

The Future of Accelerating Innovation: Evolving Models, Success Factors and Policy Implications

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Executive summary

The 8th Oxford Entrepreneurship Policy Roundtable (OXEPR) was held on May 5th, 2023, at the Saïd Business School, University of Oxford. The central question concerned the future of accelerating innovation.

In recent years, the accelerator movement has experienced significant changes. The entry of new accelerators has slowed down, and there has been an increase in the number of accelerators exiting the market, resulting in a number of structural changes. The roundtable therefore explored trends in the accelerator movement, such as the rise of investment-based accelerators, industry-focused accelerators, and university-based accelerators. It also delved into talent accelerators that attract top talent and foster the formation of new founder teams. A variety of corporate innovation approaches were also considered. Moreover, venture builders or venture design studios seem to be on the rise. They are pioneering a differentiated approach to accelerating venture creation, specialising in launching new ventures within a small thematically focused organisation.

This summary reports the main themes of the roundtable. While the aim was not to have specific conclusions or recommendations, discussions converged around the following points:

- The acceleration process involves four crucial elements: problem identification, innovative solutions development, entrepreneurial talent, and venture funding. Different acceleration programmes prioritise these elements in various sequences, leading to diverse practices. Hence there is increasing specialisation by industry and acceleration method.
- Innovation acceleration initiatives inherently address market failures and, as a result, are often net negative present value initiatives. However, there are positive externalities, making the case for government intervention.
- The traditional accelerator model must evolve. Some accelerators have successfully transitioned to a fund investment model, but many others are struggling to find sustainable business models. They continue to require financial support, mostly from corporations, philanthropic donors, and governments.

- Talent accelerators serve specific profiles of entrepreneurial talent and support their entrepreneurial journeys and outcomes. They attract top talent by offering modest stipends and investing in graduating companies. Differentiation is key in talent acquisition. A thematic focus can help to attract founders with a common mission.
- Corporate acceleration programmes are increasingly focused on aligning innovation with strategic corporate goals. This often favours more flexible shorter-term engagements over long-term large innovation commitments.
- University-based accelerator programmes find their place within existing technology transfer processes but devise novel approaches to leveraging university talent and resources.
- Venture builders and venture design studios are a relatively new phenomenon with no agreed definition or business model. They generate their own venture opportunities and develop the venture through the early stages, with a view to de-risking technology and market fit. They usually hire management teams at a later stage and aim to retain substantial equity positions.
- There is no 'silver bullet' model that works for accelerators and venture builders. Similar to the start-ups they support, accelerators and venture builders need to clearly define their customer profiles and build compelling value propositions. Their business models constantly change, adapting to an ever-evolving innovation acceleration landscape.