contribution provided by Amit and Zott. According to them, business model innovation is composed by four main elements: novelty, lock-in, complementarities and efficiency. Basically, it is true that managers need to recognize the successful business model, but it is also true that its development is considerably hard to sustain due to conflicts with the prevailing one, or even with the asset's configuration which allowed it to work⁶⁰.

On the other hand, Chesbrough preferred to stress more on the beneficial part of concept, stating that "undertaking active tests to probe nascent market with new potential configuration of the elements of a business model can allow a firm to learn ahead of the rest of the market, and to begin to generate the new data that can power its change process"⁶¹.

Moving on, assuming to have overcome barriers, it could be appropriate to provide an illustration about how managers are able to architect such experiments. Following the author's thought, two main approaches have to be taken in consideration. First of all, in order to clarify and underling business model's processes, building maps of how it works could result useful since thanks to it, companies are able to focus the attention on different combination of processes. Regarding the second approach instead, it is possible to say that it comes from the component business modelling's concept. According to the author, such approach provides companies' managers the

⁵⁹ in *"Business Model Innovation: Opportunities and Barriers"*, cit.

⁶⁰ Amit and Zott 2010

⁶¹ in *"Business Model Innovation: Opportunities and Barriers"*, cit.

possibility to simulate different kind of possible business models before decide to invest money, all thanks to the proactive way of experimenting it allows.

As just said, there are some tools that compare to others result more useful. Mapping business model for example is one of them, but it has the only limit to not being able to promote by itself experimentation and innovation with those alternatives. In order to do so, it is required a major authority by managers, which have to be put by the company in the condition to decide by themselves if taking actions or not on the base of experiments' results. According to Chesbrough, following the thought of two important scholars such as Thomke and Sarasvathy, there exist two main set of approaches related to the experimentation: one related to experimentation itself, and another related to the effectuation. Starting from the former, here two elements have to be taken highly in consideration. First of all, the author stressed a lot on the fidelity of the experimentation, representing the degree to which experimental conditions embodied the larger market. Second, he strongly focused his attention also on parameters such as the costs required to sustain tests, time needed to receive back feedback from experiments, and last but not least also the amount and the validity of the information got from the test⁶².

Regarding the second approach, in particular the one related to the effectuation, it is possible to start by saying that it is the opposite of causation. According to Sarasvathy, during this process actors are more focused on taking actions rather than analyzing the surrounding environment and finding out new information able to reveal new opportunities⁶³. Broadly speaking, it is possible to say that there are three main problems linked to effectuation process: first of all, they do not analyze the market so much as enact it. Successively, there is also a concrete possibility to have insufficient data available in order to analyze a new business model. Last but not least, it is possible to say that actions represent a very important element, especially for what concerns the cognitive act of reframing the main logic a business model.

Deepening the analysis of Chesbrough's publication, it is possible to find out a third process related to who can be seen as responsible for the experimentation of new business models. In order to provide an acceptable answer, the author has figured out four possibilities. At the beginning, as first choice can be taken in consideration the role of functional heads, however concluding that they basically lack a sufficient

⁶² S. Thomke, *Experimentation Matters*, Harvard Business School Press, Cambridge, MA (2002)

⁶³ S. Sarasvathy, *Effectuation*, Edward Elgar, London, UK (2008); H. Simon, *The Sciences of the Artificial* (3rd edn), MIT Press, Cambridge, MA (1996).

authority over the whole authorization to run such staff. In particular, the author stressed a lot on the fact that business models experimentations require testing and interactions among different companies' sectors such as: operations, marketing, engineering, finance and sales. Going on, remaining on the authority side, it could be reasonable to think that big companies' general managers have the power, but unfortunately they are subjected to the turnover, which implies heads rotation every two-three years, leaving not enough time to formulate and conduct in a proper way experiments. Probably, according to Chesbrough the only people suitable to enact this task are the CEOs of small companies, especially the ones that are also businesses' owners. Regarding this issue, it could be relevant to cite also the think of Doz and Kosenes, according to which firms need to have a strategic agility attitude if its goal is being able to transform their business model in the pursuit of strategic innovation⁶⁴.

In order to conclude the author's business model innovation analysis, it is possible to conclude by figuring out which are his main milestones about this concept. First of all, what Chesbrough continue to underline is the need for organizations to address the leadership issue, resulting for him the first thing to solve in order to ensure an effective and efficient governance of business model experimentations. Furthermore, according to him the results of such experiments have to be seen as a possibility to take actions inside the organization, stressing a lot also on the braveness of such decisions. Last but not least, another important point find out by Chesbrough regards the possibility to overcome barriers linked to business model innovation. Following his conclusions, the only way to enjoy such possibility is strictly related to the experimental attitude showed by leaders toward business model innovation⁶⁵.

1.1.11 Casadeus, Musanell and Ricart

What we are now going to talk, is about the business model 'concept seen under Casadeus, Musanell and Ricart's point of view, three relevant scholars which as happened for other colleagues already mentioned, have tried to give their contribution in addressing this argument. In order to conduct the analysis, here will

⁶⁴ Y. L. Doz and M. Kosenen, "*Embedding Strategic Agility: A Leadership Agenda for Accelerating Business Model Renewal*"; LRP 43, 2010

⁶⁵Regarding conclusions, it was taken in consideration mainly Henry Chesbrough's publication "*Business Model Innovation: Opportunities and Barriers*"

be taken in consideration one of their most relevant work, *“From Strategy to Business Models and onto Tactics”*, published in 2010. The structure of this paragraph can be summed up in three main parts: during the first part, the main goal is to provide the reader the development of a conceptual framework which according to authors is able to divide the business model and strategy’s concepts. In the middle, we will provide a clear distinction between strategy and tactics, two crucial elements of their thought. At the end, as usual it will be provided final remarks concerning the arguments treated during the paragraph.

As happened for the analysis of other scholars, it could result appropriate to start by providing some useful definitions, in particular highlighting what authors mean for business model, strategies and tactics. Starting from the business mode, according to authors it can be defined as “the logic through which a firm operates and how it creates value for its stakeholders”⁶⁶. Here it is important to highlight that at the origin of such definition, the main source of inspiration was taken by the definition provided by Damil and Lecoq, according to which it represents “the logic of the firm, the way it operates and how it creates value for its stakeholders”⁶⁷.

Regarding strategies, it is possible to say that they represent the set of choices related to business model which allow the company to be competitive in the marketplace it wants to operate in. Last but not least, the final key component underlined by authors work is about tactics and their relation with the business model and strategies. In particular, a tactic “refers to the residual choices open to a firm by virtue of the business model it chooses to employ”⁶⁸. Deeping the author’ business model analysis, it can be possible to came out with the conclusion that business model is made up essentially of two elements: the choices made by the company’s management and the consequences which running these choices imply. According to Casadeus et all, there are three main kinds of choices: policies, assets and governance structure. Starting from policies, it can be said that usually they refer to the logic of all the action adopted by companies during their operation processes. Regarding the assets instead, they comprehend all the decisions related to tangible resources used by companies in running their businesses. Last but not least, for what concerns the governance structure, it can be seen as the choice of structure related to the

⁶⁶ Ramon Casadeus, Masanell and Joan E. Ricart, *“From Strategy to Business Models and onto Tactics”*, LRP, 2010, p.196

⁶⁷ in *“Business Model Evolution: In Search of Dynamic Consistency”*, cit.

⁶⁸ in *“From Strategy to Business Models and onto Tactics”*, cit.

arrangement of the contract by which is defined to leave the right of decisions among policies or assets.

Going on with the authors analysis, it could be appropriate now to have a look at what they call casual loop diagram, considered a useful way through which representing business models, a diagram composed by arrows which link choices and consequences based on causality theories. In particular, such tool divides the consequences in rigid and flexible, considering rigid those that do not change immediately after having made the choice; while on the other hand, the flexible can be described as those which are strictly related to the associated choice. Here what is important to remark, is the fact that even if the virtuous cycles, which are often generated by business model, are not part of the business model definition, they play a crucial role especially because they strengthen some business model's components at every iteration. Following the thought of Casadeus et al, it is possible to state that there exist two main ways in order to have the clearest representation of business models: by aggregation or by decomposition. Focusing the attention on the aggregation way, it basically enables to zoom out the real business model, providing managers a panoramic view of how choices and consequences are bunched together. Contrarily, about the decomposition method it is quite easy to understand that here choices and consequences are analyzed by adopting a more isolated method⁶⁹.

After having analyzed which are the main elements used by authors to explain the role of business model concept in the success of a company, it is now the moment to underline how these concepts were integrated together. From a panoramic point of view, it can be possible to say that in order to create a competitive process framework, it was used a process composed essentially by two stages. During the first stage, companies decide first of all the business model thanks to which they think to be competitive in the industry, while in the second one, depending on the business model chosen during the first stage, are used tactical choices among those available. Summing up, the particular business model is chosen by a company according to the goal of its strategies, and as a consequence, the business model resulting from this process determines which tactics the company is able to use in order to be competitive against other companies.

Since we are arrived almost at the end of the analysis, it is the right moment to underline the links which authors have figured out in strategies, tactics and business

⁶⁹ in *"From Strategy to Business Models and onto Tactics"*, cit.

models. Starting from tactics, it is true that they play a fundamental role in determining the creation and capture of value of firms, but it is at the same time correct to say that they represent more than this since they affect also other firms' results, at least those with which they interact. It is for this reason that they are considered strictly related to business models. Regarding strategies instead, as previously mentioned they represent basically the contingent set of action through which companies design their business model in order to achieve their goals. It is not a case in fact that it is possible to understand which strategies a particular company is running by simply looking at its business model design. What result interesting to illustrate, is that when particular contingences take place, it is the moment where the main differences among business models and strategies arise. In particular, "while every organization has some business model, not every organization has a strategy"⁷⁰.

Concluding, it is possible to state that even if business models and strategies are directly related, they represent two different concepts. Specifically, business models are the direct result of strategies.

1.1.12 Osterwalder and Pigneur: The business model canvas

Concluding the paragraph, it is not possible to not talk about the contribution of Alexander Osterwalder and Yves Pigneur, probably two of the most influential scholars in business model concept of the last decades. One of the main concept underlined by authors in their contributions, is about the relevance of the business plan, seen as an implementation guide aimed to describe and communicate for profit or non-profit projects, particularly stressing the ways they can be implemented either inside or outside a company. Following Osterwalder and Pigneur's way of thinking, they suggested to structure business plans in five sections: team, business model, financial analysis, external environment and implementation roadmap together with a risk analysis. Starting from the team, according to authors highlighting why your team is the right one to successfully build and execute the business model proposed, it represents the first step to a good illustration of business plan. Continuing with the business model structure, it is possible to state that adopting a canvas model, a

⁷⁰ in *"From Strategy to Business Models and onto Tactics"*, cit.

concept deepens in the continuing of this work, it allows readers to have a better understanding of the model proposed since it provides an immediate visual portrait of the value proposition, customer needs and all other elements required. Regarding the financial analysis, it represents a crucial business plan element whose aim is to estimate between all the functions, how acquire new customers. Inside the financial analysis, there are other well-known and important sub-functions such as the breakeven analysis, sales scenarios and an illustration of the operating costs.

Passing to the external environment section, basically it describes how the business model is positioned compared to the external environment, a task which results to be very useful since it summarizes all the competitive advantages related to the business model applied. Last but not least, for what concerns the implementation roadmap and risk analysis section, it is possible to conclude that its aim is showing the reader which elements are needed in order to implement the business model in use and how to do it. Basically, in conclusion, it can be seen as a description of critical success factors and relative obstacles, with a particular emphasis on milestones to achieve.

On the other hand, what recall a particular interest in their work, is the comparison made between two different business model types: business model innovation adopted by innovative companies and adaptive business model run by established companies. Starting from the business model innovation, it is basically the result of one of the following objectives: satisfying existing but undetermined market needs; bringing new technologies, product or services to the market; improving, disrupting or transforming existing markets; and last but not least, the creation of entirely new markets. In order to do what already mentioned, the relative actions to be put in place can be summed in five principal ones. First of all, it needs to find the right model between the different options workable. Successively, before a full-scale launch it requires model testing. As third big effort, there is the action of pushing the market to adopt the new model, otherwise all might result useless. Once the new model is adopted, the model has to be quickly corrected according to market's feedbacks. Last but not least, one thing to be clear in manager's mind is the management of the uncertainty. In order to overcome such challenge, managers need to be always ready to adapt the business model design in response to market changes. Passing to the established organizations side, it is possible to state that business model innovation efforts reflect one of the following reasons: possible crisis with the operation of current business models; adjusting, improving or defending as response to market

condition changes; bringing new technologies, products or services to the market and finally, be prepared to the future attitude by exploring and testing completely new business models. As before, the relative actions to follow here in order to reach the goal of innovation, can be illustrated as follow. Starting from the former, one of the first actions to put in place is the development of an appetite for new models, especially for what concern the firm internal side. Immediately next, one big effort which managers need to take care is about finding the best way in order to align as much as possible the old business model with the new one. Another key action to not forget, is the management of all the stakeholders' vested interests. Finally, and probably the most important action in order to remain sustainable over times, is about focusing the attention on the long-run rather than in the short one.

Moving on, another key concept analyzed by authors with a particular interest, is about the design behind business models. It is not an absurdity saying that business model design can be seen as one of the most important activities to run perfectly in order to increase the chances of a business' success. Having a strong design attitude allows companies to deal in a more enterprising way with the ambiguity and uncertainty that characterize the business model definition. Once understood the relevance of business model design, it could be appropriate to focus the attention on the responsible of its development, in particular the business model designers. According to Martin and Rotman, "business people don't just need to understand designers better, they need to become designers"⁷¹. Being a business model designers, is very far from being an easy task. According to Osterwalder and Pigneur it involves a relentless investigation about the best possible way to create the new, discover the unexplored or achieve the functional. Most of the time such job is done by creative people which are able to expand the boundaries of their thought imagining what already does not exist, coming out with new possibilities to increase value for users. For what concern the aim of this job, it is possible to say that the final result should be the proposition of a generic business model design process which it is possible to adopt for any or companies.

Focusing the attention on the business model process side, it is composed mainly by five phases, which in order are: mobilize, understand, design, implement and manage.

⁷¹ Roger Martin, Dean Rotman and Karen Christensen; "*Rotman on Design: The Best on Design Thinking from rotman Magazines*"; 2013; p. 19

Before going deeply in the illustration of the aforementioned phases, it could be appropriate to figure out the business model definition provided by authors, according to which “a business model describes the rational of how an organization creates, delivers, and captures value”⁷². Furthermore, it is important also to fix the way we are going to address such task. All of them will be described as clearest as possible, especially focusing the attention on three important parameters to take in consideration: key activities, critical success factors and key dangers.

Starting from the former, the mobilize phase represents the starting point for preparing a successful business model project. Here all the business model design elements are assembled together, creating awareness of the need for a new business model. Summing up, this phase is considered very important since it describes the reasons behind the need for a change and also because it fixes the bases for a common language to describe, design, analyze and discuss business models. Regarding the three parameters with which the analysis will be conducted, for what concerns the principal activities associated to this phase, it emerges first of all the need to frame project objectives in order to have the deepest possible picture of the situation, followed by preliminary tests on different business ideas, the definition of an actionable plan and finally the assembly of a working team. Regarding critical success factors, it can be said that the choice of appropriate people with the right knowledge and experience to run such phase is the most critical factor. On the other hand, having a look at the principal key dangers associated to it, it is possible to figure out the possibility of an overestimation about the value of initial ideas. Particular interesting, is the analysis of what said up to this point under established companies’ point of view. Deeping the theme, it is possible to say that for those companies there are four main critical success factors to monitor. First of all, the most critical factor here is represented by the project legitimacy, obtainable mainly through the adoption of strong and visible commitment by top management. Moreover, in order to create interests in the restyle of current business models, overcome potential obstacles and underline the importance and the innovation in the business model design, three additional factors result essential for the success of the project: managing vested interests, cross-functional teams and finally, orienting decision makers.

⁷² Cruz-Cunha, Maria Manuela, “Encyclopedia of E-Health and Telemedicine”, Medical Information Science Reference, p.158

Passing to the second phase which is represented by the understanding one, according to Osterwalder and Pigneur, it is possible to state that it remarks mainly: the importance of researches and analysis regarding elements for the business model design; the importance of a deep knowledge about customers, technologies and environment; and finally, the relevance of collecting information, in order to identify sooner future needs and actual problems. Regarding the principal activities to run during this phase, we can summarize by saying that it is needed an environmental scansion together with a study on potential customers; researches on what has already been tried in order to a relevant number of experts' interviews. Concerning critical success factors and key dangers associated to such phase, we can figure out the need for a deep understanding of potential target markets and a strong vision beyond the traditional boundaries for the former; while for the latter it is possible to find out the strong risk of disconnection between researches and objectives and possibilities of prejudiced researches. Looking from the established company's perspective, here the main activities that need to be put in place can be illustrated as follow. First of all, in order to provide multiple perspectives on strengths and weakness of different business model and increase the chance to came out with new ideas, a map or an assessment on existing business model result highly recommended. Successively, another success factors result to be the need for a vision beyond the status-quo, an activity considered highly challenging since it usually depends on successful past. Concluding, the remaining two critical factors are represented by the need to search beyond the existing customer base and to demonstrate progresses on what learned up to that point.

Going on to the third phase, it could be appropriate to say that its main goal is about generating and testing different actionable business model options after intense inquiries, selecting at the end the most satisfactory one. In order to pursue what just said, innovative companies need to transform all the information and ideas collected during the first two phases into business model prototypes and successively test them.

However, concerning the main threats incurred by this phase, it is possible to figure out the risk for watering down or suppressing good ideas or contrarily falling in love with some too quickly and underestimate consequences. Looking as usual under the established company's perspective in order to compare differences or similarities with innovative companies, in this case a particular focus is oriented to assemble a

participatory design process and to avoid short term focus in the exploration of new business model. Furthermore, one big question which need to be answered is about whether the old and new business models should be separated or integrated into one. Moving forward, for what concerns the implement phase, it is important to highlight the relevance of the business model prototypes implementation through adaption or modifies taken in response to market feedbacks. Here the ability and willingness to rapidly adapt business models turn to be a critical success factor. On the other hand, concerning the main activities, communication and execution result to be the two most important ones. About possible threats instead, the most danger one is represented by the possibility to lose the right momentum of business model switching, a momentum that unlikely will return in the future. Focusing the attention on established companies, during this phase they are more concentrated on managing in a proactive way the roadblocks, meaning all the milestones the company decided to achieve in the medium term, especially through a well-defined sponsorship strategy and an effective communication campaign.

Concluding, what we are now going to analyze here in detail is the fifth phase, in particular the management one. The aim of this phase is about setting a strong management structure able to monitor, evaluate, adapt and transform continuously the company's business model. In order to do that, the main activities to run can be summarized in: scansion of the surrounding environment; alignment of the resulted business model throughout the whole enterprise and last but not least, the management of possible synergies and possible conflicts among old and new models. Regarding critical factors needed during this final phase, both for innovative companies both for established ones, it is possible to find out three factors which seem to represent the most important ones: a long-term perspective focused on innovation; pro-activeness of the whole enterprise and finally, an optimal governance of the business model concept. Becoming a victim of its own success instead, result to be the main threat faced by innovative and established companies, particularly for those which fail to adapt or maintain a beginner's mindset.

Before concluding the chapter, it is important to underline the last concept stressed a lot by Osterwalder and Pigneur in their well-known publication "*Business Model Generation*", represented by the detailed illustration of the business model canvas, a concept that is going to be deepen analyzed in the continuing of this work.

2 THE INNOVATION INDUSTRY: SEED ACCELERATOR PHENOMENON

2.1 Startup world ecosystem

Since ancient time, human being was constantly afflicted by the desire to satisfy its knowledge, to discover new things and probably most important to answer questions that most of the time were over the human's knowledge capability itself. Anyway, we can identify curiosity as the historic driver of innovation which allowed humans to grow year by year, figuring out new ways to communicate, to interact and to develop itself. The result of the innovation desire, can be seen looking at the society in which we are living nowadays, a society where people from different part of the globe can interact simultaneously, maintaining interactions, sharing information, sharing moments captured by high definition pictures. Probably the list of all the things we are able to do today through a connection cannot be contained in the entire paper. Such a result assumes a particular relevance if we think that just two decades ago all of what we are living today seemed to be unthinkable, and it can be summed up in one word: Internet. Today we are able to find news, to know people, to look for a job or whatever we want staying comfortably at home.

If one think that we have reached the peak of knowledge or that we have satisfied our innovation craving, he is completely wrong. Fortunately, the desire of newness is never died, but contrarily is grown day by day, especially thanks to the numerous monetary and technological resources that we can use nowadays.

Talking about innovation, it is important to mention the importance and impact that the startup world and its ecosystem are executing on our national's economy. A key role in the ecosystem is played by startup accelerators, the real driver for the success of a startup, but before talking about it is appropriate to quickly remind and deeply describe all the characters involved in the innovation world such as: startups, incubators, accelerators, mentors, investors and investments' types.

In order to have a panoramic view of what we are going to detail in a moment, we can state that what the startup world ecosystem offers to entrepreneurs today is a real possibility to emerge globally and faster, mainly exploiting a huge network of specialized people and investors.

2.1.1 Startup

Starting from the beginning, it is very common today talking about startup. You can read it in newspaper or online magazines; you can listen it from friends, professors or simply from office's colleagues. The problem is that many of us use the term without known the exact definition. The problem is that since the last most powerful innovations were made in the technological field, it makes the startup world associated only to this erroneous concept, without reflecting reality in a proper way.

In order to be clearest as possible, could be useful to provide a broadly common accepted definition of what a startup is. Regarding this theme, it is important to highlight that many scholars and entrepreneurs provided many definitions, such as the one given by Blumenthal, cofounder and co-CEO of Warby Parker, which defined it as: "a company working to solve a problem where the solution is not obvious and success is not guaranteed,"⁷³.

Other, as Adora Cheung, cofounder and CEO of Homejoy, one of the Hottest U.S. Startups of 2013, says : "Startup is a state of mind [...] It's when people join your company and are still making the explicit decision to forgo stability in exchange for the promise of tremendous growth and the excitement of making immediate impact."⁷⁴

The American Heritage Dictionary suggests it is "a business or undertaking that has recently begun operation."⁷⁵

Finally, the need for a common definition accepted worldwide was satisfied taking in consideration the one provided by Steve Blank, an American entrepreneur-mentor which has described it as an "*organization formed to search for a repeatable and scalable business model*."⁷⁶

⁷³ "Development Centre Studies Start-up Latin America 2016- Building an Innovative future", Ottobre 2016, OECD, p.33

⁷⁴ Quote extrapolated in article written by Natalie Robehmed published in Forbes online magazine and consultable linking *Forbes.com*

⁷⁵ Quote extracted in the "*American Heritage Dictionary*"

⁷⁶ Stephen Spinelli Jr., in "*Disrupt together: How Teams Consistently Innovate*, 2013, Heather McGowan, p. 153

According to this definition, not every new company can be defined as a startup. For example, the opening of a new, huge and beautiful restaurant cannot be defined a startup, even if it can attract a considerable number of costumers. Why? Basically, because it is simply a replication of something that already exists, maybe more appealing, but always a satisfied need. It is nothing to do with something able to disrupt a market or a chain.

What characterized a startup is that its aim is focused on meeting a marketplace need by developing or offering an innovative product, process or service.

Avoiding to leave a confused thought about it, let's enter deeply into details.

Once accepted such definition, the next step for having the clearest picture in mind about the startup concept is understand the meaning of scalable business model.

First of all, could be useful to remind what a business model does. Basically, "a business model describes how your company creates, delivers and captures value [...]"⁷⁷. A business model diagram also shows how the product gets distributed to your customers and how money flows back into your company. And it shows your company's cost structures, how each department interacts with the others and where your company fits with other companies or partners to implement your business"⁷⁷.

A common mistake here is to confuse business model with business plan. "A business plan is useful place for you to collect your hypotheses about your business, sales, marketing, customers, market size, etc. A Business Model is how all the pieces in your business plan interconnect"⁷⁸.

The second point to clarify regards the definition of scalability. "Scalability is the capability of a system, network, or process to handle a growing amount of work, or its potential to be enlarged in order to accommodate that growth"⁷⁹. The result can be figured out saying that a scalable business model is the potential of the business model to fit with the largest number of possible customers in order to be able also to disrupt an entire market or a chain.

2.1.2 BUSINESS INCUBATORS

A simple but appropriate way of defining a business incubator can be figured out saying that it is a firm, either profit or non-profit oriented, engaged in the business of

⁷⁷ Quote extrapolated in reference to what said by Steve Blank in his website *steveblank.com*

⁷⁸ in *steveblank.com*, cit.

⁷⁹ Quote extracted by *Wikipedia*

boosting early-stage companies, helping them to find all the financial, human and physical resources able to make them independent to run all the functions requested to achieve its main goals. In order to do that, a business incubator provides assistance in different ways. First of all, it can give access to financial capital through relationships established during the time with financial partners. In addition, it gives access to a well-established network of business consultants and management-level executives. Furthermore, usually it provides startupper the possibility to access to physical location space, often used as real offices and associated to the provision of business hardware and software.

Last but not least, it can give you access to qualitative informational and research resources thanks to partnership with local universities or government entities.

Another important goal is to fulfill socioeconomic policy need and promote economic development. It can include job creation, fostering the community's entrepreneurial environment, technology commercialization, the differentiation of local economies, encouraging all the minority entrepreneurship, community revitalization or build local industry clusters for example.

As observed by the National Business Model Association in its publication of 2007, "the most common goals of incubation programs are creating jobs in a community, enhancing a community's entrepreneurial climate, retaining businesses in a community, building or accelerating growth in a local industry, and diversifying local economies⁸⁰".

What is important to highlight here is that whether or not the economic development is one of the main goal, all types of successful incubators programs are likely to help local communities by facilitating business growth and technological innovation.

As a result, incubators started to be increasingly adopted by governments of developing countries, most of the time in collaboration with inter-governmental organizations. A glaring example can be found taking in consideration the China, where the extensive business incubator programs, developed especially during early 1990s, have played a crucial role in facilitating the country's transition from a socialist to a market economy, by enabling the commercialization of technological developments and promoting a culture of innovation across China⁸¹.

⁸⁰ Hanadi Mubarak Al-Mubarak, "The Effect of Business Incubation in Developing Countries", European Journal of Business and Innovation Research, Vol. 1, No. 1, March 2013, pp.19-25

⁸¹ Lalkaka, Ma & Lalkaka 2003; Chandra and Fealey, 2009

2.1.3 Business Accelerators, Differences with incubators and its Exponential growth

On the other hand, another character which play a very important role in this innovative context is represented by business accelerators. In order to explain in the best possible way what an accelerator does, what are the main differences with business incubators and why they grow exponentially during this last year, it is reasonable to start from the definitions that scholars have tried to point out during these years.

Starting from the report Startup Factories, Miller and Bound (2011) investigate the accelerator concept, which is presented as a new way of incubating technology startups. The report has figured out five essential properties which need to be present in order to be classified as an accelerator. Before listing these five elements, which will be deeper analyzed in the continuing of this work, it is important to highlight that such report has figured out also the fact that a formal definition of business accelerators is not to be found yet in academic literature. More important is the fact that even if such five properties can help to answer basic questions of what an accelerator is, it does not completely outline the phenomenon.

First of all, in order to be classified as an accelerator, the application process has to be open and highly competitive. Usually accelerator programs have web-based application processes by which everybody can apply, in most of the cases from all over the world. The application process often is focused on questions designed to reveal as much about the team behind a startup rather than the only idea itself. Furthermore, the process of selection from the application deadline is most of the time very short compared to many business education programs. In addition, programs are highly selective and usually take highly in consideration the judgement of experts, qualified as mentors, to choose the team with the more possibility to succeed. The applicant success ratio for most of the accelerators is less than one in ten. For high profile accelerators, instead, the rate of success is fewer than one percent. Another aspect to highlight is that, in order to maintain the quality of the applicant pool, accelerators spend a lot of time and a considerable amount of money in speaking and running events around the world to reach out the best potential applicants. From what concern the number of startups admitted to run the program, there is a limit number they are able to support in each cohort, often based on the office spaces available, numbers of mentors involved and operational staff needed to

handle larger numbers.

Another important element is the provision of a pre-seed investment, usually given in exchange of a percentage of equity. The investment provided depends from one accelerator to another, but the formula behind is based on the assumption about how much it will cost per startup co-founder to live during the period of the program and further expenses. Usually all the programs provide a minimum of \$10,000 and a maximum of \$50,000 investments. Furthermore, it is not unusual for many programs to provide an additional investment to be spent in professional web services.

The third point regards the focus of accelerator programs, which has to be on small teams rather than individuals. As said before, a very crucial point for startups in order to be selected, is about convincing the majority of the judges that they are the right team to run the proposed idea. Except for particular and justified circumstances, accelerators will not take lone founders, and at the same time, it is also rare to select teams larger than four people because of the greater investment needed to cover the costs as previously mentioned.

Then we find the time-horizon of the program itself. Considering its definition, “acceleration is the rate of change of velocity of an object with respect to time. An object’s acceleration is the net result of any and all forces acting on the object, as described by Newton’s Second Law”⁸². As suggested by such definition, acceleration programs take a short period of time, usually 3-4 months, creating a high-pressure environment that will drive rapid progress. During these 12-16 weeks, all the accelerator staff is concentrated on supporting startups programming events every week and intensive mentoring session useful to receive expert feedback and adjust the business to scale the targeted market.

Last but not least, startups have to be supported in cohort batches or classes. The main advantage of running cohort working is that it creates an atmosphere of mutual support between each selected team on common and uncommon problems such as giving advices on how managing a public speech, or specific technical supports, for example how to use software to optimize common processes. Co-working represents a key element of the program.⁸³

A further definition was found in the report published by U.S. Department of

⁸² Quote extracted by *Wikipedia*.

⁸³ Regarding advantages in running startup acceleration program was taken in consideration “*The Startup Factories: the rise of accelerator programmes to support new technology ventures*”, Miller and Bound (2011)

Commerce Economic Development Administration, which have described business accelerators as: “(1) a late-stage incubation program, assisting entrepreneurial firms that are more mature and ready for external financing; or (2) a facility that houses a modified business incubation program designed for incubator graduates as they ease into the market”⁸⁴. Other scholars such as Fishback together with Gulbranson, Litan, Mitchell and Porzig, stated that “Accelerators are groups of experienced business people who provide services, office space, guidance, mentorship, networking, management services, knowledge, and expertise to nascent firms on an as-needed basis to help them succeed in the early stages of venture life”⁸⁵.

Other contributions came by Cohen and Hochberg, which defined it as a “cohort-based program, including mentorship and educational components, that culminates in a public pitch event, often referred to as a ‘demo-day.’”⁸⁶ Finally, the definition process can be concluded with the paper *Do Startup Accelerators Deliver Value? The Economics of Creating Companies* (Wu, 2012), which aimed to define what value is provided by the accelerator for the startups. It has concluded that there are four principal elements: human capital (education), signaling (credibility), search costs (networking) and cost of capital⁸⁷.

The phenomenon of seed accelerators, also known as startup accelerators, was born around the end of 90s and the first decade of 2000s. The reluctance of venture capitalists to invest after the Internet bust of 2000 left angel investors to carry the burden and risk. The result could be summed up in reduction of investments and potential capital, but the most negative effect was represented by the fact that many new ventures were left without the sufficient amount of money to launch their business and follow their entrepreneurial dream. It is this gap that has stimulated a new type of investing companies to start to emerge, actually known as accelerators. As stated by Launch Box Digital, one of the lead startup accelerators in US, “Paradoxically, accelerators view today’s uncertain economic environment as an excellent time to invest in innovation, especially technology, because costs are decreasing and open development platforms are more robust”⁸⁸.

⁸⁴ Lewis et al. (2011)

⁸⁵ David Hoffman, Nina Radojevich-Kelley, “*Analysis of Accelerator Companies: An Exploratory Case Study of their Programs, Processes, and Early Results*”, Small Business Institute ® Journal, 2012, Vol. 8, p. 57

⁸⁶ Daniel C. Fehder, “Accelerators and the Regional Supply of Venture Capital Investment”, p.6

⁸⁷ “*Do Startup Accelerators Deliver Value? The Economics of Creating Companies*”, (Wu, 2012)

⁸⁸ in “*Analysis of Accelerator Companies: An Exploratory Case Study of their Programs, Processes, and Early Results*”, cit.

Actually, accelerators are a rapidly growing phenomenon, well established especially in developed countries such as US and many European countries. The first startup accelerator has its origin in Cambridge, Massachusetts, founded by Paul Graham, Jessica Livingston, Trevor Blackwell and Robert Tappan Morris in 2005 with the name Y Combinator. It rapidly moved and established in Silicon Valley, the cradle of innovation. Thanks to the qualities of the companies, and also to the association with Hacker News, one of the most popular aggregators of news for people interested in technology and engineering, over the past five years Y Combinator has become a Silicon Valley institution. Notable alumni backed from its acceleration program are AirBnB, Reddit, Dropbox, Scribd and Heroku.⁸⁹ Following Y Combinator, in 2007 David Cohen and Brad Feld, two start-up investors, set up TechStars in Boulder, Colorado, hoping to transform its start-up ecosystem through the accelerator model. The program lasts 12 weeks, for which the companies have to move to the Techstars office space and completely focus on their projects. The heart of Techstars approach can be summed up in mentoring, in fact the first month of the program is dedicated entirely on meeting experienced tech entrepreneurs and investors, receiving back often brutal feedback on their businesses. The principle thought of Techstars is that unless a team can attract five mentors to help them, they are unlikely to succeed. As a result, since 2007 Techstars has funded 884 companies, of which 705 are currently active, 99 acquired and 84 failed. The total funding raised amount to \$2,750,760,000; while the average funding per company amount to \$3,111,719. A curious thing about Techstars regards the motivation of its launch. As its founders stated, they started their company to help entrepreneurs providing the assistance they could not have found when they were starting ventures as entrepreneurs⁹⁰. They explained that their motivation was to “give back” to the entrepreneurial community.

Once analyzed business incubators and business accelerators, it is now the time to figure out the main differences between them, a crucial point that have created huge confusion during the years.

Many people use the terms interchangeably, but there are a number of elements that distinguish one from the other. At the same time, there is indeed overlap across incubator and accelerator services, which explains better the confusion that can occur.

⁸⁹ Data about successful startup are extracted in the article “*The Startup Factories: the rise of accelerator programmes to support new technology ventures*”, Miller and Bound (2011)

⁹⁰ Techstars, 2010

The simplest possible sentence able to capture such difference can be summed as “Business incubators mentor companies through childhood while business accelerators through adolescence into adulthood”⁹¹. “Incubators and accelerators both prepare companies for growth. It Est both incubators and accelerators help firms grow by providing guidance and mentorship, but in slightly different ways and, and more importantly at different stages in the life of the business. In order to get this straight, let’s draw an analogy and say that the life of a business is like the life of a human being. There are roughly three major stages of life: childhood, adolescence and adulthood” continues Fernando Sepulveda. According to him, “like a father to a child, an incubator provides shelter where the child can feel safe and learn how to walk and talk by offering office space, business skills training, and access to financing and professional networks. The incubator nurtures the business throughout the startup phase (childhood) and provides all the necessary tools and advice for the business to stand on its own feet”⁹².

In other words, incubators help companies stand and walk. A clear characteristic is that their program last for varying durations and include several forms of mentorship and support.

One common question when we talk about incubators or accelerators is about what they ask in return of what they offer. Taking apart the non-profit oriented companies, usually both incubators and accelerators are profit ones, and their ultimate goal is to ask a proportioned percentage of the equity of the firm. But the economic goal is not the only one. Another important goal is to fulfill socioeconomic policy need. In support to what said, it is important to highlight that in many countries such as China, incubations programs are funded by regional or national governments as part of an overall economic development strategy. An exception to this can be found in the United States, where most incubators are independent, community-based and resourced projects.

2.1.4 MENTORS

What we are now going to introduce, is a very important figure which can play a critical role in the success or failure of a start-up: mentors. In order to understand why they seem to be so important, let’s deepen before who they are. “A mentor is a

⁹¹ Fernando Sepulveda, “*The difference between Business Accelerator and a Business incubator?*”

⁹² Fernando Sepulveda, “*The difference between Business Accelerator and a Business incubator?*”

person with experience, expertise, wisdom and/or power who teaches, counsels and helps a less experienced or less knowledgeable person to develop professionally and personally”⁹³. What characterize startup, especially a good one, from one way is the exceptional entrepreneur’s skills highlighted by founders, on the other way, instead, is the knowledge gap associated at the youth level of the company, a gap that is possible to fill only through experience. This is the principal reason according to which finding a mentor could be an incalculable advantage to business’s success. Mentors are usually highly experienced people, most of the time active entrepreneurs as well, which are willing to offer their experience and personal skills in order to avoid young startupper to make avoidable mistakes, enabling to schedule plans faster and in an appropriate way.

According to George Patton, “A good plan implemented today is better than a perfect plan implemented tomorrow”⁹⁴

A mentor can offer support to help with the day-to-day running of your business but also tips on how to scale-up – so finding one should be a priority. Very important to highlight is the difference between mentors and advisors. Advisors are people that entrepreneurs pay for consultation services, someone that is not very interested of what you are doing. Contrarily, a mentor is a person who is captured by what you are offering to people and is willing to help you by providing the best possible advices in order to figure out business strengths and weaknesses and how to improve it, obviously without pay anything.

It is easily understandable that someone who is interested in mentoring for motives that aren’t financial will be more honest about your strengths as an entrepreneur and your business ideas.

Most of the time, especially in the best possible case, find a mentor does not mean that the entrepreneur chooses him/her, nor the opposite, but instead it is a mutual choice. As stated by Forbes in one of its articles on the innovative startup world, “when choosing a mentor, companies need to ensure that the relationship is an adult-to-adult one and not a parent-to-child or teacher-to-student one. This is about being confident, giving and expecting respect, and making the final call on choices for your company”. It continues saying “As the owner of your company, you are the one who

⁹³ Dean Fink, *“The Succession Challenge: Building and Sustaining Leadership capacity through Succession Management”*, 2010, p.128

⁹⁴ Tom Piscitelli, John Sedgwick, *“Proposition Selling: How to Create Extraordinary Success in Business-to-Business Sales”*, 2016

has to make the decisions and the mistakes – the business is your responsibility and these mistakes are often important learning curves in becoming a successful entrepreneur”⁹⁵.

Although a mentor will be there to guide you, the business still belongs to you and a mentor should not run it.

We will deeply analyze the role and the mutual benefit that startups and mentors can provide to themselves in the continue of the work, especially when we will analyze the case of Startupbootcamp’s accelerator program.

2.1.5 Investors and investments’ types

Last but not least, to conclude the analysis on the startup ecosystem let clarify the last two important characters: investors and investments’ types. Starting from investors, it is one of the most important figures in the overall picture, basically because they provide the amount of money which startups need in order to grow and expand their business. Unquestionably, receiving an investment is so far from being easy, and first of all it depends by which type of investor startups want to be financed. Usually, when we talk about startup world there exist five principal types of investor. The first category that we are going to figure out is represented by friends a family, usually the first persons with which startup interface asking for a little fund raising mainly to start their business. According to Fundable, the largest business crowdfunding platform which is dedicated exclusively to helping companies raise capital, startup which ask for friends and family investing is about 38% of the total, with an average amount invested of \$23.000. In support of it has pointed out that seeking investments from this type of investors can be an ideal way to raise seed money to get the company off the ground. Furthermore, it states that such investor category can be a great resource for very long-term investments simply because they are motivated more by loyalty than returns purposes⁹⁶.

Passing to the second category, it is represented by angel investors, a high net worth individual who invests directly into promising entrepreneurial businesses in return for stock in the companies. “Generally angels fund ventures that have early stage high-risk money required to run a 10 to 20-employee firm and that can grow to a

⁹⁵ Quoted figured out by online Forbes article consultable linking *Forbes.com*

⁹⁶ Fundable

"middle market" company with 50 to 100 employees with an annual sales ranging from \$10 or \$20 million. Angel investors expect an average 26% annual return at the time they invest, and they believe that about one-third of their investments are likely to result in a substantial capital loss. They invest alone or in angel organizations, and accept an average of 3 deals for every 10 considered. The most common reasons given for rejecting a deal are: insufficient growth potential, overpriced equity, lack of sufficient talent of the management, lack of information about the entrepreneur or key personnel"⁹⁷.

Angel investors organize themselves into angel groups or angel networks to share research, due diligence, and pool their investment capital.

Moving on, we find Venture Capitalist (VCs), financial intermediaries which invest only in private companies taking an active role in monitoring and helping companies in their portfolio and have as main goal the maximization of its financial return by exiting investments such as sale or IPO. Venture capital is a type of private equity, a form of financing that is provided by firms or funds to small, early-stage, emerging firms that are deemed to have high growth potential, or which have demonstrated high growth. Venture capital firms or funds invest in these early-stage companies in exchange for equity in the companies they invest in. What distinguish VCs from angels is exactly the active role they have in the company which they decide to invest in, usually taking seats in the Board of Directors.

According to the article "Financing options for entrepreneurial ventures", "*Typically VCs fund second round and development capital for later stage firms due to structural reasons: high overhead cost, and high evaluation and monitoring costs relative to the size of the investment, and long payback period and inherently high risks when investing in early stage start-ups*"⁹⁸.

The fourth category figured out is symbolized by Banks, which can provide loans usually to firms that offer some form of collateral. What is very important for banks in order to give a loan is a detailed business plan, a business proposal document which states the product or service offered and finally a meticulous business description with its prospects. "*Reasons banks shy-away from early stage firms are: lack a track record of reliable information on the entrepreneurs, start-ups are*

⁹⁷ (Financing options for entrepreneurial ventures)

⁹⁸ Sonja Markova, Tatjana Petkovska-Mircevska, "*Financing options for entrepreneurial ventures*", Vol XI, n 26, June 2009, p. 601

illiquid, they have too much debt outstanding, they have volatile profit and cash flow measures, and if the placement is successful, the bank makes only 4-6% in interest, but if it loses the money it can lose it all plus attorney's fees”⁹⁹.

Finally, as last investor category we find peer-to-peer lending, usually arranged through website platforms by which business owner post their own business plan and wait for investors interested to invest in. What is important to highlight is that investments are provided with an interest rate negotiated by the parties involved, so no equity stake is given in exchange.

We will conclude the analysis focusing the attention on the different types of investment which startup crave to achieve for scaling markets and finally turning a genius idea into a revolutionary global company. It is reasonable to start saying that investments can be divided into four series: Seed, A, B and C. Such different series represent other four important elements: the type of investor involved, the maturity level of the business, the purpose of raising capital and how it is ultimately allocated. Understanding the series differences is becoming a very important task, especially for those who are not confident in the startup world. It will allow us to understand better the direction of a company and its relative growth prospect. Let's now focus the attention deeply into each category. Starting from seed investments, we can say that they represent the first important investment obtained by a startup. Usually the capital raised during these round is around \$500.000 to 2 million, but of course it differs case by case. Jumping on the series A, according to Investopedia, “Series A funding is useful in optimizing product and user base. Opportunities may be taken to scale the product across different markets. In this round, it's important to have a plan for developing a business model that will generate long-term profit”¹⁰⁰. Usually startups are able to raise between \$2 and \$15 million. For what concern the series B, it is mainly passing the business to the next stage, primary focused on expanding market reach. What deserve to be noted here is the fact that the amount of capital raised by almost the same investors of the previous stage is about seven and ten millions of dollars. To conclude, regarding series C investment is important to provide the dimension of what we are talking about mentioning that investor invest huge amount of capital, mostly hundred million dollars in effort to receive more than double that amount back. In addition, since a possible way to scale markets could be

⁹⁹ in “*Financing options for entrepreneurial ventures*, cit., p. 602

¹⁰⁰ Quoted extrapolated taking in consideration of what expressed by *Investopedia* consultable by linking *Investopedia.com*

acquire another company, series C funding could be also used for the above mentioned purpose.

2.2 Seed Accelerators Worldwide

Startup accelerators play a major role in today's tech world and new accelerator programs are launched almost everyday. According to Natty Zola (TechStars, MD) they became, *“a proven way to quickly grow a startup by learning from experts, finding great mentorship and connecting to a powerful network. They provide resources that reduce the cost of starting a company and the early capital a team needs to get their venture off the ground or to achieve key early milestones. They have become the new business school”*¹⁰¹. In many ways, accelerators have become a rite of passage for thousands of entrepreneurs across North America and around the world.

In order to understand how the accelerator phenomenon is actually spread globally and the relevance it has acquired since the born of the first in 2005, let's now analyze some numbers that could be useful to clarify any doubt. According to the “Global Accelerator Report 2015”, in 2015 were raised globally US\$ 191,999,757 in 8,836 startups by 387 accelerators worldwide, number expected to be bigger in the current year¹⁰². Let is now focus the attention comparing numbers figured out by five macro areas such as: USA and Canada, Europe, Latin America, Asia and Oceania and Middle East.

2.2.1 USA & CANADA

Starting from the USA and Canada, according to the: “USA&Canada Accelerator Report 2015”, in 2015 were raised US\$90,295,774 which were invested in 2968 startups by 111 accelerators. In the podium of the top three states by investment, starting from the bottom we find Texas at the third place with US\$6,044,000; New York in second place with US\$8,765,000; finally, in first position we have California which raised US\$35,370,000, an amount equal to the sum of the one raised by the

¹⁰¹ Natty Zola, “Global Accelerator Report 2015” consultable by linking [guest.com](#)

¹⁰² Data in “Global Accelerator Report 2015” consultable by linking [guest.com](#), cit.

first twelve states. Taking in consideration only accelerators, the following list illustrate the rank of the best ten accelerators in USA and Canada relative to the amount of funds able to collect: 500 Startups, Techstars, AngelPad, PlugandPlay, Energy Excelsior, Alacrity Foundation , Boost VC, K5 Launch, MassChallenge and Amplify. Note that Y Combinator is missing the list because it has recently changed its business model and has to be considered from now on as a venture capital company.

The maximum peak of growth in USA and Canadian accelerators was reached in 2012, ahead of all other countries around the world whose growth rates is registered to be peaked in 2014 or later. Another interesting point of this analysis is the statistics relative to profit and non-profit accelerators. According to the report almost 66% of the region's accelerators are for-profit ventures. The aim of for-profit ventures is to generate profit in the long-term, mainly through startup exits, and are typically funded with private capital. More in detail, the percentage of for-profit accelerators in USA amount 66,68%, while in Canada represents 38,46%. On the other hand, taking in consideration the non-profit ones, they are usually focused in industries characterized by specific public benefit, such as Health Tech and Edtech, and they are also thought to provide new opportunities to minority groups. As a not for profit organization, it usually not takes equity in exchange. Specifically, this kind of seed accelerators represent 32% in USA and 61% in Canada.¹⁰³

Regarding the source of funding, it is important to highlight that accelerators are usually difficulties to monetize in the short term. Why? Basically, it happens because the early stage ideas require many years before start to provide returns to shareholders. Government around the world are increasingly seeing innovation as a key factor for maintaining and enhance economic competitiveness, and it is for this reason that started to provide subsidies and grants to accelerators, hoping to help them to support the period of growth and stimulate new opening. Another way to take care about innovation is the launch of own public programs and funds in order to have a bigger impact on the ecosystem they serve.

In support of what said, the report states that 56,5% of USA and Canadian accelerators are funded entirely with private capital invested by high net worth individuals, business angels, private investors and corporates. Only 36% of

¹⁰³ Data extracted in “*USA&Canada Accelerator Report 2015*” consultable by linking quest.com

accelerators reported that they are either received a mix of private and public funding.

To conclude the US and Canadian analysis, it is important to know in which markets accelerators are thinking to invest in the next year. Here we will take in consideration only the major four: 71% of accelerators are interested to invest in big data analytics; 68% in internet of things; 67% in saas and 63% in mobile app¹⁰⁴.

2.2.2 Europe

Continuing the analysis, is now the moment to study the European continent. Starting from the accelerator history in the old continent, Seedcamp is considered to be the first European accelerator and find its launch in 2007. Like Y Combinator, it is from now on stopped to be considered an accelerator due to its business model changes. The first accelerator outburst in Europe happened between 2009 and 2015, when the number start to grew consistently, reaching its peak in 2015 and it is estimated a continuing growth rate during the next years. Considering the numbers, up to 2015 were raised €37,533,632 invested in 2574 startups by 113 accelerators. The most active country is the UK with investments for €9,992,752 followed by Denmark with €4,820,000; Spain with €4,654,929; Germany with €3,293,183 and finally Italy with only €2,290,000. Focusing the attention on the Italian results, such difference can be better seen also under another metric as the number of startups accelerated. According to the report, in 2015, the number of Italian startups accelerated by its seven accelerators amounts 73 against the 1124 accelerated in UK by their 24 accelerators.

Looking at the list of the ten best European accelerators, starting from the top we find in the first position “Accelerace” followed by “Wayra”, “Eleven”, “Startupbootcamp”, “Collider”, “Ignite”, “Hub Raur”, “Startup.it”, “Plug and Play Spain” and finally “LaSalle Technova Barcelona”.

On the other hand, from what concern the percentages about the profit versus not for profit companies, data says that 64,6% are profit while the remaining 35,4% represents the not for profit one.

Taking in consideration the policies of growth of European countries, the European Union together with local governments are trying to subsidize governments to be

¹⁰⁴ Data in “*USA&Canada Accelerator Report 2015*” consultable by linking quest.com, *cit.*

closely involved in growing their innovation economy and strengthening their startup ecosystem. The need to boost innovation is the result of unsatisfying data, particularly if compared with other continents. According with numbers 27% of European accelerators state that they either received a mix of public and private funds; while 56% of them declared to be funded entirely with private capital. Finally, to conclude the European analysis let's focus the attention on which markets accelerators are thinking to invest in. Following the report, it states that 77% of European accelerators are thinking to focus its investments in the internet of things segment; 72% on Saas; 65% on Fintech and 65% on mobile apps market¹⁰⁵.

2.2.3 LATIN AMERICA

Passing to the Latin America, it is interesting to see how this sector are starting to grow. Accelerators business here seems to be very young, in fact the first launch has its origin in Chile in 2010. Even if it is only six years old, Startup Chile is considered one of the largest accelerators in the world, able to raise US\$7,049,130 in total. Continuing with numbers, Latin American's 62 accelerators were able to raise an amount of US\$31,563,841 to be invested in 1,333 startups.

Focusing the attention on single countries, the most active one in this sector is represented by Chile which with its US\$15,096,929 drive the list followed by an emergent country as Brazil (US\$5,524,320); Uruguay (US\$4,373,900); Mexico (US\$2,702,592) and Argentina which close the que with a total of US\$2,385,700 raised.

As in the other continents, let's now focus the attention on the list of the best ten Latin American accelerators based on the amount of funds able raised during the years. Ahead of it, as easily predictable we find "Startup Chile" with its US\$7,049,130 followed by "NXTTP Labs" (US\$6,500,000), "Wayra" (US\$2,186,700), "IncubatecUFRO" (US\$1,500,000), "Incutex" (US\$ 1,000,000), "Startup Mexico" (US\$840,000); "Darwin Starter" (US\$800,000); "Smart Impact Accelerator" (US\$800,000); "CITIES" (US\$750,000); and finally, "UDD Ventures" (US\$750,000).

Between 2009 and 2015 it was possible to see a constantly growth of Latin American accelerators, reaching the peak in 2014. Especially in 2015 were launched new

¹⁰⁵ Data extracted in "European Accelerator Report 2015" consultable by linking quest.com

accelerators, including “Ideas Factory” (Argentina) and “Startup Studio Monterrey”. On the other hand, the same year has seen the closing of some major accelerator programs as the Brazilian one “21212”. Even if very young, Latin American countries have already saturated the innovation market, recording in 2015 the fallen of acceleration launches and consequently the number of innovative ideas and tech companies.

A very interesting data is that the prevalence of accelerators here are for profit organizations, representing 73% of the total, while the remaining 27% is dedicated to not for profit activities. Entering in details, could be useful to know that in Latin American countries 42% of accelerators declared to be composed by a mix of private and public investment, thanks also to organizations as “INNpulsa” in Colombia, “MCTIC” in Brazil, “CORFO” in Chile and “INADEM” in Mexico. Only 52% are entirely funded by private capital, meaning that investors, business angels and venture capital funds are more reluctant to invest in, limiting consequently the process of growth of countries.

The Latin American analysis can be concluded anticipating, as usually, the market accelerators will invest in the next twelve months. As happened for other countries previously analyzed, taking in consideration in which markets accelerators are more willing to invest in the next twelve months it is possible to see that they represent those sectors in which emerging countries have the must to invest in, and in particular we can appreciate that 74% of them are considering to invest its funds in Internet of things; 71% in Education markets; 71% in Fintech and 68% in health¹⁰⁶.

2.2.4 Asia & Oceania

Continuing the accelerator analysis trip around the world, it is the moment to have a panoramic view of how this particular market is entered in the Asian and Oceanian culture. Starting immediately with numbers, as declared in the report were raised from 2008 to 2014 an amount of US\$16,842,427 used by 54 accelerators to invest in 1295 startups. Such numbers are quite interesting compared to those of Europe, America, Canada and Latin American countries, especially if are run by strong developing countries such as China, Japan, Australia and India.

¹⁰⁶ Data extracted in “*LATAM Accelerator Report 2015*” consultable by linking quest.com

If we consider such countries singularly, it is possible to better appreciate how much they are taking in consideration the startup world as a vehicle to strengthen their innovative power across the globe. At the top of the list we find Australia with US\$5,620,000 raised, followed by India (US\$3,981,000); Japan (US\$1,960,460); China (US\$1,920,000) and finally Hong Kong (US\$1,225,000).

As for Latin American countries, 2015 represents a declining point even for Asian countries, apparently not able to generate constantly new innovative ideas to stimulate the need of launching new seed accelerators. As always, here the list of the best ten Asian and Oceanian accelerators linked to the total funds they raised from 2008 until 2015. The first position is awarded by the private Australian accelerator “BlueChilli” with an amount of (US\$2,000,000) followed in order by the Indian one “iAccelerator”, a mix fund accelerator with a fund capacity of (US\$1,500,000); “Future Play”, a South Korean private fund accelerator (US\$1,460,460); the private fund “Chinaccelerator” (US\$1,320,000); “AIA Accelerator Powered By Nest”, an Hong Kong private fund accelerator (US\$1,200,000); the Indian public fund accelerator “GINSERV” (US\$1,000,000); “H2 Accelerator”, another Australian accelerator financed privately whose fund amount US\$900,000; then we find “Innovyz”, an Australian mix fund with a capital invested of US\$800,000. Last two positions are occupied by “TLabs”, an Indian private fund accelerator which invested US\$750,000 and finally the Australian private fund accelerator “Slingshot”, with US\$700,000 invested¹⁰⁷.

Even if data seems to be not aligned with what Asian and Australian countries can offer in terms of innovation, there is an interesting percentage that is important to figure out: around 76% of accelerators in Asia and Oceania are for-profit, the highest percentage in the globe.

Regarding the difference between public or private funds, as mentioned before in the ten best accelerator list, those countries are strongly dependent on private funds which invested in 65% of the total accelerators, while only 30% of them stated that they either received a mix of private and public funding.

Considering that out of eleven accelerators launched in 2015, four are focused on health, education and fintech markets, it is not a surprise that the markets in which those accelerators will focus their money during the next year will be the same in

¹⁰⁷ Data extracted in “*ASIAN & OCEANIAN Accelerator Report 2015*” consultable by linking guest.com

order to be aligned with the rest of the world. According to the numbers, 77% of accelerators will focus their efforts on Fintech; 75% on Internet of things; 72% on Health and 62% on Education¹⁰⁸.

2.2.5 MIDDLE EAST

Last but not least, we can conclude the analysis of startup accelerators worldwide focusing the attention on the remaining region not yet analyzed: Middle East.

Looking at numbers, according to the report the Middle East region have raised from 2004, where the first two seed accelerators were launched, an amount of US\$12,290,715, half of those raised by Europe and Latin America, a seventh of those raised by USA and Canada, the lowest one considering all the regions considered previously. Such a huge difference can be explained by the youth of this sector in such countries as expressed by the relatively low number of accelerators launched (46) and the number of startups accelerated (666).

Focusing the attention on single countries, we will be able to see which are the most active one. Starting from the former, we find Israel with funds raised for an amount of US\$8,707,700. In fact, it is not a case that 75% of the new programs launched in the Middle East in 2015 took place in this country. Following Israel, we find Egypt (US\$1,000,000); Jordan (US\$979,015); Turkey (US\$624,000). Last two position of the list are occupied by two regions that can offer for sure much more of what they did up to 2015, especially if we consider the capital which flow thanks to the black gold. They are respectively Arab Emirates with a raised capital of US\$600,000; and finally, we find Saudi Arabia with a capital raised of only US\$200,000, a very little amount compared to its economic strength.

As mentioned before, such innovative phenomenon is young but appear to be experiencing a growth phase. In fact, since 2013 we can observe an increasing number of new seed accelerator programs that have been launched in the market. More specifically, as can be better seen by the graph in exhibit 1, we find a slow growth between 2009 and 2012, with only eight new accelerators launch since 2009. The boom started in 2013 with the launch of six new accelerators, and seems to not be stopped considering the fifteen-new launch in 2014 and sixteen in 2015.

¹⁰⁸ Data in “*ASIAN & OCEANIAN Accelerator Report 2015*” consultable by linking *quest.com*, *cit.*

Let's now have a look at the list of the major ten startup accelerators that such regions offered to innovative startupper selected by capital investment. First of all, we have the Israeli public fund "KamaTech Accelerator" whose fund capacity amount US\$3,500,000. Following the list, in order there are: "ICL Innovation" (US\$3,000,000), an Israeli acceleration program funded by private capital; "Flat6Labs" (US\$1,200,000), coming from the union of Egypt and Saudi Arabia private investors; "Oasis 500" (979,015), launched by Jordan's private capital; "MS Ventures Israel Bioincubator Fund" (US\$750,000); "TURN8" (US\$600,000), Israeli private fund "*Keyrus Innovation Factory*" (US\$500,000), Israeli "*Hub:raum*" (US\$327,700) which is entirely private, "Türk Telekom PILOT" (US\$250,000) and finally the Israeli public fund accelerator "*Smart Transportation Acceleration*" (US\$250,000).¹⁰⁹

Regarding the distinction between profit and not for profit accelerators, it could be interesting to know that the Middle East is the only region globally with a higher share of non-profit accelerators than for-profit ones. Such data is likely to continue, and it is supported by the fact that half of the new accelerator programs launched in 2015 were non-profits.

Continuing with statistics, 23% of accelerators in these countries declared to be either funded by a mix of public and private capital, while the majority of them, represented by 63%, stated to be funded entirely through private funding.

Concluding the analysis, let's now have a look at the four principal markets in which such accelerators will be focus on. As mentioned in all other regions, the first market accelerators will be the Internet of things one, driving investments from 80% of accelerators and followed by a new common market as the Mobile Apps one (71%). In third position, we find a new market represented by Wearables which will be taken in consideration by a quite huge accelerators number (63%). Concluding, the last position seems to be occupied by the health market, capturing the attention of 57% accelerators¹¹⁰.

2.2.6 The Italian reality

It is unquestionable that the Italian business system seems to be stagnated and not able to open itself to new opportunities offered by innovative sectors as the hi-tech

¹⁰⁹ Data extracted in "*MIDDLE EAST Accelerator Report 2015*" consultable by linking quest.com

¹¹⁰ Data in "*ASIAN & OCEANIAN Accelerator Report 2015*" consultable by linking quest.com, cit.

one. Such depression is furthermore strengthened by data on the Italian PIL which seems to be not able to grow and the growing numbers relative to youth unemployment. Moreover, most of the critics regard the focus of the Italian economy on mature sectors, which are constantly losing occupation due to the enhance of the innovation era. Looking at data provided by international research, the “Global Accelerator Report 2015” has positioned Italy in the low side of the list relative on the international entrepreneurial degree, behind European countries as UK, France and Germany and Spain which have demonstrated to be highly ahead of Italy in the innovation field. In support of what said, data provided by the report has provided three key metrics which can help to highlight the differences between European countries and understand which factors play a key role to create such gap. Specifically, these metrics are represented by the number of startup accelerated; the number of accelerators programs and finally the total amount invested.

Starting from the number of startup accelerated, it can be seen immediately the little importance that Italy has gave to the innovation industry: with only 73 startups accelerated until 2015, it is one of the worst European countries in this field, especially if we compare the same metric with smaller economic system such as Netherland (84); Austria (100) and Portugal (156). A surprising data regards Spain, which with its 263 startups accelerated, almost four times more than Italy, earned the second place of the list behind UK, ahead with 1124. Following the list, in order we find: France (219); Portugal (156); Germany (126), Austria (100); Netherland (84); Italy (73); Ireland (59); Finland (58); Denmark (57); Bulgaria (40); Poland (39); Sweden (29); Belgium (26); Hungary (26); Estonia (23); Slovenia (19); Czech Republic (15); Iceland (10); Ukraine (10); Lithuania (9); Slovakia (6) and finally Greece, which close the list with only 3 startup accelerated.¹¹¹

Taking in consideration the number of accelerator programs which are present in these countries, until 2015 in Italy were operating only seven, a very little number compared to the 24 of UK, 21 in Spain and 14 in France. However, the number of accelerator programs is not directly correlated with the number of startup accelerated, in fact if we look at the Portugal case, we can see immediately that with only four accelerator programs they were able to accelerate a double number of startup compare to Italy.

¹¹¹ Data extracted in “*European Accelerator Report 2015*” consultable by linking quest.com, cit.

Last but not least, we are going to analyze the Italian situation comparing the total amount invested in startup, the metric which more than others explain the differences with other European countries and highlight the real problem that Italy has to face in the next years to reduce the gap with the other players. Looking at the list which consider the five best European countries relative to the total amount invested in startup, we find at the top without any surprise UK with a total amount invested of €9,992,752, an amount that from its own equals the total of the last three countries in the list as we will see in a while. Surprisingly, following UK we find Denmark, which with only two accelerator programs were able to raise more than Spain which counts 21, in particular raising a total amount of €4,820,000. It can be seen as an excellent example of how attract capitals to be invested in innovative ideas. As just said, the third position is occupied by Spain, with an amount of €4,654,929 raised by 21 accelerator program. Following Spain, we have Germany, which collected an amount of €3,293,183 thanks to its nine seed accelerators. Finally, in the last position but with a high growth margin, there is Italy with its €2,290,000 invested by the seven startup accelerator programs on the territory.¹¹²

Basically, the challenge that Italy is facing during the last years and for the next ones, is how to implement its innovative industrial ecosystem in order to reach at least the level of the first three European countries. Considering statistics we have already analyzed, it is possible to say that such goal is at the same time exciting but hard to reach, at least in the short-term. It is also quite troubling if we consider the Italian history, associated most of the time at the genius and creativity whose persons as Leonardo da Vinci, Michelangelo, Galileo Galilei; Raffaello and many others have expressed for years.

Anyway, day by day an increasing number of actors is hardly working in creating an environment condition able to help the country to sustain the rebirth of innovation, starting from the innovative startup world.

In order to achieve the goal of boosting the Italian technological sector and increase the youth employment, the Italian government started its first step few years ago issuing the “De’Further urgent measures for Italy’s economic growth”, commonly known as “Growth Decree 2.0”.

What the Decree is going to represent, can be considered a real novelty in the Italian legislation, especially because it has introduced a concrete definition of “innovative

¹¹² Data extracted in “*European Accelerator Report 2015*” consultable by linking quest.com, cit.

startup”, a concept that for many years was object of discussion and confusion among people and scholars. It states as follow: “An innovative start-up is a company with shared capital (i.e. limited companies), or a cooperative, whose capital shares are neither listed on a regulated market nor on a multilateral negotiation system”¹¹³.

The introduction of a formal definition helped also in defining the priorities for fostering the Italian startup ecosystem, exhaustively studied at the beginning of the chapter. Even if the interest by entrepreneurs and policy makers in this field have seen a concrete growth during the last years, there are many problems that the Italian ecosystem continue to face and is called to find as soon as possible a real and concrete solution. First of all, the main challenge which Italy needs to address regards the way to attract Italian or foreign capitals to be invested in technological breakthrough. The fact that the Italian economic system is based mainly on small and medium enterprises (SME), which together count 95% of the Italian product activities, highlight the lack of large corporations and multinational companies willing to invest in Italian’s innovation ideas, considered a key role played especially in US which commend 2968 startup accelerated by 111 acceleration programs for a total of US\$90,295,774 ¹¹⁴. In addition, the second problem which need to be solved regards the lack of a proper entrepreneurial education.

A key role in this scenario is played by Italia start-up, the Italian Start-up Association founded in 2012 whose aim is to represent all the actors present in the Italian start-up ecosystem and promoting networking among its members. As stated by Federico Barilli, Italia startup’s general administrator, “Italia Start-up, by supporting the Italian start-up ecosystem, is actively promoting this ‘new wave/acceptation’ of innovation. It is specifically related to the R&D management, that along with an adequate training at all corporate levels, is now to be considered as one of the most important keystone for the technological rebirth of our economy”¹¹⁵.

Finally, it is possible to conclude providing a numeric overview for what concern the Italian ecosystem, especially looking at data mentioned in the first quarter statistic indicators provided by “CAMERA DI COMMERCIO D’ITALIA”. According to the report, at the end of March 2016 the number of innovative startup amounts 5439, around +5,8% than the previous year. In addition, the average capital has seen an

¹¹³ DL 18 Ottobre 2012, n. 179

¹¹⁴ in “*USA & Canada Accelerator Report 2015*” consultable by linking *quest.com*, *cit.*

¹¹⁵ Federico Barilli, “*Italia Startup Association: The Italian Startup Ecosystem*”; © SYMPHONYA Emerging Issues in Management, n. 3, 2015

increase around +7,3% compared to the last quarter. Looking at the sectorial perspective, around 72% of startup supply services to companies, and in particular the major services involved are: “30% software production and informatics consultancy; 15,1% R&D activities; 8,1% information services”.

Furthermore, for what concerns data in terms of regions, we find out that in Lombardia lies the highest number of startup, specifically 1.183, around 21,8% of the total. Following the list of the five major regions, in order we find Emilia-Romagna (11,5%), Lazio (10,1%); Veneto (7,4%) and Piemonte (6,7%). Last but not least, focusing the attention on the employment level, the report state that at the end of the last quarter Italian startup have seen an increase around +21,9% compared to the end of September. Regarding the amount of investment, according to the Observatory Start-up Hi-Tech-Annual Report 2015 provided by Observatory.net Digital Innovation of the School of Management of Politecnico of Milan, 2015 has seen an increase around +11% than the amount invested in 2014¹¹⁶.

¹¹⁶Data extrapolate by CAMERA DI COMMERCIO D’ITALIA, “*Cruscotto di indicatori statistici: Dati Nazionali*”, July 2016, April 2016

3 CASE STUDY: STARTUPBOOTCAMP FOODTECH

Passing over, this chapter will be highly focused on the case study of the paper represented by Startupbootcamp Foodtech, actually the first Foodtech accelerator existing in Italy and in the Startupbootcamp accelerators family. The chapter is structured mainly in three parts. First of all, it will be provided a panoramic view about Startupbootcamp Global LTD, the mother's company of the Startupbootcamp's accelerator programs worldwide. Successively, we will go deeply into the specific case, illustrating the SBC's Italian program features and characteristics. Finally, the last part of the chapter will be focused on the business model canvas analysis of the FoodTech program, providing a detailed explanation of each building blocks composition. It is important to underline that all information and data provided in the following chapter are taken directly from SBC's internal reports not available to the public, being the candidate a FoodTech program's employee.

3.1 Startupbootcamp overview

3.1.1 SBC History

Startupbootcamp was founded in 2010 by Alex Farcet and Carsten Kølbeek of Rainmaking, a startup partnership with twenty-five startups operating in Denmark, Sweden, UK and Germany. The first accelerator program launch has its origin in Copenhagen, and it was born with the core idea of supporting the world's best entrepreneurs as they grow their startups. Soon, other amazing entrepreneurs joined the Startupbootcamp network to create programs around Europe, and it has expanded quickly to become the largest startup accelerator in Europe and one of the top three largest in the world, with programs on numerous continents and a network spanning hundreds of cities around the world. Since 2010, Startupbootcamp has built Europe's

largest network of more than two-thousand startups, investors, and partners active in over thirty countries, and nowadays it counts seventeen accelerator programs in more than ten cities including Amsterdam, Berlin, Copenhagen, Eindhoven, Istanbul, London, Singapore, Sittard, Miami and New York. Important to highlight is the recent launching of a Digital Health accelerator program in China.

Mentors and alumni play an active and often hands-on role in supporting each Startupbootcamp startup as they solidify their company's business model and scale operations. What characterize Startupbootcamp companies is the mentor-driven and the industry-focused accelerating model, which has reached two main goals during the years: according to Startupbootcamp's metrics available on its website, 75% of program graduates is still active and around 70% of them were able to raise additional funding from many of the world's leading VCs and business angels.¹¹⁷

Talking about acceleration programs fields, as mentioned above, Startupbootcamp offers a huge range of choices for young and ready to scale entrepreneurs. Between the different programs we find a focus on the following sectors: Digital Health, FinTech & Cybersecurity, E-commerce, FoodTech, InsurTech, IoT & Data Tech, Smart City & Living and finally Smart Transportation & Energy. This helps attract a program's 'secret sauce', the world's very best volunteer mentors, who together form a global pool of industry insiders that provide priceless value through both specialist coaching and connections to customers, partners and investors. In support of what said, it is important to highlight that leading brands such as Amazon, Google, Intel and Salesforce have decided to join the SBC family becoming global partners, providing internal mentors and pilot customers.¹¹⁸

Actually, Startupbootcamp is one of the largest startup support organization in the world, counting more than onehundred-twentyfive portfolio companies which have raised €27.000.000 external capital and with an actual value of €115.000.000. Consequently, startups selected to join an SBC program are able to benefit immediately from an unrivaled global support network represented by connections with thousands of local partners, investors, and mentors.

¹¹⁷ Data related on percentages of graduated companies are taken from the Startupbootcamp's website "www.startupbootcamp.org/stats/"

¹¹⁸ Data related on global partner companies are taken from the Startupbootcamp's website "www.startupbootcamp.org"

3.1.2 Selection's journey: from application to the Acceleration Program

Talking about the program, Startupbootcamp has created an extremely efficient accelerator model which attracts the very best global entrepreneurs, and we are going to describe it as deeper as possible. Starting from the beginning, the first phase is represented by the startup application. Basically, each SBC program holds one open call per year, and usually it lasts three months. During this period, startups can apply to the specific program through the SBC website. What is important to highlight is that SBC proactively generates leads in a variety of ways, including leveraging a global network of personal contacts and engaging in marketing activities such as global fast-tracks, engaging with media, collaborating with conferences or hosting pitch days. The main goal of engaging in lead generation activities is obviously to attract the highest quality application possible. Usually, each program during the application phase receives between three-hundreds and five-hundreds applications by innovative entrepreneurs from all over the world.

Once done the application through the website, the evaluation phase begins. First of all, each startup is directed to a customized landing page on the F6S application management system. According to Crunchbase, the world's largest bios and investment histories' database of investors, ventures capital firms and startups, "F6S is the world's largest platform for funders. We enable founders to interact with investors, Accelerators/Incubators, Products/tools, Talent on the platform to grow together"¹¹⁹. Thanks to F6S, each startup application is automatically inserted into a workflow management system where selected advisors, usually program's main partners and mentors, together with the SBC program's management, can evaluate each startup.

The SBC selection process considers a template application form which allow to evaluate startup's team and businesses under qualitative and quantitative perspectives. Topics covered in the template include: founding team's background, collaboration history, product's stage, business model, market size, traction and program fit. The main objective of the scoring-based evaluation is to slim the list of more than 400 application down to fifty of the best quality startups.

After the initial scoring process, startups which have passed the first selection start the second scoring process, aimed to filter down the remaining companies up to have

¹¹⁹ Quote extracted by the Crunchbase's website consultable by linking "[crunchbase.com](https://www.crunchbase.com)"

twenty team selected which will be invited to participate in an in-person Selection Days process which we are going to talk about in a moment. Basically, the top fifty startups are invited to a video conference with the SBC program's management and highly specialized advisors in order to evaluate deeper companies and their business. Advisors are usually chosen taking in consideration their subject matter expertise and their ability to evaluate startups based on their industry, technology and market size. Once arrived to the Selection Days, the remaining twenty startups are called to meet more than 40 program's mentors, which will evaluate companies taking in consideration the same kind of metrics used in the previous selection processes. After having collected the mentor's feedbacks and previous analysis, the program's management together with the investment committee decide the ten winner startups chosen to participate in the three-months acceleration program. Finally, in order to be definitively a bootcamper, winner teams usually have thirty days to complete and sign the investment contract, which exchanges €15.000 for 6% of the startup's common shares.

3.1.3 Acceleration Program

After being selected, winning Startups are called to join the SBC's specific program offices to initiate together a hardly-intense acceleration program. The current SBC acceleration program is based on a Marshall&Learning approach, resulting from the experience of over thirteen programs since 2010, and it is continuously updated in a close collaboration with the global accelerator network.

Entering deeply into details, the ten teams chosen for each program will receive the following list of benefits which represent one of the reason startupper have decided to apply: first of all, the accelerator will provide a pre-seed funding of € 15.000 which will help startups to tackle all the expenses companies usually face at the beginning of their life: notarial expenses, incorporation expenses, accountant expenses, raw material and so on. Following, SBC usually offers startups three-months of open space offices during the program, in order to create an open mind environment where startupper can help each other to boost their business without be scared to share information. In addition, SBC usually provides extra three-months office space for free after the Demo Day, in order to follow startups on their first steps after the graduation. The third point of the deal with SBC is the provision of

more than €450.000 in partner services such as that provided by Amazon web services, CISCO, Google Cloud Platform, INTEL and Salesforce for startup, which will help startupper to organize and run their business in the most efficient way. More important, the real value of the SBC program is represented by the offers of three-month mentor-driven development program, delivered in cooperation with more than hundred local entrepreneurs, partners and investors. This is so important because it will help startups to be followed by experienced entrepreneurs who will give them the best possible advices to scale, it will help startup to be provided of the most efficient tools to organize works and last but not least, it can help startup to find the first customers, a very good challenge to validate the business idea.

Finally, what startupper valued most is the Demo Day, a highly visible event where hundreds of investors as business angels, VCs or open innovation company's departments coming from all over the world will listen to SBC startup's pitches, hoping to find a great deal to invest in. According to Startupbootcamp, 73% of startup graduated at SBC acceleration program have received an investment after the Demo Day with an average capital raised of €734.000.¹²⁰

What Startupbootcamp ask in exchange is 6% of the startup equity represented usually by convertible notes. Here is important to explain how such equity exchange works. First of all, it is important to say that a part of the percentage asked in exchange of the offers is taken by SBC Global LTD, usually 1-2%, while the remaining is owned by the specific acceleration program. A percentage of the equity, for those who are not well confident with the theme, it means that the percentage owner hold a part of the company value, depending on how much the startup is valued on the market by investors. Usually, an SBC program will sell it when such percentage will have a value of ten times the value of the initial investment, which in this case is represented by an amount of €150.000.

Talking about the program itself, as many times said it usually last sixteen weeks divided into three stages: Shape, Build and Sell.

Starting from the Shape stage, it consists between four-five weeks of intense mentor-driven development of team, idea, solution, business model and business plan. Many serial entrepreneurs, business development specialists and speakers in the field of business development and execution are involved in various ways. They are not only

¹²⁰ Data related on percentages of graduated funded companies are taken from the Startupbootcamp's website "www.startupbootcamp.org/stats/"

coach, but motivate and inspire startupper. The mentors help to form the individual team's identity, product and plan. The initial Shape phase concentrates on ensuring the team focuses on the right aspects of building their business, resulting a crucial point for the continuing of the program.

The second stage is represented by the Build phase, usually provided between the fifth and tenth week. During this period teams and their mentors are able to provide a clear and concise action plan to create a well-functioning solution that solves customer's problems. Prototypes, beta-software and demos are developed and SBC invites technical experts to help startups to create platform ready for scaling.

For what concerns the Sell phase, it is possible to say that it represents the last timeframe where startup catch all advices possible before the Demo Day. It involves gaining initial traction with users hoping that initial revenues are generated consequently to a viral growth. Mentors invited to engage with teams during the Sell stage usually have backgrounds in customer development, sales and marketing. In addition, teams in this phase receive pitch and media training, preparing for introducing their company during the final Demo Day which marks the end of the program and provides teams the possibility to seek external funding to expand their business.

3.1.4 Post acceleration and Alumni Growth Program

After the initial 3-month acceleration period has been completed, the 10 Startups are invited to continue working at the SBC's program offices for three more months while they seek to raise external capital.

Startupbootcamp's support continues through the lifecycle of a company from early growth to scaling and exit through an active Alumni Growth Program. This Alumni Growth Program is based on the global headquarters in London and provides a platform for graduates to connect with other alumni in addition to the global Startupbootcamp partner and mentor network.

It typically involves coaching surrounding term sheet negotiation, legal and accounting process formation, and other scaling activities associated with raising an initial round of investment. At this stage the startups are likely to have a product that is launched, a solid core team, between four and six advisory board members sourced from the program mentor pool, and initial traction to show investors that there is a

real consistent market for the product

“Startupbootcamp’s three-month roller coaster program is just the start of a much longer journey before the startup turns into a sustainable company and we make sure we’re there throughout the life of our startup companies”¹²¹.

Dedicated SBC Global personnel are tasked with connecting Startups with more than one hundred-twenty five SBC alumni and global mentor and partner network so that Startups are supported through the scaling process.

In order to remain connected, all the graduated startup members are invited to join Startupbootcamp’s whole ecosystem in summit held twice a year. Participating these summits, we find the biggest name in tech, mentors, investors and world class brands. Because of the importance of conferences, considered a big part of the startup journey, SBC has built partnership with some of the best conference producers in the world, ensuring the exclusive access for SBC Alumni and great discounts.

Furthermore, once a month SBC provides a discussion event between Alumni and a guest speaker. Usually they will analyze topics ranging from funding, growth hacking, international expansion and many others in order to keep SBC Alumni’s knowledge fresh.

Since investments represent an important role in the value provided by SBC, they are constantly working to make sure that all startups will receive the support of the SBC global investor ecosystem. As investments, also partnerships play a key role in the success of a startup, and it is for this reason that Startupbootcamp constantly introduce startups to some of the best brand in the world, ensuring the access to the best people in tech globally. What distinguish startups from other companies is that it is a process that never stops, but it constantly has to learn everything twice the speed to remain competitive. It is for this reason that SBC decide to hold monthly hangouts with some of the world’s most valuable individuals, ensuring a direct contact with startups whenever they need it.

3.1.5 Vision & Strategy

In order to have a clear picture about the past, present and future of Startupbootcamp,

¹²¹ Quote extracted by the Startupbootcamp’s website consultable by linking “www.startupbootcamp.org”

it is appropriate trying to figure out its vision and strategy. For what concerns the vision, it can be summed up in four simple words: Family, Global, Network and Focus.

Starting from the former, Startupbootcamp believes in creating a family of accelerators which are able together to form the world's leading startup support ecosystem.

Continuing, what SBC want to provide as its mission, is an invaluable amount of the most targeted support for a global entrepreneur's audience, as they scale their innovative and disruptive companies. Furthermore, here it is important to highlight that being SBC's founders entrepreneurs themselves, it results in a first-hand knowledge of how much is important to have a network of investors, mentors, partners and advisors able to support startup during their journey, basically representing the lack/opportunity which Alex Farcet and Carsten KølbeK faced during their entrepreneur's experience.

Last but not least, as mentioned during the paper, Startupbootcamp highly believes in an industry-focused acceleration program where collaborators understand the immense value that a global network formed by years of experience associated to specialized connections can provide, resulting a key competitive advantage and an ultimate driver of success.

Differently from traditional accelerators, SBC have developed a model for scaling its organization mainly scaling its investment intake capacity. As a result, two key advantages were figured out: one is represented by the fact that they were able to increase their network exponentially, enabling them to provide investments with even greater levels of international support and exposure. Secondly, the growth of expected portfolio size has increased the possibility to secure additional capital for all portfolio teams thanks to a shared global fund. Such a result was obtained due to the portfolio diversification which attracted institutional and other large partner in participating in an asset class characterized by high potential return associated to a minimized risk due to the increased number of investments.

It is now the time to explain how Startupbootcamp decided to pursue its vision. When we talk about strategy, it is important to distinguish between the global strategy and the vertical one.

Starting from the global, it is possible to say that SBC has operation across Europe and in many key strategic hubs around the world, but it does not lead in terms of

reach and size. In order to reach its family accelerator vision, Startupbootcamp is likely to pursue a strategy of both starting new programs in the US and exploring other strategic and emergent markets such as Asia. At the same time, what is important to not forget is leveraging the current assets by exploiting unexplored key European geographies.

While expanding Startupbootcamp's brand, it is also important to consolidate the global network to create key value-driving resources for all portfolio companies such as more connectors between Startupbootcamp's alumni, partner and investor networks. It is possible to say that the more effort put behind connecting the global network the more it will become a differentiator and competitive advantage. Something to take highly in consideration to reach such a goal is that this will only happen if portfolio companies begin to benefit as much from the global Startupbootcamp ecosystem as their program.

Continuing with the vertical strategy adopted by Startupbootcamp, it is not a mistake to state that SBC is optimally positioned for first mover advantage to enter new niche verticals and become the first truly global accelerator. However, it is also correct to say that such advantage will not last forever, especially because other competitors are trying to pursue this global expansion strategy. Actually, the global situation highlights the lack in many industries to the exposition to the accelerator mentality of supplying pre-seed funding and huge amounts of specialized support. For example, if on one hand NFC and HighTech are two current fields where SBC faces a competitive advantage, on the other hand there are industries such as Big/Smart Data, Lifestyle, Security, Female, and Transportation which represent opportunities ready to be boosted.

What Startupbootcamp should continue to do is pursuing an industry-focused expansion strategy and push the limits of popular opinion where the startup accelerator model fits. These could include Food, Energy, Medical Devices, Logistics, eCommerce, Biotech, Infrastructure, Materials, Sport, Leisure, Chemicals, Enterprise, etc.

Finally, we can conclude the Startupbootcamp's vision and strategy summing up the three major goals it aims to achieve: recruitment, support and community. Starting from the former, it is possible to say that an accelerator's intake process lays the groundwork for all future success. Basically, if it results in attracting the highest possible quality startups within an industry, it will consequently energize the entire

program. What SBC has to do in this sense is continuously analyze which metrics represent the best startups and then execute on attracting more and better ones from around the world.

Regarding the second goal, the support, it plays a crucial role in attracting the world best startup. What the actual situation in the early stage investing landscape have figured out, is the fact the startups only provide equity to organizations that provide them the highest possibilities of success, and that traditional funding has become secondary to the support an organization can provide. Since attracting best startups means providing a massive and focused support value, Startupbootcamp needs to leverage each of its network types (advisors, mentors, investors etc.) in order to remain competitive.

To conclude, it is unquestionable that by attracting the best startups and providing them massive support, its trajectory is likely to be high. Nevertheless, it is even more important to create a strong and valuable community within and surrounding the company. Since the SBC's most valuable resource is its community, it is for this reason that it must make every effort to boost this resource.

3.1.6 Success Stories

When we talk about success stories, we mean all the startup which at the end of the program were able to attract external capitals in order to continue the scaling journey. Furthermore, they also represent a good metric used by startup accelerators to boost their appeal enabling them to attract new high potential ones. Instead of list all the "winner startup" from all the different accelerators around the world as we will do in the continuing of the paper when we will go through the competitors' analysis, here the goal is just to illustrate success stories coming from Startupbootcamp's accelerating programs. We can divide the discussion by illustrating first the partner success stories with which SBC was able to close deals, and at the end provide the most detailed view of the "winner startups" stories.

Starting from the partners, from 2010 up to nowadays SBC was able to close many deals with international well-known companies, but the following list represents the most representative ones: Rabobank, Intel, Lloyds Banking Group, Deutsche Telekom and Eneco.

Following the list order, Rabobank is an SBC's local partner of three accelerator

programs since 2012. Interested in being at the forefront of FinTech innovation, Rabobank's partnership was driven by their approach to open innovation and desire to set-up pilots and proof of concepts with Startupbootcamp's portfolio companies. The bank wanted to understand the key emerging business models and the underlying technologies driving change within their industry. In support of what just said, it is important to note that Rabobank has run pilot projects with several Startupbootcamp's portfolio companies such as "24 Sessions", the global online platform for live expert advice; "Tradle", which provides platforms and applications for software-defined trust on blockchains and "Reprezen", which has eliminated frictions in the FinTech market through powerful API modeling, DevOps automation and modular connectors.

Passing over, we find another well-known company as INTEL, which is presented as an SBC's Global Partner since 2015. With an objective to tap into Startupbootcamp's global startup ecosystem, Intel was able to have direct access to hundreds of pre-qualified high-potential startups which fit Intel's key focus areas: IoT & Data centers.

Since the global initiative started, Intel has provided hands-on mentorship, given startups access to Intel's technology and worked with Startupbootcamp portfolio companies such as "Teraki", a global company which offer software solution for Internet of Things (IoT) sensor-data reduction, "Zolertia", a Spanish company which provides hardware and platform solutions for makers, hobbyists and all the people interested in the Internet of Things world; and "Comfylight" which offers an IoT solution that combines lighting and security for home owners. Intel also collaborated with Startupbootcamp on a trend report published in 2016 which looked at the diverse industries early-stage internet of things companies were innovating.

Moving on, as an SBC's local partner of two accelerating programs since 2014 there is Lloyds Banking Group, one of the major British financial institutions. Through their partnership with Startupbootcamp, the Lloyds Banking Group was able to gain new insights into fintech market developments as well as the opportunity to mentor and partner with new startup companies. Moreover, the partnership gave Lloyds the chance to be involved in dedicated events such as FinTech Lounges and hackathons as well as the opportunity to upskill their employees by encouraging project collaboration. Keen to partner with Startupbootcamp's portfolio companies, Lloyds has worked with alumni WoraPay, a collaboration which is said to have saved

Lloyds Bank employees ten thousand working days.

Regarding Deutsche Telekom, the German telecommunication colossus, it became a Premium Global Partner of Startupbootcamp in 2014 to identify high quality potential investment opportunities from around the world. Startupbootcamp began the partnership by working closely with the Deutsche Telekom's investment team to define their investment criteria to closely align with their strategic priorities. Furthermore, the partnership provided a dealflow funnel of over two-hundreds potential startups from both Startupbootcamp's portfolio and across the broader startup ecosystem. Deutsche Telekom was provided tailored introductions to the most relevant startups, which resulted in numerous startups investments, including "Vigour.io", "Teraki", "LifeTracker" and "Relayr" from the Startupbootcamp portfolio.

Last but not least, Eneco joined forces with Startupbootcamp's first Smart City & Living program in 2015. At the time, Eneco was looking at ways of transitioning from a traditional energy company to a future energy company therefore partnering with Startupbootcamp allowed them to become part of the startup ecosystem and accelerate their own innovation. Through their partnership with Startupbootcamp, Eneco was able to create a more positive mindset about innovation internally while delivering tangible results through collaboration with startups. During the Smart Cities & Living program Eneco was actively involved with the startup "Sustainer Homes" in the development of their first sustainable home. Highly remarkable is the fact that after the program, Eneco was the launching customer for Sustainer.

For what concerns startups success stories, here we are now going to illustrate the most successive startups coming from Startupbootcamp's accelerating programs valued in terms of market valuation and funding raised.

At the top of the list we find Relayr, a German company specialized in building easy IoT applications to control any sensor or any devices. It comes from the 2013 cohort of the "NFC & Contactless" program of Amsterdam and has a valuation of €25,000,000. On the other hand, regarding the capital raised it amounts €12,015,000. Going deeply through the company, Relayr's technology has developed many potential applications and one of their most popular products is the Relayr Cloud. It is a multiprotocol, interoperability platform, aggregating data from connected devices and making it available to developers through a REST API and realtime data channels. Relayr has focused also on SMEs that want to develop IoT capabilities,

closing important partnerships with companies such as BearingPoint, Deloitte, ARM and Cisco.

Another booming startup branded SBC is “The Eye Tribe”, a Danish company coming from the 2011 cohort of Copenhagen’s program. According to data extrapolated by Startupbootcamp internal report, it has a valuation of €20,000,000 and an amount of capital raised of €3,867,000. What The Eye Tribe offers is a software which enables eye control on mobile devices, allowing hands-free navigation of websites and apps. It includes also eye activated login, enhanced gaming experiences and cloud-based user engagement analytics. The Eye Tribe intends to become the leading provider of eye control technology for mass market consumer devices by licensing the technology to manufacturers. Actually the team includes sixteen full time employees, building eye tracking software and applications for mobile devices including the growing market of Augmented and virtual reality solutions.

Continuing through the list we find Bellabeat, a Californian company which helps create a better, healthier lifestyle by bringing intuitive wellness tools to women, encouraging them to take care of their health and to be informed. Bellabeat has always been inspired by the beauty and power of nature, which is incorporated into all of their products. It was able to raise an amount of €4,500,000 in two rounds¹²², and some of the company's top investors include SV Angel, Universl, Crunchfund, Nicolas Berggruen, Justin Kan, Michael Seibel, Paul Buchheit, Tom Fallows, CherubicVC, and Adrian Aoun. Actually its market value is estimated around €15,000,000.

Detaining the fourth position in the Startupbootcamp success startups’ special list is the English company Buzzmove. Launched in 2014 but graduated in the SBC 2016 InsurTech program of London, Buzzmove is a leading UK-based online price comparison and booking platform for the moving industry. As part of its ongoing development Buzzmove’s new platform will enable consumers to inventory their belongings digitally and to purchase home, and household contents insurance.

Disrupt100 recognized the company as one of the hundred businesses with the potential to influence, change or create new global markets. TechCity Insider ranked the company one of the top hundred UK businesses to watch. Furthermore,

¹²² Data related to Bellabeat are extrapolated by the Crunchbase’s website consultable by linking crunchbase.com/organization/bellabeat#/entity

something worthy to be mentioned is the fact that the CEO Rebecca Downing has recently won the Emerging Entrepreneur Award at the Sixth WCIT Enterprise Awards. Even if the market value of the company is not yet been determined, according to Crunchbase, Buzzmove has raised an amount of €9,200,000 with the most recent one in August 2016 that amount €6,000,000 by “White Mountains Insurance Group”.¹²³

Concluding the list, the last position is occupied by Quiver, a Dutch company launched in 2014 by Amsterdam’s E-commerce program. With a valuation of €14,000,000 and raised capital of €3,015,000, Quiver’s business is presented as a file sharing platform with advanced security and privacy. Quiver syncs all your files to all your devices so you can access them at any given point to set protections, revoke access or just share something quickly. It is the new standard for data control and protection, and it allows you to secure, track and control your information regardless of where it is. Actually they expanded the organization moving offices in three countries (Netherlands, Portugal & USA) and receiving sign-ups from over 50 countries.

3.2 Startupbootcamp FoodTech

3.2.1 Overview

Once illustrated the Startupbootcamp’s family and understood how it works, it is now the time to pass through a specific SBC’s accelerator program which was chosen by the candidate to represent the case study of the paper: Startupbootcamp FoodTech. Before moving through a deeply business model analysis detailing all the canvas building blocks, it is appropriate to provide a panoramic view of what we are talking about. Startupbootcamp FoodTech is a SBC’ accelerating program launched in 2016 in Rome and it is actually still in an ongoing process. It was thought for supporting innovating companies in the food&beverage industry covering key focus areas such as Bio-tech, Artificial intelligence, E-commerce, Big-data & Analytics, Mobile, Internet of Things, Industrial & Home Robots, 3D Printing and Drones for Agriculture. For those who are not well confident with the word FoodTech , it derives from the application of the technology in the food industry, and it includes

¹²³Data related to Buzzmove are extrapolated by the Crunchbase’s website consultable by linking crunchbase.com/organization/buzzmove#/entity

food substitutes, smart kitchens, tech restaurants or a new way to eat also known as “eating 2.0”. It includes also Food-Fintech, consisting of new applications, processes, products or business model which enhance financial services applied to the food industry; Tracking & Security or Agro-Tech, the technology applied to the agriculture. Summing up, new generations of increasingly low-cost technology hardware and software are challenging and disrupting the traditional models of producing, packaging, marketing, selling, delivering, securing, tracking, eating, recycling and even introducing new types of food substitutes.

Why Italy. Basically because it is the global leader in top culinary experience and in food excellence counting seventy-seven products where it lists as one of the three largest producers. If it is not considered sufficient, it is also globally recognized as a leader in the manufacturing of consumer and industrial food production and in processing equipment. Looking at the production, a hectare of Italian soil produces almost double revenue as its German equivalent. Italian agriculture has the lowest chemical residuals in food and it is also among the lowest carbon emitting European countries. “ Italian agriculture boosts the highest yields and productivity per hectare in the world, as it features one of the most innovation driven agro-tech industries globally. Italy is also undergoing a deep transformation with vast consumer and business markets ripe for disruption. With its great culinary culture and its excellent products, Italy is the perfect location to validate and accelerate any FoodTech disrupting company. Having the chance to iterate the product in Rome and testing it in the Italian market, dealing with all major Italian and international industry players, is an opportunity that hardly ever comes twice”¹²⁴. Another reason for choosing Italy, could be the fact that the Italian government has just announced an investment of €1.5 Billion over the next ten years to support R&D and public financing of innovation in the Food-Tech arena as a follow-up of the 2015 Milan Expo.

Why the food industry. Even if yet so far it has been the least industry disrupted by digital technologies, its evolution trend is changing dramatically during the last years, proven by the fact that actually the overall food industry provides the largest consumer market in the world. Looking at the industry from a number perspective, it is possible to say that investing in this sector represent a good opportunity for a near future return. According with Startupbootcamp internal data, during 2015 Venture

¹²⁴ Quote extrapolated on Startupbootcamp’s website consultable by linking startupbootcamp.org/accelerator/foodtech-rome

Capitals have invested in FoodTech startups an amount of \$5.7 Billion, representing an increase of +152% over 2014. Agriculture and food & beverage combined represent the largest and fastest growing segment of Italian export. In addition, FoodTech industry is considered one of the very few areas of VCs investing which have not experienced a slowdown at the end of 2015, allowing it to be comparable to more hyped areas, such as Fintech (around \$10 Billion in 2015). According to Beecham Research, IOT adoption in the agrofood industries is going to increase food productivity by 70% by 2050 when the global population will reach 9.6 Billion individuals. Focusing the attention on other two key players' data such as UK and US, it is important to highlight that UK's digital sales already represent 4% of total food sales in large distribution and it is expected to become 8% in 2019, while around 1% (\$6 Billion) of the 2014 US food sales went through digital channels with a 21% yearly growth expected in the following five years.

Coming back to the program, over the three months' schedule, the ten selected multinational startups able to emerge through more than four-hundreds application, which we are going to illustrate in a while, will accelerate their companies with the help of SBC's team of first-class entrepreneurs, investors, and partners. After the SBC's program they will reach a company's stage which would have taken at least eighteen months if done by themselves. Here, the particular success' ingredients include: direct access to SBC's FoodTech founders and serial entrepreneurs as Peter Kruger and Paolo Cuccia. For those who are not confident with this names, Peter Kruger comes from twenty years of experience in starttupping and managing business for the media, telco and IT industries, with special focus on Internet services. He has also a strong editorial, scientific and technological background. He is an active public speaker, journalist and academic lecturer on technology transfer. On the other hand, regarding Paolo Cuccia he is a leading Italian Executive Manager and entrepreneur, currently acting as Chairman of "Gambero Rosso", "ArtTribune", and sole director of "Città del Gusto Holding". He is also an angel investor and professor of Project Management at "LUISS Guido Carli University". In the past, Mr. Cuccia has led some of the major Italian corporations including "ACEA", "Ente EUR", and has acted as board member at large international companies active in finance and in the Made in Italy.

Furthermore, something which is not possible forget to mention is the importance of the local partner both for the accelerator itself, since it was launched also thanks to

the financial help provided, both for the startups, which can benefit from them from many different points of view. Such partners are represented in particular by “Gambero Rosso”, “Barilla”, “LVenture Group”, “Cico”, “SpazioM3” and “Monini”, deeply illustrated in forward chapters.

Startups will have also direct access to more than hundred mentors from startups and companies like Facebook, Amazon, Cisco, Google, Intel, Salesforce, Tetra Pak, The Fork and many more, which will be willing to provide the best support they can offer strengthening by the possibility of future collaboration, especially with the company they represent. In addition, the end of the program which is sanctioned by the Demo Day, which for the 2016’s cohort is fixed on tenth of March, they will be able to pitch their company in front of hundreds international angel investors and venture capitals such as Accel, Endeit, Earlybird, Sunstone, Google VC and many others willing to invest in potential disrupting companies.

3.2.2 Selected teams

After the selection journey finished on October 2016, between the twenty-one invited startups only ten were able to catch the approval of the majority of mentors and more important, the one of the Investment Committee. Here in alphabetic order the list of the winners: “Biteback Insect Oil”, “Elaisian”, “Evja”, “FruitsApp”, “Kiwi Campus”, “Milis Bio”, “NeoFarms”, “Phytoponics”, “TrakBar”, “Wallfarm”.

Starting from Biteback, it is an Indonesian company which thanks to an innovative industrial process is ready to disrupt the palm oil overproduction, which represent the worst plague that is affecting Indonesia nowadays. “This insect bio-refinery startup based in Indonesia transforms organic material from agriculture waste stream into the feed to grow edible insect to be used to produce refined cooking oil and margarine as an alternative to palm oil”.¹²⁵ What strengthen the value of its product, is the fact that insects have more yield per hectare than palm oil, require less resources, produce almost no greenhouse gasses and contain more vitamins and minerals compare to traditional vegetable oils.

Continuing with Elaisian, it presents itself as an Italian company acting in the olive oil industry. What Elaisian offers is a real time IoT monitoring of oil trees aiming to

¹²⁵ Quote extrapolated on Startupbootcamp’s website consultable by linking startupbootcamp.org/alumni/biteback-insect-oil

increase production, prevent diseases and reduce maintenance costs. The problem they aim to solve is the loss of around 70% of crops which farmers face every year due the lack of a scientific, efficient and reliable tools able to take in consideration different parameters such as climate temperatures, chlorophyll degree and field composition. Such data are collected and analyzed by a platform composed by algorithms which transform them into actions to be executed. The final output of the process, represented by actions which farmers need to follow, is delivered to the final users simply by mail, messages or mobile push notifications and it results in an increase of 30% in production with a 50% save of costs.

Passing to Evja, it is the second Italian company of the 2016 cohort, and it comes from Naples. Born in June 2015, it operates in the Internet of things and Smart Agriculture market, designing solution to improve the business, the environment and the overall life quality. “Winner of international prizes, this precision farming platform has developed OPI, a revolutionary SSD (Decision Support System) designed to make more efficient pruning, irrigation and plantation management in the multibillion industries of wine and greenhouse production”¹²⁶. The hardware consists of a device with sensors to be installed plug’n’play on the fields which collect all the relevant data and successively sent it to the central system. Data are processed through predictive models, providing forecast on irrigation, fertilizing and diseases that may affect plants. Finally, info will be displayed on a dashboard on web or mobile.

Regarding FruitsApp, it is a Spanish startup which has developed a marketplace able to tackle the inefficiencies between producers and wholesalers which still affect the fruits and vegetable market. It offers a virtual trading platform that includes mobile applications and web pages, representing the meeting point between distributors, importers, manufacturers and wholesalers of fruits and vegetables. Through such platform, all trading arrangements can be made faster and in a simple way. It will enable to optimize time and resources, gaining competitiveness in the sector.

Concerning Kiwi Campus, this Colombian company is trying to provide a solution to the long ques and waiting time which college students face every day at the colleges’ restaurants. What they offer is a platform which connect students, doing on-demand favors and deliveries in college campus. What strength the potential of Kiwi over the

¹²⁶ Quote extrapolated on Startupbootcamp’s website consultable by linking startupbootcamp.org/alumni/evja

competitors is the fact that being “kiwers” student themselves, they can access universities, they are cheaper and provide the delivery service faster than others. Actually, they are actively working in seven America’s campus: four in Chile, two in Colombia and one in the US’s Barkley University. Furthermore, if we consider that nowadays there are more than two-hundred million college students around the world of which forty million only in USA, we are able to imagine the high potential which this company can have in the near future.

Talking about Milis Bio, this Irish company have developed a process able to make proteins sweet, heat resistant and water soluble. The final outcome will have the right kind of calories, filling you up for longer and contributing to body functions such as growth and repair. “MilisBio wants to make our relationship with flavour a little less bittersweet, developing protein-based flavour additives for the food and beverage market”¹²⁷.

Introducing NeoFarms, this German startup has developed an aeroponic system for the automatic production of vegetables in any household. Such system consists of two parts: the control unit at the bottom and the cultivation space above. Summing up the final outcome in one sentence: “Hassle-free, highly productive and fits in your kitchen or living space”¹²⁸.

Moving on, Phytoponics is an English AgTech company founded in February 2016 to develop innovative solution for world hunger, sustainability and to start a new movement of economic and social empowerment. Their vision can be expressed as “to innovate the food chain through facilitating the mass adoption of Hydroponic technology through product design, so that a market sustainable agriculture can tackle our challenges this century of food, land and water”¹²⁹. The main product through which Phytoponics aim to reach its goals is the Hydrosac™, a sac which hold a body of water with an integrated aerator inside. In support of the water inflatable sections, above the water level holding act a porous layer of netting. Basically, thanks to the aerator, a highly oxygenated nutrient solution nourishes the roots entering deep into the water body. Finally, when the bubbles pop, a mist sprays upwards towards the bottom of the plant. Thanks to the Hydrosac™, growing fruits and vegetables is now cheaper and easier than ever before.

¹²⁷ Quote extrapolated on Startupbootcamp’s website consultable by linking startupbootcamp.org/alumni/milis-bio

¹²⁸ Quote extrapolated on Neofarm’s website consultable by linking neofarms.com

¹²⁹ Quote extrapolated on Phytoponics’s website consultable by linking phytoponics.com/about-us

Regarding Trakbar, what such Croatian company offers is a Business Intelligence system which will allow bar owner to manage the business in a more efficient way providing real time information and tracking the actions that are making profit as well as those that are hurting the business. The Business Intelligence can be described as “a set of techniques and tools for the acquisition and transformation of raw data into meaningful and useful information for business analysis purposes”¹³⁰. It allows users to make fast real-time decision on historic and forward data/predictions. Summing up Trakbar in eight words, we can say that it is a time saver, easy to use, customizable, cloud base, location independent, insightful and actionable product.

Concluding the description of the startups selected for participating to the SBC’ FoodTech acceleration program, the last of the list but of course not less important, is Wallfarm. Wallfarm is an Italian company which has developed an automation system, also known as LIA, for vertical farming. What the LIA system allows is making the vertical farming affordable and easy to maintain on large-scale implementation by providing compatible solutions for every need. As stated by Ares Ferrigni, CEO of the company, “We developed LIA, the final automation box that you plug into any kind of Vertical Farming system and plants grow by themselves. The best part? It is free, you only pay for the nutrient refill cartridges. No installation and no specifications needed: LIA is set to become a standard and it supports and controls any kind of external hardware like LED, pumps, electrovalves and many other”¹³¹.

3.2.3 Competitor Analysis

In order to conclude the startup accelerator’s overview begun in the previous chapter, we are now going to see how Startupbootcamp’s principal competitors around the world such as Y Combinator, Techstars, 500 Startups and many other are running their business, figuring out differences and similarities, strengths and weaknesses. The competitors’ analysis will be tackled in two parts: initially, it is appropriate to focus the attention on six aspects which represent the main areas through which business accelerators can be compared such as: funding offered, equity stake, length

¹³⁰ Quote extrapolated on Trakbar’s website consultable by linking trakbar.com/about

¹³¹Quote extrapolated on Startupbootcamp’s website consultable by linking startupbootcamp.org/alumni/wallfarm

of program, total alumni, average funding raised and finally the percentage of teams still active or acquired. In the second part of the analysis instead, in order to understand SBC position over its competitors, we will match the competitor's metrics with the ones of Startupbootcamp itself. What is important to remember here is that all the data provided, qualitative or quantitative, are taken from Startupbootcamp's 2016 internal report being the candidate an active employee of the FoodTech program in Rome. It is possible can begin the first part of the analysis illustrating first of all which accelerators we are going to analyze: Y Combinator, Techstars, 500 Startups, Seedcamp, Entrepreneur First and Founders Factory.

Starting from Y Combinator, as mentioned in previous chapters it was until a year ago the first American seed accelerator, founded in March 2005 by Paul Graham, Jessica Livingstone, Trevor Blackwell and Robert Tappan¹³². Actually, it has changed its business model exiting from the business accelerators' industry and taking the features of Venture Capital companies. About Techstars, it is a Colorado-based seed accelerator founded by David Cohen, Brad Feld, David Brown and Jered Polis¹³³. As we will see in a while, according to data available it is considered the main competitor of Y Combinator and one of the best startup accelerator in the world, commending acceleration programs in fifteen cities worldwide. For what concerns 500 Startups, it presents itself as a startup accelerator with headquarters in Mountain View, California. Founded in 2010 by Dave McClure and Christine Tsai, it actually has invested in more than one thousand-two hundred companies. Suitable to be mentioned is that in 2012, with the purpose of increasing substantially investments in Mexico, it has acquired Mexican VC, the Mexican-City business accelerator. Nowadays it counts acceleration programs in six cities around the world such as Silicon Valley, Israel, San Francisco, Mexico City, Seoul and Istanbul. Regarding Seedcamp it is appropriate to provide a quick overview about it since it was never treated during the course of the paper. Launched in 2007 by Saul Klein and Reshma Sohoni together with a group of thirty European entrepreneurs, Seedcamp is presented as a First-Round Fund which invests smart capital into pre-seed and seed stage startups. Going on, it is now the turn of Entrepreneur First, also known as EF, a London-based tech startup accelerator founded in 2011 by Metthew

¹³² Data related to Y combinatory are consultable by linking [wikipedia.org/wiki/Y_Combinator](https://en.wikipedia.org/wiki/Y_Combinator)

¹³³ Data related to Techstar are consultable by linking [wikipedia.org/wiki/Techstars](https://en.wikipedia.org/wiki/Techstars)

Clifford and Alice Bentinck¹³⁴. Being the founders both ex McKinsey's management consultants, it is exactly from a project that they were developing during that years in McKinsey that EF's model is inspired. The project's goal was to develop a technology cluster in East London aimed to attract talented graduates able to create startups, strengthening the cluster itself. Believing the project more suitable to be operated independently, the founders decided to left the company and run the project from themselves. Last but not least there is Founder Factory, the English startup accelerators based in London. According to Crunchbase, "positioned at the very heart of the global tech community and benefiting from its strong links to Founders Forum, Founders Factory is a new model in business creation with extraordinary ambition and breadth"¹³⁵.

Once understood who we are talking about, it is now the time to talk in a numeric way.

Starting from the total amount of funding offered, this metric represents the amounts of funding accelerators made available to startups as initial cash to run the first company's tasks such as: incorporation, notarial expenses, commercialist expenses and so on. It is important to remember that such amount is fixed for every startup which will enjoy the program, and it represents part of benefits used by accelerators to attract them. Looking at the numbers, in first position we find "500 Startups" with capital offered of €150.000, the highest one in the world. Important to mention here is the fact that such amount is structured in two parts. In particular, €37.500 of the total is subtracted as program fees from the gross investment, helping to cover basic costs of running seed program and should be viewed like tuition. The remaining €112.500 instead, is structured as convertible security, which is a sort of convertible note but which better fits with companies because it does not accrue interests and it does not require payback in the future. According to its definition, a convertible security is an investment which normally is changed into another form. In this case, it includes special rights in favor of 500 Startups such as €477.050 of follow-on right which fades out after the successive company's priced round.

Following the list there is Y Combinator, considered the pioneer and leader of business accelerator. Particularly interesting is that during the last year it has changed its offering deal. If up to a year ago it was offering an initial investment of €16.220

¹³⁴ Data related to Entrepreneur First are consultable by linking wikipedia.org/wiki/Entrepreneur_First

¹³⁵ Quote extrapolated on the Crunchbase's website consultable by linking crunchbase.com/organization/founders-factory

plus a safe of €76.328 converted after the next money raised, nowadays it offers an average of €114.492 regardless the number of the founders for the same percentage of equity as before. In addition, Y Combinator has recently announced that Teespring has agreed to give each non-profit startup an additional fund of €47.705. Going on with the list, it is now the turn of Techstars, which offers automatically €95.410 in convertible notes to all accepted companies, providing an initial capital of €19.082 each. Passing over, regarding Seedcamp it usually offers to its startups an amount of €75.000. The second to last position is occupied by Entrepreneur First, which invests an amount of €11.736 in each selected company. Last but not least is Founder Factory, which does not provide any initial seed capital to startups who decide to join its programs.

Moving the attention on another important metric such as the equity stake one, for those who are not well confident it is the percentage of participation, whatever the form it is, the accelerator holds in the company selected. If you are asking yourselves why accelerators pretend a percentage of equity in return, remember that they are entrepreneurs first. What is important to keep in mind here is that once invested in a company, the investor will have all the intentions to help companies to grow in order to exit at the right moment and consequently validate the investment itself. Considering the previous list but this time following an increasing order, we find 500 Startups and Techstars which usually ask 6% of equity in return of the initial investment followed by 7% of Y Combinator, Founders Factory and Seedcamp. At the top, we find out Entrepreneur First, with an equity stake requested of 8%.

Looking at the length of the program, the longer one is that provided by Entrepreneur First which last twenty-four months divided in two parts: the first one goes from the first day up to the sixth month, where people rather than existing companies will be helped by the accelerator finding out the best co-founder, develop ideas and build a product. At the end of month six the company will pitch at Demo Day in front of hundred European's top investors.

After the Demo Day, companies will be supported additional eighteen months through continuing partner mentoring sessions and enjoying the accelerator's network of investors.

Continuing, the second position is occupied by Seedcamp with twelve months accelerating program period, followed by Founders Factory which provides a six months' program; 500 startups with a length of four months and finally with the

same program period of three months there are Y Combinator and Techstars.

Regarding the number of total alumni graduated in each business accelerator, leading the list is unquestionably Y Combinator with 1.157 graduations followed by Techstars (884); 500 Startups (800+); Seedcamp (206); Entrepreneur First (100+) and finally Founders Factory (20+).

Detailing deeply statistics about business accelerators, we have figured out the average funding raised as a key metric to be compared in order to have a real idea of what impact an accelerator program investors' network can have on graduated companies. Starting from the bottom and excluding from the list 500 Startups and Founders Factory since data on that metric are not yet available, we find Entrepreneur First in last position with an average amount raised by graduated startups around €550.000. A step higher, the third rung of the podium is occupied by Seedcamp, able to select teams which on average will receive an amount of €1.602.681 after the program. In second position, as easily predictable we find Techstars, with an average funding raised of €2.794.742. At the top of the list without any doubts there is Y Combinator which praises an investors' network willing to invest an average of more than five million of euro capital on selected startups.

Finally, the last metric we will take in consideration for the analysis is represented by the percentage of team which are still active or that have been acquired by other companies making a profitable exit. Probably this metric is the one whose value is the highest since it strengthens the ability of accelerators to attract and select worldwide startups which have a real possibility to grow and scale. It is important to remember that this percentage is obtained as a ratio between the total number of alumni that joined the acceleration program until nowadays and the number of team which continue to run their business or that have been acquired after the program.

According to data available, which do not include 500 Startups, Entrepreneurs First and Founders Factory, the list is reduced to only three positions, in decreasing order occupied by: Techstars which with 90,5% of team still active or acquired represent the accelerator with the highest ratio in the world; Y Combinator (84,7%) and Seedcamp (78,2%).

Passing to the second part of the analysis, what we are going to do now is a comparison of the metrics just illustrated with the ones provided by Startupbootcamp. According with statistics, in terms of initial funding offered SBC

with its €15.000, positions itself with the American competitors' average, resulting competitive especially in the European market. Focusing the attention on the equity stake metric, comparing the number we can state that with a request between six and eight percent SBC follows the main competitors' average. In order to be as clearest as possible, the percentage of equity asked by SBC is divided in two parts: the smallest one (1-2%) joined by SBC Global LTD, while the bigger one (4-5%) joined by the specific program. Looking at the program length statistics, SBC is perfectly aligned with Techstars and Y Combinators, resulting also very close to what other competitor offer since graduated startup will join an alumni program for life enabling companies to remain connected with the mentors and investors' family. Moving on with the comparison, in terms of total alumni graduated, the number of startups branded SBC counts three-hundred forty-five, much less compared to competitors, paying this time the youth of the program itself. Concluding the analysis, we can state that if we look at the SBC's average funding raised by startups (€734.000) and the percentage of teams still active or acquired (82%), the only metric which move away from the American average is about the amount of money startups are able to raise once graduated. Here such a substantial difference is due to different reasons: one could be the fact that American investors are unquestionably more willing to invest in startups incorporated in US since they can easily access to American funding; while the other could basically be the fact that American startup's ecosystem is older and consequently well consolidated than others, allowing investors to be more confident in investing huge quantity of capital. It is not a case in fact that all the major young innovative companies which are disrupting the way we live nowadays, are almost Americans.

3.3 SBC FOODTECH'S BUILDING BLOCK ANALYSIS

3.3.1 Value proposition

The more appropriate way to tackle the lean business model of a particular business is starting from its value proposition. It describes the cluster of products and services that create value for a targeted customer segment. Following the thought of Osterwalder and Pigneur, "the value proposition is the reason why customers turn to

one company over another”¹³⁶. It is typically aimed to solve a problem or to satisfy a need. When we talk about value proposition, it is important to take in consideration some characteristics such as: the degree of newness, performances, customization options, the design, the brand status, price and convenience or usability of the product/service. Regarding the case studied, Startupbootcamp Foodtech’s value proposition is represented by many different factors. First of all, we find the newness and uniqueness of the program. Being the first FoodTech acceleration program in Startupbootcamp and the first global and independent accelerating program in the foodtech industry, it represents an immense value both for Startupbootcamp which has added on its portfolio new promising startups coming from a new industry and has gained all the Italian mentors and investors’ network in the food industry; both for the country where it was launched in 2016, Italy, which has the possibility to attract promising entrepreneurs and international investors, something that can bring enormous benefits for the Italian economy in the middle-term. Furthermore, the second key point is represented by the market where the program was launched. The fact that such program was launched in Italy, considered worldwide the birthplace of food excellence, it provides an additional unique value to the entire program and to startups, which have the chance to test and validate their business in the above-mentioned country. Another key point is represented by the structure of the program: vertically focused in order to attract the best worldwide startups in a specific industry; and mentor-driven, characterized by highly expertise entrepreneurs which are willing to follow startups during all the program journey, giving feedbacks and advices in order to arrive at the Demo Day ready to raise external funding. Other than the program, another key factor is represented by the deal which the accelerator offers: initial €15.000 funding to iterate on the product, gain traction, and for living expenses; €450.000 in partner deals and six months of co-working office space. Finally, important to not forget is the fact that whoever decide to apply to the Roman’s acceleration program, he/she will enjoy, if selected, all benefit of being part of Startupbootcamp family. Specifically, as many times mentioned, they will have for life the access to an internationally renowned network of more than two thousand-five hundred mentors, partners and investors in almost all business fields.

¹³⁶ Alexander Osterwalder, Yves Pigneur “*Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers*”, Paperback, July 13, 2010, p.22

3.3.2 Customer segment

Regarding the customer segment's building block, it "defines the different groups of people or organizations an enterprise aims to reach and serve"¹³⁷. It basically specifies for whom a company has thought to deliver its value proposition. Customers are considered the livelihood of every company since the revenue streams come from them. Being strictly related to the value proposition, such building block is usually filled just next the value proposition one. Defining it immediately in the most detailed way will help the company to not waste time and resources to understand who can fit as perfect customers once the product or service is already on the market. Sometimes, when the targeted customer is perfectly portrayed and the value proposition is real and consolidated, it happens that are customers themselves that are looking for your company rather than the contrary, and it is the case of the Startupbootcamp.

Being a Startupbootcamp's branded acceleration program, the Roman's one is vertically focused on a specific targeted industry: FoodTech. In terms of customer segment, it means that the program is aimed to attract all the entrepreneurs around the world which have developed innovative and disruptive ideas within this industry and are looking for the opportunity to validate it and the chance to scale the chain. More specifically SBC's FoodTech perfect customer is every startup coming out with technological innovative ideas applicable to different fields in the food&beverage industry such as agriculture, retail, substitutes, restaurants and many others. Applying technology to such fields means apply big data management system, Internet of Things, mobile applications, drones, robot etc. to the entire food chain, helping people to simplify an industry still in decline compared to other industries. Just to give the reader a real dimension of what we are talking about, the application process relative to the 2016's program has counted more than fourhundred applications from entrepreneurs from sixty different countries. If startups represent one type of SBC's customer segment, it is also true that its value proposition is aimed also to attract another segment, considered even more important since it add the real value to the entire SBC's ecosystem: partners and investors highly interested in the foodtech industry and in joining SBC's family.

¹³⁷ Alexander Osterwalder, Yves Pigneur "Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers", Paperback, July 13, 2010, p.20

3.3.3 Channels

The third building block we are going to analyze is represented by channels. What it provides to the reader is a description of “how a company communicates with and reaches its customer segment to deliver a value proposition”¹³⁸. Efficient communication, distribution and sales channels play a key role in the customer experience since they can be seen as a company’s interface with customers, touchpoints which can result in the success or failure of a company. Between the several functions employed by channels, here we will mention the ones which more than others provide added value to a company and represent in order the five channel’s phases of a company. First of all, they result crucial in raising awareness among customers about a company’s products and services. Furthermore, other functions include: helping customers to evaluate a company’s value proposition; allowing customer to purchase specific products or services; delivering a value proposition; and finally providing a post-purchase customer support, monitoring constantly customers’ feedbacks in order to take actions as faster as possible. Once understood the functions, it is now the time to provide an overview about the different types of channels a company can use in running its business. First of all, channels can be directly owned by the company itself and they include salesforce, web sales or owned stores. On the other hand, there are also channels held by company’s partners such as partner’s stores or wholesalers for example, which resulting effective for the company in an indirect way.

Let is now focus the attention on the specific case study. A reasonable way to approach the task could be analyzing how and trough which channels SBC’s FoodTech program has tackled the five phases mentioned above. Starting from the awareness phase, it is possible to say that the first channel used to increase the program awareness is represented by the program’s website. As for every SBC program, the website represents a very important customer’s touchpoint. In addition, the fact that the application system is directly related to the site, makes it even more important. In order to do well its functions, it has to respect some characteristics and features, typical of the global one: it has to be visual appealing, it has to provide all

¹³⁸ Alexander Osterwalder, Yves Pigneur “*Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers*”, Paperback, July 13, 2010

the information an applicant can look for and it has to be as clearest as possible. Others important touch points are represented by special pre-program events organized around the world by the FoodTech's team with the aim of raising awareness among international customers about the program's launch and it also serve as a company's touchpoint for everyone who want to get in touch with them directly, expiring all the residual doubts. An example of these kind of events are fast-tracks, organized in ten different cities during the last selection process. Specifically, each event is an opportunity for a startup to meet with and get feedback from the Startupbootcamp Foodtech team, mentors, and partners. Usually SBC meets between seven and ten relevant startups at each event. Another important event held each year before the program start is the Speed Summit, a mini-conference in Rome with the purpose of gathering foodtech stakeholders. Raising the awareness of the program means also a well-defined press coverage, both national and international, newspaper or online magazines. According to Startupbootcamp FoodTech, their press coverage includes "The New York Times", "Bloomberg", "The Next Web", "TechCrunch", "Wall Street Journal", "Mashable", "Venture village", "The Economist", "TechEu" and the national "Il Sole 24 Ore". The just mentioned press network is a value added especially for startups, which have the possibility to increase immediately their brand awareness internationally, something that is unquestionably a value added to the program itself.

Passing through the second phase, we need to provide an answer on the question relative to how the company helps customers to evaluate its value proposition. Regarding the case in exam, before the program SBC assemble mentors and partners for social gatherings to connect, network and share experiences in informal environments. Usually the program combines these social events with mentor workshops for new mentors, where they share best practice and explain the role and involvement of the mentor during the program in more detail. The main goal is attracting new mentors to attend at least one of these workshops in the lead up to the program.

Regarding the purchase phase, for SBC it is represented by the application process. As for every SBC's program, the FoodTech one has an individual application form on the F6S application system, an SBC' service partner¹³⁹.

¹³⁹ For further explanations on F6S and the application process go back to Chapter III, paragraph 3.1.2, p. 29 of this paper

Going on, for what concern the fourth phase, it helps the company to understand how it will deliver its value proposition to the customer's segments chosen. For SBC FoodTech, the relative touchpoint is represented by the program itself. Going deeply, it is composed by fifteen weeks of intensive program divided in three parts of five weeks each dedicated to a specific goal: shape, build, where and sell, before the end of the program which culminate in the Demo Day. During the three phases of the program, each week is hardly dedicated to a specific crucial theme ranging from UX/UI design, b2b sales, customer discovery, team building, taxes and payroll, bootstrapping and cash management, PR & communication strategy, growth hacking, ESOP, fundraising, negotiation strategy with investors, just to name a few. Such workshops are usually delivered by highly expert entrepreneurs or partners' companies directly involved in the specific theme. In addition, others relevant program's touchpoints are represented by: dedicated "office hours" during which each startup has an hour meeting with a specific company to receive suggestions, feedbacks, find out a partner or maybe a potential customer; the "weekly startup meetings" in which each week every startup meets the program's management to illustrate progresses and to be constantly updated; "job night" events, where the program put in touch startups with the best candidates available on the market to help them running daily operations; and finally the Demo Day event, where each startup has the possibility to pitch its company in front of hundreds of investors coming from every part of the globe. Even the co-working open space is considered to be a relevant touchpoint, especially because it creates an open mind and dynamic environment which provides an immense value to each team.

Finally, to conclude the channels building block analysis, we can say that to tackle the fifth phase, the FoodTech program provides a post program alumni support characterized by the possibility of continuing access to office spaces for 3 additional rent-free months other than continue to benefit from the global investors and mentors' network available. In addition, the global team organizes at least 3 global alumni gatherings and outings twice a year to which are also invited top VC Funds, Angels and Partners to attend.

3.3.4 Customer relationship

Regarding the customer relationship's building block, it "describes the types of

relationship a company establishes with specific customer segments”¹⁴⁰. What is important to underline is that these relationships may be driven by three different goals: customer acquisition, aimed to attract and gain new customers; customer retention, aimed to maintain customers and gain their loyalty; or boosting sales. Among the several categories of relationship a company can establish, we can state that SBC FoodTech usually adopts three of them, considered pillars for the success of the program. First of all, it establishes with each selected team a dedicated personal assistance represented by the already mentioned “office hours” and “weekly startup sessions”. Passing over, having founded its competitive advantage on the capability to create a priceless network of mentors, investors and alumni specialized in many different fields, the second category is obviously represented by the building of a community. Such relationship, strengthened by the mutual benefit it has on programs and individuals themselves, is brought to the program through the ongoing “mentors’ sessions” and the “investors sneak preview” event. Starting from the latter, during the program are usually invited selected investors to meet with the investor-ready teams prior to the Demo Day. It is a sort of private circle meeting which allows investors to have an exclusive right for investing in a company before its public fundraising. Regarding the former instead, as mentioned before selected partners are invited to hold specific workshops considered relevant to the startups, offering to the partner’s management the possibility to become more engaged with teams, which have at the same time the possibility to foster the innovation culture of well-established global companies. The third and last relationship category is represented by the co-creation one. Stressing the attention on the specific case, SBC FoodTech is highly sensible to this kind of them, considered the heart of innovation itself. Leaving apart the already mentioned role which the co-working space plays here, the Roman’s program usually put in place three activities that more than others stimulate a co-creation environments: “CEO&CTO sessions”; “Founders meeting” and “Teams’ events”. For what concerns the “CEO&CTO sessions”, they are weekly appointments, usually held in the middle of the week where all the startups’ CEOs and CTOs gather together to talk how they are running daily operations, weekly progresses, problem faced and many other stuffs in order to help each other, often solving common problems. Regarding the founders meeting, as before it is a weekly

¹⁴⁰ Alexander Osterwalder, Yves Pigneur *“Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers”*, Paperback, July 13, 2010, p.28

gathering but this time only for founders. During these meetings founders try to help each other to see the owned business from different points of view, resulting often in new ideas to be implemented. Sometimes founders realized that through a partnership or a merger with another startup could result in a better final product able to gain a bigger market's slice than the one achievable if made from itself. Finally, we can conclude explaining the "Teams' events". During the program, SBC accelerators are usual to organize team-building events because they hardly believe from past experience that half of the learning and development the teams achieve, arises from their experience of going through the boot camp. Some of these events include pitch-karaoke, improve-show participation, pitching tours throughout Rome's startup community and all the other social engagements the program facilitates via community lunches, cooking or offsite trips, just to name a few.

3.3.5 Revenue stream

The revenue stream building block represents "the cash a company generates from each customer segment"¹⁴¹. What a company has to take highly in consideration in assessing this kind of stuff, is understanding the ways with which it wants to generate money flows. Usually a business model involves two different types of revenue stream: transaction revenues and recurring revenues. Regarding transaction revenues, it means that money generated are the result of one-time customer payments. On the other hand, for what concerns recurring revenues, they are usually resulting from on-going payments to either deliver a value proposition or provide post-purchase support. Theoretically speaking, a company can use several ways to generate revenue streams: assets sale, usage fee, subscription fees, brokerage fees, licensing, advertising and many others. Furthermore, building a solid revenue stream means also use the right pricing mechanism. Deepening such theme, it is important to take in mind that there are two principal pricing mechanisms, divided successively in others sub-categories. The first one is represented by the fixed menu pricing, usually characterized by predefined prices based on static variables. Among this kind of price mechanism, we can figure out the following four different categories: list price; product feature dependent; customer segment dependent and volume dependent.

¹⁴¹ Alexander Osterwalder, Yves Pigneur "Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers", Paperback, July 13, 2010

About the list price category, it is characterized basically by fixed prices for individual products, services or other value propositions. Passing to the second category, as easily understandable by the category's name itself, in the product features dependent category prices depend on the number or on the quality of the value proposition features. Moving on, in the customer segment dependent category, prices usually depend on the type and characteristics of a specific customer segment; while in the volume dependent one, prices are chosen as a function of the quantity purchased.

On the other hand, the second and last pricing mechanism regards a dynamic pricing strategy, where prices usually change depending totally on the market conditions. As for the other mechanism, also here it is possible to figure out other four sub-categories: negotiation; yield management; real-time market and finally auctions. Starting from the former, regarding the negotiation category we can say that prices are usually negotiated between two or more partners, most of the time depending on the negotiation power or on negotiation skills of one of them. Continuing with the yield management, prices mainly depend on the inventory and on the time of purchase, and are normally used for perishable resources. Passing to the real-time market category, here prices are established dynamically taking in consideration supply and demand conditions. Last but not least, in the auctions category prices are determined by the outcomes of competitive bidding.

Once illustrated the theoretical concepts behind this building block, it is now the time to understand how SBC's roman program has decided to base its revenue stream model. According to company's internal materials provided to the candidate, it is possible to state that being a particular business, the FoodTech program's revenues are obtained in a not usual way compared to companies which usually we deal with. The fact that the value proposition offered by the company is not a specific product but a priceless service offered to different customer segments, revenues are obtained in different ways. Considering the foodtech's startups customer segments, here revenues are not ensured because they are strictly related to the probability of success of startups themselves and the process is composed as follow: as mentioned in previous chapters, when a startup is selected to participate to the program, it signs the "shareholders' agreement", a document that, between various legal sections, includes also a clause in which the startup leaves 6% of equity to the accelerator. Usually SBC will exit the company when the 6% of participation it holds will worth ten times

the initial investment, unless the company shows high growth margins in the short/middle term, case in which it will exit at the appropriate time for the program's point of view. Since the initial investment that Startupbootcamp programs provide amount €15.000, the accelerator will exit when its participations reach a value of at least €150.000. Coming back to what said before, if we want to associate the SBC's way to generate revenues to one of the theoretic concepts, we have to assume that the 6% in equity requested by the accelerator is the price for the service delivered. In this way, it is possible to state that such strategy can be associated to a fixed menu pricing mechanism, particularly dependent on the specific customer segment, in this case represented by startups.

On the other hand, for what concerns the other way by which SBC is able to generate revenues, we can say that is highly linked to the other customer segment targeted by the accelerator: partners and investors. Even if the main purpose of targeting this segment is about growing the entire SBC ecosystem and consequently strengthening the value proposition itself, it is also aimed to attract potential partners which are willing to provide financial helps in return of an international visibility which the accelerator is able to offer. Under this point of view, we can conclude stating that it falls in the dynamic pricing mechanism, and specifically in the negotiation category, due to the fact that the final deal will depend by the negotiation power and skills showed by the companies in exam.

3.3.6 Key resources

It is now the time to pass through the sixth building block of our business model analysis. Here we will explain deeply the role of key resources. Basically, they represent the most important assets required by a company to make a business model work. These resources allow an enterprise to create and offer a value proposition, reach markets, maintain relationships with customer segments, and earn revenues. Different key resources are needed depending on the type of business model. Just to provide the reader an example to better understand what we are talking about, if we take in consideration a microchip manufacturer company, its key resources could be represented by capital-intensive production facilities, while for a microchip designer instead, they could be represented more by human resources. What is important to remember is that key resources can be both physical, intellectual, human or

financial, and can be internally owned by the company itself or leased externally by another one. Regarding Startupbootcamp FoodTech's key resources, all of them fall down in a different category, so it is more appropriate going on in order taking in consideration one by one.

Starting from the financial category, we can state that the company's key resource is represented by the partners' financial help. According to a recent interview left by Peter William Kruger, the CEO of the program to "StartupItalia!", in order to launch the program and allow the right course of daily operations for its success, he has focused its efforts looking for five-eight local partners willing to invest in the program €150.000 annually, for at least three years.

Regarding the physical resources, a key role is represented by the co-working office space, useful to create an open mind and friendly environment where startupper can share ideas, solve common problems and understand closely the importance that team building has for the success of a company. Particularly, Startupbootcamp FoodTech program is hosted in a four-thousand square feet dedicated space in front of the 1700 years old Basilica of San Giovanni. The space is part of "Spazio M3", a fully renewed ten-thousands square feet co-working space founded by Matteo Fago, one of the most successful and active Italian business angel other than a program's investor. In addition, another important physical resource is represented by the national and international press coverage of the program, helped also by the strong network built by the SBC global company. Just to remember some mastheads, it covers: "The New York Times", "Bloomberg", "The Next Web", "TechCrunch", "Wall Street Journal" and many others¹⁴².

For what concerns the intellectual resources, it is appropriate to highlight the support that SBC global team provides to all new acceleration program. Specifically, they have provided to the Roman's team the guidelines needed to run all the phases of the program, from the pre-program activities such as the fast-tracks world tour, to the Alumni program after the graduation, sanctioned by the Demo Day. A special support is also provided during the course of the program, where every week a skype call is held to support the program's management in running daily operations and marketing activities through advices, useful contacts or suggesting metrics to be taken in consideration. Needed to be underlined is also the importance of other

¹⁴² For further explanations about the accelerator's press coverage, go back to Chapter III, paragraph 3.3.3, p.50 of this paper

SBC's programs, which can provide an additional support based on their experience. Last but not least, there is the human key resource, embodied here by the program's management team. In order to be successful, the program requires the choice of a specific management team, characterized mainly by dynamic and flexible people with high interest in the innovation world and startup ecosystem, able to create a friendly but at the same time professional office environment. Furthermore, the fact that Startupbootcamp is an international program with startups coming from different parts of the world, it is also required by employees a fluent English knowledge, in order to break the speaking barriers which usually represent a huge limit in the actual Italian reality.

3.3.7 Key activities

“Every business model calls for a number of Key Activities. These are the most important actions a company must take to operate successfully. Like Key Resources, they are required to create and offer a Value Proposition, reach markets, maintain Customer Relationships, and earn revenues”¹⁴³. According to Osterwalder and Pigneur, key activities can be categorized in: production oriented, where they are highly focused on the quantity or quality of products; problem solving oriented, highly related to figuring out new solutions for customers' individual problems; or platform/network oriented, where efforts are stressed on using platforms for the value proposition delivery or on building a network. As mentioned many times during the papers, the real value offered by Startupbootcamp's accelerators is provided by the vertical-focused priceless network of mentors and investors. Particularly, the FoodTech program key activities can be divided in three groups: pre-program activities, program activities and post-program activities. Regarding the former group, it includes: speed summits, mini conferences held in Rome; startup scouting, the first selection process done during the application period; fast-tracks, a worldwide tour aimed to a one to one meeting with selected startups; and selection days, an intensive two-days event of mentoring, pitching, and evaluating. Regarding key activities held during the program, we can figure out: masterclasses, the partners preview's event, press meeting, the investors preview's event, team events and the

¹⁴³ Alexander Osterwalder, Yves Pigneur “*Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers*”, Paperback, July 13, 2010, p.36

demo day. Concluding with the post-program key activities, we find monthly conferences where highly expert speakers are invited to talk directly to SBC's alumni to keep their knowledge fresh; and the alumni summits, where all the teams are invited twice a year to meet with Startupbootcamp's whole ecosystem.

3.3.8 Key partnership

Talking about the key partnership's building block, it "describes the networks of suppliers and partners which make the business model work"¹⁴⁴. Usually, when two or more companies decide to join a partnership, whichever it is, they are driven by three main reasons: the first one is represented by the possibility of optimization and economy of scale. Then, it may also lead to a significant reduction of risks and uncertainties associated to the business. Finally, the third reason is represented by the possibility to acquire particular resources and activities missed by a company and perfectly managed by another. Regarding the paper's specific case, it is important to start by saying that key partnerships here, are divided into two macro-areas: global and local. Starting from the global, Startupbootcamp has a limited number of global partners that provide startups with their best global deals, services or are looking to invest in some of them. SBC global partners commit to being on-site during programs to give hands-on support and they require its logos to be shown in every location in which partner logos are displayed.

Usually global partnerships are successively divided in other two sub-groups: deal partners and service partners. For what concerns deal partners, they offer great deals to all SBC startups and usually they visit most programs for masterclasses and office hours. The major global deal partners of SBC are: Amazon Web Services, Google Cloud Platform and Salesforce for startups. Starting from the former, it is important to underline that Amazon supports only a handful global acceleration programs, and Startupbootcamp is one of these. The main goal of such partnership is about building a new growing customer base of startup, helping them to optimize the use of Amazon products. Focusing the attention on the deal, their offer is composed by a two options choice: \$15.000 in credits valid for two years starting from the beginning of the program; or \$100.000 in credits valid for one year plus one year of business support and one to one office hours. Passing to Google Cloud Platform, they

¹⁴⁴ Alexander Osterwalder, Yves Pigneur "Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers", Paperback, July 13, 2010, p.38

become recently an SBC global partners since they have launched its cloud services in 2014. The purpose of the partnership can be seen as the possibility for Google to grow its Cloud offering in order to compete with AWS and Rackspace services for startups, and its deal is composed by \$100.000 in free hosting. Moving on the third SBC global partner, Salesforce launched its Salesforce for startups program in 2014. As for Amazon, its main goal is growing its small and medium businesses customer base. Between its services, they offer to all SBC startups a series of products and services such as: a lifetime use of Force.com, an application programming interface able to create powerful enterprise apps with clicks or code; Heroku, a cloud platform service supporting several programming languages which is used as a deployment model for web applications; one year use of the Sales Cloud's enterprise edition license; 20% discount on additional Sales Cloud products during the first year and finally a six month pro edition license of Desk.com, an online customer service software highly focused on supporting small business and fast-growing companies.

On the other hand, regarding service partners group, usually they provide services or product discounts to SBC's programs, without setting specific deals for startups. Commonly with the other group, also services partners actively participate to most programs holding masterclasses and office hours with startups. Actually, the only SBC partner falling inside this group is represented by Intel, the American multinational corporation and technology company, considered also the world's largest and highest valued semiconductor chip makers. If on one side it is easily understandable which kind of benefits programs and startups can gain from Intel, on the other side we can state that what Intel was looking for, was building a strong partnership aimed to support new innovative startups by using their products and services, founding in Startupbootcamp the ideal partner. Detailing the deal, Intel offers development support plus discounts on services and products depending on each startup's needs. In addition, startups using Intel solutions usually have co-marketing opportunities other than intros by Intel to potential partners. It is important to highlight that all services are offered on a one to one basis following visits on programs.

Coming back to the two macro areas in which SBC's key partners are divided, it is now the time to talk about the second area, represented by Startupbootcamp's local partners. As highly recommended by the global team, many SBC programs have local partners such as legal, accounting, and other vertical-specific partners which

help programs to find financial resources and provide value added to startups which will be selected after the selection process. Focusing the attention on the FoodTech program, as mentioned in previous paragraphs, the major effort was about figuring out and assemble a coalition between five and eight non competing corporate partners with a high shared interest in the FoodTech industry, willing to invest €150.000 annually for a three years commitment deal. Actually, the Roman's program is proud to have built a strong mutual benefit partnership with the following companies: "Cisco", "Gambero Rosso", "LVenture Group", "Monini", "Spazio M3" and last but not least "Barilla". In order to provide the reader a better knowledge about reasons behind such partnership, we can conclude this building block explanation by providing a quick description of the just above-mentioned companies. Starting from Cisco, it is an American multinational technology company specialized in development, manufacturing and selling of networking hardware, telecommunication equipment and other high-technology product and services. Regarding Monini, it is a quoted Italian company founded in 1920 by Zefferino Monini, specialized in the production of extra-virgin olive's oil with headquarter in Spoleto, a little city in Umbria. Considered a national leader in the extra-virgin olive's oil market, what SBC FoodTech program gains from having Monini on board is its huge global industry expertise, strengthened by the fact that around 25% of its income came from abroad, especially from fifty worldwide countries. Continuing with Gambero Rosso, it was founded in 1986 as an eight-page supplement of the Italian newspaper "Il Manifesto". Actually it is the leading multimedia and multichannel company in the Italian food and wine sector and "it is considered the most influential company in the judgment of quality, so much that the excellence of the Gambero symbols has become a coveted goal and an indispensable reference point"¹⁴⁵. Furthermore, it is also famous to be an active promoter of Made in Italy abroad. Passing to LVenture Group, it is the first and only venture capital Italian company listed on the MTA of the Italian Stock Exchange, highly specialized in seed venture capital. It is not a case in fact that it has figured out in SBC FoodTech program the ideal partner, considered a strategic opportunity to develop international relationship and to collaborate with Italian top level partners, gaining access to an interesting dealflows. According to Luigi Capello, LVenture 's CEO, "The food

¹⁴⁵Quote extrapolated on *Startupbootcamp's website* consultable by linking startupbootcamp.org/partners/gambero-rosso

sector provides great opportunities for investors and entrepreneurs as it is still widely open to “disruptive” innovation. Overall, VC investments in foodtech startups are considerably increasing with \$5.7B raised only in 2015 and an annual growth rate of +152% over 2014 (Source: CB Insights, 2016). Foodtech is likely to become one of the hottest markets for investors and, considering the excellent Italian quality in the agri-food sector, we are expecting a very positive trend in our country”¹⁴⁶. Finally, concerning the Emilian company Barilla, it is enough to say that it is actually among the top Italian food leaders owning twenty-nine production sites, of which fourteen in Italy and fifteen abroad, and exporting to more than a hundred countries around the world. Focusing the attention on the benefits which such partnership could provide for both of them, from the SBC’s program point of view, we can state that thanks to Barilla’s huge global industries expertise, it will help the accelerator in fostering its global presence in the foodtech industry, adding more value to the program itself. According to Peter Kruger, CEO of the FoodTech program, “With Barilla on board, we have a decisive validation for our decision to launch in Italy the first global and independent accelerator program focused on foodtech”. [...] “Barilla is the brand which best represents the mix of product quality expertise and industrial excellence that make Italy the top ecosystem for foodtech startups”¹⁴⁷. From the Barilla’s point of view instead, according to Giancarlo Addario, Collaborative Research and IPR Manager at Barilla, “This partnership strengthens Barilla’s role as a global leader in innovation along the entire food value chain”. [...] “Barilla has for a long time been adopting Open Innovation approaches and methods to complement its internal Research and Development activities. Today, thanks to Startupbootcamp’s proven ability to identify and select early stage innovative startups, Barilla completes its toolkit to stay connected to the most advanced food innovations”¹⁴⁸.

¹⁴⁶Quote extrapolated on LVenture’s website consultable by linking lventuregroup.com/lventure-group-among-the-partners-of-startupbootcamp-foodtech

¹⁴⁷ Quote extrapolated on Stratupbootcamp’s website consultable by linking startupbootcamp.org/blog/2016/09/barilla-becomes-main-sponsor-startupbootcamp-foodtech

¹⁴⁸ Quote extrapolated on Stratupbootcamp’s website consultable by linking startupbootcamp.org/blog/2016/09/barilla-becomes-main-sponsor-startupbootcamp-foodtech

3.3.9 Cost structure

Finally, it is now the turn of the ninth and last building block: the cost structure. Such block is thought to help companies to find out all costs incurred to operate the business model chosen.

“Creating and delivering value, maintaining Customer Relationships, and generating revenue all incur costs. Such costs can be calculated relatively easily after defining Key Resources, Key Activities, and Key Partnerships”¹⁴⁹. First of all, it can be useful to distinguish between two categories of business model cost structure: cost-driven and value-driven. Starting from the former, we can say that cost-driven business models are the ones focused on minimizing costs wherever possible, aiming to create and maintain the leanest possible cost structure. Usually this kind of approach is characterized by a low-price value proposition, maximum automation and extensive outsourcing. On the other side, for what concerns the value-driven category, there are companies that are less concentrated to the cost implication of the designed business model, but are contrarily focused on value creation. This approach is usually characterized by a premium value proposition and a high degree of personalized services. Going deeply into the structure, according to Osterwalder and Pigneur it can have the following characteristics: fixed costs, which remain the same independently from the volume of goods or services produced; variable costs, varying proportionally with the volume produced; economies of scale, represented by cost advantages enjoyed by a business as its output expand; and finally economies of scope, cost advantages resulting from operations’ larger scopes.

Once understood the structure, we can focus the attention applying the theory to the specific case. According to what said up to this point, it is possible to say that the SBC’s Italian program falls without any doubts in the value driven category, strengthened by the priceless value proposition delivered.

Before detailing all costs incurred in running the business, it is useful to divide them in fixed and variable. Falling in the fixed category, first of all we find the initial investment of €15.000 provide to each of the ten startups followed by: management salaries; legal, commercial and administrative expenses; office space usage fees; and

¹⁴⁹ Alexander Osterwalder, Yves Pigneur “*Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers*”, Paperback, July 13, 2010, p.38

finally, the percentage (1%) which the program leave to Startupbootcamp Global LTD for the brand usage and all the support provided.

On the other side, we can conclude the entire business model analysis showing which SBC's costs fall in the variable category. As easily predictable, falling in this category we find all the pre, during, and post program events, illustrated many times during the paper, whose costs depend each time by infinite variable factors such as: the location, the speaker, flights, hotels and many others. Last but not least, we find out in such category also all the expenses relative to the office services, depending most of the time by their usage degree.

4 Conclusion

Once having put in order all the puzzles' pieces and as consequence having the whole picture clear in mind, it is now the moment to link all what said up to this point and came out with conclusions. As we will see in a while, such conclusions will be divided in two parts. Starting from the beginning, after having analyzed the definition of the business model concept taking in consideration the most influential scholars in this field, what is missing now is about understanding which author's thought fit better with the business model figured out by Startupbootcamp FoodTech, and it is exactly what the first part is aimed to provide.

Successively, particularly in the second part, it will be provided the list of elements which, according to the writer, are the most representative of the innovation and uniqueness of SBC FoodTech's business model.

Just to recall what said in the first chapter, according to the literature there are authors such as Shefar who has illustrated business model as a mix of core logics and strategic choices made by companies for creating and capturing value; other such as Amit and Zott who have described it under an activity system perspective; Demil and Lecoq who have introduced the RCOV framework; Teece, Chesbrough who have underlined its relation with innovation; Casadeus who has tried to separate it from strategies and tactics; and finally, Osterwalder and Pigneurs, which have introduced the business model canvas to illustrate graphically what studied theoretically up to that time.

After a deep analysis of each author, as amply made during the first chapter of this paper, it is possible to conclude that between all the authors aforementioned, the contribution of Osterwalder and Pigneur can be seen as the one which fit better with SBC's FoodTech case, particularly for what concerns the graphical representation of business model through the canvas model.

Starting from the business model definition, recalling what said during the first chapter, according to Osterwalder and Pigneur "a business model describes the rationale of how an organization creates, delivers, and captures value"¹⁵⁰.

¹⁵⁰ Regarding Osterwalder and Pigneur's business model definition, go back to Chapter 1, paragraph 1.2.7, p.35

Particularly, according to the authors, there are four main characteristics which distinguish business models from that figured out by other scholars, and that seems to fit well with Startupbootcamp's way of thinking. First of all, business model is considered as a new unit of analysis which spans or bridges traditional level of analysis. Furthermore, what characterizes business model researches, is also its holistic and systemic perspective not only on what businesses do but also on how they do it. Third, another main characteristic is represented by organizational activities performed either by a focal firm, suppliers or customers as part of their conceptualizations. Finally, what is important to highlight in Osterwalder and Pigneur's business model thought, is the attention on both the value capture and value creation sides associated to the business models design, something that seems to lack in other scholars' explanations.

Nevertheless, it is also true that there are specific concepts provided by other four authors which result to be in some way associable to the business model of the Italian foodtech accelerator, and in particular the contribution of Teece, Casadeus, Amit and Zott, and finally Chesbrough.

Taking in consideration the alphabet order, regarding Amit and Zott, the main concept resulting easily associable to the case study, is represented by their illustration of design parameters according to which authors have depicted their Activity System perspective and based their business model definition. For those who do not remember well the Activity System perspective, the design parameters can be summed up in contents, structure and governance. Particularly, their implication can be easily found in author's business model definition. As illustrated during the first chapter, Amit and Zott have defined business model as "the content, structure, and governance of transactions designed so as to create value through the exploitation of business opportunities"¹⁵¹. Regarding the relation with the Italian business accelerator, it is possible to say that also its business model is composed by contents, represented especially by the set of activities it offers to startups and investors. Going on, regarding the structure, following Amit and Zott's thought, it describes basically how the activities are linked, capturing also their importance for the business model. Focusing the attention on SBC's accelerator programs, they can be seen as well-designed structures composed by a set of activities ranging from the startup recruitment to the alumni program after the graduation day. Stressing their

¹⁵¹ Regarding Amit and Zott's business model definition, go back to Chapter 1, paragraph 1.2.2, p.16

importance, it is possible to conclude that the sequence of activities, from the pre-program ones to the post-program ones, result to be crucial for the success of the entire business. Last but not least, for what concerns the governance, according to Amit and Zott, it can be illustrated as the definition of who has to perform such activities. Regarding the case study, the Italian accelerator can be seen as a franchising of the global brand Startupbootcamp, vertically focused on the foodtech industry. It is for this reason that all the activities required to make the business model work, are run by the Italian team with the support of the global one, whose help results to be very important especially for those which necessitate their experience and competencies.

Passing over, another touch point between the case study and the literature can be seen in what expressed by Casadeus about strategies and tactics. Starting from the former, strategies can be expressed as the choice of business model through which the firm aims to compete in the marketplace. On the other hand, tactics can be described as residual choices open to a firm by virtue of the business model it employs. Relating what expressed by Casadeus to the case study, it is possible to conclude that the foodtech accelerator decided as its strategy to use the business model's guidelines designed by the global team, composed in the specific case by a vertical-focused and mentor-driven acceleration program. On the other side, concerning tactics, their relation can be explained for example in the choice of the Italian market to run this particular business, considered the best option since Italy represents the food excellence worldwide. Other tactics instead, could be seen in the choice of the accelerator's local partners, including in the specific case well-known companies such as Barilla, Monini, Gambero Rosso and many others, combining both the national and international awareness.

Moving forward, other common aspects between Startupbootcamp's business model view and the one provided by scholars, can be found particularly in what said by David J. Teece in his publication *"Business Model, Business Strategy and Innovation"*. Re-calling briefly his conclusions, "a business model articulates the logic and provides data and other evidences that demonstrate how a business creates and delivers value to customers. It also outlines the architecture of revenues, costs, and profits associated with the business enterprise delivering the value"¹⁵². As illustrated in a more detailed way during the first chapter, according to Teece

¹⁵² Regarding Teece's business model definition, go back to Chapter 1, paragraph 1.2.3, p.18

businesses need to be more customer centric, meaning that they require to address customer needs more astutely and have a better understanding about how to capture value. What can be easily associated to such concept, is the willingness of SBC to figure out a way to help innovative entrepreneurs in their global scaling process, possible mainly by offering a vertical-focus and mentor-driven acceleration program based on a priceless network of international mentors and investors, which stress particularly the way through which Startupbootcamp decided to satisfy its customer segments. Regarding the second part of Teece's business model definition, specifically the one which outline the importance of the revenues, costs and profits' architecture, here it is important to remark the fact that while each SBC program has for sure a well-defined cost structure, concerning the revenues and profits one, there is to say that it can be better outlined, especially because this market is characterized by high uncertainties and investments volatility. It basically means that even if the structure is well designed, there could be contingencies which will not allow companies and investors to gain how much predicted.

Concluding, it is now the time to capture the relationship between our case study and another important scholar like Chesbrough. In particular, what is aimed to be remarked here, is his representation of business model, composed mainly by seven phases which in order are: articulates the value proposition; identifies a market segment; defines the structure of the value chain required to create and distribute the offering; details the revenue mechanism; estimates the cost structure; describes the position of the firm within the value network linking suppliers and customers; and finally, formulates the competitive strategy to gain and hold a competitive advantage. Theoretically speaking, it is possible to conclude by saying that such articulation is the one that more than others fit almost perfectly with the case study, especially because it has outlined in a theoretic way all the components outlined graphically by Osterwalder and Pigneurs in their canvas explanation.

Passing to the second and last part of the conclusions, it is now the time to explain which are the main elements which made SBC FoodTech program innovative and unique compare to rivals. In order to address such issue, it could be appropriate to remind the reader some useful information. First of all, regarding Italy, as we have seen during the third chapter SBC FoodTech is the first independent accelerator vertically focused in the foodtech industry, an element which alone is able to highlight the uniqueness of the program; while focusing the attention in Europe, it is

possible to find more alternatives for startups that have to decide to which program apply. In addition, what is important to highlight here, is that the Roman accelerator is absolutely new compared to rivals since it was born only a year ago, specifically in May 2016, but despite this, it has recorded the highest number of applications compared to the entire Startupbootcamp accelerator programs' family. To be more specific, in its first year it has received more than four-hundred applications from sixty countries worldwide, proving more than other things that the SBC brand seems to be very appealing¹⁵³. Going deeply in the analysis of the elements which more than others have contributed to make SBC FoodTech's business model innovative and unique, it is possible to find out five main elements. First of all, the Roman program as every SBC's program, presents itself as a mentor-driven program, meaning that startups are followed during the entire acceleration route by experienced mentors, ready to help them in each step of their life. Above all, as expressed by startups themselves, it seems to be a high valuable point of the program's offer since it results very useful for startups, especially during their first acceleration's months.

In addition, another element resulting crucial for the validity of the offer, is represented by the vertical focus orientation of the program itself. The reason behind such choice, leaving a part the desire of SBC to distinguish itself from competitors, especially the American ones, it could be found in the better results which a vertical focus program is able to obtain compared to a general one. Being vertically focused means focus the attention entirely on a specific industry, avoiding to waste time and resources in managing startups running completely different businesses. It means find out the best key players between startups, mentors, investors, partners and institutions, players than more than others are able to add a huge value to the total offer and represents a good portion of the business model success.

Going on, important to be mentioned is without any doubt the choice of the acceleration program's market. As mentioned many times during the course of this paper, choosing the Italian market represents a strong signal to all foodtech's startups and accelerator's programs worldwide. As deeply analyzed in the third chapter, Italy is considered a global leader in food production, counting seventy-seven products where it lists as one of the three largest producers. Thanks to its great culinary

¹⁵³ For what concerns data related to SBC number of applications, it refers to SBC FoodTech accelerator's internal data provided to the author

culture and its excellent products, it is possible to conclude that Italy is the perfect location to accelerate and validate any foodtech startups other than a unique opportunity that hardly comes twice.

Concluding, according to the author the last and probably most important element which remark the validity and the worth of the Roman program, or in general of all the programs branded SBC, is about the accessibility reserved to all SBC alumni to an invaluable investors, mentors and partners network. Having access to the industry top players ensures always strong value in each acceleration phase, from the selection process to the business lead generation, and it represents the main reason why startups from all over the world decide to join a Startupbootcamp business acceleration program.

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Cattedra: Business Modeling and Planning

TITOLO

RIASSUNTO TESI
BUSINESS MODELING IN THE STARTUP ACCELERATOR INDUSTRY: THE CASE
OF STARTUPBOOTCAMP FOODTECH

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Over the past few years, business model is going to be a very common word into the management vocabulary. The problem is that, while it has become quite fashionable to discuss about business models, there is still much confusion about what it is and how it can be used. This lack of consensus may in part be attributed to interest in the concept from a wide range of disciplines, all of which have found a connection to the term. According to Osterwalder, Pigneur and Tucci, a good way to figure out the origin of the business model, is the method brilliantly used by Abrahamson to study management dialogues. It basically traces the features of a specific management term taking in consideration a huge number of journals, magazines, paper and many others fonts to study its evolution over the years. In order to have an idea about the first times it appeared in an academic article, we have to date back in 1957¹, followed by the appearance in the title of a paper in 1960². Successively, the use of the term rose faster only towards the end of the 90s, especially during the advent of Internet in the business world. A curious thing in fact, is its relation with the rise of the NASDAQ stock market for technological companies. Nowadays, the type of business models used by companies in designing their businesses might depend on how and how much technology is involved. In fact, by using technology tools, today entrepreneurs have the chance to reach a higher number of customers than before, incurring also in lower costs, considered minimal compared to the result achieved. Despite such term redundancy, what came out is the fact that business model's concept is still relatively poorly understood, especially because too many people tried during the years to provide an exact definition of it, leaving just a messy idea. What we can do here in order to give the reader the key for the business model knowledge, is trying to provide the clearest and broadly accepted definition, or at least explain the evolution of the concept under different authors' point of view. First of all, before figuring out the definitions of the expression "business model", we need to reflect on its linguistic meaning. Breaking the term in two parts, both business and model words have a specific meaning by themselves. According to Saxena, Deodhar and Ruohonen, the dictionary definition of the word business is presented as: "the activity of providing goods and services involving financial, commercial and industrial aspects"³. On the

¹ Bellman, Clark et al. 1957

² Jones 1960

³ K. Bhushan, C. Saxena, S.J. Deodhar, "*Business Model Innovation in software Product Industry: Bringing Business to the Bazaar*", p.13

other hand, according to J. Barjis, T. Eldabi and A. Gupta, the word “model” can be defined as "a simplified description and representation of a complex entity or process"⁴. Combining these elements together, according to Osterwalder, Pigneur and Tucci, the final outcome can be figured out as follow: “A business model is a conceptual tool containing a set of objects, concepts and their relationships with the objective to express the business logic of a specific firm. Therefore, we must consider which concepts and relationships allow a simplified description and representation of what value is provided to customers, how this is done and with which financial consequences⁵”. The fact that business model is a relatively young concept, made its relevance needed to be proved, but its contribution on the entrepreneurial success is at the same time already validated and cited by many scholars. Trying to prove the relevance of business models, Osterwalder and Pigneur have identified five main categories of its application: understanding and sharing, analyzing, managing, prospects and finally patenting of business models.

Once provided to the reader a panoramic view about business model, it is now the time to deep its concept meaning consideration thoughts of different scholars such as: Shefar, Amit and Zott, Demil and Lecoq, Chesbrough, Teece, Casadeus, and finally, Osterwalder and Pigneur. Starting with the analysis of Scott M. Shafer et al’s article “*The power of business models*”, after a deep analysis of many business model definitions provided by different authors, they came out with the conclusion that the business model concept seems to fall into four different categories: strategic choices, value network, value capturing and value creating. Starting from the former, strategic choices includes value proposition, customer segments, outputs, competitors’ analysis, branding, pricing and many others. Passing to the value network category, according to authors it ranges from the net of suppliers to the customer relationship. For what concerns the value capturing category, it embodies the economic aspects of the business model, particularly focusing the attention on the whole financial aspects. Last but not least, the final category represented by the value

⁴ Joseph Barjis, Tillal Eldabi and Ashish Gupta, “*Enterprise and Organizational Modeling and Simulation*”, ⁷¹ International Workshop, EOMAS 2011 held at CAiSE 2011, London, UK, June 2011, p.139

⁵ Osterwalder, Pigneur and Tucci, “*Clarifying Business Models: Origins, Present and future of the Concept*”; Communications of the Association for Information Systems; Volume 15, Article, May 2015

creating one, it includes all the aspects which represent a way by which companies create value, including the internal ones such as internal resources, assets, activities and so on. On the other hand, concerning its definition, Shafer, Smith and Linder have defined business model as “a representation of a firm’s underlying core logic and strategic choices for creating and capturing value within a value network”⁶. Continuing with Amit and Zott, the design of the business model results a crucial point at the base of their thoughts, both for entrepreneurs who are starting their business both for managers who try to rethink and replace the company’s old model into a new one able to fit well the company for a future vision. One of their best contribution is represented by the introduction of the Activity System concept, illustrated in more detail in their publication of 2009 “*Business model design: an activity system perspective*”. The entire work is based on the assumption that there are two main parameters which play a key role in the activity system: design elements, which describe the activity system’s architecture and design themes, which describe through which sources it was possible to create value. Following their thought, it is possible to say that an activity system, is a set of interdependent and organizational activities embodied in focal firms, including those run by its partners, customers or its vendors. Another key concept related to the activity system, is represented by the role played by interdependencies among activities. According to the authors, they play a pivotal role and provide insights into the processes, strengthening the evolution of the activity system over time. For what concerns the business model definition side, it can be described as “the content, structure, and governance of transactions designed so as to create value through the exploitation of business opportunities”⁷. Regarding Teece, first of all it is important to remark the business models’ need to be more focused on customers, also thanks to the help of technology. At the base of his thought, there is the assumption that without a well-defined business model, innovative entrepreneurs will never be able to either deliver and capture value from their ideas. In order to design a business model in a proper way, it could be appropriate to understand before what the author means for business model. Following his words, “a business model articulates the logic and provides data and other evidences that demonstrate how a business creates and delivers value

⁶ Scott M. Shafer, H. Jeff Smith, Jane C. Linder; “*The Power of Business Models; Business Horizons*”, February 2005; p. 6

⁷ in “*Business model design: an activity system perspective*”, cit.

to customers. It also outlines the architecture of revenues, costs, and profits associated with the business enterprise delivering the value”⁸. Concluding, it is possible to say that, in order to protect whatever competitive advantage will result from the design and implementation of new business models, it results crucial to couple strategy analysis with business model design. Concerning Demil and Lecoq, what is important to mention here, is their distinction between two different uses of business model’s concept: the static approach and the transformational approach. Under the static approach, “a BM is ultimately a blueprint – even a receipt- that fulfils important functions such as enabling description and classification”⁹, while under the transformational one, “the BM is considered as a concept or a tool to address change and focus on innovation, either in the organization, or in the BM itself”¹⁰. Important to not forget is also the introduction of the RCOV framework based on the Penrose’s view of the firm, according to which the growth of a firm is directly related to the interaction between two core competencies such as resources and their application. Passing to Chesbrough, his definition of business model can be summed up by explaining which functions business model needs to satisfy. His representation of business model is composed mainly by seven phases which in order are: articulates the value proposition; identifies a market segment; defines the structure of the value chain required to create and distribute the offering; details the revenue mechanism; estimates the cost structure; describes the position of the firm within the value network linking suppliers and customers; and finally, formulates the competitive strategy to gain and hold a competitive advantage. Furthermore, another key point stressed by the author in his article, is represented by the importance that experimentation holds over the business model’s sustainability in the long run, observable especially when the business model used by the company until that moment is no longer working. Concluding his analysis, according to the author it results important to underline the need for organizations to address the leadership issue, resulting the first thing to solve in order to ensure an effective and efficient governance of business model experimentations. Continuing with Casadeus, Musanell and Ricart, among their publication there are two elements stressed more

⁸ David J. Teece, “*Business Models, Business Strategy and Innovation*”, Long Range Planning, vol.43, 2010, p.173

⁹ B. Demil and X. Lecocq, “*Business Model Evolution: In Search of Dynamic Consistency*”, LRP 43, 2010, p.228

¹⁰ in “*Business Model Evolution: In Search of Dynamic Consistency*”, cit.

than others, represented by the business model definition and the implication of strategies and tactics on it. Starting from the definition, it can be described as “the logic through which a firm operates and how it creates value for its stakeholders”¹¹. Regarding strategies, it is possible to say that they represent the set of choices related to business model which allow the company to be competitive in the marketplace it wants to operate in; while concerning tactics, they refer to the residual choices actionable by companies once the business model is chosen. Concluding the literature analysis, it is not possible to not talk about the contribution of A. Osterwalder and Y. Pigneur, probably two of the most influential scholars in business model concept of the last decades. One of the main concept underlined by authors in their contributions, is about the relevance of the business plan, seen as an implementation guide aimed to describe and communicate for profit or non-profit projects, particularly stressing the ways they can be implemented either inside or outside a company. On the other hand, what recall a particular interest in their work, is the comparison made between two different business model types: business model innovation adopted by innovative companies and adaptive business model run by established companies. Moving on, another key concept analyzed by authors with a particular interest, is about the design behind business models. Before concluding the first part, it is important to underline the last concept stressed by Osterwalder and Pigneur in their publication “*Business Model Generation*”, represented by the detailed illustration of the business model canvas, a concept that is going to be deepen analyzed in the continuing of this work.

Passing to the second part of the paper, first of all it is crucial to mention the importance and the impact that the startup world and its ecosystem are executing on our nationals’ economy. A key role in such ecosystem is played by startups’ accelerators, the real driver for the success of a startup. Before talking about it, it is appropriate to clarify all the characters involved in the innovation world, such as: startups, incubators, accelerators, mentors, investors and investments’ types. Starting from the beginning, it is very common today talking about startup, but the problem is that many of us use the term without known the exact definition. In order to provide a clear definition, during the last fifteen years, scholars and entrepreneurs from all

¹¹ Ramon Casadeus, Masanell and Joan E. Ricart, “*From Strategy to Business Models and onto Tactics*”, LRP, 2010, p.196

over the world tried to find out the one which more than others could be broadly accepted. Finally, this need was satisfied by Steve Blank, an American entrepreneur-mentor which has described it as an *"organization formed to search for a repeatable and scalable business model."*¹² Once accepted such definition, the next step for having the clearest picture in mind about the startup concept is understand the meaning of scalable business model, explicable as the potential of the business model to fit with the largest number of possible customers in order to be able also to disrupt an entire market or a chain. Passing to talk about what is called business incubator, it is possible to state that it is a firm, either profit or non-profit oriented, engaged in the business of boosting early-stage companies, helping them to find all the financial, human and physical resources able to make them independent to run all the functions requested to achieve its main goals. What is important to highlight when we talk about business incubators, is that whether or not the economic development is one of the main goal, all types of successful incubators programs are likely to help local communities by facilitating business growth and technological innovation and, as a result, they started to be increasingly adopted by governments of developing countries, most of the time in collaboration with inter-governmental organizations. Moving on, it is now the time to deep the phenomenon of seed accelerators, also known as startup accelerators, born around the end of 90s and the first decade of 2000s. The reluctance of venture capitalists to invest after the Internet bust of 2000 left angel investors to carry the burden and risk. The result could be summed up in reduction of investments and potential capital, but the most negative effect was represented by the fact that many new ventures where left without the sufficient amount of money to launch their business. It is this gap that have stimulated a new type of investing companies start to emerge, actually known as accelerators. In order to be classified as an accelerator, according to Startup Factories, they need to show five main characteristics: the application process has to be open and highly competitive; provision of pre-seed investment in exchange for equity; focus on small teams rather than individual founders; time-limited supports and last but not least, cohorts of startups more than individual companies. Actually, accelerators are a rapidly growing phenomenon and play a very important role in the

¹² Stephen Spinelli Jr., in *"Disrupt together: How Teams Consistently Innovate"*, 2013, Heather McGowan, p. 153

economic and technological field, well established especially in developed countries such as US and Europe. Passing over, what we are now going to introduce is a very important figure which can play a critical role in the success or failure of a start-up: mentors. Starting from its definition, “a mentor is a person with experience, expertise, wisdom and/or power who teaches, counsels and helps a less experienced or less knowledgeable person to develop professionally and personally”¹³. Summing up, it is possible to conclude that mentors are usually highly experienced people, most of the time active entrepreneurs as well, which are willing to offer their experience and personal skills in order to avoid young startupper to make avoidable mistakes, enabling to schedule plans faster and in an appropriate way. Last but not least, in order to conclude the analysis on the startup ecosystem, let is now clarify the last two important characters involved in this world: investors and investments’ types. Starting from investors, it is one of the most important figures in the overall picture, basically because they provide the amount of money which startups need in order to grow and expand their business. Usually, when we talk about startup world there exist five principal types of investor: friends a family; angel investors; Venture Capitalist; Banks and finally, find peer-to-peer lending. On the other hand, we can conclude the analysis focusing the attention on the different types of investment which startup crave to achieve for scaling markets. Summing up, investments can be divided into four series: Seed, A, B and C. Such different series represent other four important elements: the type of investor involved, the maturity level of the business, the purpose of raising capital and how it is ultimately allocated.

Once provided the keys for the innovation world’s reading, it could be appropriate to focus the attention on the theme under which is based the paper: seed accelerators’ phenomenon. In order to understand how the accelerator phenomenon is actually spread globally and the relevance it has acquired since the born of the first in 2005, let’s now analyze some numbers that could be useful to clarify any doubt. According to the “Global Accelerator Report 2015”, in 2015 were raised globally US\$ 191,999,757 in 8,836 sturtups by 387 accelerators worldwide, number expected to be bigger in the current year¹⁴. Being more specific, let is now focus the attention

¹³ Dean Fink, “*The Succession Challenge: Building and Sustaining Leadership capacity through Succession Management*”, 2010, p.128

¹⁴ Data in “*Global Accelerator Report 2015*” consultable by linking guest.com, cit.

comparing numbers figured out by five macro areas such as: USA and Canada, Europe, Latin America, Asia and Oceania and Middle East. Starting from the USA and Canada, according to the: “USA&Canada Accelerator Report 2015”, in 2015 were raised US\$90,295,774 which were invested in 2968 startups by 111 accelerators. Continuing the analysis, is now the moment to study the European continent, and considering the numbers, it is possible to conclude that up to 2015 were raised €37,533,632 invested in 2574 startups by 113 accelerators. Passing to the Latin America, it is interesting to see how this sector are starting to grow. According to the numbers, Latin American’s 62 accelerators were able to raise an amount of US\$31,563,841 to be invested in 1,333 startups. Continuing the accelerator analysis trip around the world, it is the time to provide a panoramic view about how this particular market is entered in the Asian and Oceanian culture. Starting immediately with numbers, as declared in the report, between 2008 and 2014 were raised an amount of US\$16,842,427 used by 54 accelerators to invest in 1295 startups. Last but not least, we can conclude the analysis focusing the attention on the remaining region not yet analyzed: Middle East. Looking at numbers, according to the report the Middle East region have raised from 2004, where the first two seed accelerators were launched, an amount of US\$12,290,715, half of those raised by Europe and Latin America, and a seventh of those raised by USA and Canada, the lowest one considering all the regions previously analyzed.

In order to conclude the second part of paper, it is impossible to not provide some numbers able to show how much such phenomenon has influenced the Italian reality. Looking at data provided by international research, the “Global Accelerator Report 2015” has positioned Italy in the low side of the list relative on the international entrepreneurial’ degree, behind European countries as UK, France, Germany and Spain, which have demonstrated to be highly ahead of Italy in the innovation field. Basically, the challenge that Italy was facing during the last years and for the next ones, is how to implement its innovative industrial ecosystem in order to reach at least the level of the first three European countries. In order to boost the Italian technological sector and increase the youth employment, the Italian government started its first step few years ago issuing the “De’Further urgent measures for Italy’s economic growth”, commonly known as “Growth Decree 2.0”. What the Decree is going to represent, can be considered a real novelty in the Italian legislation, especially because it has introduced a concrete definition of “innovative startup”, a

concept discussed many times among people and scholars. It states as follow: “An innovative start-up is a company with shared capital (i.e. limited companies), or a cooperative, whose capital shares are neither listed on a regulated market nor on a multilateral negotiation system”¹⁵. Even if the interest by entrepreneurs and policy makers in this field have seen a concrete growth during the last years, there are many problems that the Italian ecosystem continue to face and, in particular, there are two of them that more than others is called to find as soon as possible a real and concrete solution. Summing up, in order of importance we find: the way to attract Italian or foreign capitals to be invested in technological breakthrough and the lack of a proper entrepreneurial education. Finally, it is possible to conclude providing a numeric overview for what concern the Italian ecosystem, especially looking at data mentioned in the first quarter statistic indicators provided by “CAMERA DI COMMERCIO D’ITALIA”. According to the report, at the end of March 2016 the number of innovative startup amounts 5439, around +5,8% than the previous year. In addition, the average capital has seen an increase around +7,3% compared to the last quarter. Concluding, regarding the amount of investment, according to the Observatory Start-up Hi-Tech-Annual Report 2015 provided by Observatory.net Digital Innovation of the School of Management of Politecnico of Milan, 2015 has seen an increase around +11% than the amount invested in 2014¹⁶.

Passing the third and final part of the paper, now the attention will be highly focused on the case study, represented by Startupbootcamp Foodtech, actually the first Foodtech accelerator existing in Italy and in the Startupbootcamp accelerators’ family. Before deep the Italian accelerator’s analysis, it could be appropriate to provide a panoramic view about Startaupbootcamp Global LTD, the mother-company of all SBC’s accelerators. Starting from its history, Startupbootcamp was founded in 2010 by Alex Farcet and Carsten KølbeK of Rainmaking, a startup partnership with twenty-five startups operating in Denmark, Sweden, UK and Germany. Since 2010, Startupbootcamp has built Europe's largest network of more than two-thousand startups, investors, and partners active in over thirty countries, and nowadays it counts seven-ten accelerator programs in more than ten cities

¹⁵ DL 18 Ottobre 2012, n. 179

¹⁶Data extrapolate by CAMERA DI COMMERCIO D’ITALIA, “*Cruscotto di indicatori statistici: Dati Nazionali*”, July 2016, April 2016

including Amsterdam, Berlin, Copenhagen, Eindhoven, Istanbul, London, Singapore, Sittard, Miami and New York. What characterizes Startupbootcamp's programs is the mentor-driven and the industry-focused accelerating model. Regarding acceleration programs fields, Startupbootcamp offers a huge range of choices. Between the different programs, we find a focus on the following sectors: Digital Health, FinTech & Cybersecurity, E-commerce, FoodTech, InsurTech, IoT & Data Tech, Smart City & Living and finally Smart Transportation & Energy. Actually, Startupbootcamp is one of the largest startup support organizations in the world, counting more than one-hundred twenty-five portfolio companies which have raised €27.000.000 external capital and with an actual value of €115.000.000. Talking about the program, Startupbootcamp has created an extremely efficient accelerator model which attracts the very best global entrepreneurs. Starting from the selection's journey, the first phase is represented by the startup application. Basically, each SBC program holds one open call per year, and usually it lasts three months. Once done the application through the website, the evaluation phase begins: the SBC selection process considers a template application form which allows to evaluate startup's team and businesses under qualitative and quantitative perspectives. After the initial scoring process, startups which have passed the first selection start the second scoring process, aimed to filter down the remaining companies up to have twenty teams selected which will be invited to participate in an in-person Selection Days process. Once arrived to the Selection Days, the remaining twenty startups are called to meet more than 40 program's mentors, which will evaluate companies taking in consideration the same kind of metrics used in the previous processes. After having collected mentor's feedbacks and previous analysis, the program's management together with the investment committee decide the ten winner startups chosen to participate in the three-months acceleration program. Once selected, winning Startups are called to join the SBC's specific program offices to initiate together a hardly-intense acceleration program. The current SBC acceleration program is based on a Marshall&Learning approach, resulting from the experience of over thirteen programs since 2010, and it is continuously updated in a close collaboration with the global accelerator network. Entering deeply into details, the ten teams chosen for each program will receive the following list of benefits: €15.000 as initial funding; €450.000 in partner deals plus six months of co-working office space; peer support and shared learning; coaching on strategic direction and scaling opportunities; deep

insight through hands-on mentorship from proven experts and industry insiders; and finally, access to a global network of investors, clients and partners. What Startupbootcamp ask in exchange is 6% of the startup equity represented usually by convertible notes. Usually, an SBC program will sell it when such percentage will have a value of ten times the value of the initial investment, which in this case is represented by an amount of €150.000. Talking about the program itself, it usually last sixteen weeks divided into three stages: Shape, Build and Sell. Starting from the Shape stage, it consists between four-five weeks of intense mentor-driven development of team, idea, solution, business model and business plan. The second stage is represented by the Build phase, during which teams and their mentors are able to provide a clear and concise action plan to create a well-functioning solution that solves customer's problems. For what concerns the Sell phase, it involves gaining initial traction with users, hoping that initial revenues will be generated consequently to a viral growth. During this phase, teams receive pitch and media training, preparing for introducing their company during the final Demo Day, the event which marks the end of the program and provides teams the possibility to seek external funding to expand their business. After the initial 3-month acceleration period has been completed, Startupbootcamp's support continues through an active Alumni Growth Program. In order to remain connected, all the graduated startup members are invited: to join Startupbootcamp's whole ecosystem in summit held twice a year and to monthly discussion event between Alumni and a guest speaker. Continuing the analysis, it could be reasonable to provide a list of some success stories coming out from SBC's acceleration programs, meaning all the startup which at the end of the program were able to attract external capitals in order to continue the scaling journey. Just to mention some of them, we find: Relayr; The Eye Tribe; Bellabeat; Buzzmove; and last but not least, Quiver. Concluding the SBC overview, it could be useful to have a look at which are the Startubootcamp's main competoitors and make a comparison analysis. Citing just the most important ones, in order of relevance we find companies such as Y Combinator; Techstars; 500 Startup; Seedcamp; Entrepreneur First and Founders Factory. Summing up the result extrapolated, according to statistics it is possible to conclude that, in terms of initial funding offered, program lenght and equity stake requested, SBC positions itself with the American competitors' average, resulting competitive especially in the European market. On the other hand, considering the total alumni graduated, the

number of startups branded SBC counts three-hundred forty-five, much less compared to competitors, paying this time the youth of the program itself. Concluding the analysis, we can state that the only metric which move far away from the American average, is about the amount of money startups are able to raise once graduated.

Once illustrated the Startupbootcamp's family and understood how it works, it is now the time to talk about the case study of the paper: Startupbootcamp FoodTech. Giving a quick panoramic, Startupbootcamp FoodTech is a SBC' accelerating program launched in 2016 in Rome, thought for supporting innovating companies in the food&beverage industry, and covering key focus areas such as Bio-tech, Artificial intelligence, E-commerce, Big-data & Analytics, Mobile, Internet of Things, Industrial & Home Robots, 3D Printing and Drones for Agriculture. Over the three months' schedule, the ten selected multinational startups able to emerge through more than four-hundreds application, will accelerate their companies with the help of SBC's team of first-class entrepreneurs, investors, and partners. Impossible to not mention, is also the importance of the local partner both for the accelerator itself, both for the startups. Such partners are represented in particular by "Gambero Rosso", "Barilla", "LVenture Group", "Cico", "SpazioM3" and "Monini". Going deeply inside the Italian acceleration program, after the selection journey finished on October 2016, between the twenty-one invited startups only ten were able to catch the approval of the majority of mentors and more important, the one of the Investment Committee. Here in alphabetic order the list of the winners: "Biteback Insect Oil", "Elaisian", "Evja", "FruitsApp", "Kiwi Campus", "Milis Bio", "NeoFarms", "Phytoponics", "TrakBar", "Wallfarm".

Passing to the final part of the paper, what it is now going to be shown is the result of a deep analysis about each building block composing the Italian accelerator's business model following the Canvas representation outlined by Osterwalder and Pigneur. Starting from the value proposition, regarding the case studied, it is represented by many different factors, possible to be summed up in: newness and uniqueness of the program; Italy as market choice for the launch; structure of the program; startups' deal and last but not least, for life access to an invaluable network of mentors, partners and investors in almost all business fields. Continuing the analysis, it is now the moment of the customer segment's building block, it is possible to conclude that it is represented by two main segments: every startup

coming out with technological innovative ideas applicable to different fields in the food&beverage industry and all partners and investors highly interested in the foodtech industry and in joining SBC's family. Passing to the analysis of channels, between the several functions employed by them, here we will mention the ones which represent also the five channel's phases of a company. Considering the timing and relevance order, we find: awareness; evaluation; purchase; delivery; and finally, after sale. Relating such phases with the case study of the paper, considering the same order it is possible to associate: program's website, press coverage and pre-program events to the awareness' phase; mentors and partners' social gatherings to the evaluation's phase; F6S application system to the purchase's phase; the acceleration program itself to the delivery phase and finally, a post program alumni support to the after-sale's phase. Regarding the customer relationship's building block, we can state that SBC FoodTech usually adopts three types of relationship, considered pillars for the success of the program: dedicated personal assistance represented by "office hours" meetings and "weekly startup sessions"; community's building through "mentors' sessions" and the "investors sneak preview" events; and finally, a co-creation environment made possible thanks to activities as "CEO&CTO sessions"; "Founders meeting" and "Teams' events". Continuing with the analysis, it is now the moment of the revenue stream's building block. Among the different types available, considering the foodtech's startups customer segments, here revenues are not ensured because they are strictly related to the probability of success of startups themselves, but usually they amount ten times the initial investment. On the other hand, for what concerns the partners and investors' customer segment, they provide financial helps in return of more than thirty percent as internal rate of return and an international visibility which the accelerator is able to offer. Talking about the key resources' building block, regarding Startupbootcamp FoodTech's it is possible to find out: partners' financial help regarding the financial category; co-working office space, national and international press coverage for what concerns the physical category; SBC' global team and other acceleration programs' support representing the intellectual category; and last but not least, the FoodTech program's management team which embodies the human key resources. On the other hand, focusing the attention on the key activities' building block, it is possible to conclude that the FoodTech program's key activities can be divided in three groups: pre-program activities, including speed summits, startup scouting, fast-tracks, and

selection days; program activities which embody masterclasses, partner preview's events, press meeting, investors preview's events, team events and the demo day; and finally, post-program activities including monthly conferences and alumni summits twice a year. Moving on, talking about the key partnership's building block, it is important to start by saying that key partnerships are divided into two macro-areas: global and local. Starting from the global, Startupbootcamp has a limited but at the same time worthy number of global partners, represented by: "Salesforce for startups"; "Google Cloud Platform"; "Amazon Web Services" and "Intel". On the other hand, concerning local partners, actually, the Roman's program is proud to have built a strong mutual benefit partnership with the following companies: "Cisco", "Gambero Rosso", "LVenture Group", "Monini", "Spazio M3" and last but not least "Barilla". Finally, it is now the turn of the ninth and last building block: the cost structure. Following the guidelines provided by authors, it is possible to say that the SBC's Italian program falls without any doubts in the value driven category, strengthened by the priceless value proposition delivered. Considering fixed and variable cost instead, in the fixed category we find: the initial investment of €15.000 provide to each startup; management salaries; legal, commercial and administrative expenses; office space usage fees; and finally, the percentage (1%) which the program leave to Startupbootcamp Global LTD for the brand usage and all the support provided. On the other hand, falling in in the variable category we find all the pre, during, and post program events.

Once having put in order all the puzzles' pieces, it is now the moment to link all what said up to this point and came out with conclusions. After a deep analysis of each author, it is possible to conclude that between all of them, the contribution of Ostrewalder and Pigneur can be seen as the one which more than others fit better with SBC's FoodTech case, especially for what concerns the graphical representation of its business through the canvas model. Going deeply, according to the authors there are four main characteristics which distinguish business models from that figured out by other scholars, and that seems to fit well with Startupbootcamp's way of thinking. First of all, business model is considered as a new unit of analysis which spans or bridges traditional level of analysis. Furthermore, what characterize business model researches, is also its holistic and systemic perspective not only on what businesses do but also on how they do it. Third, another main characteristic is represented by organizational activities performed either by a focal firm, suppliers or

customers as part of their conceptualizations. Finally, the last characteristic is represented by the attention paid on both the value capture and value creation sides associated to the business models design, something that seems to lack in other scholars' explanations. Nevertheless, it is also true that there are specific concepts figured out by Teece, Casadeus, Amit and Zott, and Chesbrough, which can be associated to the business model of the Italian accelerator. Summing up, regarding Amit and Zott, the main associable concept is represented by their illustration of design parameters, resulting crucial in their Activity System's perspective and business model's definition. Passing over, another touch point between the case study and the literature can be seen in what expressed by Casadeus about strategies and tactics. Basically, it can be reasonable to conclude that the foodtech accelerator decided to use as its strategy the business model's guidelines designed by the global team; while concerning tactics, their relation can be explained for example in the choice of the Italian market to run this particular business. Moving forward, what can be easily associated to Teece's business model concepts, is the willingness of SBC to figure out a way to help innovative entrepreneurs in their global scaling process, possible mainly by offering a vertical-focus and mentor-driven acceleration program based on a priceless network of international mentors and investors, which stress particularly the way through which Startupbootcamp decided to satisfy its customer segments. Concluding with Chesbrough, theoretically speaking it is possible to say that his representation of business model is the one that more than others fit almost perfectly with the case study, especially because it has outlined in a theoretic way all the components outlined graphically by Osterwalder and Pigneurs in their canvas model.

Passing to the second and last part of conclusions, it is now the time to show which are, according to the author, the main elements which made SBC FoodTech program innovative and unique compare to rivals. Summing up, it is possible to figure out: program's newness; vertical focus orientation; program's youth; mentor-driven approach and market's choice. Concluding, the last and probably most important element which remark the validity and the worth of the Roman program, and in general of all the programs branded SBC, is about the accessibility reserved to all its alumni to an invaluable investors, mentors and partners network.