



The Mission Comes First: Exploring the Mechanisms of Organizational Sponsorship for the Acceleration of Social Start-Ups

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Abstract

A significant number of incubators and accelerators have emerged to support start-ups aiming to solve societal or environmental problems. However, there is still limited understanding of how these ventures perceive the value proposition of incubators and accelerators – and whether their support needs differ from conventional start-ups. This study uses the framework of organizational sponsorship to explore the acceleration of social start-ups. It is based on in-depth interviews with the founders of 10 start-ups from an impact-oriented incubator in Duisburg, Germany. Through an inductive case study, this research generates three main insights. First, the social-mission focus of these ventures leads to significant differences as compared to commercial ventures. Second, social start-ups profit more from intangible resources such as social capital than from tangible resources such as seed funding. Third, incubators and accelerators need to adapt their offerings to address the needs of social start-ups. This study presents the first systematic assessment of incubator and accelerator services from the perspective of social start-ups. Its main theoretical contribution is to extend the organizational sponsorship framework by proposing a novel support mechanism: impact acceleration.

Keywords: Business incubation; start-up accelerators; social entrepreneurship; social start-ups; organizational sponsorship.

1. Introduction

The history of social entrepreneurship dates back to the 1980s – as do initiatives to support it. The Ashoka Fellowship, called “the pioneer of the accelerator model” (Pandey, Lall, Pandey, & Ahlawat, 2017, p. 3), started to support social entrepreneurs in India in 1981. The world’s first impact accelerator Echoing Green opened in London in 1987 (Casasnovas & Bruno, 2013, p. 185). In recent years, the popularity of social start-ups – early-stage ventures performing a commercial activity in pursuit of social goals (Doherty, Haugh, & Lyon, 2014, p. 420) – has increased significantly. Several new programs, academies, and coworking spaces have been created to support the incubation of early-stage social ventures (Miller & Stacey, 2014).

The shift towards social impact has been particularly noticeable in the German start-up ecosystem. The German Social Entrepreneurship Network spun off from the German Start-up Association in 2017 (www.send-ev.de). Germany’s primary start-up conference Bits & Pretzels chose “impact” as its motto in 2019, with social entrepreneurs on stage during

its opening ceremony (Bruckschlögl, 2019, September 29). New accelerator programs such as Respond (www.respond-accelerator.com), F-Lane (www.f-lane.com), and the Impact Factory (www.impact-factory.de) have launched to support social start-ups.¹ Even the Catholic Church has opened a “social hub” in Frankfurt (www.villa-gruendergeist.de).

These developments are indicative of a broader trend. In 2019, half the incubators and accelerators in Germany (46%) supported organizations with significant social or environmental impact; across Europe, the share of incubators partially or only supporting social start-ups was 57% (SIM, 2020). The growing popularity of social venture incubation has had a transformative effect on the entrepreneurial support landscape.

Despite this flurry of activity, there is still comparatively limited research on incubators and accelerators targeting so-

¹Disclosure notice: The author of this thesis has been involved in launching the Impact Factory, the research setting of this study, in his role at the Beisheim Foundation, which is the main funder of the program together with the KfW Foundation and Franz Haniel & Cie. GmbH. This thesis has been authored in a personal capacity and all views expressed are the author’s own.

cial start-ups (Crisan, Salanță, Beileu, Bordean, & Bunduchi, 2019; J. Hausberg & Korreck, 2017). The existing studies on the acceleration of social start-ups primarily offer descriptions and typologies, often by practitioners or consultancies. By contrast, the social incubation process remains unexplored: Aside from a study by Pandey et al. (2017), little is known about how social start-ups assess the value of incubators and accelerators.

This uncertainty has practical implications. Public and private funders are currently investing considerable resources in supporting social start-ups. However, whether these organizations require a different support model than traditional start-ups remains unclear (J. Hausberg & Korreck, 2017, p. 13). This uncertainty can affect the outcomes of these support programs, as the design of accelerators influences the performance of their ventures (C. S. R. Chan, Patel, & Phan, 2020; Cohen, Bingham, & Hallen, 2019).

Studying this novel phenomenon can also contribute to the theoretical understanding of incubators and accelerators in the following two ways: The first regards the process of acceleration. For decades, researchers have treated incubators as a black box (Hackett & Dilts, 2008). Multiple authors have called for less focus on their form (organizational features) and more focus on their mechanisms and activities (Colombo, Rossi-Lamastra, & Wright, 2018; Crisan et al., 2019; Shankar & Clausen, 2020). The second regards their specialization. As incubators and accelerators are becoming more popular, there is growing interest in the organizational contexts or sectors in which they operate (J. P. Hausberg & Korreck, 2021; Lall, Chen, & Roberts, 2020). The context of an impact-oriented accelerator is a rich opportunity to “examine accelerators more in depth across different groups of participants, contexts, and periods of time” (Crisan et al., 2019, p. 23).

The purpose of this thesis is to explore how incubators and accelerators can support the acceleration of start-ups aiming to solve societal or environmental challenges. Therefore, this thesis examines how these nascent ventures perceive the activities and services of incubators and accelerators. To gain a holistic understanding of the acceleration process, this thesis explores how the characteristics of social start-ups affect their support needs – and why they join a support program in the first place.

Two fundamental research decisions helped this study to address these questions. The first was the use of social start-ups as the units of analysis. Following Colombo et al. (2018, p. 195), who call it “one of the most promising research avenues in the field of accelerators”, this study adopted the perspective of the beneficiaries of support activities. Thereby, it explored how incubators and accelerators create value for start-ups. The second research decision was to employ the emerging theory of organizational sponsorship. Originally developed by Flynn (1993a, 1993b) and popularized by Amezcua, Grimes, Bradley, and Wiklund (2013), organizational sponsorship describes how sponsors can support the establishment and growth of young organizations. By illustrating the mechanisms incubators and accelerators use

to provide resources and mediate between start-ups and their environment, it can serve as a theoretical lens to assess how social start-ups perceive entrepreneurial support activities. Therefore, the framework seems well suited to study the acceleration of social start-ups (for a recent review, see Breivik-Meyer, 2020).

Furthermore, this study employed an inductive case study design based on Eisenhardt (1989). The primary data sources were in-depth interviews with 10 founders of social start-ups from the Impact Factory, an impact-oriented incubator in Duisburg, Germany. The structured interviews included a combination of open-ended questions and a questionnaire about the most relevant incubator and accelerator services. These activities were identified by reviewing 26 studies of incubators and accelerators for conventional and social start-ups. The qualitative interview data were coded on a within-case and cross-case basis to identify novel findings and emerging concepts.

With the aid of this research approach, this study suggests four major findings. First, it systematically describes the services provided to social start-ups by incubators and accelerators. Second, it explores how social start-ups at two stages of development perceive the value of these interventions in addressing their resource needs. It demonstrates that social start-ups highly value intangible resources such as social capital and knowledge, whereas the provision of tangible resources, such as seed capital, has a lower priority than for conventional start-ups. Third, it proposes a novel support mechanism called impact acceleration, which specifically addresses their support needs. Finally, this thesis explores how social start-ups determine the balance between the benefits of sponsorship and entrepreneurial self-reliance.

This study contributes to three streams of literature: 1) Regarding social entrepreneurship, it illustrates how the social-mission focus of these start-ups is manifested through hybridity, prioritization of the purpose, and a focus on measurable impact. 2) Regarding incubators and accelerators, it suggests that the services provided by these institutions are not sufficient for social start-ups. As a result, this study argues that the acceleration of social start-ups requires organizational sponsors to tailor their services to the unique characteristics of these ventures. 3) Regarding organizational sponsorship, it observes how the predominant focus on survival fails to capture the reality of resilient ventures such as social start-ups.

The study is structured in four parts. The following section introduces the theoretical background and its key concepts by drawing on three literature streams. The subsequent section illustrates the research design and the approach for collecting and analyzing data, leading up to the analytical model for the acceleration of social start-ups (Figure 1 in Section 3.5). The results are then presented along four thematic dimensions. The final section discusses how these findings contribute to the existing literature – as well as limitations and opportunities for future research.

Finally, this study covers the period from June 2019 to October 2020. How the social start-ups experienced the Im-

fact Factory was therefore affected by the outbreak of the Covid-19 pandemic in March 2020, although the interviewees mentioned its effects surprisingly rarely. This aspect is further discussed in the limitations section at the end of the study.

2. Theoretical Background

This section draws on three emerging streams of literature to establish the theoretical framework for this study: First, it defines social start-ups in contrast to conventional start-ups. Second, it reviews the existing research on incubators and accelerators – including both conventional ones and those that support social start-ups. Third, it introduces the mechanisms of organizational sponsorship as a theoretical lens to study the acceleration of social start-ups. Finally, it compiles an exemplary services portfolio to help structure the data collection and data analysis.

2.1. Social Start-Ups

Social start-ups are the primary units of analysis of this study. Before exploring the role incubators and accelerators play in accelerating their growth, this section addresses two questions: What distinguishes social start-ups from conventional start-ups, and what obstacles do social start-ups face when scaling their impact and business models?

2.1.1. Defining Social Start-Ups

Social entrepreneurship has become a prominent phenomenon in response to growing societal and environmental challenges. The EU Commission has estimated that Germany is home to between a few hundred and more than 100,000 social enterprises (Wilkinson, 2015, p. 29). Another study has estimated their number in Germany to be between 1,700 and 70,000 (Evers & Jung, 2016, p. 5). This broad range reflects conceptual ambiguity: Although the recent academic interest in social entrepreneurship has been considerable, its definition remains disputed (Dacin, Dacin, & Matear, 2010; Gupta, Chauhan, Paul, & Jaiswal, 2020; Mair & Marti, 2006; Zahra, Gedajlovic, Neubaum, & Shulman, 2009). Counting no less than 37 definitions, a literature review recommended focusing on mission- or outcome-based definitions – rather than on the individual characteristics of social entrepreneurs or their operating sectors, processes, or resources – to avoid a “debate that has no resolution” (Dacin et al., 2010, p. 42).

Consequently, the boundaries of social start-ups in this study are defined by two constituent elements: a “prime strategic focus on social impact” and an innovative and entrepreneurial approach to achieving their mission (Nicholls, 2006, p. 13). Another useful way to conceptualize the hybrid nature of social enterprises is the double bottom line: Social enterprises aim at mission accomplishment, or “social value creation,” and financial sustainability, or “economic value creation” (Alter, 2003, p. 8). This duality of objectives – and the performing tension (W. K. Smith & Lewis, 2011, p. 388) inherent in pursuing a social mission and exploiting

commercial opportunities – is a central theme in analyzing the support needs of social start-ups.

A related – and contested – question is the distinction between social entrepreneurship and conventional, or commercial, entrepreneurship. While there are strong indications for a “continuum ranging from purely social to purely economic” (Austin, Stevenson, & Wei-Skillern, 2012, p. 372), the literature is divided on this issue (see Gupta et al., 2020, for a review). Clearly, there are parallels, such as opportunity recognition, risk tolerance, innovation, network-building capabilities, and continuous learning (Dees, 1998; Perrini & Vurro, 2006). Simultaneously, most researchers regard the social mission as the key difference between conventional entrepreneurs, who seek to generate economic profits and shareholder wealth, and social entrepreneurs, who apply business principles to achieve a social mission (Dacin et al., 2010, p. 44).

It may appear tautological to refer to the social mission of social entrepreneurs to distinguish them from their commercial counterparts. However, Santos (2012) has argued that all entrepreneurs face a trade-off between “value creation” at the societal level and economic “value capture” at the unit level because organizations can only maximize one of the two dimensions in the same organizational unit (see also Mair & Marti, 2006). This characteristic of social enterprises is reflected by the start-ups in this study, which all share a “clear social purpose [as] the driving force for the inception of the enterprise,” resulting in a “social mission that is integral, not tangential to, the enterprise” (Wilson & Post, 2013, p. 723).

The centrality of this self-defined “social mission coupled with a market-based method,” creates “a context of intention pervading all other design decisions” of the nascent enterprise (Wilson & Post, 2013, p. 726) – with a direct impact on its resource needs and the design of appropriate support programs. Consequently, this thesis employs a broad definition of social start-ups as early-stage ventures that pursue social value creation through innovative and market-oriented solutions (adapted from Casanovas & Bruno, 2013, p. 177).

The first part of the definition, “early-stage,” refers to the development stage of ventures, rather than to their age. As explained in the methods section, this study focused on start-ups beyond the ideation stage, which have already validated that their product or service fulfills a real societal need (so-called proof of concept) but have not yet significantly increased their headcount or revenue. As to the other parts of the definition (“social value,” “innovative,” and “market-oriented”), it is beyond the scope of this study to define them. Rather, these concepts are illustrated empirically through a case study of 10 nascent ventures that all target a societal or environmental challenge with a novel product or service.

Regarding terminology, in the literature and public discourse, “social” and “impact” are often used interchangeably to describe organizations of this kind. Given that “impact” is an even broader term than “social,” this study refers to such organizations as “social start-ups.”

2.1.2. Scaling Social Start-Ups

All start-ups face challenging conditions in the first years of their existence, causing them to fail at a higher rate than incumbents (Triebel, Schikora, Graske, & Sopper, 2018). The vulnerability of new organizations has been attributed to the liability of newness (Stinchcombe, 1965) and the liability of smallness (Aldrich, 1986). These challenges are especially evident for social start-ups, which have been called “a very peculiar and fragile breed of start-ups” (J. Hausberg & Korreck, 2017, p. 2).

The resource needs of social start-ups (evaluated in Section 4.2) become apparent when social entrepreneurs attempt to scale. Although it can be argued that “maximum impact may best be achieved by staying small and local” (Nicholls, 2006, p. 21), most social enterprises seek to achieve impact on a wider scale. A poll of social entrepreneurs in Germany indicated that 87% intended to scale, 9% were undecided, and only 3% wished to stay small (DSEM, 2020, p. 43). However, only few social start-ups manage to expand their operations, build their teams, and raise the funds necessary to scale – a phenomenon called the “pioneer gap” (Lall, Bowles, & Baird, 2013, p. 15) or the “valley of death” (Branscomb & Auerswald, 2002, p. 36). Studies have identified multiple barriers to the growth of social start-ups: The issues they seek to solve are often systemic and wicked (Dorado & Ventresca, 2013, p. 69); they work in resource-constrained environments and focus on vulnerable target groups, reducing their customer base (Pandey et al., 2017, p. 8). Social start-ups often lack access to markets and capital because of their reduced earning potential (Gianoncelli, Gaggiotti, Miguel, & Charro, 2020, p. 27).

In the face of these challenges, social start-ups benefit from stakeholders – multilateral agencies, governments, or foundations – that are resource-rich with the “potential to sponsor and support social entrepreneurship” (Pandey et al., 2017, p. 2). Consequently, new programs and institutions have emerged to support social entrepreneurs in growing their ventures, addressing the pioneer gap, and driving social change worldwide (Casasnovas & Bruno, 2013; Lall et al., 2013; Miller & Stacey, 2014; Yang, Kher, & Newbert, 2020).

2.2. Incubators and Accelerators

Among the entities supporting social start-ups in Germany, Austria, and Switzerland, incubators and accelerators are the most prominent, according to a recent review of the support landscape for social entrepreneurship (Leirich, 2020, p. 48). To review the multifaceted research that has accompanied the emergence of incubators and accelerators, this section focuses on three questions: What are incubators and accelerators? Is distinguishing between them critical? What do researchers know about those explicitly supporting social start-ups?

2.2.1. The Emergence of Incubators and Accelerators

The establishment of the first incubator for technology start-ups, the Stanford Research Park, took place in 1959 in

the United States (Galbraith, McAdam, & Cross, 2019), and its first review was a 1985 study by Allen and Rahman. The number of incubators has increased to around 7,000 worldwide (Van Weele, van Rijnsoever, & Nauta, 2017). Business incubators “have become an integral part of the modern entrepreneurial ecosystem” (J. P. Hausberg & Korreck, 2021, p. 152). Their popularity has sparked a rich research stream, reviewed by Hackett and Dilts (2004) and more recently by Mian, Lamine, and Fayolle (2016) and J. P. Hausberg and Korreck (2021). A bibliometric analysis was conducted by Albort-Morant and Ribeiro-Soriano (2016).

Incubators have evolved significantly since the 1950s. Mian et al. (2016) have described three waves of incubation models: Before 1980, science parks or technology gardens aimed at economic restructuring and job creation. The second wave in the 1980s and 1990s also offered value-adding services such as mentoring or networking. The third wave, since 2000, has seen the emergence of specialized incubators, innovation centers, and accelerators. Owing to this history, which aligns with the three generations of incubators described by Bruneel, Ratinho, Clarysse, and Groen (2012), older definitions often emphasize their physical collocation. Hackett and Dilts (2004, p. 55) called them “enterprises that facilitate the early-stage development of firms by providing office space, shared services and business assistance”. More recent definitions tend to reference their goals or behaviors, rather than their resources. J. P. Hausberg and Korreck (2021, p. 163) have reconciled these views by defining them as “organizations that support the establishment and growth of new businesses with tangible and intangible resources during a flexible period”.

A newer but no less popular incubation model emerged as part of the third wave to support the rapid growth of start-ups: the accelerator. Y Combinator, widely considered the first accelerator for technology start-ups, launched in 2005 (www.ycombinator.com). Between 2009 and 2018, the number of accelerators grew fivefold from 560 to 2,616, according to research by Roland Berger (Bioulac, Ditsche, & Dujacquier, 2019, p. 3). Hochberg (2016, p. 26) has provided a comparable estimate of over 3,000 accelerator programs worldwide.

The rise of accelerators has prompted a wealth of research, reviewed by Colombo et al. (2018) and Crisan et al. (2019). The majority of these studies fall into two categories: conceptual descriptions or empirical studies on the impact on venture performance (Hochberg, 2016). Although recent studies have indicated positive effects of accelerators on ventures (C. S. R. Chan et al., 2020; Hallen, Cohen, & Bingham, 2020), there is still no consensus definition of accelerators, despite pioneering work by Cohen (2013) and Cohen and Hochberg (2014). Consequently, it is necessary to ask whether incubators and accelerators are conceptually different entities.

2.2.2. Incubators and Accelerators – Same or Distinct?

Following the first definition of accelerators, or seed accelerators (Adkins, 2011; Miller & Bound, 2011), schol-

ars have argued that they constitute a distinct organizational form from incubators (Pauwels, Clarysse, Wright, & Van Hove, 2016). The most common definition of an accelerator, that by Cohen and Hochberg (2014, p. 4), lists five features in which it differs from an incubator and other models of entrepreneurial assistance, such as angel investors and coworking environments. An accelerator is defined as a “fixed-term, cohort-based program, including mentorship and educational components, that culminates in a public pitch event”.

Although most scholars now regard accelerators as a “distinct form of innovation intermediary” (Crisan et al., 2019, p. 10), this study follows Mian et al. (2016) and Sansone, Andreotti, Colombelli, and Landoni (2020) in treating them as a form of incubator. This approach is justified on the following four grounds:

First, both entities essentially pursue the same goal, namely to “support rapid growth and rapid scaling up of entrepreneurial ventures” (Pandey et al., 2017, p. 18). Second, the definition by Cohen and Hochberg is modeled narrowly on U.S. technology accelerators such as Y Combinator and TechStars. By contrast, accelerators working in the social enterprise space “tend to work across a fairly wide spectrum of enterprise development stages, perhaps reflecting the relatively limited pipeline of firms” (Lall et al., 2013, p. 115). Third, the distinction does not hold empirically. There is “significant heterogeneity even among groups that meet the formal definition” (Hochberg, 2016, p. 35), with entities that could be defined as incubators referring to themselves as accelerators, and vice versa. This observation is exemplified by the research setting of this study, the Impact Factory, which does not fit into either of the two categories, as Table 3 in Section 3.2 shows. The final and most compelling argument is that the predominant focus on the organizational form is a “constraint on advancements in [the] field,” that would “benefit by moving the focus of study to the level of the mechanism (i.e., acceleration)” (Shankar & Clausen, 2020, p. 102174). Likewise, Crisan et al. (2019, p. 20) have focused on mechanisms to “open the accelerator’s black box” and explain how accelerators “pursue different interventions in different contexts”.

This discussion has two implications for this study. First, the study incorporates the framework of organizational sponsorship in its research design to shed light on accelerator mechanisms. Second, it does not distinguish between incubators and accelerators. Rather, it refers to them interchangeably, or as “entrepreneurial support programs,” to mean organizational entities aiming to support early-stage entrepreneurial ventures through the provision of resources or services. The current research on a particular type of accelerator – with the aim of supporting social start-ups – is presented in the following section.

2.2.3. The Acceleration of Social Start-Ups: What is Known

As the number of incubators and accelerators has expanded, so have their specializations. These entities have

emerged in various organizational contexts, such as governments, corporations, and universities. Lall et al. (2020, p. 3) have distinguished three subtypes of the accelerator model: seed, corporate, and impact-oriented. Among these, the acceleration of social start-ups has experienced particularly dynamic growth. According to a 2018 survey, 15% of incubators and accelerators in Europe primarily targeted social start-ups, and 42% partially targeted such start-ups (SIM, 2020). The European Venture Philanthropy Association has counted 62 impact incubators and accelerators in Europe (Gianoncelli et al., 2020). TechStars, one of the most prominent accelerators in the world, has even announced a program for “for-profit, mission-driven founders building technologies to solve our most pressing social and environmental needs” (Shieber, 2017).

Considering the popularity of impact-oriented incubators, there is a remarkable scarcity of academic studies on these entities – even though “social incubators” were mentioned for the first time over 15 years ago (Aernoudt, 2004). Even in 2014, a study called social accelerators “quite rare” and “experimental” (Dempwolf, Auer, & D’Ippolito, 2014, p. 25). The review by Crisan et al. (2019, p. 14) included one study (out of 81) about accelerators aiming to “support social entrepreneurship”, and the only review on social incubators to date is a working paper by J. Hausberg and Korreck (2017). The scholarly interest in this novel phenomenon has only grown in recent years.

To categorize the extant literature on the incubation of social start-ups, one can use the three categories suggested by J. P. Hausberg and Korreck (2021) in their review of conventional business incubators. Most publications have provided “definitions and typologies,” including case studies (Nicolopoulou, Karataş-Özkan, Vas, & Nouman, 2017; Sonne, 2012), surveys (Casasnovas & Bruno, 2013; King et al., 2015; Lall et al., 2013; Miller & Stacey, 2014), and consultancy reports (Aspen Network, 2014; SIM, 2020). Studies on their “performance” have demonstrated that social-impact-oriented accelerators also improve the revenues and funding of the incubated ventures (Lall et al., 2020; Roberts & Lall, 2018) and that they are as efficient as other types of incubators (Sansone et al., 2020). By contrast, their “incubation process” remains largely unexplored – except for a study on the appeal of social accelerator benefits (Pandey et al., 2017) and one on social accelerator selection (Yang et al., 2020).

This lack of research makes it difficult to answer an important question raised by (J. Hausberg & Korreck, 2017, p. 13): If social businesses face different challenges, do they also require different support models? Recent empirical evidence has indicated that impact-oriented incubators and accelerators differ from their conventional counterparts. A study of incubators in Italy has suggested, for instance, that different types of incubators value different services: Business incubators considered physical spaces more important than social incubators, which in turn valued services linked to social impact (Sansone et al., 2020, p. 132). Similarly, a survey of incubators in Germany has found that 20% of all

incubators and 33% of social incubators offered specific services for ventures with significant social impact (SIM, 2020, p. 51). However, both studies reflected the views of incubator managers, and not of start-ups. Moreover, they failed to explain causality. The same applies to a quantitative study by Pandey et al. (2017, p. 1), who conceded that “little is known about how social entrepreneurs – the primary intended beneficiaries – assess the value-proposition of social accelerators”.

Based on the above findings, do incubators and accelerators supporting social start-ups need to tailor their services to these ventures? Or can they rely on best practices learned from the acceleration of conventional start-ups, as the support needs of social start-ups are comparable? To address these questions, this study uses the framework of organizational sponsorship.

2.3. Organizational Sponsorship

One reason that this study does not differentiate between incubators and accelerators based on their form is that this factor indicates little about their functioning – and their effects. As Shankar and Clausen (2020, p. 2) have argued, “knowledge about the form (accelerator) is incomplete without knowledge about the mechanism (acceleration)”. Hence, multiple authors have called for a better understanding of the acceleration process (Colombo et al., 2018; Crisan et al., 2019). However, attempts to do so are complicated by the diversity and fragmentation of the entrepreneurial support landscape.

The framework of organizational sponsorship helps to overcome this hurdle and structure the study of entrepreneurial support. Although this study does not rely on theory to develop and test hypotheses, employing a theoretical lens can still help with identifying and discussing relevant issues. Therefore, organizational sponsorship is introduced in three steps: by defining its original framework, by extending it to the acceleration of social start-ups, and by viewing incubators and accelerators as a type of organizational sponsor.

2.3.1. Original Framework

Combining perspectives from population ecology and resource dependence, Flynn (1993b, p. 51) originally defined sponsorship as “the intervention by government agencies, business firms, and/or universities to create an environment conducive to the birth and survival of organizations”. Sponsors can strengthen nascent organizations by making resources available to them in their early stages, when they are most exposed to external liabilities (Stinchcombe, 1965). Although Flynn (1993b, p. 51) already mentioned “university and private industry sponsored business incubators” as an example of sponsorship, his concept was popularized 20 years later by Amezcua et al. (2013, p. 1628), who defined organizational sponsorship as “attempts to mediate the relationship between new organizations and their environments by creating a resource-munificent context intended to increase survival rates among those organizations”.

In their effort to “better understand why and how different attempts to assist new organizations might succeed or fail”, Amezcua et al. (2013, p. 1628) found that “resource munificence is not necessarily predictive of organizational survival”, as the effect of sponsorship is contingent on geographic-based founding density. Moreover, they argued that sponsorship influences the survival of new organizations through two mechanisms: buffering and bridging (p. 1629). Buffering helps new organizations engage in formational and developmental activities without being exposed to external threats. Sponsors can also function as a bridge between organizations and their environment, and thereby provide legitimacy and social capital to new ventures. Amezcua et al. (2013, p. 1633) considered business incubators an ideal setting to observe how providing resources, social connections, and management advice supports the creation and growth of new businesses.

2.3.2. Extended Framework

In a recent literature review, Breivik-Meyer (2020, p. 174) called organizational sponsorship “an emerging theory that bridges the conversation between scholars of different types of sponsorship”. Although the framework is suitable for studying start-up acceleration, it has not been clearly defined yet. Pandey et al. (2017, p. 8) have argued, for example, that social accelerators also engage in “bolstering” mechanisms by offering “mentoring, opportunities for additional fundraising and adding to an early-stage social venture’s credibility and awareness”. However, it remains unclear how bolstering is conceptually different from building and bridging, as Breivik-Meyer (2020, p. 182) has noted. A recent study has proposed that business incubators engage in “curating” by selectively directing entrepreneurs to the best available provider of a given resource (Amezcua, Ratinho, Plummer, & Jayamohan, 2020, p. 3). Yet, this mechanism also appears redundant to the two original mechanisms, in particular bridging.

Autio and Rannikko (2016, p. 43) noted that the concept of sponsorship, “while informing survival, has paid less attention to new venture growth”. They argued that sponsorship is not only about passively insulating new ventures against market realities, but also about “boosting” their capacities to affect growth. Such policies may include “emphasizing strong growth motivations,” “controlling milestone achievement,” and “promoting the exchange of experiential insights”.

Adding the boosting mechanism to building and bridging to study the acceleration of social start-ups leads to the framework presented in Table 1. Importantly, Table 1 omits the activities and services associated with each sponsorship mechanism. These are specified in the services portfolio in the final part of this section. It is first necessary to summarize what is – and is not – known about incubators and accelerators as organizational sponsors.

Table 1: The Extended Organizational Sponsorship Framework

	Mechanisms of Organizational Sponsorship		
	Buffering	Bridging	Boosting
Entrepreneurial resources	Focus on the development of internal resources	Focus on the acquisition of external resources	Focus on boosting the organizational capacities for growth
The role of sponsorship	Maintaining a protective environment	Serving as a connective intermediary	Formation and achievement of milestones and serving as intermediary between firms
The goal of sponsorship	Developing internal resources while minimizing resource dependencies	Acquiring social capital and legitimacy to build sustainable competitive advantage	Affecting the capacity for growth

Note. Adapted from Breivik-Meyer (2020).

2.3.3. Incubators and Accelerators as Organizational Sponsors

Organizational sponsorship is still evolving as a theoretical perspective. Most contributions using this framework were published after 2016 (Breivik-Meyer, 2020, p. 176). While these recent studies show promise for advancing the study of start-up incubation, “the actual content of those mechanisms is somewhat unclear and may differ across sponsorship phenomena” (Breivik-Meyer, 2020, p. 185). A comparison of five intermediaries underlined the importance of different types of sponsors, suggesting that every support organization “leaves a fading yet indelible mark” on nascent entrepreneurial firms (Clayton, Feldman, & Lowe, 2018, p. 117). Thus, this study focuses on sponsorship in the context of incubators and accelerators.

Nevertheless, this process still requires further exploration. For example, a study on incubators in Norway has indicated that buffering and bridging can facilitate the development of new firms by increasing their resource access and capability development – but also that its quantitative research design provided “little explanation as to why tenant firms choose to use these services or why they do not” (Breivik-Meyer, Arntzen-Nordqvist, & Alsos, 2019, p. 29). The provision of resources by organizational sponsors can even be counterproductive, as certain conditions can “inhibit or reverse the intended outcomes of organizational sponsorship” (Amezcuca et al., 2020, p. 3). A study of U.S. accelerators has revealed that their design choices influence how new ventures process available information – they can help new firms overcome issues of bounded rationality by concentrating consultations, practicing disclosure, and standardizing activities (Cohen, Bingham, & Hallen, 2019). Incubators also struggle to determine which services supported companies need, as nascent entrepreneurs are often unaware of their resource gaps (Van Weele et al., 2017). Therefore, the incubator–incubatee interaction is essential for the codevelopment of service offerings (Vanderstraeten, van Witteloostuijn, & Matthyssens, 2020). Another factor is the identity of their sponsor: While government-sponsored incubators provide a combination of services, private, academic, and NGO-sponsored incubators tend to specialize in

certain services (Dutt et al., 2016).

In summary, the effectiveness of organizational sponsorship by incubators seems to depend on a multitude of factors, including their design, their funder, and their interaction with ventures. This study focuses on the process of supporting social start-ups, which in their early stage are often “devoid of markers of quality in the market, financial and social resources to generate growth, and sustained competitive advantages” (Amezcuca et al., 2020, p. 3). Hence, this study assesses the resource needs of social start-ups – and how incubators and accelerators leverage the mechanisms of buffering, bridging, and boosting to support them.

This study simultaneously considers the potential disadvantages of organizational sponsorship. Resource munificence can, for example, decrease survival rates among new organizations (Amezcuca et al., 2013). It can prevent the early adaptation of new ventures (Cohen, 2013) and adversely affect firm performance by hampering the incentivizing effects of market exchanges (Jourdan & Kivleniece, 2017). Consequently, this study also asks whether – and why – social start-ups regard accelerator intervention as detrimental to their development.

2.4. Compiling an Exemplary Services Portfolio

Reviewing the existing literature on incubators, accelerators, and organizational sponsorship has illustrated why scholars from these fields have called for more studies on the activities of incubators and accelerators. Particular areas of further interest are the relationships between incubatees and sponsors (J. P. Hausberg & Korreck, 2021, p. 170), the services portfolio accelerators offer (Crisan et al., 2019, p. 2), and how these services contribute to the development of tenant firms (Breivik-Meyer et al., 2019, p. 7). These questions are especially relevant for social accelerators, as “no large sample studies” have examined their relationship with social entrepreneurs (Pandey et al., 2017, p. 1).

Due to the lack of research on incubator and accelerator activities, it is difficult to draw on existing studies to compile an overview of their services portfolio. The following examples from widely cited studies on incubator activities demonstrate this challenge: In a review, Hackett and Dilts (2004)

mentioned “selection,” “monitoring and assistance,” and “resource infusion”, whereas [Bergek and Norrman \(2008\)](#) listed “selection,” “business support,” and “mediation” as the components of incubation. Additional examples include “mentorship,” “connectivity,” and “brand enhancement” ([Wise & Valliere, 2014](#)), along with “business support,” “infrastructure,” “access to networks,” and “access to external resources, knowledge and legitimacy” ([Bruneel et al., 2012](#)).

This cursory list brings two conceptual issues to light: the need to differentiate between activities and outcomes, and arbitrariness in the selection of categories (e.g., the vague term “business support”). To address the first point, this study follows [Crisan et al. \(2019, pp. 16\)](#), who distinguished among “interventions” (services and activities offered), “outcomes” (achievements in specific contexts or bundles of services), and “mechanisms” (processes that transform interventions into outcomes). This study uses the framework of organizational sponsorship to address the second point and systematically analyze what incubators and accelerators do.

To apply this framework to the present research question, an intermediary step is required: identifying the most relevant services and activities of incubators and accelerators and matching them to the mechanisms of organizational sponsorship. To compile this exemplary services portfolio, this study reviewed 26 studies in three categories: 1) 10 on social incubators and accelerators, 2) seven on conventional incubators, and 3) nine on conventional accelerators.

These studies were mostly peer-reviewed, although practitioner and research reports had to be additionally consulted for accelerators and social accelerators. The services or activities mentioned in these studies were subsequently grouped and assigned to the mechanisms of organizational sponsorship. Conceptually similar concepts were aggregated to identify the most prevalent services for each mechanism (see Appendix for the full results and the used sources).

The resulting portfolio in [Table 2](#) contains nine services, ranked by the frequency of their mentions in each category: “education and training,” “internal mentoring,” “seed funding,” and “coworking space” for the buffering mechanism; “external networking,” “access to external funding,” and “validation and visibility” for bridging; and “peer support” and “milestones and progress tracking” for boosting.

Importantly, the portfolio in [Table 2](#) is based on statistical considerations but also theoretical salience. [Table 2](#) indicates that services associated with the boosting mechanism were barely mentioned in the reviewed studies. However, the boosting mechanism was still included to assess the relevance for start-up acceleration as suggested by [Autio and Rannikko \(2016\)](#).

Moreover, this exercise did not constitute a systematic literature review, and the statistical results should be interpreted with caution. Regardless, [Table 2](#) indicates the services that were mentioned most frequently in the reviewed literature, which helped to ensure that the most relevant services of incubators and accelerators were addressed in the interviews – in combination with open-ended questions to allow novel concepts to emerge. Such “a priori specifica-

tion of constructs” can facilitate “the initial design of theory-building research” and “permits researchers to measure constructs more accurately” ([Eisenhardt, 1989, p. 536](#)).

Regardless of its statistical validity, [Table 2](#) offers interesting observations. There is, for example, consistency regarding the two most prominent services across the three categories (“education and training” and “external networking”), while funding services (“seed funding” and “access to funding”) have a mid-level to low ranking. There is simultaneous variation between the categories (e.g., the high prominence of “coworking” in incubator studies or “internal mentoring” in accelerator studies).

The most relevant comparison is between social incubators and accelerators, on the one hand, and their conventional counterparts, on the other hand. [Table 2](#) suggests that their service offerings differ, for example, the higher prominence of the bridging mechanism for social incubation. Therefore, one primary question explored in this study is whether social start-ups expect social incubators and accelerators to offer support services tailored to their needs.

3. Research Design

The previous section argued that recent research on incubators and accelerators has advanced the understanding of entrepreneurial support programs for nascent ventures. However, it also maintained that researchers have not sufficiently investigated the support for start-ups aiming to achieve societal or environmental goals. For this reason, this study utilizes the mechanisms of organizational sponsorship to study the acceleration of social start-ups.

This research combines a study of multiple cases with an inductive research approach to generate additional insights. Following [Eisenhardt \(1989\)](#) roadmap for building theory from case study research, this section introduces the case study method, the research setting, the case selection, and the approach for the collection and analysis of the data.

3.1. Case Study Method

A case study has been defined by [Yin \(2003, p. 13\)](#) as an “empirical inquiry that investigates a contemporary phenomenon within its real-life context, when the boundaries between phenomenon and context are not clearly evident”. It has a distinct advantage when three conditions are met: a causal research question (how, why), no control of behavioral events, and a focus on contemporary events. All these conditions hold in the case of the present research question.

Using multiple cases, as opposed to a single case, typically provides a more potent base for theory building ([Yin, 2003, p. 33](#)). It permits a replication logic in which multiple cases are considered experiments to replicate or contradict an initial set of propositions ([Yin, 2003, p. 47](#)). Multiple cases are a “bridge from rich qualitative evidence to mainstream deductive research” ([Eisenhardt & Graebner, 2007, p. 25](#)) and allow to look for generalizability of constructs across cases, helping to detect rational or causal patterns ([Dooley, 2002, p. 342](#)).

Table 2: The Exemplary Services Portfolio

Sponsorship mechanism	Services (prominence in %)	Category (# of sources)		
		Social incubators and accelerators (10)	Conventional incubators (7)	Conventional accelerators (9)
Buffering	Education and training	100%	100%	90%
	Internal mentoring	80%	0%	90%
	Seed funding	60%	40%	40%
	Coworking space	60%	90%	60%
Bridging	External networking	90%	70%	70%
	Validation and visibility	80%	60%	60%
	Access to external funding	50%	30%	40%
Boosting	Peer support	40%	0%	10%
	Milestones and progress tracking	0%	0%	30%

Note. Based on a review of 26 sources in three categories. The "prominence" refers to the mentions in % (rounded) in all sources in that category. see Appendix for the full table and all sources.

The novelty of social start-ups and social accelerators motivates an inductive approach – three-quarters of social enterprises in Germany were founded in 2014 or later (DSEM, 2020, p. 17). The paucity of existing research complicates the use of a deductive methodology, i.e., using theories to formulate hypotheses and evaluate them against empirical evidence. Hackett and Dilts (2008, p. 440) cautioned that most research on business incubation is anecdotal, fragmented, and should be “used with caution”. Scholars have applied theoretical lenses to the study of incubators only recently (Mian et al., 2016). In such an under-theorized field of research, an inductive approach is better suited to explore patterns and causal relationships – especially in a complex system such as an incubator, in which the interaction of multiple stakeholders complicates the distinction between internal and external factors.

3.2. Research Setting

The primary units of analysis of this study are social start-ups associated with the Impact Factory, a program launched in 2019 in Duisburg, Germany, to support the foundation and growth of start-ups aiming to create positive social change. The Impact Factory describes itself as a “unique program that offers social entrepreneurs a collaborative space to develop scalable innovations for solving complex social and environmental challenges” (Impact Factory, 2020a).

According to the taxonomy by Cohen and Hochberg (2014), the Impact Factory can be described as a hybrid between an incubator and an accelerator. On the one hand, Table 3 indicates that the Impact Factory resembles an incubator by having a permanent location and not investing in its tenants. On the other hand, it acts as an accelerator with fixed cohorts, a limited duration, an education portfolio, and regular demo days. Consequently, the Impact Factory demonstrates the difficulty of separating incubators from accelerators by their design features – one of the reasons why this study treats the terms as interchangeable.

The Impact Factory has three main funders: two non-profit foundations, the Beisheim Foundation and the KfW Foundation, and the family-owned investment holding Franz Haniel & Cie. GmbH, on whose premises it is located. A non-profit organization called Anthropia gGmbH runs the Impact Factory, accepting applications from for-profit, nonprofit, and hybrid ventures without a specific industry or thematic focus. The main requirement for a start-up is to pursue one of the 17 Sustainable Development Goals (SDGs) of the United Nations. Start-ups can enter the program twice a year through a selective application process that involves a two-day assessment.

Between its launch in January 2019 and October 2020, the Impact Factory accepted 65 social start-ups out of 240 applications, which amounted to an acceptance rate of 27% (Impact Factory, 2020b). In each cohort, the selected start-ups joined one of three programs, depending on their development stage: “create-up,” “ramp-up” or “fellow.” Since these three programs played a key role in the case selection, Section 3.3 describes them in more detail. Once the start-ups entered the create-up or ramp-up stage, they embarked on a learning journey that included workshops, seminars, and peer-to-peer formats, accompanied by regular mentoring and coaching sessions. Both programs at the end culminated in a pitching challenge in front of an expert jury.

Table 4 compares the Impact Factory with the average German incubator or accelerator to provide more context about the research setting. It is based the Social Innovation Monitor 2020 that surveyed 51 German incubators and accelerators in 2018. This comparison shows that the Impact Factory largely corresponded to the benchmark, at least in terms of mean values.

Overall, the Impact Factory seemed a suitable setting for researching the acceleration of social start-ups due to its broad program range, its exclusive focus on start-ups aiming to achieve social impact, and its hybrid nature between an incubator and an accelerator.

Table 3: Impact Factory – Incubator or Accelerator?

Program features	Incubator (I)	Accelerator (A)	Impact Factory	(I or A)
Duration	1-5 years	3 months	5 months (create-ups and ramp-ups); 1 year (fellows)	(I + A)
Cohorts	No	Yes	Yes	(A)
Business model	Rent; nonprofit	Investment; nonprofit	Subsidised; nonprofit	(Neither)
Selection frequency	Non competitive	Competitive, cyclical	Competitive, cyclical	(A)
Venture stage	Early, or late	Early	Early	(A)
Education offered	Ad-hoc, HR/legal	Seminars	Ad-hoc and seminars	(I + A)
Venture location	On-site	Usually on-site	Usually on-site, but remote during Covid-19	(I + A)
Mentorship	Minimal, tactical	Intense, by self and others	Intense (except for Fellows)	(A)

Note. Taxonomy based on Cohen and Hochberg (2016, p. 9). Data for the Impact Factory from Impact Factory (2020a, 2020b) and discussions of the author with the management of the Impact Factory.

Table 4: Benchmarking the Impact Factory

	Incubator or accelerator in Germany (2018)		The Impact Factory (2019)
Full time employees	4.5 (mean)	3 (median)	4
Applications received	118 (mean)	50 (median)	117
Teams supported	23.8 (mean)	12 (median)	21*
Average incubation time	13.8 months (mean)	9.0 months (median)	Ca. 5 months**
Fee requirement	Yes: 22.2% No: 77.80%		No
Equity stake in tenants	Yes: 8% No: 92.0%		No
Revenue sources (top 3)	Subsidies (41.0%) Rent (17.0%) Services provided (12.7%)		Subsidies (100%)

Note. German averages from the SIM (2020). Data for the Impact Factory from Impact Factory (2020a, 2020b) and discussions of the author with the Impact Factory management.

* Only the formal create-up and ramp-up programs are included. Fellows are excluded.

** Subject to change, as 2019 was the first full year of operations.

3.3. Case Selection

The purpose of a case study is to develop theory, not to test it; consequently, theoretical sampling is appropriate, i.e., selecting cases because they are “particularly suitable for illuminating and extending relationships and logic among constructs” (Eisenhardt & Graebner, 2007, p. 27). While researchers often select single cases for their uniqueness, multiple cases can yield better theory, including “to replicate previous cases or extend emergent theory” or “to fill theoretical categories and provide examples of polar types” (Eisenhardt, 1989, p. 537). Importantly, the goal of the case selection is not to produce a representative sample but to allow for comparison while ensuring variation to improve the reliability and generalizability of findings.

Consequently, the definition of the population is crucial, as it “defines the set of entities from which the research sample is to be drawn” (Eisenhardt, 1989, p. 537). Restricting the population of this study to the Impact Factory (2020a,

p. 537) controlled extraneous variation and set the limits for generalizing its findings. The total population consisted of 65 social start-ups accepted by the Impact Factory in three cohorts between July 2019 and October 2020. This study applied the following four selection criteria to select the final sample of 10 start-ups.

3.3.1. Selection Based on Development Stage

The Impact Factory accepted start-ups at distinct stages of development, as Table 5 indicates – from create-ups in the ideation phase with few available resources, to fellows looking to scale their business and impact model. Given that the support needs of start-ups at an early stage differ strongly from more mature ventures (Isabelle, 2013), the inclusion of all the stages would have created an excessive disparity in support needs. Consequently, the 15 participants of the create-up program were excluded from the total of 65 start-ups, leaving 50 start-ups in the sample.

3.3.2. Selection Based on Legal Structure

A crucial distinction between social start-ups is their legal structure, which in turn influences their funding. Reflecting the variety of funding models of social ventures (Nicholls, 2006, p. 12), the start-ups of the Impact Factory ranged from nonprofits to self-funded social enterprises. This study excluded nonprofit organizations for two reasons: First, because nonprofits, which in Germany rely primarily on donations and philanthropic grants, display vastly different support needs compared to for-profit start-ups. Second, because less than 2% of organizations supported by incubators in Germany had a nonprofit status (SIM, 2020, p. 39). Accordingly, 15 additional start-ups were removed, including all start-ups that had not been legally established yet. This decision left a sample of 35 start-ups with either a for-profit or hybrid (for-profit and nonprofit) legal form, consisting of nine ramp-ups and 26 fellows.

3.3.3. Selection Based on Theoretical Considerations

Due to time and capacity constraints, the maximum number of cases was set at 10. This decision was a compromise between informative value and feasibility in the available time frame. The 10 start-ups were not to be selected at random, however. Instead, the first subgroup of five start-ups was selected from the ramp-up program and the second subgroup of five start-ups from the fellows program (see Table 5 for the three different programs of the Impact Factory).

Taking advantage of the different programs of the Impact Factory for the case selection served three theoretical purposes. First, the selection of five start-ups from different programs yielded enough cases to replicate observations within a subgroup of start-ups at similar stages of development – similar to conducting multiple experiments under the conditions of the original experiment (Yin, 2003, p. 47). Second, choosing cases that were alike and analyzing findings across similar cases enhanced “generalizability relative to a single case” and demonstrated the issues “across a more varied range of circumstances” (Chmiliar, 2010, p. 582).

Variation between subgroups strengthens the external validity of findings (Yin, 2003, p. 54) and maximizes opportunities for developing hypotheses or theories (Blejjenbergh, 2010, p. 63). In the case of the Impact Factory, the two subgroups based on the programs in Table 5 could be considered contrasting “polar types” (Eisenhardt, 1989, p. 537). While all ramp-ups took part in an intensive learning journey that included workshops, seminars, and individual mentoring, fellows did not participate in the educational program or mentoring activities (Impact Factory, 2020b). Their affiliation to the program was more fluid, and their support was restricted to outward-facing activities, such as networking and increasing their visibility.

As a third consideration, the two subgroups fulfilled distinctive theoretical categories (Eisenhardt, 1989, p. 537) based on the organizational sponsorship framework of Amezcua et al. (2013): The program activities for ramp-up start-ups focused on building internal capabilities and helping their go-to-market, as captured by the buffering

mechanism; start-ups in the fellows program focused on strengthening external relationships, aligned with the bridging mechanism.

3.3.4. Selection Based on Active Participation

The final criterion for selecting 10 cases out of the remaining 35 start-ups was active participation in the Impact Factory. It made sense to choose cases “in which the process of interest is observable,” i.e., likely to replicate or extend emergent theory (Eisenhardt, 1989, p. 537). Identifying active participation was straightforward for the nine ramp-ups, given that it was a requirement to stay in the program. After discarding two start-ups that dropped out early, five of the remaining seven ramp-ups were contacted in random order. After one declined to participate, a sixth start-up was successfully approached.

Establishing active participation was more difficult for the 26 fellows due to their larger number, but also because their participation varied significantly, as the author observed on multiple occasions on-site. Hence, the program managers of the Impact Factory were asked to suggest founders who could provide rich insights into the program. They recommended nine teams, five of which were approached at random, as well as a sixth after one fellow declined to participate.

Table 6 presents a list of the final 10 start-ups, as well as key information about their stage, industry, commercial activities, and social mission. To protect their anonymity, all start-ups are only referred to by an acronym. Subsequent sections provide further information, for instance regarding their funding, educational background, and professional experience, together with relevant findings of the case studies.

Although the 10 start-ups operated in a broad range of industries, they all shared the definition of a social start-up established in Section 2.1 by pursuing both a social mission and an entrepreneurial activity. Digital platforms were prevalent, as half the start-ups operated a platform business model. The development stage ranged from those with a minimum viable product (MVP) to those with a first customer base, although three fellows were already seeking to grow their revenues. The start-ups were all founded between 2018 and 2020, except for two founded in 2015.

3.4. Data Collection

Consistent with most qualitative research, the primary data sources of this study were semi-structured interviews with the founders of 10 start-ups from the Impact Factory. Interviews are “a highly efficient way to gather rich, empirical data, especially when the phenomenon of interest is highly episodic and infrequent” (Eisenhardt & Graebner, 2007, p. 28), such as the perception of entrepreneurial support programs by social ventures. In the case of multiple founders, a single founder was interviewed depending on the team’s availability.

The 10 interviews took place in November 2020, lasting between 45 and 60 minutes each. Due to Covid-19 restrictions, the interviews were conducted remotely over video.

Table 5: The Three Programs of the Impact Factory

	Programs of the Impact Factory		
	Create-up	Ramp-up	Fellows
Average cohort size	5 start-ups	6 start-ups	12 start-ups
Entry requirement	Valid idea	Marketable product or service	Proof of concept and early customer base
Program duration	5 months	5 months	Flexible; up to 1 year
Program focus	Prototype development/ customer discovery	Go-to-market/ customer validation	Company building/ business model scaling
Frequency of interaction	Every two weeks	Every two weeks	Occasional
Program participation	Mandatory	Mandatory	Voluntary (except to provide personal input at least once)
Program goal	Problem-solution fit	Product-market and product-channel fit	Organization-market fit

Note. Data for the Impact Factory from [Impact Factory \(2020a, 2020b\)](#) and discussions of the author with the management of the Impact Factory.

The author recorded, transcribed, and translated the interviews from German into English to facilitate the coding process. He used an interview guide containing four sections and 16 questions. The interview guide is attached as Appendix B.

The first section of the interview contained introductory questions about the founders and their start-ups. The second addressed their resource needs at different points in time and their motivation for joining a support program. The third focused on the services and resources of incubators and accelerators – first with open questions, and then by addressing the nine most relevant services identified a priori in the literature (as explained in Section 2.4) unless they had already been addressed. The fourth section asked the founders to evaluate how the support they received impacted the overall development of their start-up.

Following the interviews, all founders were asked to rank the nine most common incubator and accelerator services in their order of importance for a social start-up – not for statistical purposes but to enrich their assessment of incubator services. During the coding process, the founders were occasionally contacted again for clarifications or follow-up questions – what [Eisenhardt \(1989, p. 538\)](#) described as an overlap of data collection and data analysis.

An important method to increase the credibility of case study data is triangulation, or the use of multiple sources of data ([Tracy, 2010, p. 843](#)). Triangulation can also mitigate the bias inherent in interviews as the primary source of information ([Eisenhardt & Graebner, 2007, p. 28](#)).

Consequently, secondary data sources were also consulted, such as the start-ups' websites, as well as investor presentations, pitch decks, public interviews, and additional materials. The author also had the opportunity to visit the Impact Factory several times since its launch in 2019 to gather observational data. In combination, these data sources provided a rich picture of 10 social start-ups and their experiences of entrepreneurial support programs.

3.5. Data Analysis

After completing the interviews and gathering the data, it was necessary to analyze them by “focusing on some and disregarding other parts of it” and “aggregating data into a small number of themes” ([Creswell, 2014, p. 245](#)). This process involved two steps. The first was a detailed study of each case to look for inter-case similarities and differences. The purpose of this so-called within-case analysis is to be “intimately familiar with each case as a stand-alone entity” and to “allow the unique patterns of each case to emerge before investigators push to generalize patterns across cases” ([Eisenhardt, 1989, p. 540](#)).

The second step was a cross-case analysis, searching for patterns and causal relations across cases in multiple rounds of comparative analysis – first within the two subgroups of ramp-ups and fellows, and then across the entire sample. In keeping with the exploratory nature of the research, the coding process – i.e., the segmentation and labeling of data into categories ([Creswell, 2014, p. 248](#)) – was inductive. So instead of using pre-determined codes, the constructs emerged from a close observation of the data during coding. This inductive process was occasionally structured by assumptions based on the theoretical framework to maximize coherence.

Following the approach recommended by [Eisenhardt \(1989, p. 540\)](#), the cross-case analysis was preceded by the selection of categories or dimensions “suggested by the research problem or by existing literature”. The idea of using such “structured and diverse lenses on the data” is to “go beyond initial impressions,” to improve “close fit with the data,” and to capture novel findings in the data.

The coding process was iterative, as it involved going back and forth between the data, the emerging propositions, and constant comparisons to relevant literature. The interview data was split, merged, and narrowed down to develop higher-level concepts, generating a smaller number of first-order codes with representative quotes by the respondents for each theoretical concept and emerging theme. These

Table 6: Case Descriptions

Acronym	Legal form	Team size	Year founded	Stage*	Industry**	Commercial activity	Social mission
Start-ups of fellows program							
F1	For-profit	11	2019	Growth	Health Services	Develop AI-based software for dynamic tour management	Improve quality of outpatient care with efficient tour planning
F2	For-profit	8	2018	Growth	Commerce	Import and sell sustainable home accessories	Foster appreciation and fair prices for handmade products
F3	For-profit	8	2020	MVP	Utilities	Develop and distribute solar home systems and IoT software	Widen access to electricity in rural Sub-Saharan Africa
F4	For-profit	2	2015	Growth	Food and drink	Import, process, and sell sustainable cocoa, coffee and chocolate	Protect biodiversity and strengthen ecosystems in Peru
F5	For-profit	7	2018	Go-To-Market	Education	Develop and market platform to measure and train digital skills	Promote social participation and reduce digital skills gap
Start-ups of ramp-up program							
R1	Hybrid (for/non-profit)	9	2015	Go-To-Market	Health Services	Develop and operate platform for recruiting voluntary caregivers	Combat lack of specialist caregivers for elderly living at home
R2	Hybrid (for/non-profit)	1 + volunteers	2019	Go-To-Market	Food and drink	Produce packaged foods based on consumer surveys	Improve animal welfare and empower farmers and consumers
R3	For-profit	5	2020	MVP	Financial Services	Develop platform for efficient B2B payment processing	Give donations to social projects with cashback scheme
R4	For-profit	12	2020	Go-To-Market	Food and drink	Develop and operate system for reusable takeaway packaging	Reduce waste created by disposable food packaging
R5	For-profit	6	2020	Go-To-Market	Tourism	Develop online platform for eco-friendly travel	Raise funds for aid organizations by renting their unused space

Note. All information as of the date of the interviews in November 2020.

*Stage taxonomy: Idea, Launch, Proof of Concept, MVP, Go-To-Market, Growth, Maturation.

**Based on the Industry and Sectors Taxonomy of the [International Labour Organization \(2020\)](#).

first-order codes were subsequently aggregated to identify second-order codes for each theme.

This process produced the four thematic dimensions that structure the results of this study. Three of these dimensions – “founding motivations,” “resource needs,” and “sponsorship mechanisms,” were specified a priori and addressed purposefully in the interviews. A fourth dimension – “entrepreneurial self-reliance” as an alternative to joining a start-up support

program – emerged during the coding process, just as “impact acceleration” was identified as an additional support mechanism for social start-ups. Figure 1 shows the resulting analytical model and the relationships between the four dimensions, the support mechanisms, and the corresponding interventions by an incubator or accelerator.

A separate table was created for each dimension and service in accordance with the approach recommended by Miles

& Huberman, 1994 for summarizing and presenting case evidence. Such construct tables help to “indicate how the focal construct is ‘measured’, thus increasing the ‘testability’ of the theory and creating a particularly strong bridge from the qualitative evidence to theory-testing research” (Eisenhardt & Graebner, 2007, p. 29). They were used to link the case evidence from primary and secondary data to emerging theoretical concepts.

4. Results

After having introduced the theoretical framework and research design, the following section presents the results from the case interviews and relates them to the extant literature. As illustrated in Figure 1 in Section 3.5, the results are structured in four dimensions: The social-mission focus and founding motivations form the basis for the resource needs of social start-ups. Building on these two dimensions, the third part discusses the mechanisms of organizational sponsorship. In addition to the three mechanisms of the extended framework, it identifies a novel support mechanism – impact acceleration – that is highly beneficial to social start-ups. The final dimension emphasizes a contrasting motive that emerged in this study: Entrepreneurial self-reliance – or, put differently, reasons for not joining a formal support program.

4.1. Social Mission and Founding Motivations

Founding motivations are at the heart of every entrepreneurial venture. They determine why founders embark on the perilous journey of launching a start-up – after all, 50% of companies fail in their first five years (Triebl et al., 2018, p. 121). Founding motivations also affect how founders pursue opportunities and acquire resources. Studying the motives and backgrounds of their founders helps to explore the support needs of social start-ups.

The purpose of this section is not, however, to provide a full characterization of the personality and motivations of social entrepreneurs, which have already been thoroughly studied (Gupta et al., 2020; Zahra et al., 2009). Social entrepreneurs share many qualities with founders of conventional start-ups, such as “leadership, vision, drive and opportunism” (Nicholls, 2006, p. 20), and it is difficult to identify characteristics unique to them.

Nonetheless, this study maintains that a social-mission focus drives social entrepreneurs and “affects how [they] perceive and assess opportunities” (Dees, 1998, p. 2). Additionally, the literature suggests that founders of social start-ups are motivated by other factors than founders of conventional ventures (Germak & Robinson, 2014). For this reason, it is helpful to explore what their social-mission focus means in practice – and how it influences their receptiveness to and perception of incubator and accelerator benefits.

Table 7 on the following two pages identifies six ways in which the social start-ups in this study demonstrated a social-mission focus. Or in other words: How they prioritized the pursuit of a social mission. In addition, Table 7 presents information about the educational background and professional

experience of the founders, given that these characteristics strongly influence how social entrepreneurs approach their enterprises (Germak & Robinson, 2014).

Overall, Table 7 shows six manifestations of the social-mission focus that emerged in the interviews. “Sustainability,” “independence,” “long-time thinking,” “hybridity,” “credible impact,” and “priority of purpose” all differ in the degree to which they are unique to social start-ups. The most common among founders is an ambition to be independent. Sustainability and long-time thinking are also significant for social as well as conventional entrepreneurs. By contrast, the latter three themes are more specific to the social start-up context.

Hybridity refers to aligning the social and economic logics of a venture, such as using business efficiency to maximize social impact (F1) or leveraging impact through additional revenue streams (R4). Nine of the 10 start-ups pursued a social mission through their key economic activities and not as an add-on. The only exception (R3) was a fintech company that generated donations for social projects. However, even R3, like R2, anchored its mission with a novel legal form called steward-ownership that preserves its essential purpose (Ventures, 2020).

With the concept of credible impact, the founders signaled an intention to prove their impact in a trustworthy and transparent way, for instance by including impact metrics in business monitoring (F3) or by influencing all steps of the value chain (F4). Multiple respondents noted that referring to “impact” has become so prevalent among start-ups that it has almost lost its meaning. Indeed, in a large poll among U.S. internet start-ups, 68% of founders cited “impact” as their main motivation, before “experience” at 27% and “money” at 5% (Marmer et al., 2011, p. 59).

The priority of purpose supports Santos (2012) claim that entrepreneurship involves a trade-off between societal value generation and economic value capture, with most respondents signaling that they were not driven by profit motives – a motivation shared with 84% of social entrepreneurs in Germany (DSEM, 2020, p. 39). This effect was not consistent across the cases, but it did not appear to correlate with age. Although experienced founders such as F4, F5, R1, and R2 expressed a stronger purpose motive than younger respondents, the most inexperienced founder (F5) also claimed to put their purpose ahead of other motivations.

The results of Table 7 show a clear intention to question, if not reject (F2 and R2), the practices of conventional business life. Interestingly, all ramp-ups and three fellows had a background in business or management, but only two founders had previously pursued a social mission – running a bio-diversity consultancy (F4) and an education nonprofit (F5). Moreover, Table 7 shows that most founders were experienced, up to the C level, with only two teams (F1 and R5) launched by young professionals. The maturity of the founders needs to be considered, given that “the organizing behaviors and decision making of individuals is dependent on their knowledge structures,” as well as on their work experience and background (Katre & Salipante, 2012, p. 972).

Table 7: Social-Mission Focus

	Educational background	Professional experience	Manifestations of the social-mission focus	Representative quotes
F1	Mathematics and Computer Science, PhD	Research, 4 years	1. Hybridity	<p>Start-ups of the fellows program</p> <p>People are not packages. We have to consider more than pure business efficiency. At the same time, business efficiency plays a major role. There is no other way. (I)</p> <p>I believe those who work sustainably have universally higher success rates. But I don't really see a need to do anything different than what a normal start-up does. (I)</p> <p>If I would even think about working with a business angel or with an external investor, then only if the social impact component is safeguarded. (I)</p> <p>I have experienced corporate life for too long. I have always said I don't want to discuss purchase prices with an investor. Those are the cornerstones of our business, and I can't touch them. (I)</p> <p>We set a high standard of socially and ecologically sustainable cooperation. We source natural materials and work directly with our producers to protect their traditions. (W)</p> <p>Investors are exit-driven. It is about growing quickly and then selling. We are looking for somebody who wants to give patient capital and share in the profits. Not just put money in and bang, away with it. (I)</p> <p>We want to include impact KPIs in our balanced scorecard, in our monitoring. We haven't done that yet, but as soon as this loan is safe, it will be on the list. (I)</p> <p>We develop products with a positive carbon footprint that are fun, durable, locally produced, and repaired and recycled locally. (P)</p> <p>The vast majority of start-ups are looking for money. We have been asked time and again by investors whether they could join us. And we have always refused. (I)</p> <p>Our aim is not to achieve the fastest and largest possible monetary profit, but to make a good business for everyone in the true sense of the word...(W)</p> <p>From cultivation to the finished product, we are directly involved and can influence all production steps. Our internal rules exceed the criteria of any certification. (W)</p> <p>The start-up scene is dominated by people who think they have a really cool idea and need 1.5 million. Often it's just hot air with a fancy website. To be honest, that's a bit strange to us. (I)</p> <p>You can present what we do as a company one way or another. It would be easy to get financing. This is really a good story. But we didn't want to play this card at all. No, actually we are a purpose company. (I)</p> <p>With social start-ups, you have to have [impact measurement], that's your legitimation for saying I really want to achieve outcome and impact. And I am quite rigorous. You have to be serious about that. (I)</p>
			2. Sustainability	
			3. Independence	
			4. Priority of purpose	
F2	Business Administration	Pharmaceuticals, 10 years	2. Sustainability	
			5. Long-time thinking	
F3	Information Management	IT consulting, <1 year	6. Credible impact	
			2. Sustainability	
			3. Independence	
			4. Priority of purpose	
			6. Credible impact	
			2. Sustainability	
F4	Tropical Biology, PhD	Researcher / Founder of a consultancy, >15 years	4. Priority of purpose	
			6. Credible impact	
			2. Sustainability	
F5	Education	Education, >25 years	4. Priority of purpose	
			6. Credible impact	
	Co-founder: IT, MBA	Co-founder: IT (C Level), >20 years		

(Continued)

Table 7—continued

		Start-ups of the ramp-up program
R1	Business Administration	<p>Logistics (C Level), > 20 years</p> <p>3. Independence</p> <p>4. Priority of purpose</p> <p>5. Long-time thinking</p> <p>I don't want to have to give account to somebody and pay eight percent interest. You need investors who actually think about this solution and are convinced of it and who don't really care about the money. (I)</p> <p>We simply lack a profit motive. When I go to the bank, they say: what do you want here with us. I have built up this organization with 60, 70 hours a week for three years completely free of charge. (I)</p> <p>I could open a platform and create a sort of Tinder. The expenditure is not much. But that doesn't solve the problem. I don't want to charge 35 euros per hour to look after a poor mother, it has to be cheap. (I)</p> <p>I don't want to depend on external people. If I don't know them or their intentions, then that is too risky for me. But if you spend a little money, it goes faster and in the end, it may be more efficient. (I)</p> <p>A start-up can only be successful if it exists on the market for a long time and fulfills a real purpose. To make money quickly, you need a short-term focus, which I used to hate in normal business life. (I)</p> <p>I have problems with short-termism. And that's why I'm in the impact business and not in the classic money-making business. It's about the purpose and not about the money. (I)</p> <p>We use profits and growth to do this as a means to social and environmental goals. This social cashback creates the positive impact we need as a society. We put purpose before profit maximization. (W)</p>
R2	Management	<p>Food and drink (C Level)</p> <p>3. Independence</p> <p>4. Priority of purpose</p> <p>5. Long-time thinking</p> <p>It is quite clear the profit will never be the main focus for us. We have built the company completely differently. We have committed our company to reinvesting all profits and donating the rest. (I)</p> <p>Sustainability is the most important thing for us and the reason we founded the company. We want to look at ourselves and say: we made a big contribution to climate protection and against plastic flood. (M)</p> <p>For us sustainability also includes the economic aspect. Therefore, we were looking for a solution where purpose and profit are "streamlined", i.e. the more sustainable impact, the more revenue we generate. (P)</p> <p>No matter if you talk about profit or not, you always need take your impact into account. Personally, I would say that no start-up or company today would be harmed by taking this topic seriously. (I)</p> <p>We didn't want to take the classic start-up path of directly taking up an investment and getting an investor in who is not 100 percent committed to our development and the impact idea. (I)</p> <p>When we decided to found this company, we said to ourselves: Okay, the impact must always come first. If that means that we can't pay out a cent for the first two or three years, then that's perfectly fine. (I)</p>
R3	Business Informatics	<p>Banking 9 years</p> <p>1. Hybridity</p> <p>4. Priority of purpose</p>
R4	Marketing and Sales	<p>Digital Marketing 10 years</p> <p>2. Sustainability</p> <p>1. Hybridity</p>
R5	International Business	<p>None (University) < 1 year</p> <p>3. Independence</p> <p>4. Priority of purpose</p>

Note: The personal information refers to the main interviewee. Co-founders have been mentioned when their profile differs materially from the interviewee. Sources: (I) Interview with the author; (M) Media articles; (P) Pitch decks or (P) presentations; (W) Website. All German quotes translated by the author.

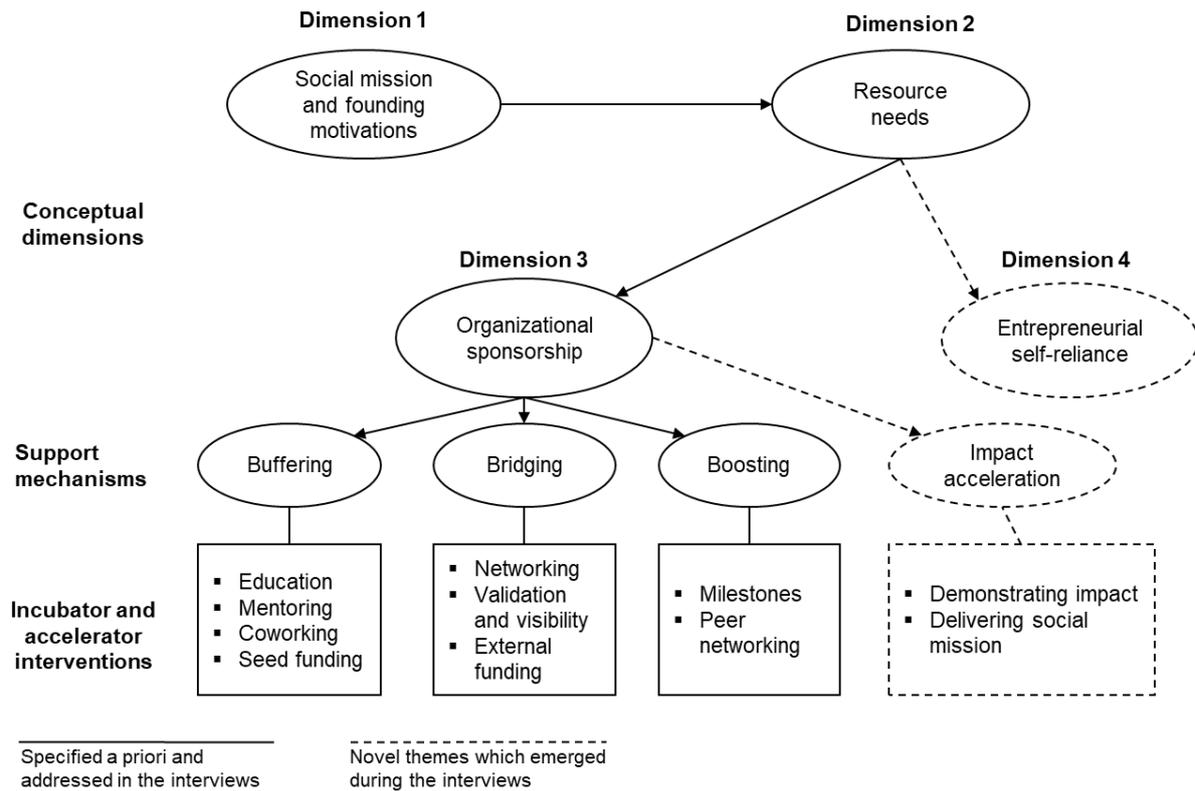


Figure 1: Analytical Model for the Acceleration of Social Start-Ups

Finally, Table 7 signals no clear difference in social-mission focus between ramp-ups and fellows, which suggests that the advanced stage of fellows had not led to mission drift.

To explore the social-mission focus further, the founders were asked why they started their ventures in the first place. Table 8 groups their founding motivations into four common themes.

In their study of social entrepreneurship motivations, Germak and Robinson (2014, p. 18) found “a unique blend of motivational components in nascent social entrepreneurs”. Table 8 confirms that a combination of four factors motivated the founders in this study.

Achieving societal impact seemed to be a prime motivation, with nine founders explicitly mentioning their impact on direct or indirect beneficiaries, and six aiming to achieve a systemic impact. This is not entirely surprising – in a poll 97% of German social entrepreneurs expressed a desire to solve societal challenges, and only 3% a desire to “become rich” (DSEM, 2020, p. 55).

The same survey, in line with Table 8, indicated that seeking personal fulfillment is a strong motivator for social entrepreneurs. Germak and Robinson (2014, p. 13) also found that the needs of social entrepreneurs are “at a higher level of personal fulfillment” than seen with “necessity-based” entrepreneurs. Observing this factor more closely, the primary sources of personal fulfillment in this study were seizing opportunities, tackling complexity, and achieving autonomy, whereas no founder talked about material gains.

Nonetheless, accomplishing significant achievement is also a strong motivator for social entrepreneurs, “not entirely dissimilar from what one would expect of commercial entrepreneurs” (Germak & Robinson, 2014, p. 16). In the case of the start-ups in this study, this desire focused on developing innovative solutions through innovative technologies and business practices but also by drawing on experiences from other sectors or countries – reflecting their maturity and diverse professional experiences.

A fourth motivational factor cited in the literature is personal closeness to a social problem (Germak & Robinson, 2014, p. 17). Katre and Salipante (2012, p. 977) even found that starting with an “initial concept of social change based on personal, family, or community experiences” and then developing an economic opportunity distinguished successful from struggling social entrepreneurs. Accordingly, half the founders reported being personally affected by a societal issue. More surprising is another source of personal closeness: Six out of 10 explicitly cited traveling or working abroad as a personal motivation for founding their venture.

In combination, the findings of Table 7 and Table 8 confirm Nicholls (2006, p. 13) definition that social start-ups are characterized by a “prime strategic focus on social impact” and an innovative and entrepreneurial approach to achieving it. For the start-ups in this study, the primary social purpose “is not a difference in net profits, but a net difference in total value creation” (Wilson & Post, 2013, p. 723) – regardless of their development stage. Having established their motiva-

Table 8: Founding Motivations

Second order codes	First order codes	Representative quotes	All mentions	
Developing innovative solutions	new research	It appeared on my desk and I thought how wonderful, because my dissertation was on this area. (I) (F1)	F1, F4	R3
	new technology	You have to combine pedagogical thinking and sophisticated technical skills and make it operational. (I) (F5)	F1, F3, F5	
	new business practices	The core of our innovation is that we have developed a valid procedure to measure digital skills. (I) (F5)	F5	R3, R4
	business experience replication	I decided to bring 20 years of logistics expertise and digitization into the social sphere. (I) (R1) We first tried our approach in Cambodia, and step by step we added more and more countries. (M) (R5)	F4, F5	R1, R2 R2, R5
Seeking personal fulfillment	meaningful work	The decisive factor for me was that I was looking for more meaning. (I) (R2)	F2	R2
	achieving autonomy	It started as a student organization and we decided to spin it off as an impact start-up. (I) (R5)		R3, R4, R5
	having fun	It is very time-consuming, especially because none of us earns anything from it, but it is simply fun. (M) (R5)		R5
	tackling complexity	Mathematical algorithms are incredibly diverse and adaptable. This is what excites me about them. (M) (F1)	F1, F4, F5	R1
	seizing opportunities	There was a call for tender by the EU to operationalize this, but they couldn't find anyone to do it. (I) (F5)	F1, F5	R4
Achieving social impact	on direct beneficiaries	I don't want to charge 35 euros per hour to look after a poor mother, it has to be cheap. (I) (R1)	F1, F2, F3, F4, F5	R1, R2
	on indirect beneficiaries	There are many NGOs/NPOs which lack the necessary capital to keep their engines running. (W) (R3)		R3, R5
	on economic stakeholders	You as a consumer or as a restaurant owner can make a personal contribution to environmental relief. (W) (R4)	F2, F4, F5	R2, R3, R4
	for everyone	Our vision is to create a social and environmental impact for millions of people and our planet. (P) (F3)	F1, F3	R1, R3, R4, R5
Personal closeness	from being affected	Nursing care and especially the current nursing emergency affect us all, sooner or later. (W) (F1)	F1, F2	R1, R2, R4
	from working abroad	We discovered our passion for solar energy and African culture during two years on the ground. (P) (F3)	F2, F3, F4	
	from travelling	After six months of travelling and searching through Southeast Asia, we opened our online store. (M) (F2)	F2, F3	R2, R3, R4, R5

Sources: (I)nterview with the author; (M)edia articles; (P)itch decks or (P)resentations; (W)eb site of the start-up. All German quotes translated by the author.

tional drivers, the following section explores which resources social start-ups require to pursue a double bottom line – and how incubators and accelerators can best support them.

4.2. Resource Needs

One way to conceptualize the relationship between incubators and social start-ups is the resource-based view of the firm (RBV). This theory is used “to investigate how the deployment of key resources,” such as business and social support, “changes during the lifecycle development of the small entrepreneurial firm” (McAdam & McAdam, 2008, p. 278). According to the RBV, organizations require unique resources

and capabilities, both tangible and intangible, to create a sustained competitive advantage (Barney, 1991; Grant, 1991; Wernerfelt, 1984). Strategic resources are defined as basic inputs owned or controlled by the firm that are valuable, rare, hard to imitate, and difficult to substitute (Barney, 1991, pp. 105-106), while capabilities involve “complex patterns of coordination between people and between people and other resources” (Grant, 1991, p. 122). When it comes to acquiring resources, the entrepreneurship literature has primarily focused on the ability of firms to leverage them internally (Dacin et al., 2010, p. 48).

However, young organizations facing the liabilities of

newness (Stinchcombe, 1965) and smallness (Aldrich, 1986) find it difficult to control and expand their internal resource base. The RBV suggests that creating a resource-rich environment can address these liabilities. Incubators, for example, can support start-ups by providing a flow of tangible and intangible resources (Carayannis & Von Zedtwitz, 2005; McAdam & McAdam, 2008; Rothaermel & Thursby, 2005). The literature on sponsorship describes this process as deliberately increasing the level of resources available to new firms (Flynn, 1993b, p. 57) and mediating the relationship between resources and their founding environment (Amezcuca et al., 2013, p. 1632).

Yet, studies have also shown that the provision of resources is not a unilateral process. Placing resources at the disposal of start-ups is not sufficient to support their growth. Cultural incompatibility or difficulty to absorb intangible resources can complicate resource acquisition (Becker & Gassmann, 2006). Rice (2002) called the process of business assistance in incubators a coproduction, whereas Van Weele et al. (2017) found that entrepreneurs fail to take full advantage of incubator resources when they are unaware of resource gaps. In short, it makes sense to explore how social start-ups define their resource needs before exploring the support mechanisms.

To do this in a structured way, this study used the classification by Van Weele et al. (2017, p. 19), who distinguish between two tangible resources (“physical and financial capital”) and three intangible ones (“knowledge,” “social capital,” and “legitimacy”). Based on the interview results, the classification was adapted by adding “training” to the “knowledge” category, as well as “personal support” as an intangible resource to include coaching and critical sparring. “Legitimacy,” which was not mentioned in the interviews, was dropped as a second-order code.

Two further explanations regarding Table 9: First, the interview question specifically addressed the support expected by an incubator (see Appendix B), not the overall resource needs of a start-up. Second, only ramp-ups were asked how their resource needs changed after the end of the program since fellows enjoyed a fluid relation to the accelerator with no definite end date.

To lay the foundation for the detailed assessment of sponsorship mechanisms in the following section, four aspects of Table 9 are discussed: within-group commonalities, reliability, longitudinal variation, and receptiveness to external support.

The first aspect are the shared characteristics of the start-ups in this study, which presumably affected their resource needs: a for-profit legal form, a social mission combined with commercial activities, and in most cases an experienced founding team with a business background. Hence, it was of interest to examine how the resource needs expressed in Table 9 compared to the wider start-up population. In fact, the two intangible resources most frequently mentioned in Table 9 – “knowledge and training” and “social capital” – are also often mentioned in studies on start-up resource needs: Van Weele et al. (2017) have found that business knowledge

is one of the most significant resources provided by an incubator. Similarly, relational assets, or “social capital,” are highly relevant resources for social ventures (Dacin et al., 2010; Mair & Marti, 2006). Within the “knowledge” category in Table 9, the resource needs were heterogeneous, except “marketing and sales” with six mentions. This was not surprising: Three-quarters of accelerator companies claim that “not understanding their target market” and “difficulties reaching their customers” are the greatest obstacles for a new venture, next to funding (Radojevich-Kelley & Hoffman, 2012, p. 64). Surprisingly, the founders mentioned “financial capital” and “physical capital” less frequently. By contrast, German social entrepreneurs named funding as a key resource constraint in a recent survey (DSEM, 2020, p. 65), just as other studies have identified accessing tangible resources as the most important reason for joining an incubator (McAdam & McAdam, 2008; Van Weele et al., 2017). Rather than indicating overall resource needs, it appears that Table 9 signals the resources expected from a support program. Furthermore, this result may reflect a broader trend in the incubator landscape, given that their value proposition is shifting from tangible resources to networks, knowledge, and legitimacy (Bruneel et al., 2012).

The discrepancies between Table 9 and other studies lead to a second aspect: How reliable are the views of founders in determining the value of support mechanisms? Start-ups sometimes struggle to determine their resource needs, which can reduce the effectiveness of incubator programs. They are “hesitant to step out of their comfort zone” (Van Weele et al., 2017, p. 26) and tend to experience problems of bounded rationality, such as incomplete and inaccurate information, while their decision making can be affected by cognitive biases (Cohen, Bingham, & Hallen, 2019). These factors may explain why the resource needs articulated in Table 9 diverged from the assessment of incubator and accelerator services presented subsequently in Section 4.3.1.

Third, there was longitudinal variation between the resource needs expressed by the ramp-ups after the formal program (except for R1, who decided not to pursue the venture he entered the program with) compared to their responses at the start. Table 9 indicates a need for more specialized support as start-ups mature, for example regarding international expansion (R4) or employment laws (R5). Similarly, R2 and R3 expressed a desire for more targeted networking. These responses suggest a change in resource needs over the duration of the program (five months) – a finding echoed by Casanovas and Bruno (2013) and Drori and Wright (2018), who have noted that support needs of social start-ups progress with their stage of development.

The final aspect is the relation between the resource needs of social start-ups and their receptiveness to external support. In theory, the combination of resource constraints and the complexity required to pursue a social and economic mission in parallel should make the founders of social start-ups “likely to be receptive to assistance from external parties such as social accelerators” (Pandey et al., 2017, p. 8). But although ramp-ups and fellows displayed similar resource

Table 9: Resource Needs

Second order code	First order code	Representative quotes	All mentions	
At the beginning of the program				
Knowledge and training	business model	We hoped to receive constructive feedback on our business model. (F1)	F1	R3, R5
	founding	What all three of us haven't done yet is to set up our own company.		R4
	legal issues (setting up)	For us there were many questions at the time, such as corporate law issues and which legal form to choose. (R5)	F4	R3, R5
	marketing and sales	We looked at a different market when we went into the Impact Factory, but we validated the market and came to a pivot. (R3)	F1, F3, F4	R1, R3, R5
	operations	We plan to develop cloud services in the sales and after-sales area.	F3	
	product	We want an app to make our service more user-friendly. (R3)		R3, R5
	strategy	We hope for new ideas for the strategic direction of our start-up.	F4	
Personal support	coaching	We hope that coaching will give us valuable advice. (R5)	F3	R4, R5
	critical sparring	I am often on my own. I need sparring partners, I need people who make me want to get better. (R2)	F2, F5	R2, R3
Social capital	networking	The biggest need at the beginning was actually to find contacts, contacts and contacts. (F1)	F1, F2, F3, F5	R1, R2, R4
	partnerships	The establishment of sustainable partnerships of mutual benefit is desirable for us, especially from a sales perspective. (F3)	F2, F3, F4	R1, R5
	peer exchange	We would like to use the Impact Factory ecosystem to meet like-minded people and learn from the experiences of others. (F5)	F2, F3	R3, R5
Financial capital	seed financing	The number one topic is financing. How do I get in touch with investors? Door-knocking won't be sufficient. (F3)	F1, F3	R1, R3
Physical capital	office space	We need places to work.	F1	
At the end of the program (ramp-ups only)				
Knowledge and training	international expansion	We need an accelerator that is active in various markets, because our entire business model is built on expanding relatively quickly.	R4	
	industry updates	I would be interested in being kept up to date, more than in a larger program in which perhaps a third of the content is duplicated. (R2)	R2, R3, R4	
	legal issues (tax, labor)	We face new issues such as tax law or labor law. You just develop further and these matters become more pressing.	R5	
Social capital	targeted networking	Today the network is much more important to us, but we also know how to get intros ourselves or get in touch with other founders. (R3)	R2, R3	
Financial capital	growth financing	We also know that growth capital plays an important role in our platform model. (R4)	R3, R4, R5	

Note. All quotes are taken from the interviews and translated from German by the author. Second order codes adapted from Van Weele et al. (2017).

needs, the first group decided to join a formal program, whereas the second chose an affiliation that provided them with a fraction of incubator benefits.

The observation that some start-ups opt for an entrepreneurial support program (or multiple ones), while others with comparable resource needs prefer to go it alone,

is further underlined by Table 10, which shows no clear pattern even within the two subgroups. Among the different factors affecting a start-up's decision to join an incubator, such as venture stage, mission fit, selection policies, services provided, and the partner network (Chmiliar, 2010), this study focused on one aspect in particular – the services provided. Consequently, the upcoming section explores how the mechanisms of sponsorship address the resource needs of social start-ups shown in Table 9. The trade-off between organizational sponsorship and entrepreneurial self-reliance is examined subsequently in Section 4.4.

4.3. Organizational Sponsorship Mechanisms

As illustrated in the analytical model for the acceleration of social start-ups (Figure 1 in Section 3.5), this study first presented the social-mission focus and founding motivations of 10 social start-ups. It then explored the resource needs required to pursue their social missions and concurrent economic activities. The following section now discusses how incubators and accelerators address the resource needs of social start-ups.

In addition to the three mechanisms of organizational sponsorship and their underlying interventions, this study suggests that a fourth mechanism, impact acceleration, is particularly relevant to social start-ups. Before studying the individual mechanisms, this section explores how social start-ups rank the benefits of incubator support services.

4.3.1. Ranking of Sponsorship Interventions

This study aims to create a better understanding of incubator and accelerator interventions, in particular from the perspective of social start-ups. Therefore, it compiled an exemplary services portfolio based on studies of conventional incubators and accelerators and their social counterparts (Table 2 in Section 2.4; see Appendix for the full table). The resulting list of nine services was used in the interviews to discuss the activities of incubators and accelerators. The bulk of the interviews used open-ended questions to explore how specific services were perceived. Yet, the founders were also asked to rank the services according to their overall importance for social start-ups. Due to the small size of the sample and its selection based on theoretical considerations, the purpose of this exercise was not to provide a quantitative assessment of sponsorship services. Rather, the aim was to highlight how the founders in this sample perceived and prioritized them.

As Table 11 reveals, the resulting ranking looked surprisingly similar for both subgroups. “Access to external networks” was rated as the most valuable service by ramp-ups and fellows alike. “Internal mentoring” and “peer networking” were also ranked highly across the sample, whereas “milestones and progress tracking” ended in the bottom ranks. In accordance with the resource needs expressed in Table 9, the three services related to tangible resources – “access to external funding,” “coworking space,” and “seed funding” –, scored lower than the ones providing intangible resources.

The largest discrepancy between the two subgroups was observed for “validation and visibility,” which ranked second for fellows and last for ramp-ups. By contrast, ramp-ups attributed greater value to “education and training” than fellows. In their assessment of these two services, the two subgroups reflected the different priorities and contents of the ramp-up and fellows programs of the Impact Factory.

Regarding the mechanisms of organizational sponsorship, Table 11 suggests a slight preference of fellows for the bridging mechanism, with two outward-facing interventions in the top three. Ramp-ups, perhaps owing to their reduced internal resource base, rated the buffering mechanism slightly higher. Overall, the mechanisms look evenly distributed. The most striking result concerns the provision of tangible and intangible resources.

Comparing the results in Table 11 to the extant literature is challenging for three reasons already mentioned in Section 2: Studies on incubators and accelerators usually focus on their definitions and effects, and only rarely on their activities. If they do, they often take the perspective of incubator managers, and not of start-ups. Moreover, there have been few attempts to generalize the activities of incubation and acceleration beyond individual case studies.

Studies that do attempt to study incubator services usually employ a rough classification, as three widely cited articles demonstrate: A study on the effect of accelerator services on venture performance compared “basic services of funding and coworking space” with “entrepreneurial schooling” (Gonzalez-Uribe & Leatherbee, 2018). Research by Bruneel et al. (2012) showed that the usage of “business support” increased in recent incubator generations, while Bergek and Norrman (2008) distinguished between “strong intervention” and a “laissez-faire regime”.

The broadness of these terms reflects the empirical diversity of incubators and accelerators. The review by Crisan et al. (2019, p. 12) counted 45 “typical interventions” and 36 “extended interventions,” the latter referring to “additional services based on participants’ needs”. These interventions were aggregated into five outcomes (p. 13): “Funding” was mentioned most frequently (in 52% of the reviewed studies), followed by “validation” (40%), “product development” (37%), “network” (33%), and “knowledge” (32%). While these figures refer to prevalence, and not to their value for start-ups, it is interesting that the literature mentions tangible resources such as “funding” more frequently than the respondents in this study.

In contrast, Crisan et al. confirmed the importance of “networking,” which the respondents ranked as the most valuable service – in line with a study of five U.S. accelerators that cited “networking” as their most significant benefit (Radojevich-Kelley & Hoffman, 2012). A study of 88 Italian incubators also found that “networking,” with “managerial support” and “physical spaces,” was among the most important incubator and accelerator services (Sansone et al., 2020). Another relevant data set confirmed the importance of networking: The application data of 23,368 early-stage ventures suggested that entrepreneurs placed the highest

Table 10: Experience with Additional Support Programs

Ramp-ups	Program(s)	Fellows	Program(s)
R1	None	F1	Fraunhofer accelerator; two technology accelerators; EU incubator with IT focus
R2	Food-specific accelerator	F2	None
R3	Technology accelerator	F3	Start-up competitions; university start-up program; regional founders network
R4	None	F4	Early support by a start-up center, but no formal program
R5	Start-up competitions; university start-up program; two accelerators	F5	None

Note. The results refer to support programs prior or in parallel to the Impact Factory.

Table 11: Ranking of Sponsorship Interventions

Rank	1	2	2	4	4	6	7	8	9
Intervention	Access to external networks	Validation and visibility	Internal mentoring	Peer networking	Education and training	Access to external funding	Co-working space	Milestones and progress tracking	Seed funding
Start-ups of the fellows program									
F1	1	4	3	5	2	8	7	9	6
F2	2	5	4	1	3	7	8	6	9
F3	1	6	4	7	5	2	3	9	8
F4	2	1	3	4	5	9	8	6	7
F5	1	2	4	3	5	8	9	6	7
Ø	1.4	3.6	3.6	4	4	6.8	7	7.2	7.4
Mechanism	Bridging	Bridging	Buffering	Boosting	Buffering	Bridging	Buffering	Boosting	Buffering
Rank	1	2	3	4	5	6	7	8	9
Intervention	Access to external networks	Education and training	Internal mentoring	Peer networking	Access to external funding	Seed funding	Co-working space	Milestones and progress tracking	Validation and visibility
Start-ups of the ramp-up program									
R1	3	4	2	6	1	n/a	n/a	7	5
R2	1	2	3	4	6	8	7	5	9
R3	1	2	3	5	4	8	7	9	6
R4	2	4	6	1	5	3	8	7	9
R5	1	4	3	2	7	6	5	8	9
Ø	1.6	3.2	3.4	3.6	4.6	6.25	6.75	7.2	7.6
Mechanism	Bridging	Buffering	Buffering	Boosting	Bridging	Buffering	Buffering	Boosting	Bridging

Note. After the interview, founders were asked to rank nine interventions from 1 (most relevant for social start-ups) to 9 (least relevant for social start-ups). R1 decided not to rate two interventions (given as n/a).

priority on building external relationships, including “connections to funders” and “mentorship” (Global Accelerator Learning Initiative, 2020). The data set by GALI also indicated that “awareness and credibility” and “access to like-minded entrepreneurs” ranked lowest among potential benefits – unlike the views expressed in this study, especially by fellows. A similar discrepancy to Table 11 could be observed in a survey of 14 European impact-oriented incubators: “Rev-

enue strategy,” “financial management,” and “fundraising” were considered the most important types of support after “strategic support” (Gianoncelli et al., 2020). Finally, a survey of 52 impact-focused accelerators found that the three most significant accelerator benefits were “mentorship,” “access to potential investors,” and “network” (Lall et al., 2013, p. 118).

Summing up these results, the following trends emerge:

“Networking” and “mentoring” were consistently ranked among the most important services in this study – and in the wider literature. The picture was less clear for “education and training” and “peer networking,” which ranked higher in Table 11 compared to other surveys. However, the largest discrepancy was registered in relation to the provision of tangible resources such as “funding” and “coworking.” These activities scored surprisingly low in Table 11, despite their prominence in the literature.

4.3.2. Buffering Mechanism

The framework of organizational sponsorship defines the buffering mechanism as the provision of external resources to young organizations that are “understood to lack control over vital resources” (Amezcuca et al., 2013, p. 1632). Incubators and accelerators help new organizations build internal resources until they can mobilize them from their environment (Amezcuca et al., 2013, p. 1632). The buffering mechanism originally focused on material support, such as office space or consulting services (Breivik-Meyer et al., 2019, p. 8). This study extended the mechanism to include “mentoring,” in addition to three services typically used to increase the internal resource base of start-ups: “education and training,” “seed funding,” and “coworking space.” The following section explores how the founders assessed the value of these four services.

Education and Training. The provision of education and training is one of the most prevalent activities of incubators and accelerators. In contrast to mentoring, this activity aims to impart knowledge and skills to start-ups. It can be offered internally, with the help of external experts, and through various formats such as workshops, lectures, and individual training. It can cover various topics, from business skills to legal, operational, and financial issues, either with a standardized curriculum or tailored to the needs of founders.

In the exemplary services portfolio compiled for this study, 25 of 26 studies mentioned activities related to education and training (see Appendix). Moreover, the start-ups in this study mentioned knowledge and training as the most relevant resource need (Table 9 in Section 4.2). Yet, despite this prominence, they did not consider education and training the most important service provided by incubators, as Table 11 shows: Ramp-ups ranked this service in second place, below the access to external networks. Fellows placed it fourth, on the same level as peer networking – not entirely surprising, given their more advanced development stage.

Studying the resource needs in Table 9 leads to two interesting observations regarding education and training: First, the knowledge interests of social start-ups were rather broad, with most topics mentioned only by one or two start-ups. Second, their education needs evolved as the start-ups advanced in their development. How can incubators and accelerators succeed in providing an education and training program that fulfills these diverse requirements?

To answer this question, Table 12 divides the responses of the social start-ups into four categories: what (the desired content), how (the preferred methods), why (the added

value), and why not (the limitations). Although all founders were asked about this activity, the latter two categories relied primarily on the views of ramp-ups who, unlike fellows, participated in the formal education program of the Impact Factory.

The topic that was mentioned least frequently was the content of education and training – presumably because the founders had already addressed their knowledge gaps in terms of their resource needs (Table 9). However, half the respondents mentioned one specific area: providing legal advice. Multiple founders said that choosing the legal form is a major decision for a social start-up that can incorporate as a for- or nonprofit entity. Two start-ups (R2 and R3) even changed their legal structure to a “purpose company” on the advice of the Impact Factory.

There was mostly consensus regarding the preferred method of learning in an incubator or accelerator. First, four founders said that the education program needed to be tailored to their specific needs. Second, the education program should be practice-oriented, so replicating or even solving genuine business challenges. Third, outside experts should be included in the education offering. Apart from that, the founders expressed no strong views on whether the education should be provided individually or in groups.

How can an incubator or accelerator then add value through its education and training program? According to the respondents, three activities are key: structuring and speeding up learning processes, solving concrete business challenges, and relating theoretical knowledge, such as accounting practices or financial planning, to the realities of running a start-up. Furthermore, an incubator should ensure that the knowledge it provides represents the state of the art, which even experienced founders such as R1 regarded as helpful.

Simultaneously, all five ramp-ups mentioned limitations. Education and training activities can be useless, if not detrimental, when they are too basic, generic, or theoretical – a logical reversion of the learning preferences expressed in Table 12. They also repeatedly mentioned the time invested as a crucial factor in deciding whether education and training were beneficial.

Summing up these results, three aspects are noteworthy. First, the founders considered education and training helpful overall – in line with the finding that entrepreneurship schooling leads to “significantly higher new venture performance” of accelerator companies (Gonzalez-Uribe & Leatherbee, 2018, p. 1595). Second, human capital – skills, knowledge, and experience – play a key role in how founders appreciate training benefits, as Pandey et al. (2017) have previously shown. In this study, the founders were mostly experienced, with a strong background in business but limited prior knowledge of starting a social-mission venture. Hence, their training needs primarily centered on catalyzing internal learning processes, rather than on receiving business education. Third, these results reflected the views of founders who might have suffered from biases and bounded rationality. For example, it has been found that tailoring accelerator activi-

Table 12: Buffering 1 - Education and Training

Second order code	First order code	Representative quotes	All mentions
What: content	e-commerce	It would have been easier if we had someone to explain to us at the beginning how a web-shop works and what the best system is that still works as you grow. (F4)	F2, F4
	business plans	When you start, you go in with a business plan. But the reality is completely different from what you planned. (R2)	R2
How: methods	legal advice	Legal is always a big issue. You cannot just read up on it yourself. You don't want to build on a fragile foundation. (R5)	F1, F5
	customized	Very basic workshops are no longer relevant for us. It's definitely good to have a broad spectrum. The teams are diverse and depending on your needs, you should be able to pick and choose what you need. (F3)	F1, F3
	individual	Exchange is important, but sometimes it adds more value if you really have a specific 1-to-1 conversation.	R2, R4, R5
Why: added value	collective with outside expertise	It's about doing it directly in dialogue with others, in exchange, in group work. (F1) The people who led these workshops were really committed and available afterwards. That is really positive. As a start-up, you can't always pay a professional. (R1)	F1, F4 F2, F3, F4
	practical	This is an incubator where you are given a very specific task, which is like building up a new business model. (F1)	F1
	learning catalyst	We noticed relatively quickly we had already dealt with all these topics in the past, but the Impact Factory gave us templates of practical use and we were able to organize our thoughts better and improve our processes. (R4)	F2
	problem solver	If you're a founder, the only thing you're looking for are problem solvers for topics that are relevant for you. And if you have one, don't let them go. (R2)	F1
Why not: limitations	reality check	I believe that you can learn many basics like accounting on your own if you want to learn that. But to get your product, your offer, your service across to someone else - you don't learn that from a book or an online course. (F1)	R1, R2
	topicality	I studied business administration, but that was a while ago. There are some things that were done differently in the past. And in the Impact Factory they offer workshops that bring you up to date on the latest developments.	R1
	too basic	The workshops don't always help us one hundred percent because we have already seen a lot. Especially when you do a more general workshop, for example on marketing: we've heard that eight or ten times now. (R5)	F5
Why not: limitations	too generic	A standard program, where I already know half of it, is a waste of time for me, which I don't have. Flexibility is extremely important. (R2)	R2, R3, R5
	too theoretical	Of course, we can always get more information. But everything to build up the company, we have to do ourselves. (R3)	R1, R3
	too time-consuming	Maybe these things were offered, but because we are always so busy, maybe they simply slipped through. (F4)	F4

Note. All quotes are taken from the interviews and translated from German by the author.

ties can lead to lower venture performance than standardized offerings (Cohen, Bingham, & Hallen, 2019).

Internal Mentoring. Connecting founders with experienced mentors, often over extended periods, is one of the most significant activities for supporting start-ups (Miller & Stacey, 2014, p. 26). Today, mentoring is mostly associated with accelerators. Pauwels et al. (2016, p. 17) go as far as calling it the service that “most differentiates the accelerator from previous generation incubation models”. Indeed, mentoring featured in over 80% of the studies on accelerators and social incubators/accelerators in the exemplary services portfolio (see Appendix). By contrast, none of the studies on incubators mentioned mentoring activities.

Admittedly, the difference between mentoring and related activities, such as coaching and business support, is not clear-cut. In this study, mentoring comprises activities that do not aim to impart technical or business knowledge, but seek to provide “feedback, advice and social support” (Cohen, Fehder, Hochberg, & Murray, 2019, p. 1791). Mentoring is “internally” delivered – formally and regularly – within the accelerator, as opposed to external networking activities.

The social start-ups in this study considered mentoring one of the key accelerator benefits. Seven of the 10 founders identified personal support as a crucial resource need in Table 9. Ramp-ups and fellows ranked internal mentoring as the second and third most important service in Table 11, respectively. Therefore, Table 13 summarizes their views on internal mentoring.

As far as the profile of mentors was concerned, the respondents had clear preferences: Mentors should be experienced, preferably having successfully founded a start-up themselves, and knowledgeable about the industry the start-up planned to enter. R5 explicitly cautioned against mentors for whom “the needs of start-ups are just too far away.”

The expectations for the mentoring relationship focused on three aspects. The most frequently mentioned was reflection. Interestingly, the three oldest founders (F4, F5, and R1) primarily expected the mentor to ask the right questions, whereas two younger founders (R3 and R5) would like a mentor to accelerate their growth by setting goals and key milestones. The importance of acceleration is explored further as part of the boosting mechanism, which includes “milestone setting.” Besides, mentors should provide emotional support, as R3 mentioned.

Considering that the view of internal mentoring is quite positive both in this study and in the literature (Casasnovas & Bruno, 2013; Cohen, Fehder, et al., 2019; Radojevich-Kelley & Hoffman, 2012), it is worth studying risk factors for mentoring relationships. For instance, R4 said that mentors might not follow the development of a start-up closely enough, while R3 saw a gap between the growing sophistication of their support needs and generalist mentors. More surprising were the views of two fellows who had declined to join a formal program: F4 observed that experts from other sectors rarely added value due to the complexity of F4’s activities. F2 signaled a reluctance to be challenged too early by a mentor. In their cases, even a popular service such as inter-

nal mentoring failed to add value. However, except F2 and F4, all founders in this study appreciated internal mentoring as highly beneficial.

Coworking Space. Offering coworking spaces at reduced costs to entrepreneurs has been a key feature of business incubators since their emergence in the 1950s (Cohen, Fehder, et al., 2019, p. 1792). Although recent incubator generations have shifted from providing infrastructure to networks, learning processes, services, and capital (Bruneel et al., 2012), subsidized workspaces remain prevalent in entrepreneurial support programs. Accordingly, 90% of studies on incubators and 60% of studies on accelerators and social incubators/accelerators mentioned this service in the exemplary services portfolio (see Appendix).

Despite the prevalence of coworking spaces, the findings on their benefits are mixed at best. Gonzalez-Urbe and Leatherbee (2018, p. 1569) have seen “no evidence that basic accelerator services of cash and coworking space have a treatment effect on fundraising, scale, or survival”. Another study has found that workspace provision is “associated with lower performance in terms of maximum valuation” (Cohen, Fehder, et al., 2019, p. 1795). Y Combinator intentionally declined to provide space to avoid unhealthy codependencies and encourage independence (Cohen, Fehder, et al., 2019, p. 1792). However, studies have also highlighted the benefits of shared spaces for peer exchange (Miller & Stacey, 2014, p. 29) and overcoming the loneliness related to entrepreneurship (Duff, 1994, p. 17).

For the social start-ups in this study, the provision of coworking space did not appear to play a significant role. They mentioned it only once as a resource need in Table 9. In the ranking of sponsorship services (Table 11), both ramp-ups and fellows ranked coworking space seventh out of nine. However, it should be noted that the Impact Factory in 2020 had to offer most services virtually due to Covid-19. Before the pandemic, on-site activities were scheduled in bi-weekly blocks to allow start-ups from all over Germany to attend.

As a result, none of the start-ups used the coworking space offered by the Impact Factory, although half signaled an intention to use it if distance or time allowed, as Table 14 shows. Contrary to a study that found rental subsidies to be the main attraction of incubator programs (K. Chan & Lau, 2005), only two founders mentioned cost considerations. The primary motivations for co-locating were immaterial, such as collaboration, creativity, and the shared experience, or as F1 put it: “Being together, suffering together, but also celebrating together.”

Coincidentally, the only start-ups that expressed an outright negative view of coworking, F4 and R1, were both founded in 2015, so three years before the other start-ups in this study. This observation suggests that the maturity of a start-up affects its perception of coworking benefits.

Seed Funding. Securing financial resources to launch and grow is one of the most vital tasks for a start-up founder. Incubators and accelerators can help by offering two types of funding: Directly, through seed funding in the form of grants, debt, equity, and hybrid instruments, and indirectly, by pro-

Table 13: Buffering 2 - Internal Mentoring

Second order code	First order code	Representative quotes and further mentions
Desired mentor profile	experienced	For me, mentors are similar to professors. They have done it all before. (F1, also mentioned by R1 and R5)
	knowledgeable	It's important to have a contact person who can guide you with industry knowledge. (F3, also mentioned by R4)
Expectations	ask questions reflection	Ask critical questions (F4) / Ask good questions (F5) / Ask uncomfortable questions (R1) / Help prioritize and provide outside view (F2) / Serve as reality-check (F1)
	acceleration	Define KPIs (R3) / Set goals (R5)
	support	Point out risks (R2) / Address the emotional level and absorb shocks (R3)
Risk factors	lack of closeness	Things developed so fast in our start-up and the mentors also have different things on their mind. And you don't meet them every day. (R4)
	lack of knowhow	Asking the right questions is not always so easy. (F4)
	increased expectations	Talking about general topics is more important at the beginning. Then the intervals at which you meet become greater because you become better at it. (F3)
	reluctance to be challenged	I ask myself: when will the point come when I need to enter an incubator program? When do I need a sparring partner to challenge my business idea? Otherwise, it can make sense to simply pursue an idea and develop it if it works. (F2)

Note. All quotes are taken from the interviews and translated from German by the author. Some quotes are summarized when the full quote added no necessary context.

Table 14: Buffering 3 – Coworking Space

Second order code	First order code	Representative quotes and further mentions
Potential benefits	collaboration	It's great if you have a space where you can go, where you can work together. (R3, also mentioned by F1 and R5)
	creativity	Just sitting together, brainstorming something new, to challenge ourselves and even get a bloody nose sometimes. (F1, also R2)
	cost savings	It's very difficult to get coworking places. Sometimes they cost a fortune. (R5, also R2)
Reasons against	shared experience	Start-ups live from being together, from suffering together, but also from celebrating together. (F1, also mentioned by F3)
	distance	I was barely there, because Duisburg is two and a half hours from my home. (R2, also R3, R4 and R5)
	time	I was a bit jealous of the start-ups in the Impact Factory. I would love to do that but maybe I don't have the time anymore. (F1)
	no added value	We are often offered shared office space to exchange ideas with, for example, people who make websites. But that never helped us. (F4)
	preference for own facilities	We are simply too well equipped in that respect already. And even in the initial phase, I had my own rooms at home. (R1)

Note. All quotes are taken from the interviews and translated from German by the author.

viding access to external investors such as business angels or VCs. As part of the internal buffering mechanism, this section now focuses on the former, while connecting the start-ups with external investors is explored subsequently as part of the bridging mechanism.

Although the provision of financing has been identified as a primary motivation for joining an incubator (SIM, 2020;

Van Weele et al., 2017), it is not that common. Less than a third of impact-oriented accelerators in Europe offer funding in the pre-acceleration phase (Gianoncelli et al., 2020, p. 22). 8% of German incubators and accelerators take an equity stake in their ventures (SIM, 2020, p. 44). In the exemplary services portfolio, 40% of studies on conventional incubators and accelerators mentioned direct funding (see

Appendix).

The low prevalence of seed funding offered by incubators may explain why only four founders named seed financing as a resource need to be addressed by an incubator (Table 9). Moreover, fellows ranked seed financing ninth out of nine and ramp-ups sixth out of nine in the ranking of sponsorship services (Table 11) – in line with the finding by Miller and Bound (2011, p. 26) that “the money that accelerator programs offer is a valuable part of the package... but it was rarely rated the most important consideration”. Yu (2020) has even argued that the cost of dilution leads founders with the best ideas not to apply to accelerators.

If social entrepreneurs do not consider incubators and accelerators a primary source of funding – how do they finance their seed phase? Table 15 shows that for eight founders in this study, the answer was bootstrapping, i.e., drawing on their savings or reinvesting their first revenues. Only two founders worked with external investors: F5 could rely on business angels from the start and R4 after six months. The other founders used a diverse array of funding sources, including grants, personal loans, donations, and start-up competitions.

Considering that social start-ups “often rely heavily upon a range of funding sources” (Austin et al., 2012, p. 377), these results are not surprising. A survey of social entrepreneurs in Germany has found that 73% tap into their savings, 31% rely on friends and family, and 23% on public funds; only 9% receive funding from business angels and 8% from incubators or accelerators – a far lower share than conventional start-ups (DSEM, 2020, p. 46).

The responses of the founders in this study suggest that the low take-up of external seed funding by social start-ups may not only be related to supply but also to demand. Bearing in mind that the Impact Factory did not provide direct funding to its ventures, Table 16 shows that the founders had a balanced (R4), if not critical (R3) view regarding this source of financing.

More importantly, Table 16 illustrates how the social-mission focus influenced their perspectives on seed funding in general. As discussed in Table 7, most founders signaled a “priority of purpose,” meaning that social purpose takes priority over economic goals. Table 16 provides concrete examples of how the founders financed the launch and growth of their start-ups: They worked for low (or no) salary – sometimes for years. The founders had additional jobs, used savings from previous careers, and asked for the help of friends. Together, these views show the resilience and creativity of social entrepreneurs in gathering seed funding – irrespective of any funding support by an incubator or accelerator.

4.3.3. Bridging Mechanism

Incubators and accelerators do not only help start-ups expand their internal resource base through buffering – they also facilitate inter-organizational relationships through bridging, “establishing a conduit through which essential resources can flow more efficiently between external resource providers and new organizations” (Amezcuca et al., 2013, p.

1633). From this perspective, the environment is not seen as a threat but as a source of resources and knowledge for improving “the competitive positions and survival chances” of nascent organizations (Amezcuca et al., 2013, p. 1633). Sponsors such as incubators and accelerators can serve as connective intermediaries to strengthen a start-up’s external relationships – and increase not only its social capital and legitimacy but also its financial resources (Breivik-Meyer, 2020). This section presents three incubator and accelerator benefits aimed at achieving these outcomes: “access to external networks,” “validation and visibility,” and “access to external funding.”

Access to External Networks. The provision of social capital, defined as “the aggregate of resources embedded within, available through, and derived from the network of relationships possessed by an individual or organisation” (Inkpen & Tsang, 2005, pp. 150-151), has been identified as a key benefit of organizational sponsorship since its first formulation (Flynn, 1993b). Relational resources “provide opportunities to exchange information, leverage interpersonal relationships, and realize objectives” (Dacin et al., 2010, p. 50). This, in turn, requires incubation programs to “be linked into the right types of networks” (Miller & Stacey, 2014, p. 28).

The exemplary services portfolio confirmed the significance of networking, since “networking” emerged as the most prevalent bridging intervention (see Appendix). Interestingly, studies on social incubators and accelerators mentioned “networking” more often (90%) than studies on their conventional counterparts (70%) – perhaps an indication that social start-ups, operating in a resource-constrained environment and seeking to achieve systemic change, are more dependent on social capital than other start-ups. Indeed, a study has suggested that social ventures use relational resources differently than conventional entrepreneurs – not “to set up competitive barriers,” but in a “cooperative fashion” (Dacin et al., 2010, p. 50).

Among the social start-ups in this study, there was consensus that networking is crucial – and that incubators had a key role in supporting it. Accordingly, “networking” was identified as the single most valuable resource need with seven mentions (Table 9), as well as five mentions of “partnerships.” In the ranking of sponsorship services, “access to external networking” topped the list for both ramp-ups and fellows (Table 11), with nine of the 10 start-ups naming it as their first or second priority. But what are social start-ups aiming to gain from this intervention?

The results in Table 17 suggest that the Impact Factory helped start-ups connect with a multitude of external stakeholders – from other companies, as partners or customers for B2B start-ups, to industry experts and service providers, such as marketing agencies. Four respondents also considered the program an effective bridge into the nonprofit sector. The funders of the Impact Factory were themselves seen as crucial networking targets.

Moreover, the respondents named a wide range of benefits of networking. Incubators can support start-ups by helping them enter new markets and industries, build new rela-

Table 15: Buffering 4.1 – Experiences with Seed Funding

	Boot-strapped	Additional funding		Boot-strapped	Additional funding
F1	Yes	Research grant	R1	Yes	Donations
F2	Yes	No	R2	Yes	No
F3	No	Local and national public grants; grant from the Federal Employment Agency	R3	Yes	No; seeking seed investment
F4	Yes	Personal loan from a friend	R4	Yes	Business angels
F5	No	Business angels (personal friends); seeking seed investment from VC	R5	Yes	Small start-up competitions

Note. All information taken from the interviews. "Additional funding" refers to the acquisition of outside funding in the first 12 months of the start-up's operations (personal savings are not included).

Table 16: Buffering 4.2 – Perspectives on Seed Funding

Second order code	First order code	Representative quotes and further mentions
Seed funding (by accelerators)	positive view	You would strengthen the tie between the start-up and the incubator, because the start-up also says: Okay, I'm going to get more involved. (R4)
	negative view	I always find that difficult, because especially at this early stage you might not even want to think about giving away shares. (R3) It is almost too late now. It could be a problem and a reason not to go into the accelerator because we already have a high valuation. (R4)
Seed funding (by investors)	business angels	We have started a convertible loan round with business angels and have started to work with business angels and finance ourselves through them. (R4)
	business angels (friends)	We founded F5 with our own money, but very quickly we took three business angels on board who were all basically our friends. (F5)
Seed funding (other sources)	personal loan	We have no external support, only a personal loan from a friend of ours. (F4)
	private savings	I financed the starting capital myself, through my savings. I do not want any dependence because of capital. (R2, also R1 and R3)
	grants	Foundation grants (R1); public grants (F3); research grant. (F1)
	supplementary income	We have financed it from our own resources. I always work on the side, I do 2 or 3 freelance jobs from time to time to earn a little bit. (R3, also R5)
	voluntary salary waiver	We did it for free for a year and a half, and even back then we said to ourselves: The impact must always come first. If that means that we can't pay out a cent for the first two or three years, then that's perfectly fine. (R5, also R1 and R3)

Note. All quotes are taken from the interviews and translated from German by the author.

tionships, and generate new business. The results indicated that the aim of this intervention is not simply to provide resources, but to empower start-ups to build up their required resources internally, as reflected in the benefits "accelerate new learning" and "provide targeted introductions."

Not surprisingly, given their uniformly positive views of networking, the founders named only two external limitations to this activity: Covid-19 and strong reservations in a particular sector. However, the resource needs presented in Table 9 also suggest that social start-ups become more selective in their networking needs as their development advances – in line with the finding that successful social entrepreneurs differ from struggling ones by "proactively planning for, and being alert to, expanding personal networks" (Katre & Sali-

pante, 2012, p. 980).

Validation and Visibility. Legitimacy, defined as "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions" (Suchman, 1995, p. 574), is a crucial resource for the survival and growth of new ventures lacking a track-record or established networks (Zimmerman & Zeitz, 2002). Acquiring and increasing social capital and legitimacy are, therefore, central concepts in the organizational sponsorship framework (Brevik-Meyer, 2020).

Consequently, the literature on incubators and accelerators recognizes the importance of strengthening the legitimacy of start-ups for attracting external resources. Bruneel

Table 17: Bridging 1 – Access to External Networks

Second order code	First order code	Representative quotes and further mentions
With whom: stakeholders	large companies (F1, F5, R3)	B2B customers experts (F1, R4) (R4, R5)
	incubator funders (F1, F3, F5, R2)	non-profit sector service providers (F1, F3, F5, R2) (F5, R2, R4)
Why: benefits	accelerate new learning	They put us in touch with an agency who showed us how to set up low-touch marketing. That was very valuable for us. (F5, also mentioned by R3)
	build new relationships	We can talk to mentors who always give us an intro to someone else. They were super helpful to get ahead. (R3, also mentioned by F3, R5)
	enter new markets	The Impact Factory convinced us because the Ruhr area is very exciting for us. It is one of the largest urban areas in Germany. (R4)
	enter new industries	If you operate in a wide range of industries like us with our versatile platform, you need the right contacts in the right places. (F1, also F4)
	generate new business provide targeted introductions	Networking has a positive effect in business terms. (F1) Once you have spoken to them, you have a direct contact. But intros to gatekeepers or key persons were very helpful. (R3, also F5 and R5)
Why not: limitations	Covid-19	Due to the digital offering, networking is being neglected. They tried to say: Hey, stay a little longer after the session. But nobody wants to do that. (R5)
	sectoral reservations	I still hope the social economy will wake up at some point. The Impact Factory tried to play their contacts. But you always encounter fears. (R1)

Note. All quotes are taken from the interviews and translated from German by the author. Quotes in the "stakeholders" category have been shortened for clarity.

et al. (2012, p. 112) have described how a “third wave” of incubators since the 1990s focused on “facilitating access to external resources, knowledge and legitimacy”. In the exemplary services portfolio (see Appendix), half the studies mentioned incubator and accelerator activities that contributed to the legitimacy of new ventures, such as brand enhancement, media exposure, and public graduations – summarized in this study as the provision of “validation and visibility.”

Considering the prominence of “legitimacy” in the literature, including in the resource classification Table 9 was based on (Van Weele et al., 2017), it is notable that the social start-ups in this study did not mention it at all as a resource need (Table 9). In addition, “validation and visibility” showed the largest discrepancy of all nine interventions in the ranking of sponsorship services (Table 11): While fellows ranked it second, it placed last with ramp-ups.

To analyze this result, Table 18 distinguishes two related but distinct concepts – “providing validation,” i.e., intangible effects on a start-up’s legitimacy, and “creating visibility” through incubator activities, such as pitch training or demo days. In line with the priorities expressed in Table 11, the positive views on validation – such as signaling credibility, reputation, and trust – were mentioned almost exclusively by fellows. Among fellows, F3 appeared particularly receptive to this intervention, as most factors conducive to validation were expressed by F3. In contrast, the negative views, including the difficulty to measure validation effects, the lack of brand recognition, and timing issues, were mostly highlighted by ramp-ups.

To a degree, these views could be attributed to the characteristics of the two subgroups. Whereas ramp-ups participated in a full incubation program, which included mentoring, training, and coaching, fellows deliberately opted for a loser relationship that put a stronger emphasis on validation. The development stage of the start-ups might also play a role. While ramp-ups were still mostly developing their product, fellows were already active on the market. A third explanation might be the novelty of the Impact Factory, which launched in 2019. The reputation of an accelerator influences its ability to increase a start-up’s legitimacy (Drori & Wright, 2018, p. 13) – or as R5 said: “The accelerator is not really known – it’s something else when you have Y Combinator on there, right?” Being selected by a well-regarded program is a potent validation signal (Miller & Bound, 2011, p. 27).

There are, however, factors that go beyond the reputation of the Impact Factory. The strong mission focus identified in Table 7 could be regarded as a source of legitimacy, which social entrepreneurs can “leverage with internal as well as external constituencies” (Dacin et al., 2010, p. 50). Thus, social entrepreneurs might find garnering access to external resources easier than conventional entrepreneurs. Another factor are the low customer acquisition costs for the digital platform models that characterized most ramp-ups in this study – thereby reducing the need for external resources to reach customers and increase market share (Miller & Bound, 2011, p. 22). In sum, Table 7 shows that the views on “validation and visibility” were mixed – and that its perceived value for

start-ups depends on the reputation and prominence of the organizational sponsor.

Access to External Funding. The opportunity to connect with external investors during demo days is one of the main attractions of accelerator programs (Cohen, 2013, p. 24). Indeed, most accelerators “measure themselves on the proportion of their companies that go on to raise further investment” (Miller & Bound, 2011, p. 27). Studies have shown that accelerator-backed start-ups receive follow-up financing sooner (S. Smith, Hannigan, & Gasiorowski, 2013), raise more external funding post-graduation, and achieve higher valuations (Cohen, Fehder, et al., 2019).

Considering these findings, it may be surprising that the start-ups in this study appeared to put less faith in the incubator to provide them with tangible resources than with intangible ones (Table 9), even though three ramp-ups indicated a greater need for growth capital at the end of the program than at the beginning. In the ranking of sponsorship services (Table 11), the social start-ups also regarded the provision of external funding by an incubator as not highly relevant, with ramp-ups and fellows ranking it in sixth and fifth place out of nine, respectively.

To explore these observations, Table 19 first presents the start-ups’ experiences with external funding. As far as their willingness to acquire external funding is concerned, Table 19 presents a divided picture: Five founders showed no interest in taking on external investors – for now (F2, R1, R2, and R5) but also ruling it out categorically (F4). The other five had already received external investments (F1, F5, and R4) or were planning to (F3 and R3). Yet, when it came to the Impact Factory, the opinion of ramp-ups was unanimous: None of them regarded it beneficial for accessing external funding, while fellows expressed no opinion on this activity.

Table 19 shows that the experiences of the social start-ups with external funding varied – similar to their experiences with seed funding previously presented in Table 15. Regardless of their willingness to raise external funding, ramp-ups considered the support of the Impact Factory unhelpful for accessing external funding.

These results can be viewed from different perspectives. Partly, they can be attributed to the nature of the research setting described in earlier sections, such as its novelty. Moreover, the Impact Factory accepted start-ups at an early stage, potentially reducing its value for more advanced ventures. That seven of the 10 start-ups in the sample operated a digital platform model should also be noted, as “cheaper technology costs, easier routes to customer acquisition, and better forms of direct monetization” reduce the initial costs of growing a start-up (Miller & Bound, 2011, p. 21). What all the start-ups had in common, however, was their pursuit of a social mission. How did this affect their approach to fundraising? Table 20 explores the external barriers and internal deliberations social start-ups experience before raising external capital.

Many challenges for social start-ups relate to their hybrid nature: Pursuing both a social and economic mission involves significant trade-offs and higher complexity (Austin et

al., 2012; Wilson & Post, 2013). The tensions resulting from competing social and financial goals influence their ability to mobilize external resources. Looking specifically at financial resources, Doherty et al. (2014, p. 424) identified two factors. On the one hand, social enterprises tend to generate less profit since they internalize social costs, making them less attractive to VCs. This was exemplified by R1, who refused to pass on the return expectations of an investor to the vulnerable beneficiaries of his services. On the other hand, funders find it challenging to fit the products and services of social start-ups into their categories. R2 was told by his bank: “What you have in mind does not fit into our spreadsheet.” This barrier is particularly pronounced for social tech ventures aiming to pitch to commercial investors (Arena, Bengo, Calderini, & Chiodo, 2018, p. 157). In addition to financial and cultural issues, R3 highlighted legal barriers – in line with a survey by the EU Commission that showed regulations can pose a barrier for social enterprises seeking investments, for example, through limits on profit distribution (Wilkinson, 2015, p. 56).

Even though the social start-ups in this study confirmed the existence of these external barriers, they spoke about their internal deliberations in greater detail. Far from seizing every opportunity to raise external capital, Table 20 indicates that founders prefer “a deliberate and careful approach to both their capital and governance structures,” which includes “selecting highly value-aligned investors” to “avoid philosophical or strategic conflicts,” as Wilson and Post (2013, p. 729) have phrased it. To safeguard their strong social-mission focus, the respondents remained careful in selecting potential investors, attributing a higher significance to impact commitment, long-term perspectives, and mission alignment than to beneficial financing terms. By aligning their mission and method with their capital and governance structure, social start-ups “aim to avoid the distortion often imposed by the public capital markets, or traditional venture capitalists and private equity investors” (Wilson & Post, 2013, p. 729).

Furthermore, social start-ups carefully weigh the rewards against the risks of taking on external investments. While R2 and F2 acknowledged that an infusion of external capital could accelerate the pursuit of their social mission, there was a stronger emphasis on potential risks, such as internal conflict, loss of control, mission drift, and wrong incentives. After experiencing corporate life for 10 years, F2 refused “to sit at a table with an investor at the end of a day and discuss purchase prices from my manufacturers. I just don’t want that, because those are the foundations of our business, and I can’t touch them.” This statement demonstrates the reluctance of social entrepreneurs to give up control or undermine their mission (Arena et al., 2018) – making it more challenging for an incubator or accelerator to bridge the gap to providers of external capital.

4.3.4. Boosting Mechanism

The services of incubators and accelerators assessed so far relate to buffering and bridging – the two mechanisms

Table 18: Bridging 2 – Validation and Visibility

Second order code	First order code	Representative quotes and further mentions
		Providing validation
Validation: positive views	association effect	We really want to show that we are part of this network. (F5)
	credibility	To show our business model works, incubators are a tremendous help. (F1)
	public reach	We took part in a social media campaign. That was definitely good for our reach. (F3)
	reputation	Our reputation may be enhanced by being connected to the Impact Factory. (F4)
Validation: negative views	seal of approval	To have a seal from an accelerator has helped in a conversation with business angels. This was really an advantage. (R4, also F1, F4 and R3)
	trust	It's important for a lot of start-ups: you need things that inspire trust. (F1, also F4)
	hard to measure	I doubt this really has a measurable effect or will bring a return. (F2, also F5)
	low brand recognition	Maybe this has an effect subconsciously, but the accelerator is not really known. I wouldn't say that there is significant validation. (R5, also R1 and R4)
Validation: conducive	wrong timing	The Impact Factory may have been too late - we opened a lot of doors ourselves. (R2)
	branding	With the Factory, the name speaks for itself. (F3)
	popularity	The better known the incubator, the better for the start-up. (F3)
	reciprocity	We took part in a social media campaign of the Impact Factory. That was definitely good for our reach, but also the other way round. (F3)
Creating visibility: conducive	scale effects	In a start-up there is always a certain amount of marketing that you have to do, and the more partner logos you have, the better it is. (R3)
	public events	What helped us the most were public events, where investors attended. (R3, also F1)
	storytelling help	We realized bringing it across is incredibly complicated. We should have worked on that, explaining it simply with storytelling. (F3).
Creating visibility: detrimental	forced rankings	We pitched a lot at the beginning with rankings. I was at the bottom of the list, and that always pulled me down. I don't have any benefit from that. (R2)
	social distancing	We had bad luck, because of Corona we couldn't pitch. (R1)
	superficiality	You should not put much effort into making everything look great, and if someone asks 2 or 3 questions, the whole thing collapses. (F4)

Note. All quotes are taken from the interviews and translated from German by the author.

of the original framework of organizational sponsorship proposed by [Amezcuca et al. \(2013\)](#). While buffering aims to insulate new organizations against external threats and market pressures, bridging enhances their chances of survival by facilitating access to external resources, promoting knowledge spillovers, and increasing their legitimacy.

This study, however, follows [Breivik-Meyer \(2020, p. 181\)](#) in extending the original framework with a third mechanism, boosting, to understand how sponsorship can “not only promote survival, but also increase the growth of new firms”. Originally proposed by [Autio and Rannikko \(2016\)](#), this mechanism comprises two activities of organizational sponsors aimed at boosting the capacity for growth of new ventures: setting and controlling milestone achievement, and promoting networking among peers.

Milestones and Progress Tracking. The first intervention of the boosting mechanism refers to setting and controlling milestones to accelerate the development of new ven-

tures. Unlike the other interventions discussed so far, this activity has been rarely mentioned in the reviewed literature, at least by this name. The exemplary services portfolio (see Appendix) included only three activities that could be subsumed under this intervention: “pressure and discipline” ([Miller & Bound, 2011](#)), “ongoing proof of concept” ([Dempwolf et al., 2014](#)), and “counseling services to track progress” ([Pauwels et al., 2016](#)).

Admittedly, incubators and accelerators can accelerate their ventures through other activities, like mentoring and coaching. By organizing a demo day at the end of their program, for example, accelerators can set ambitious deadlines. Regardless, it is worth exploring how social start-ups assess this service. Can – and should – organizational sponsors accelerate the development of new start-ups by setting and tracking concrete milestones?

When asked directly whether incubators or accelerators add value by setting milestones, the social start-ups

Table 19: Bridging 3.1 – Experiences with External Funding

Willingness to take on external investment					
F1	Yes	Early research grant from a tech fund	R1	No	No suitable match yet
F2	No	Repeatedly approached, but always refused so far	R2	No	No interest in outside capital yet
F3	Yes	Financing round planned	R3	Yes	First financing round ongoing
F4	No	No interest in outside capital	R4	Yes	Working with business angels
F5	Yes	Business angels from the start, VC financing planned	R5	No	No suitable match yet
Negative views of the incubator's support					
R1	I realized quickly that the Impact Factory can't help me find any investors who are ready to finance the branches at conditions where I can repay them.				
R2	A workshop on funding, where all kinds of sources were described, left me disappointed. I need someone who finally listens to what I need.				
R3	When I look at the investors we are talking with right now, there was no direct contact through the network of the accelerator. But of course, it helps if you get an intro.				
R4	The business angels we are working with did not come through the Impact Factory. We would have liked to focus more on this and a little bit earlier.				
R5	With the Impact Factory, the focus is not so clearly on financing.				

Note. All quotes and information are taken from the interviews and translated from German by the author.

Table 20: Bridging 3.2 – Perspectives on External Funding

Second order code	First order code	Representative quotes and further mentions
Access barriers	cultural	I talked to banks and I asked for 35,000 euros, which is peanuts. And the risk is nothing. Yet they said: What you have in mind does not fit into our spreadsheet. (R2)
	financial	Investors want a share, eight percent would probably be cheap. But we simply lack this profit motive. We have built the company completely differently. (R1, also R3)
	legal	We are a company in steward ownership. We have committed to reinvesting all profits and donating the rest. This is not yet established in the financing landscape. (R3)
Investor selection criteria	impact commitment	If I would even think about working with a business angel or bring in an external investor, then only if the social impact component is safeguarded. (F2)
	long-term perspective	We are looking for somebody who wants to give patient capital and share in the profits. Not just put money in and bang, away with it. (F3)
	mission alignment	We didn't want to take the classic start-up path of directly taking on investor who is not 100 percent committed to the development and the impact idea. (R5)
Rewards of external funding	accelerate growth	I don't want to depend on external people. But if you spend a little money, it goes faster, and in the end, it may be more efficient. (R2)
	increase resources	Investments are something every founder thinks about. You ask yourself: Does it make sense to raise capital somewhere else, because your resources are always limited. (F2)
Risks of external funding	internal conflict	I would end up sitting at the table with an investor who may not have the same goal as me, which could lead to major conflicts about how to run the company. (F2)
	loss of control	You have to be careful not to let people take too many shares. There are many traps. It can get a bit ugly. (F3)
	mission drift	You could get investors with return expectations, but in the end you don't solve the problem. I don't want to charge 35 euros per hour to look after a poor mother. (R1)
	wrong incentives	They say: If you grow 15x in the first few years and we increase our money fivefold, than that's cool, but the impact is not the main focus. That is a pity. (R5, also F3)

Note. All quotes are taken from the interviews and translated from German by the author.

seemed indifferent. In the ranking of sponsorship activities (Table 11), both ramp-ups and fellows ranked milestone setting eighth out of nine. A more nuanced picture emerged when they discussed the Impact Factory's role in accelerating their growth. Table 21 shows that two founders benefited from regular milestones set by the Impact Factory, whereas the other founders described no effect. Interestingly, this response suggested a clear demographic divide: The two positive views were expressed by very experienced founders (R1 and R2), whereas the four youngest respondents in the sample were also the least convinced of the benefits of milestones set by an accelerator.

Nevertheless, even the skeptical founders mentioned activities that incubators and accelerators can use to accelerate their growth, such as setting tight deadlines, providing focus and structure, monitoring progress, and flagging blind spots. The importance of speed was repeatedly highlighted – in line with recent findings that “time-compressed scaling” is a distinguishing feature of successful start-up acceleration (Shankar & Clausen, 2020, p. 102174). Accelerators also resolve uncertainty faster (Yu, 2020) and shorten learning cycles by providing intensive consultation and rapid feedback (Cohen, Bingham, & Hallen, 2019).

By contrast, there is no consensus in the literature on the value of setting ambitious goals, which R3 argued for. While some founders welcome forced progress (Miller & Bound, 2011, p. 28), others perceive too much intervention by incubators as an interference (Patton, Warren, & Bream, 2009, p. 629). The perception of this activity appears to depend on the motivation and drive of the founders. Two founders (F2 and R3) even suggested that an accelerator should help founders slow down, rather than accelerate, by providing balance and emotional support. In this sense, Table 21 reflects that all start-ups in this study (except R1) had completed the program successfully and developed, or even launched, a product or service. As a highly driven group, their social-mission focus provided a sufficient boost without the need for external milestone setting.

Peer Networking. The value of external networking was addressed as part of the bridging mechanism. Nonetheless, peer networking is discussed separately here for its potential effect on the “rapid organizational growth” of start-ups through the “exchange of experiential insights” (Autio & Rannikko, 2016, p. 44). Organizational sponsors can boost the acceleration of start-ups by serving as connective intermediaries between them (Breivik-Meyer, 2020, p. 181).

The conceptual uniqueness of peer networking as an incubator service was confirmed partially by the literature. 40% of the studies on social incubators and accelerators in the exemplary services portfolio (see Appendix) mentioned networking with like-minded entrepreneurs or peers. Studies on conventional incubators and accelerators named this activity only once (Miller & Bound, 2011). However, this must be qualified to the extent that accelerator studies frequently describe how ventures “enter and exit the programs in groups, known as cohorts or batches” (Cohen, 2013, p. 22) – and the effect these activities have on them.

Accelerators regularly foster collaboration between their start-ups through explicit and implicit activities, such as common working spaces and specialized sessions (Drori & Wright, 2018, p. 11). Encouraging peer support between start-ups can take some of the burden off the accelerator management team, allowing it to “focus on bringing in outside expertise” (Miller & Bound, 2011, p. 10). The Impact Factory, for example, hosted regular sessions for peer exchange.

For the founders in this study, peer networking was a motive for joining the incubator in the first place: Four founders named “peer exchange” as a resource need to be addressed in the program (Table 9), while “networking” received seven mentions. The ranking of sponsorship services indicated similar priorities: Ramp-ups and fellows ranked “peer networking” fourth out of nine, below “access to external networks” (Table 11). This mid-table result was surprising, considering how enthusiastic the founders responded when asked directly about their assessment of peer networking. As Table 22 shows, almost all the founders praised their exchanges with other start-ups in the Impact Factory – even those, like F1, F3, and R3, who ranked it only in fifth or sixth place in the ranking of services.

The positive assessment in Table 22 presents a stark contrast to a survey of 4,000 social entrepreneurs who, in applying for accelerator programs, considered peer networking “unimportant to their venture success” and “the least important benefit” (Pandey et al., 2017, p. 19). Another study of start-ups in a technology incubator in Hong Kong delivered an even bleaker verdict on peer networking, reporting that all firms “shut the door, work alone and never chat on product, market and business-related topics” – with tenants going as far as competing, rather than cooperating (K. Chan & Lau, 2005, p. 1226). The results in Table 22 suggest that the Impact Factory was a rather different environment. The founders highlighted the positive effects of peer networking, including joint learning, exchanging ideas, and mutual support. Four founders emphasized the importance of helping less experienced peers. These views confirmed Cohen (2013, p. 22) observation that the cohort experience “fosters uncommonly strong bonds and communal identity between the founders”.

The respondents also named success factors for peer networking. First, cohort selection is key: The founders agreed that peer effects are strongest when peers share values and norms but are not too closely matched (S. Smith, Hannigan, & Gasiorowski, 2015, p. 27). A lack of direct competition fosters transparency and information sharing, which can boost performance (Cohen, Bingham, & Hallen, 2019). Second, building a strong alumni network, which is an asset of prominent accelerator programs (Miller & Bound, 2011). Third, enabling physical co-location, although the views here were mixed. R5 agreed with Duff (1994) that proximity was crucial, while R4 welcomed the remote exchange despite the forced Covid-19 restrictions. In sum, peer networking was mostly seen as beneficial. Interestingly, the emotional value of peer exchange was assessed more positively than its prac-

Table 21: Boosting 1 – Milestones and Progress Tracking

Second order code	First order code	Representative quotes and further mentions
Did growth accelerate?	yes	You set priorities in a relatively short time frame, talk them through and see if they are possible or not. That was actually the good part for me. (R1, also R2)
	maybe	You can always look back and say: maybe we could have gotten further. (F2)
	no	I don't think it had any impact on our development. We are simply very market driven and our competitors pushed the envelope. (R4, also F3, R3 and R5)
How to accelerate	ambitious goals	The Impact Factory is an impact bubble. Other accelerators have more of an economic focus and a tougher approach. This mixture is essential if you have a hybrid form. (R3)
	flag blind spots	That definitely accelerated things, because I simply didn't have certain topics on my radar, for example the question of my legal form. (R2, also R4).
	focus and structure	Gut feeling always plays a role in founding, but structure is also very important. Focus, prioritization and structure are the most important drivers. (F2, also R5).
	regular monitoring	I think the exchange with mentors, and also having a check-up on a regular basis, can help a lot. I think it increases accountability. (R5, also R3)
How to slow down	tight deadlines	It would have been more helpful if we had done the whole thing in less time. Make it compact at the start and less frequent as we develop. (R4, also R1).
	emotional support	Managing a company tests your limits every day. I believe an incubator can help you see the lightness of the whole thing and say: hey, it's not so bad. (F2)
	balance	The founder who talks about his 70 hours a week also needs balance. You often see it portrayed in the media. And that's just wrong. Accelerators can have a big influence and invite people to speak about how you can create balance. (R3)

Note. All quotes are taken from the interviews and translated from German by the author.

tical benefit compared to other incubator interventions.

4.3.5. Impact Acceleration

The three sponsorship mechanisms presented so far, while helpful for understanding the perception of incubator and accelerator support, are not unique to social start-ups but applicable to various types of organizational support. Yet, this study seeks to address the question raised by *J. Hausberg and Korreck (2017, p. 13)*: If social businesses face different challenges, do they also require a different kind of assistance? Therefore, this thesis asks whether – and how – incubators and accelerators need to tailor their services portfolio to social start-ups.

During the coding process, two incubator benefits emerged that particularly suited the needs of social start-ups: “demonstrating social impact” and “delivering the social mission.” Together, they can be regarded as a novel support mechanism called impact acceleration, in addition to the buffering, bridging, and boosting mechanisms already discussed.

The Uniqueness of Accelerating Social Start-Ups. Social and conventional start-ups share the aim of developing innovative and market-oriented solutions. However, the pursuit of social value creation also characterizes social start-ups. Table 7 presented six manifestations of this social-mission focus: Three shared with conventional start-ups (independence, sustainability, and long-term thinking), and three that primarily relate to social start-ups (priority of purpose, credible impact, and hybridity). The study of nine incubator and accelerator services in Section 4.3 highlighted where the

needs and perceptions of social start-ups differ from conventional start-ups, for instance regarding funding, networking, and training.

Nonetheless, this study has yet to address explicitly what is specific about the acceleration of social start-ups. Do these ventures require support activities beyond the support traditionally offered by incubators and accelerators, i.e., the three mechanisms of the organizational sponsorship framework? Answering this question is not straightforward – and the extant literature provides no consensus view, to the extent it has addressed this question at all.

Even though this study did not include a control group for a systematic comparison, it sought to answer this question according to social start-ups. As Table 23 shows, the respondents identified similarities in support needs, including finding a marketable product or service, solving a real need, and building a successful business model around it. As F5 said, “the initial challenges are the same for all start-ups.” Yet, the founders also named differences in support needs – from legal know-how to finding employees and investors with the right motivation for social start-ups. But even if these needs are specific to social start-ups, incubators and accelerators should fulfill them with the mechanisms of organizational sponsorship – for example, by providing legal training or matching start-ups with impact-driven investors.

This is not the case, however, for the two support needs most frequently mentioned in Table 23: “demonstrating social impact” and “delivering the social mission,” which were both raised by five founders. In the case of these two activi-

Table 22: Boosting 2 – Peer Networking

Second order code	First order code	Representative quotes and further mentions
Assessment	positive	Super essential. (F1) / Very, very good. (F2) / Simply exciting and fun. (F3) / Always great. (F4) / Awesome. (F5) / Very good overall. (R2) / It worked well. (R3) / Brilliant and very helpful. (R4) / One of the best things about the Impact Factory. (R5)
	mixed learning from peers	Yes, we used that. With one team we might cooperate in future. You just have to see. (R1) I think you can learn best from each other. You don't have to make the same mistakes again and again - unless you have an eternity to learn. (F1, also mentioned by F3 and F4)
Positive effects	exchanging ideas	The exchange was very open, very transparent. There was a lot of trust and the exchange itself worked very well despite the physical distance. (R4, also R3)
	giving back	Everyone asks for help. I have always agreed and said: now's the time to give back a little, even if I don't have the time. It's support for the right people. (R2, also F1, F5 and R1)
	mutual support	Building a start-up is a sinus curve. You're always super motivated and then super depressed. In these phases the exchange with other start-ups is super valuable. (R3, also R5)
	social contacts	As a founder you tend to stay in your bubble, immersed in your business. The greatest value for me is the contact with other founders. Being a founder is a bit lonely. (F2, also R3, R5)
Success factors	alumni community	When a program ends, the contact disappears very quickly, and that's a real pity. How could you somehow create a better alumni management? (R5, also F5 and R3)
	cohort diversity	If you look at the founder profiles, we are all very different. There are people who had a life before, and others are younger. I think the mixture actually works pretty well. (R2, also F3)
	physical colocation	We can see it with accelerators that took place digitally. The networking was practically zero. You don't have a really lasting exchange and that's a great, great pity. (R5)
	value alignment	I don't come from an entrepreneurial family. Suddenly you find like-minded people and realize you're not the only crazy person - there are others who tick like you. (F2, also R4, R5)

Note. All quotes are taken from the interviews and translated from German by the author. Quotes for the "positive" assessment were shortened as the full quote provided no further context.

ties, which emerged in the interviews, social start-ups expect an incubator or accelerator to provide benefits that go beyond the support activities discussed so far. Thus, it is of interest to analyze these two activities in more detail.

Demonstrating Social Impact. Noting that social start-ups expect their social impact to be included in the acceleration process may seem self-explanatory. However, this activity is far less prevalent than might be assumed. A study of impact accelerators has found that frequently "developing social impact models was not a core offering" (King et al., 2015, p. 13). This is reflected by the exemplary services portfolio (see Appendix), as only three out of 10 studies on social incubators and accelerators mentioned activities related to measuring and improving social impact. A quantitative study of 83 Italian incubator managers has found that they "gave little importance to social impact measurement services" (Sansone et al., 2020, p. 7); surprisingly, even among social incubators less than half (44%) had social impact metrics for their tenants (p. 8).

The low prevalence of impact measurement services in the service portfolio of incubators and accelerators stands in

contrast to the needs of social start-ups. In a survey of German social entrepreneurs, 71% reported having established impact goals and 23% were planning to do so (DSEM, 2020, p. 40), just as the social start-ups in this study mentioned "demonstrating credible impact" as one of their motives in Table 7. F5 summarized this view: As a social start-up, "you have to have [impact measurement], that's your legitimation for saying I really want to achieve outcome and impact. And I am quite rigorous. You have to be serious about that." However, even when the impact is at the core of a social entrepreneur's mission, as for F5, there are barriers to demonstrating the impact effectively that an incubator or accelerator can help overcome.

Table 24 explores four reasons why incubators and accelerators, in the view of social start-ups, should support them in demonstrating their impact. The first two relate to the ubiquity of the term impact and related concepts such as sustainability. For entrepreneurs who take their social or environmental impact seriously, it is difficult to stand out from the myriad of companies seeking to benefit from this trend. This challenge is exacerbated at an early stage, when a ven-

Table 23: Comparing the Support Needs of Social and Conventional Start-Ups

Second order code	First order code	Representative quotes and further mentions
Similarities	build a successful business model	Normal accelerators show you how to build a business model and quickly validate it on the market. You need the same in an impact accelerator. (R3, also F3, R4)
	find a marketable product	The initial challenges are the same for all start-ups. At the beginning you need a product that is marketable. That core challenge is really the same for everyone. (F5)
	solve a real need	You have to be passionate about your product, you have to see a social or a purely economic need, or maybe a market-driven need, which is the same in the end. (F1)
Differences	storytelling	Maybe marketing and storytelling is also different for impact start-ups. You can communicate the story more forcefully. (R5, also mentioned by F3)
	find the right investors	I think especially for social start-ups, a different group of investors might be interesting, or an additional group of investors. (F3, also R3)
	find the right legal form	But also questions such as the structure of a social business and its legal form. (R3, also F1 and R5)
	hire and retain the right talent	In a classic start-up you have to motivate people with money. But how do you motivate a team if it doesn't necessarily have to be monetary? (R5, also R2)
	deliver the social mission	The difference, in our view, is that no matter whether you talk about profit or not, you always take the idea of impact into account. (R4, also F4, F5, R2 and R3)
	demonstrate social impact	Impact measurement is certainly very relevant for us. I think this is something that is very specific for impact start-ups. (R5, also mentioned by F3, F5, R3 and R4)

Note. All quotes are taken from the interviews and translated from German by the author.

ture's impact is hypothetical or small, and the way to measure it "may change with scale" (Miller & Stacey, 2014, p. 27). At the same time, F4 argued that conventional start-ups tend to benefit from a positive bias for start-ups, even when their social impact is negligible – or even negative. F5 added that larger companies are still reluctant to engage with social start-ups to increase their impact.

Table 24 also shows that incubators or accelerators can support social start-ups in a multitude of ways to address the challenge of demonstrating social impact. First, by helping to develop concrete and measurable impact metrics. Originally associated with international development, social impact can be defined as "significant or lasting changes in people's lives, brought about by a given action or series of actions" (Roche, 1999, p. 21). Beyond this widely accepted definition, the term remains contested, referring alternatively to effects at the individual, organizational, and societal level (Ebrahim & Rangan, 2014; Gupta et al., 2020). The lack of credible indicators and metrics for social impact remains a development barrier for social ventures (Arenas et al., 2018, p. 161). A survey by the EU has identified "common mechanisms for measuring and demonstrating impact" as a key factor for the visibility of social enterprises (Wilkinson, 2015, p. 99).

While the standardization of impact metrics is beyond the scope of any single institution, an incubator can still support social start-ups by educating them about established frameworks, such as the Theory of Change or Social Return on Investment. Indeed, a survey of 20,000 social ventures has shown that lack of awareness was a key reason for the low adoption rate (25%) of established impact measurement systems (Global Accelerator Learning Initiative, 2020, p. 9). In

contrast, training and peer interaction in an accelerator were strongly related to the adoption of social performance measurement (Lall, 2017, p. 2649).

Additionally, Table 24 suggests incubators can help start-ups to apply impact metrics at the operational level and relate them to frameworks such as the SDGs. Thus, incubators can support social start-ups by focusing on substance, rather than presentation, when it comes to social impact. As F4 put it: "You should not put so much effort into making everything look great on the surface – and if someone asks two or three questions, the whole thing collapses like a house of cards."

Delivering the Social Mission. The results in Table 23 show that incubators and accelerators not only have a role in helping social start-ups to quantify and demonstrate their social impact. They can also support them in achieving it. While this phenomenon has not been studied extensively to date, there are indications that incubators and accelerators can provide added value by improving social start-ups' "ability and readiness to deliver predictable and consistent social impact," as a survey of impact-oriented incubators and accelerators in Europe has suggested (Gianoncelli et al., 2020, p. 25). To explore what the added value of an incubator or accelerator in delivering the social mission might entail, Table 25 categorizes the views of social start-ups into three activities: nurturing a culture of humility, authenticity, and sustainability; selecting an impact-driven community, ideas, and values; and supporting social start-ups to navigate impact and profit, manage hybridity, and safeguard their emotional wellbeing.

The expectations expressed in Table 25 suggest that an incubator's role is not only to provide social start-ups with

Table 24: Impact Acceleration 1 – Demonstrating Social Impact

Second order code	First order code	Representative quotes
Why an incubator should help	sustainability hype	I would say everyone is doing it by now. Even normal start-ups. It is simply very much desired by society. Sustainability is much more relevant than five years ago. (F1)
	green washing	I'm surrounded by advertising now where big companies write: Sustainability is not a luxury. And this is true. But I still have to be able to differentiate myself. (F2)
	positive bias for start-ups reluctance by large companies	Just because it's a start-up, people are already applauding. Monsanto was a start-up once. Just because you're a start-up doesn't make you a good company. (F4) When I tell companies about the impact chain, you can actually apply it to them quite well. But it is still completely foreign to them and nobody expects or demands it. (F5)
How an incubator can help	develop concrete impact metrics	The most important point for me: how do you make impact really understandable and measurable with concrete metrics. This is where incubators can really help. (F2)
	include KPIs at operational level connect to global goals	We want to include impact KPIs in our balanced scorecard, in our monitoring. We haven't done that yet, but it is on our list. (F3) We wanted to do something for people without electricity. We stumbled upon the SDGs and realized there are global goals. How can we link them to what we are doing? (F3)
	be an impact sparing partner	It is very important in such an incubator to check out the motivation. Everyone can say: Hey, we are a social start-up. But what kind of impact do we actually want to have? (F4)

Note. All quotes are taken from the interviews and translated from German by the author.

resources, skills, and contacts to survive in competitive markets – the traditional goals of organizational sponsorship. It should also create an environment of trust and mutual support to sustain social entrepreneurs in fulfilling their social mission.

This finding is backed up by the Schwab Foundation for Social Entrepreneurship, which has found that fear of failure is more pronounced among social than conventional enterprises, since “fail fast” for them is often not an option (Zimmer & Pearson, 2019, July). Also, social entrepreneurs feel a strong affective commitment to the beneficiaries of their causes (Renko, 2013, p. 1047). As a result, “too many founders feel the weight of the world on their shoulders and don't find a way of sharing it around” (Miller & Stacey, 2014, p. 11). Beyond accelerating their growth, incubators and accelerators can play a pivotal role in taking an emotional – and material – load off the shoulders of social entrepreneurs.

4.4. Motives for Entrepreneurial Self-Reliance

The previous Section 4.3 explored how social start-ups perceive the benefits of different sponsorship mechanisms. However, the sponsorship literature has observed that resource munificence is not universally beneficial but contingent on boundary conditions (Amezcuca et al., 2013; Flynn, 1993b; Jourdan & Kivleniece, 2017). Therefore, “new ventures ought to evaluate carefully the potential impact of accepting such benefits” (Amezcuca et al., 2013, p. 1645).

Nascent entrepreneurs in Germany seem to heed this advice, considering that only 50% of them seek professional assistance, although “professional consultancy for potential entrepreneurs is highly subsidized and inexpensive” (Brixy, Sternberg, & Stüber, 2013, p. 157). This observation also applies to social entrepreneurs, as 51% of them have benefited from a support program (DSEM, 2020, p. 50). Yet, the same survey has also pointed out that of the 49% who did seek support, 37% participated in at least two programs. This is consistent with a global survey of 20,000 social enterprises who applied for an accelerator program, in which around a third had prior accelerator experience (Global Accelerator Learning Initiative, 2020, p. 8). Overall, a dichotomy appears: every second founder prefers to go it alone, while one in three uses multiple programs.

The views of the 10 start-ups in this study were similarly polarized. As Table 10 showed earlier, three founders (F2, F4, and F5) decided not to participate in any program beyond the fellow status of the Impact Factory, which came with minimal participation requirements. By contrast, five teams took part in multiple programs – in two (R2), three (R3 and F3), and more than five (R5 and F1), depending on the definition of a support program.

Understanding the factors driving these decisions would be highly beneficial for the design of entrepreneurial support programs. However, no clear pattern emerged between the decision to join a program and the characteristics of the

Table 25: Impact Acceleration 2 – Delivering the Social Mission

Second order code	First order code	Representative quotes
Nurture	humility	I like the climate, the exchange, the fact that nobody feels superior. There are no people with big egos who are there only to show off or to just put on an act. (R2)
	authenticity	How can you build a company that is not only green on the outside, but also treats employees and resources sensibly internally? (R3)
	sustainability	What we liked very much was, of course, simply this mindset of sustainability, which is taken very seriously there. (R4)
Select	the right community	We could identify with it right away because it was a program specifically designed for social start-ups. The feeling was that there was obviously a community. (F2)
	the right ideas	Incubators are often too business driven, although they have to be. What convinced me about the Impact Factory was that they go for sustainable start-up ideas. (F1)
	the right values	It is important that the values of an investor or incubator match with a social start-up. It is the foundation that someone who comes into this company has the same values. (F2)
Support	to navigate impact and profit	You have to add an additional component. What is the social impact of your start-up, what is the social dimension of your legal form or how you deal with profits? (R3)
	to manage hybridity	You move in a strong field of tension. You have to be heard on the market, otherwise you will go down brutally. But you must not overdo it and stray from your values. (F2)
	to safeguard wellbeing	Funding an impact enterprise is a bit different. You put your heart into it and there is the danger you do too much, because your work is multiplied for the good of others. (R5)

Note. All quotes are taken from the interviews and translated from German by the author.

founders, such as industry, age, and professional background. Hence, this study inquired about the motives for not joining a support program. The motivation that emerged from the interviews, called entrepreneurial self-reliance, did not amount to an outright rejection of external support, at least for most founders. Rather, it indicated a deliberate consideration of the advantages and disadvantages of seeking support.

Before discussing these findings, a note of caution. The decision of a social start-up to join a support program is driven by various factors, ranging from the availability of suitable programs to physical proximity, resource considerations, and venture stage (Chmiliar, 2010). It was beyond the scope of this study to analyze these factors in detail. Instead, this section aims to present common motives that, from the point of view of social start-ups, reduce the subjective value of participating in entrepreneurial support programs. By taking them into consideration, incubators and accelerators can increase their attractiveness for these ventures.

As Table 26 indicates, the motives for entrepreneurial self-reliance expressed by the founders in this study can be summarized in three categories: resource trade-offs, previous experiences, and concerns about a negative impact on a start-up's development.

Among these motives, resource trade-offs were the most prominent, given that seven out of 10 founders regard "time" as their main concern – an indication that participating in a support program comes with significant opportunity costs. In a way, time can be considered a reverse proxy for the overall

value of a program. As the previous sections have shown, an incubator or accelerator can also speed up developments and save time when its services are considered beneficial. This trade-off is captured by F1: "Of course, some things repeat themselves. You lose time participating in multiple programs. But if you don't do it, there are lot of things you miss out on."

Financial resources were not mentioned as a factor, probably because the Impact Factory was a subsidized program that did not charge fees or provide funding. The start-ups also failed to address a resource trade-off frequently cited in the sponsorship literature, namely the risk of an incubating environment "artificially inflated with resources" that could make an organization vulnerable in the long run (Flynn, 1993b, p. 56) – a phenomenon also known as the "life-support incubation trap" (Clarysse, Wright, & Van Hove, 2015, p. 19).

The second motive was previous experiences. While the results did not show a clear demographic divide, trends still became visible. The three founders who decided not to join formal support programs (F2, F4, and F5) all had more than 10 years of professional experience (see Table 7). Moreover, F4 and F5 were the only founders who had already launched a social-purpose organization before their current venture – in line with a study that found that serial entrepreneurs were less likely to seek professional assistance (Brixy et al., 2013, p. 158). More experienced founders "tend to view a large part of the educational program as redundant and a waste of time" (Drori & Wright, 2018, p. 8). In contrast, three of

Table 26: Motives for Entrepreneurial Self-Reliance

Second order code	First order code	Representative quotes and further mentions
Concerns	need for autonomy	Attendance lists like at university would be negative, because the needs of each start-up are individual. You have to maintain a certain openness. (F2)
	information overload	There are strong distractors. It's important to believe in your idea, even though others may not see it that way. Incubators can be great sources of knowledge, but it is important to find the balance between what is brought in from outside and what you decide yourself. (F2)
	fear of rejection	When you do something new, you always have to explain and defend yourself, especially in Germany where everybody is critical of what you do. You have to learn this is absolutely normal and take critical feedback on board without taking everything to heart. (R3)
Previous experiences	as founders	Did we consciously decide against it? Yes, I would say so. We were both very experienced founders, both over 50. (F5)
	with incubators	We have gone through five incubator programs with different emphasis. That is perhaps the disadvantage, that they are too similar. (R5, also mentioned by F1)
Resource trade-offs	surrendering equity	I always find that difficult, because especially at this early stage you might not even want to think about giving away shares. (R3, also R4)
	time investment	It was an investment in time, just going to Duisburg at the beginning, that was quite a distance. We are limited in terms of our resources. (R4, also F1, F4, F5, R1, R2, R5)
	travel expenses	Well, we invested our time and paid for our travel expenses. (R1, also R4)

Note. All quotes are taken from the interviews and translated from German by the author.

the four teams who took part in more than three programs (F1, F3, R3, and R5) founded their ventures after finishing university, which indicated a greater willingness to seek external support. However, even younger founders such as R5 became more selective over time, carefully weighing whether the program justified the time invested.

Finally, the broadest motive was concerns about a possible negative impact on a start-up's development. While these concerns might appear counterintuitive, considering the mostly positive assessment of incubator and accelerator services by the founders, they have also been observed in the literature. In particular, the founders voiced three concerns.

First, the need for autonomy highlighted by F2. McAdam and McAdam (2008, p. 288) have also argued that young firms grow reluctant of incubator support as it could be associated with "newness, vulnerability and inexperience". This might be one reason why, in a study of 52 impact-focused accelerators worldwide, 75% worked with ventures at a prototype stage and only 23% at a growth stage (Lall et al., 2013, p. 114).

A second concern was information overload. F2 stressed the importance of following your instincts and having the freedom to experiment – which might be constrained by a rigid program. The importance of flexibility has been highlighted by Shankar and Clausen (2020, p. 102174), who argued that early-stage start-ups are not an ideal target group for an acceleration program that leaves limited room for pivots. However, this concern could also be a sign of cognitive biases such as overconfidence or confirmation bias (Cohen, Bingham, & Hallen, 2019). F2 admitted as much by asking:

"You can always look back and ask – would we be further ahead if we had gotten support early on? Maybe yes, but maybe we would have ended up in a very different place."

A third concern, fear of rejection, was named by R3, who described the risk of receiving negative feedback early on when the start-up still rests on a brittle foundation. Miller and Stacey called this effect "mentor whiplash" – when teams "find themselves getting conflicting advice and are confused about which direction to take" (Miller & Stacey, 2014, p. 38). Together, these motives show that social start-ups critically weigh the benefits of a support program before joining it.

5. Discussion

The purpose of the present thesis is to improve the understanding of a novel phenomenon – the acceleration of start-ups aiming to tackle societal or environmental challenges. With the aid of an inductive study of multiple cases, the study explored how social start-ups perceived the activities of incubators and accelerators. The results indicate that the social-mission focus of these ventures led to significant differences in how they perceived incubator benefits as compared to commercial ventures. Consequently, this thesis argues that incubators and accelerators should adapt their services to social start-ups. Moreover, it presents a systematic assessment of the mechanisms of organizational sponsorship from the perspective of social start-ups. As its main theoretical contribution, this study extends the organizational sponsorship framework by proposing a novel support mechanism: impact acceleration. Finally, this study explored how social start-

ups decide between joining a formal support program and depending on entrepreneurial self-reliance.

The following section discusses the relevance of these findings in three stages. After clarifying their theoretical contributions, it addresses their practical implications for designing and running entrepreneurial support programs. It closes by addressing the limitations of the present research and by highlighting promising avenues for future inquiries.

5.1. Theoretical Contributions

Evaluating existing theory with a deductive approach was not the aim of this study. Rather, it sought to identify common patterns and develop theoretical constructs to link qualitative evidence with deductive research (Eisenhardt & Graebner, 2007). In light of sparse prior research, this study drew on three emerging strands of research: social start-ups, incubators and accelerators, and organizational sponsorship. This section discusses the findings' contribution to these three literature streams.

5.1.1. Contributions to the Literature on Social Start-Ups

There is a widely held view that hybridity – the pursuit of financial goals and social purpose – defines social enterprises (Dacin et al., 2010; Doherty et al., 2014; Gupta et al., 2020). However, how the “primacy of the social mission,” as Nicholls (2006, p. 20) has called it, shapes their perception of entrepreneurial support remains unclear. To investigate this question, this study adopted the perspective of social start-ups – unlike most research on entrepreneurial support, which has focused on the views of incubators. Thanks to this approach, this study offers two contributions to the literature on social start-ups: 1) how the social-mission focus influences key strategic and operational decisions and 2) how it affects the way that social start-ups acquire external resources.

The Social-Mission Focus in Practice. The first insight is that founders of social start-ups, consistent with the literature, do prioritize the pursuit of a social mission over commercial motives. The interviews highlighted the emphasis on achieving societal or environmental goals – often at the expense of growth or revenue targets. Social entrepreneurs value their autonomy, pay great attention to sustainability, and aim to achieve a credible impact. Yet, they are also aware of the competing and sometimes conflicting demands that come with hybridity, such as avoiding mission drift or having to raise external funding. Founders with a corporate background appeared particularly keen to distance themselves from their previous experiences in business.

The second insight relates to how the social-mission focus “affects how social entrepreneurs perceive and assess opportunities” (Dees, 1998, p. 2). The results of this study confirm that the social mission influences key design and operational decisions of a social start-up (Wilson & Post, 2013) – starting with its resource needs. The respondents regarded knowledge, personal support, and social capital as more pressing needs than the provision of financial or physical capital. A

similar picture emerged in the assessment of sponsorship services, as the provision of funding ranked consistently lower than relational benefits, education, and validation. Intending to maximize social value, the founders expressed little interest in material gains and appeared selective when it came to seed funding or external investors. They sacrificed potential returns, sought to anchor their social impact at all operational levels, and in two cases (R2 and R3) chose a legal form that prevented them from distributing profits even though it reduced their appeal for investors.

Additionally, the results illustrate that pursuing a social mission is not a binary decision but manifests itself to varying degrees, as some founders prioritized the mission more than others. In a way, this mirrored their founding motivations, which indicated a broad spectrum of motives – in line with Germak and Robinson (2014, p. 18) observation that the motivations of social entrepreneurs are not one-dimensional but a “unique blend of motivational components”. For the founders in this study, tackling societal challenges was an important but not exclusive motivation. Seeking fulfillment and developing innovative solutions were also major motivational drivers. In that respect, the founders showed significant overlap with founders of conventional start-ups.

It would be interesting to determine why the social-mission focus varied in intensity among the founders, as the motivation of social entrepreneurs has frequently been studied in the context of their personality traits or demographic factors (Gupta et al., 2020). However, owing to the research design and the relative homogeneity of the sample, this study could not observe a causal link between founder characteristics and the degree to which founders emphasized the social-mission focus. This focus was equally evident for both younger founders and more experienced entrepreneurs who enjoyed greater material security after successful prior careers.

Acquiring External Resources. Building on the social-mission focus and founding motivations, this study also explored how social start-ups acquire external resources. This is a key step for studying the acceleration process. According to the resource-based view, which underpins the theory of organizational sponsorship, incubators and accelerators provide nascent ventures with tangible and intangible resources to support their survival and growth (Carayannis & Von Zedtwitz, 2005; McAdam & McAdam, 2008; Rothaermel & Thursby, 2005).

The literature on social entrepreneurship features two main arguments regarding the resource needs of social start-ups. First, they require resource inputs broadly similar to those that conventional entrepreneurs need (Austin et al., 2012; Dacin et al., 2010). Second, they face challenges in attracting the resources necessary to scale (Austin et al., 2012; Lall et al., 2013). Hence, the resource-constrained environment in which social start-ups operate should make them receptive to external assistance to support their survival and growth (Pandey et al., 2017, p. 8).

The first argument is only partially confirmed by the results. Like most nascent ventures, the social start-ups in this

study expected an incubator or accelerator to provide knowledge and training, particularly about marketing and sales, as well as social capital and personal support. Surprisingly, however, the founders considered tangible resources such as funding and office space as less important than intangible ones – contrary to studies that identified access to tangible resources as a key benefit of an incubator (McAdam & McAdam, 2008; Van Weele et al., 2017).

To a certain degree, this result is contingent on the individual circumstances of the start-ups, including the maturity of most founders, the Impact Factory's decision not to provide seed funding, and the virtual delivery of most services due to Covid-19. Nonetheless, this finding illustrates how social entrepreneurs deal with resource needs. Far from representing a "fragile breed of startups" (J. Hausberg & Korreck, 2017, p. 2), the founders showed resilience and inventiveness in overcoming resource constraints. Faced with environmental barriers in attracting resources, the founders developed creative mechanisms to circumvent them (Dacin et al., 2010, p. 49).

This finding contradicts the linear way in which the resource-based view envisages the role of incubators or accelerators (Becker & Gassmann, 2006; Rothaermel & Thursby, 2005). Rather than relying on sponsors as primary resource providers, social start-ups leverage their relations with various stakeholders to overcome "institutional voids," as Doherty et al. (2014, p. 424) have observed. Their human capital requirements focus more on versatility and rapid knowledge acquisition to overcome resource barriers than is the case for conventional ventures (Harris & Kor, 2013). The growth process of social start-ups should, therefore, not be viewed as a consistent acquisition of resources, but rather as the development of dynamic capabilities – the ability to react to and capitalize on growth opportunities (Brown & Mawson, 2016, p. 820).

5.1.2. Contributions to the Literature on Incubators and Accelerators

Although the popularity of incubators and accelerators is growing, many researchers still treat them as a black box (Hackett & Diltz, 2008) by focusing on their organizational features or their impact on venture performance. Consequently, there have been recent calls to study the process (Crisan et al., 2019) or mechanisms of acceleration (Shankar & Clausen, 2020). In response to these calls, the present study offers three contributions in the context of social start-ups.

First, it clarified the portfolio of services that accelerators offer (Crisan et al., 2019, p. 2) by compiling an exemplary services portfolio (see Appendix), which describes and systematizes their most prominent activities based on 26 studies. Second, it explored how social start-ups "assess the value-proposition of social accelerators" (Pandey et al., 2017, p. 1) by evaluating these activities from the perspective of social start-ups. Third, it put "accelerators' heterogeneity at the core of the analysis" (Colombo et al., 2018, p. 193) by identifying how the acceleration of social start-ups is different from

support for start-ups without a social-mission focus.

The Services Portfolio of Incubators and Accelerators. The services portfolio of incubators and accelerators – or in other words, how these programs support their ventures – has received surprisingly little attention. Existing studies of incubator and accelerator activities are mostly conceptual or specific to limited cases, as recent reviews on incubators (J. P. Hausberg & Korreck, 2021) and accelerators (Crisan et al., 2019) have illustrated. The lack of clarity on the support offerings of incubators and accelerators can be attributed to the novelty of the phenomenon, definitional challenges, and the empirical diversity of these programs.

This study contributes to the understanding of incubator and accelerator activities by compiling an exemplary services portfolio. Although the resulting table, based on 26 studies and reports, did not amount to a systematic review, it still offers an indication of the most prominent activities of incubators and accelerators. The informative value of the services portfolio was increased by using consistent terminology; differentiating between services and interventions (actual activities) and mechanisms (processes transforming activities into outcomes) following Crisan et al. (2019, p. 16); and summarizing the studies in three categories: conventional incubators, conventional accelerators, and social incubators/accelerators.

The exemplary portfolio of nine incubator and accelerator services (see Appendix and summarized as in Table 2 in Section 2.4) leads to the following observations. First, two services – "education and training" and "external networking" – were mentioned in almost all the reviewed studies, which emphasizes their prominence in the literature. Second, the activities of conventional incubators and accelerators feature remarkable overlap – aside from "coworking space" and "internal mentoring," which were most strongly associated with incubators and accelerators, respectively. The prominence of all other activities associated with the bridging or buffering mechanism in Table 2 was equal or within a range of 10%. This finding validates this study's decision, explained in Section 2.2.2, to treat incubators and accelerators as conceptually similar entities. Third, it suggests greater variation between conventional incubators/accelerators and those focused on social start-ups. For example, "peer support" and "access to external funding" seemed more prominent among social incubators/accelerators than among their conventional counterparts.

This last finding, however, also indicates the limitations of the services portfolio. While helpful in bringing clarity to a fragmented research area, it is still based on a small sample of studies and has little value in explaining causality. Moreover, it was compiled not only on statistical grounds but also to reflect potential theoretical salience (e.g., the inclusion of the boosting mechanism). It cannot account for novel support requirements of social start-ups left unaddressed in the reviewed studies. Consequently, the services portfolio primarily served as a research device to explore the acceleration of social start-ups in interviews with their founders.

The Value Proposition of Incubators and Accelerators.

The value of incubator and accelerator support for nascent ventures remains disputed. While some studies have reported lower chances of start-up survival (Schwartz, 2013) and achieving key milestones (Yu, 2020), others have found positive effects on exit financing (S. Smith et al., 2015), venture performance (C. S. R. Chan et al., 2020; Gonzalez-Urbe & Leatherbee, 2018), and funding and employee growth (Hallen et al., 2020). That said, studies claiming positive effects have faced selection problems and issues of limited generalizability (Stokan, Thompson, & Mahu, 2015).

Due to its exploratory research design, this study could not contribute to the debate on the quantifiable impact of incubators or accelerators on venture performance. It could, however, study how the beneficiaries of the acceleration process perceive the value of incubators or accelerators. This approach was motivated by recent calls to study incubators and accelerators from the perspective of start-ups (Colombo et al., 2018; Pauwels et al., 2016). To date, the only peer-reviewed study to explicitly explore what social entrepreneurs value in an accelerator is Pandey et al. (2017). That study reported that founding teams' human capital influences their perceptions of social accelerator benefits. The authors concluded their study of 4,000 social ventures by calling for a "fine-grained qualitative examination" (19), which the present study set out to achieve through the ranking of sponsorship services (Table 11) in combination with an in-depth exploration of nine incubator and accelerator activities.

Together, these findings represent one of the first in-depth assessments of incubator and accelerator benefits by social start-ups. While the results have been thoroughly discussed in Section 4.3, it is worth noting how forming two subgroups allowed the comparison of start-ups that participated in a full support program (ramp-ups) with those that enjoyed a limited interaction (fellows). Ultimately, aside from "validation and visibility" and "education and training," the cross-case analysis showed remarkable similarity in the value perceptions of both groups.

Social Start-Up Acceleration. There is great interest in "examining a wide range of organizational contexts in which accelerators operate" (Crisan et al., 2019, p. 20). However, despite the popularity of studies on accelerators run by corporations or the public sector, support for social enterprises has received less scholarly scrutiny (J. Hausberg & Korreck, 2017). Beneath this research gap lies a question of theoretical and practical importance: Is the acceleration of social start-ups a unique organizational context? Or, phrased from the perspective of the beneficiaries, do social start-ups "require a different kind of assistance" (J. Hausberg & Korreck, 2017, p. 13)?

Recent studies on this issue, referenced in Section 2.2.3, have indicated empirical differences between social incubators and their conventional counterparts (Sansone et al., 2020; SIM, 2020). The exemplary services portfolio (see Appendix) also indicates variation in service offerings. Consistent with these results, the present study provides a strong indication that social start-ups have unique support needs

that cannot be met by conventional incubator and accelerator benefits. Consequently, this study proposes a novel support mechanism for start-ups aiming to solve societal or environmental issues: impact acceleration.

Importantly, the suggestion of a novel mechanism does not imply that the original sponsorship mechanisms are ineffective for accelerating social start-ups. On the contrary, there was significant overlap in the support needs of conventional and social start-ups. However, this study identifies two services – demonstrating social impact and delivering the social mission – that are not traditionally offered by incubators and accelerators. According to the interviewed founders, these activities differentiate the acceleration of social start-ups from supporting other ventures.

The benefits of incubator specialization have already been highlighted by multiple studies. Graduating from an incubator with a focus on the SDGs helps social start-ups to communicate their impact (Gianoncelli et al., 2020). Alignment between the service portfolio of incubators and accelerators and their tenant profiles increases the impact of their interventions (Bruneel et al., 2012). The key in increasing customer value for tenants with a specialist stance is differentiation through the selection process and service offerings (Vanderstraeten et al., 2020). These findings reinforce this study's claim that social start-ups are best served by specialized programs.

5.1.3. Contributions to the Literature on Organizational Sponsorship

Following the observation that "knowledge about the form (accelerator) is incomplete without knowledge about the mechanism (acceleration)" (Shankar & Clausen, 2020, p. 2), this study used the framework of organizational sponsorship to explore social start-up acceleration. In doing so, it had to contend with the facts that organizational sponsorship is far from an established theory and that its mechanisms are still "somewhat unclear" and "may differ across sponsorship phenomena" (Breivik-Meyer, 2020, p. 185). However, the novelty of the framework provided fertile ground for exploring social start-ups' perceptions of different sponsorship mechanisms.

This research yielded two main contributions to the literature on organizational sponsorship. First, it clarified how social start-ups perceive the sponsorship mechanisms of buffering, bridging, and boosting. Second, it reflected the trade-off between the benefits of sponsorship and its disadvantages.

The Mechanisms of Organizational Sponsorship. Owing to their novelty, the mechanisms of organizational sponsorship remain undefined. While most authors accept the mechanisms of buffering and bridging proposed by Amezcua et al. (2013), others have suggested that sponsors should engage in bolstering (Pandey et al., 2017), curating (Amezcua et al., 2020), sheltering (Breivik-Meyer et al., 2019), and boosting (Autio & Rannikko, 2016). This theoretical fragmentation sparked two questions about incubators and accelerators: Which activities correspond to these mechanisms, and how do start-ups value them?

This study took two steps to clarify this debate. The first step was to disregard all mechanisms that appeared insufficiently distinct from the two original mechanisms (i.e., all but boosting); the second was to match the nine exemplary interventions to the three remaining mechanisms to assess how social start-ups perceive their value. This process generated two main insights into how social start-ups view the mechanisms of organizational sponsorship.

First, the focus of the early sponsorship literature on increasing venture survival (Amezcuca et al., 2013; Flynn, 1993b) does not reflect the reality of social start-ups. Rather than relying on an organizational sponsor to shield them from market pressures – the idea at the core of the buffering mechanism – social start-ups appear to be sufficiently resilient and inventive to build up their resource base on their own. A number of the activities associated with buffering, such as education and training and internal mentoring, were highly valued by the founders – but primarily to accelerate their learning, not to ensure their survival. By contrast, they rated the provision of material resources – buffering in a literal sense – as far less important than networking, a benefit related to bridging. This result is consistent with Pandey et al. (2017, p. 19) early indication that social accelerators “engage in less buffering and more bridging”. Because of their strong external orientation, social start-ups also seemed unaffected by the risks of resource munificence often associated with the buffering mechanism, such as missing important early feedback (Cohen, 2013) or facing the “life support incubation trap” (Clarysse et al., 2015, p. 19).

The second insight is that the social start-ups only partially valued the boosting mechanism proposed by Autio and Rannikko (2016). The founders welcomed incubator support in boosting their capacity for growth – but not in controlling milestones. In fact, only two founders expressed a favorable opinion of milestones set by an incubator. Most founders appeared sufficiently driven without the need for external intervention. Some even suggested an incubator could help founders slow down and find stability, rather than bringing even more speed into the process. In that respect, impact acceleration seems to differ from the “time-compressed scaling” that characterizes support from conventional accelerators (Shankar & Clausen, 2020).

The Trade-Off Between Sponsorship and Self-Reliance.

One major contribution of Amezcuca et al. was to challenge the notion that resource munificence is universally beneficial for nascent ventures (2013). Instead of supporting a one-size-fits-all approach, the authors argued for a contingent approach that accounts for the heterogeneity of ventures and environmental conditions. Similarly, Jourdan and Kivleniece (2017) found that the positive effects of sponsorship can be overshadowed by a loss of incentives and internal discipline beyond a certain level.

Despite their largely positive assessment of incubator support, the founders in this study confirmed that seeking external support is a deliberate trade-off. The founders displayed a strikingly broad range of attitudes towards formal support programs. While some refused to participate in any formal

program, others took advantage of five or more support programs.

Yet, in explaining their reasons for joining or not joining an incubator, the founders rarely mentioned the risks of resource munificence that the sponsorship literature has highlighted. Rather, the founders were concerned an incubator might jeopardize their autonomy or be a source of rejection. The motives for entrepreneurial self-reliance confirmed Patton et al. (2009) observation that sharing ownership and control of a new business in an incubator can be a “significant source of anxiety” (p. 628), with a “fine line between interference and support” (p. 633).

Even though founders valued an incubator’s help in reducing uncertainty and providing validation (Carayannis & Von Zedtwitz, 2005), they also appeared highly selective in weighing the potential benefits and disadvantages of an incubation program – and the time required. Hence, the following section discusses how funders and managers of support programs can ensure that their offerings provide the most value and relevance for social start-ups.

5.2. Practical Implications

Substantial resources are currently being invested in the incubation of early-stage social ventures. Governments, corporations, and private foundations view social start-ups as a promising solution to tackling societal and environmental challenges. However, there is still considerable uncertainty about the optimal design of entrepreneurial support activities. Nonetheless, precisely because of the ongoing debate about the impact of incubators and accelerators on venture performance, there is “great value in understanding the mechanisms that make sponsorship more effective” (Breivik-Meyer, 2020, p. 185). To realize this ambition, this study describes practical implications for three stakeholder groups that would benefit from maximizing the value of social start-up acceleration: funders, incubator and accelerator managers, and social entrepreneurs.

5.2.1. Funders of Incubators and Accelerators

How accelerators structure and run their programs is “largely determined by the objectives of their key shareholders” (Pauwels et al., 2016, p. 22), the influence of whom stems mostly from their financial contributions. In Germany, much of the revenue of incubators and accelerators depends on grants or subsidies – on average, 50% (SIM, 2020, p. 48). The reliance on external funding is exacerbated by a focus on social start-ups, which promise limited financial returns. As a result, funders have a crucial role in shaping support programs.

The essential takeaway of this study for funders is that the right support can, according to social start-ups themselves, have a positive effect on their development. Provided incubators and accelerators consider the unique characteristics of social enterprises, starting from their social-mission focus and resource needs, they can effectively support these organizations’ growth. To put this into practice, funders should consider the following recommendations:

- Fund dedicated programs: The complexity of supporting social start-ups entails higher costs. Social start-ups require specialized knowledge on impact measurement, hybrid legal structures, and double-bottom-line financing that is not as readily available as expertise about conventional business incubation. Regardless, funders would benefit from tailoring their programs, for example, by offering dedicated services for impact acceleration.
- Readjust financial expectations: The hybrid nature of social start-ups means that the venture capital model of many accelerators is inapplicable. Instead of planning for a quick exit, social start-ups think long-term and renounce profits to aid their mission. Even if the impact of social start-ups is harder to quantify, their acceleration holds the promise of generating significant societal and environmental returns. Funders should be patient – and shift their return expectations accordingly.
- Evaluate and adapt continuously: The value that incubators and accelerators create for social start-ups depends on many external factors, from shifts in the political landscape to changes in target markets and founder demographics. Funders should continuously evaluate – and adapt – the programs they offer based on changing circumstances, in the same way that start-ups weigh the advantages and disadvantages of support programs.
- Put values into practice: Incubators and accelerators can be a source of emotional support and stability during a precarious and highly stressful period for founders. However, building a culture of trust and humility requires funders to set the right example and put these values into practice. How funders set goals, recruit staff, and allocate resources determines how social start-ups experience their time within an incubator or accelerator.
- Build a wide and relevant network: Social capital is potentially the main incubator benefit. Incubator managers need to invest significant resources in expanding their network.
- Nurture personal relations: Experienced mentors and coaches can be highly effective in helping founders keep their focus, deal with complex challenges, and avoid mission drift.
- Avoid dependencies: Social start-ups need to stand independently – or fail – quickly.
- Invest in the brand: Only well-known incubators provide strong validation signals.
- Ensure the social impact: Measuring, demonstrating, and delivering impact is a key benefit of incubators and accelerators, especially for founders with corporate background.

5.2.3. Founders of Social Start-ups

Far from being passive recipients of incubator services, start-up founders actively shape the incubation process – an effect called coproduction (Rice, 2002) and codevelopment (Vanderstraeten et al., 2020). An accelerator's impact is driven by the accelerator and its applicants "in ways that are difficult to untangle" (Cohen, Fehder, et al., 2019, p. 1783). As a result, founders of social start-ups should heed the following recommendations:

5.2.2. Managers of Incubators and Accelerators

The managers of incubators and accelerators play a vital role in the acceleration of start-ups. Experienced incubator managers reduce the risk of start-up failures (Wise & Valliere, 2014). The duration, intensity, and range of their interventions strongly affect the business assistance that start-ups receive (Rice, 2002). To increase the effectiveness of their support for social start-ups, incubator managers could, therefore, consider the following recommendations:

- Select the right teams: Value alignment within cohorts is crucial to leverage peer effects.
- Customize education and training activities: Start-ups appreciate when their practical needs are addressed – especially regarding legal issues and raising external funding.
- Allocate sufficient resources: To reap the benefits of a support program, social start-ups first need to critically reflect on the time and resources that active participation requires.
- Determine the right fit: Specialized programs may be more effective, but they also place greater burden on the selection process to maximize fit between incubators and start-ups.
- Stay open-minded: Once they are part of a program, founders need to accept their cognitive biases, recognize their knowledge gaps, and remain open to being challenged.
- Practice self-care: Social entrepreneurs are at risk of burnout and overworking. To solve complex societal challenges, funders must first preserve their personal well-being.
- Give back: A key benefit of an incubator or accelerator is peer networking. Social start-ups should invest sufficient time into learning from other start-ups.
- Focus on the social mission: Pursuing a double-bottom line forces social entrepreneurs to juggle a myriad of demands. An incubator can assist them in focusing on the core mission.

5.3. Limitations and Future Research

As an exploratory case study within the research setting of a single incubator, this study's research design had limitations. In a novel and rapidly evolving field such as the acceleration of social start-ups, these issues also constitute research opportunities. The following section outlines five of these limitations and how they might spark further research.

First, the interview method could have led to possible bias. To improve internal and external validity, a standardized questionnaire was combined with further secondary sources. Regardless, the subjective views of the interviewees, the presence of the interviewer, or a poor recollection of past events may have affected the data collection. Moreover, nascent entrepreneurs are not always aware of their knowledge gaps (Vanderstraeten et al., 2020). These limitations could be addressed by increasing the sample size and interviewing multiple team members. Human capital factors also warrant further examination. How does the background and profile of social entrepreneurs influence their perception of incubator benefits? A quantitative study on the support services identified in this thesis could validate its qualitative results.

The second limitation concerns the units of analysis (i.e., social start-ups). There were valid reasons for adopting the perspective of the beneficiaries of incubator services. However, the robustness and reliability of the results could be strengthened by extending the analysis to managers of incubators and other stakeholders who engage in the acceleration process, such as coaches, mentors, and investors. This approach would reflect the interdependencies of these actors.

The third limitation pertains to the generalizability of the findings due to the lack of comparative data. It would be fruitful to compare social start-ups with a control group of conventional start-ups (i.e., without a social mission), either within the same incubation environment or across different support programs. Doing so could confirm that impact acceleration is a unique sponsorship mechanism not sufficiently provided by traditional sponsorship mechanisms. It would also be interesting to compare the support needs of for-profit ventures with those of nonprofit organizations, which are likely to display different acceleration needs. A longitudinal assessment could help validate the observation that the acceleration needs of social start-ups quickly evolve. Further research could compare incubators or accelerators in other locations to confirm whether observations in a high-income country such as Germany are transferable to other regional contexts.

The fourth limitation relates to the effect that acceleration has on the societal or environmental challenges that start-ups seek to address. Questions remain regarding whether incubator interventions make a measurable difference to achieving a social mission and how this impact could be increased through appropriate support activities. Tracking established impact metrics and economic performance indicators, such as revenue growth, increased headcount, or raised funds, could help evaluate the effect of entrepreneurial support programs on both bottom lines of social start-ups.

The final limitation revolves around the effects of Covid-19, which the World Health Organization declared a global pandemic in March 2020. As a result, the Impact Factory had to move the delivery of its program to an all-virtual setting for a significant part of the analyzed period, which ran from June 2019 to October 2020. Surprisingly, the respondents reported that the pandemic had a limited impact on their program experience, for example in regard to the coworking space and the lack of on-site networking opportunities. Nevertheless, one should assume that the unique circumstances of Covid-19 had a considerable effect on the results of this study. It would be interesting to compare the views expressed in this study with a post-Covid-19 incubator experience, for example in terms of meeting face-to-face for networking or mentoring.

6. Conclusion

Social start-ups differ from other entrepreneurial ventures in how they combine commercial activities and a social mission. Increasing access to electricity in Sub-Saharan Africa, protecting biodiversity in Peru, and reducing waste created by disposable food packaging are just three examples of how the start-ups in this study are tackling societal and environmental problems. Although these ventures have the potential to achieve an impact on a global scale, they also face distinct challenges in acquiring the resources required to grow their business and impact models.

Incubators and accelerators have emerged as one of the most popular support models for early-stage social ventures. By providing tangible and intangible resources, these support programs can help social entrepreneurs to develop and grow their ventures. However, there is still insufficient understanding of how social start-ups perceive the value proposition of incubators and accelerators – and of whether social start-ups have unique support requirements.

This study explored the acceleration of social start-ups through an inductive case study of 10 social start-ups in an impact-oriented incubator. It found that their strong social-mission focus affected their resource needs. Social start-ups are resilient, creative, and independent. They are primarily interested in expanding their networks and acquiring new knowledge, and they are highly selective when it comes to sharing control and raising capital from external investors.

To improve their value proposition for social start-ups, incubators and accelerators should adapt their service offerings accordingly. Relying on the mechanisms of organizational sponsorship – buffering, bridging, and boosting – is insufficient. Therefore, this study proposed the new support mechanism of impact acceleration. By helping social start-ups demonstrate their impact and deliver on their mission, incubator and accelerators can overcome the “pioneer gap” and support high-impact ventures in their most critical phases (Lall et al., 2013).

This study showed that social start-ups are cautious in how they allocate their time – but also appreciative of the right support at the right moment. According to R2, “If

you're a founder, the only thing you're looking for is problem solvers. . . And if you have one, you don't let them go." A successful incubator or accelerator can be more than the sum of its parts. It can create a community of changemakers who assist, motivate, and inspire each other every day. As F1 said, "Start-ups live from being together, from suffering together, but also from celebrating together."

To understand the support needs of social start-ups, further research is required. Hopefully, the findings of this study will facilitate further study of this emerging – and exciting – phenomenon. Understanding how incubators and accelerators can optimize their support for social start-ups would not only benefit funders and the managers of these organizations, but also ventures seeking to solve some of the world's most urgent problems by putting their mission first.

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