4 Strong Teams Will Win
How Accelerators Select and Coach Startup Teams

In this chapter, I examine how Silicon Valley accelerators recruit startup teams and the criteria they use to select new ventures. Is there consensus about the latent and manifest qualities that startup founders need to have to market their business idea and develop their company? Do accelerator executives favor founder teams over solo entrepreneurs? Furthermore, I present my main findings regarding the way accelerators make use of external mentors in coaching startups that participate in their programs. As will be shown, mentorship is a core characteristic of Silicon Valley’s ecosystem.

Selection procedures

The way Silicon Valley accelerators recruit startups to participate in their growth programs varies but is generally highly selective. This is true for both general accelerators (high-volume/low-touch) and specialized/niche accelerators (low-volume/high-touch). And even most office-space-based accelerators apply rather strict admissions procedures. In this section, I outline the various admissions methods that accelerators use in taking on the most talented and promising startup entrepreneurs. An overwhelming majority of accelerators prefer startup teams over single startup entrepreneurs, as we shall see.

The larger, general/low-touch accelerators apply highly structured and routinized intake and selection methods that are online-based. 500 Startups accepts four batches per year (two in San Francisco and two in Mountain View) and receives 2,500+ startup applications per batch. “We do interviews with about 400 applicants, of which we accept about 40. So our acceptance rate is around two percent.” (Elizabeth Yin). As the accelerator’s website concludes: “It’s tougher to get into 500 Startups than Harvard, MIT or Stanford.” In terms of how startups are selected, Elizabeth explains: “We’re looking for a complete team. A team that consists of what I call a ‘hacker’ and a ‘hustler’. One is good in product development and one in customer acquisition. Secondly, the product is usually complete and there must be some traction. A typical startup that gets invited to interview is doing around $10K per month in revenue, recurring revenue.” Roughly 30 percent of the selected startup teams are international.
Plug and Play, another large accelerator, reviews over 2,000 startup applications each year per accelerator program and invests in over 100. Saeed Amidi has a particular interest in first-time entrepreneurs “straight out of college”. Why? “Because of a couple of reasons. One is they don’t have much baggage, they don’t have a house payment, they don’t have kids to put through college. So they can work 70, 80 hours a week. Generally, they are more passionate, smarter I would say. And the third thing is: if you are younger, you can deliver it better. They don’t think about failure as much. Failure is no option. Which is not to say that they don’t fail but they are so optimistic and proactive, and that’s what I enjoy the most.”

About 400 startups are housed in the Plug and Play building in Sunnyvale, of which a substantial number are international teams. Saeed also prefers teams over solo founders: “The first two, three, four years are hard, very hard for a startup. I think you need the team spirit and give-and-take to go through this roller coaster phase.” The strength of the team is Plug and Play’s main selection criterion: “The team, the passion, the capability of building what they want to build, and the talent to pivot, to change as they go on.”

The Alchemist Accelerator takes three batches of startups per year, receives about 300 applications per cohort, and accepts approximately 17 startups per batch, so their acceptance rate is about five to six percent. They make use of a panel of judges (composed of alumni, mentors, and CEOs) to validate the startups’ business proposals. The selection criteria it uses, according to Danielle D’Agostaro, is “primarily team, technology and market opportunity, and whether a VC would back them or not. It’s very rare that we take solo entrepreneurs. Startup life is very hard and it is extremely difficult for one person to take on all the roles that are associated with it. The team needs to be technically strong and business savvy.” The age of team members varies but on average is late twenties and early thirties. “They tend to be in that early range where they are old enough to be wise and young enough to be dangerous. They are at that point in their lives where they think: ‘if I’m going to do something I need to do it now’ and that fire, that drives them.” The Alchemist Accelerator also has a strong international outreach, with 40 percent of its startup classes coming from outside the U.S.

Founders Space in San Francisco admits startups on a rolling basis and gets over 1,000 applications a year. Co-founder Naomi Kokubo recounts: “We usually accept somewhere between 10 and 20 startups in our program here in Silicon Valley, two to four times a year. But we also bring our program over to various countries such as Taiwan, Korea, China and other countries. We also have our co-branded space in Shanghai. In those countries our partners will do most of the selection.” Regarding the qualities that Founders Space is
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after: “Team is important, and we definitely want to have some technology element. The business has to be scalable, the market has to be big, and ideally there is already some traction.” Naomi emphasizes the importance of team composition. “In the team we want someone who understands the business inside out, who knows their market, their customers, and is able to carry the company through. That’s usually the CEO. We also want a technologist in the team, who understands the current technology and can actually build the product; and we want a design expert in the team who can make their product shine with greater user experience. And finally, it would be good to have someone who knows how to take their product to the market. It doesn’t necessarily have to be four different people; the CEO could take on more than one role.”

HAX aims to grow hardware companies and receives over 2,000 applications a year from which it selects 30 startups (spread over two batches). Selecting the best startup candidates is complicated according to Cyril Ebersweiler: “Because the hardware venture requires a very different scale and requires strong technical skills. But these skills are not what is going to make the venture successful. Our startup engineers will have to deal with suppliers, with manufacturers, with distributors. The communications aspect of the business is very important.” The recruitment procedure is further complicated by the fact that participants spend almost six months in HAX’s accelerator lab space in Shenzhen, China, to finalize their prototype and grow the business. Cyril notes that HAX seldom accepts solo entrepreneurs: “It is very rare; especially in the hardware industry you need teams. You have to deal with design, mechanical engineering, marketing, sales, communications, etc.”

TiE LaunchPad receives over 200 applications per batch for four to six slots. “We probably end up meeting with roughly 20 of those,” according to Prashant Shah. In describing TiE’s selection criteria, he says: “We are looking for the right idea, with the right market, and with the right team. We are investing money so we are looking for people who are dedicated to making the startup a success. We are doing enterprise, this generally requires some experience in industry. Most of the founders we talk to are first-time founders who left their jobs and somehow developed a great idea that might be an extension of what their company was doing or even something completely different.” Prashant also prefers teams over solo entrepreneurs. “And they know that they need help in all aspects of company building, everything from just the basics to how to run a board meeting all the way to how they find customers, how they find investors and crossing that.”
BootUP prides itself in creating a micro-ecosystem that combines all the good ingredients from the larger Silicon Valley ecosystem – “kind of the Amazon.com for startups” according to Marco ten Vaanholt. Finding startups that best fit the BootUP system is a major challenge. “So, we make time for everybody because that one ten-minute session could change their lives forever.” Marco aims for a smart ratio of 70 percent serial entrepreneurs and 30 percent first-time entrepreneurs, the underlying idea being that the first group can transfer knowledge to the second group. BootUP also invests in post-seed startups “based on the core philosophy of does the project enhance life, would you use it in your home, and does it change the way you and I live?” Marco also favors teams. “Teams are very important in the startup world. The earlier the startup, the more important team is. What we are investing in is basically team and idea. And the main question is: is the team going to execute the idea or not?”

Accelerator expert Lucas-Conwell points at the role of team composition: “I think the most successful startup teams are balanced in terms of experience and profiles, knowledge of the industry they are in, and deep understanding of what the problem is that they are solving. (...) I think that just guys isn’t healthy, just engineers isn’t healthy, and just twenty-year olds isn’t healthy either.” Susan is a mentor to company teams that participate in StartX, the Stanford-affiliated accelerator. Executive team member Brian Hoffman tells me that StartX gets about 1,000 to 1,200 applications a year and its acceptance rate is between eight and twelve percent. The rate of what Brian calls “intentional sourcing” of later-stage Stanford startups is higher and close to 50 percent. The regular admissions procedure is a lengthy online application involving many questions about the founders, their background, funding raised, accomplishments, etc. Applications are screened by a panel of judges from the StartX mentor and alumni community and corporate partners. About half of the applicants survive the first round and are interviewed in eight-minute sessions, where the focus is on the founders’ profile: “Are they passionate, are they committed, are they real entrepreneurs, will they walk through a wall, how does the founding team solve problems, what about team dynamics?” Half of them will come down again. The second round of interviews concentrates on the fit between the startup founders and the StartX community and culture, as well as the technical skill set. Like the other accelerators, StartX has a preference for founder teams. “We do take solo founders but anyone that applies as a solo founder there would at least be a flag raised and we will dig into the founder’s track record as an entrepreneur.”
The Babson College Summer Venture Program is very selective too, and accepts a maximum of fifteen teams. Applications are open to undergraduate and graduate students as well as to Babson college alumni. Recently, the program was expanded to Babson’s branch in San Francisco. The acceptance rate is lower than 25 percent. Cindy Klein-Marmer adds: “We actually have created side programs to help support those entrepreneurs that did not get into our summer venture program because it is so selective.” In evaluating applications, Cindy says: “We look at overall viability of the business idea, we look at traction, but at the core we look at team. We do accept solo entrepreneurs, which is unique compared to a venture-backed accelerator. In a way, our program is a precursor to such accelerators. We often will find folks building up their team while in our program, so having that ability for them to move with us and to understand who are the right team members and not just because they are classmates. So finding those folks who complement them, who feel their weaknesses.” Among the teams is a considerable number of female-led startups.

Samsung NEXT’s selection procedure directly flows from its growth philosophy “to find world-class entrepreneurs and help them grow their business from idea to product to scale”, according to Gary Coover. Their recruitment focus is on experienced entrepreneurs “who have gone through startups before and have hit familiar barriers that they either weren’t able to overcome or that they found to be incredibly difficult to overcome, and we can help them with that. Distribution is probable the best example. Samsung can really help here, as it provides access to the largest distribution platform in the world.” Samsung NEXT does not do cohorts or running a formal curriculum. Samsung NEXT’s chief selection criteria are: “Founding team, focus area, and market opportunity. Team: we want them to have experience together and success having built products before. Focus area: you can roughly call it frontier tech, e.g. AR, VR, machine learning, AI, data and analytics, autonomous vehicles and drones, IoT, that is probably a good start. And it is all software-focused. Finally, market opportunity: there must be a scalable market.” There is no standardized application process, but the process itself is akin to the seed funding model of any other Silicon Valley investor.

Some of the smaller high-touch, domain-specific, and niche accelerators are even more restrictive than their larger counterparts. The Fabric is a good example: “We are selective, very selective. We often deal with founders that we already know, who maybe work for large companies. They might be in their early forties, have gone from engineer to a director, and suddenly have this urge and say: ‘I have seen this done and my founders previously
made money, I am doing very well, I’ve reached this stage and my kids are in college and my bills are paid, I would love to do something on my own.” (Prem Talreja). For The Fabric, a good team and team culture are key too. “I’ll tell them: you will spend more time together than you will with your spouses. You better demonstrate that you like each other, you better demonstrate you are complementing. You better sign up to this that divorce is not an option.”

The Hive operates in a specific market with a strong focus on data-driven technologies. As a co-creation growth studio, it is not interested in massive numbers of applicants. Co-founder T.M. Ravi elucidates: “We are theme- and content-oriented. The main question is: what is the concept and is this a breakthrough concept? Does it lead to a large market? In The Hive, we build companies. We have the ability and resources to go out and find the best people in a particular domain and ask them to become a founder. Ultimately, we look for a unique concept targeting a large market and supported with a strong team with the ability to execute the concept.” In terms of the qualities The Hive looks for in team members: “Our entrepreneurs need to have that scrappiness, that passion and zeal to succeed, it is part of their psyche.”

Imagine H₂O, a non-profit niche accelerator, deliberately chooses to focus on a limited number of startups per year – ten to twelve – out of some 90-100 applications. Besides written material, applicants also submit a three-minute video in which they pitch their idea, team, and market strategy. Water experts are brought in to act as judges to look for evidence of market share, market segmentation, the pain point the team wants to solve, product-market fit, and the startup’s go-to-market policy. Tom Ferguson expounds: “One of the big things in water entrepreneurship is that there are lots of engineers who are fantastic at engineering but aren’t brilliant in the nuts-and-bolts kind of building and selling a business.” And it is precisely the ability to communicate that is extremely important. To which Tom’s colleague Nimesh Modak adds: “Because if you can’t sell your idea, no one is going to do that for you. Founder sales are incredibly important, especially in this business.” Imagine H₂O takes solo entrepreneurs but, as Tom emphasizes: “Solo is tough and should be tough. It sure is tough to sell to investors if you are a solo entrepreneur. Team is critical.”

Powerhouse is another high-touch, niche accelerator, one that is focused on accelerating solar startups. It takes four companies per cohort, and two cohorts per year. The selection procedure is invite-only. Emily Kirsch: “We invite about a dozen startups out of about 40-50 that are on our radar and have expressed interest, and we bring that down to four companies
that will do the program.” Powerhouse’s selection criteria are based on the ‘three T’ model: total addressable market, team, and technology. The order is vital according to Emily: “Because you can have the best team and the best technology in the world, but if nobody is going to buy your product, if there is no market opportunity for it, then it doesn’t matter.” Innovativeness is what Powerhouse is looking for, or what Emily calls “startups that are ahead of their time.” The ideal setup, according to her, is a CEO and a CTO, “and then, as they are with us, they can grow further teams from there.”

Cleantech Open receives between 200 and 250 applications a year and uses similar selection criteria. Ian Foraker notes that: “We look at team, technology, and market, and we have panels of volunteer judges who evaluate the applicants.” He estimates Cleantech Open’s rejection rate to be about 50 percent. And experience has taught the accelerator not to accept solo founders: “We have a rule that individuals are not allowed in our program. We found that among individual entrepreneurs, the chance they drop out or fail is much higher.”

At Women’s Startup Lab, a good example of a niche accelerator, the mission is to grow female entrepreneurs and help them build their business. It accepts nine women per cohort and runs three to four batches a year. Total applications are between 170 to 200 a year, although at the moment I interviewed CEO Ari Horie the accelerator was in the midst of a rebranding process and those numbers had fallen to around 80. Ari clarifies the target group of her lab: “As we are founder-centric, it is important that female entrepreneurs who want to participate in our program are open, coachable, super-talented, stand the power of our hito philosophy, want to be part of our collaborative, believe in giving back to the community, and see themselves as role models for the next generation.” Ari underlines the importance of founder qualities such as tenacity, coachability, and authenticity to drive ideas, performance, and success. “We don’t believe in just money.” With regard to teams versus solo founders, Ari has an interesting perspective. “We at Women’s Startup Lab want to be the founders’ champion; we want to be the village to support female entrepreneurs. There are unique invisible challenges that women founders face, and we relentlessly try to find solutions. We train our founders to overcome these challenges so that they can focus on building their startups rather than dealing with societal and cultural issues that hold back women leaders to succeed. The whole point is creating the formula that works for women.” The Startup Lab focuses on empowering individual female entrepreneurs rather than on teams.

In my interviews, I also asked accelerating platforms how they select their tenants. GSVlabs’ startup selection process is network-based. Marlon
Evans: “We do no outbound marketing. All of our startups come to us from referrals through our mentor network and our investor network. We are a little bit later stage and look for companies that have some seed funding, some traction in the market, which gives us external validation of their product. We look at the people, the product, the potential, the opportunity, and the predictability of the revenue.” Mindset is critical, too. “We are only as strong as our community. If you don’t have that kind of open willingness to share with others, then likely you are not going to be successful here.” GSVlabs’ entry policy is a rolling admissions and selection process that boils down, according to Marlon, to two questions: “Do we think the startup is a good fit and do we have space?” It recruits internationally, with over 20 countries represented.

Runway, the San-Francisco-based incubator and co-working space, looks at fit and entrepreneurial qualities. Matt Walters notes, “We have to be very successful about who we bring in here because they are affecting everyone else. People with a good attitude because we are all working at open spaces. We look for entrepreneurs we think are going to be successful. Team, attitude, background, product, traction, investors, are all important criteria.” Regarding teams versus solo entrepreneurs, Runway is very explicit: “Usually it is individuals who have ideas but teams who have businesses.” Runway gets about five to ten applications a week and admits around ten percent of its applicants.

Prospect Silicon Valley is a technology demonstration center that receives about 75 applications a year; the rejection rate is around 60-75%. Founder Doug Davenport points out that his clients “need to have credible technology, financial stability, leadership skills. (...) We’re not evaluating them as potential investment but on how compelling their solution is, how this is going to be perceived by stakeholders, by venture investors, and by the public. Is it a company we can work with? Can we help them? We don’t do batches or program cohorts. Each of our companies is unique.” Prospect’s admittance policy applies three selection criteria: applications must fit their area of focus and have a prototype ready for customer demonstration, and the technology must be focused on B2B or business-to-government markets.

Hacker Dojo’s model is based on co-working space and low-cost membership. True to its image and cultural background, it has an open non-restrictive admission policy, as Jun Wong emphasizes: “There is no selection process or judgment. You just sign up online. It’s a self-service system. It’s an open source, it’s a shared space. We don’t even have fixed desks.”

At RocketSpace, founder and CEO Duncan Logan was forced to pivot the admissions policy in order to cope with the abundance of startups
approaching the accelerator. “We get over 35 applications a week, so we needed to make the selection process a lot easier. The rule is: ‘if you haven’t raised funding, then you’re too early’. So if you are invested in by Andreessen or Sequoia or Greylock, great VCs or great angels, then we’re like: ‘well, that’s easy, you’re straight in.’” RocketSpace clearly leans towards selecting startup teams over solo founders: “It’s all teams. (…) You need an impressive, exceptional CEO. You need an impressive leader. You need an exceptional team, a very motivated team.” Or, as written on RocketSpace’s website: “Isolation is not an option.”

To conclude, Silicon Valley accelerators are very selective in their admissions policies. This holds true for for-profit as well as non-profit accelerators, for general as well as domain-specific and niche accelerators, and for low-touch as well as high-touch accelerators. In most cases, the recruitment criteria are clear: strong team, strong technology, ample market opportunity. Having traction also helps. There appears to be a general consensus about the importance of teams in startups ventures. Startups that lack a strong team will simply not survive, even with great technology, even with great market prospects. As Reid Hoffman, co-founder and former chairman of LinkedIn, summarizes: “Everyone in the entrepreneurial community agrees that assembling a talented team is as important as it gets.” (Hoffman & Casnocha 2012: 83)

**Mentoring**

The coaching offered by Silicon Valley accelerators is one of their most salient and most consistent features. Mentors are typically serial entrepreneurs – often former startup founders – who have the right experience, competences, and networks to coach startup teams in the early and very challenging phase of their new venture. They know the pitfalls and frustrations of founding a startup and its numerous trials. Effective mentors speak the startup’s business language and are able to identify with the founders’ way of thinking. They have “been there, done that”. They know the hard times.

Nearly all of my interviewees are startup mentors in their accelerators, either as executives of their mentoring programs or as one-to-one mentors to the startups participating in their accelerator. This last role is particularly prevalent among the smaller accelerators. A good example is Tandem, the hardware and software accelerator focused on mobile. Sunil Bhargava describes it thus: “You can think of us as extending your team; we’ll be
part of your team. It’s not only about advice, it’s about execution; we get our hands dirty.”

The same is true for The Hive, where T.M. Ravi explains: “We collaborate with our entrepreneurs to really add management and entrepreneurial bandwidth to the startup team. It is important that the startup founders become the soul of the company. They are the ones that have to run the company 24/7 for the next many years, and we can only advise, mentor, and guide them. That’s our role.” Prem Talreja at The Fabric, compares startup team mentoring to the parent-children relationship: “It’s like children, right? Initially they are dependent on you for everything, and then they get to the age that they want to be on their own and leave home.”

Experienced startup mentors are the pillars of an accelerator’s micro-ecosystem, and there appears to be no shortage of them. The Silicon Valley mentor pool is impressive. Co-founder and managing partner Marco ten Vaanholt of BootUP reveals: “We have access to over 800 serial entrepreneurs. They are always on the lookout for their next grade and get to work with the startup for about six months. They might complement the team if they feel there is a good match and that they can help scale up the company. We also look at how we can complement the startup with additional executive talent. To beef up the executive team is good for two reasons. One is the experience and knowledge factor; the second is on becoming more investable. It’s all about ‘de-risking’ the investment at all times.”

TiE LaunchPad also makes use of a large supply of mentors: “We have roughly 350 mentors in our organization. Part of our six-month curriculum is that we allow our startups to pick their mentor. During the time they are in the program they have a dedicated one-to-one mentor they can rely on. Between the mentor and myself we figure out what the resources are to draw through the TiE network.” (Prashant Shah). Mentors may be former entrepreneurs but also former investors. Says Prashant: “A lot of our mentors were actually investors themselves, either as angels or as VCs. TiE has been doing mentorship for 20+ years.”

The Alchemist Accelerator also draws from a substantial mentor pool. Danielle D’Agostaro: “We have over four, five hundred mentors in our network. Most of them are all doing it pro bono; they are doing it because they want to give back, work with the startups, get their name out there as a tough expert to the startup community, and so they use the Alchemist as that channel.”

StartX recruits its volunteer mentors from Stanford faculty and alumni: “Our optional mentoring programs take at a high level with different forms. One is that we called our lead mentors. These are serial entrepreneurs that
have seen the arc of at least two companies as a founding member. They are startup team coaches that are there to help with co-founder issues, the loneliness of starting a new company, and with coping with day-to-day business pressure. It’s the closest type of mentoring. The second type of mentoring we do is company mentoring. Startups get a mark board of advisors during the 10-week program period and they meet with them in board style. Members are called advisors. So, mentors are here to help you as a person, advisors are here to help you as a company. And the final type of mentoring is experts: people in our Stanford network that are domain specialists.” (Brian Hoffman).

The Babson College accelerator is embedded in a firm coaching environment. Says Cindy Klein-Marmer: “We have dedicated mentors and dedicated advisors at each stage in our accelerator and those are traditionally adjunct faculty or full-time faculty here at Babson, very much on a part-time basis but it’s an active role that they are playing.” Internal Babson advisors are financially compensated; mentors are not. External mentors play a significant role in the Babson accelerator. As Cindy clarifies: “Mentors are not paid and so we end up getting a lot of external mentors who are volunteering both because of their own interest, intrinsic value and reward that they are getting out of it but also because of a desire to get more engaged with Babson.”

Startup 500 has an interesting internal coaching scheme. Its program is on accelerating development and growth, and it creates an in-house ‘distribution team’ consisting of previous marketers and sales people. Elizabeth Yin explains: “We pair every company with someone from this distribution team for setting up, for instance, an outbound sales process, or we pair them with an online marketing expert. We give every startup two coaches: one on customer acquisition and one on fundraising. These coaches are paid for, they are on our payroll, but they can be fired at any time. The idea is that these coaches help our companies to grow during the four-month program. Ideally, a company comes in here and they can double or triple their revenue in this period. That’s a great story for fundraising, of course.” Careful pairing, according to Elizabeth, is essential. “Not every coach is going to be a good fit for every company.” A good accelerator reputation also helps, of course, to attract mentors. Naomi Kokubo of Founders Space admits that “it is very fortunate that Founders Space is well known. We get a lot of people asking to be a mentor.”

Finding the right match between mentor and founder teams is crucial. As accomplished startup mentor and Silicon Valley expert Susan Lucas-Conwell asserts: “There needs to be a match in personality. There needs
to be an openness on the part of the startup team to be really interested in mentorship, otherwise it is a waste of time. There needs to be mutually agreed-upon added value. Where I can generally provide value is around business strategy, strategic partnerships, and working place culture. I have mentored consumer goods companies, digital health companies, not-for-profits. And I have a long history of mentoring women’s startups.” Why is mentoring important to Susan? “I am interested in new developments. Keeps you sharp. Interesting startups that maybe one day will grow. (…) It is not necessarily about raising money, it is about ‘wow, they’ve got their act together’. They have actually moved forward, they have progressed. So, from whenever I started and wherever I ended, they’ve actually moved forward.” Seeing startups grow is clearly a gratifying experience.

Ari Horie of Women’s Startup Lab emphasizes the need for the right match between her mentors and the mission of her accelerator. She focuses on building a team of advisors and mentors with real-world entrepreneurial experience. “Some consultants only have a theoretical understanding by being around startups but they have never been an entrepreneur. Nine out of ten of our mentors and advisors are serial entrepreneurs or investors themselves. They understand how hard it is to start and run a business and the challenges that founders face. They also have an amazing network and they mentor female founders because they want to make a difference. They want women to be successful. They believe in you.” Women’s Startup Lab has both female and male mentors. Ari shares an intriguing observation in this respect: “I noticed that 95% of our male mentors have a daughter.”

The mission-driven Cleantech Open accelerator works with assigned mentors from a pool of about 250 volunteers. Ian Foraker, executive director, states that “we have a great mentorship culture in the Bay Area. The value of the mentorship is proportional to the richness of the ecosystem. It’s really robust. So it’s easier to get volunteer mentors here. They are contributing, giving back, helping an important cause.” Much of Cleantech Open’s mentoring is by mentor calls coupled with one-to-one business clinics, bootcamps, and webinars. “Mentors may be nearly retired, subject-matter experts; they may be in current transition; they may be consultants. They are asked to sign up between two to four hours a week over the course of the summer to meet with their startups teams.”

For Imagine H₂O, mentoring is a crucial part of their accelerator program; “coachability is key” according to Nimesh Modak. “We have a core group of mentors that have been doing it year after year. They have very specific skill sets that match up to our mission. They dedicate probably ten to twelve hours a year. It all comes back to our mission. They look at what we are
doing and say: you know what, you are right. Water is crazy, difficult, but terribly important. We get constantly requests from people to join our judging panel." Colleague Tom Ferguson explains what it is that mentors offer: “They take the process of starting a company very seriously. And that’s everything from improving your pitch act, to how you are feeling as head of a new company, and let’s talk through some of the human stuff that’s going on, the pressure, cash flow issues, the need to deal with investors, making difficult hiring decisions, firing people. All the stuff that keeps startup founders up at night.”

Powerhouse, another niche accelerator, has a mentorship model based on facilitating linkages through network events. Emily Kirsch: “By organizing workshops, signature events, guest speaker presentations, we give our startups every opportunity to meet a potential mentor, and we let the mentor decide who they want to work with. There is a lot to be said for people self-selecting who they want to engage with on an ongoing basis. Everyone is adult, everyone is really ambitious, and that’s why they are here in the first place.”

Accelerators that are primarily focused on creating an inspiring environment for startups and some basic facilities – e.g. based on an office-renting model – have a looser, more informal mentor approach. Hacker Dojo is a good example. Jun Wong notes that “the process is quite organic, similar to how Sand Hill Road or downtown Mountain View came about. We try to make this an open space where people can come in. Mentors will naturally be around. We are very early stage. When teams are ready for the next stage, they’ll use other services in the Valley. There is a lot of mentorship in this area.”

Marlon Evans of GSVlabs calls volunteering mentorship “the secret sauce of Silicon Valley”. He goes on to explain: “We have 130 mentors that have all signed up to volunteer. They are not being compensated for their time, they just want to pay it forward because somebody helped them along their career too and they want to help others. We ask for two or three hours per month.” It is not all altruism, of course. “Some of them have gone to spend a lot more time, become advisors, get equity in the company. But that’s all up to them.” Mentor recruiting is not a real challenge for GSVlabs: “We have no issue in finding mentors. For some niche areas, we may need to do some scouting. In fact, companies come to us and say, hey, we are an IT company, and we have employees that would love to be helpful to your community.”

Runway has similar experiences. Matt Walters relates that “I find it is relatively easy to get someone to be a mentor. A lot of it comes down to commitment level. Some mentors have a dedicated station here in Runway
and they are helping teams organically. Some come in once a month, stay with us for some time and have office hours. We post it on to everybody, and startup teams sign up for meeting with the mentor and work with them. I think it works well. We are not over-burning the mentors. It’s all on a voluntary basis.” Matt is a mentor himself, for example as a coach for startups teams that are fundraising. “We will sit down, go through their pitch deck, slide by slide. (...) VCs see so many deals that are constantly pitched that you really need to get to the point of your value proposition immediately. In the first 30 seconds you earn the next five minutes of their attention.”

Pitching is important in the early stage, while sales determine a startup’s survival chance. Effective accelerator mentorship centers around customer response and take-up. Sunil Bhargava of Tandem is clear about what he thinks is the most important factor: “In one sentence: it’s all about getting traction. The first thing is to sit down and really define some clear metrics that are going to be measured, to try some experiments that will lead to proof or disproof of the thesis whether to go to market. We first try to establish demand. Often what we find is that the cost of acquiring customers is too high or the experiments aren’t quite right. Then we have to go back to the drawing board and say okay it is a small change or it is really short and does not work.” Sunil’s mentoring method very much resembles the lean startup model developed by Eric Ries described in chapter 2.

Silicon Valley accelerators, in short, are all about mentoring. This conclusion is aptly put by Duncan Logan of RocketSpace: “The Valley ecosystem, you know, is such that here everyone, everyone is a sort of mentor.”

Conclusion

Taking a helicopter view, it becomes clear from my findings that stringent selection and close mentoring are key ingredients of the success formula of Silicon Valley startup accelerators. The admission bar is set high, and founder coaching is pivotal. Selectivity and mentor involvement are fundamental accelerator characteristics. The smaller, for-profit accelerators are most selective in their admissions policy, and they excel in hands-on startup coaching. Getting into a highly selective and reputed accelerator is a great launch pad and increases a startup’s chances for next-stage funding. How do accelerators select? The short answer is: team, technology, and market. Most accelerator executives look for strong teams with complementary founder skill sets as well as passion, drive, energy, and perseverance. Accelerators
favor founder teams over solo entrepreneurs, as they believe that growing a startup is a team effort. A good fit between technology and market is absolutely imperative. The better the scaling opportunities, the higher the startup's chances of being admitted to the accelerator program.

The smoothly operating mentor system at Silicon Valley accelerators amazes many European visitors. Giving back to the community, in this case to the startup community, is part of the Valley's DNA. All my interviewees state that finding mentors is not a problem. Most of them are experienced entrepreneurs, many of whom have founded several startups. The large pool of mentors and coaches is remarkable, and in the early startup phase they offer their services for free. It would be naive, however, to conclude that the mentor system is purely altruistic. Mentors have an incentive to be linked to promising startups with scaling potential. Still, the entrepreneurial force of the prevailing Silicon Valley culture of voluntary mentoring is extraordinary.