

Acceleration in the Andean Region

Initial data from the Global Accelerator Learning Initiative

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Background



Since 2005, hundreds of accelerator programs have emerged around the world, with funding from governments, corporations, and private foundations.



Funders are investing in these accelerators for their potential to grow successful ventures, create jobs, and build investor pipeline.



Despite this interest, we knew little about accelerator effectiveness or how differences across programs influence venture performance.

To address this gap, Social Enterprise @ Goizueta at Emory University and the Aspen Network of Development Entrepreneurs (ANDE) launched the Global Accelerator Learning Initiative (GALI) in collaboration with a consortium of public and private funders. GALI builds on the Entrepreneurship Database Program at Emory University, which works with accelerator programs around the world to collect and analyze data from the entrepreneurs that they attract and support.

Background



The Entrepreneurship Database Program collects information from entrepreneurs when they apply to accelerator programs. These entrepreneurs, both those selected and not selected, are then surveyed annually to gather valuable follow-up data.



This report summarizes application data collected from ventures operating in the Andean region that applied to participating accelerator programs between 2013 and 2018.



The observations in this data summary are based on 873 early stage ventures located in Colombia, Ecuador, and Peru, from a full sample of 19,418 ventures operating across the globe.

Note on the dataset: Sample excludes duplicate application surveys, surveys with too much missing information, and surveys from entrepreneurs who declined to share their application information with the Entrepreneurship Database Program. Financial and jobs-related questions focus on prior calendar-year data, in other words, on business results from the year before applying to acceleration programs.

Note on benchmark groups: This summary often compares data from the Andean region to “Latin America” and the “Global Sample”. The global sample includes the entire dataset of 19,418 ventures, which primarily operate in Latin America & Caribbean (34%), Sub-Saharan Africa (26%), USA & Canada (22%), and South Asia (11%). Ventures in the Latin America sample primarily operate in Mexico (36%), Chile (17%), and Brazil (13%).

About the data

This summary includes information from 873 ventures operating in the Andean region, that applied to one of 53 acceleration programs between 2013 and 2018.*



*24 accelerators contributed data from 53 programs, including programs that operated in the Andean region and others that operated elsewhere but received applications from ventures based in the region.

Venture locations

These ventures operate in 3 countries in the Andean Region.*

1	Colombia	513
2	Ecuador	224
3	Peru	136



*The GALI survey asks ventures "Currently, in which country is your venture's main operations?"

Key Takeaways

Over half of Andean ventures reported revenue and employees

At the time of application to an accelerator, ventures in the Andean region were more likely to report revenue and employees in comparison to the broader Latin America region and global sample.

Ventures most commonly raise philanthropic capital

Nearly 25% of Andean ventures had raised philanthropic capital by the time they applied to an accelerator. The least common type of financing was equity (reported by only 15% of ventures prior to acceleration).

Over 50% of Andean ventures have a woman on the founding team

Just over half of Andean ventures have a woman on the founding team, but only 12% have all-female teams (in comparison to the 47% with all-male teams).

Networking is a key need among Andean ventures

Andean ventures most commonly listed network development as the top benefit they hope to gain through acceleration.



Dive into the data



Business structure and age

Most ventures are for-profit companies, with a median age of 2 years.

681 (78%)
For-profit company

Median age:
2 years

98 (11%)
Non-profit

Median age:
3 years

53 (6%)
Other

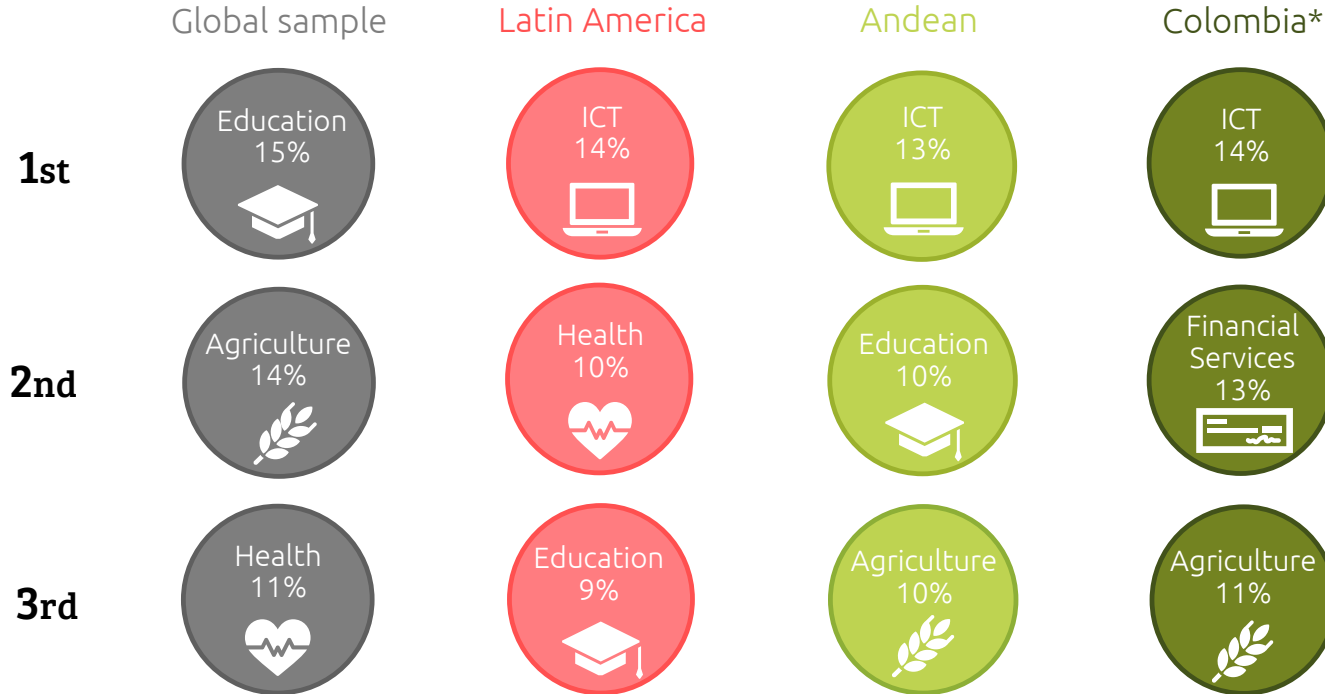
Median age:
1 year

39 (4%)
Undecided

Median age:
<1 year

Top sectors

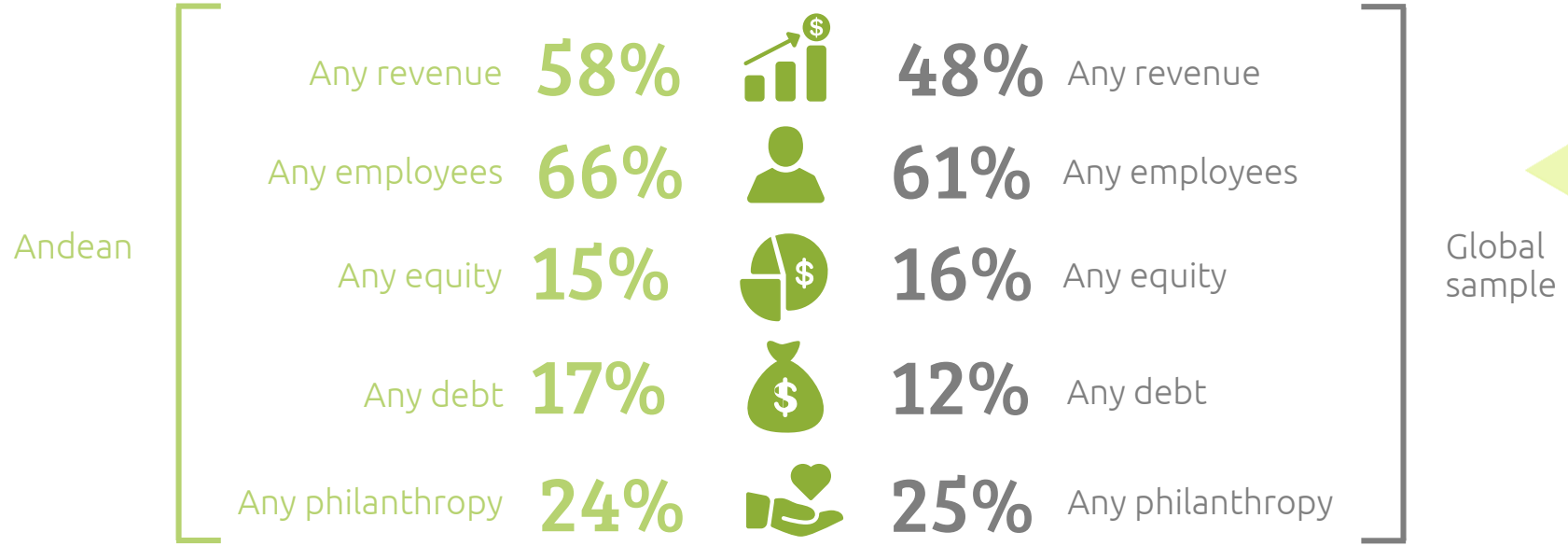
The most common sector for Andean ventures was information and communication technology (13%). The least common were infrastructure/facilities development and water, each with only 2%.



*Where possible, this summary highlights data from Colombian ventures. Peru and Ecuador are not highlighted due to their limited sample sizes.

Venture performance

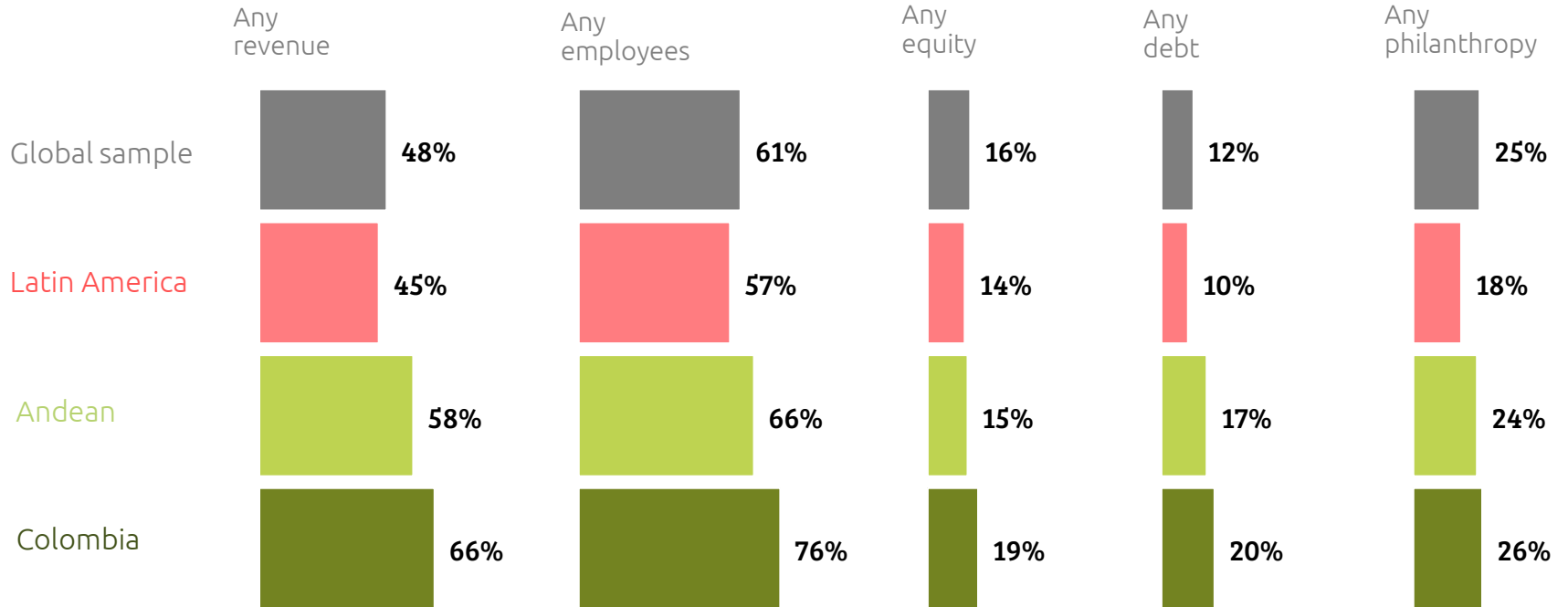
At the time of application, most ventures had earned revenue and hired employees, but fewer than half had raised funding. Compared to the global sample, Andean ventures were more likely to report revenue, employees, and debt.



Note: these data represents performance in the year prior to application to an accelerator program

Venture performance by region and country

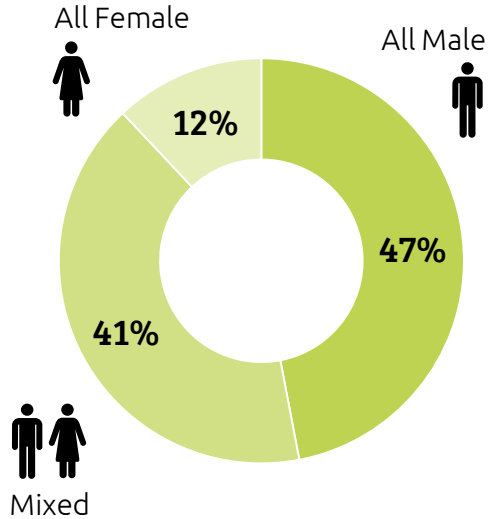
Colombian ventures more often reported revenue, employees, and investment relative to the regional and global benchmarks. Three quarters of Colombian ventures reported having hired employees at the time of application.



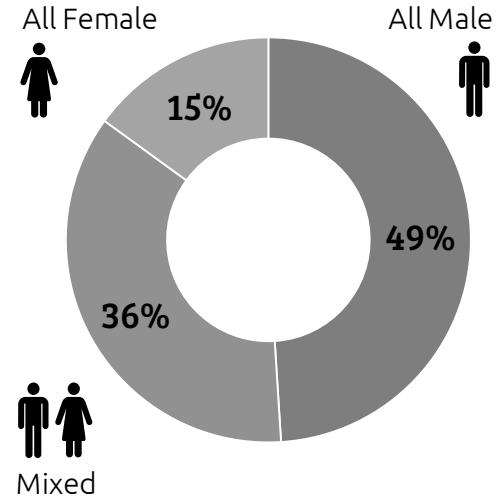
Founding teams by gender composition

Just over half of the ventures in the Andean region include at least one woman on the founding team (53%), similar to the global sample (51%).

Andean sample



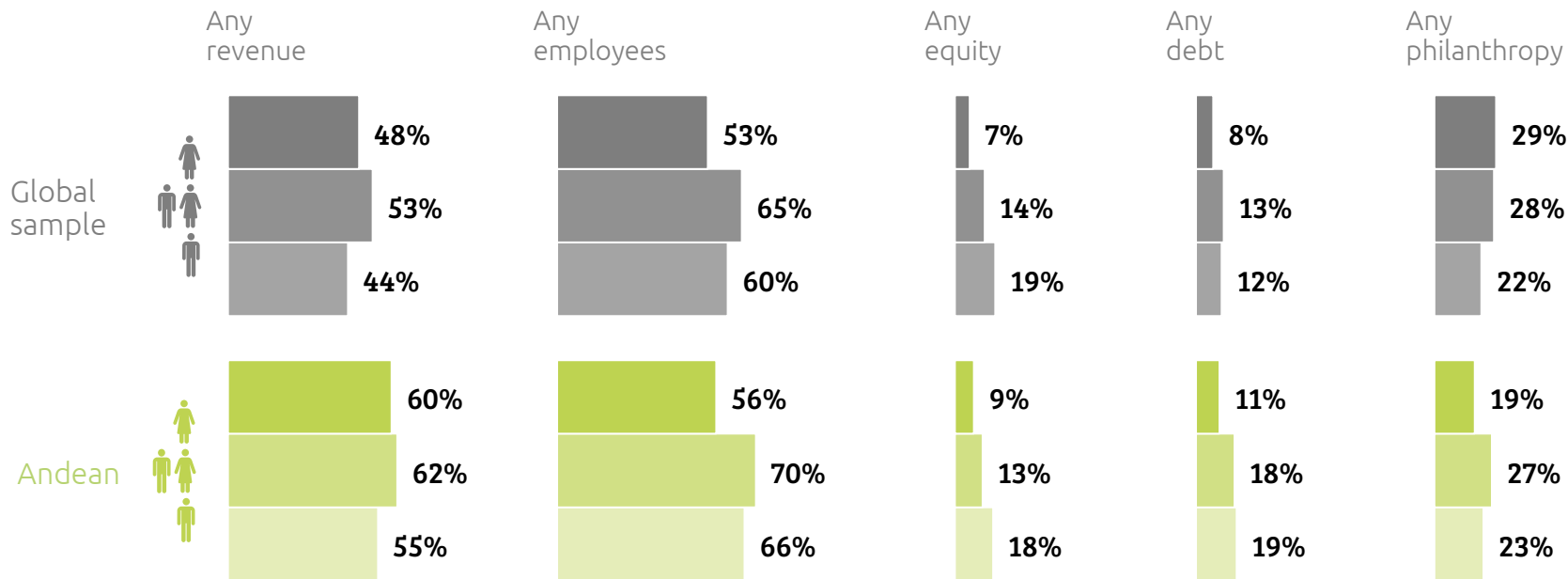
Global sample



 All Female  Mixed  All Male

Performance by gender

Ventures with women on the founding team were more likely to report revenue, but less likely to report equity in comparison to all-male teams. Andean ventures with all-female teams were more likely to raise equity than all-female teams in the global sample.

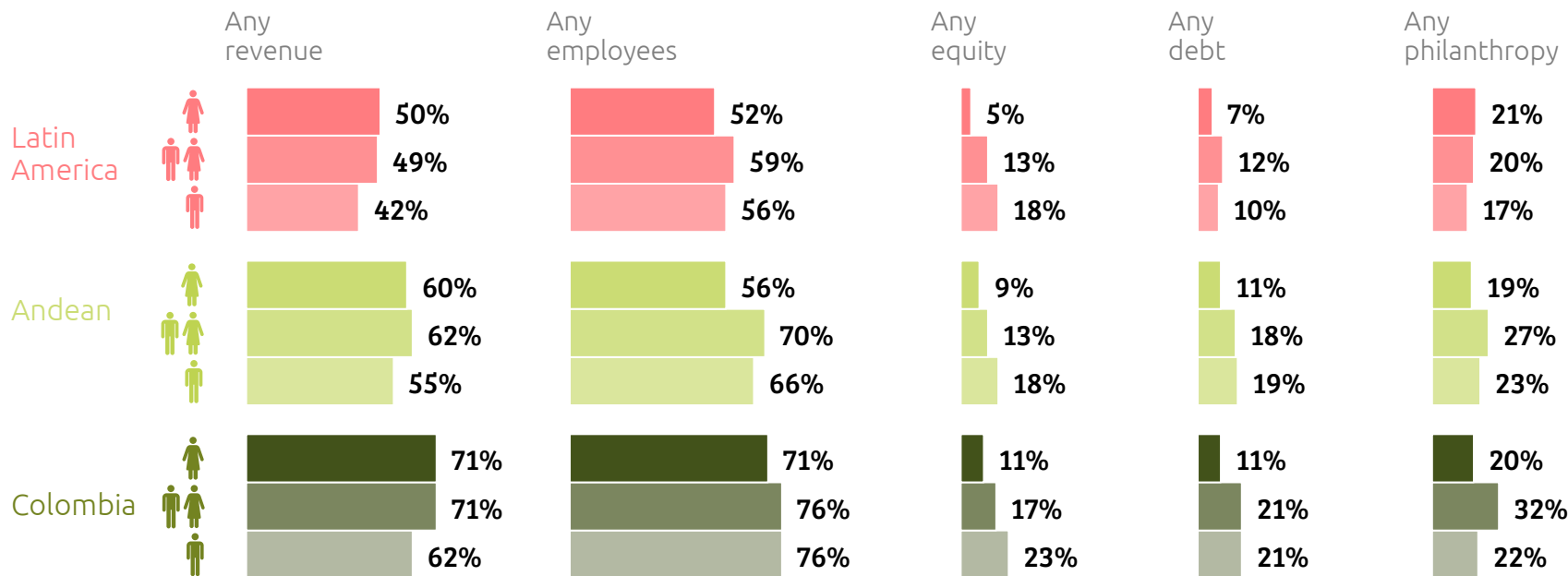


All Female
 Mixed
 All Male

Percentages reflect the proportion of the sample that has raised any revenue, employees, or investment at the time of application.

Performance by gender and region

Colombian ventures with all-male teams were equally likely to raise equity, debt, or philanthropy. Teams with women were most likely to have raised philanthropic capital upon application to an accelerator, and face a clear deficit in equity and debt fundraising.

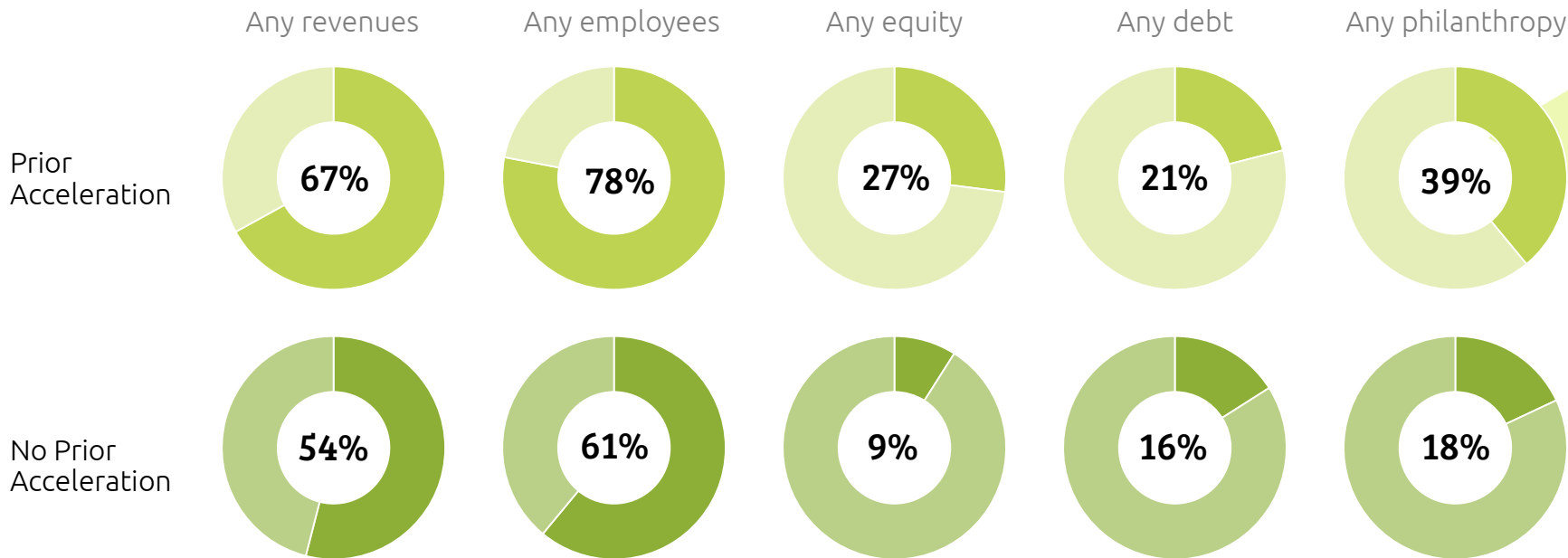


All Female
 Mixed
 All Male

Percentages reflect the proportion of the sample that has raised any revenue, employees, or investment at the time of application.

Prior acceleration

31% of Andean applicants had previously participated in an accelerator program before applying to an accelerator in the GALI database. These ventures were more likely to report revenue, employees, and investment.

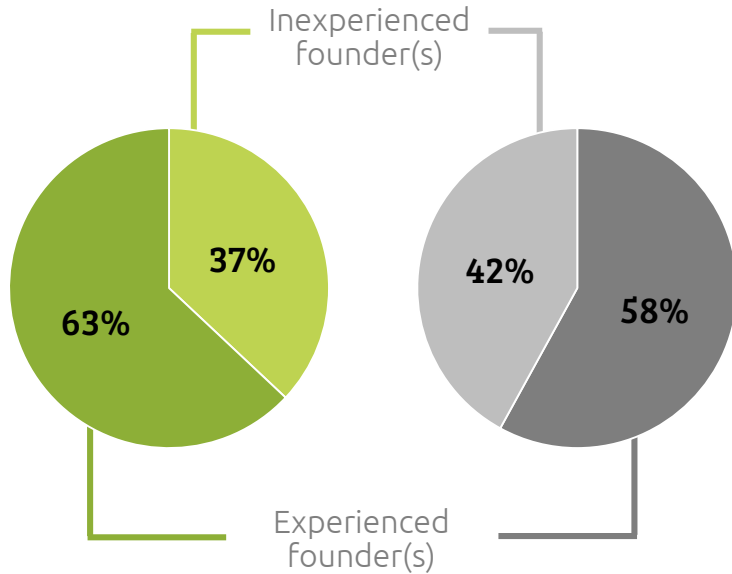


Percentages reflect the proportion of the sample that has raised any revenue, employees, or investment at the time of application.

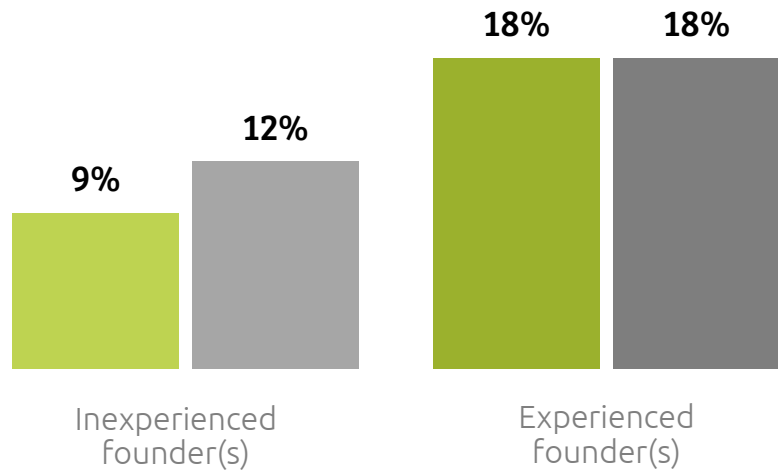
Prior entrepreneurial experience

63% of Andean ventures have an entrepreneur on the founding team that previously founded a different venture, and teams with this experience were more likely to report revenue, employees, and equity investment at the time of application.

Previously founded a venture



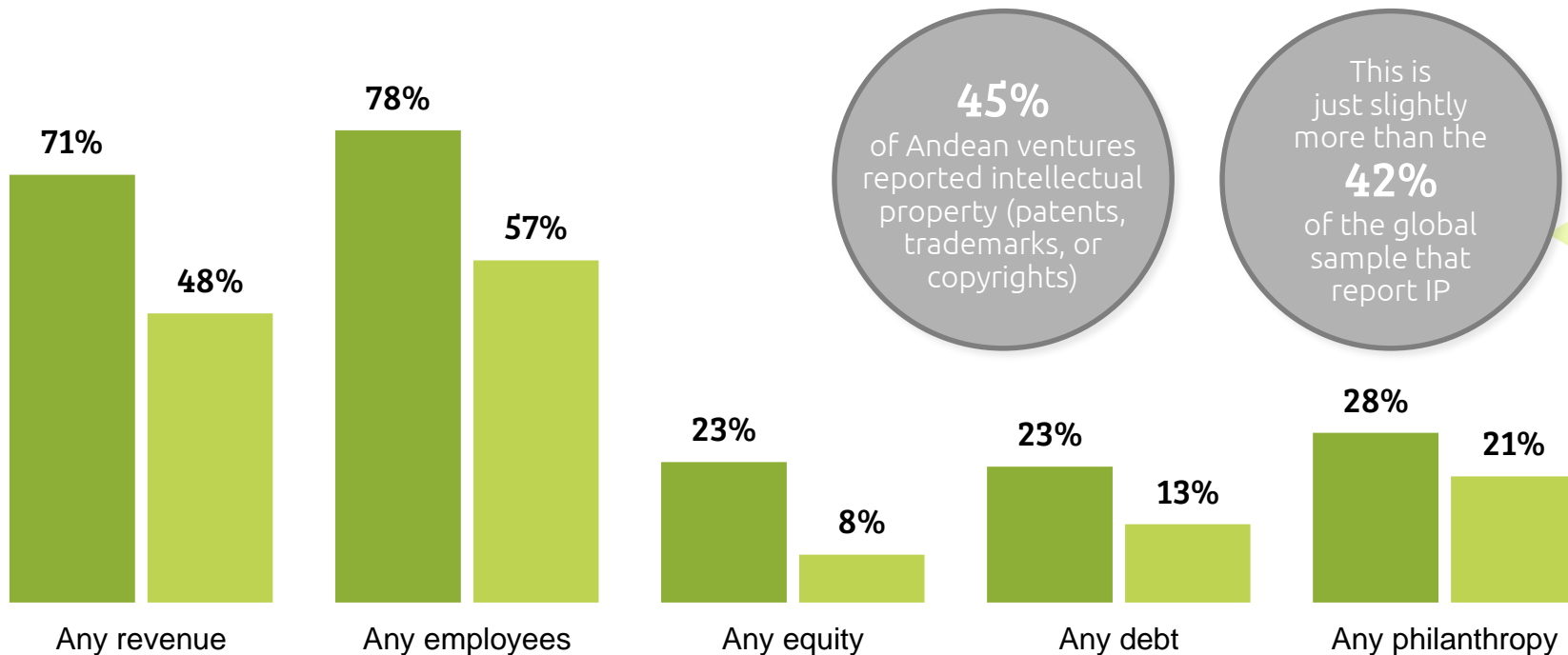
Founder experience and equity raised



● Andean ● Global sample

Intellectual property

Andean ventures with intellectual property were more likely to report revenue, employees, and investment.



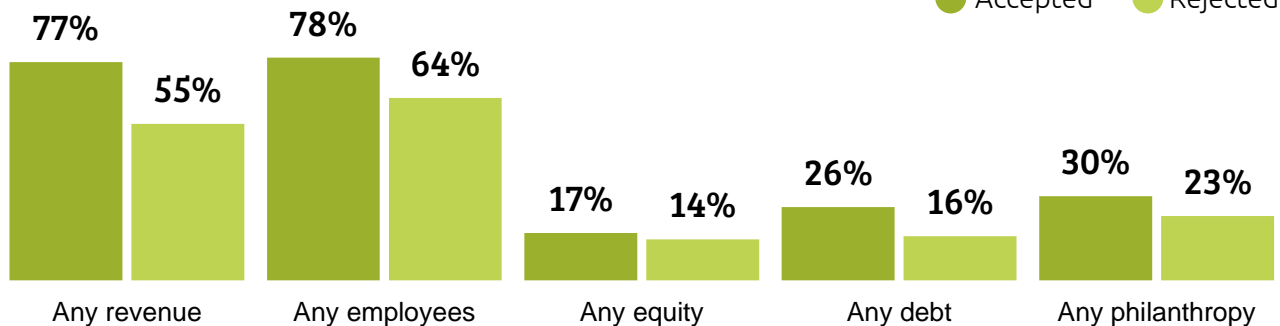
● Has IP ● No IP

Percentages reflect the proportion of the sample that has raised any revenue, employees, or investment at the time of application.

Accelerator selection

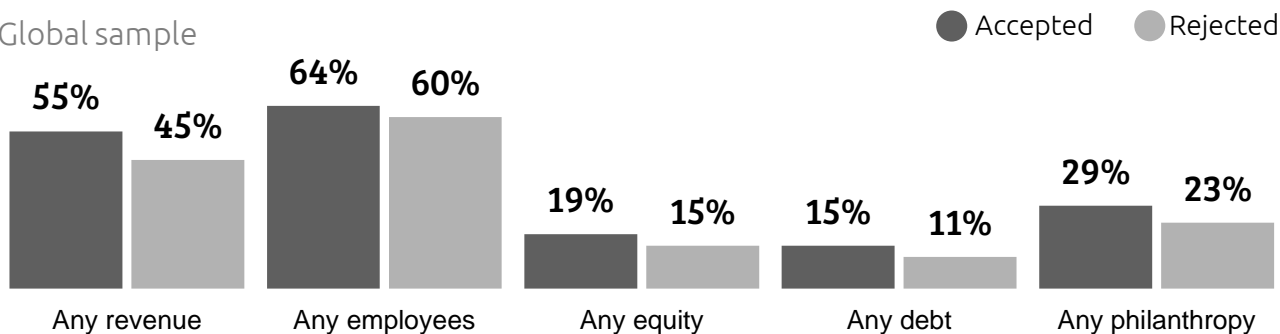
16% of Andean ventures were selected and participated in a program.

Andean



Ventures that were accepted into an accelerator program were more likely to report revenue, employees, or debt at the time of application.

Global sample

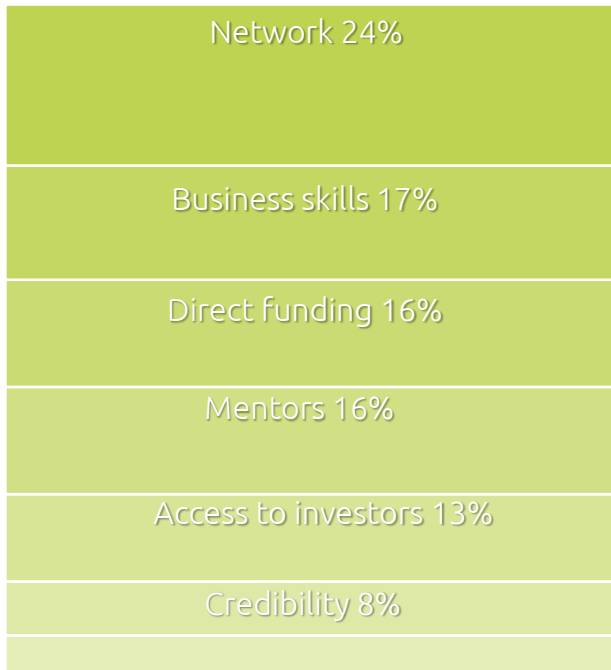


Compared to the global sample, revenue, employees, and debt were stronger indicators of accelerator selection among Andean ventures.

Benefits of acceleration

Networking, business skills, and direct funding were most often ranked as the most important benefit Andean ventures hope to gain from acceleration.

Andean



Global sample



Direct funding through acceleration is less often a top priority for Andean ventures in comparison to the global sample.

Only 6% of the Andean sample and 4% of the global sample ranked **access to fellow entrepreneurs** as a top desired benefit.

To learn more about GALI, please visit www.galidata.org



Global Accelerator Learning Initiative



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