

Research Methodology

World Benchmark Study 2021–2022
Of Business Incubators & Accelerators

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WBS2122 OVERVIEW – STUDY

WHAT IS THE WORLD BENCHMARK STUDY?



The **World Benchmark Study** is conducted by Swedish-based UBI Global, an innovation intelligence company and community of business incubators and accelerators. The study utilize a UBI Global **proprietary analysis framework** and is developed in close collaboration with an advisory board composed of industry experts and thought-leaders in innovation.

The study **compares** each participating organization's **impact** and **performance metrics** to those of one or more reference groups.

It **identifies characteristics** that differentiate leading organizations from their peers and **produces recommendations** how to improve each organization's impact and performance metrics.

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WBS2122 OVERVIEW – GOALS & BENEFITS

WHY BENCHMARK YOUR INCUBATOR/ACCELERATOR?

DESIGNED TO

1. Identify **distinguishing features** of business incubators and accelerators
2. Assess each participating programs' capacity to create value for
 - a. **their Ecosystems**
 - b. **their Client and Alumni Startups**
 - c. **themselves**
3. Rank all programs by **absolute impact** and **relative performance** in their respective categories
4. Benchmark each program against
 - a. **Global Top Average (Top 10%)**
 - b. **Global Average (All participants)**
5. Explore participating programs' **Environmental, Social and Governance (ESG)** activities and assess their engagement with the concept



NEW!

PARTICIPATING PROGRAMS GAIN

- ✓ A thorough **understanding** of their **impact** and **performance** – strengths as well as areas of improvement
- ✓ Access to **best practices** and **actionable insights** into how to become more effective, efficient, competitive, and impactful
- ✓ Access to an extensive **global community of peer programs** and innovation experts
- ✓ **Matchmaking** opportunities with **Corporations** for themselves and their Client Startups

WBS2122 DEFINITIONS – PROGRAM TYPES

BUSINESS INCUBATORS VS. BUSINESS ACCELERATORS



BUSINESS INCUBATOR

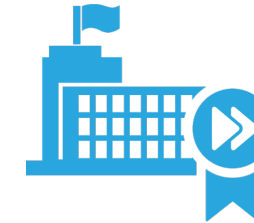
- ✓ Focuses usually on supporting early-stage client startups in becoming viable businesses
- ✓ Provides client startups a large array of business, marketing, counseling, financial, infrastructure, and other services
- ✓ Quality-controlled intake of client startups with regular time bound exits
- ✓ Often provides services for free or in exchange for program or membership fees
- ✓ Longer duration – usually 1 to 5 years



HYBRID PROGRAM



Mix of both



BUSINESS ACCELERATOR

- ✓ Focuses usually on supporting client startups with product development, scaling, and gaining customer traction
- ✓ Fixed-term, cohort-based program that provides intensive mentoring, networking, and education services, usually culminating in a “demo day”
- ✓ Quality-controlled – often competitive – intake of client startups with regular time bound exits
- ✓ Often invests in client startups or provides a stipend in return for a small equity stake
- ✓ Shorter duration – usually 3 to 6 months

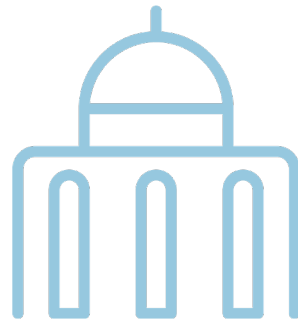
WBS2122 DEFINITIONS – PROGRAM GROUPS

INCUBATOR & ACCELERATOR GROUPING



UNIVERSITY

The incubator/accelerator **derives its business objectives primarily from one or more universities** by which it is often operated and primarily financed.



PUBLIC

The incubator/accelerator **derives its business objectives primarily from one or more public entities** by which it is often operated and primarily financed.



PRIVATE

The incubator/accelerator **develops its business objectives largely independently**, often operates autonomously and primarily finances its operations.



CORPORATE

The incubator/accelerator **derives its business objectives primarily from one or more for-profit corporations** by which it is often operated and primarily financed.

Why do we group and differentiate?

The different groups are used for appropriate ranking, benchmarking and recognition categorizations.

WBS2122 DEFINITIONS – BENCHMARK CATEGORIES

ELIGIBLE PROGRAMS

PROGRAM TYPE

PROGRAM GROUP

BENCHMARK CATEGORIES



Business Incubator



University



University Incubator



University Hybrid Program



University Accelerator



Hybrid Program



Public



Public Incubator

Public Hybrid Program

Public Accelerator

Program variations



Private



Private Incubator

Private Hybrid Program

Private Accelerator



Business Accelerator



Corporate



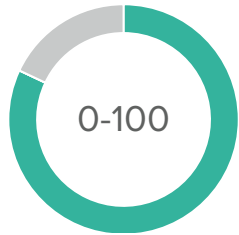
Corporate Incubator

Corporate Hybrid Program

Corporate Accelerator

WBS2122 METHODOLOGY – FRAMEWORK

BENCHMARK FRAMEWORK



Program Impact & Performance Score (PIPS)
Weight: 100%

Categories



Value for Ecosystem
Weight: 33.3%



Value for Client Startups
Weight: 33.3%



Value for Program
Weight: 33.3%

Subcategories

SCORE CALCULATION

1. The Program Impact & Performance Score is calculated by averaging the Category Scores.
2. The three (3) Category Scores are calculated by averaging the respective weighted Subcategory Scores.
3. The seven (7) Subcategory Scores are calculated by summing the respective Key Performance Indicators
4. The twenty-one (21) Key Performance Indicators are normalized and weighted (cf. next slide)



Economy Enhancement
Weight: 22.2%



Competence Development
Weight: 8.9%



Program Attractiveness
Weight: 15.5%



Talent Retention
Weight: 11.1%



Access to Funds
Weight: 11.1%



Post-Graduation Performance
Weight: 17.8%



Access to Network
Weight: 13.3%

Key Performance Indicators



WBS2122 METHODOLOGY – FRAMEWORK

KEY PERFORMANCE INDICATORS



Value for Ecosystem



Economy Enhancement

- 1.1 Jobs created & sustained (#)
- 1.2 Sales revenue (\$*)
- 1.3 Graduates (#)
- 1.4 Self-generated revenue (\$*)



Talent Retention

- 1.5 Client startups accepted (#)
- 1.6 Graduate retention (#, %)



Value for Client Startups



Competence Development

- 2.1 Services offered (#)
- 2.2 Coaching & mentoring hours (#)



Access to Funds

- 2.3 Total investment attracted (\$*)
- 2.4 Average investment attracted (\$*)
- 2.5 Seed funding attraction (#, %)



Access to Network

- 2.6 Partners (#)
- 2.7 Events (#)
- 2.8 Alumni engagement (#, %)



Value for Program



Program Attractiveness

- 3.1 In-state applications (#, #/spot)
- 3.2 Out-of-state applications (#, #/spot)
- 3.3 Sponsorship attraction (\$*)



Post-Graduation Performance

- 3.4 1-year survival rate (%)
- 3.5 5-year survival rate (%)
- 3.6 High-growth enterprises (%)
- 3.7 Qualified Exits (#)

KPI Weight

● High ● Medium ● Low

**All fiscal information is converted to and represented in 2020 US dollars.*

21 KPIs measured

WBS2122 METHODOLOGY – FRAMEWORK

ESG ENGAGEMENT FRAMEWORK

INTRODUCTION

The **Environmental, Social & Governance (ESG)** Engagement framework is the key addition to this year's iteration of the World Benchmark Study. A reflection of programs' cognizance of and efforts towards ESG impact, the **ESG Engagement framework mirrors the standard UBI Global benchmark framework** in assessing programs according to their outputs and outcomes in three key areas – their ecosystems, client startups, and operations.

This ESG Engagement framework formalizes and makes compulsory the '*Social Incubation and Acceleration*' section of previous iterations of the World Benchmark Study, however, for WBS2122, the new ESG Engagement framework will **not affect programs' benchmark scores or overall rankings**.

That said, it is intended to signal the direction of travel for UBI Global's benchmark and rankings, and is an induction of our community of incubators and accelerators into the aspects of social impact that we – and much of the world – deem important, and **an indication of the aspects of ESG programs may wish to consider** and policies they may wish to implement in order to not only score more highly in future iterations of the study, but achieve the kind of impact that stakeholders are increasingly looking to see from actors in the sphere of innovation.



Environmental, Social & Governance

Environmental, Social, and Governance (ESG) is framework designed to be integrated into an organization's strategy to create value by expanding its objects to include the identification, assessment, and management of sustainability-related risks and opportunities with respect to all stakeholders and the environment.

- **Environmental** focus may include climate change, emissions, biodiversity, deforestation, pollution, energy efficiency, and water conservation.
- **Social** focus supports gender diversity, equity, and inclusion.
- **Governance** focuses on cybersecurity, management structure, compensation, bribery and corruption.

WBS2122 METHODOLOGY – FRAMEWORK

ESG ENGAGEMENT FRAMEWORK

Categories →



ESG for Ecosystem
Weight: 33.3%



ESG for Client Startups
Weight: 33.3%



ESG for Program
Weight: 33.3%

Key Performance Indicators →



ESG Components

● Environmental ● Social ● Governance ● General

NEW! ↙



Environmental, Social & Governance Engagement Rating (ESG-ER)

Weight: 100%

Excluded from ranking
Your potential ESG rating will not affect rankings

POTENTIAL SCORE CALCULATION

Depending on the data garnered from programs, time constraints, and the utility of doing so, the answers given to questions relating to each category may be used for ESG landscape data and an interesting discussion of programs' engagement with ESG and additionally – to provide programs with a nascent ESG engagement rating (ESG-ER).

ESG ENGAGEMENT – KEY PERFORMANCE INDICATORS



ESG for
Ecosystem

Weight: 33.3%

- 1.1 ESG network affiliation (Y/N)
- 1.2 ESG framework adoption (Y/N)
- 1.3 Environmental impact stats (Y/N)
- 1.4 DEI stats (Y/N)
- 1.5 Community impact (Y/N, %)
- 1.6 Stakeholder engagement (Y/N)



ESG for
Client Startups

Weight: 33.3%

- 2.1 ESG in admissions (Y/N)
- 2.2 ESG in funding (Y/N)
- 2.3 ESG training (Y/N)
- 2.4 Ongoing ESG requirements (Y/N)
- 2.5 Environmental impact monitoring (Y/N)
- 2.6 DEI monitoring (Y/N)



ESG for
Program

Weight: 33.3%

- 3.1 ESG in goals (Y/N)
- 3.2 ESG systematically assessed (Y/N)
- 3.3 ESG strategy (Y/N)
- 3.4 External auditing (Y/N)
- 3.5 DEI strategy (Y/N)
- 3.6 Climate strategy (Y/N)

ESG Components

● Environmental ● Social ● Governance ● General

18 KPIs measured

WBS2122 METHODOLOGY - BACKGROUND

METHODOLOGICAL ROBUSTNESS & RELIABILITY



Research Design

PIONEERING RESEARCH METHODOLOGY

- ✓ Continuously refined since 2013
- ✓ Developed in close collaboration with international researchers, consultants, and incubator and accelerator managers
- ✓ Optimized for different programs' multidimensional impact and performance assessment



Research Advisory Board

INTERNATIONAL RESEARCHERS, CONSULTANTS, AND PROGRAM MANAGERS

- ✓ Assure that UBI Global's ranking and benchmarking methodology reflects the latest research
- ✓ Advise on selection and definition of relevant performance dimensions and appropriate Key Performance Indicators (KPIs)
- ✓ Support the data verification process



Innovation Ambassadors

NATIONAL AND REGIONAL INCUBATION AND ACCELERATION EXPERTS

- ✓ Provide insights into idiosyncrasies, challenges, and opportunities
- ✓ Engage, inform, and educate incubators and accelerators as well as their key stakeholders
- ✓ Support the data verification process

WBS2122 RESEARCH PROCESS – STEPS

METHODOLOGICAL PROCEDURE

1

Data Collection



Assessment and grouping of all applying incubators and accelerators

Collection of impact, performance, and descriptive data from all accepted programs

2

Data Treatment



Data cleaning and validation, detection of input errors, outliers and anomalies

Impact and performance data **normalization and weighing**, reflecting each dimension's relative importance

3

Performance Assessment



Preliminary score calculation by summing each program's KPI scores

Impact evaluation of program **type, age, size, ecosystem**, and other variables

4

Program Ranking



Relative ranking of programs based on verified impact and performance data

Identification of top performers in multiple global, regional and national categories

5

Program Benchmarking



Benchmark level calculation, including global top, average, and regional levels

Benchmarking of all programs within their peer groups and against multiple benchmark levels



Verification & Validation

After step 2 and 3: Automatic flagging of unusual or suspicious data: desk research; request for supporting documentation; input from research advisory board members, innovation ambassadors and other industry experts; qualitative interviews with randomly selected incubators and accelerators. After step 4: Qualitative interviews with all top-performing incubators and accelerators.

WBS2122 RESEARCH PROCESS – STEPS

1. DATA COLLECTION



Applicant
Assessment



Survey
Questionnaire

ELIGIBILITY CRITERIA

- ✓ Business incubator, accelerator, or hybrid program
- ✓ Quality-controlled intake of client startups
- ✓ Structured systematic incubation or acceleration process
- ✓ Regular time-bound exits of client startups



SURVEY GOAL

Collection of descriptive, impact, and performance data for:

- a. A holistic assessment of participants' absolute impact and relative efficiency in creating value for: their ecosystem, their client startups, and themselves
- b. A realistic and representative evaluation, mapping, and communication of the state, trends, successes, and challenges of global, regional, and national innovation ecosystems

QUESTIONNAIRE SECTIONS

- | | | |
|----|--------------|--|
| a. | 49 Questions | Incubator/accelerator
Profile, approach, size, financing, services, and stakeholders |
| b. | 14 Questions | Client and alumni startups
Profiles and performance |
| c. | 26 Questions | ESG
ESG Engagement framework |
| d. | 4 Questions | Feedback |

WBS2122 RESEARCH PROCESS – STEPS

2. DATA TREATMENT



Data Validation and Cleaning

DATA TREATMENT & VALIDATION

1. Translation of non-English data entries
2. Detection and correction of erroneous data entries
3. Flagging of outliers, pattern entries, inconsistencies, and other anomalies



DATA VERIFICATION

1. Contact incubators and accelerators to
 - a) clarify unusual data entries
 - b) probe randomly selected data entries
2. Request supporting documentation for unresolved cases
3. Examine unresolved cases with research advisory board
4. Reject cases that fail to provide supporting documentation or cannot be resolved in any other way



DATA CONVERSION

1. **Conversion** of impact performance data into KPIs for each of the 21 assessed dimensions
2. **Treatment of outliers** e.g. capping of top outliers
3. **Conversion of KPIs** to 0-1 range
4. **Weighing of normalized KPIs** according to relative importance: high, medium, low



KPI Normalization and Weighing

KPI CONSTRUCTION EXAMPLE

Dimension name	Guidance
Dimension weight	Medium
Dimension data points	<ol style="list-style-type: none"> 1. Coaching hours per client startup/month (#) 2. Mentoring hours per client startup/month (#)
Dimension KPI	<p>Impact (50%): Coaching hours (#) + Mentoring hours (#)</p> <p>Performance (50%): Coaching + Mentoring hours (#) / Budget (\$)</p>

WBS2122 RESEARCH PROCESS – STEPS

3. PERFORMANCE ASSESSMENT



Preliminary Score Calculation



Analysis of Additional Factors

IMPACT & PERFORMANCE SCORE CALCULATION

1. **Impact** measures absolute results (e.g. the number of jobs created and sustained by client and alumni startups in 2020). Wherever necessary, the collected data is annualized for comparative purposes
2. **Performance** measures relative efficiency (e.g. cost per job created or sustained). It is calculated by dividing the annualized impact number by the incubator's/accelerator's annual operating budget



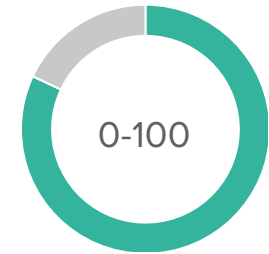
Impact Effect on Score

50%



Performance Effect on Score

50%



Program Impact & Performance Score

STATISTICAL EXPLORATION OF

- ✓ **Type** Incubator, Accelerator, or Hybrid
- ✓ **Age** Years of operation
- ✓ **Size** Budget
- ✓ **Sector/industry** Industry idiosyncrasies
- ✓ **Ecosystem** National ecosystem's level of development

4. PROGRAM RANKING



Ranking



Validation

MAIN CATEGORY RANKINGS

Incubator and accelerator ranking categorization depends on two dimensions:

- a) Program type: Business Incubator, Business Accelerator, or Hybrid Program
- b) Program group: University, Public, Private, or Corporate

While contingent on sample size and composition, we expect the following main ranking categories:

- Top University Business Incubator
- Top Public Business Incubator
- Top Private Business Incubator
- Top Corporate Business Incubator
- Top University Business Accelerator
- Top Public Business Accelerator
- Top Private Business Accelerator
- Top Corporate Business Accelerator

DATA VALIDATION

To assure accuracy and reliability of the rankings, top-ranked incubators and accelerators in all categories undergo additional validation steps:

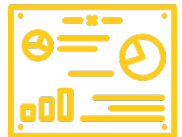
1. Qualitative interviews with program managers
2. Re-assessment of all performance data provided by all top-ranked programs

Conducted by UBI Global internal research team in collaboration with research advisory board members, innovation ambassadors, and additional industry experts

5. BENCHMARKING



Benchmark
Levels



Reporting

BENCHMARK LEVELS

Each program's impact and performance score is benchmarked against:

1. The average score of the top 10% best performing programs
 - Top Global Avg., Top Regional Avg., etc.
2. The average score of all participating programs
 - Global Avg., Regional Avg., etc.

BENCHMARK OUTPUT

All participating incubators and accelerators

- ✓ Receive a personalized scorecard with a comprehensive overview of their performance relative to their peers
- ✓ Are mentioned in the World Benchmark Report 2021 - 2022

All top-ranked programs

- ✓ Receive an award and are highlighted at the UBI Awards ceremony at the World Incubation Summit 2023
- ✓ Are recognized through press releases, publications, social media, and international events

WBS2122 – FINAL WORDS

ASSESSING INCUBATORS & ACCELERATORS WORLDWIDE



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THE IMPORTANCE OF CONTEXTUALIZATION

UBI Global's research methodology is designed to comparatively assess business incubators and accelerators worldwide. Based on industry-accepted KPIs, it provides an intuitive way to compare these programs across multiple dimensions.

However, even the most meticulous ranking and benchmarking studies can never provide a complete picture of reality. In order to fully understand a program's performance, the UBI Global impact and performance scores should **always be interpreted within each program's particular context.**

We hope that the insights generated by our studies are useful to all participating programs in their efforts to become more **effective, efficient, competitive, and impactful.**

Thank you for your interest in our research.

We look forward to further collaborating with you in the near future!





Innovation Portal

UBI Global is powered Global Innovation Studios - an **International Ecosystem Platform for Innovation Stakeholders**

**Powered by Data
Fueled by Innovation**

International Ecosystem Platform for
Innovation Stakeholders

For Incubators & Accelerators

Connect, learn, and engage with
peers from all over the world

For Corporations

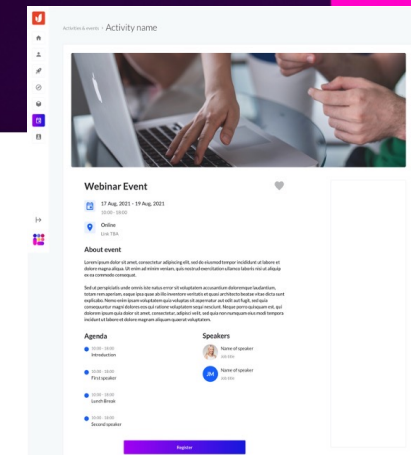
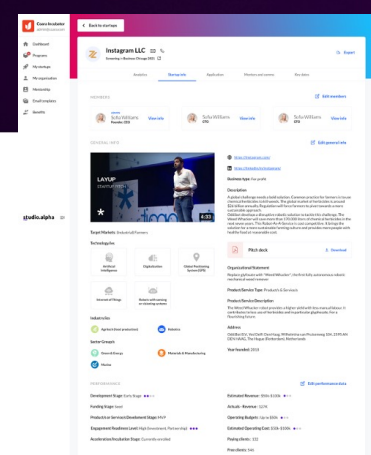
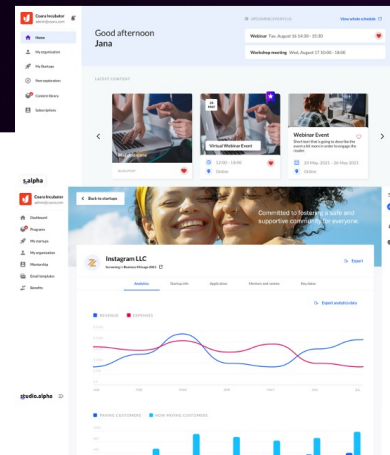
Match with disruptive startup
solutions in their industry and partner
with relevant incubators

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