

# ***If the blind lead the blind (will both fall into a canal?)***

*An analysis of support companies and related (digital)media startups  
in Amsterdam.*

Student Name: Isabel Strijland

Student Number: 433027

Supervisor: H.J.C.J. Hitters

Master Media & Business

Erasmus School of History, Culture and Communication

Erasmus University Rotterdam

Master Thesis

*June, 2016*

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### ABSTRACT

Currently startups are a hot topic and businesses respond to this by offering them support. Incubators and accelerators give access to resources and guidance in order to let the startup develop in an effective way. This research examines what happens in the support process in selected companies in Amsterdam and how this support is perceived by (digital) media startups. Previous research highlights several important components of this support process, such as different types of incubators, the selection process, the offer of business support and the access to a network. Also a lot of research is done on the entrepreneurial side of the process, where one neglected question is where entrepreneurial opportunity comes from and the idea of the individual entrepreneur is overthrown. A startup is built with a team, which possesses several entrepreneurial characteristics. The biggest challenge startups face is getting access to a network of useful resources. Support companies compensate by offering services and guidance. Therefore, this research is an addition to previous research as it includes both perspectives: about what the support companies offer and what startups need. Combining both perspectives leads to insights in the underlying processes. In order to create an interesting dataset an observation and 14 in-depth interviews were conducted. Results indicate that support companies are well aware of the needs of startups and provide a cohesive support system. There is room for improvement, such as improving the quality of support and making the programs more customized. Interesting is that the researched support companies are young companies themselves, which face the same problems as startups do. In order to be successful, these companies need to learn about what works best and mature in order to create a sustainable ecosystem in Amsterdam. Moreover, the results provide insights in the experience of startups that receive support, where reputation, growth and becoming part of a network of other startups are the most important ones. Also the rational choices made by high positioned employees in the support companies are outlined, that answer question on with who they partner up, why they operate in clusters and how the design of the support process is build. Corporations, governments and universities help structure the support programs. This research concludes by outlining the tension between what (digital) media startup need and what support companies offer.

**KEYWORDS:** *incubator, accelerator, Amsterdam, ecosystem, startup, startup needs, support, media, new venture creation, in-depth interviews*

## Pre-face (building a startup)

In order to get you started on understanding the world of startup support, I want to guide you through the process of creating my own startup: Support Research. In this way I approach my research like it is a startup.

*So approaching this research as startup that receives support:* The first step was to decide on which product to sell. This was an easy step as my main product is information, or to be more specific information on startups that receive support. The targeted consumers are my supervisor, my second reader and other researchers interested in the topic. To turn the product into a business, I needed a business plan and an incubator to guide me in growing my business. A thesis market organised in the beautiful Tinbergen Building of the Erasmus University in Rotterdam, gave me the opportunity to meet several interested parties. Pitching my idea to my first three choices, confronted me with my first failure. I did not make a strategic choice and as a result I got rejected by all three. What I learned instantly is that in some cases the support company scouts the startup and this was the case for me. Erik Hitters told me that he was very interested in guiding me to establish my own startup (thesis). Following the process of support, I now survived the pre-incubation step of selection and was ready for growing my business within the support company. During this process I made use of the resources my support company offered, such as physical resources located on the University (tools, computers, desk), but also mentorship (master classes, meetings) and I became part of a larger network (students, professionals). I finalized and re-shaped my product several times, with the help of expert interviews and intensive guidance. This gave me the opportunity to work towards a successful graduation. The beautiful part is that as an alumnus I will always have the privilege to be connected to my support company and the network that came with it.

So on this demo-day I want to use the opportunity to thank the respondents for the useful insights and new connections, my friends and family for checking long text on small mistakes, the Erasmus University in Rotterdam for its facilities and my supervisor Erik Hitters for guiding me through the tough, but interesting process of doing this research.

This pre-face follows as a simplified example for the real process of incubation. Did it make you curious? Let me introduce to you the research that made it all available.

Isabel Strijland, *Amsterdam, 01/06/16*

## Table of contents

<b>ABSTRACT .....</b>	<b>1</b>
<b>PRE-FACE (BUILDING A STARTUP) .....</b>	<b>2</b>
<b>1. INTRODUCTION .....</b>	<b>5</b>
1.1. SUPPORT COMPANIES .....	6
1.2. FINDING RESEARCH OPPORTUNITY .....	7
1.3. SUB-QUESTIONS .....	8
1.4. RELEVANCE .....	9
1.5. FOCUS .....	10
1.6. STRUCTURE .....	11
<b>2. THEORETICAL FRAMEWORK .....</b>	<b>13</b>
2.1. NEEDS (DIGITAL) MEDIA STARTUPS .....	13
2.2. TYPES OF SUPPORT COMPANIES .....	17
2.3. THE DESIGN OF THE SUPPORT PROCESS .....	20
2.4. STARTUPS RECEIVE SUPPORT .....	24
<b>3. METHODOLOGY .....</b>	<b>29</b>
3.1. QUALITATIVE RESEARCH: INTERVIEW .....	29
3.2. SAMPLE SELECTION .....	30
3.3. OPERATIONALIZATION .....	33
3.3.1. Needs (digital) media startups .....	34
3.3.2. Types of support companies .....	34
3.3.3. Design support process .....	35
3.3.4. Startups within the support process .....	36
3.4. METHOD OF ANALYSIS: CODING .....	37
3.5. RELIABILITY & VALIDITY .....	38
<b>4. RESULTS .....</b>	<b>40</b>
4.1. NEEDS (DIGITAL) MEDIA STARTUPS .....	40
4.1.1. Personal opportunity .....	40
4.1.2. Team .....	43
4.1.3. Access .....	45
4.2. TYPES OF SUPPORT COMPANIES .....	46
4.2.1. Partnership .....	46
4.2.2. Clusters .....	47
4.3. DESIGN SUPPORT PROCESS .....	48
4.3.1. Selection process .....	48
4.3.2. Support .....	50
4.3.3. Alumni care .....	51
4.3.4. Lean method .....	52
4.4. STARTUPS THAT RECEIVE SUPPORT .....	53
4.4.1. Reputation .....	53
4.4.2. Network other startups .....	54
4.4.3. Growth .....	55
<b>5. CONCLUSION .....</b>	<b>57</b>
5.1. Conclusion .....	57
5.2. Discussion .....	62
<b>PERSONAL REFLECTION .....</b>	<b>65</b>
<b>REFERENCES .....</b>	<b>67</b>
<b>APPENDIX A: INTERVIEW SCHEME .....</b>	<b>74</b>

<b>APPENDIX B: TOPIC LIST SUPPORT COMPANIES</b> .....	<b>76</b>
<b>APPENDIX C: TOPIC LIST STARTUPS</b> .....	<b>78</b>
<b>APPENDIX D: TOPIC LIST OBSERVATION ACE VENTURE CAFÉ</b> .....	<b>80</b>
<b>APPENDIX E: STARTUPAMSTERDAM</b> .....	<b>81</b>
<b>APPENDIX F: OPEN CODES</b> .....	<b>83</b>
<b>APPENDIX G: THEMES</b> .....	<b>87</b>

## 1. Introduction

The title of this research may have grabbed your attention and made you curious on why an old saying is used in a communication context. One of the 'blind' refers to inexperienced companies or companies that are at an early stage of growing: the startups. The second blind is explained at the end of this research and the question mark leaves room for interpretation. Startups are important means by which new ideas are brought to life as they challenge established industries and seek support outside existing companies (Aerts, Matthyssens & Vandenbempt, 2004). These new ventures are crucial for innovation and economic growth (Shepherd, Douglas & Shanley, 2000; Sherman & Chappell, 1998; Clarysse, Wright & VanHove, 2015). The Netherlands has a growing startup scene and additionally has the ambition to become "Europe's Best-Connected and Largest Ecosystem" for startups (Karabell, 2016). When starting up a company, entrepreneurs have limited access to resources and established networks, that are crucial for their survival. Consequently, only few make it through their early years (Allen & Rahman, 1985). This problem was already stated in 1985 and is still relevant today. As most startups do not survive their early stage, it became a trend to start support companies that nurture and grow startups (Hansen, Chesbrough, Nohria & Sull, 2000). Support companies respond to resources and skills that startups lack, by offering them support and a launch pad to grow (Fishback, Gulbranson, Litan, Mitchell & Porzig, 2007). This research aims to look at the tension between what startups need and what support companies offer.

Research on startups and support companies is positioned in the academic field of research on entrepreneurship. Shane & Venkataraman (2000) see entrepreneurship as a mechanism by which society converts technical information into products and services. By researching the underlying processes, we can grasp those processes and the temporal and spatial inefficiencies in an economy. Startups are a hot topic in the news media, but still many questions arise in the academic field. Research is mostly dedicated to identification of characteristics and conditions of the entrepreneurial processes (Grimaldi & Grandi, 2005). Nowadays, many startups grow by connecting to a support company. This may be incubation or accelerating organizations that take part in a wide range of initiatives aimed at thriving entrepreneurship (Grimaldi & Grandi, 2005). This research aims to look at support companies that are active in the support of startups. One of the characteristics is that the company offers direct support to the startup, through advice, services or mentoring.

In the research of Bresciani & Eppler (2010), they define a startups as a new company that is at the early-stage of development. Characteristics of a startup are that they do not have an established reputation and identity and internal structures still have to be built. They need to brand themselves to their clients in order to survive and have limited resources, know-how and time (Bresciani & Eppler, 2010). Academic literature from the management field tends to measure the

effectiveness of incubators by doing quantitative research on the outcomes (Schwartz & Teach, 2000). Other studies research the opportunities of creating goods and services, how to discover new opportunities and how different modes of action are used to exploit these entrepreneurial opportunities (Shane & Venkataraman, 2000).

Startups join a support company in order to make use of their resources and network. Two pioneers on hands-on guidance for the build up of a startup are Steve Blank (2012) and Eric Reis (2011). They refer to the lean method, where feedback loops are of essence in order to improve a product or services against low cost and useful outcomes. Especially digital media startups often face problems in finding talent and ways to improve their product (Gabrielsson & Pelkonen, 2008). As digital medias startups operate in a fast changing environment (Pelkonen, Pohto & Wirén, 2001), there is a need to apply the lean method, which is a method to learn and improve fast (Reis, 2011). Support companies can help startups to learn the skills to successfully improve.

In this section the term startup and support company was briefly introduced, for the following section different support companies are explained and with that the research question and related sub questions are created. What follows is more insight in what support companies are.

### 1.1. Support Companies

A study from Hansen et al. (2000) shows that support companies can make a startup successful, by giving them access to a network of resources, such as office space, finance, management support and knowledge. This allows the entrepreneurs to focus their time on growing the company, by establishing the business plan and learning new skills (Aerts et al., 2007). Hackett & Dilts (2004) describe support companies as a network of individuals and organizations, which includes related startups, partners and external companies. They describe three stages the startup goes through: potential incubatee, the incubatee and the incubated firm. Where potential incubatees go through a process of selection to be supported by the incubator, the incubatee is in the process of incubation and incubated firms are graduated from the incubator, but still stay connected to the network of startups. The process of business incubation can be seen as a combination of business development processes, infrastructure and people who mentor startups by supporting them in the early stage of development (Hackett & Dilts, 2004). Within the phase of incubation Bergek & Norrman (2008) distinguished five main ingredients: selection, mediation, infrastructure, business support and graduation. Selection is positioned in the beginning of the process and refers to the process startups follow, when joining an incubator or accelerator. Mediation, infrastructure and business support refer to the program itself or to components what a support company offers. Graduation is when a startup leaves the support company. This process of support tends to compensate for the lack of

resources, knowledge and network access, with the aim to offer stability, sustainable growth and long-term business survival (Schwartz & Hornych, 2008).

There are two different terms used interchangeably for the support system of startups: incubator and accelerator. Both are companies or institutions that provide startup aid by giving access to advice and services (Stagars, 2015). Accelerators are companies that offer a program with a set of standardized resources in a limited timeframe. Their aim is to grow the startup as quickly as possible by giving them access to a relevant network. As a compensation startups transfer a small equity of their company (Cohen, 2013). On the other side the incubators receive rent and fees from startups in exchange for making use of their resources. Incubators tend to focus on an early stage startups, where only the idea is developed and accelerators support startups with a more established business plan (Cohen, 2013). Both terms overlap and no support company is the same, they all have differences in their market focus and their business models (Schwartz & Hornych, 2010).

An example of an accelerator is Rockstart. They offer a program with a duration of six months to new startups, who can join the program by following a strict selection process. The goal of the program is to turn a vague idea into a real business (Rockstart, 2016). The ultimate goal for the accelerator is that the startups eventually launch onto the stock market, in order to sell shares (Outenaar, 2016). An example of an incubator is ACE Venture Lab, which focuses on the pre-phase of startups, which includes business modelling, product development, creating a market strategy and building a team. ACE Venture Lab for instance has a close partnership with the university and uses ideas and results from a thesis as the inception of a new startup, so called science-based startups. ACE Venture Lab is financed by the university and government and does not need to sell any shares (ACE, 2016).

The confusion in terms shows that we do not fully master what is happening in the support systems of startups. To grasp the full perspective research must be done on both perspectives within this process, the viewpoint of startups and that of support companies. Hackett & Dilts (2004) underline that it is important to take the totality of the support company into account, as a network of individuals and organizations. Therefore, this research aims to look at selected support companies in Amsterdam that provide startup aid and connected startups in the (digital) media-sector.

## 1.2. Finding research opportunity

So what should we research specifically? This research aims to gain insight in the processes that lie behind the support of startups. Therefore, the following research question is designed: *What happens in the support process in selected companies in Amsterdam and how is the process of support perceived by startups in the (digital) media sector?* In order to answer this question,



characteristics of different support systems needs to be explained and likewise, to what extent they meet the needs of (digital) media startups. A clear definition of support companies must be established and similarly, several stages of the incubation process should be explained. Interviews are conducted to gain insight in these processes of support and how startups perceive support. The tension between the needs of startups and what is offered by support companies is still highly unexplored (Bergek & Norrman, 2008). Therefore, this research focuses on both viewpoints in the process of support, as it includes both the perspective of the support companies and the perspective of related media startups. In this overview the developer and user come together. Interviews with the support companies gives us insight on the design of the support process. The experiences of the startups give us insight in whether this design matches their needs. To answer the research question, several sub-questions were designed and are explained in the following section.

### 1.3. Sub-questions

The process of support varies per company, which is necessary as the startups also vary in their needs (Aernoudt, 2004). A startup starts with an idea in order to solve a problem for its customer. In a time where internet gives to access to many resources, it becomes easier for individual startups to produce their own services at a competitive rate. On the other hand, still a lot of time is spent on negotiating for the use of such services (Hansen et al., 2000). Coming up with a good idea is just a small step in a complex process of starting up a company. The next step is to create a solid business plan and transform that into a strategy in order to execute a successful idea. The right resources need to be used at the right time (Brush, Greene & Hart, 2001). Gartner (1985) states that startups differ substantially from each other which makes it hard to research them. We need to create a framework which focuses on overlapping characteristics. This starts with finding a pattern in the needs of new venture creation and leads to the following sub-question: *1. What are the needs of startups?* As the needs of startups are broad and sometimes differ, support companies respond to this by offering diverse programs. The support-system of Amsterdam is not an established system with clear boundaries and includes companies such as shared office spaces, accelerators, incubators, investment networks etc. (IAMsterdam, 2016). The business model, objectives and purpose of a support company influences the kind of support that is offered (Aernoudt, 2004). This leads to the following sub-question: *2. What different type of support companies exist in Amsterdam?* The companies that offer support, design this process in different ways to meet the needs of startups. Startup managers report spending the first six to nine months setting up the basic infrastructure, support companies can cut down the time and costs (Hansen et al., 2000). A process of support has been designed to facilitate the support of startups and to gain more insight in the process they

follow. This leads to the following sub-question: *3. How is the process of support designed?* Not every startup makes use of support. For instance, the phase a startup is positioned in is important in deciding on the support (Bruneel, Ratinho, Clarysse & Groen, 2012). Also the forms of support differ, as some need access to finance and others are in need of guidance (Bergek & Norrman, 2008). Which gives rise to the following sub-question: *4. Why do startups seek support?* Once the startups are in the program that is offered or make use of the available support, it is mostly a standardized program. Looking into the design of support leads to the following question on how startups perceive this process: *5. How is the process of support perceived?* These sub-questions will be answered by doing empirical research, focussing on overarching themes.

#### 1.4. Relevance

The proliferation of incubators and accelerator programs, show the popularity of this concept (Hochberg, 2015). Because of the surplus of opportunities and new startups, there is a scarcity of access in chasing the limited potential partners who have resources and knowledge (Hansen et al., 2000). Hackett & Dilts (2004) compare five research orientations within the literature on incubators: (1) incubator development studies, where the growth of incubators is observed, (2) orientation is incubator configuration studies, which compare several components of incubators, (3) third is startup development, which focuses on the growth of startups within the incubator. (4) is that of incubator-incubation impact studies, where they research if the incubation concept influences the startup' growth and with that the success of the incubator. (5) there are studies on the theorization of about incubator-incubation (Aerts et al., 2007). It shows an interesting insight in the world of support companies when research orientations are combined, so this research is positioned in the second and third research orientation, by comparing different components of the selected support companies and researching how different components are perceived by startups and how it influences its developments.

Another distribution in the research of support companies is made by Aerts et al. (2007), they distinguish three dimensions of research: descriptive, prescriptive and evaluative. Descriptive covers the definition and classification of support companies. Prescriptive tries to set out best practices, based on research. Evaluative works is establishment of metric to evaluate the incubation programs. This research overlaps all three dimensions, as it tends to describe support companies, shortly looks into the outcomes of the different components of support companies and finally evaluates the success by including the perspective of startups in the research.

This research is academically relevant as it adds to the research on entrepreneurship and the characteristics of support companies and startups. Previous research focuses on the success of incubators (Chengappa & Geibel, 2014; Regmi, Ahmed & Quinn, 2015). Bergek & Norrman (2008) argue that most research “focuses only on outcome (e.g. number of new firms, jobs and firm survival), without relating it to how different support companies organise and manage their incubation processes” (p. 21). Here the effect is measured by counting the number of successful startups, but nothing is stated about the underlying processes. There is a gap in the literature as there is a lack of research to the effect that support companies have on the startup ecosystem and the processes underlying this effect (Outenaar, 2016; Tötterman & Sten, 2015; Zimmerman, 2015). According to Bøllingtoft & Ulhøi (2005) there has been little focus on the indirect and social aspects of incubators and with that little effort is made in trying to account for what was observed or documented in incubator research. Attention must be given to specific context, different models of incubation and its circumstances (Isabelle, 2013). Furthermore, there is a scarce amount of academic articles on accelerators and incubators a need for academic literature to define and characteristics of incubators (Dempwolf, Auer & D’Ippolito, 2014). This research aims to develop a framework that defines different characteristics and it gives insight in the processes of incubation.

Receiving support is no guarantee to success. “Although incubated businesses have slightly higher employment, growth and sales, they also have slightly lower survival rates after they graduate” (Zimmerman, 2015). Another consideration is that support companies create a support programs that are most of the time standardized, the programs might not nourish the needs of an individual startup. For instance, startups develop a way to meet the needs of the support company to survive within or startups are shielded from market forces and might be missing out on important feedback in the field (Cohen & Hochberg, 2014). Not two support companies are alike, but the general goal of incubators is to develop firms and stimulate entrepreneurship, different incubators have different priorities (Bøllingtoft & Ulhøi, 2005).

### 1.5. Focus

As many research angles are possible and the terms startup and support company are used widely, the research has a focus. The startups that are included in this research are (digital) media startups based in Amsterdam. (Digital) media startups are interesting to research as our media landscape is constantly changing and that provides opportunities for new ventures and business models (Kaplan & Haenlein, 2010). Furthermore, changes within a sector offer a continuous supply of new information about different ways to use resources (Shane & Venkataraman, 2000). This means that media startups can respond to that by creating new products in this sector. Schwartz & Hornych

(2008) characterize the boundaries of the media economy by using a document that gives a classification of related economic activities. The fields that are included are books, newspapers, and other printed matter, recorded media reproduction, consultancy and supply, motion pictures, video activities, radio, television and news agency services. This research also looks at the digital side of this media sector, which include digital media applications and services (Preston, Kerr & Cawley, 2009).

Furthermore, this research focuses on the understanding of the support-system of startups in Amsterdam. The capital, Amsterdam, is seen as a big startup hub in Europe (Startup Compass Inc., 2015). A study of Compass in 2015 rated Amsterdam is the fourth best European city to begin a startup and number 19<sup>th</sup> worldwide. They state that “Amsterdam is an attractive location for tech startup founders due to its unique lifestyle aesthetic and great startup infrastructure, and while it’s not as big of a startup ecosystem as more prominent European counterparts like London or Berlin, it certainly has the ambitions to become like them.” (Startup Compass Inc., 2015). Not being the leading city is mainly due to lack of access to funding (Outenaar, 2015). The media industry needs to be based in large cities, that can be seen as global media clusters. Presence in the city allows the media startups to access latest trends and developments in the general culture industry, as well as keeping up with latest technological trends that affect the media industry (Karlsson & Picard, 2011). The outcomes of this research can be both interesting for support companies as for related startups in the (digital) media sector positioned in Amsterdam, but also outside Amsterdam, as it reflects on common characteristics of support companies and the process of support.

## 1.6. Structure

To grasp the support processes of companies based in Amsterdam and the way startups perceive this process, this research is organised as follows. The second chapter is a theoretical framework, which guides the reader through relevant literature and it will also present a critical review of relevant theories and previous empirical research. Also a description of the core theoretical concepts will be given. With this a basis is established for designing the topic list and further data-analysis. The third chapter will describe the methodology that is used for this research. The chapter justifies the choice of qualitative research, as little is known about this social phenomenon (Eisenhardt & Gaebner, 2007). Semi-structured in-depth interviews were created based on the theoretical concepts outlined in the theoretical framework. Also the sample and selection of interviewed support companies and related startups is explained. The concepts stated in the theoretical framework are operationalised and translated into a topic list. The chapter concludes with explaining the process of open to selective coding and thematic analysis. The fourth chapter states the results, which includes the

analysis of the themes found in the interviews. Quotes will be used to support findings and to illustrate concepts found in the literature. The fifth chapter is the conclusion, where results are connected to the theory stated in chapter two. Here the sub-questions will be answered. Furthermore, by connecting the interviews with previous findings, a first conclusion on support companies within Amsterdam and how startups perceive their support is stated. The results will be presented in a comprehensive way to summarize the main findings of the analysis. This will give insight in a prospective for future research. The paragraph, that of discussion, will briefly summarize the findings and relate to limitations of the research and provide some open ends for further research on the topic. To conclude, a personal reflection on the research and used methods is stated in the end.

## 2. Theoretical Framework

In this chapter previous academic research on several theoretical concepts is described. Also previous empirical research is addressed. The process of creating new ventures is generally referred to as entrepreneurship (Bøllingtoft & Ulhøi, 2005). The first theoretical concept that is explained in this chapter is the need of startups, starting with finding the opportunity and following the entrepreneurial process (Gartner, 1985). The next step is to identify several types of support companies, making a comparison between incubators and accelerators and influenced by partnerships and clusters. The third concept is the design of the process of support, with several ingredients, such as selection, business support and access to a network (Bergek & Norrman, 2008). The fourth concept is startups within support companies or startups that make use of support offered by third parties.

### 2.1. Needs (digital)media startups

Startups operate in a chaotic, rapidly evolving and uncertain environment (Gartner, 1985). They need to be able to adapt quickly to developments, while being constraint by limited resources (Paternoster, Giardino, Unterkalmsteiner, Gorschek & Abrahamsson, 2014). Gartner (1985) describes the entrepreneurial process of starting a new venture in the following steps: an entrepreneur locates opportunity, accumulates resources, defines the market, produces the product, builds an organization and responds to government and society role (Gartner, 1985). Following this steps this paragraph points out several needs of startups in the early stage: the opportunity, the entrepreneur and getting access to resources. The general needs of startups mostly align with the needs of (digital) media startups specifically, but some characteristics of the media industry influences the needs of related startups. Therefore, it is important to point out how the need applies to (digital) media startups.

A study by Cohen & Winn (2007) found that one of the most neglected questions is where opportunities to create a startup come from. Entrepreneurial opportunities are situations in which new goods and services, raw materials and organising methods can be sold at greater good than the cost of production (Singh, 2001). Shane and Venkataraman (2000) state that an entrepreneurial discovery takes place, when an individual identifies that a set of resources can be used in a better way than is done at the moment. Therefore, opportunity is defined as “any activity requiring the investment of scarce resources in hopes of a future return.” (Mort, Weerawardena & Carnegie, 2003). The situation of finding new opportunities is created by different members of society that have different beliefs about the relative value of resources. By responding to these different beliefs,

the entrepreneurs transform resources into a different state of use (Shane & Venkataraman, 2000). Two ways of transforming resources are to improve an existing product or service or to imitate a product or service in sell it another market (Mort et al., 2003; Bøllingtoft & Uhløi, 2005).

Discovering or creating opportunity can be seen as a process or a set of decisions (Sarasvathy, Dew, Velamuri & Venkataraman, 2010). Corner & Ho (2010) make a distinction between the 'rational process' and the 'effectuation process'. The 'rational process' believes that the opportunity is objective phenomenon which is waited to be discovered. The entrepreneur gathers all relevant information and systematically evaluates all possible alternatives. Once opportunity is set, the entrepreneur starts its business. On the other hand, opportunity can be created by the effectuation process. In this process, the entrepreneur does not begin with a precise product, service, or venture in mind, but with a set of means connected to skills, resources, and people who can help to address the area of interest that can be used to address a good idea. This approach is used by a study of Brush et al. (2001), who identified that the entrepreneur combines personal resources in order to start up a business. The entrepreneur shifts economic resources out of an area of lower and into an area of higher productivity and greater yield. Resources are distributed in order to create new set of resources (Cohen & Winn, 2007).

Austin, Stevenson & Wei-Skillern (2006) argue that there is a difference between commercial and social opportunities. Commercial opportunities are mainly focussed on making profit and achieving personal wealth is the driver for the entrepreneur. The social opportunity is focussed on a social mission, where innovative (but social) value creating activity occurs within non-profit, business, or government sectors. Here intrinsic awards are the main drivers, such as the goal to add value for society (Austin et al, 2006). Both opportunities are relevant for the media industry, as some are for profit and other are the products of non-profits or non-commercial communities (Hoag, 2008). Also, in the media industry a combination of industry deregulation and privatisation coupled with, technological innovations in information and communication led to create new business opportunities (Hang & Van Weezel, 2005). Next to that, building a new product includes a creative feature and an artistic process of content production that differentiate media products and services from other industrial outputs. This makes entrepreneurial activities such as creation, innovation and novel ways of thinking a critical need in building media business success (Hang & Van Weezel, 2005). Such entrepreneurial activities begin with the entrepreneur.

There is no clear definition of the term entrepreneur as descriptions range from abilities in creativity and innovation to personal traits (Cunningham & Lischeron, 1991). Mort et al. (2003) addressed different approaches of defining an entrepreneur, focussing on certain traits and instincts the

entrepreneur is born with, or psychological characteristics that addresses unique values and attitudes towards the entrepreneur. Or for instance, management literature focuses on the entrepreneur as organisers of an economic venture. Or the leadership paradigm that positions the entrepreneur as a leader to people. Which model to choose is dependent on the research angle.

This research focusses on several characteristics of the entrepreneur, which involve social skills, tolerance for risk, proactive and innovativeness (Mort et al., 2003). For example, the social skills of an entrepreneur need to involve social perception (identifying opportunity), impression management, expressiveness, persuasiveness and social adaptability (Brush et al., 2001). Starting a company can lead to failure, so for that instance entrepreneurs need to have a tolerance for risk. Carland, Carland & Hoy (2002) connect this characteristic to the background of the entrepreneur, for example coming from an entrepreneurial family or dissatisfaction of the current job. Pro-activeness is necessary in the situation where the entrepreneur needs to be able to spin off resources that are negative and not productive for its startup. This can be experienced as difficult, as entrepreneurs often hang on to people that are close to them (Brush et al., 2001). Innovativeness refers to the entrepreneur's creativity, but also for its ability to be flexible. Companies in the media sector are highly people dependent, as creative and technical skills are important (Gabrielsson & Pelkonen, 2008). Therefore, these characteristics of the entrepreneur are a need in starting up a (digital) media company. What the entrepreneur lacks can be compensated by other entrepreneurs in the team.

Several scholars step away from the idea of the individual entrepreneur and state that a startup grows out of a team effort, where individuals represent a diversity of skills and experiences (Bøllingtoft & Ulhøi, 2005; Carland et al., 2002; Ensley, Pearson & Amason, 2002; Forbes, Borchert, Zellmer-Bruhn & Sapienzam, 2006; Ucbasaran, Lockett, Wright & Westhead, 2003). The viewpoint changed over time and "the entrepreneur in entrepreneurship is typical plural, not singular" according to Gartner (as cited in Ucbasaran et al., 2003). Teams are more likely to achieve success than individual entrepreneurs (Brush et al., 2001). Each team member adds to the diversity of views and skills, and can enable the completion of complex tasks (Ucbasaran et al., 2003). Within the process of developing a startup, the hardest task, for the founder, is to attract talent in order to create a team. Entrepreneurs in a team can combine personal resources, such as education, experiences, reputation, knowledge of the industry and network contacts, in order to build the startup (Brush et al., 2001). Also the entrepreneurial founder teams can provide their startup with access to an array of valuable financial, social, and human capital resources (Ucbasaran et al., 2003). This is especially important for the media industry, as they are teamwork oriented, as the services of companies such as advertising agencies, consulting companies or law firms are mostly outsourced



(Pelkonen et al., 2001). In search for talent and valuable resources the most important recruitment channels are the personal contacts of the entrepreneur (Gabrielsson & Pelkonen, 2008).

Once the team is established, the next challenge of startups is to gain access to resources (Peters, Rice & Sundararajan, 2004). Startups that are unable to succeed in this process will be constrained in growth (Brush et al., 2001). Access can be provided to a personal network and through a business network. Entrepreneurs build networks that involve relations that may reduce the barrier to accessing other networks (Tötterman & Sten, 2005). Entrepreneurs that worked in the industry before, build a personal network and can apply it to their startup (Brush et al., 2001). Other network opportunities lie in business-related ties (Hansen et al., 2000). To collect information and establish business relations, the entrepreneurial actor needs to get in contact with other people who can provide complementary knowledge and resources. These people might be reached directly or indirectly through private or business ties (Bøllingtoft & Uihøi, 2005). The government can play an important role by offering educational opportunities to prepare people for his industry and help with product development (Pelkonen et al., 2001).

A startup is created by “keeping the five core dimensions of a startup Customer, Product, Team, Business Model and Financials in balance. The art of high growth entrepreneurship is to master the chaos of getting each of these five dimensions to move in time and concert with one another.” (Marmer, Herrmann, Dogrultan, Berman, Eesley & Blank, 2011, p.10). Therefore, an entrepreneur needs to combine resources in order to create a product that the customer wants. Brush et al. (2001) distinguishes six resources: human, social, financial, physical, technology, and organizational. Understanding the initial resources (types) and early uses is central in an effective way of building a startup. Some are applied directly, but others are applied in a more complex manner, such as money which can be seen as an instrumental resource (Brush et al., 2001). Resources can be internal, such as management, culture and strategy or external, such as market forces or environment the startup operates in (Davila, Foster & Gupta, 2003). The goal for an entrepreneur is to construct a resource base by combining internal and external resources. To construct a resource base, entrepreneurs need to identify, assemble, match and fit the right resources in the right time (Brush et al., 2001). Support companies can help in constructing a resource base, by providing guidance and access to networks.

In this paragraph the needs of (digital) media startups were outlined, starting with finding an opportunity, where the entrepreneur improves an existing product or invents a new one. Another need is that of entrepreneurial characteristics and the power of a talented team. Thirdly, the

entrepreneur needs access to resources in order to build their company. The next paragraph describes different types of support companies, that compensate the needs of startups.

## 2.2. Types of support companies

Several scholars devoted research to provide a shared meaning on the discourse of incubation (Bergek & Norrman, 2008; Cohen & Winn, 2007; Hannon, 2004). In spite of previous research, still a lot of controversy exists in the use of the term incubator. Different labels emerged such as, incubator, accelerator, co-working space, science park, seedbed, active seed investor, courses and competitions (Miller & Bound, 2011; Bøllingtoft & Ulhøi, 2005). These differences occur from a variety in what support companies offers, such as the different services, the intensity of guidance, the goal of support and the diversity in objectives (Aernoudt, 2004). Therefore, this research refers to a support company as any organization that provides access to resources and services and that seeks to provide its incubatees with a strategic, value-adding intervention system of business assistance (Hackett & Dilts, 2004; Bøllingtoft & Ulhøi, 2005; Isabelle, 2013). This paragraph first explains what a support company is and also outlines different types of support companies as a result of different partnerships.

Aernoudt (2004) states that the term incubator is originated from ancient times, where the the “principle of the incubator is that premature infants require temporary care in controlled conditions.” (p. 127). This definition shows that the the incubator is indicated to lead and nurture a startup in their early stage. To take a big leap in time, the first identified incubator was established in 1959 in Batavia in the United States, as Charles Mancuso guided young companies through their growth process (Aerts et al., 2007). The term incubator involves notions of protection, nurturing the fragile and weak, accelerating growth and enhanced survival (Hannon, 2004). Others see it as an economic development tool designed to accelerate the growth and success of entrepreneurial companies through an array of business support, resources and services (Bøllingtoft & Ulhøi, 2005). This research combines all definitions and describes a support company as: *a supporting company that aims for a successful development of startups by giving them access to a network of resources and by guiding them to the process of development, until graduation.* With a focus on nurturing as opposed to only giving ‘cold finance’ or ‘office space’ (Fishback et al., 2007). Support companies differ in the origin of ideas, the support period, the sources of revenue, nurturing entrepreneurship, services offered and its management team (Bøllingtoft & Ulhøi, 2005; Tamasy, 2007). An example is the business incubator that leverages entrepreneurial talent by providing entrepreneurs with services and support that complement their existing talents and resources (Bøllingtoft & Ulhøi, 2005; Grimaldi & Grandi, 2005). Another example is the accelerator, which is a support company focussed

on accelerating growth in a short period of time (Cohen, 2013). They offer support for a limited time and provide startups with capital, mentorship and constant feedback to a small team (Chengappa & Geibel, 2014; Clarysse et al., 2015; Grimaldi & Grandi, 2005; Regmi et al., 2015). The acceleration programs are organised in small batches and the startups within a batch graduate on the same day (demo-day). Accelerators are mostly privately owned and take an equity of stake in the startup that is participating in the program (Dee, Gill & McTavish, 2015).

### *Partnerships*

Grimaldi & Grandi (2005) make a distinction between non-profit incubators and profit-oriented incubators. Non-profit incubators are set up by governmental authorities with the objective of promoting regional development and profit-oriented incubators are set up by individual organizations with the goal of generating a profit. An example of a non-profit incubator is a research incubator. Their goal is to transform research and development findings into business models, meaning that they are primarily interested in the development itself, rather than the entrepreneurial talent (Bøllingtoft & Ulhøi, 2005). Bridging the discovery gap by linking the incubation principle to fundamental research, turning science into commercially viable innovations (Aernoudt, 2004; Tamasy, 2007). Governments invest as they see science as vehicle for energizing national and regional economies, with their new inventions and discoveries. The non-profit company can be publicly sponsored or non-profit sponsored (Bøllingtoft & Ulhøi, 2005). The 'social incubator' aims to stimulate and to support the development, growth and continuity of companies employing people with low employment capacities (Aernoudt, 2004).

The IT revolution has changed the rules of incubation industry which led to the rise of profit-orientated support companies. Speed to market, quick access to capital, synergy, network, strategic cohesiveness are now the basic keys for the success of Internet-related startups (Grimaldi & Grandi, 2005; Bøllingtoft & Ulhøi, 2005). Two types of business incubators exist: independent and corporate. Independent business incubators are set up by single individuals or groups of individuals, who intend to help entrepreneurs by growing their business in exchange for a small equity. Other incubators are corporate incubators, where big corporations start an incubator within the company (Grimaldi & Grandi, 2005). This is a way to disrupt the companies core businesses and innovate with new technologies. The opportunity to start a business within the support company and nurturing of a larger firm attracts top talent from all over the world. The biggest challenge of support companies is to foster the entrepreneurial drive within the startup they lounge (Hansen et al., 2000). Corporations take part in the network of incubators, as they also benefit from the entrepreneurial spirit, which they can use for innovation (Hansen et al., 2000).

Hansen et al. (2000) introduced the term networked incubator, which “foster partnerships among startup teams and other firms, facilitating the flow of knowledge and talent across companies and the forging of marketing and technology relationships between them.” (Hansen et al., 2000, p. 74). Three characteristics that all networked incubators have in common are (1) maintaining a spirit of entrepreneurship by offering preferred rates for service providers, creating communities and offering access to a network of companies; (2) giving member companies access to economies of scale; (3) preferential access to a network of companies, where incubators offer organised networking. The support company builds a portfolio of companies and advisers that incubatees can leverage on. To create long-lasting networking benefits for new incubatees, networked incubators retain significant equity stakes in important portfolio companies and remain active in them by sitting on their boards or continuing as their advisers (Hansen et al., 2000). This is done by investing in portfolio firms or enlisting strategic partners. The benefit of sharing resources is best when the companies in the portfolio relate to each other (Bøllingtoft & Ulhøi, 2005).

### *Clusters*

In order to have a competitive advantage support companies operate in clusters, by specializing in an industrial sector, focussing on a market or due to the physical location. Media startups are looking for locations that can support their type of businesses, such as the production and distribution of content (Karsslon & Picard, 2011). Collaboration between support companies can be beneficial for the success of startups and with that adds to the success of support company. Some chose to specialize an industrial sector; this can be for strategic reasons. Companies that focus on the media sector have some advantages, as innovation projects become more complex, more specialized resources are necessary (Clarysse et al., 2015). For example, media clusters can stimulate media innovation by collaborations between companies (Karlsson & Picard, 2011).

The downside of focussing on one industry is increased vulnerability, so if the sector declines the support company suffers (Aerts et al., 2007). This is overthrown by the advantages, such as value for partners that are interested in the sector or share in specialized resources that can be expensive (Schwartz & Hornych, 2008). Support companies tend to focus on specific industries or sectors as it takes a critical mass of people with similar educational and business backgrounds to come up with successful advances (Fishback et al., 2007). *Silicon Valley* is an example of a cluster, where success is based on the relationships, within the network of companies that are clustered together, including corporations, government and institutions (Karlsson & Picard, 2011). Efforts on a small market segment may lead to more professional incubator management and potential for synergies, sharing of knowledge and technology resources. In order to overcome too much diversification,

communication and exchange relationships that are selected most of the times have something in common (Schwartz & Hornych, 2008). It is advantageous for an incubator to concentrate on a limited number of sectors, therefore, governments could encourage this by rewarding 'specialists' and thus lessen the number of 'generalists' (Aerts et al., 2007). In recent years a growing number of support companies have specialized in the media industry, because it is a sector that has growth potential and various important multiplier effects (Schwartz & Hornych, 2008).

In this section the two most common terms used for support companies are outlined. The incubator (supporting startups for five years by offering services and guidance) and the accelerator (offering a time-limited program in order to accelerate a startup). The differences between the can be recognized by different partnerships they are involved in. The networked incubator is another approach, which focuses on the network of the incubator. Lastly, support companies tend to operate in clusters to strengthen their competitive advantages. By this means the structure of support companies differ. How different processes of support are designed is outlined in the next paragraph.

### 2.3. The design of the support process

Each startup is seen as an individual and have different needs. Support companies have a hard time to systematically tailor-make their services to be effective for every startup (Aernoudt, 2004; Tötterman & Sten, 2005). The support companies build a small eco-system, in which the startups can use their resources. At the same time, the support companies are part of a larger eco-system themselves (Clarysse et al., 2015). Different types of support companies offer different types of support. The binding factor of these different types is: to provide a bridge between the incubatee and its environment, with the purpose of leveraging entrepreneurial talent and by offering an infrastructure to compensate for perceived failures the market mechanism, such as information costs, lack of services and business assistance, and financing (Aernoudt, 2004; Bøllingtoft & Ulhøi, 2005).

Numerous studies grasped the design of the incubation and acceleration process by classifying services or identifying characteristics (Aerts et al., 2007; Chengappa & Geibel, 2014; Hansen et al., 2000). Bøllingtoft & Ulhøi (2005) recognized two strategies that emerged over time. The first focused on providing access to resources, where the startup aims to meet monthly expenses. The second strategy is based on the leveraging the necessary resources to help a startup grow and taking an equity position in the startup. In order to leverage resources, support companies provide several support services, including assistance in developing business and marketing plans, building management teams, and obtaining capital and access to a range of other more specialized

professional services (Bøllingtoft & Ulhøi, 2005). From the reviewed literature the main components seem to be: Selection (refers to decisions concerning which ventures to accept in order to create a portfolio); Infrastructure (space and shared resources); Business support (coaching and training); Network (connecting the startups to each other and the outside world for professional service and finance); Graduation (exit policies, so when an startup leaves the incubator) (Bruneel et al., 2012; Bergek & Norrman, 2008; Dempwolf et al., 2014; Hansen et al., 2000; Schwartz & Hornych, 2010). This research follows the divide made by Bergek & Norrman (2008), who state that most of the incubators offer the same set of administrative services and graduation policy, therefore the focus of research is on the *selection process*, *the business support* and *the network*.

### *Selection process*

The success of the support company depends on the performance of its startups (Bergek & Norrman, 2008). Aerts et al. (2007) argue that the performance of the startup lies in the entrepreneur' quality, the resource-based capability and the competitive strategy. The quality of the entrepreneurs can be determined in the selection process. The process of selection requires "a sophisticated understanding of the market and the process of new venture formation." (Bergek & Norrman, 2008, p.23). To select the startups a screening process is established. Opinions on what good selection criteria are differ (Bergek & Norrman, 2008). An example of the selection process is stated in the three-step decision tree by Aerts et al (2007), which include evaluation, fit and combine. The incubator *evaluates* on six criteria, including sales potential, political and social constraints, growth potential, competitor analysis, risk distribution and industry restructure. The *fit* of the support company is evaluated (capital availability, manufacturing competence, marketing and distribution, technical support, component and materials availability and finally management) and finally both criteria are *combined* to make the final decision. Overall the support company filters on several characteristics, such as the startup' market, the experience of the entrepreneurs (marketing, technical, management), the financial strength (profitability, size of the firm, liquidity), personal factors (business plan, references, creativity) and needs and ideas of the startup (Aerts et al., 2007; Hackett & Dilts, 2004; Schwartz & Hornych, 2010). Which startup fit in the objectives of the support company depends on varying characteristics. For instance, a research based support company only selects science-based startups that have a relation with the university (Grimaldi & Grandi, 2005).

Another focus is outlined by Bergek & Norrman (2008) who look at either the the idea or the entrepreneur. In the idea-focused approach the support company must of have access to deep knowledge in relevant fields, such as the market, the product and the profit potential. In the entrepreneur-focused approach the personality of the entrepreneur (or its team) is judged and

knowledge on general business development is required in relation to skills and driving forces. Making the choice between idea or entrepreneur can be done with two methods, that of 'picking the winner', where the selection process is intense in order to only pick the best startups, or the 'survival of the fittest' approach, where they take on a big batch of startups and in a later stage the winners and losers are separated due to how successful they are (Bergek & Norrman, 2008). The 'picking the winner' method is done by mimicking an *Idols* competition, referring to the popular singing contest, where candidates got selected based on potential to become successful. The startups need to survive different rounds, in order to be accepted in the program. The result is that only a selected group of startups become part of the network of the support company and makes use of its resources. It is interesting to note that in this method the focus is more on the entrepreneur itself than on the business idea (Fishback et al., 2007).

Most support companies accept startups in batches, where accelerators accept the batch once or twice a year and incubator do this on an ongoing basis (Cohen, 2013). Matching the startup to the profile of the support company means that startups can benefit from other startups proximity. '[support companies] believe that by assembling groups of potential entrepreneurial superstars, they will hatch more and better ideas than if they fund a series of them in isolation.' (Fishback et al., 2007, p.5). Tötterman & Sten (2005) states that it is best to select startups "that represent different sections of the value-chain or companies that experience different life-cycle stages" (Tötterman & Sten, 2005, p. 506) in order to improve networking between startups.

### *Network*

A network can provide tremendous value to a startup team through connections that help forge crucial strategic partnerships, recruit highly talented people, and obtain important advice from outside experts (Hansen et al., 2000). The role of incubators is shifting from only providing guidance to creators and supporters of functional business networks (Tötterman & Sten, 2005). The strong network ties of support companies provide startups the access to different types of resources: physical (office space equipment; meeting rooms; telecom services), financial (bank deposits), human (talent; experiences; specialized knowledge), technological and reputation (Bøllingtoft & Ulhøi, 2005; Schwartz & Hornych, 2010; Tamasy, 2007; Tötterman & Sten, 2005). Hansen et al. (2000) state that the network design should include formal links with external partners. This can be accomplished by bringing experts on site, scheduling meetings, establishing processes for exchanging information and know-how across startup and hire specialized deal brokers. This becomes even more useful when a support company is focused on a certain market and speaks the same language (Schwartz & Hornych, 2010).

Schwartz & Hornych (2010) state that there is divide between formal and informal networking, where it seems that informal networking plays a big part in organise valuable flows of information and knowledge. Informal connections need to be strong in order to evolve in formal connections. Support companies have a responsibility to pay particular attention to the creation of a communication-friendly atmosphere where networking is encouraged, like a cafeteria as a meeting place and platform for possible synergy effects (Tamasy, 2007). This underscores the importance of incubator management, that already starts with selection (Schwartz & Hornych, 2010). Tötterman & Sten (2005) describe a development where startups get central position in the network, after that the support company turns into a strong community and lastly trust must be built between startups. "The existence of network relations and position in the social structure affect the scope for individual action, in particular by determining access to information. Social networks among entrepreneurs are seen as a critical strategic resource" (Schwartz & Hornych, 2010). Networking also exists between startups and between startups and graduates. Along the same line of thought, network links between support companies are important as they are used as a platform to exchange experiences, or as a basis for co-operation amongst the startups and graduates from different incubators (Aernoudt, 2004). Therefore, focus needs to be and the relational dimension.

Lastly, it is of essence to keep graduated startups involved in the program (Bergek & Norrman, 2008; Clarysse et al., 2015). Graduation day arrives when the startup finds a scalable, repeatable business model (Blank & Dorf, 2012). After graduation startups are invited to regular events related to the incubator, they cannot make use of the resources, but are still part of an alumni network (Clarysse et al., 2015). Accelerators mostly have an end of the program, a fixed period of time (Isabelle, 2013). Tötterman & Sten (2005) conclude that loyalty varies with startups as, some startups show genuine loyalty to the incubator community, whereas other startups admit to being involved due to the subjective benefit for their private business.

### *Business support*

Business support include entrepreneurial training (curriculum), business development advice (workshops, talks), counselling (meetings), services concerning general business matters (accounting, legal matters, advertising and financial assistance) and co-location (office space) (Bergek & Norrman, 2008; Clarysse et al., 2015). The main focus of this research is on educational services, such as business development advice and entrepreneurial training. These services involve seminars on a wide range of entrepreneurship topics, given by directors of the program or guest speakers, extended with one-to-one guidance after the talk. Connecting inexperienced entrepreneurs with experts in the field (Cohen, 2013; Tötterman & Sten, 2005). An example is mentorship that is



provided by professionals. Some programs schedule meetings with up to 75 different mentors during their first month. Others may either make introductions on an as-needed basis, or simply hand entrepreneurs a list of pre-selected mentors (Cohen & Winn, 2007). Involving the network of the mentors in the program. The learning is two-sided, as mentors learn innovative approaches from the startups and support companies make use of the expertise offered by mentors, such as experienced entrepreneurs or experts in the sector.

Using this the expertise of mentors is important for (digital) media startups, as technical know-how and knowledge of the industry is necessary (Pelkonen et al., 2001). Blank & Dorf (2012) state an example of the development of a digital media product. It started with an early customer discovery, when the first “low-fidelity” version of the website or app is up and running. The website is used to test the business model hypotheses against customers or users. When the product is bits (code), a rough minimum viable product can often be assembled in days if not hours, and entrepreneurs can start the search for customers almost at once, refining their product and customer-acquisition strategies on the fly. This approach served many recent startup stars quite well, including Facebook and Groupon, which began the quest for customers with rough-hewn products almost the day they opened their doors. This development is part of the lean method, where a simplified version is tested on a small scale, in order to gain inside in the product (Emiliani, 2004).

To conclude, the design of the support starts with the selection process, which focuses on either the entrepreneur or the idea in order to select the highly potential startups, or to attract as many as possible to apply the ‘survival of the fittest’-mode (Bergek & Norrman, 2008). An example is the Idols-method, where startups need to win rounds in order to join the support company (Fishback et al., 2007). When they join they gain access to a network of internal startups and external companies. It is important for support companies to improve their networking environment, so startups can benefit from it. Also, offering business support is an important task, with the goal to improve the entrepreneurial capabilities and to grow the startup. The following paragraph matches both the needs of the startups and the offer of the support companies.

#### 2.4. Startups receive support

Different reasons to receive support are: to reduce transactions and resource costs (Aerts et al., 2007; Peters et al., 2004), finding financial resources (Peters et al., 2004), compensation for the lack of experience in the founding team (Gruber, MacMillan & Thompson, 2008), searching legitimacy to attract good employees (Zott & Huy, 2007), investing in information and knowledge (Aerts et al., 2007) or compensation for knowledge or understanding of how to seize certain opportunities

(Ambos & Birkinshaw, 2010). Startups seek support in order to get access to an infrastructure of services, with networking and coaching improves the entrepreneurial process (Peters et al., 2004). Oftentimes, it happens that entrepreneurs possess specialized knowledge about the industry, but lack general business skills. For example, founders of technology-oriented businesses normally possess technical qualifications, yet at the same time they tend to lack expertise in marketing and management (Tamasy, 2007).

Being part of a program has a positive impact on the founder's team, helping them to learn rapidly, create powerful networks and become better entrepreneurs (Tötterman & Sten 2005, Clarysse et al., 2015). Also gaining administrative support and reduction of early-stage operational costs, such as office space, administration are barriers that startups overcome when receiving support (Bøllingtoft & Ulhøi, 2005). By providing a variety of services and support, startups can effectively solve these problems (Peters et al., 2004). This research focuses on three problems that startups face, lack of visibility, lack of business skills and the loneliness of entrepreneurship (Bøllingtoft & Ulhøi, 2005). These problems can be solved by support companies that offer a good reputation, educational means and a network.

### *Reputation*

The first problem of lack of visibility is compensated by support companies' reputation. When a startup joins the program offered by a support company, it can use the reputation of the company (Hackett & Dilts, 2004). For example, when a support companies has some successful startups in its portfolio, other companies in the will keep an eye on new startups in their program. This is useful for the startup, as they need to establish legitimacy to reduce uncertainty (Ensley et al., 2002).

Legitimacy is a social judgment of acceptance, appropriateness, and desirability (Zimmerman & Zeitz, 2002). Support companies can support startups in their development process by giving them visibility and credibility (Tötterman & Sten, 2005; Bøllingtoft & Ulhøi, 2005). Becoming part of the reputation of the support company, gives the startup legitimacy. An example is that a support company has a good reputation, because startups that where part of their program became successful. In that matter, most top support programs accept as few as one percent of applicants, which attracts startups from a wide and global pool and startups relocate in order to participate in top programs (Cohen, 2013). This shows that legitimacy is about building a reputation and perceiving it. When relationships are high in trust, people are more willing to engage in social exchange in general and cooperative interaction in particular. Therefore, trust can be seen as a precondition of success. It is also important to remember that trust is not forever, and therefore it has to be earned on a constant basis (Tötterman & Sten, 2005). A next step, would be to introduce a quality label, administered by

an independent and reliable organization, could be beneficial to the support company. This label can be introduced both on national and international level. A startup company will have more faith in an acknowledged and high-quality support company. In times of recession, this guarantee could make the difference between 'go' and 'no go' for potential entrepreneurs (Aerts et al., 2007).

### *Educational means*

The second problem, of lack of business skills, is compensated by support companies by offering learning opportunities. The entrepreneurial process stated by Gartner (1985) is still relevant today (opportunity, resources, market, product, organization, society), but the pace in which the entrepreneur follow these steps has changed. With the growing accessibility to all kinds of resources in today's Internet age, the speed of the process increased and steps overlap (Hansen et al., 2000). An example is the lean method, where the steps of build, measure and learn are applied in a short period of time and on a small scale (Reis, 2011). As stated in the previous paragraph, this is an important tool for the media industry, because media landscape changes fast and competition is harsh (Pelkonen et al., 2001). Applying the lean method means that a web/mobile minimum viable product can be improved in a short period of time. This results in a faster iteration of the problem statement and proposed solution (Blank & Dorf, 2012). Learning fast brings competitive advantages. Due to the lack of history that startups have judgements are made based on current information and experience is often lacking (Brush et al., 2001). Here, the strength of entrepreneurs is superior knowledge or information in a particular (small) field, which enable the recognition of business opportunities (Shane & Venkataraman, 2000). "Founders that learn tend to be more successful" (Marmer et al., 2011). So startups that have helpful mentors who give them advice learn quickly and more efficient. Focussing only the characteristics of the entrepreneur itself is widely criticized, as it pays no attention to which skills can be acquired by learning (Bøllingtoft & Uihøi, 2005). This means that new venture managers must learn their new jobs, learn the specifics of their new environments, and learn to deal with their new stakeholders while on the job and while utilizing new and untested social ties. Moreover, they must learn all this quickly and with minimal losses in efficiency and motivation (Ensley et al., 2002).

A distinction can be made on the stage the startup is in when seeking support. "Early stage startups are designed to search for product/market fit under conditions of extreme uncertainty. Late stage startups are designed to search for a repeatable and scalable business model and then scale into large companies designed to execute under conditions of high certainty." (Marmer et al., 2011, p.14). Startups need to pivot their business model in order to make it scalable. Blank & Dorf (2012) describe a startup as "an organization formed to search for a repeatable and scalable business

model” (p. 21). Reis (2011) describes it as “an organization dedicated to creating something new under conditions of extreme uncertainty”. So not every company that is founded by a is immediately a startup. A startup is a new company that is created in order to develop a scalable business model. The heart of entrepreneurship lies in the identification of new opportunities, the exploitation of the opportunities, the identification of needed resources, and the acquisition of the resources (Li, Chen, Liu & Peng, 2014).

### *Networking*

The third problem, loneliness of entrepreneurship, is overthrown by the network of peers that the startup gains access to. Startups use support companies to facilitate relationships with other startups. In practice, these relationships may involve formal or informal partnerships (Sherman & Chappell, 1998). The internal network provides resource pooling where multiple startups share resources (Tötterman & Sten, 2005). Most support companies have co-working spaces where founders can interact amongst themselves regarding their experiences. This creates an environment where founders can learn from each other (Regmi et al., 2015). Social relations are important information channels that reduce the amount of time and investment required for collecting necessary information (Tötterman & Sten, 2005). Support, knowledge, and complementary resources may be acquired through such personal ties and inter-organizational relation can even lead to friendship (Bøllingtoft & Ulhøi, 2005). The support company can assist in the creation and development of value-adding internal network relations that help to create partnerships and recruit talented people, and obtain advice from outside experts (Tötterman & Sten, 2005). These networks help the entrepreneur to overcome obstacles she faces and help to build new networks if that is required. This is through formal and informal network moments. Formal meetings with other startups are important in order to create a network of peers. In this collaboration the formal relations, become less formal over time (Tötterman & Sten, 2005). On the other hand, the support company can also improve the moments of informal networking. In Tötterman & Sten’ (2005) study startups stated to enjoy unofficial happenings more and this leads collaboration faster, where entrepreneurs on informal relations (not based on contractual) to build their company. These networks are formed by interaction between the startups, who have all personal economic and social interest and is influence by physical means such as office space and the size of the batch (Bøllingtoft & Ulhøi, 2005). Several scholars disagree over the question if the mix startups need to be diversified or similar. A diverse startups mix will strengthen a support company, because it enables them to connect networks from diversified lines of business. This gives the opportunity to create an enhanced resource base that gives a competitive edge in the market (Tötterman & Sten, 2005). On the other

hand, it makes levelling more difficult, which in turn reduced the conditions for resource combination and exchange among members of the incubator (Aerts et al., 2007). As stated previously, it is less attractive for specialized companies to invest in a diversified batch, as only few startups will be relevant. This leads to the following implication of external networking, which gives access to business networks and resources (Bøllingtoft & Ulhøi, 2005; Tötterman & Sten, 2005).

Support companies build networks over a long period of time and this starts before the startups arrive to the program (Hansen et al., 2000). They give startups access to service providers and local business. Consisting of individuals drawn from the ranks of professional business service providers, as well as experienced business people and educators who are willing to provide advice and assistance to entrepreneurial enterprises (Tötterman & Sten, 2005). Preferential access means, being able to call a meeting and receive the full attention of busy people. Scaling the networking exists, as many mechanisms and managers on behalf of a number of companies are included in the network and used by multiple startups at the same time (Hansen et al., 2000; Tötterman & Sten, 2005). On the other hand, this can also have the opposite effect where networking becomes more of a slogan than a reality. If the incubator squeezes the entrepreneurial drive of the start-ups by taking too much equity and/or imposing stringent rules or if network exploitation or opportunism becomes too dominant (Bøllingtoft & Ulhøi, 2005).

Concluding, startups join a support company in order to compensate for resources that they lack. The experience that becoming part of the reputation of the support company is beneficial for gaining legitimacy (Zimmerman & Zeitz, 2002). Next to that learning is central in receiving support, from sector-specific skills to general business skills (Bøllingtoft & Ulhøi, 2005). Also the reputation of the support company is important, as the reputation can be used to gain access to internal and external networks. Networking is done internal, with other startups and external with companies that are part of the support network (Tötterman & Sten, 2005).

### 3. Methodology

In the previous section the boundaries of research are set and in this section the method of research is presented. First, the choice of method is explained. Next to the selection process and data collection process is described. Furthermore, the operationalization and method of analysis is justified and the chapter concludes with an elaboration on the reliability and validity of the chosen method.

#### 3.1. Qualitative research: interview

Some of the key concepts are not researched thoroughly. As business incubators and accelerators are a relatively new phenomenon, there is still limited theoretical knowledge. So in order to answer the research question a qualitative research was conducted. The qualitative approach gave insights in the complex social processes where the core of this research was exploratory and conducted by a deep analysis of the collected data. Eisenhardt & Gaebner (2002) state that complex social processes cannot be exclusively examined by quantitative methods. Within qualitative research multiple methods of data collection exists and for this research, the method of interviewing has been chosen. As it was important to talk to people in order to grasp their point of view, due to the power of language to illuminate confusion. Every interview reproduced a fundamental process through which knowledge about the social world is constructed in normal human interaction (Legard, Keegan & Ward, 2003). "It provides an overview of a process for using open-ended questions to explore participants' experiences and understanding" (Mears, 2012), therefore, insights on support companies and the perspective of (digital) media startups were grasped in a conversation with experts.

The interviews with the support companies and startups were semi-standardised, which meant that the interviews had the same questions each time, but left room to alter the sequence and to probe for more information (Gilbert, 2008, p.246). "A protocol using open-ended questions based on the study's central focus is developed before data collection to obtain specific information and enable comparison across cases" (Knox & Burkard, 2009). Three different topic lists were used, which included topics that the respondent were asked to talk about. The topic lists were created based on overarching theoretical concepts. The role of the interviewer was to remain open to creativity and flexibility, in order to grasp the full story and to create room for interesting additions. So the topic lists of the semi-structured interview served as guidance during the interviews. This approach enriched the dataset.

### 3.2. Sample selection

The research had the structure of an embedded case study. The advantages are “that the results are more compelling, and the overall study is therefore regarded as being more robust” (Yin, 2013). It has to be noted, that the case studies could not be triangulated, as access to data is limited. The units of analysis existed of two groups: support companies and startups. The support companies were companies involved in the support system of startups in Amsterdam and recently active (last 3 years) in the industry. The startups were new companies that experienced the support process and graduated from the program recently, in order to grasp the experience of the whole process. This research sheds light on the debate on support companies that compensate for the needs of startups. The basic information is retained from the website and a deeper analysis is made out of the interview with a high-positioned employee. This provided insights in how the support process is designed and perceived by the startups. Several startups related to the support companies were interviewed, to see how they make use of the support companies and how they perceived the incubating process. The amount of four interviews with support companies, ten interviews with related startups and an observation event, was feasible for the timeframe of six months that was set for this research.

#### *Sampling support companies*

The support companies' interviewees were selected through purposeful sampling. This is done by selecting certain criteria and finding the right companies (Gilbert, 2008). The sampling process for support companies went as following: via the website [dutchsupportcompanies.com](http://dutchsupportcompanies.com) and [www.iamsterdam.com/en/business/startupamsterdam](http://www.iamsterdam.com/en/business/startupamsterdam), a list was created of support companies based in Amsterdam. The requirements were based on two criteria. First of all, the company needed to be founded in Amsterdam. The area was chosen for the reason that it is seen as big startup hub in Europe and for practical reasons due to limited resources and time for writing a master thesis. The second criteria, was that the companies needed to offer direct support to the startups with the goal to let them grow. Due to the limited availability of support companies, a selection of four companies was made: Rockstart, Startupbootcamp, The Startup Network and ACE Venture Lab. Rockstart and Startupbootcamp are accelerators that offer a standardized program of acceleration. Startupbootcamp is a global network of industry focussed startup accelerators. They offer a 3-6 months' program of intensive mentorship (Startupbootcamp, 2016). Rockstart grows startups within their accelerator, by connecting mentors to startups (Rockstart, 2016). Furthermore, ACE Venture Lab is a university initiative that focuses on scientific startups. Grown out of a collaboration between a few educational institutions, which combines education, research and entrepreneurship in

Amsterdam (ACE Venture Lab, 2016). The Startup Network is an incubator that offers several ingredients to startups, by supporting innovative startups in the field of strategy, finance, business and law (The SUN, 2016). The support companies were actively approached via email and LinkedIn. After a first outreach, the next step was to explain the request by telephone. Firstly, an interview with ACE Venture Lab and StartupBootcamp was set, meeting them at their office so they could show their companies and the place where startups receive support. An interview with The SUN took place in a coffee bar. The reason for this is that the company that is currently out of business, but proceeding in September. This was the third interview. The fourth interview was planned with Rockstart, but regarding the busy schedule of the employee it was limited to a telephone interview. For this same reason the length of the interview was only 22 minutes. The last approached incubator was WeWork, a shared office-space, where companies rent a desk and can use resources, such as training, networking and mentorship. In the last phase of this research the company decided not to work along. A startup positioned in WeWork was open for an interview and is included in this research.

#### *Sampling media startups*

After the interviews with the support companies finished, the sampling for related media startups started. The aim was to interview two startups from every support company. The snowball effect was used get from one companies to the next (Gilbert,2008). In this case, from the support company to the related startup. The requirements for selection existed of four criteria. First of all, the startup had to be founded in Amsterdam. Secondly, the startup had to be a young company. Third, the startup had to be related to the support company that was interviewed earlier. Fourth, the startup needed to have an established business plan in order to fit the description of startup. The sampling process for the startups was done by using the network of the interviewed support companies. ACE Venture Lab was asked if it was possible to approach the startups that were active in their program, but due to the many offers they got, they do not want researchers to approach their startups. An alternative was found during a network event, called ACE Venture Café, where short interviews with potential participants of the support program was possible. At this event new startups who finished the first phase of the program (idea development) were present. This observational research consisted of two components: listening to the pitches to gain insight on their idea and conducting a short interview with the founder (topic list in Appendix C). A limitation was that only two of the four interviewed startups were useful for this research as they were the other were no digital media startups. The next step was to approach startups related to Startupbootcamp. Around three startups agreed on an interview, but cancelled later due to limited time. Another reach out was done by



emailing five startup founders, of which three responded and scheduled an interview. Two interviews took around 45 minutes, but due to an appointment double on the side of 24sessions, the third interview only took 15 minutes. The next interview with Printr took place at their office. The interview with Dashmote was conducted via telephone and 24sessions used their own software tool to do the interview, which is similar to Skype. Furthermore, startups related to Rockstart were approached via LinkedIn after which two interviews took place. One with Kollekt.FM at the office of Rockstart and with MarkO over Skype as the founder was positioned in Macedonia. Finally, two startups related to The SUN were interviewed. The interview with Klusup took place at their office and the interview with TIQ in a coffee bar. It must be noted that TIQ was part of multiple support companies and were currently attending the program of Rockstart.

Doing the interviews with companies and its related startups gave insight in the ecosystem of startups in Amsterdam and the problems that startups face. To get an additional view of an expert on these insights, the founder of StartupAmsterdam: Ruben Nieuwenhuis, was approached for an interview. StartupAmsterdam is the umbrella organization for all interviewed companies and an initiative to make Amsterdam a Launchpad for startup.

The people that were interviewed were all high positioned employees, experienced in the field of entrepreneurship and on the other hand the founders of the startups. The interviewees existed of twelve males and one female. Appendix A shows a full list of participants, including the founding year, the idea of the incubator/startup, the duration of the interview and the function of the employee.

*Extra interviews*

For practice a trial interview with an expert in the industry was conducted, to check whether my knowledge on support companies and startups was sufficient. Additionally, an expert interview with the founder of StartupAmsterdam was conducted, in order to discuss the most interesting findings of the research. This resulted in the following interview structure:

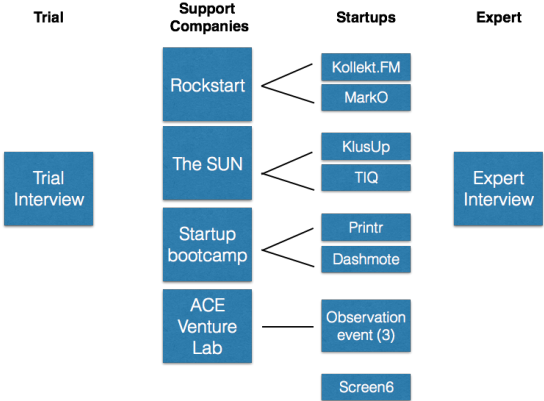


Figure 1: Interview Structure

### *Size of dataset*

For this research to be completed a total of 14, in-depth semi-structured interviews have been conducted. Four interviews with support companies, nine interviews with media startups and one additional expert interview. Furthermore, an observation event was included (with two pitches and small interviews). This dataset meets the requirements as 12-15 interviews were needed for writing a master thesis. The size of interviews normally relies on the concept of saturation, which means no new information was found anymore. In the end phase of the research some overall themes were repeated by the interviewees and the most interesting findings were questioned in a final interview with an expert.

The interviews took 45 minutes on average, ranging from 45 to over an hour. The data was collected within one month. Not more than two interviews took place on the same day, to keep the interviewer focussed. The data was collected by using of an audio application on a smartphone or QuickTime on a laptop. After the interviews took place, they were transcribed as soon as possible. This resulted in a total of 172 pages of textual data. The dataset and matching recordings were stored at multiple places in order to avoid the possibility of losing data.

### 3.3. Operationalization

This paragraph explains how the sub-questions helped answering the main research question. Furthermore, in this section the operationalization of the core concepts mentioned in the theoretical framework is explained. The main research question is: *What happens in the support process in selected companies in Amsterdam and how is the process of support perceived by startups in the (digital) media sector?*. In order to answer research question, four theoretical concepts are divided in several sub-questions. The theoretical concepts are: startup needs, types of support companies, design of the support process and startups that receive support.

The first theoretical concept is start-up needs, which is translated in the first sub-question: *'What are the needs of (digital media) startups?'*. Starting with this concept forces the researcher to approach the following questions in an analytical way. The second theoretical concept is types of support companies, which is translated into the second sub-question: *'What different type of support companies exist in Amsterdam?'* Partnerships and clusters are an important means in shaping the types of support companies. The third theoretical concept is the design of the support process, which is translated into the third sub-question: *'How is the process of support designed?'* Where the process follows the steps of pre-incubation, incubatee and post-incubatee (Bergek & Norrman, 2008). The process is designed to select the right startups which business plan has potential to scale and offering them business support and access to a network in order to grow. The last theoretical

concept is startups that receive support, which is translated in the fourth and fifth sub-questions: 'Why do startups join an incubator?' and 'How is the process of support perceived?'. This involves a learning curve, in which the startup can learn from its network. After connecting sub-questions to theoretical, the next step was to operationalize each theoretical concept and explain how this is questioned in the topic list.

### 3.3.1. Needs (digital) media startups

Startups overall have different needs. The needs found in theory are:

- *Finding an opportunity* (Shane & Venkataraman, 2000), where an entrepreneur sees a way to improve a product or create a new market.
- *Entrepreneurial characteristics*, such as social skills, being flexible and having experience in the field (Brush et al., 2001; Gartner, 1985; Carland et al., 2002). But the entrepreneur itself does not stand alone, but is part of a team.
- *Building a team* (Ucbasaran et al., 2003; Brush et al., 2001), in which entrepreneurs can be complementary to each other.
- *Getting access to a network of resources* (Brush et al., 2001), in order to expand and connect resources. Dividing personal and business networks in order to gain access to services, business support and finance (Bøllingtoft & Ulhøi, 2005). Also changes in the system are of essence for the media industry and the government should support educational opportunities to learn creative skills (Pelkonen et al., 2001).

This concept is operationalised by talking about the needs that startups in the developing their company. Firstly, the entrepreneurs were asked which problems they faced in starting up their company. Also the founder was asked to outline the development of the startup and explain how the opportunity was found. Secondly, the founders were asked on their previous experiences in the working field and their reason to startup the company. Finally, it was asked which problems startups faced before joining the support company and additionally, what they see as the perfect idea or team. Taking into account the other perspective by asking the support companies on what they did previously, as this gives insight in entrepreneurial characteristics.

### 3.3.2. Types of support companies

As described in the theoretical framework different types of support companies exist:

- There is a blurred line between *incubators and accelerators*. An accelerator offers a limited timeframe for the program and attract startups with a business plan and founders team

(Cohen, 2013). An incubator offers a wide variety of services and does not have a fixed end date (Hackett & Dilts, 2004). This research focuses on both types.

- The *partnership* of the support company influences its structure. Grimaldi & Grandi (2005) distinguish between business and research support companies. Business support companies are for profit and partner mostly with corporations. Research support companies or 'social' support companies partner with university or government.
- Another approach is mentioned by Hansen et al. (2000) describes the *networked incubator*, referring to the network the company operates in.
- Also incubators tend to work in *clusters* by choosing a location (city) or focussing on a certain sector, in order to have a competitive advantage (Karlsson & Picard, 2010).

This concept was operationalised in the interviews, by asking the support companies about the services they provide. Secondly, support companies were asked which partners they work with, what the partnership involves and how it shapes their structure. And thirdly, to get insight in the clusters, the the support company were asked to position themselves in a sector they operate in. The startups were asked on who the support company partnered with and what was missing in this offer of partners. Lastly, the reason for positioning in Amsterdam was questioned to both parties.

### 3.3.3. Design support process

The design of the support includes three components:

- *Selection*, where support companies tend to focus on the idea or the entrepreneur and choose startups by doing a good pre-selection or inviting as many as possible to the program (Bergek & Norrman, 2008). An example is the Idols-method, where startups (Fishback et al., 2007). Most of the times startups are selected in a larger batch.
- *Network*, is established by external partner companies and internal startups gives access to diverse resources (Schwartz & Horncyh, 2010).
- *Business support*, that support companies offer is focused on maintaining the entrepreneurial spirit and letting startups grow fast (Clarysse et al., 2015).

This theoretical concept was operationalised in the interviews questioning every component separately. Startups and support companies were asked how that selection process was designed. Furthermore, the support companies were asked which conditions the startup should meet in order to get selected. Secondly, the support companies and startups were asked to describe the network for startups and which mentors were involved. Thirdly, both parties were asked on the business support they offered and received, making a division between physical resources, services and guidance.

### 3.3.4. Startups within the support process

Startups that receive support in theory have several reasons

- Making the choice to take on support in order to *compensate* for their needs and overcoming the loneliness of entrepreneurship (Bøllingtoft & Ulhøi, 2005; Aerts et al., 2007).
- Joining an *infrastructure of services and resources* become available (Peters et al., 2004).
- Becoming part of *the reputation* of the support company (Zimmerman & Zeitz, 2002)
- *Learning* is done within the support program (Marmer et al., 2011). Entrepreneurs learn hands-on business skill and the startups learn how to grow (Brush et al., 2001).
- *The network* they gain access to is either internal or external. And at last, the reason for joining was to connect the reputation of the support company to the startup (Hackett & Dilts, 2004). Furthermore, internal and external networking are the most important reasons to join (Tötterman & Sten, 2005).

How startups perceive the process of support is questioned by asking why they choose the support company. Next to that, other support companies were taken into account. Secondly, a question stated how the experience was perceived by the startups (selection, network, business support). Furthermore, to gain insight on their experience the startups were asked what was missing in the offer of the support company. A final question, about the next step for the startup and the future of the entrepreneur was asked, in order to collect the whole story of the startup and what will happen after support. The support companies were asked on their future and what they could improve to better serve the needs of startups.

Two main topic lists were created, one for the support companies and one for the startups (Appendix B & C). The topic list for the support companies involved some general questions on the interviewee, questions on the design of the company, the selection criteria, the network, the offered business support and the future steps. The topic list of the startups involved questions on general inquiries of the entrepreneur, the development of the startup, the choice of support company, the experience of the support (selection, network, business support) and the next step for the future. The aim of these interviews was to get both perspectives on how support companies designed their support process and how startups perceive the support they offer. The interviewees were informed on the two sided research, asking the perspective of support companies and related startups. The interviewees were asked to share their experiences and to come up with examples when necessary. Sometimes the order of the discussed topics did not match the topic list, as the interviewees sometimes drifted on to the next topic in advance. It happened that some of the first topics were discussed in the last part

in order not to interrupt or guide the interviewee, to avoid losing valuable information. Therefore, none of the interviews followed the topic list exactly, but in the end it was checked if everything was discussed. For the observation interviews, the four theoretical concepts are shortly discussed in the interviews (Appendix D). And the expert interview topic list discussed the four theoretical concepts and most relevant findings of the research (Appendix E).

### 3.4. Method of analysis: coding

Thematic analysis was used to analyse the transcribed interviews. Thematic analysis is a method for identifying, analysing, and reporting patterns (themes) within data. The process involves identification of themes through carefully reading and re-reading of the data (Fereday & Cochrane, 2006). The data is segmented and reassembled in order to turn it into findings (Braun & Clarke, 2006). The six steps by Braun and Clarke (2006) were followed in order to recognize patterns within the data, with emerging themes as categories for analysis. The data is analysed in an inductive way, as open coding is applied to the interviews and later matches translated in an overall theme.

The first step is to familiarize yourself with your data, which means reading the data in an active way. This step was taken during the transcription process. The interviews were transcribed with the program Transcription, which has a function to play the audio on a 0.4x speed. This made it easier to transcribe the data.

The second phase is generating initial codes, which provide a feature to the data that appears to relate to the research topic (Braun & Clarke, 2006). The most basic element of the data is described in order to assess it recording to the concepts. Boeije (2010) describes this phase as 'open coding', where data is broken down, examined, compared, conceptualized and categorized in order to divide the dataset into fragments. The ultimate goal of coding is to create a system to organise data and your ideas about it (Lewins & Silver, 2007). Open coding was done with the software Atlas.ti in order to keep track on the different codes and an easy way to combine similar codes. At the end of this phase similar codes were merged together, for example 'information selection process' merged with 'a lot of information selection process'. All open codes and their frequency are presented in Appendix F.

The third phase is to search for themes, by analysing the codes and considering how codes combine to form an overarching theme (Braun & Clarke, 2006). For this stage the method of 'axial coding' was used, in order to make connections between the categories (Strauss & Corbin, 1990; Boeije, 2010). By this step a relevant connection is made between two codes and it helps to make sense of what is happening and to establish a 'core' concept of the support process. The open codes were analysed on differences and similarities. Similar codes were combined. For instance, many

interviewees elaborated on the importance of feeling competition of peers, which created the axial code 'peer network', under which the open codes 'feedback peers' and 'helping peers' merged together. Here potential themes were identified.

The fourth phase is 'reviewing the themes', which includes the refinement of the themes. Two levels of analysis are done in this phase, being reading the extracts related to each theme and considering the validity of the individual themes in relation to the dataset. In this stage missed data can be coded and added to a theme and less important themes can be merged in others or removed (Braun & Clarke, 2006). Boeije (2010) calls this 'selective coding', where themes are selected that relate to the theory. Clear names were generated for each theme. An overview is represented in Appendix G. The last phase is to 'produce the report' in which the complicated story of the data is told (Braun & Clarke, 2006). Here the themes are connected to the theoretical framework, in order to create a result section that can answer the sub-questions. This process is stated in the result section presented in chapter 4.

Atlas.ti was an essential tool in conducting the thematic analysis. The program allows you to emerge codes with each other and to keep track on the steps you made, which makes it easy to follow the decision process and to recall where the labels come from. Also it was possible to add a colour to the codes, which were connected to a theme and by doing so divide the codes under the different themes.

### 3.5. Reliability & Validity

The truth of the result is assessed in terms of reliability and validity. This refers to the credibility and objectivity of the research (Silverman, 2010). The validity of research concerns the interpretation of observation: whether or not 'the researcher is calling what is measured by the right name' (Silverman, 2010). So are the results representing the social phenomena that is researched (Gilbert, 2008; Ritchie, Lewis, Nicholls & Ormston, 2013). This can be overthrown by using respondent validation (Barbour, 2001). The results were shared with the respondents and they were asked to give feedback. If the respondents recognized themselves in the results, it would count as a sign of validation. Another method is the constant comparative method, which involves comparison across different cases (Richie et al., 2013). This research looks at multiple cases of support companies and multiple cases for startups.

Secondly, the term reliability refers to the stability of the findings (Gilbert, 2008; Silverman, 2010). It is generally used to point out the concern of replicability of research findings and whether another research that is using the same questions will have the same results (Silverman, 2010;

Ritchie, 2013). A concern within qualitative research is that the concept of 'replication' is hard to reach, given the likely complexity of the phenomena being studied and the impact of context (Ritchie et al., 2013).

Problems of reliability and validity appear in the interview bias, which is best described as “as interviewer differences, which are inherent in the fact that interviewers are human beings and not machines.” (Gilbert, 2008, p.260). Problems of the interview bias can be overthrown by interviewer training, careful question design and probing, and comparison results with other methods (Gilbert, 2008). This research focuses on minimalizing the interviewer bias by using a good preparation and a coherent topic list. To start with, the research goes from general theory to specific cases, so the interviewer is well informed on the subject. Furthermore, one trial interview is setup in order to test the questions to someone that works in the field of incubation. Another important aspect is that the interviews are semi-structured and the same topic list is used for every interview. This makes it possible to compare the outcomes. The topic list is created out of the operationalization of concepts mentioned in theoretical framework. This process is explained in the method section. In this way the process becomes transparent and that gives other researchers the opportunity to follow the same steps and makes the results more valid (Barbour, 2001). It should be noted that this data set was limited and the analysis should be seen as an illustration rather than as a test of the validity of the framework.



## 4. Results

In this chapter, the results are presented in order to understand the support that is offered to startups and how they perceive the process. Themes were found in the analysed data and connected to the core theoretical concepts: startup needs, types of support companies, design of the support process and startups that receive support. The theoretical concepts can be connected to these themes. Each theme is elaborated on and this builds an interpretation of the data that is used to answer the sub-questions.

### 4.1. Needs (digital) media startups

In this paragraph the needs of startups found in literature are connected to the needs of (digital) media startups found in the data. Three themes were found. First of all, in the experiences of the founders in developing their startup, it became clear that opportunities are most of the times found in personal surroundings, so this leads to the first theme: personal opportunity. The second theme is the importance of the team. The third theme emerges from the lack of resources and the need of using a network, to get access to those resources. The themes are explained in this section.

#### 4.1.1. Personal opportunity

As outlined in the theoretical framework, when starting up a company, an entrepreneur follows an entrepreneurial process, which begins with finding an opportunity (Shane & Venkataraman, 2000). These opportunities come from all sorts of places: out of a research project or following a new trend. Different members of society with different beliefs can transform resources into a different state (Shane & Venkataraman, 2000). Most startup interviewees indicated their idea grew out of a personal frustration, in which they were able to find a solution to improve a task in their daily lives. An example is creating a business in order to solve a frustration faced in daily life:

We all used music groups on Facebook. People shared YouTube and Soundcloud links, but the groups were not designed to share music. The chemical reaction between people who did not know each other grew by sharing the love for music. We wanted to build a platform for exactly that. Out of that idea grew the service Kollekt, with a vision to connect the world through music. (startup 1)

I was using different types of productivity tools, because I could not find the perfect solution. Why? Because all the tools on the market were trying to solve the professional productivity, that meaning that the primary focus is based on time organization, that means that time

matters the most [...] To solve the personal productivity, we need to focus on the perfect moment, the right place and the right time. Not just the right time. (startup 3)

That is what we discovered. Different situation and a different way of interaction.

Now that is not tracked, so they are not using that. Desktop metrics on mobile will not work.

And so on, startup 4 faced a problem in the daily tasks performed in starting up his previous company. He lost a lot of time with tracking his working hours, so created a tool to improve this and implemented the software in several operating systems in order to make it scalable. Startup 6 created a platform that combines the content of different photo sharing platforms under one umbrella brand. This started with the frustration of finding the right image to match their story during a presentation. Startup 8 created a smart lock, as they always forgot their keys and locked themselves out. And startup 10 experienced trouble with getting the right advice when selling its previous company. Offline support does not give any satisfaction and arranging a meeting costs a lot of effort, so they created a tool that makes it easy to meet with a group of people online. A tool that companies can use to interact with their customer and also receive direct feedback on the support that was provided.

What several interviewees state is that they create something that is not yet done in that explicit way or completes its task better than similar product. Only startup 2 did something different, as they copied the idea from the American market. When explaining their service, he also made it personal. These examples show that inspiration mostly comes from personal experiences. In order to transform the frustration into a scalable business model it is necessary to do and make it suitable for a larger target group (Blank & Dorf, 2012). The ideas of the interviewed startups changed a lot during the support process. The need of finding an opportunity is created in an early stage, where no support is needed yet (startup 2 & startup 4).

This becomes an interesting finding when connected to literature. As all companies use the rational process stated by Corner & Ho (2010), where the opportunity is an objective mean, waiting to be discovered. The companies all start with the idea first, creating a team and starting up the business comes in a later stage. Only one entrepreneur stated that he started up the company in order to improve the skills of its team. For him the opportunity was also personal, but the goal was to develop the talent in his team (6). All other teams started out with the idea and formed the team later on.

Another personal opportunity was to add social purpose to the product of service of the startup. Several startup interviewees stressed that social purpose was a reoccurring theme in the stories on the development of the startups. Combining of commercial and social opportunity (Austin et al, 2006). The startup interviewees stated that they first try to make profit and in a later stage want to add purpose to their business plan, but purpose was their main reason to become an entrepreneur in the first place (startup 1 & startup 6). Three of the startup interviewees described that helping others was always their underlying goal:

Do you know Alzheimer? [...] We want to invest in music the can help patients or elderly people to make their life easier [...] in the end we have a larger vision. Connecting people through music. Music does not have the barriers of language and culture. It is universal, people that are greatly opposed to one another, in which music can open a conversation. (startup 1)

My personal dream for the future is that I have always dreamed of helping people, to make their live easier, the most generic founder saying you can hear, but like all these cutting edge technologies and meeting everything for the better and smaller and more efficient and putting my knowledge to use. I see myself working with a lot of artificial intelligence probably. There will be a lot of work done in that field, so we can make the world different, a better place. (startup 3)

My life motto is that I want to change the living standard of the people around me, so family, friends and co-workers. With a high standard I do not mean money, but the luck of people by giving them purpose. With my companies I want to provide this to as many people as possible. All my initiatives thrive around this motto. It needs to have a certain impact and enrich people's life. (startup 5)

Their social purpose is seen as a reason to start up a company. Being an entrepreneur takes courage, as there is a risk of failing and you need to discover everything from scratch (Gartner, 1985). Having a clear, but tangible goal, like a solution to a personal frustration or a social purpose can serve as an incentive to build a startup.

#### 4.1.2. Team

The second theme that was found, was the importance of the team in building the startup. Many scholars stepped away from the idea that entrepreneur is singular (Ucbasaran et al., 2003). Brush et al. (2001) states that the team is most important, as an entrepreneur is never on his own. This was confirmed by all the support companies, as none of them focussed on individual entrepreneurs. It also relates to the needs of startups, as several startup interviewees answered that attracting talent or combining the right team were their biggest needs (startup 6 & startup 10). Brush et al. (2001) defend this by stating that the team is more likely to achieve success than an individual. Startup 1 states that the evaluation of a good startup is for 10% based on its idea, 30% on its market and 60% on its team. When they joined the support company, he believed more in the team than in the actual idea earning any money. In the beginning of starting up a company, teams work closely together and become good friends. Startup 1 described it to be unavoidable to become close after spending so many hours together. Also the support companies shed light on the importance of the team, as they need to be flexible and complementary (support 1). This theme includes two components, the characteristics of the team and the development of the team.

Interestingly, the founder of startup 2 stressed the importance of the entrepreneurial characteristics and described himself as being a small team as he took on every role, from finance to product development and to marketing. This adds to the research that states that the typical entrepreneur is flexible and pro-active (Mort et al., 2003; Brush et al., 2001). An example is given by startup 5: "When you love structure, you will not work at a startup. This leads to a team with a lot of creatives. And if you are not creative, you won't work for a startup". This refers to the flexible part as well. Also support company 1 agrees:

I always look at the person, not at the idea. [...] I have some psychological knowledge and you need an entrepreneur that is coachable. So not somebody that is stubborn and needs to execute its idea whatever it takes. You know for sure that the ideas are going to change once it turns into a company and that is not a problem at all, but the entrepreneur needs to be passionate about what it does, but also coachable, so if the plan changes, the entrepreneur needs to change as well.

This is an example of being a flexible entrepreneur (Ucbasaran et al., 2003). Important is that the technical role is taken apart on and the rest can be filled in by people that lack experience, but want to learn (Startup 3; Startup 2). Also, startup 1 talked about the role divide in their team: "It is more for official stuff behind the screens, in principle it does not really matter, it is only about putting the

ultimate responsibility at one person.”. Only startup 10 stated that they make a clear division in its team, in order to be complementary to each other. “Roles are divided in our team [...] sometimes something overlaps, but in essence everybody should stick to its own business.” (startup 10). Following that statement, startup 1 also claims that a role divide exists, but in a later stage:

It is intertwined and overlaps, but by establishing the new product there is more of a basic. In the beginning we both had to be on sales, as we had to sell a product that did not yet exist. And now this is changing to a division in sales and account management.

But in the end the team needs to be agile and flexible from all perspectives (startup 3). You need to have an open mentality and not be bound to anything (startup 5).

In creating the dream team there is a big challenge in finding talent that is right for the job. Startup 10 even described this as the biggest challenge is to form a good team; getting the right people for the right job. “Reaching that requires asking third parties for help. This could be a reason why most teams start out as a technical team and mainly search support in selling their story (startup 3; startup 4 & startup 5). Startup 5 stated that technical talent is hard to find and the skills of creating a story is something that can be learned in a short period of time. This is an interesting result, as some skills cannot be learned easily.

To form a creative team, which is necessary in the digital media field, the personal network of the entrepreneur is of essence (Gabrielsson & Pelkonen, 2008). Some interviewees state that the founder team is a group of friends (startup 1; startup 3; startup 6). Startup 10 states that the only real problem that a startup faces is “actually just the team, finding a great team and trying to connect them to you. Making them fight for you without having anything to offer to them at the moment”. He explains that a personal network is necessary to form the team. Other examples were starting the company with family (startup 4), with a group of friends (startup 1), with classmates (startup 5; startup 8), with colleagues in the technical field (startup 3). Startup 2 connected to an old friend from pre-school:

We were friends in pre-school and had not spoken for a long time, but was connected on LinkedIn and when I saw him again I asked: What do you do? He told me he was a coder, so I shared my idea with him. We went for a beer in a bar and I explained the concept. On the spot we decided to do it.

So in the end it is about connecting the right people to your team (support 5).

#### 4.1.3. Access

The third theme is access. For (digital) media startups the personal network is most important to give access to resources such as human capital and expertise (Pelkonen et al., 2001). A network provides access to several resources that are necessary to start up a company (Brush et al., 2001). As support 1 states:

Look what a startup needs to grow fast. That is no rocket science. Access to capital, customers/users, content (such as knowledge, expertise, mentorship and events), talent (so people that you can relate to national and internationally), an environment so startups can grow into the world. So they need a well-connected setting, because as an island you will not grow big, so environment is important.

Most founders lacked knowledge and expertise on starting up their companies and sought support in order to learn hands-on skills or get access to finance. In order to gain access to these resources an entrepreneur needs a network. An example of this is that finding good employees requires an access to talent, so being part of a network (startup 7). Startup 6 describes a way to access a network is by convincing people that money is well spent on their idea (startup 6). These are examples of gaining access to a professional network, but the advantage of building up a personal network is the ability to gain access to a support companies' network. Startup 1 states:

We stopped by many times before we joined the program. The guy who just walked by knew us already, before we joined the program. He was an investor and adviser [...] so the people were important the events for getting to know the company.

A network is useful in taking the step to receive support and as startup 2 called this "the network to build your company, learns you to pay attention to new things, such as legal issues, or in marketing, or design.". So access to a network for talent, finance, know-how and knowledge is an important need of a startup. In the end it is all about the network of mentors, investors and corporations and connecting them to the startups on the right moment (support 2). Support companies tend to focus more on giving access, with the goal to grow as fast as possible (support 2 & support 3). Where support 5 states:

The challenge was to improve the number of fast-growing companies. Who is the new Booking.com? Who is the new TomTom? [...] So we looked at what a startup needs in order

to grow. That is no rocket science. Access to capital, users, content, talent and a Launchpad.

It is interesting to note that both startups and support companies state that access is of essence. Networking can be connected to the social skills that a needs entrepreneur (Brush et al., 2001).

#### 4.2. Types of support companies

The second theoretical concept was different types of support companies. Support companies were very positive about positioning their company in Amsterdam. Also partnerships helped to shape their business model and focus. Two different themes emerged: partnerships and clusters.

##### 4.2.1. Partnership

Theory states that partnership shapes the structure of the support company, where a division is being made between for profit and non-profit support companies (Grimaldi & Grandi, 2005). Three of the interviewed support companies partnered with the government (support 1; support 4 & support 5). Interestingly, all of these support companies work with a for profit model, but adding a social purpose to it. Austin et al. (2006) explain this by stating that non-profit organizations develop innovative approaches to earn income, such as starting up a company. For example, support 1 works with the university and has the goal to incubate science-based startups, but still needs to make money in order to keep the program up and running. Another way to generate income is by funding. The government is part of the startup ecosystem, as it wants to improve employment rates and to add to the economic impact (support 5). Universities invest in the research that is done and bring in to a next level by transforming it into a business (support 2).

Another partnership found in all interviews with support companies showed, is a partnership with corporations. Corporations are keen on startups as they can learn. They invest money and trade this for information and methods on how to come with innovative ideas, or even de ideas itself (Hansen et al., 2000). All of the support companies make use of mentors to educate their startup. An example of a startup that experienced this is:

Startups benefit from listening to mentors that have hands-on experience and can tell how the process go in the business world. They say: it is working for companies for ages now, so why would you do it any different? (startup 1)

These companies are a combination of independent and corporate business incubators, because they are privately funded, but have close ties with corporations, that pay to take part in their program.

A reason to partner up is to receive funding by corporations (support 1; support 3 & support 4). It is interesting to find that the support companies do not only work for startups, but also feel like they work for the corporations: “We have a corporate track. Which mean we mainly work for startups, but also for corporations who face innovative challenges.” (support 3). Stating that they are in service of the corporations, who also pay them. Support interviewee 2 connects the right startups to the right corporations in order to learn from the startups. He takes this one step further by starting an accelerator for corporations. Here the project team is taken out of the big corporate and approached like a new startup finding a solution to a problem. “We want to do it in a less formatted way, as the project team cannot finish within three months, but it follows the same proposition.”. This is in line with the findings of Hansen et al. (2000), where corporations are eager to learn from startups, but it takes it one step further by transforming the corporate team into entrepreneurs, or the problem into an opportunity.

Interestingly is that all types of support companies stated in theory, tend to overlap in reality, combining non-profit and profit-based goals and partnering with corporations, without being part of the corporate. This makes the competitive advantage of the support companies stronger.

#### 4.2.2. Clusters

This theme emerged from the question ‘why support companies were positioned in Amsterdam’. Support 2 states “So we are looking for the right city, the right industry, with the right corporate partners, the right mentors, the right investors. We focus on one spot.”. Amsterdam has three advantages: a pro-active municipality in the area of startups, innovative companies in the area of digital media and early adapters (support 2). The the idea for StartupAmsterdam came from the government, as Kasja Ollengron was alderman of Economics saw it as a challenge to create an eco-system.

Most of the support companies include a lot of digital media startups, focussing on a certain sector, in order to accelerate the resources and network, as it can be used by a large group. Support 2 and 3 are both accelerators that operate in verticals, where similar startups take part in the same program.

10 E-commerce startups together, will attract suitable mentors and we can search with a focus for partners that match the startups etc. As opposed to a horizontal program, where only 1 startup is possibly interesting for the partner. With verticals 6 or 7 are relevant.



Improving their competitive advantages, by making the program valuable for a large group of mentors. But still many startup interviewees stated that there is more room for improvement, as the terms 'E-Commerce' or 'Healthy Living' are rather vague and startups within this programs differ (startup 6). This is in line with the study done by Bøllingtoft & Ulhø (2005), that states that by sharing resources is at best when portfolios relate to each other. "If the verticals are standardized they need to be of high quality in order to work." (startup 6). So some startup interviewees aim for improving the specialization of the support companies.

Another market opportunity was spotted by support 1, as they created a science-based incubator. Fostering research and turning it into innovative businesses. The university and all its resources was already established, so support 1 could make use of this: "the most sophisticated knowledge from the university is positioned here, this makes it a logical choice to start." (support 1). This gives them an advantage over other support companies as they can use the tools and resources that are located on site (Karlsson & Picard, 2011). Another method is to build a company and to grow the ecosystem around it. Support 2 did this, by starting up their support company and attracting educational institutions and entrepreneurs to the same location. This confirms a study done by Karlsson & Picard (2011), where "industrial clustering might emerge at unexpected locations, due to the individual decisions and actions by key economic agents, as well as random factors" (p.3).

Interesting findings in this theme are the opportunities that the city of Amsterdam offers the startups and support companies. Support companies fulfill the needs of startups and therefore, they seek for the same needs as digital startups do: a system that creates opportunities, which Amsterdam offers by an open-minded municipality and established innovative companies; a potential network to join of other (digital) media startups; competitive advantages, such as operating in a cluster of like-minded companies (verticals and science-based) and customers to test their products to, such as early adapters.

#### 4.3. Design support process

The third theoretical concept was the design of the support process. Where theory focuses on three indicators, such as the selection process, the network and business support (Bergek & Norrman, 2008). Four themes emerged from the dataset: selection, support, alumni care and the lean method.

##### 4.3.1. Selection process

All startups have to go through some kind of selection process in order to receive support, but on the other hand, building a good portfolio with promising startups is of essence for support company as

well. Support companies create batches of similar startups (Tötterman & Sten, 2005). Support 5 states that none of the support companies achieved to include a unicorn (companies that are valued over 1 billion euro) in their portfolio, which in Silicon Valley is the key to success (support 5). Support interviewees state that building their portfolio starts with the selection phase. Support 3 and 4 have a large pool to select from. Bergek & Norrman (2008) make a distinction between the methods of 'picking the winner' and 'survival of the fittest'. Support 2 and 3 combine both methods, as they promote their programs worldwide, in order to attract a big pool of startups. After many startups signed-up, they make a strict pre-selection:

Narrowing from 1000 to 100 and sometimes even 40. In this stage we just look to the number of founders in the team. [...] Next to that we look at the product and the underlying technology, is it right and how about the timing? Also are they ready to grow? (support 3)

Bergek & Norrman (2008) make another distinction between idea and entrepreneur. Interviewees point out that the team is more important than the idea. The reason behind this is that you cannot turn an idea into a scalable model by yourself, you need different skills (support 1). Also the idea changes a lot over time and the team is there to stay for longer (support 1). For this reason, support 2 also has a psychological test on which they base a team script in order to prevent future problems between team members.

Some interviewees also state to use the resources that startups bring, for instance using the network of the entrepreneur. The interviewee of startup 5 is an experienced founder and Startupbootcamp approached him for his network, stating "my network is almost as big as the network of Startupbootcamp". This shows that support companies select startups on how it can contribute to their own portfolio.

The process of selection is done in the form of an Idols competition (Fishback et al., 2007). Where startups follow several rounds, in which they get feedback on their idea and improve it in order to meet the final pitch (Support 1; support 2; support 3; support 4). Doing this pre-selection is also beneficial for the startups. All of the interviewees of the support companies claim to have a strong pre-selection, so they apply the 'picking the winner' method and combine this with selecting a high-potential entrepreneur (or team). They see this as the most important characteristic. This structures the portfolio as a few handpicked and carefully evaluated startups, who all operate in the same sector (Bergek & Norrman, 2008). Support 4 does the same but with another goal:

Everybody is focussed on the top 2% [...] internationally they only want the best of the best. If they not accelerate in 100 days, it is over. We see this as a big market failure. There are more potential successful, startups and there is now support for them, because they are not part of the top 2%, so we want to focus on a larger group.

The support 4 interviewee wants to achieve this by combining several programs, ranging from support the small entrepreneur to the ready to scale startups. This opposes the literature as also focus on non-scalable businesses, with the aim to make them scalable in the future (support 4).

The most outstanding finding was that the definition of startups, as support company 5 states that there is no room for the small entrepreneur:

Startups are companies that are in search for a scalable and repeatable business model. Startups are companies that are set up in order to grow fast, globally. If not, you are not a startup. Nothing wrong with that, but there is now room for them in the startup world.

This indicates that the business model needs to be scalable from scratch in order to receive support. Startup 6 notes that there are two ways to start a company: by the 'cupcake method', so baking cupcakes selling them and buying a new oven with the earned money and so on. Or by telling investors about your ideas, convincing them and collecting money. Only support 4 recognizes the opportunity of supporting an idea and making it scalable in a later stage. There is a market opportunity, in turning motivated startups into scalable businesses.

#### 4.3.2. Support

What was also surprising is that technical support often lacked in the offer. The reason for this given by startup 6 is that talented people with technical skills such as coding are rare to find. Forms of support such as business skills, marketing and sales were the most offered ones (Startup 5). The standardized program focussed on improving these skills for entrepreneurs, in order to grow any kind of startup. They did not specialize in one particular field. Several startup interviewees stated that there were many workshops, so they were not able to join all of them (startup 1; startup 3; startup 4 & startup 6). "Sometimes it was hard to maintain the working-learning balance, because of all the workshops there was almost no time to work on the company". This is contradictory with the previous theme 'clusters', as working in clusters should solve this problem and make it interesting for technical talent and companies to join the program.

Furthermore, two different kind of designs were found in this research, acceleration with a limited timeframe and an overall support program, without deadline. Three of the four interviewed support companies offered a program with a time limit. These programs are focussed on growing the startup as fast as possible (Cohen & Hochberg, 2014). What is interesting in the support that is offered, is that all support companies are focussed on growing startups as fast as possible, but still none of the support companies accomplished to spin-off a unicorn (support 5). There is little support when the program ends, only an alumni system, that organises network events and gives access to the network for a lifetime. Support 4 responds to this market opportunity, by being as “a kitchen drawer that contains several ingredients, where the entrepreneur can pick exactly what it needs.”. This is closer to the method of an incubator, that by provides entrepreneurs with services and support that complement them (Grimaldi & Grandi, 2005). The goal of support 4 is to focus on a large group of startups and let them decide what they need for support. They want to become a one-stop-shop by providing all knowledge and services in one stop for every phase of the startup (creating a business plan to scaling globally). This results in a long-term commitment with the startups, as they always make use of the advice and services that is offered (startup 2; startup 4). Support 4 offers a big discount to startups, which means cheap, but qualitative customized advice. Also the create a good access to a network of knowledge for startups (support 5). This leads to the following theme, that of alumni care.

#### 4.3.3. Alumni care

Eventually startups graduate from the support company, which means that they are ready to stand on their own (Hackett & Dilts). Support 2 stated that this moment in time is different for every startup, as they all have different needs and structures. After graduation the startups become the so-called alumni of a support program. They are passively still involved in the program and connected to the network of the support program (support 2). This is a more passive role than startups that are actually experiencing the program. For instance, startup 3 says:

We stayed for two more months, but the whole atmosphere was different in Rockstart. We did not have the money for the whole team to stay in Amsterdam [...] After demo day the whole program dispatched somehow. So you see the same people, but you do not have the mentor meetings or standard obligations you had before demo day. So it feels like the program stopped at demo day [...] It is depended on your network skills to keep them in your network, so you can ping them at a later stage. (startup 3)

An example of using these network skills is given by the interviewee of startup 5, as she sent a monthly update to 50 mentors, in order to keep contact and making it easier to ping them when they need it. Graduated startups can also benefit from attending events organised by the support company. An example is that startup 5 attended an event organised by support 2 to look for new employees.

Startup 6, an experienced entrepreneur, states that alumni care in Europe is bad compared to America. A reason for this example is that in programs in America the focus is more on the class itself. This starts at the pre-selection of the startups, by combining similar startups and demanding a high ground level for entering (startup 6). Another example is given by startup 2, who refers to the network of Goldman & Sachs, where joining means that you and your network will be available for a lifetime. "You need to share your information. And you do, because Goldman Sachs gives a lot back to you [...] so what you put in is also coming out. That is embedded into culture and everybody takes part in it. The brightest and smartest people". Support companies can learn from this. Establishing a coherent team culture with motivated startups, will create a solid network. Once good startups enter the network, new ones will join and thrive as well. This shows that the period after incubation deserves extra attention. Support 4 sees this as the problem of standardized program: a lot of effort and finance is put into the startup, but it could be all for nothing as the startup is not certain to survive. For this instance, the support companies in Amsterdam can learn from methods applied in America.

#### 4.3.4. Lean method

One of the entrepreneurial skills that the startup founders learned was the lean method. Applying methods can improve productivity and competitiveness, by delivering creative solutions in a short period of time (Emiliani, 2004). Support 2 applies it to their startups: "We are focussed on the lean startup, throwing something in the market, to see what bounces back and what we can improve.". Also startups experienced that improving their business model by the lean method is useful. Startup 2 pointed out that they called every customer for feedback and learned from it.

The most interesting finding is that the interviewed support companies can be seen as a startup themselves (support 1; support 2; support 3; support 5). This finding is lacked in research, as it is specific for the case of the interviewed support companies. By that mean, support companies face the same problems as startups do:

We work as a startup. We need to pivot our business model from time to time, for instance fro Capital week: what is the business model? What is the revenue model?

What is the best partnership? Which function and value has it in relation to other flagship events. If we get sponsors, which part is ours and which is for the program? We focus on execution, the project team and we valid accelerations and scale ups. We are doing exactly the same, we work as a startup ourselves. (support 5)

This also means that they still have a long way to go and the next step is to validate their working method. Or as support company 1 calls it, getting grey hairs:

We have some amazing founders in our program, but they need to fail a few times in order to proceed. So that everything that they learned can be used in their method, that will make them really successful. [...] This includes finding sustainable business models.

A way to do this is to focus on metrics and stop trusting your gut feeling (support 1). Or working together to build new startups, by including the alumni in this ecosystem (support 1). The ultimate goal is to support companies in the step of scaling. “From an ecosystem to a scaling city with the goal to become an exit city.” (support 5).

#### 4.4. Startups that receive support

Within this last theoretical concept, three themes emerged: reputation, growth and network of startups. This is connected to theory that focuses on the reason of joining a startup: becoming part of its reputation and finding legitimacy (Zott & Huy, 2007), using the network of peers (Regmi et al., 2015) and seek support in order to grow (Aerts et al., 2007).

##### 4.4.1. Reputation

Becoming part of the network of a support company means that the support company becomes part of the startup’ identity and builds legitimacy (Ensley et al., 2002). Startups can use the reputation of the support company to get access to funding, or to build client relationships. Startup 1 described that one of the reasons to connect to Rockstart is to use its reputation as a launch pad for further growth. “We could use Rockstart as a launch pad, as in the early stage of starting up a company we lacked expertise. Connecting Rockstart to our company added value to our startup, which opened new doors.” Reputation was found in multiple interviews with the startup. Also startup 5 took the reputation of the support company into consideration when applying to the program. She pointed out that “We looked at some other companies, but chose Startupbootcamp as it was advertised as

Europe's Best Accelerator. That helped.". The investors trust startups that just graduated from the program of a support company with a high reputation.

After graduation, you get the stamp investor ready. You could look at it as a certificate, not a real one, but more as trusted by the market. Like, he those ventures from ACE, who followed the program, we can trust on them to be solid. (support 1)

This relates to Tötterman & Sten' (2005) findings on trust as a precondition for success, claiming that trust is not forever and needs to be earned. Reputation grows from having a good portfolio and related mentors (startup 3). Also most of the startups select support company by looking into their portfolio (startup 1; startup 3; startup 5). Support companies respond to this by building a solid portfolio, where for example, a unicorn can make a big difference for their reputation (support 5). This is a bridge to the next theme that was found in the data. The network of startups is important when considering a support company. To make the reputation of a support company more solid, a quality label should be developed, administrated by an independent and trustworthy party in the eco-system of startups.

#### 4.4.2. Network other startups

Startups gain access to two types of networks when joining a support company (Sherman & Chappell, 1998). The network of other startups include three trends: getting advice of peers, finding new clients and experiencing peer pressure. Firstly, several startups state that it is helpful, because startups face the same problems and you can learn from your peers (Startup 2). Secondly, problems are shared in this network, as people experience the same challenges in starting up their company. As startup 10 states "You have like-minded people, in a similar phase of starting up their company, which you can talk to. On that field other startups were very helpful.". In this way startups can compensate for things that are missing in the support that is offered. For instance, several startups stated that there was a lack on technical support offered in the program, so the startups within the program could help each other (startup 1). You can read about new information, but sharing knowledge goes much faster and is more efficient (startup 2). Also on a personal level startup can benefit from each other: "How do you deal with certain challenges as an entrepreneur? Not on knowledge or expertise per se, but like-minded people in the same phase of development". Or as startup 3 describes it: "They are your friends and they are the same mess as you are. You talk a lot and figure out who can help you with what.". Also startup 7 used its peers to solve personal problems and even became a client for some of the startups present in their shared office space. In

the third component, peer pressure, Y Combinator is used as an example. In this incubator every startup is part of a weekly diner where they present their progress (startup 1; startup 5).

A weekly founder diner in which a progress metric is shown, which visualizes the stage the company is in at that moment. [...] This makes you reflect on your own progress, so you say to focus more on this or we should improve that. Moving the company in line with other startups in the program. Without being each other competitors, you are constantly mirroring yourself against the other and comparing which parts you can improve. Using others, a sounding board, to improve for growth. (startup 1)

So startups can learn from other startups, but also challenge each other to improve in a better and more efficient way. The feeling of belonging to a group is a nice advantage that comes along (startup 7).

Interesting in this theme, it that both support companies and startups stress the importance of an internal startup network, but several startups state that here still is room for improvement, especially when the support ends, there is a need for a connection with peers. This can be related to overcoming the loneliness of entrepreneurship (Bøllingtoft & Ulhøi, 2005).

#### 4.4.3. Growth

This theme emerged through the answers of the question about the development of the startup and the future vision of the startups. Learning is big part of the growing process. “Rockstart has startups that want to conquer the world and grow into a billion-dollar company within a few years. Not every startup has this ambition, so these startups can count on support from companies such as The SUN” (startup 4). Startup 6 states that, “because the core of entrepreneurship starts with having an idea, that solves a problem better than other ideas do [...] but at the same time being humble and asking for help is important as well.”. In order to grow the team needs to be formed (Zott & Huy, 2007). Startup 5 states that making the team self-confident is the biggest challenge in growing the startup. The only way to do this, is by learning. Because entrepreneurs lack knowledge and skills, they do not know what to do and are many times insecure. Startup 6 gave a metaphor for working with experienced old people opposed to inexperienced young people:

Starting up a company is like swimming to the other side. If you do this with old and experienced people, they serve as speedboats who drag me. If I do this with young people, they feel like rocks balancing on my back. But these can turn into motor boats and once you



arrive to the other side, partying with young people is way more fun than doing it with old people

An entrepreneur also needs to unlearn certain behaviour. Startup 6 states that “people with an academically background have more knowledge, so they tend to stay away from entrepreneurship, because they know what could go wrong.” This is something founders should learn in the starting phase, to not focus too much on details, as time is of more essence than fixing the details (startup 6). Learning is part of the experience of the entrepreneur.

The startups that connect to a standardized program, often experience the need for education. The so called accelerator program of support 1 focuses more on the early stage startups, which did not form their business model yet. Support 2 and support 3 have higher criteria on this. “They offered a lot of training and workshops. Sometimes it was hard to find the balance between learning in the workshops and actually working on your company. Time was limited and with that a lot of stress arose.” (startup 5). Knowledge also transfers to the other side, as corporations learn from startups. This is what Startupbootcamp has as an ambition for the future. To apply the support program to projects teams within corporations (support 2). Interestingly enough the support companies do not offer specific support based on the needs of (digital) media startups, as they learning mainly involve general business skills.

Also pivoting the business model is a reoccurring experience. A pivot is when a startup decides to change a major part of its business (Marmer et al., 2011). This means: “A startup can find out that what its doing is not working. There are some possibilities from there on, you either quit or you change your course. They call that pivoting.” (support 3). The support companies prefer a strong team over a strong idea, because the idea changes a lot. One way that encouraged this was the so called speed dating, where new selected startups had short talks of around 30 minutes with different mentors all day long. “During the speed dating you are very honest and open and say: I do not know where to start or I find this difficult. They respond with a lot of advice and tips. Some insights are totally new and others are useless.” This shows the strength of the team, as it is hard to remain focussed. Startup 1 describes it as “they throw a lot of one-on-one conversation on you with mentors, which is a good thing, but on the other hand you are overwhelmed with many different opinions [...] If you look up to someone you may take on its advice no matter what, the danger is that you keep switching between the wrong ideas [...] You need to feel what is right and what is wrong.”. The talks give different perspectives on your idea (startup 3). Also more drastic changes appear, such as the switch from a business-to-customer platform to a business-to-business platform (startup 1; startup 5) or smaller changes like how to let the customer pay for the product (startup 2).

## 5. Conclusion

This final chapter of the research answers all the sub-questions and with that gives a conclusion to the main research question. Besides that, the answers are related back to previous theory and literature mentioned in the introduction and theoretical framework in order to draw an overall conclusion.

### 5.1. Conclusion

The main research question was *'What happens in the support process in selected companies in Amsterdam and how is the process of support perceived by startups in the (digital) media sector?'* In order to answer this question five sub-questions were created and linked with theoretical concepts. In this section the five sub-questions are discussed.

The first sub-question was *'What are the needs of (digital) media startups?'* Three themes about what the needs of startups are, were found. First of all, finding opportunity took place in the surroundings of the founders. Most of the times, these opportunities grew out of personal frustration within their daily tasks. This is in line with entrepreneurship literature, which states that entrepreneurial discovery takes place, when an individual identifies that a set of resources could be used in a better way than it is done at that moment (Shane & Venkataraman, 2000). An interesting finding, which is not stated in theory, is the social purpose that entrepreneurs add to their business plan. Startups need a social purpose or clear goal in order to stay passionate about their work. The first step, is to become successful and when they have success they go on to change the world. This is a combination of commercial and social entrepreneurship (Mort et al., 2003). Characteristics of the entrepreneur made it possible to act on these opportunities, as they took a risk in starting up the company and showed to be flexible once their idea changed. The startup interviewees showed to have tolerance for risk, are proactive and innovative (Mort et al., 2003). This was found in the second theme: the importance of the team. A need was to find talented people, for example in the technical field. This relates to the needs of (digital) media startups found in literature, as the media industry is highly people depended and teamwork oriented, with technical expertise and creative skills as greatest needs (Gabrielsson & Pelkonen, 2008). So the needs of (digital) media startups are personal opportunities and social purpose, which serve as a goal to build their company. Secondly, a good team, which is extra important as (digital) media startups are in need of people that are talented and have creative and technical skills. And lastly, access to all kinds of resources, such as networks of customers and finance.

What is interesting to point out is the tension between the two themes: opportunity and team. Where startups were asked on the development of their company, what happened in a period before support starting, they answered that their idea and their purpose was an incentive for starting up their company. Further along in the interview, their story changed, as the team became the most important means to be successful. This shows that support tends to focus more on the development of the team, while the (digital) media startups focuses more on the idea of the product. As the fast changing environment for (digital) media startups is competitive, the idea of the startup needs to be unique and really solve a problem, in order to grow into a sustainable business (Blank & Dorf, 2012).

The second sub-question was 'Which different type of support companies exist in Amsterdam? The findings on this question is two-sided: partnership and clusters. A distinction was made between non-profit and profit-orientated support companies in a study by Grimaldi & Grandi (2005). The interviews showed that most support companies are profit-orientated and some tend to combine both forms of partnerships. A formal partnership with the government or university resulted in funding and a formal agreement with corporations led to investment. Also some informal partnerships structured the content of the programs that were offered. So different types of support companies are shaped by their partnerships, which can be dual and create several goals. This opposes theory, as Grimaldi & Grandi (2005) found that there are different categories of incubators, but in practice those categories overlap. This is a good method, as collaboration between support companies can be beneficial for the quality they offer, as the network expands and more knowledge is available. In a white paper created by kplusv, the importance of creating an ecosystem for startups, where partners collaborate is stressed (Gils & Meurders, 2015). Also the interviewed StartupAmsterdam is an example, as this serves as umbrella organization for several incubators and accelerators.

The second theme is cluster, in which Amsterdam was chosen as a physical location. It points out that Amsterdam is a convenient city, for support companies that partly focus on (digital) media startups, due to the availability of early adapters, the open-minded and interesting pool on corporates working in this sector (e.g. TomTom). The study of Karlsson & Picard (2011) confirms that operating in a cluster motivates innovation and this was found in the reasons of support companies to base in Amsterdam, as it is a tech hub with innovative companies.

The third sub-question is 'How is the process of support designed?' The process is designed in several phases: selection, business support, network and graduation. The selection process is straightforward, where the team is more important than the idea and a strict selection process is

followed. In line with the findings of Bergek & Norrman (2008). An interesting finding is the importance of an ecosystem with a variety of support, in order to serve more than only the top 2% of startups. Supporting a larger batch with the method of survival of the fittest, so startups can grow a sustainable business model (Bergek & Norrman, 2008). The second theme is support that is offered, such as business support and access to a network. Two models are pointed out: incubation and acceleration (Cohen & Hochberg, 2014). Focussing more on incubation could provide a wide range of support. One startup interviewee stated that accelerators need to learn improve the quality of support they offer. There is a problem for the programs, as most support is standardized and especially (digital) media startups do not find what they look for: specialized guidance. Support programs often lack technical skills and only offer general business support. This could be solved by specialization of the support company. A study by Aerts et al. (2007) confirms that necessity of specialization in sectors where expertise of employees is necessary (e.g. the media sector).

The fourth theme is the importance of the lean method. Fast learning leads to fast success (Marmer et al., 2011). The lean method is an example of fast learning and applied to both startups and support companies. An interesting finding, is that the support companies apply this method to themselves, by working in small batches that specialize in a sector and over a short period of time. All startup interviewees stated that feedback was asked in the end of the program and that no program is alike. Support companies design and improve the support they offer, by applying the lean method.

The fourth sub-question is 'Why do startups seek support?' Two themes relate to this: reputation and growth. Multiple reasons to join a company were found, in previous themes, such as gaining access to a network or receiving support. Another reason is that becoming part of the reputation of the support company leads to legitimacy. A startup faces lack of visibility (Bøllingtoft & Ulhøi, 2005) and is able to gain visibility by adding the label of a support company to its name. This label stands for trust and open doors to new networks. With new networks startup are able to grow more easily and that leads to the following theme growth. In order to make the reputation even more solid, support companies should collaborate with each other and a quality label should be developed. Aerts et al. (2007) explain that a quality label should be administered by an independent and reliable organization, and could be beneficial to the incubator business. This label can be introduced both on national and international level. A startup company will have more faith in an acknowledged and high-quality incubator. For example, StartupAmsterdam should be able to apply this label to support companies that can provide good quality of support and in a later stage an international company could do the grading. Next to that, learning entrepreneurial skills is a reason to seek support

(Hannon, 2004). Most of the startup interviewees were aware that technical skills lacked in the program, but named this as a point for improvement.

The fifth sub-question is 'How is the process of support perceived?' One main finding is that startups perceive the support program as a way to connect to peers. The loneliness of entrepreneurship can be overthrown by becoming part of a network of peers (Bøllingtoft & Ulhøi, 2005). This network is useful, as startups tend to face the same problem in starting up their company and in receiving support. Peers can learn from each other, by sharing experiences and transferring knowledge. Here there is still room for improvement, as the support companies need to motivate the companies to network together, by arranging formal and informal networking moments. It is interesting that startups prefer to be in a program with similar startups, as this gives them the opportunity to exchange ideas. This opposes Tötterman & Sten (2005), who state that a diverse startup mix strengthens the incubator, because a larger network is addressed. The reason for this is connected to the sector startups operate in: media, where specialized expertise is a must. By combining similar startups the network of mentors is more specialized, which means better guidance can be provided. The support companies act upon this, by creating verticals or focussing on a sector.

In this, the need for (digital) media startups do not match the offer of support companies as social purpose or acting on a personal opportunity is missing in the offer. Most support companies neglect this idea, as they only focus on the importance of the team and leave no room for adding social purpose. Consequence is that the startup interviewees, do not relate the social purpose and personal opportunity to the period they received support, only in an early stage of after graduation. There is an opportunity for support companies to respond to this need. A first step is taken by support 3, who recently started an impact program that accelerates startups in emerging regions (Rockstart, 2016). The support company works on social purpose by itself. A next step would be, to include startups close to home, as they feel the same about adding purpose to their work. For now, it is a missed opportunity.

Another interesting finding is that the design of the standardized programs leads to critique. A lot of content is offered, which makes it hard to find the balance between learning and actually working on the company. This is not even the main problem, as startup interviewees state that there is an overkill of workshops and some are not relevant at that time. Sometimes the quality is low, so nothing new is learned. A solution would be to offer more customized support. An example is found in the educational system, which is called School of One. Where students "have a daily 'playlist' of their learning tasks that are attuned to each student's learning needs, based on that student's readiness and learning style [...] there are assessments built into each activity so that data can be fed

back to the teacher to choose appropriate tasks for the next playlist” (Reis, 2008, p.195). This can be translated for startups by looking closely at their specific needs and offering customized support. In this way resources can still be used on a same level, but just in different timeframes.

After discussing the answers to the sub-questions, a conclusion on the main research question can be drawn: *What happens in the support process in selected companies in Amsterdam and how is the process of support perceived by startups within the media industries?* Several components extracted from the sub-questions can answer this question. The needs of (digital) media startups and what support companies offer do not align on every level. This is due to the sector (digital) media startups operate in, as they need more specialized employees and guidance (Pelkonen, et al., 2001). Oftentimes, the support process is overly standardized and support companies should aim for a more customized approach. Also startup interviewees stated the importance of social purpose, so there is an opportunity for support companies to act on that. Overall, the startups are positive about support, but point out that there is still a lot of room for improvement, often referring to international examples. In order to improve, support companies should collaborate on a national and international scale, where they can learn from each other and support each other. A first step is taken, as the support companies apply the lean method to themselves and can be seen as startups themselves. Sometimes it is hard to acknowledge your own needs, so it is important that the ecosystem of support companies matures.

#### *The role of the researcher*

The human itself is the only instrument to observe a complex social phenomenon (Fink, 2000). In this research the researcher was singular and involved in every step of the process. Searching the literature, sampling the companies, interviewing the companies, analysing the data and connecting data back to theory. This could lead to guiding questions and focussed theory. In order to overcome this, respondents were asked to read their most important findings and see if they matched their viewpoint. Another convenience was that the researcher was an outsider in the industry, so not biased beforehand. Because of this, the respondents could talk freely, as their names and details stayed within the network of researcher and university. Most startup interviewees were around the same age as the researcher, which made them feel comfortable. Most support interviewees were older, but used to work with people that have the same age as the researcher. Overall, the role of the researcher did not influence the process of research drastically, so this adds to the reliability of the research.

Also the theoretical implications must be noted. The themes that are found in the dataset mostly correspond with the theory stated in chapter two. However, not every component of startup needs and what support companies offer is discussed in the dataset. An example is, the business support that is stated in theory and not thoroughly discussed in the results, as there were no interesting findings here. This can be due a similar set of resources offered by the support companies.

## 5.2. Discussion

Despite the previously described methods to increase the quality of the research, this has still certain limitations which will be discussed in this section. Limitations of this study are due to limited time, availability and resources, which might restrict the quality of data gathered. The number of interviews is limited and they were conducted over a short period of time. This means that information was not gathered until saturation, due to limited time. However, some limitations of this study should be considered as opportunities for future research. First, the results of this paper concern only some of the support companies in Amsterdam. Further research could follow-up on the same method and make the findings more solid and comprehensive. Also taken both perspective into account, means that the analysis is less focussed, it is an opportunity to research both perspectives separately.

This research has a broad focus on the offer of a support company and how the startup perceives it. This is interesting as it gives an overview on this phenomena, but also limited at the same time as it can not go in-depth into the subject. It would be valuable to research each component of this research separately. For instance, researching how startups use reputation in their process of growing. Another idea for future research would be to include other countries or regions is of essence in creating the ecosystem. So learning from other parts and systems in the world and research if it is useful to implement those processes in our own country. What this research also implicates, is that you can be a startup without receiving support. Future research can be done to startups that do not receive and how their development differs from startups that do perceive support.

### *Relevance*

This research has shown several insights that contribute to existing theory. It has shown that the main needs of a startups are to come up with a good idea and to create a team to elaborate on this idea (Tötterman & Sten, 2005). This research gives a detailed insight, as finding opportunities happens in personal surroundings and creating a successful team is hard, as gaining access to talent

is a problem startups face. This adds onto the entrepreneurial process, stated by Gartner (1985). Also the need of gaining access to relevant resources is an important one. Support companies respond to these needs by providing a network to the startups that join their support company (Aerts et al., 2007). This research shows that collaboration between support companies can be beneficial. Karlsson & Picard (2011) state that this brings competitive advantages and motivates media innovations. The results of this research suggest that in Amsterdam, these advantages and motivations are met. In the design of the support program research should be done on customized support, how it is designed and why it can be beneficial for both startups and support companies.

Furthermore, (young) support companies can apply these findings to their own development as they are startups themselves. In a way they already do this, by attracting a network of experts (mentors), asking feedback and using their knowledge in the program. The next step is to follow the companies in the process of maturing, to see what is the best way to offer support to young companies. To accelerate maturing, an incubation of the incubator, where support is focussed on developing the support of support companies. A study done by Etzkowitz (2002) underlines this idea by proposing a central node in the network of incubators that can serve as a training facility for future incubator directors or experienced incubators managers can take part in designing new programs.

### *Food for thought*

What came out of interviews is the different viewpoints of startups and support companies in starting up a company. Both underscore that access to certain resources is an important need, but support companies tend to focus on fast growing companies, where entrepreneurs are eager to learn and want to create a sustainable business model. By this means, the startup bubble is created. Too much support is given to a company and startups can not act on this support, as either their business plan is not sustainable enough or the founders team is not experienced enough. The ecosystem needs to mature. Startup is a buzzword and companies invest a lot of money in them, but are they as promising as it seems? Rating startups without actually looking at their value, lets the bubble grow and maybe collapse later.

This adds on the confusion on the definition of a startup. The accelerators state that a startup needs a repeatable and scalable business model, but this overall is a grey area. The small entrepreneur is still of essence in our economy and needs support as well. Support companies do not need to offer this, but need to be aware of the boundaries they set. These findings all come together in the most surprising finding and that is that support companies are overall also startups and



operate similarly. So their aim is to grow as fast as possible, without paying attention to a business model being stable.

Another big motivation in starting up a new company is adding purpose to the business plan, so changing the world for the better. As startups and support companies are a hype in today's debate about business, it is important to acknowledge hypes around it, such as the rise of the purpose economy. Support companies can for instance react on the shared economy, by combining power with other incubators or using resources for different goals. An example of this is WeWork, that uses real estate as a tool to connect companies and create a shared working environment (Kessler, 2016).

So if the blind leads the blind, will they both fall into a canal? And will they both end up in the pitfall, as the saying goes. The answer to this questioned is two-sided. On the one hand, support companies are similar to startups, as they are figuring out how to provide the best support. On the other hand, in their support system there are some good methods to overcome the problems that blinds (unexperienced companies) face. Using the lean method to learn and improve fast can be used to have a competitive advantage over traditional corporates. Also the use of network, which gives access to experts and experienced employees create the opportunity transform make their business models sustainable. Collaborations in between support companies, can lead to a solid eco-system. Add relevant partners to this, such as corporations, the government and universities and wait for the system to mature in order to become a solid eco-system. For that instance, we can learn from startups how to best support startups. The blind can learn to see again.

## Personal Reflection

In the line of the lean method I reflected in several stages during this research on what went wrong in order to do improve it next time or even to improve during the process of doing the research. The first mistake I made was to research this topic very widely, as years research went to many of the concepts I discussed. What went wrong was not knowing every part of my subject. I moved on the practical implications on an early stage, while I needed to make the subject my own first. In a later stage I solved the problems, by reading books about the subject and talking with people that are active in the startup scene. This step helped me to focus my research. Building my research already provided me on interesting perspectives on the process of supporting startups. Passionate as I was in the subject, I wanted to question it all and on that point I learned the cheesy notion of “Killing your darlings”. Some ideas, such as mapping the whole ecosystem of Amsterdam or speaking to all the big players in the area, needed to be killed. In the end not even a bad thing, as I did spoke to very interesting people about relevant issues and the limitations of my research left room for interesting notions on further research, maybe even some I want to carry out myself in a later stage in my life.

To stay on point of this reflection, I really underestimated the time and energy is cost to collect the data you want to. Interviewing means, asking a lot from somebody as you need them for at least one hour. This resulted racing on my bicycle all over the city and confronted me with some late cancellation or no-show. In the end the data collection took 2 weeks longer than planned. Doing the interviews, I learned that it takes a lot of practice to be a good interviewer. After every interview I immediately started transcribing and identified what went wrong. In the beginning some of my question were to leading, so I changed them. Also keeping a silence leads to more interesting results than asking the follow-up question, something that went better towards the end of the data collection period. And also asking for more details is very important, as some answers are to short to understand the core. Applying this lean method to my interview method help me grow as an interviewer during the process of doing the interviews, which resulted in a positive change to my outcomes.

Coding the interviews took a lot of time as sometimes a findings seemed interesting, but did not relate to this research. Here also you need to kill your darlings, as not every part is useful for the thing that you are researching. Sometimes the interviewee drifted off and told an irrelevant story about an experience. Once I found my focus the axial coding step went really well. Writing the conclusion gave me the sense of repeating myself many times, so I tried to focus on only what is important and to tell the story in different ways to give my reader a better understanding of the world of startup support in Amsterdam.

Concluding three things I have earned from this process, focus your subject and data search, step back from time to time and kill your darlings, practice to become a good researcher. When I master these skills I will instantly be a good researcher as well.

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## Appendix A: Interview scheme

### SUPPORT COMPANY

Support company	Interviewee	Duration	Details
<i>Trial interview</i>	-	<i>30 minutes</i>	<i>Entrepreneur &amp; Partner</i>
1. ACE Venture Lab	Erik Boer (director)	45 minutes	University based incubator
2. StartupBootcamp	Jeroen van den Bosch (Manager Business Development)	45 minutes	Global accelerator
3. Rockstart	Sander van der Blonk (Partner & CTO)	23 minutes	Global accelerator
4. The Startup Network	Michiel Strijland (Financial Analyst)	31 minutes	Program waiting for funding
5. <i>StartupAmsterdam</i>	<i>Ruben Nieuwenhuis (founder)</i>	<i>48 minutes</i>	<i>Umbrella brand ecosystem Amsterdam</i>

### MEDIA STARTUP

Startup	Interviewee	Duration	Details
1. Kollekt.FM	Rolf Droge (co-founder)	60 minutes	Rockstart
2. MarkO	Nino Karas (co-founder)	45 minutes	Rockstart
3. Klusup	Thanh Turong (co-founder)	50 minutes	The SUN
4. TIQ	Nick Schills (co-founder)	35 minutes	The SUN / Rockstart
5. Printr	Cecile van der Waal (co-founder)	40 minutes	SB
6. Dashmote	Dennis Tan (co-founder)	60 minutes	SB
7. 24Sessions	Rutget Teunissen (co-founder)	12 minutes	SB

8. Screen6	Indra den Bakker (data analist)	15 minutes + follow-up email	WeWork
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#### OBSERVATION EVENT

Startup	Interviewee	Duration	Details
9. Loqed	Co-founder	8 minutes	Pitch + small interview
10. UserStat	Co-founder	7 minutes	Pitch + small interview

## Appendix B: Topic List support companies

### 1. General

- a. Can you tell me when and why you started working at [company]?
- b. Can you tell me something about your role within [company]?
- c. What does your job entail on a day-to-day basis?

### 2. Company

- a. When was [company] founded?
- b. Can you describe [company] in terms of activities? (programs)
- c. How would you describe the vision of ACE Venture Lab?
- d. In which sector would you position the startups that you incubate?
- e. Who are the partners you are working with? What does the partnership involve?
- f. What are the reasons to position in Amsterdam?

### 3. Selection

- a. What is the procedure for selecting startups to join your support company? (criteria)
- b. What are the conditions that a startup needs to meet in order to get selected?
- c. Is there a lot of competition for startups to join the program?
- d. Can you describe the perfect team?
- e. How can you tell that an idea for a startup will work? What are characteristics that you focus on?

### 4. Network (people / companies)

- a. Can you describe the network that new startups gain access to?
- b. Who are the mentors that guide the startups?
- c. In what way do startups benefit from this network?

### 5. Business support

- a. Can you elaborate on what kind of resources and services your support company offers?  
Such as office space, training, mentorship?
- b. How is the program financed?
- c. Do you give the startups access to finance?

d. How do you deal with failing startups?

6. Next step

a. What happens with the startups after graduation?

b. Did it ever happen that an idea is not working out? Can you give an example?

c. Can you give one or two examples of successful startups that came out of the program?

7. Future

a. What would you like to improve or add to [company] in the future?

b. What are things you are excited about?

c. What are things that you fear for the future?

→ *For the next phase of this research I want to interview a startup in the (digital) media sector, do you have an idea for the ideal candidate?*

## Appendix C: Topic List startups

### 1. General (person)

- a. When did you start working at [company]?
- b. What does your job entail on a day-to-day basis?
- c. What is your previous work experience?

### 2. Startup

- a. How did you get started with [company]? How did it develop?
- b. Why did you startup the company?
- c. In which sector would you locate your startup?
- d. How would you describe [name startup]?
- e. Who is your target audience/group?
- f. What is the vision of your startup?
- g. Can you describe the team you work in? Culture? Role-divide?

### 3. Support company

- d. Why did you choose this support company?
- e. Did you look into other support companies? Or other support systems?
- f. Would you choose this support company again?
- g. Did you have to change your original idea/team in order to meet the selection?
- h. Did you experience competition during the selection process?
- i. What did you learn from the selection process?

### 4. Network

- a. Can you describe the network you gained access to? (mentors, other companies)
- b. Are there useful other startups positioned within the support company?
- c. Do you make use of companies outside the network of the support company?
- d. Are there formal/informal network moments?

### 5. Business support

- d. Can you tell about the physical resources the support company offers? (office space)
- e. Can you tell about the services that the support company offers? (training/ topics / administrative)
- f. What kind of mentorship are they providing you with? (customized vs standardized)

g. Is there something missing in the offer?

6. Next step

a. When did your company graduate? / Is your company going to graduate anytime soon?

b. If you look back at the process of incubation, what would you change?

c. What is the next step after graduation?

d. Are you still in close contact with the support company' (network)?

7. Future

a. Where do you see your startup in 10 years?

b. Do you have a personal dream for the future?



## Appendix D: Topic List Observation ACE Venture Café

[Listen to pitch to learn about the idea of the startup and which problem they solve]

1. Which problems did you face in the beginning of your startup?
2. Did you look into other companies that offer support?
3. Which services do you make use of?
4. How do you experience the support that ACE Venture Lab offers?
5. What is missing in the offer?

## Appendix E: StartupAmsterdam

### General

- a. What does your job entail on a day-to-day basis?
- b. What are the biggest problems that startups are facing?
- c. How would you describe a good entrepreneur?
- d. What does a startup need?

### Startup Amsterdam

- a. Can you describe what Startup Amsterdam is? (goal, services, partners)
- b. How does Startup Residence fit in?
- c. How does it relate to other cities in The Netherlands?
- d. What is missing?

### Startup Delta

- a. Can you describe what Startup Delta is? (goal, services, partners)
- b. What is your role within Startup Delta?
- c. Are there cities that serve as an example for Amsterdam?

### Startup Basecamp

- a. Can you describe what Startup Basecamp is? (goal, services, partners)
- b. Which needs does Startup Basecamp fulfill?

### Rubens window

1. How did you start Ruben's Window?
2. Which services do you offer?

### Research

Can you tell me your perspective on four claims I found in my research?

1. There are two types of startups: a startup with the ambition to scale globally and the small entrepreneur.
2. There is an ongoing global accelerator race.
3. Support companies operate like startups.
4. There is a rising startup bubble, which would collapse in the future.

## Future

1. What is missing in the ecosystem of Amsterdam?
2. What is the next step for Startup Amsterdam?

## Appendix F: Open codes

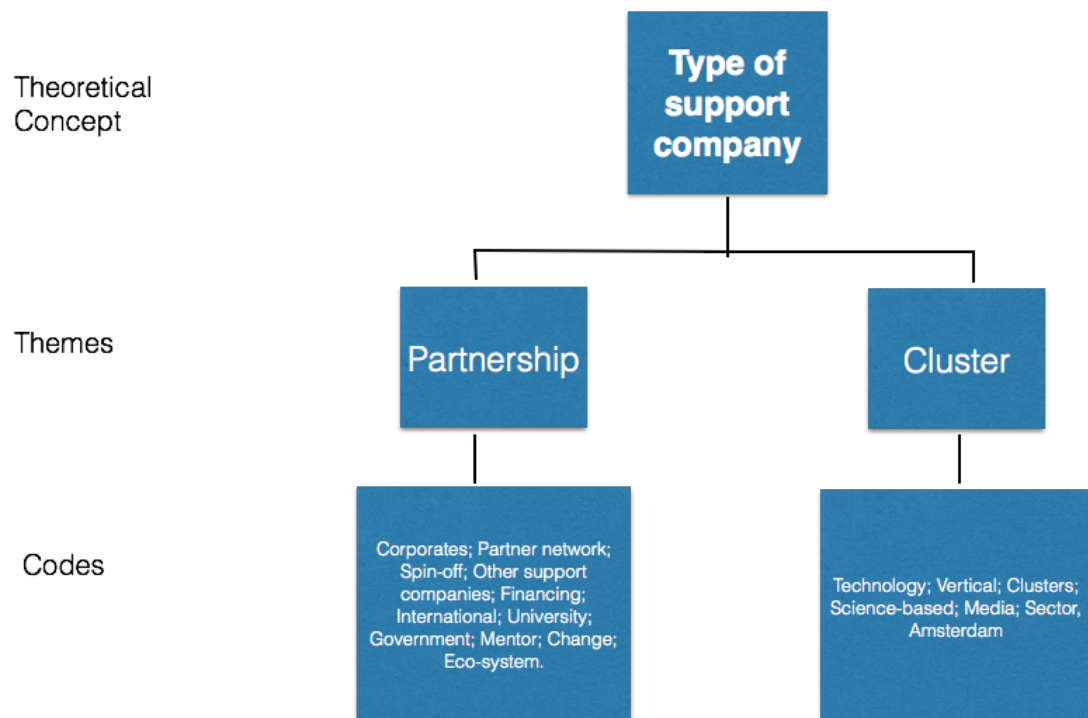
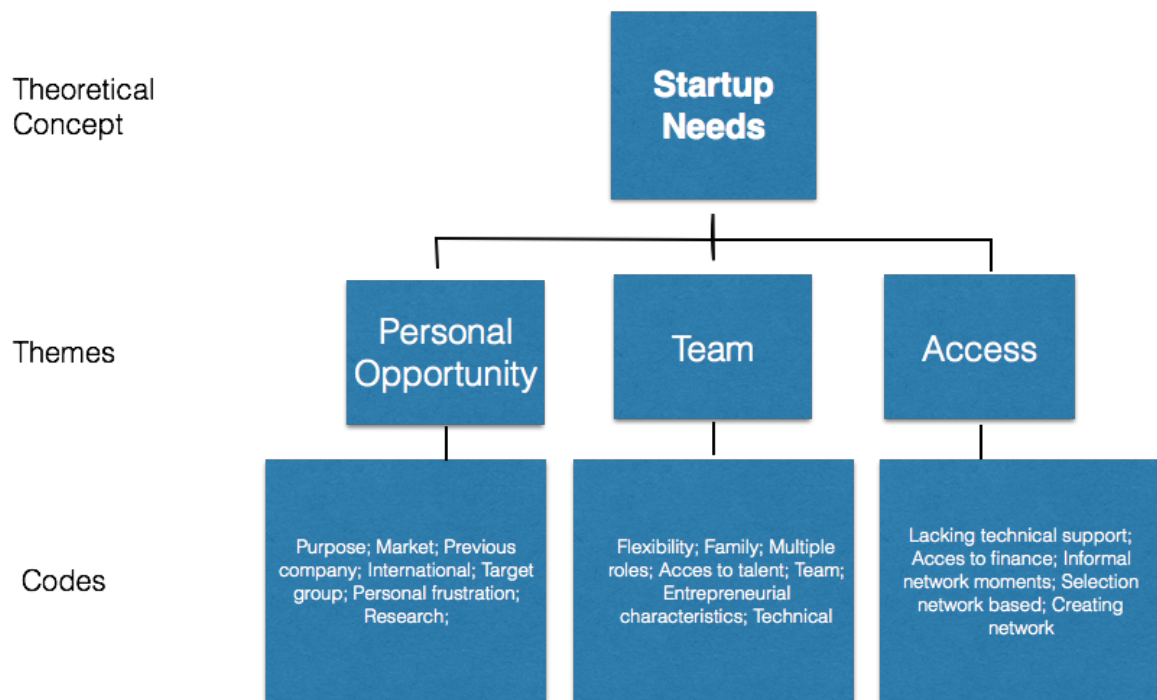
<b>Open codes</b>	<i>Frequency</i>
Acceleration	9
Accelerator race	2
Access to finance	8
Access to talent	5
Alumni	15
Amsterdam	16
Application closed community	1
Be flexible	3
Begin next company	6
Bootcamp program	1
Capital	5
Competition other peers	6
Change perspective	3
Change revenue	3
Change the system	2
Clusters	4
Demo-day deadline	8
Development	2
Ecosystem building	14
Educated	5
Entrepreneurial characteristics	13
European	2
Equity	2
Expand audience	1
Experience	7
Exit	2
Experienced Entrepreneur	5
Feedback other peers	2
Feedback customer	3
Finance to early	2
Financing support company	3

Fine-tuning on business plan	9
First 1000 days	1
Focus on team	19
Future vision	4
Go global	9
Ground level for entering	6
Graduation	11
Horizontal program	1
Hole in the market	6
Incubation	3
Informal network moments	3
International translation	1
Internal network	5
Investors	4
Lacking technical support	2
Launchpad	2
Lean method	8
Learn from corporations	4
Learning over money	1
Learning working balance	2
Like family	3
Make automatic	2
Maturing	3
Mentor-driven	12
Media	11
Market opportunity	8
Microsoft accelerator	1
Missing in support	2
Missing staged network moments	2
Multiple roles	11
Network peers	15
Next step	2
Partner network	10

Partnership government	2
Partnership international	5
Partnership other support companies	6
Pay with equity	6
Pay with money	4
Peer pressure	3
Personal development	2
Personal frustration	12
Pizza money	1
Portal	2
Pre-selection	5
Previous company	5
Previous experience	2
Prototyping	1
Purpose	6
Research	3
Reputation	6
Sales	1
Scalable problem	6
Scaling up	7
Science based startup	8
Scouting	2
Sector	5
Second accelerator	2
Seeking network	6
Support as practice	2
Select by portfolio	9
Selection criteria	3
Selection no niche	2
Selection period	2
Selection intense	11
Selection familiar with company	7
Small bets	1

Service as product	4
Shared facilities	4
Speed dating	11
Spin off	4
Startup bubble	3
Target group	3
Support facilities	6
Team mediation	10
Technology focus	10
Technical team	8
Unicorn	3
Verticals	3
Working hard	7
Workshop diversity	6

Appendix G: Themes





Theoretical  
Concept

### Design support process

Themes

#### Selection

#### Support

#### Alumni care

#### Lean method

Codes

Selection; Scouting; Scalable problems; No niche; Service; Mentor-driven; Unicorn; Portfolio; Missing in support;

Equity; Cash; Shared facilities; Selection; Entering; Bootcamp program; Missing in support; Horizontals; Portal; Incubation; Acceleration.

Alumni; Closed community; Network; Graduation; Future

Prototyping; Lean startup; Finance to early; Development; Maturing; Pre-selection.

Theoretical  
Concept

### Startups that receive support

Themes

#### Reputation

#### Network startups

#### Growth

Codes

Reputation; Experienced; Investors network; Partner network

Businessplan; Fundraising; Workshop; Demo-day; Balance; Practice; Learning curve; Experience; Mediation; Working hard; Facilities

Network peers; Missing staged network moments; Peer pressure; Sales; Informal; Internal; Speed dating; Automate; Global; Exit