

2015 SCALEit Survey Report

*Assessing the Value Created by
SCALEit's Incubator Program in
Silicon Valley*



SCALEit

September 2015

INNOVATION CENTRE DENMARK
SILICON VALLEY

2015 SCALEit Survey Report

Assessing the Value Created by SCALEit’s Incubator Program in Silicon Valley

Table of Contents

1 Introduction.....	3
2 Executive Summary and Survey Results	3
Section I: About SCALEit.....	3
Introduction	3
The Three SCALEit Programs	3
Section II: Research Objectives and Methodology	4
Section III: Respondent Profile and Context.....	4
Section IV: Impacts of the SCALEit Ignite One-Week Program on Respondents	5
A Broad Range of Positive Impacts Reported by Respondents.....	5
Company Growth	5
Job Creation.....	5
Introductions to Vital Contacts	6
Adjustments or Changes to Product and Business	6
Section V: Respondents’ Ratings of the Services Provided During the SCALEit Ignite One-Week Program.....	6
A High Level of Satisfaction	6
The Four Most Useful Services Provided.....	6
A Successful Matching of Needs Despite Different Company Growth Stages	6
Most Valued Service: “Networking and Accessing Silicon Valley’s Ecosystem”	7
Individual Feedback During Program Highly Rated	7
A key service: Capital Raise and Introductions to Potential Investors.....	7
Section VI: Respondents’ Recommendations on Strengthening the Three SCALEit Programs	7
SCALEit Inspire (Events in Denmark).....	7
SCALEit Ignite (the One-Week Program in Silicon Valley)	8
SCALEit Accelerate (the Three-Months Program).....	8
3 Profile of the Respondents.....	9
4 How Did the SCALEit Ignite One-Week Program Impact Respondents?.....	13
4.1 A Broad Range of Positive Impacts Reported by Respondents	13
4.2 Respondents Attributed Company Growth to SCALEit.....	13
4.3 Respondents Attributed Job Creation to SCALEit.	14
4.4 SCALEit Introduced Respondents to Vital Contacts.....	14
4.5 SCALEit Generated Respondents to Adjust or Change their Product and Business.....	15

4.6 SCALEit Served the Danish Entrepreneurial Ecosystem by Helping Respondents “Think Bigger” and Set Valuable Goals.....	15
5 How Did Respondents Rate the Services Provided During the SCALEit Ignite One-Week Program?	17
5.1 Respondents’ Expectations Were Met.....	17
5.2 Respondents Reported a High Level of Satisfaction with the Services Provided.....	18
5.3 Respondents Found that the Program Matched Companies in Different Growth Stages.....	19
5.4 Networking and Accessing Silicon Valley’s Ecosystem is the Most Valued Service.	20
5.5 Respondents Rated Individual Feedback During the Program Highly.....	21
5.6 Respondents Indicated that Capital Raise Including Introductions to Potential Investors Is a Key Service.	23
6 How Can we Strengthen the Inspire Program?	24
7 How Can we Strengthen the Ignite Program?	25
7.1 The Top Four Services to Expand On.....	25
7.2 More Individual Feedback and Meetings.....	25
7.3 More Preparation Before the Silicon Valley Trip and Better Follow-Up After Program Completion.....	25
7.4 A More Careful Selection of Program Participants.....	26
7.5 An Extension of the Length of the Program.....	26
8 How Can We Best Shape the Accelerate Program?	28
8.1 An Overwhelming Interest in the Accelerate Program.....	28
8.2 The Top Four Services to Expand On.....	29
9 Methodology Details	30
10 The Authors	31
11 Bibliography.....	32
12 Appendices	33
I Questionnaire	33
II Survey Data.....	33

2015 SCALEit Survey Report

Assessing the Value Created by SCALEit's Incubator Program in Silicon Valley

1. Introduction

After four years of operation, we have in our **2015 SCALEit Survey Report** conducted our own evaluation of our one-week incubator program in Silicon Valley, which helps Danish technology companies scale globally through Silicon Valley.

Our goal was to assess the value provided by the program and to get input on how to adjust our services to best support participants in the three SCALEit programs (SCALEit Inspire, SCALEit Ignite, and SCALEit Accelerate).

The report summarizes the results of our research. A big thank you to the respondents, who took time to answer our questions.

Søren Juul Jørgensen
Executive Director
Innovation Centre Denmark, Silicon Valley
sorjor@um.dk

2. Executive Summary and Survey Results

Section I: About SCALEit

Introduction

Silicon Valley is known as the world's foremost hotspot of technology, entrepreneurship, and innovation. For a small tech company, the Valley is "the place to be" to access role models, product feedback, funding, distribution, partnerships, advisors, and PR. But tapping into Silicon Valley as a young Danish company can seem daunting if not impossible: The physical distance, the nine-hour time zone difference, and the cultural challenges make it hard to forge the necessary connections to succeed.

Innovation Centre Denmark in Silicon Valley has in cooperation with Yggdrasil.me since 2011 run the incubator program SCALEit, which helps small Danish tech companies scale globally through Silicon Valley.

The Three SCALEit Programs

Danish companies can participate through three different steps:

SCALEit Inspire hosts events including one-day workshops around Denmark, where they inform companies about why and how they can benefit from Silicon Valley. At these events, they

also market the SCALEit Ignite incubator program in Silicon Valley.

SCALEit Ignite is a one-week incubator program targeted early stage tech companies with a potential for global scale. The program immerses participants into the Silicon Valley ecosystem. During an intense program in Silicon Valley, the companies learn to present themselves the Silicon Valley way (to pitch), get feedback on their pitches and business ideas, and take part in different network activities. The participants meet with local service providers, successful entrepreneurs, startups, and other important players such as lawyers, investors, banks, and universities.

SCALEit Accelerator is a twelve-week program aimed at launching later stage companies globally through Silicon Valley. Participants travel three times to Silicon Valley for two weeks at a time. Due to a lack of funding, the program has been carried out only once in 2012. As part of the program, the participants are hooked up with an external mentor and participate in workshops and events. Participants get feedback from local entrepreneurs, advisors, and investors and are introduced to minimum two domain experts from the company's industry.

Section II: Research Objectives and Methodology

After four years of operation, we decided to conduct our own evaluation of our one-week incubator program in Silicon Valley.

Our two key research objectives were to:

→ Assess the value created by the SCALEit one-week program in Silicon Valley.

→ Get input on how to adjust our services to best support participants in the three SCALEit programs (SCALEit Inspire, SCALEit Ignite, and SCALEit Accelerate).

The survey was completed online by 47 companies of which 45 responses were valid, yielding a 57% effective response rate out of the 83 companies that to date have participated in the SCALEit Ignite one-week program in Silicon Valley.

The survey instrument comprised 44 questions covering the following six broad topic areas: 1) segmentation, 2) company growth, 3) funding sought and raised, 4) evaluation of services delivered during the Ignite program, 5) impacts of SCALEit, and 6) expansion of the SCALEit programs.

To assess the value that respondents received from the SCALEit Ignite program, we requested our respondents to 1) share SCALEit's direct impacts on the companies, 2) evaluate the services delivered, and 3) suggest which services SCALEit should focus on. In open-ended questions and answers, respondents were also requested to elaborate on the program's strengths, weaknesses, and impacts.

Section III: Respondent Profile and Context

Danish companies travel to Silicon Valley to seek knowledge and inspiration and to get feedback on their product and business model. In order for startups to get immersed into the Silicon Valley ecosystem, the right network of advisors, partners (distribution and exit possibilities), investors, customers, and other experienced entrepreneurs is key.

Respondents indicated the following **four top reasons** for joining SCALEit:

1. **Networking** and **accessing Silicon Valley's** ecosystem.
2. **Scaling their business** to the US market or building a global business.
3. Learning about **business etiquette** and participating in **pitch training** skills and events.
4. Getting **feedback** on their product or business idea.

Respondents participated in the SCALEit one-week program in Silicon Valley between 2011 and 2015, and at time of answering the survey respondents' participation thus ranged from six months to four years ago.

Our respondents were a set of young companies founded between 2001 and 2015.

At time of their participation in SCALEit, the companies were typically based in the Capital Region of Denmark (69%), had **one to five employees** (64%), and were in the **launch or early stage** (53%).

At time of answering the survey, the majority (47%) identified to be in the **early growth stage**, and more than 50% of the respondents thus perceived to have progressed in growth status since participating in SCALEit (ranging from six months to four years after program completion). 51% had **sought funding** before SCALEit, and 73% had sought funding after SCALEit. Nearly 66% of the respondents who had sought founding after SCALEit had **succeeded in raising funding**.

Section IV: Impacts of the SCALEit Ignite One-Week Program on Respondents A Broad Range of Positive Impacts Reported by Respondents

Respondents credited the SCALEit Ignite Program for a **range of positive impacts** regarding company growth, job creation, introductions to vital contacts, and adjustment or changes to their business. This is a strong impact considering that the program runs for only a week, and that respondents in the survey requested more preparation prior to the program and more follow-up after program completion.

Company Growth

In relation to **company growth**, respondents reported:

→Almost 27% said that SCALEit significantly **helped grow the company to the next level** (concept to pilot, pilot to post-revenue, post-revenue to growth).

→Almost 18% **grew their client base** as a result of SCALEit.

→Around 22% decided to **branch out to the US or expand globally** as a result of SCALEit.

→11% decided to **open an American subsidiary** as a result of SCALEit.

Job Creation

The majority of respondents attributed job creation to SCALEit.

→58% **attributed an increase in number of employees** to the company's participation in SCALEit.

→Together the 45 companies had created **between 206 and 350 jobs in Denmark**, since they participated in SCALEit.

Introductions to Vital Contacts

In relation to **introductions to vital contacts**, respondents shared:

→More than 44% said that SCALEit introduced them to **vital contacts e.g. key partners, customers, or investors**.

→31% revealed that SCALEit introduced them to their **investors either directly or indirectly**.

Adjustments or Changes to Product and Business

Regarding **adjustments or changes to their business**, respondents reported:

→Almost 67% changed or adjusted their **business model or business strategy** as a result of SCALEit.

→Around 42% changed or adjusted their **product** as a result of SCALEit.

→Roughly 18% changed or adjusted their **core client profile or strategy** as a result of SCALEit.

In their open-ended answers, respondents highlighted that SCALEit helped them set valuable goals for the company and provided them with the tools that made them believe they could make it outside of Denmark.

Section V: Respondents' Ratings of the Services Provided During the SCALEit Ignite One-Week Program

The respondents were asked to rate their satisfaction with the services within a range from "no strongly disagree" to "yes strongly agree." Also, the respondents were requested in their own words to explain why they would or wouldn't recommend other companies to participate in the program, to pinpoint the program's strengths and weaknesses, and to share recommendations on how to strengthen the program.

A High Level of Satisfaction

Overall, the survey results revealed a high level of satisfaction with the services delivered. Also, the program participants seemed to have had realistic expectations, which is indicated by a clear overlap between the services the respondents were most interested in receiving prior to program participation and the services they found most useful after program completion.

→87% of the respondents strongly agreed and agreed that the **program exceeded their expectations**.

The Four Most Useful Services Provided

Respondents rated the four most useful services provided:

1. **Networking** and **accessing Silicon Valley's ecosystem**.
2. **Business etiquette** and **pitch training** skills and events.
3. **Feedback** on my product or business idea.
4. Access to **mentors and entrepreneurs**.

A Successful Matching of Needs Despite Different Company Growth Stages

The collected data revealed that the companies were in different growth stages, when they participated in SCALEit. Despite of this, respondents reported that the program matched the company's development phase and that they would recommend the program to companies in

different growth stages.

→86% of respondents agreed and strongly agreed that the program **matched the company's development phase**.

→More than 64% would recommend SCALEit to startup companies **seeking to raise capital**.

→Almost 58% would **recommend** SCALEit to **pre-revenue companies**.

→More than 55% would **recommend** SCALEit to **post-revenue and growth companies**.

Most Valued Service: “Networking and Accessing Silicon Valley’s Ecosystem”

Respondents identified “networking and accessing Silicon Valley’s ecosystem” as their main reason for participating and the most useful service provided. In their open-ended answers, respondents emphasized that they would recommend SCALEit to others because SCALEit facilitates accessing Silicon Valley in “an easy way.”

→60% agreed and strongly agreed that the program **sped up their immersion into the Silicon Valley ecosystem**.

Individual Feedback During Program Highly Rated

Respondents expressed overall great satisfaction with the feedback they got during the program.

→96% of the respondents agreed and strongly agreed that they received **satisfactory feedback** during the program.

→68% agreed and strongly agreed that they got **high-quality mentorship**.

→82% agreed and strongly agreed that they acquired **valuable feedback on their product or business idea**.

→71% agreed and strongly agreed that they got **valuable input on business model or business strategy planning support and development**.

A Key Service: Capital Raise and Introductions to Potential Investors

Overall — based on reported impacts and ratings — the survey results revealed that “capital raise along with introductions to potential investors” is a key service.

→Almost 38% listed “access to the venture capital environment in Silicon Valley” as one of their (up to five) **main reasons for participating** in SCALEit.

→96% agreed and strongly agreed that they achieved a **better understanding** of the venture capital environment in Silicon Valley through SCALEit.

→More than 64% **would recommend SCALEit** to companies seeking to raise capital.

→31% of the respondents reported that SCALEit had **introduced them to their investors directly or indirectly**.

Section VI: Respondents’ Recommendations on Strengthening the Three SCALEit Programs

SCALEit Inspire (Events in Denmark)

Respondents recommended **better branding** of SCALEit.

SCALEit Ignite (the One-Week Program in Silicon Valley)

The Top Four Services to Expand On

The top four services that respondents recommended to expand on were:

1. **Pitch training in Denmark** before the SCALEit Silicon Valley trip.
2. **One-on-one feedback** on business model or business strategy planning support and development.
3. **Introductions** to key partners, customers, or investors.
4. **One-on-one focus** on contact to strategic partners within sales, marketing, or distribution support.

More Individual Feedback and Meetings

In the open-ended answers, respondents suggested more individual meetings and feedback.

More Preparation Before the Silicon Valley Trip and Better Follow-Up After Program Completion

Both the survey data and the respondents' open-ended answers highlighted that the program should **expand on preparing participants before** the Silicon Valley trip.

→Almost 67% selected **pitch training in Denmark** before the SCALEit Silicon Valley trip.

→More than 51% selected **earlier information** about program content, expectations of participants, and fellow participants.

Some of the respondents' open-ended answers also pointed to **strengthening the follow-up phase** after program completion.

A More Careful Selection of Program Participants

In the survey, 85% agreed and strongly agreed that they had **valued the peer learning** between program participants. But in their open-ended responses, respondents suggested a **stricter selection process of program participants** focusing on readiness. Respondents emphasized that a stricter entry process to the program would strengthen both the value exchange and the peer alumni network.

A few respondents emphasized “**industry fit**” as a criteria when grouping companies.

An Extension of the Length of the Program

Some respondents advocated for extending the length of the program or facilitating a longer stay.

SCALEit Accelerate (the Three-Months Program)

The survey results supported **relaunching** the program.

→An overwhelming 82% of the respondents would consider participating in a program targeted later stage companies run by SCALEit.

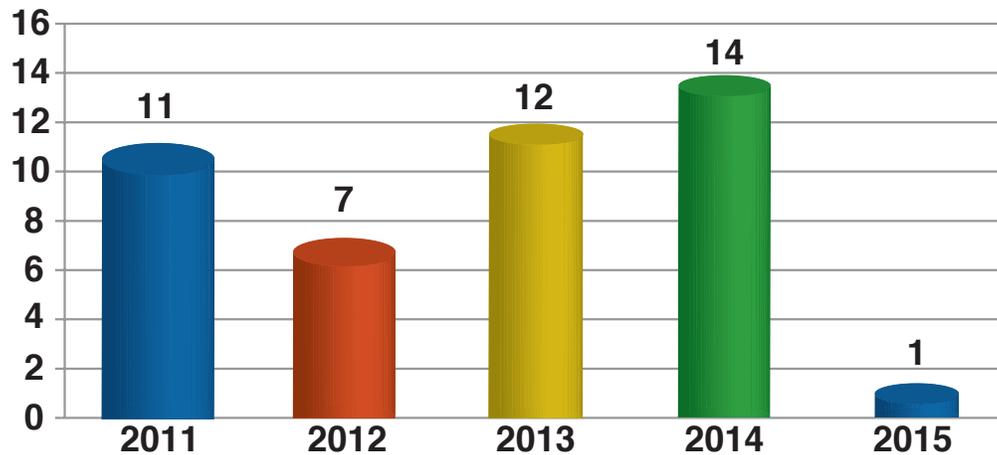
→78% would recommend other companies to participate in a program targeted later stage companies.

The **top four services** that respondents recommended to focus on were:

1. **Introductions** to key partners, customers, or investors.
2. **Mentors.**
3. **Capital raise support**, preparation for investor process, or introductions to potential investors.
4. **Sales, marketing, and distribution** support.

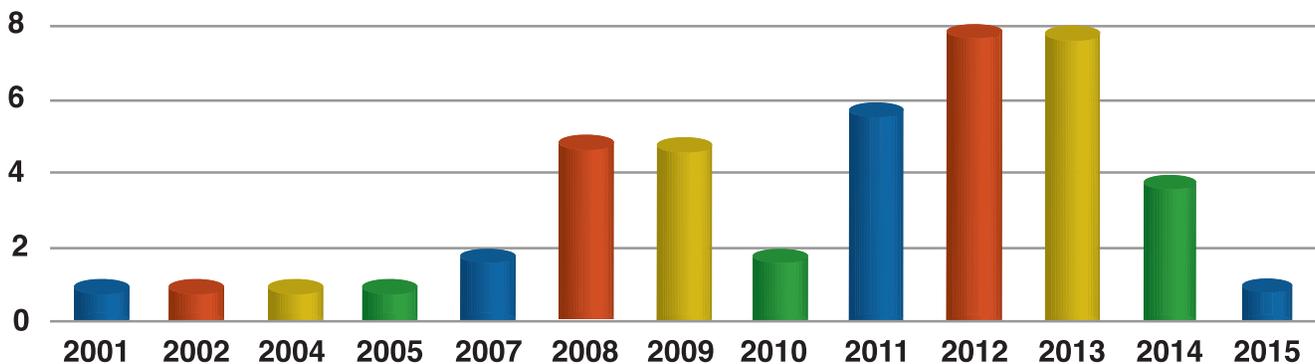
3 Profile of the Respondents

Year of Participation



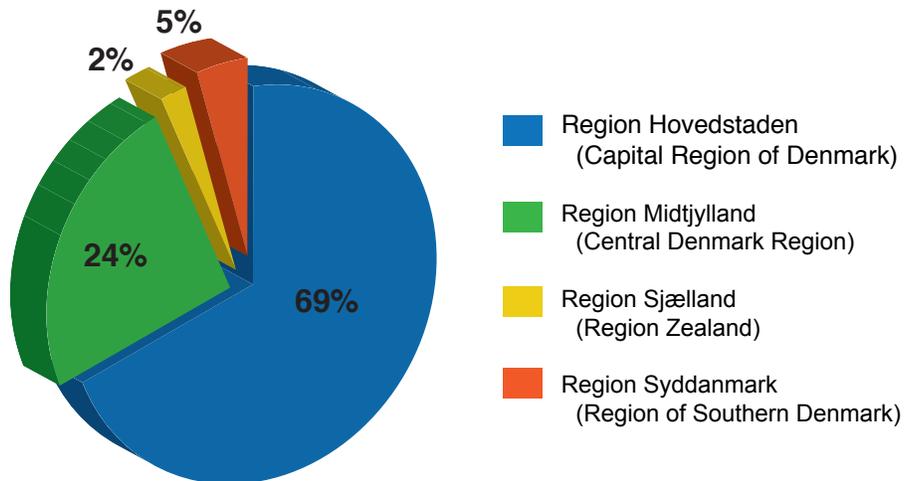
→The respondents participated in SCALEit between 2011 and 2015. At time of answering the survey, respondents' participation thus ranged from six months to four years ago.

Year of Funding



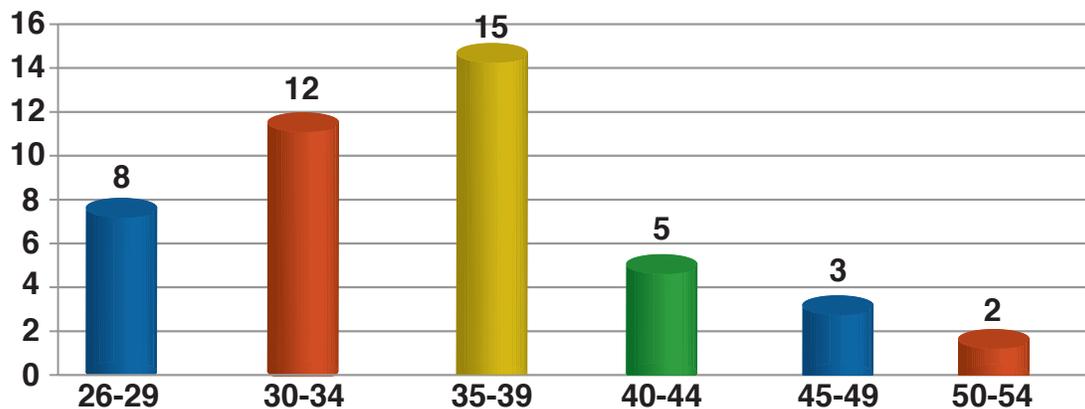
→The companies were founded between 2001 and 2015.

Geographic Location



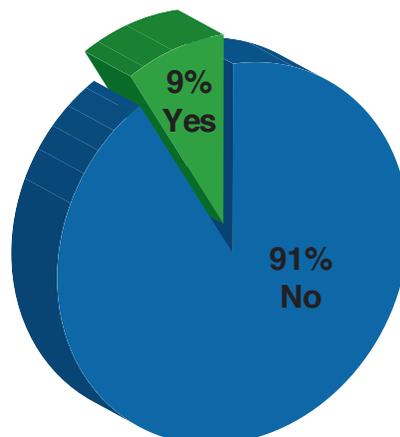
→ The majority of respondents (69%) were at time of participating in SCALEit based in the Capital Region of Denmark.

Age



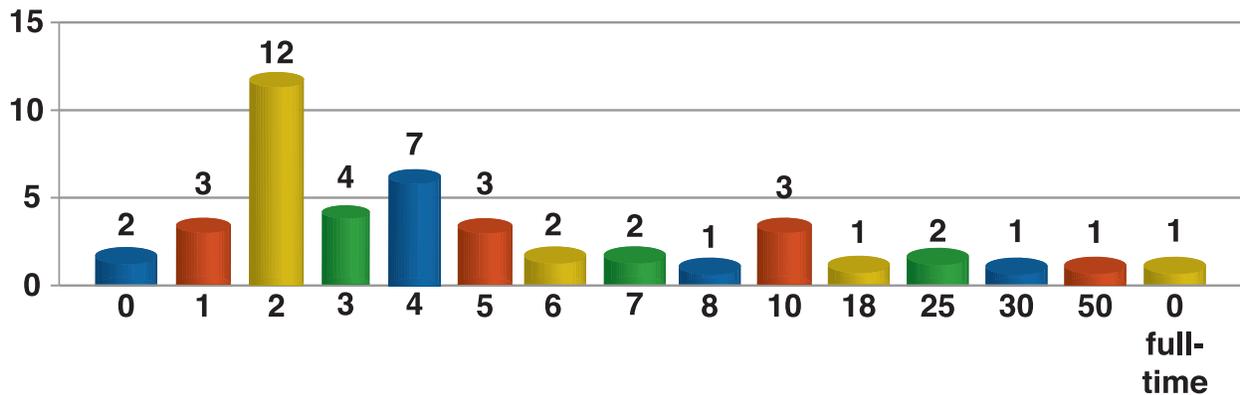
→ 60% of the respondents were between 30 and 39 years old, when they participated in SCALEit.

Is the company a spin-out from a university?



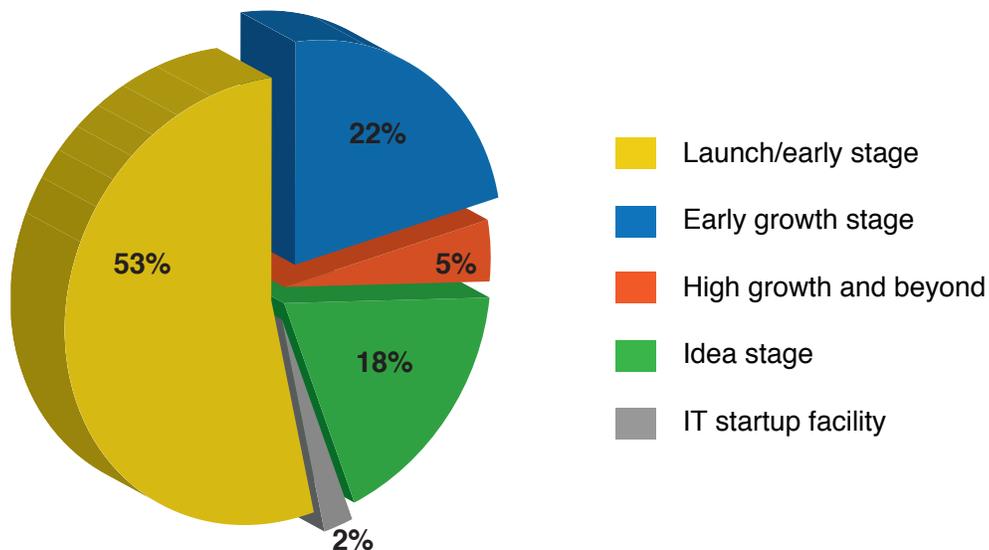
→Four companies were university spin-outs (they had a license agreement with a university or were co-founded by a university or founded by a graduate or faculty member).

Number of employees the year the company participated



→64% had one to five employees, when they participated in SCALEit.

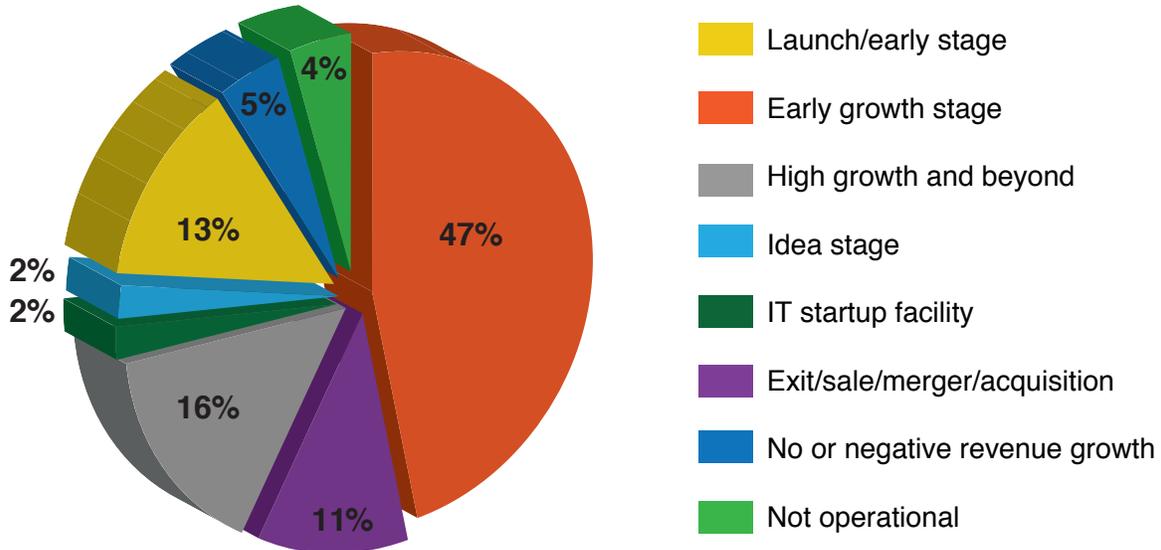
Stage of company at time of participation



→At time of participating in SCALEit, 53% were in the launch or early stage.

→At time of completing the survey, the majority (47%) identified to be in the early growth stage. Despite the fact that participation ranged from six months to four years ago, more than 50% of the respondents thus perceived to have progressed in growth status since participating in SCALEit.

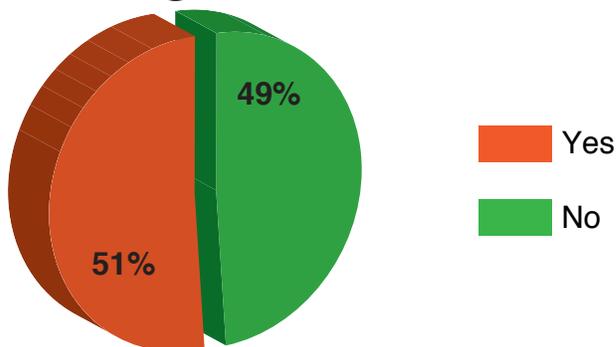
Current Stage of Company



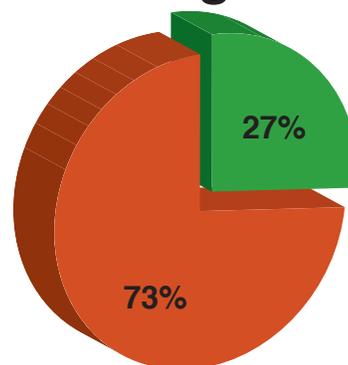
→Two respondents — who indicated that the company no longer existed or that they were no longer connected to the company — reported that they were founder or co-founder of a new company or investor in or employed at another company.

→Five respondents revealed that the current stage of the company was exit, sale, merger, or acquisition.

I was seeking funding before



I have been seeking funding after



→51% had sought funding before SCALEit, and 73% had sought funding after SCALEit. Nearly 66% of the respondents, who had sought founding after SCALEit, had succeeded in raising funding.

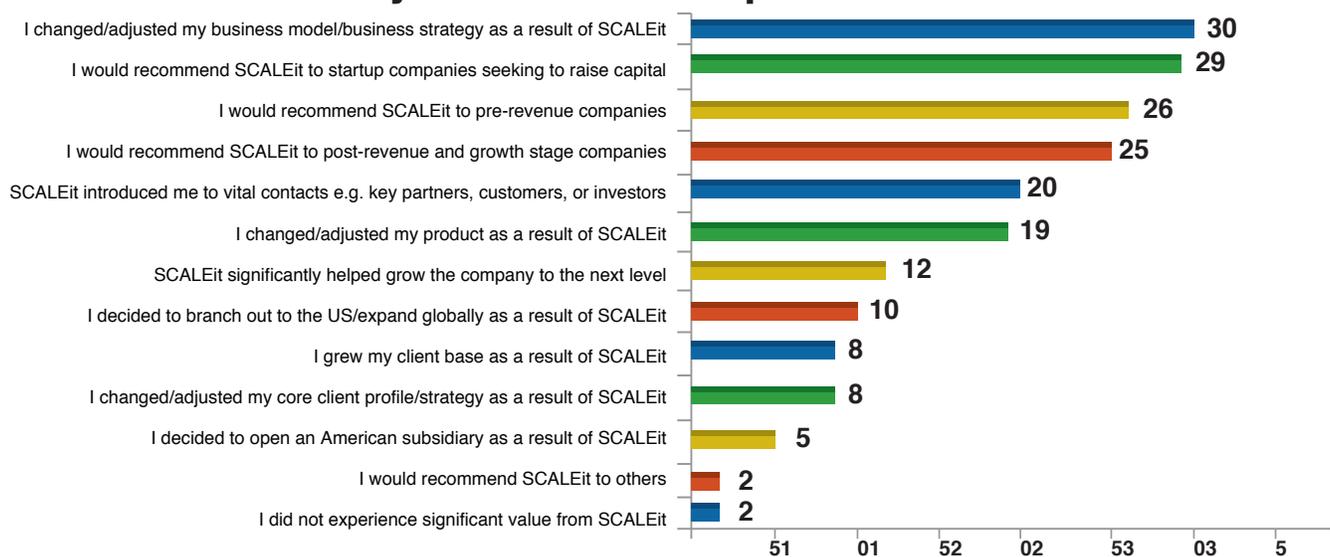
4 How Did the SCALEit Ignite One-Week Program Impact Respondents?

4.1 A Broad Range of Positive Impacts Reported by Respondents

Respondents credited the SCALEit Ignite Program for a range of positive impacts regarding company growth, job creation, introductions to vital contacts, and adjustment or changes to their business. This is a strong impact considering that the program runs for only a week, and that respondents in the survey requested more preparation prior to the program and more follow-up.

Only two out of the 45 respondents reported that they didn't experience significant value from SCALEit, and only two respondents would not recommend SCALEit to others.

Mark all the boxes that reflect the effects of your SCALEit experience:



4.2 Respondents Attributed Company Growth to SCALEit.

Respondents gave credit to SCALEit for company growth on many levels.

→Almost 27% reported that SCALEit significantly **helped grow the company to the next level** (concept to pilot, pilot to post-revenue, post-revenue to growth).

→Almost 18% reported that they **grew their client base** as a result of SCALEit.

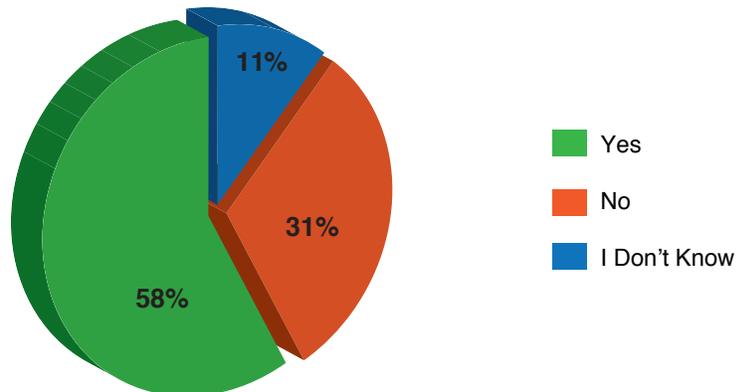
→Around 22% decided to **branch out to the US or expand globally** as a result of SCALEit.

→More than 11% decided to **open an American subsidiary** as a result of SCALEit.

"It helped us on pitching our product and indirectly helped raise funding."

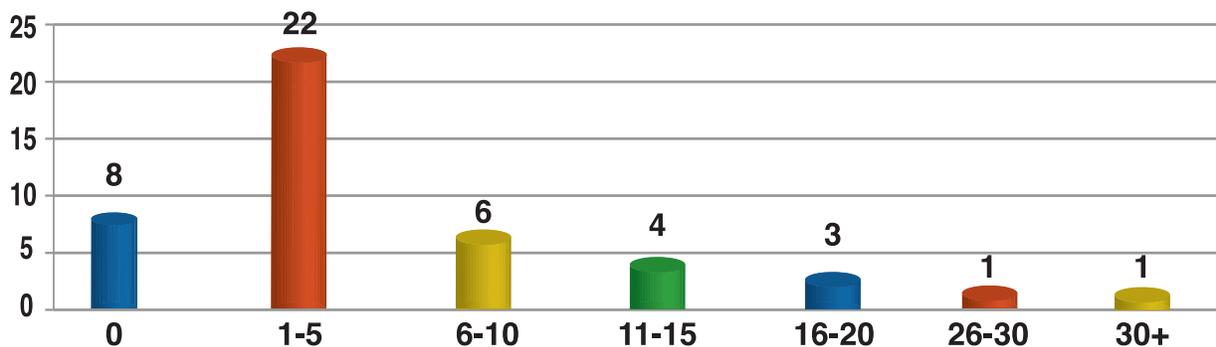
4.3 Respondents Attributed Job Creation to SCALEit.

Do you attribute any increase in number of employees to the company's participation



The majority of respondents attributed SCALEit for creating jobs in Denmark:
→ **58% attributed an increase in number of employees** to the company's participation in SCALEit.

Number of jobs created in Denmark after the company's participation



→ Together the 45 companies had created **between 206 and 350 jobs in Denmark** since their participation in SCALEit. We calculated this number based on the intervals in the above bar chart by adding the lowest numbers (206) and the highest numbers (350).
→ The majority (45%) had created one to five jobs in Denmark, since they participated in SCALEit.

4.4 SCALEit Introduced Respondents to Vital Contacts.

In order for startups to get immersed into the Silicon Valley ecosystem, the right network of advisors, partners (distribution and exit possibilities), investors, customers, and other experienced entrepreneurs is key.

→ More than 44% said that SCALEit introduced them to **vital contacts e.g. key partners, customers, or investors**.

→31% replied that SCALEit introduced them to their **investors either directly or indirectly**.
“It gave us good contacts in the US and made it easier for us to relocate eventually.”

“We have employed our global VP of sales and now board member through the mentor network of SCALEit. He has been a very valuable asset!”

4.5 SCALEit Generated Respondents to Adjust or Change their Product and Business.

Danish companies travel to Silicon Valley to seek knowledge and inspiration and to get feedback. Respondents reported to have changed or adjusted: their business model and business strategy, their product, and their core client profile or strategy.

→Almost 67% changed or adjusted their **business model or business strategy** as a result of SCALEit.

→Around 42% changed or adjusted their **product** as a result of SCALEit.

→Roughly 18% changed or adjusted their **core client profile or strategy** as a result of SCALEit.

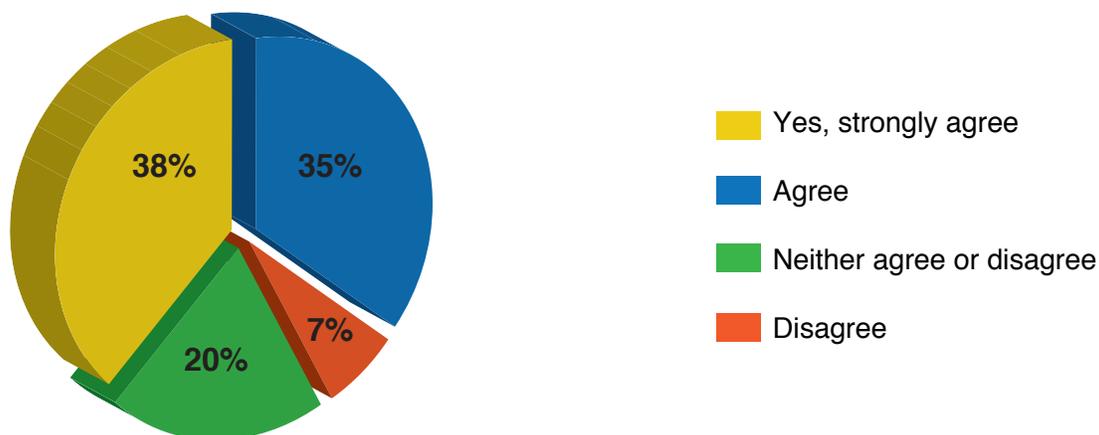
“SCALEit helped move emphasis to my customers, my business model, and my market. Before SCALEit, I was predominantly focusing on the product.”

“We experienced that our initial product needed to be more focused. This was the feedback we got from multiple pitch sessions and elevator pitches.”

“We needed some outside feedback on our very early product and got a lot of (harsh) criticism, which was justified.”

4.6 SCALEit Served the Danish Entrepreneurial Ecosystem by Helping Respondents “Think Bigger” and Set Valuable Goals.

Did the program motivate you to set valuable goals (short term or long term) for the company?



→73% of the respondents strongly agreed and agreed that the program **motivated them to**

set valuable goals (short term or long term) for the company.

“SCALEit was a bit like a wakeup call for us — it helped us realize our potential.”

“Very positive. It also made me clear about taking a decision about the exit.”

In the open-ended answers, the majority of the respondents expressed how SCALEit had promoted the companies to **think “bigger” and believe they could make it outside of Denmark.**

“As mentioned, it’s not only the actual business idea that benefits from the program, but also the individual participant personally. It contributes to raising the quality of the entrepreneurs in the Danish ecosystem.” [Translated from Danish to English]

“I believe SCALEit has had a great indirect impact on the Danish startup environment as it is now “allowed” to create a startup, go looking for funding, having big ambitions etc.”

”YES! In our opinion SCALEit is the perfect program to ignite a larger vision for an early stage growth company. Before SCALEit, we were unsure of our exact vision, value, and potential. By introducing us to the Valley ecosystem (pitch training, events, venture capitalists, potential US customers, and growth stage entrepreneurs), we were forced to zoom in on our core value drivers and we got the inspiration we needed to think bigger. There is no doubt that SCALEit played an important role in the success we have today.”

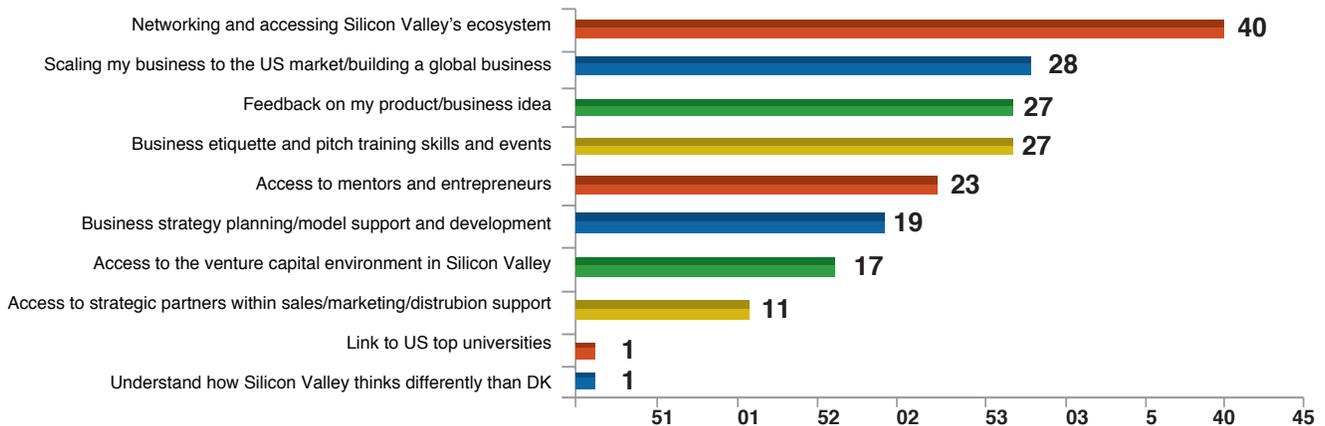
“Yes. SCALEit inspired us to have a global mindset from the beginning, and we now have the majority of our revenues as export to the US. The connections and mentors were inspiring, and we connected with several key customers while at SCALEit.”

5 How Did Respondents Rate the Services Provided During the SCALEit Ignite One-Week Program?

5.1 Respondents' Expectations Were Met.

There was a clear overlap between the services the respondents were most interested in receiving prior to program participation and the services they found most useful after program completion. This suggests that participants had realistic expectations and an understanding of what to expect.

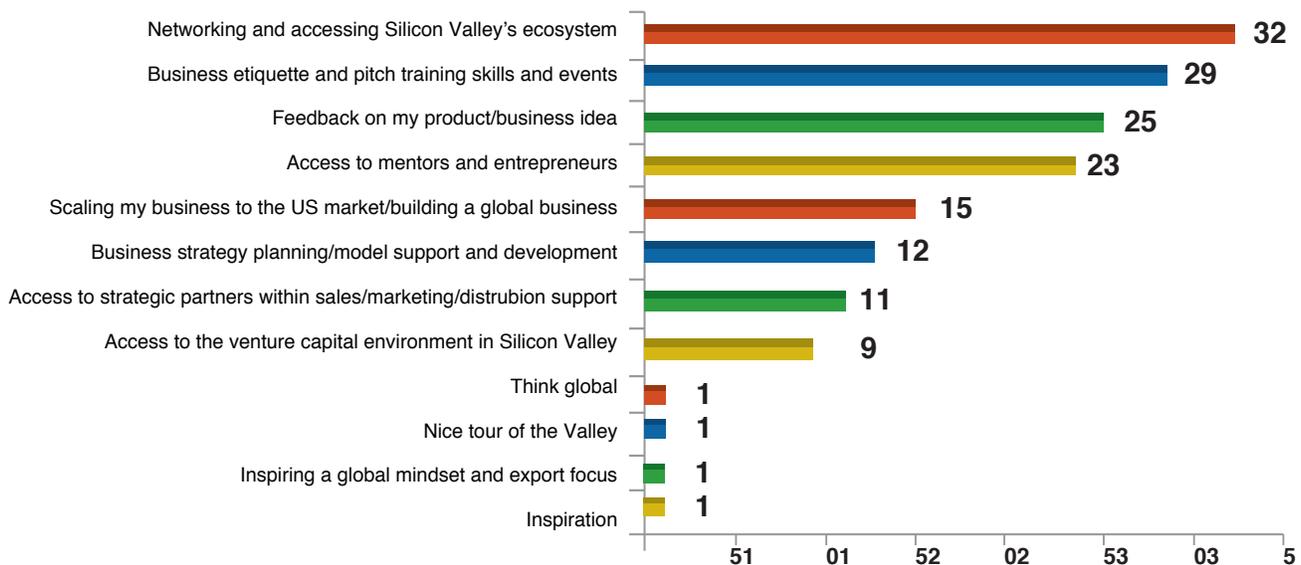
Select the main reasons for your participation



Respondents indicated the following four **top reasons for joining SCALEit**:

1. **Networking and accessing Silicon Valley's ecosystem.**
2. **Scaling their business** to the US market or building a global business.
3. Learning about **business etiquette** and participating in **pitch training** skills and events.
4. Getting **feedback** on their product or business idea.

Select the most useful services provided



Respondents selected the following **four most useful services provided**:

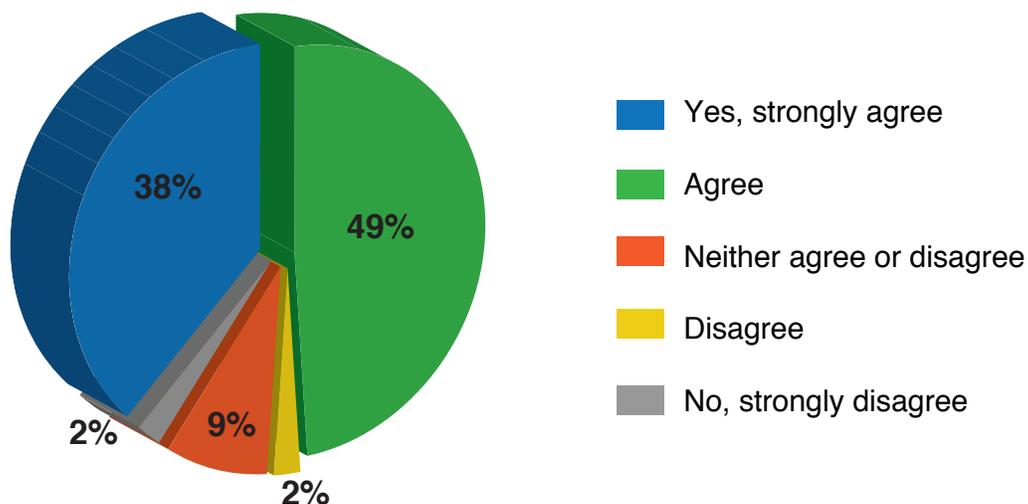
1. **Networking** and **accessing Silicon Valley's ecosystem**.
2. **Business etiquette** and **pitch training** skills and events.
3. **Feedback** on my product or business idea.
4. Access to **mentors and entrepreneurs**.

5.2 Respondents Reported a High Level of Satisfaction with the Services Provided.

The respondents were asked to rate their satisfaction with the services within a range from "no strongly disagree" to "yes strongly agree." Also, the respondents were requested in their own words to explain why they would or wouldn't recommend other companies to participate in the program, to pinpoint the program's strengths and weaknesses, and to share recommendations on how to strengthen the program.

Overall, the survey results revealed a high level of satisfaction with the services delivered.

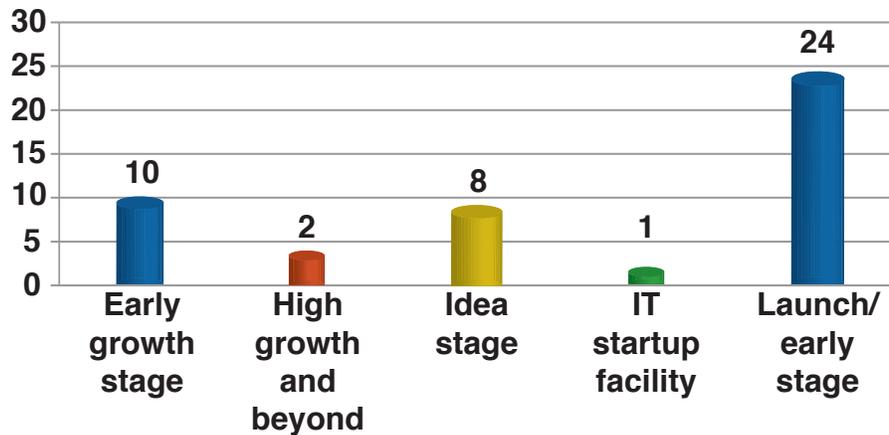
Did the program exceed your expectations?



→87% of the respondents strongly agreed and agreed that the **program exceeded their expectations**.

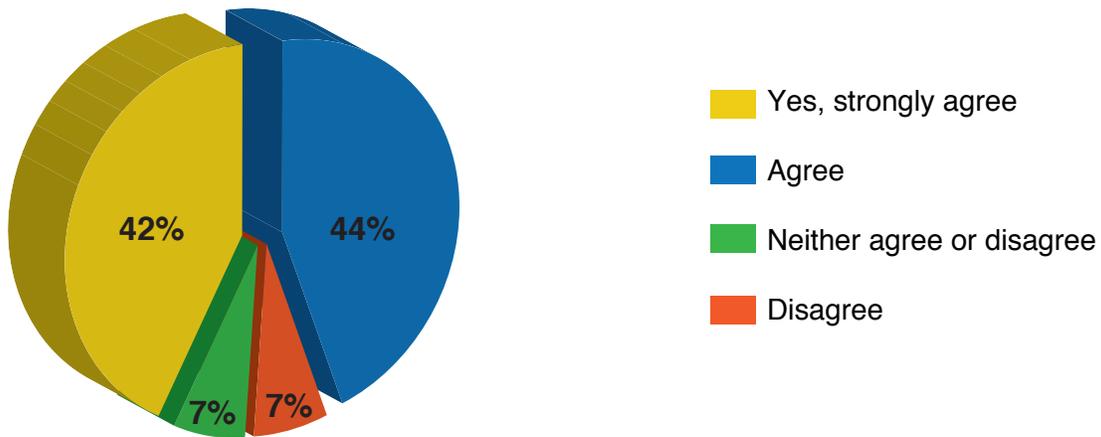
5.3 Respondents Found that the Program Matched Companies in Different Growth Stages.

Stage of company at time of participation



The collected data showed that the companies were in different growth stages, when they participated in SCALEit. Despite of this, the majority of respondents found that the program matched the company’s development phase and reported that they would recommend the program to companies in different growth stages.

Did the program’s services match the company’s development phase?



→86% of respondents agreed and strongly agreed that the program **matched the company’s development phase**.

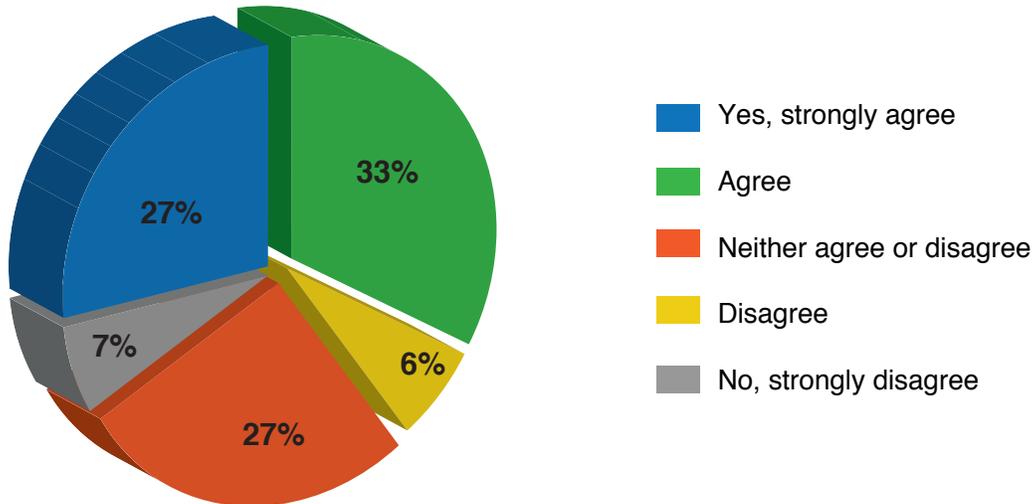
→More than 64% would recommend SCALEit to startup **companies seeking to raise capital**.

→Almost 58% would recommend SCALEit to **pre-revenue companies**.

→More than 55% would recommend SCALEit to **post-revenue and growth companies**.

5.4 Networking and Accessing Silicon Valley’s Ecosystem is the Most Valued Service. Respondents identified “networking and accessing Silicon Valley’s ecosystem” as their main reason for participating and the most useful service provided.

Did the program speed up your immersion into the Silicon Valley Ecosystem?



→60% agreed and strongly agreed that the program sped up their immersion into the Silicon Valley ecosystem.

In the open-ended answers, respondents emphasized that they would recommend SCALEit to others because SCALEit facilitates accessing Silicon Valley in “an easy way.”

“Before it felt impossible to ever enter the US market. SCALEit made it more manageable and realistic.”

“The trip gave us a whole new understanding of the perspectives we were facing and how a true entrepreneurship ecosystem could work. This knowledge and insight have been very valuable in determining the direction of our company and how and where to raise money.”

“Very inspiring and a very strong network between other entrepreneurs, Silicon Valley, and Innovation Centre Denmark.”

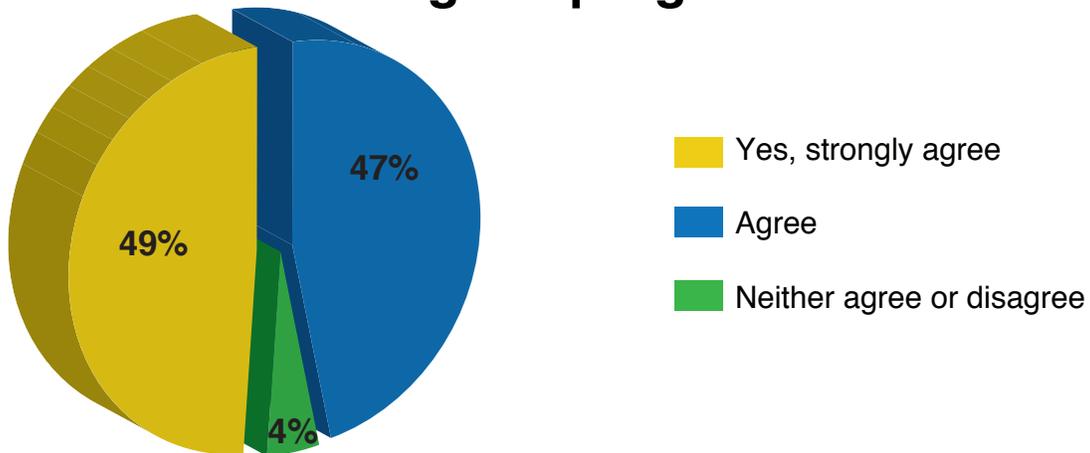
“If you believe you are building something scalable, you need to test the idea on other markets than the Danish. And well, the Valley is one of the most important places for startups, so testing your idea there makes a lot of sense. SCALEit is as far as I know the only way to tap into that ecosystem from Denmark without having to spend months in the US.”

5.5 Respondents Rated Individual Feedback During the Program Highly.

Companies travel to Silicon Valley to access experienced role models, who can inspire and guide them through their early growth stage. During the one-week program in Silicon Valley, participants meet with successful entrepreneurs, service providers, and investors.

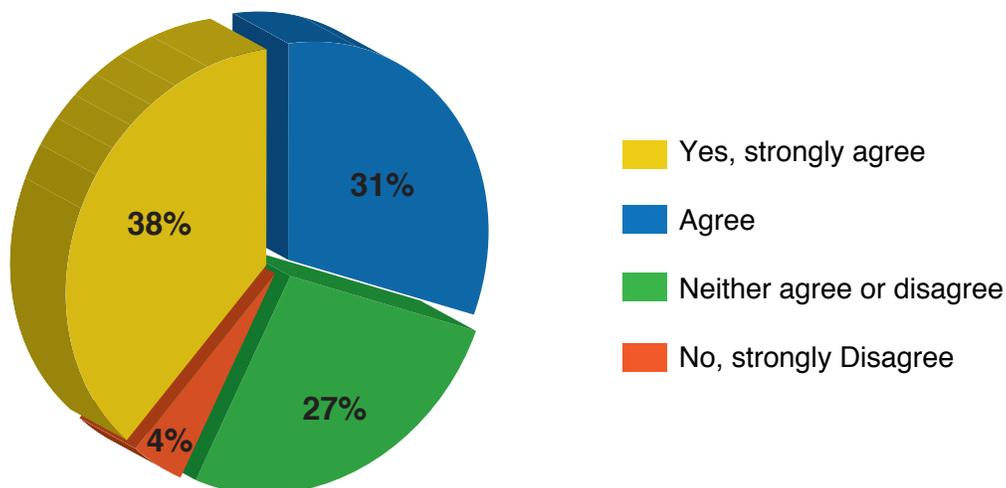
Respondents expressed overall great satisfaction with the feedback they got during the program.

Did you get satisfactory feedback during the program?



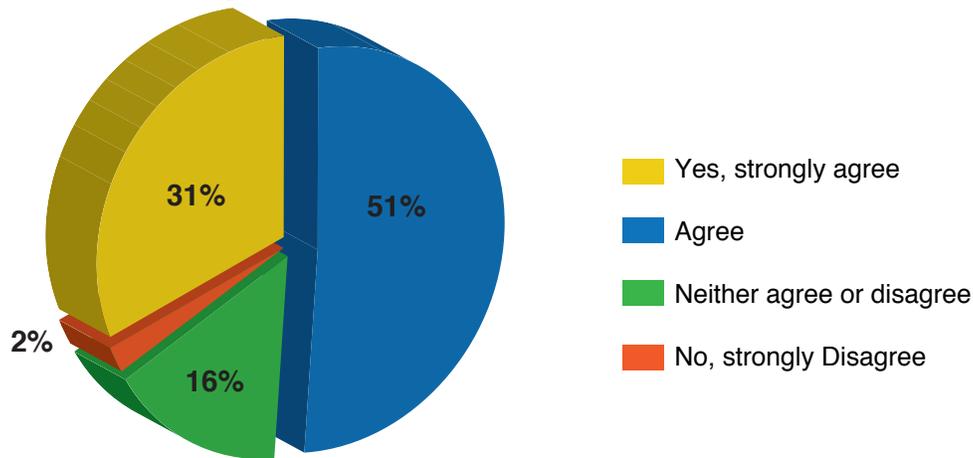
→96% of the respondents agreed and strongly agreed that they received **satisfactory feedback** during the program.

Did you get high-quality mentorship?



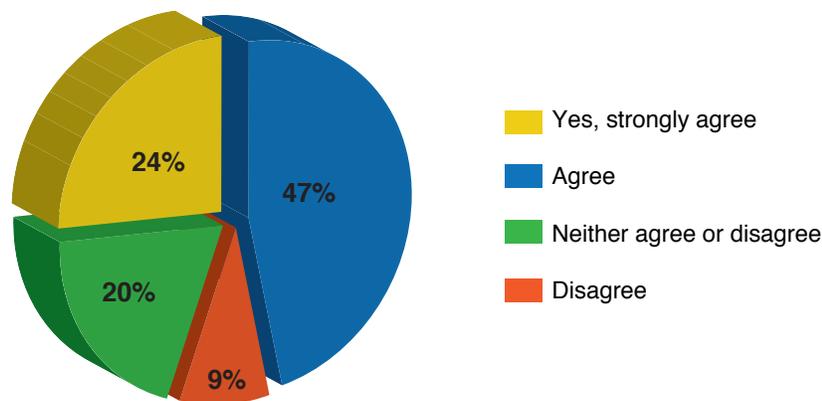
→68% agreed and strongly agreed that they got **high-quality mentorship**.

Did you get valuable feedback on your product/business idea?



→82% agreed and strongly agreed that they acquired **valuable feedback on their product or business idea**.

Did you get valuable input on business model/business strategy planning support and development?



→71% agreed and strongly agreed that they got **valuable input on business model or business strategy planning support and development**.

“It’s a great opportunity to take stock of what you’re doing, get loads of fresh eyes and feedback, and use it as an opportunity to challenge your assumptions and goals.”

“Yes very much. The program has been very valuable in validating our idea as well as giving us input on execution, venture, and scaling globally.”

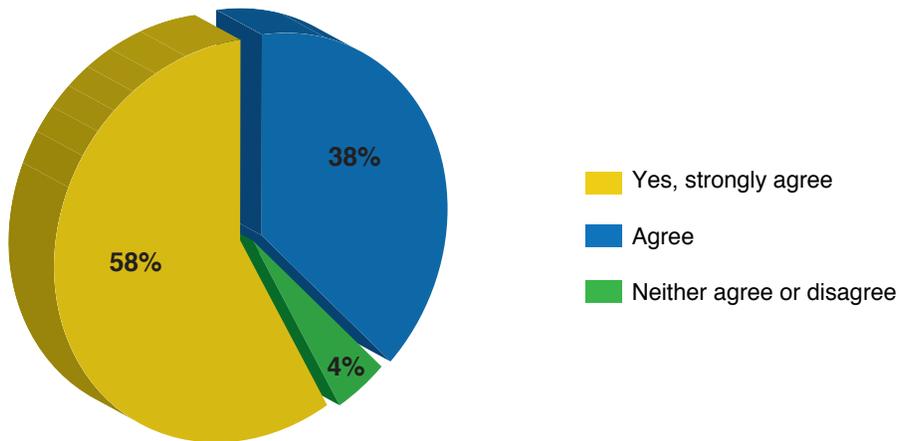
“Participate for the pitch training. We have especially valued the pitch training part of the program, this made us better at pitching a sharp message and without doubt helped us raise funding later.”

5.6 Respondents Indicated that Capital Raise Including Introductions to Potential Investors Is a Key Service.

Overall — based on reported impacts and ratings — the survey results revealed that “capital raise along with introductions to potential investors” is a key service.

→Almost 38% listed “access to the venture capital environment in Silicon Valley” as one of their (up to five) **main reasons for participating** in SCALEit.

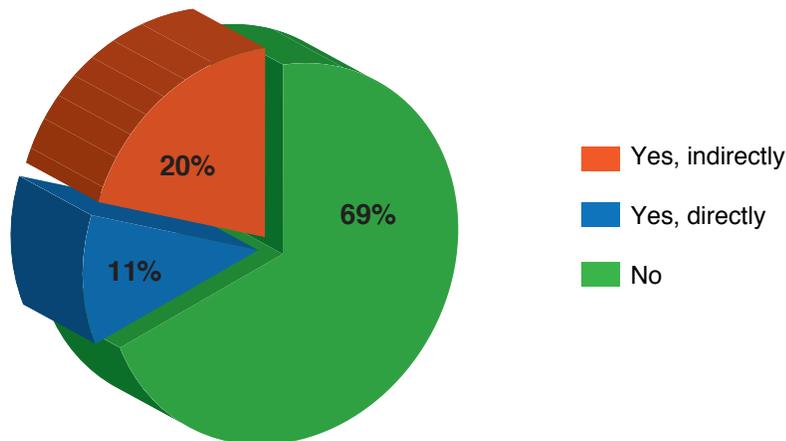
Did you achieve a better understanding of the venture capital environment in Silicon Valley?



→96% agreed and strongly agreed that they achieved a **better understanding of the venture capital environment** in Silicon Valley through SCALEit.

→More than 64% **would recommend SCALEit** to startup companies seeking to raise capital.

Did SCALEit introduce you to any of your investors?



We were positively surprised that 31% of the respondents reported that SCALEit had introduced them to their investors directly or indirectly. This number is unexpectedly high considering that that the program runs for only a week.

6 How Can we Strengthen the Inspire Program?

The Inspire program hosts events and one-day workshops around Denmark, where SCALEit informs companies about why and how they can benefit from Silicon Valley. The events also market the one-week SCALEit Ignite program.

In the open-ended answers, some respondents recommended **better branding**.

“Much more visual and active in the entrepreneurial ecosystem — it was a pure coincidence that we heard about SCALEit.”

“The program is not really that visible in DK — you need to do more to promote the program in the Danish entrepreneurial landscape (#CPHFTW, trendsonline etc.)”

7 How Can we Strengthen the Ignite Program?

In addition to open-ended questions about the strengths and weaknesses of the program, we requested respondents to pick the services that the Ignite program could expand on.

7.1 The Top Four Services to Expand On.

Select five services that the Ignite program could expand on



The top four services that respondents recommended to focus on were:

1. **Pitch training in Denmark** before the SCALEit Silicon Valley trip.
2. **One-on-one feedback** on business model or business strategy planning support and development.
3. **Introductions** to key partners, customers, or investors.
4. **One-on-one** focus on contact to strategic partners within sales, marketing, or distribution support.

7.2 More Individual Feedback and Meetings.

In the open-ended answers, respondents suggested more individual meetings and feedback.

“There could be more parts of the program allocated to meetings specifically tailored to the individual companies. SCALEit could ask companies to provide a list of the key things they seek in Silicon Valley and help set up meetings with key contacts (this was not present in 2012). We set up many meetings ourselves in addition to the SCALEit program, which was great.”

“We got a lot of valuable feedback and contacts at the mentor dinners. More of that would be great!”

7.3 More Preparation Before the Silicon Valley Trip and Better Follow-Up After Program Completion.

Both the survey data and the respondents’ open-ended answers highlighted that the program should **expand on preparing participants before** the Silicon Valley trip.

→Almost 67% selected **pitch training in Denmark** before the SCALEit Silicon Valley trip.

→More than 51% selected **earlier information** about program content, expectations of participants, and fellow participants.

“SCALEit should spend more time with the candidate companies prior to the week in CA to make sure to align expectations.”

“That people are not prepared from home to make a sales pitch. Prepare them from home. They should really train before they go instead of using valuable time over there to try and get a pitch which is actually good. 90 percent of the companies I was travelling with had a terrible pitch, and also maybe the owners are not the best to sell their idea?”

Some of the respondents’ open-ended responses pointed to **strengthening the follow-up phase**.

“Not much follow-up afterwards.”

“When you come home, you have to keep up the spirit.”

“Improve the follow-up phase. It’s such a shame that the alumni system almost isn’t in use.”

7.4 A More Careful Selection of Program Participants.

SCALEit recruits participants through the SCALEit Inspire events in Denmark and through personal networks of the SCALEit team and former SCALEit companies. Companies must be either startups or small and medium-sized enterprises (SME) and must showcase a strong potential and will for global growth.

In the survey, 85% agreed and strongly agreed that they had **valued the peer learning** between program participants. But in their open-ended answers, respondents emphasized that a **stricter entry process** to the program would strengthen both the value exchange and the peer alumni network.

“SCALEit was to me super well planned and super exciting. I was very much surprised by that, and I am very thankful to the super SCALEit team. But I also find that 95 percent of the startups were misplaced. So in the future I think selecting perhaps fewer businesses but businesses with good proof of concept and the ability to move part of the staff to the US and hire should be a must.”

“The companies in our SCALEit group were in very different stages and the “quality” of the business ideas was not always as high as it should be in our opinion. A more strict entry process to the SCALEit program would ensure better value exchange between participants.”

A few respondents emphasized **“industry fit”** as a criteria when grouping companies.

“Perhaps arrange vertical programs for companies within the same industry.”

“Better matching of company profiles.”

7.5 An Extension of the Length of the Program.

Some respondents advocated for extending the length of the program or facilitating a longer stay.

“Too short a period of time. Could easily be two weeks.”

“The program was way too compacted with not enough time for the tutoring sessions.”

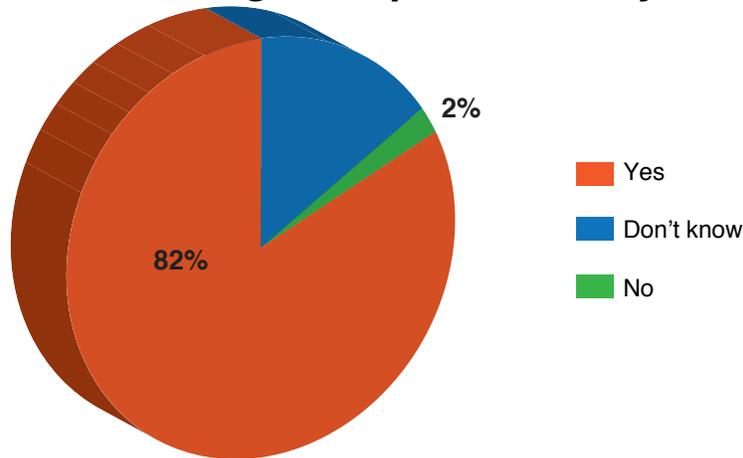
“Create more individual programs and schedules for the companies that are skilled and ambitious enough to use this opportunity. For instance some companies could extend with one extra week.”

8 How Can We Best Shape the Accelerate Program?

SCALEit Accelerate targets later stage tech companies, who have reached the potential to compete in Silicon Valley. Due to a lack of funding, the three-months program has been carried out only once in 2012.

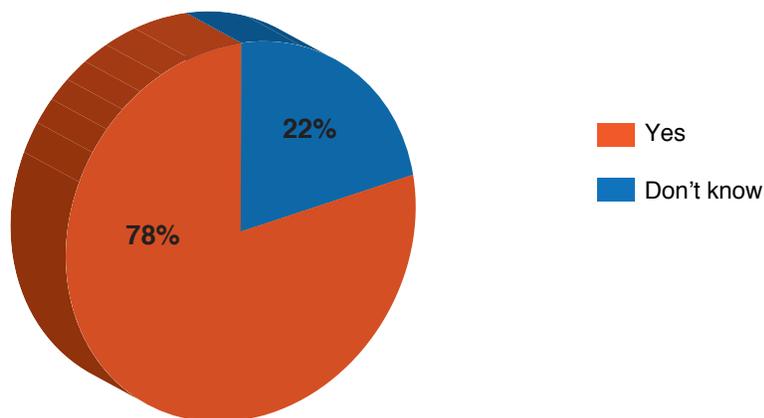
8.1 An Overwhelming Interest in the Accelerate Program.

Would you consider participating in a program targeted later stage companies run by SCALEit?



→82% of the respondents would consider participating in a program targeted later stage companies run by SCALEit, which supports relaunching the program.

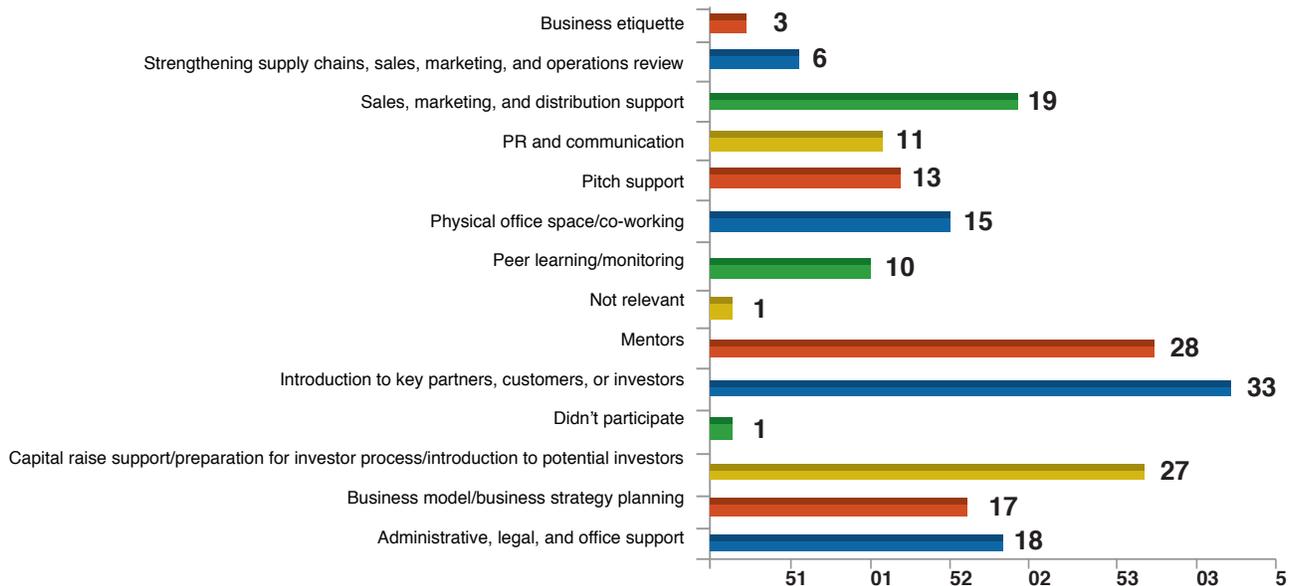
Would you recommend other companies to participate in a program targeted later stage companies?



→78% would recommend other companies to participate in a program targeted later stage companies.

8.2 The Top Four Services to Expand On.

Select five services that such a program should focus on:



The top four services that respondents recommended to focus on were:

1. **Introductions** to key partners, customers, or investors.
2. **Mentors**.
3. **Capital raise support**, preparation for investor process, or introductions to potential investors.
4. **Sales, marketing, and distribution support**.

9 Methodology Details

The survey was emailed to the 83 companies, who had participated in the SCALEit one-week program in Silicon Valley. In total 47 respondents filled out the questionnaire during its run time between April 20th, 2015, to May 5th, 2015, of which two were invalid, yielding a 57% effective response rate out of the 83 companies that have participated in the SCALEit Ignite one-week program in Silicon Valley.

The questionnaire is based on previous informal surveys from participants and research on how to assess tangible values from incubators. Because the program is a one-week program, the survey focuses on the value created by the services delivered during that week by measuring the satisfaction with those services and the effects on the company's growth and business. To get a better idea of company needs in relation to tailoring our programs, we also asked about company maturity, physical growth based on number of employees, and funding sought and raised.

The survey instrument comprised 44 questions covering the following six broad topic areas: segmentation, company growth, funding sought and raised, evaluation of services delivered during the Ignite program, impact of SCALEit, and expansion of the SCALEit programs. Respondents also had opportunity to put into own words their assessment of program strengths and weaknesses.

The greatest limitation of the survey is that the data relies very much on the individual value perception of the respondents, which we used as an indicator of true value.

The data collected concerning company growth based on increase in employees proved unfit to base general conclusions on. The collected data showed great variation among participants even from the same year, and some participants filled out either too many or too little years. Also for instance a reported increase in number of employees didn't always match the reported number of jobs created in Denmark. Sometimes companies reported no increase in employees in their own company, but reported having created jobs in Denmark. Other times companies reported a large growth in employees, but a low number or no jobs created in Denmark. Status such as exit, sale, merger, or acquisition also affected the numbers. Sometimes companies reported a downsizements, on the other side one company reported to have created 26-30 jobs in Denmark and another to have created 30+ jobs.

As with the data collected about increase in employees, the collected data on funding sought and raised showed great disparity even among program participants from the same year and proved unfit to base general conclusions on.

10 The Authors

Authored by Julie Skovborg for Innovation Centre Denmark, Silicon Valley.

A big thank you to our SCALEit partner Søren Therkelsen and to the respondents, who took time to answer our questions.

Julie Skovborg

Freelance Writer and Communication Consultant
Based in San Francisco
Jgm40@hotmail.com

Christian Vinther

Innovation Advisor & SCALEit Lead
chrve@um.dk
Innovation Centre Denmark, Silicon Valley
200 Page Mill Road suite 100
94306 Palo Alto, CA USA

Søren Juul Jørgensen

Executive Director ICDK
sorjor@um.dk
Innovation Centre Denmark, Silicon Valley
200 Page Mill Road suite 100
94306 Palo Alto, CA USA

Søren Therkelsen

CEO
soren@yggdrasil.me
Yggdrasil.me ApS
Hasselhaven 70
8520 Lystrup Denmark

11 Bibliography

Lewis A., Harper-Anderson Elsie, and A. Molnar A. Lawrence, *Incubating Success: Incubation Best Practices That Lead to Successful New Ventures Research*, 2011 University of Michigan, Ann Arbor, Michigan

http://www.edaincubatorool.org/pdf/Master%20Report_FINALDownloadPDF.pdf

DEV International, in conjunction with the Aspen Network of Development Entrepreneurs (ANDE) and Agora Partnerships, *Measuring Value Created By Impact Incubators and Accelerators*, November 2014, I-

<http://www.aspeninstitute.org/sites/default/files/content/docs/resources/ANDE%20I-DEV%20INCUBATOR%20REPORT%2011-21-14%20FINAL%20FOR%20DISTRIBUTION.pdf>

Hoffman David Lynn, Radojevich-Kelley Nina, *Analysis of Accelerator Companies: An Exploratory Case Study of Their Programs, Processes, and Early Results*, Metropolitan State University of Denver, Small Business Institute® Journal 2012, Vol. 8, No. 2, 54-70.

<http://www.sbij.org/index.php/SBIJ/article/viewFile/136/93>

Hackett M. Sean, Dilts M. David, *A Systematic Review of Business Incubation Research*, Journal of Technology Transfer, 29, 55–82, 2004, 2004 Kluwer Academic Publishers.

<http://egateg.usaidallnet.gov/sites/default/files/Systematic%20Review%20of%20Business%20Incubation%20Research.pdf>

Boudreau Christopher, Kulis David, Pitkin Joseph, *Developing Benchmarks for the Life Science Incubation Industry*, A Major Qualifying Project Submitted to Massachusetts Biomedical Initiatives And to the Faculty of Worcester Polytechnic Institute

April 29, 2010,

http://www.wpi.edu/Pubs/E-project/Available/E-project-042910-091721/unrestricted/Developing_Benchmarks_for_the_Life_Science_Incubation_Industry.pdf

Isabelle A. Diane, *Key Factors Affecting a Technology Entrepreneur's Choice of Incubator or Accelerator*, February 2013, The Technology Innovation Management Review (TIM Review), http://timreview.ca/sites/default/files/article_PDF/Isabelle_TIMReview_February2013.pdf

12 Appendices

I Questionnaire

II Survey Data

Innovation Centre Denmark in Silicon Valley (ICDK) is a part of the Danish diplomatic missions e.g. embassies, general consulates, or consulates. ICDK is managed as a partnership between the Ministry of Foreign Affairs and the Ministry of Higher Education and Science in Denmark.

Disclaimer & Copyright

No warranty is made regarding the accuracy, completeness, or performance of the information in this research. The authors, editors, contributors of this report and the data shall not be liable for any errors or omissions therein. The opinions and statements herein are subject to change without notice.

All rights reserved. Up to three charts from this report may be reproduced in presentations, blog posts, videos, and other public display without written permission, as long as content is shared alike and attributed to Innovation Centre Denmark, Silicon Valley.