START-UP ASSISTANCE ORGANIZATIONS IN INDONESIA:

Taxonomy and Landscape

First Insights into Gender Inclusion

Riaz Bhardwaj
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ANGEL INVESTMENT NETWORK INDONESIA

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Foreword

The pathway to initiating and establishing a successful business can be fraught with challenges and unknowns. Start-up assistance organizations (SAOs), a term encompassing incubators, accelerators, ecosystem builders and other support organizations, are increasingly seen as key enablers to facilitate and support startups, providing a range of critical services for business growth from capacity building to access to mentor networks and investors. However, it remains to be elucidated whether the current practices of SAOs are supporting businesses equally, especially to close gender gaps in entrepreneurship.

This report by Angel Investment Network Indonesia (ANGIN), the first of a two-part series, investigates the role of SAOs in shaping the entrepreneurial ecosystem in Indonesia. Through in-depth field research, focus group discussions and surveys, this study highlights the current taxonomy and landscape for SAOs and proposes recommendations to support the sustainable growth of SAOs in Indonesia, and more broadly in South East Asia.

Importantly, this is one of the first research studies to provide insights into gender inclusion in entrepreneurship in South East Asia. With women owning 51% of small-sized enterprises and 34% of medium-sized enterprises in Indonesia, SAOs could play a vital role in addressing gender disparity, especially in sectors with large gender gaps, such as Information Communication Technologies (ICT).

Closing gender gaps in economic empowerment in South East Asia is a core part of our mission. In the past decade, there has been an increase in the number of programs aimed at supporting women's economic empowerment in the region, ranging from vocational and life skills training through to initiatives targeted at providing women with greater access to finance. However, entrepreneurship remains a significant pathway to economic empowerment in South East Asia, with over 33 million businesses (45%) in the region being owned by women.

We hope that this report will stimulate conversations on the future development of SAOs in South East Asia and their instrumental role in closing the gender gap in entrepreneurship to enable women-led businesses to thrive.

Sincerely,

Shuichi Ohno
President
Sasakawa Peace Foundation

About ANGIN and the Sasakawa Peace Foundation

ANGIN (Angel Investment Network Indonesia) is the first and largest group of prominent high-net-worth individuals in Indonesia providing funding and mentoring to early-stage companies active in Indonesia. ANGIN team of professionals provides strategic sourcing, due diligence support and legal implementation to its investors while bringing entrepreneurs to the right investment readiness. Since its inception in 2013, ANGIN investors have invested in more than 30 companies with a unique mix of technology (or ICT), offline companies, and social enterprises. Leveraging its Angel Network, ANGIN team has expanded its expertise to research, venture building and consulting work for both Indonesian and International organizations.

For more information, please go to:
http://www.angin.id

The Sasakawa Peace Foundation (SPF) is a Japanese private foundation established in 1986 with an endowment from the Nippon Foundation to enhance international cooperation. After merging with the Ocean Policy Research Foundation in 2015, SPF has set its focus on five key areas: to address a variety of societal challenges that fast-emerging Asian countries currently face, to stimulate greater socioeconomic progress through women's empowerment, to promote understanding and strengthen relationships with Muslim-majority countries, to further strengthen Japan – U.S. relations, and lastly, to develop programmes to promote the long-term sustainability of the world's oceans.

For more information, please go to:
https://www.spf.org/e/

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Glossary

ANGIN	Angel Investment Network Indonesia
Early-stage enterprise	Early-stage enterprises have a main focus to develop the business idea and define their business model and product. These include start-ups from ideation stage to start-ups that generate some non-recurring revenue or recurring revenue, typically below USD 10,000
FGD	Focus group discussion
GALI	Global Accelerator Learning Initiative
GEM	Global Entrepreneurship Monitor
Gender lens	Gender-lens is incorporating gender analysis in the decision variables. Gender analysis stems from the issue that men and women have different needs, obstacles, and priorities, and that there is recognition to remove the barriers. The result of gender-lens approach is a careful and deliberate examination of all the implications of the works in terms of gender. For this study, we limit the context to women-led ventures to evaluate the representation of women entrepreneurs in the entrepreneurial ecosystem.
Growth-stage enterprises	Enterprises with a main focus on expansion and scaling-up, with monthly recurring revenue more than USD100,000
ICT	Information and communication technology
IFC	International Finance Corporation
Incubation	An activity to prove a business idea through various techniques. Incubation has the potential to de-risk ventures for the investors.
IPO	Initial Public Offering
IT	Information Technology
KPI	Key Performance Indicators
Medium enterprise	The definition is based on the definition from Indonesia's Ministry of Micro, Small, and Medium Enterprises (MSME): medium enterprises have an annual revenue between IDR 2.5bn and IDR 50bn.
Mentor	An individual that provides knowledge, advice, and access to entrepreneurs.
Micro enterprise	The definition is based from the definition of Indonesia's Ministry of Micro, Small, and Medium Enterprises (MSME): micro enterprises have less than IDR 300m of revenue annually.
Mid-stage enterprises	Start-ups that have recurring revenue streams, typically between USD10,000 to USD100,000.
MSME	Micro, small, and medium enterprise.
MVP	Minimum Viable Product
Pipeline	Pipeline is often used in entrepreneurial ecosystem to describe the flow of potential ventures that the organization has started developing. For instance, the investor pipeline refers to all qualified start-ups that the investors are interested in.

Pre-startup	A stage where individual has an intention of becoming an entrepreneur, but has not developed a business idea.
Private corporation	Private corporations are registered as PT or LLC in Indonesia, including, but not limited to, conglomerates and banks.
Private individual	An individual who takes a personal interest in contributing to the entrepreneurial ecosystem. Private individuals may financially support SAO player; the forms of monetary support vary from equity stakes to grants. Sometimes the private individuals may also be the SAO program directors.
Quality start-ups	Quality of a start-up may be determined from, but not limited to, strong entrepreneurial mindset, relevant background and experience of founders, technical skills, level of overall business preparedness, the strength of the business model, unique value proposition or basic understanding of finance and accounting.
SAO	Start-up assistance organization enable entrepreneurs and ventures at diverse growth stages to develop successful businesses, by providing a variety of assistance and support services.
Small enterprise	The definition is based on the definitions from Indonesia's Ministry of Micro, Small, and Medium Enterprises (MSME): small enterprises have annual revenue between IDR 300n and IDR 2.5bn.
SME	Small and medium enterprise.
Social enterprise	Social enterprise is an entrepreneurial venture with an embedded social purpose. They are for-profit organizations that intend to solve social or environmental problem with an entrepreneurial mindset to grow both the business and the impact.
Start-up	A temporary phase of an entrepreneurial venture trajectory, in which the entrepreneurs are reshaping and refining their business models, with a vision to set-up a viable, stable and scalable enterprise.
Start-up or entrepreneurial ecosystem	The combination of different stakeholders that interact with each other for the pursuit of entrepreneurship. Stakeholders including, but not limited to entrepreneurs, capital providers, private corporations, and private individuals.
Technology-based enterprise	Enterprises that either use technology (such as web/Internet or mobile applications) as their core component or as an enabler in their products or services.
Traction	Traction is a quantifiable proof of a product or service demand. For example: users or unique visitors (for web-based products) number of customers that generate some revenue.
VC	Venture capital
Women-led enterprise	Women-led companies are defined as companies with women as founders or companies with women at top management positions (e.g. CEO, COO)

Executive Summary

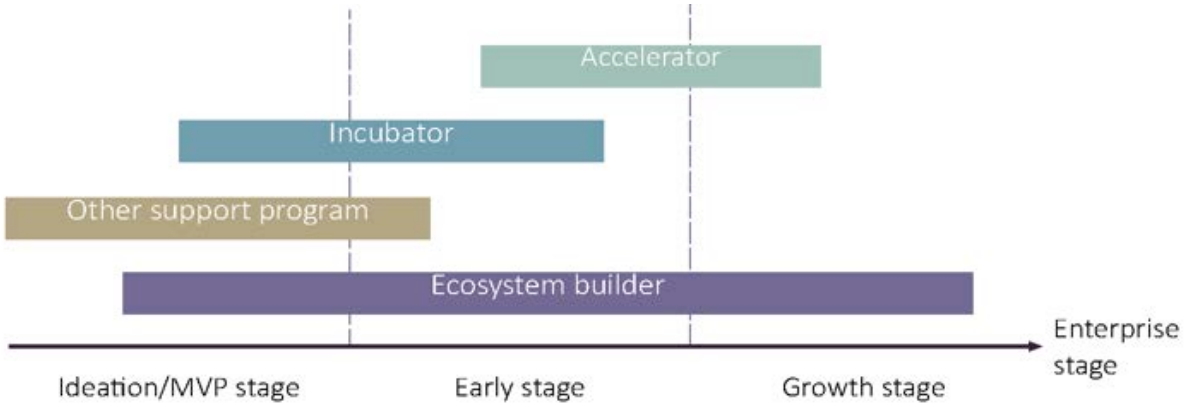
The growth of entrepreneurial activity in Indonesia over the past few years has facilitated the increase in the number of organizations offering support to entrepreneurial ventures at diverse stages of growth. Indonesia has an increasingly vibrant and growing start-up support service industry. The entrepreneurial ecosystem in Indonesia is rapidly evolving but can still be considered to be in its development stage. Start-up assistance organizations (SAOs) have largely sprung up over the past five years in Indonesia.

SAOs are entities that offer a spectrum of support services to entrepreneurs and ventures at different growth stages, from idea-stage to growth-stage, to develop successful and viable businesses. Many programs use self-designated terms and definitions to identify themselves. It works well if the structure and mission of the programs is well known, but it can be challenging for an outsider to navigate through the ecosystem.

Therefore, this report, the first of its kind in Indonesia, provides an overview of the SAO landscape and highlights the role of SAOs in shaping the entrepreneurial ecosystem. It then provides the taxonomy to classify the various types of SAOs in Indonesia. This report defines and classifies them into categories that broadly fit with globally familiar definitions.

SAOs have a variety of organizational structures and business models. We streamline the categorization of SAOs by identifying commonalities into four 'buckets' as follows:

Overview of the SAO landscape in Indonesia



Incubators: Offer structured or customized, relatively long-term support to early-stage enterprises.

Accelerators: Provide an intense, structured short-term program to induce rapid progression of enterprises.

Ecosystem builders: Provide ongoing, diversified entrepreneurial support through offline and online activities tailored to the needs of the enterprise supported.

Other support program: Include all the entrepreneurial support initiatives that did not fall in the above three categories. They are very short-term (usually two days to one week) programs offering more strategic support and can include competitions, boot camps, events, seminars and capacity building workshops.

Although the SAOs can be categorized into certain buckets, there is, in practice, a wide range within the buckets. Within the broad buckets, we found that SAOs may differ according to their business model, curriculum, and method of delivery. There are also some categorical overlaps across the buckets; for instance, some ecosystem builders may run a program with a similar curriculum structure as incubators. In addition, there is still an element of evolution in Indonesia's SAO ecosystem. Most SAOs have gone through several transformations since inception– most notably in the program structure –and they are expected to continue to improvise their program.

We also noticed that the majority of SAOs apply a more generic and agnostic approach in their selection methodology due to the lack of availability of quality start-ups across different variables, such as gender composition, sector or venture stage.

We believe that there is a need to address gender-inclusivity in the entrepreneurial ecosystem because an increase in new women-led ventures and the longevity of existing ones can lead to a more prosperous economy. Furthermore, this report identified that there are fewer women entrepreneurs across the enterprise growth trajectory, with a majority of women-led enterprises being micro or informal. Recognizing that SAOs have the potential to build successful businesses and help them grow, we analyzed the participation of women-led businesses in SAO programs. We found that women-led ventures comprised only 17% of the overall applications for SAO programs and only 22% of the participants in the SAO programs.

One of the reasons is a higher demand for technology-based ventures among SAO programs; however, there is a lack of women in Indonesia with strong skills and expertise in information and communication technology (ICT). Another reason is that currently not many SAOs proactively participate in making their programs more gender inclusive or promoting more women entrepreneurs. Additionally, there is a significant lack of gender-segregated data and information to comprehensively analyze this topic.

Our analysis of the SAO landscape in Indonesia leads to four key recommendations that could improve the SAO market in Indonesia. These recommendations include:

Recommendation 1

- **Increased transparency on SAOs' performance and gender-segregated data**
  We recommend that SAOs should share more information about support services provided as well as be transparent about the program quality and their existing performance.
  Furthermore, there is a need to collect more gender-segregated data in the entrepreneurial ecosystem to understand the gaps in gender-inclusivity at a deeper level. We recommend establishing clear guidelines on measuring gender-related impact.

Recommendation 2

- **Collaboration and consolidation**[1]
  There are several areas for collaboration amongst the SAOs to improve resource allocation and interactions. We recommend regular networking and information sharing to identify synergies to tap into across SAOs.

Recommendation 3

- **Public and private sector support**
  We recommend SAOs to strengthen their business models and spend more effort in seeking and leveraging support (such as financial, infrastructure and logistical support to expand their service delivery across the archipelago) from the public and the private sector.

Recommendation 4

- **Promoting more women in ICT**
  We recommend SAOs to increase dialogue with government and development agencies to organize programs to provide technical training to women entrepreneurs and encourage more women to acquire education in ICT modules.

The report also identifies the next steps, in terms of research, that could be used to first, reduce the knowledge gap –for both SAOs and entrepreneurs– and second, to improve the efficacy of SAOs in providing support to new entrepreneurs.

What are the next steps?

The performance of SAOs

Do current SAOs work effectively in developing more successful ventures?

A pilot study on the gender-inclusiveness of SAOs

Do SAOs play a role in contributing to gender inclusiveness and promoting more women in entrepreneurship?

The guidelines on best practices framework on SAOs

What can we learn from the success and failure stories of these SAOs?

1 This recommendation may appear to be counter-intuitive given that SAOs are competitors. However, it is based on discussions and interviews with them where they indicated elements of collaboration (such as networking and sharing information on mentors sourcing) is something they would like to see more amongst themselves.

Introduction

Over the few years, Indonesia has seen a rise in entrepreneurial activity.[2] Global Entrepreneurship Monitor (GEM, 2015) notes that early entrepreneurial activity in Indonesia is higher than the Southeast Asian regional average. The higher level of early activity is due to positive societal attitudes towards entrepreneurship, a high level of positively perceived opportunities that entrepreneurship offers and a high level of confidence in budding entrepreneurs that they have the appropriate skill sets to become successful entrepreneurs.

However, the statistics above do not provide a completely accurate picture of the entrepreneurial ecosystem in Indonesia. While there is an increasingly large number of start-up[3] enterprises in Indonesia, most are microenterprises[4]. In fact, almost all of the registered enterprises are microenterprises; with only 1% being small and medium enterprises (SMEs)[5]. While microenterprises employ 89% of the private sector workforce, their productivity levels are low due to the labor-intensive nature of work (International Finance Corporation [IFC], 2016). Notwithstanding their size, empirical evidence from across several countries suggests that the presence of SMEs can positively impact an economy by contributing to increased national income, promoting increased competitiveness and entrepreneurial culture, which can lead to an increase in productivity and consequentially an increase in economic growth (United Nations ESCAP [UNESCAP], 2012). There is, therefore, a need to address low representation of SMEs in the Indonesian ecosystem.

The gap in SME presence in Indonesia can be explained by exogenous and endogenous factors. There are also several macro and micro factors that may affect the enterprise activities. Some of the macro factors that hinder enterprise growth and scalability in Indonesia may include bureaucratic complexities to formalize the enterprise, a lack of access to finance (IFC, 2016), a lack of infrastructural support and a lack of talent. In general, there are also factors that may impede the development of SMEs that are endogenous to the entrepreneurs themselves. For instance, Simpson et al. (2004) note that entrepreneurial traits and values are pivotal to the performance of an enterprise. Entrepreneurial capabilities also correlate strongly to the performance of enterprises (particularly regarding longer-term viability). These capabilities include business development skills and managerial practices (Ates et al., 2013), financial and accounting skills, and ICT skills (Matthews, 2007). There are several ways to address these challenges, one of which is through providing external support to entrepreneurial ventures vis-à-vis access to networks, infrastructure, mentoring and finance.

The Rise of SAOs

The rapid proliferation of entrepreneurial activity over the past decade and the challenges faced by the entrepreneurs has facilitated the rise of a new service industry around the world, focusing on incubating, growing and assisting entrepreneurs, early-stage enterprises, and SMEs (Feldman et al., 2016). Such programs have begun to garner increasing interest and investment from government, the private sector and non-government organizations as they have the potential to grow successful firms and play an important role in stimulating innovation in an economy (Deep Centre, 2015), create jobs, stimulate regional and national economic development, and also, empower investors to source more developed, competitive and quality ventures (Global Accelerator Learning Initiative [GALI], 2017).

2 Reported as a percentage of the total adult population who have been involved with businesses that are less than 3.5 years old.

3 A temporary phase of an entrepreneurial venture trajectory, in which the entrepreneurs are reshaping and refining their business models, with a vision to set-up a viable, stable and scalable enterprise.

4,5 We define micro, small, and medium enterprises according to Indonesia's Ministry of MSME, which defines enterprises based on their annual revenue: micro enterprises have less than IDR300m annual revenue, small enterprises are between IDR300m and IDR2.5bn, and medium enterprises are between IDR2.5bn and IDR50bn.

With advancements in technology and the dot-com boom in the early 2000s, more technology-based enterprises emerged. Consequentially, support organizations expanded their service offerings to provide both financial and non-financial support to technology start-ups. These organizations were termed as "start-up accelerators" (Miller & Bound, 2011). Since the launch of Y Combinator –one of the pioneers in this domain– in 2005, many start-up support programs have sprung up around the world (Small Business Administration, 2014). Additionally, the scope of these programs has also expanded beyond support for only technology start-ups. For instance, "social venture incubation" emerged due to the importance and rise of several social enterprises, as well as to support the impact investment space in strengthening their investment pipeline (Miller & Stacey, 2014). The main objective of social venture incubation is to help social enterprises become more investment-worthy by maximizing their social impact without compromising on profits.

Many entities such as incubators, accelerators, hubs, co-working spaces, workshops, competitions, capital providers, etc. provide an array of incubation[6] services to enterprises and entrepreneurs in different stages of growth; in a broader sense, all organizations providing these services can be categorized as "Start-up Assistance Organizations" (SAOs).

Evolution of SAOs in Indonesia

Although SAO-like organizations have existed for years in Indonesia, the SAO phenomenon in its current form has only taken off in recent years. The Indonesian entrepreneurial ecosystem is still in its evolutionary and transformative stages; many entrepreneurs and start-ups are emerging to tap the plethora of opportunities that Southeast Asia's fastest-growing emerging market has to offer. Acknowledging this surge, similar to patterns seen elsewhere, many different models of SAOs have surfaced in Indonesia over the past five years. They have different structures, missions, methods, and targets. There are some similarities with other markets in the region (such as India), but even then, there are enough distinctions (ranging from digital-technology access, economic and geographical disparities, and entrepreneurial culture) that warrant a closer look at the Indonesian context.

Most SAOs in Indonesia are still in a state of flux –evolving, improvising and trying new structures and models. In addition, new SAOs are coming up with their founders experimenting with new business model recipes to suit the local context and needs of the start-ups, investors and other stakeholders in the ecosystem. This "process of reinvention and fine-tuning" (Deep Centre, 2015) is likely to continue to evolve as the Indonesian market evolves and grows. As a consequence of such a dynamic environment, the boundaries of the terminologies used by SAO practitioners can often be more abstract than practical (NESTA, 2015). Many programs use self-designated terms and definitions to identify themselves. This works well if the structure and mission of the programs are well known, but it is challenging for an outsider to navigate through the ecosystem.

Recognizing the increased complexity that comes up with evolution and the different definitions of Indonesian SAO models from globally accepted definitions, we identified a need for more clarity on distinguishing features and the specific roles SAOs plays in supporting enterprises in Indonesia. We analyzed SAO structures and characteristics in Indonesia, to provide some definitions and boundaries. Having shared terminology and definitions is important to align activities among the various stakeholders SAOs engage with. These may include the actual enterprise or the capital providers[7] that might benefit from SAO programs. The benefit of such identification and classification is to provide key stakeholders with a coherent taxonomy to better assess and compare SAO programs.

Going a step further, the report will look into the participation of female entrepreneurs in SAO programs in Indonesia. GEM (2017) reports that, both in Indonesia and globally, women's intentions to start a business have increased over the years, and the numbers are catching up to those of men's. However, there is a wider gender gap in early entrepreneurial activity, implying that there is discontinuation in translating the intention into actual entrepreneurial activity. Furthermore, IFC (2016) reports that although the number of women entrepreneurs in Indonesia is high[8], around 50% of these women entrepreneurs own micro or informal[9] enterprises. There is a much less representation of women entrepreneurs along the enterprise growth trajectory. With the support and encouragement from both private sector players

6 Miller & Stacey (2014) defined incubation as "a collection of techniques that can be used to prove an idea, develop a team and de-risk ventures for later stage investors."

7 SAOs can help the capital providers in various ways, such as reducing the time required for due diligence, reducing the costs of transactions involved in investing in a venture or providing the capital providers with access to high quality pipeline of ventures.

8 Estimating from data from IFC (2016) the approximate number of women entrepreneurs in Indonesia is 30.6 million.

9 According to IFC (2016), informal enterprises are those that are not officially registered or have no business license.

and the government, SAOs could play a critical role in narrowing the gap and creating a more gender-inclusive entrepreneurial ecosystem in Indonesia by ensuring equal access to support programs and promoting more women entrepreneurs.

Report Objectives

This report seeks to support the entrepreneurial ecosystem in Indonesia in two key ways:

1. Mapping out the SAO landscape, creating a taxonomy for SAOs relevant to Indonesia and providing a preliminary analysis of the characteristics of the SAOs in Indonesia.
2. Providing the first overview of female participation in SAO programs to establish grounds for further targeted research into this topic.

METHODOLOGY

For this report, we collected primary data on incubators, accelerators, ecosystem builders and other support programs using online questionnaires, expert interviews, focus group discussions and extensive desktop research. The data was collected over a three-month period from November 1, 2017 to January 31, 2018.

From the initial desktop research, we identified 53 potential SAOs. An online questionnaire was sent to all 53 SAOs, from which we received 32 valid responses. We also conducted 32, structured, in-depth interviews with SAO program managers and directors, four rounds of focus group discussions, and six expert interviews with established players in the entrepreneurial ecosystem[10] who have multiple experiences as an entrepreneur, investor, and SAO program directors.

To create taxonomy for Indonesian SAOs, we analyzed the data as a whole sample and then categorized them into four buckets: incubator, accelerator, ecosystem builder and other support programs. After defining and identifying key characteristics of the four categories, we moved to deeper comparisons of accelerators, incubators, and ecosystem builders. Additionally, we have quoted some of the key takeaways from program managers to support and illustrate the findings from the various surveys.

Limitations

As noted above, the main objective of this report is to provide an initial mapping of the Indonesian SAO ecosystem. This report is not intended to be an exhaustive review of SAOs in Indonesia. SAO structures in Indonesia have changed over the years; some are still validating their models, while some have just launched their programs less than a year ago. The intention is to provide insights into the Indonesian SAO ecosystem that can be used as a starting point for further research and as a reference point for further exploration by entrepreneurs, SAOs, government organizations, private sector organizations, and non-government organizations.

Another limitation of this report centers on poor data availability outside Java. As such the analysis in this report might not represent the SAO ecosystem outside these regions. However, given that the majority of SAO activity is focused in these regions and based on our experience in the field, research findings can likely be applied to other regions. Therefore, we will draw some general conclusions about the broader Indonesian ecosystem.

Finally, given that the dataset represents a subset of players in the ecosystem, findings and recommendations should be interpreted with this in mind. Data collected provide insights into general trends, rather than a deep dive into specific components of the ecosystem.

Notwithstanding the aforementioned limitations, the data does provide unique and valuable insights into the Indonesian ecosystem. We hope that this report serves as a catalyst for discussion among SAOs, stakeholders, practitioners, and policymakers on the challenges and the potential solutions for improving the Indonesian entrepreneurial ecosystem.

10 These expert interviewees have multiple, combined experiences as an entrepreneur, investor, and SAO program director.

Taxonomy of Start-up Assistance Organizations

We define start-up assistance organizations (SAO) as entities that enable entrepreneurs and ventures at diverse growth stages to develop successful businesses, by providing a variety of support services.

SAOs can act as an impetus for the growth and success of entrepreneurs and start-ups (Deep Centre, 2015); the diverse set of services provided by these organizations may include experienced mentors, initial funding, talent acquisition, business strategy and product development, market validation, market access, physical working spaces, access to investor networks and follow-on investment opportunities. The support provided by SAOs may be structured, unstructured, formal, and informal. The support is not only offered to early-stage ventures; many SAOs' support services are aimed at mid to growth-stage enterprises with a specific focus on accelerating their growth and helping them scale up.

Many SAOs that classify themselves under the same name category (such as accelerators, incubators, co-working spaces, communities or hubs) often have different characteristics and structures (Dee et al., 2015). In Indonesia, the globally common categorizations and terminologies are only loosely applicable.

Of the 53 organizations we studied, more than half of the programs have overlapping features, and some are difficult to differentiate from one another. An environment where a high number of organizations operate without clear distinction in services makes the Indonesian ecosystem difficult to navigate for both new and existing players.

This report categorizes SAOs in Indonesia into four buckets, as defined below:

- Incubators
- Accelerators
- Ecosystem Builders
- Other Support Programs

This section analyzes the differences among the available programs to identify some boundaries and create some definitions. We will also explore the characteristics of each category in detail.

INCUBATORS

Incubators are organizations that offer structured or customized and longer-term support to idea-stage or early-stage enterprises and entrepreneurs. They also often provide office space to the participants. Incubators typically help start-ups validate their ideas, test and validate potential markets, develop viable business models and at times, also help them create some initial traction.[11] These organizations primarily aim to nurture and develop early-stage start-ups.

Through surveys, we identified characteristics by which incubator programs differ from other SAOs programs in Indonesia. Although detailed characteristics may differ across incubators, some general characteristics of Indonesian incubators are:

Duration:	Typically 6 – 12 months; may be longer.
Mission:	To strengthen ideas and create viable business models.
Target:	From idea stage to early-stage enterprises, with or without initial revenue.
Selection Process[12]**:**	Less to moderately competitive.
Legal Structure:	Non-profit or for-profit.
Affiliations:	Universities, private corporations or no affiliation.
Guaranteed funding:	Typically no guaranteed funding; if funding is provided, amount and structures are determined on a case-by-case basis.
Additional characteristics:	Some incubators in Indonesia end the program with a final pitching session with the investors as an audience. The main objectives of these sessions are evaluation, feedback, and exposure to the investor network. Office space is often provided during the program.

Example of a Typical Incubator Program

> *Incubation works very well in other countries like the U.S., where they serve as a lab for experimenting ideas. In Indonesia, accelerators are more appropriate because there are many market opportunities and often the ideas or products are already known. I think it is wrong for Indonesia to have incubators, because taking time to incubate something is too slow for the market. Do it, do it quickly, therefore, accelerate it.*
>
> *– Investor, mentor and program director of accelerator and incubator programs*

11 Initial traction varies from one venture to another. For some ventures initial traction might include initial set of users or unique visitors (for web-based products) and for others, it will initial set of customers that generate some revenue.

12 The competitiveness of a selection process is determined by the percentage of participants accepted in addition to the intensiveness of the process.

Typically, incubators around the world have a flexible duration and are structured as non-profit entities. However, incubators in Indonesia may vary in structure owing to the local market conditions[13] and the needs of the local entrepreneurial ecosystem.

Incubators in Indonesia can be very similar in nature to accelerators with structured programs and limited program duration. However, contrary to accelerators, which aim to add value and rapidly progress high-potential start-ups (Feldman et al., 2016), the main objective of incubator programs is to develop ideas into independent, viable and working businesses. They also differ from accelerator programs as programs are structured to be less intense[14] for participating businesses and have relatively longer program durations. As revealed in focus group discussions (FGDs) and expert interviews, some Indonesian entrepreneurial ecosystem experts argue that the concept of incubation[15] does not apply to the Indonesian market, and that incubators in Indonesia can be more aptly termed as "early-stage accelerators."

> *Most start-up ideas come from universities. Universities play an important role in developing and strengthening pre-startup and idea stage start-ups because they have resources and networks of students. Strengthening ventures at inception stage can improve the overall quality of the ecosystem.*
>
> *– SAO program manager*

Role of University-Based Incubators

In recent years, several universities in Indonesia, such as University of Indonesia, Gadjah Mada University and Multimedia Nusantara University, have created on-campus incubator programs for students and alumni. Due to their high access to knowledge, technology, resources, and networks, university research programs are seen as a promising platform where innovation and entrepreneurship can blossom. Ideas can receive early validation and can be developed into potentially viable businesses leveraging these resources. In this way, university-based incubators have the potential to propel regional and economic development (Hanoku et al., 2011). Currently, most university-based incubators in Indonesia focus on idea-stage, technology-based start-ups. Often the incubator programs run in partnership with ecosystem builders, such as capital providers, government, and private corporations that provide access to existing support in the entrepreneurial ecosystem.

Example of Typical Incubator Program

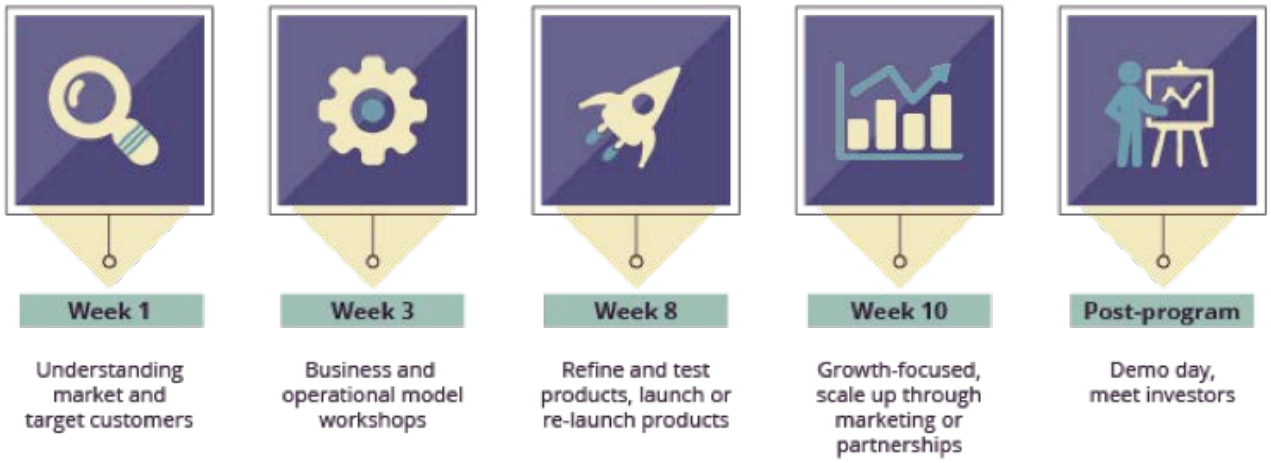
13 Some of the changes in market conditions may include changing dominance of particular sectors, policy changes, increased level of competition in a specific sector, and other trends or changes that may affect the entrepreneurial ecosystem.
14 Participants of accelerator programs are required to achieve more milestones in a shorter time-frame as compared to incubator programs.
15 Taking time to testing and developing the idea can risk the opportunity being lost, as competitors will take over the market opportunity.

ACCELERATORS

Accelerators are growth-driven organizations, which provide an intense, structured short-term program to induce rapid growth of enterprises. These programs focus on small teams, instead of individual founders and typically, target early to mid-stage ventures. Accelerator programs have a clearly defined time frame and often run in batches or cohorts. Therefore, they offer many opportunities for networking among peers and mentors who may be experienced corporate executives, investors, program alumni and successful entrepreneurs (Cohen, 2013). These programs simulate intense work environments where founders undergo rigorous training to achieve milestones in a limited time frame. The pace at which entrepreneurs are required to work is usually unsustainable for the longer term, and therefore, these programs typically only last 3 to 4 months. Most programs end with a demonstration day or investor event, where program participants pitch their ideas to an audience of investors (Cohen, 2013).

Duration:	Short-term, intense programs; typically 3-4 months.
Mission:	Growth-driven; to help ventures grow and arrive at some level of maturity in a short time frame.
Target:	Typically, from early-stage enterprises with some traction and revenue to mid-stage enterprises
Selection Process:	Highly competitive.
Guaranteed funding:	Typically provide guaranteed initial funding for some equity; on average USD 50,000 for 10-20% equity stake.
Legal Structure:	For-profit.
Affiliations:	Private corporation or no affiliation.
Additional characteristics:	Accelerator programs end with a “demo day” or “investor day.” One of the key performance indicators of the accelerator programs is follow-on investment.

Example of Typical Accelerator Program



ECOSYSTEM BUILDERS

Ecosystem builders are programs and organizations that provide customized, diversified, and ongoing entrepreneurial support through offline or online activities, which cannot be categorized into the definitions of incubators or accelerators, as described above. Often, these organizations may impact or involve multiple stakeholders from the ecosystem; therefore, we termed them as "ecosystem builders." Additionally, such organizations do not have a cohort or batch structure and typically provide ongoing support tailored to the needs of the venture supported. The duration of the support provided can range from a few months to a few years. These include, but not limited to, start-up hubs or communities, co-working spaces, capital providers that offer capacity building and organizations that offer customized acceleration for high-growth ventures. These organizations offer support to ventures across the growth spectrum, usually depending on the mission of the organization. For example, Endeavor Indonesia is a non-profit organization that provides customized support to help high growth enterprises scale-up, with an overarching objective of creating more jobs.

Duration:	Varies; ongoing, can range from 6 months to 3 years; usually until the time a venture needs support.
Mission:	Longer term commitment to build entrepreneurial ecosystem; help firms across the growth spectrum succeed.
Target:	Varies, can range from the idea stage to high growth stage.
Selection Process:	Often less competitive but can vary depending on the start-up stage.
Guaranteed Funding:	Varies[16]; depends on the objectives of the organization.
Legal Structure:	Varies; can be for-profit or non-profit.
Affiliations:	Non-profit/NGO or no affiliation
Additional characteristics:	Provide more customized and tailored support to enterprises. These organizations rely on strong community and network support.

Examples of Ecosystem Builders

Start-up Hubs or Communities

These organizations offer a range of support services to entrepreneurs and start-ups at all stages of growth, by connecting key players and providing "end-to-end" support services (Deep Centre, 2015). They capitalize on the diverse networks of entrepreneurs, mentors, investors, accelerators, incubators and co-working spaces. Often, communities and hubs may offer co-location of these various players of the ecosystem; this can provide greater opportunities for learning for entrepreneurs and ventures. Also, communities and hubs are usually sector agnostic but often may have some level of synergies, such as a focus on start-ups from all sectors that are technology-enabled or focus on start-ups from all sectors that operate in the same business vertical. One example of this approach is Block71; a technology start-up community that connects entrepreneurs, investors, VCs, corporates and partner agencies. The organization also provides co-working space and customized incubation services to entrepreneurs at diverse growth stages.

Capital Providers

Capital providers are organizations whose main objective is investing in early to growth-stage enterprises through equity instruments. The success of these organizations depends on the success and growth of their portfolio companies, and therefore, they often offer mentoring, capacity building and other customized entrepreneurial support. Capital providers may include venture capital

16 As ecosystem builders encompass various types of support organizations. The funding guarantee varies according to the organizations' mission and objectives. If funding is provided, amount and structure is determined on case-by-case basis. For example, capital providers typically provide guaranteed funding before mentorship and capacity building support and the funding can range from USD 5,000 to more than USD 1 million. Alternatively, co-working spaces and commercialization agencies typically do not provide guaranteed funding, but charge a fee for their services.

firms, angel investors, and private equity firms. Support provided is unstructured and may vary from mentorship to skills workshops to fostering strategic partnerships. The duration of support provided usually is ongoing or as per the requirements of the venture. For example, ANGIN is an angel investment network that helps to connect early-stage ventures with angel investors. In doing so, it offers capacity building and mentoring support to its portfolio companies. Another example would be Convergence Ventures; a venture capital firm that not only provides capacity building to its portfolio companies but also assists them in strategic recruitment.

Co-working Spaces

Co-working spaces are organizations that provide basic physical infrastructure such as office space and other business support services, as well as opportunities for entrepreneurs and start-ups to network and collaborate with other ecosystem players. The space is usually provided to the entrepreneurs and start-ups on a paid rental basis and the participants are referred as "tenants." Co-working spaces can act as catalysts for "organic network formation" (Feldman et al., 2016) and provide many opportunities for information sharing and collaboration. Often, co-working spaces host many competitions, workshops and other events in collaboration with other ecosystem players; these events provide many opportunities for tenants to access technical/non-technical training, capacity building, and networks, which range from other entrepreneurs to investors. Some examples of co-working spaces in Indonesia are Go-Rework, Wuhub, EV Hive and Spacemob.

Business Support and Commercialization Agencies

Such organizations often provide support to enterprises in the form of specific business support services, such as web and application development, product-market fit analysis, talent acquisition, content design and marketing automation. Support is delivered in an unstructured manner, and agencies do not work with batches or cohorts. Support is often customized as per the needs of the client firms and clients are charged a fee for the services they receive. Examples of such organizations include digital marketing agencies, human resource agencies, technical support organizations, and digital consultancies. For example, Y Digital Asia is a digital-performance consulting firm that is a part of the Y Group. It helps firms improve business performance by analyzing the problems that businesses face and offering solutions, such as, digital marketing increase number of users.

OTHER SUPPORT PROGRAMS

Other support programs, for the purpose of this study, are all other entrepreneurial support programs that do not fall into the three buckets above. Typically, they offer more strategic or specific support and have very short-duration, typically two to seven days. These programs can include competitions, events, courses, start-up weekends, workshops, and boot camps. Often, the objective of these programs is to promote entrepreneurship and to discover talented entrepreneurs. Universities, government, development agencies, private corporations, or other players in the entrepreneurial ecosystem such as incubators, accelerators or co-working spaces may spearhead such programs or events.

Duration:	Short sprints of support; usually 2-7 days.
Mission:	To strengthen the ecosystem and catalyze innovation
Target:	Varies, from aspiring entrepreneurs (pre-startup) to growth-stage enterprises.
Selection Process:	None to moderately competitive.
Legal Structure:	Varies; can be for-profit or non-profit.
Affiliations:	Varies; often private corporation or co-working spaces.
Guaranteed funding:	None.
Additional characteristics:	Provide more short-term strategic or specific support.

Examples of Other Support Programs

Competitions and Awards

In recent years, Indonesia has seen an increase in awards and competitions for entrepreneurs and start-up ventures aimed at promoting innovation. These events also act as platforms to find talented founders and entrepreneurs. Usually, such competitions bundle different services for start-ups, such as mentoring, capacity building, training and prize money. For example, DBS-NUS Social Venture Challenge Asia is a regional competition where the winner gets prize money to be used as seed funding, as well as 6 months of post-competition support. They also organize a one-day capacity building workshop to promote the competition among enterprises.

Workshops and Boot Camps

Several public, private organizations and universities often offer short duration entrepreneurial support in the form of workshops, entrepreneurship courses, start-up boot camps, "hackathons" and/or start-up weekends to support entrepreneurs and ventures at various growth stages across diverse sectors. Typically, such programs provide intensive short-duration support and require active participation from the participants. They are structured to provide capacity building, stimulate collaborative development and to increase the competitiveness of start-ups and entrepreneurs. Such events often end with a pitching competition/demo day.

An example of this type of support program is Startup Weekend by Google.inc. This is a 54-hour event that provides a platform for early-stage entrepreneurs to brainstorm, create, and validate their ideas into viable businesses by consulting and collaborating with domain experts, mentors and other entrepreneurs. The event ends with a competition and winners often get awarded an array of services and opportunities offered by the sponsors and organizers.

Government Agency and Public Support Initiatives

Recognizing the importance of new businesses in contributing to economic development, job creation and technology diversification (Deep Centre, 2015), government agencies provide several programs for the development and growth of such businesses. Not only do they help microenterprises and SMEs, several government agencies and ministries such as BEKRAF (Indonesia's Creative Economy Agency), Ministry of MSMEs and Ministry of ICT create support platforms for various start-ups at various growth stages. The structures and targets vary according to the preference of the government agencies.

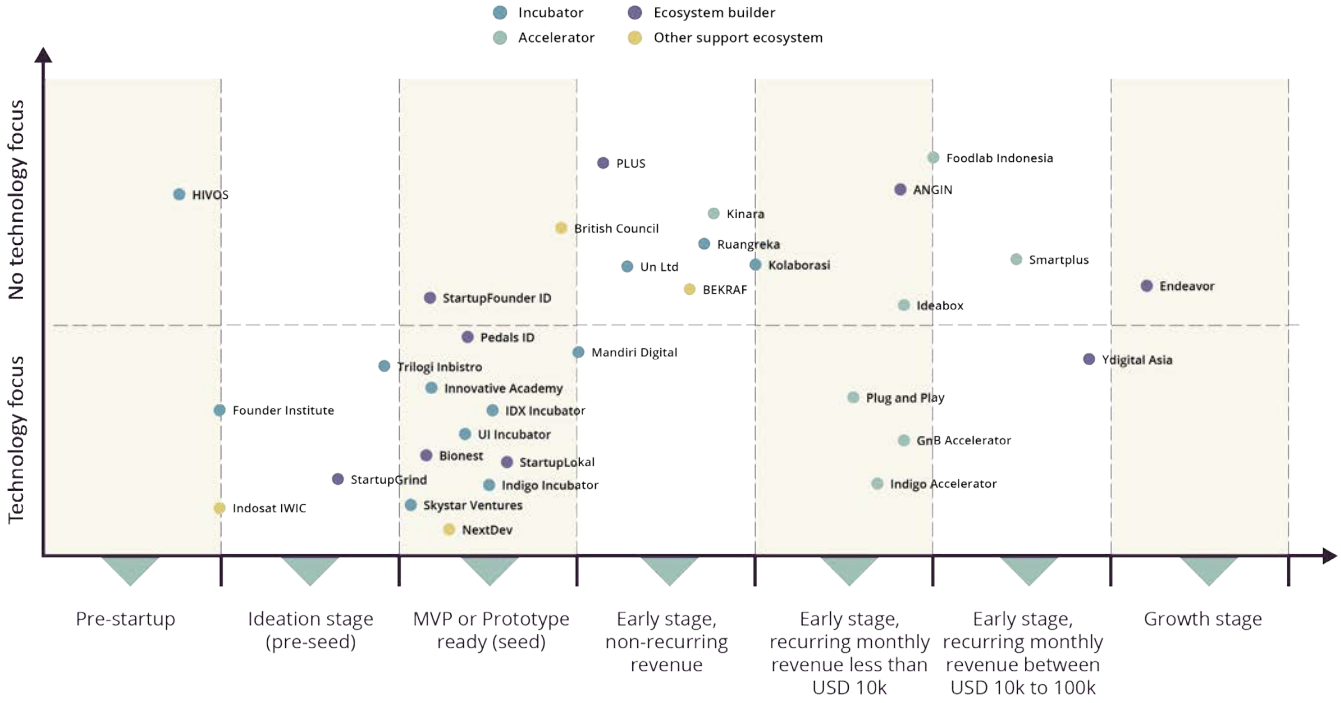
For instance, BEKRAF was formed in 2015 to boost Indonesia's economy through creative industries, such as arts/crafts and food and beverages. They organize several programs, including workshops, seminars, or pitching competitions to connect entrepreneurs with resources such as access to investor networks, capacity building, other SAOs and access to mentors to facilitate their growth and competitiveness. One such program is called "Bekraf for Pre-Startup" (BEKUP), which is designed for the pre-startup phase to support talented founders and aspiring entrepreneurs.

Indonesian Ministry of ICT has a similar initiative called "1,000 Digital Start-up Movement", in partnership with KIBAR, which is an ecosystem builder. This initiative aims to stimulate entrepreneurship in the digital space and the program is divided into many stages such as workshop, hackathon, boot camp and incubation program.

GENERAL CHARACTERISTICS OF SAOs

Based on our research, we mapped the different SAO organizations in Indonesia along the venture-growth spectrum (Figure 1). We also included SAOs' focus on technology-backed enterprises as the main differentiator. Through this exercise, we found that the majority of organizations support technology-backed or technology-enabled enterprises, and that only a few focus on pre-startup or ideation-stage enterprises. This can be driven by the perception among SAOs of increased risk in supporting idea stage enterprises. Additionally, there are not many SAOs that focus solely on enterprises from traditional sectors that are not technology-based, such as, food and beverage, agriculture, fisheries and professional services; more specifically from pre-startup to early-stage.

Figure 1. Selected examples of different types of SAOs and their mapping



The table below depicts a tabular representation of the key characteristics of each SAO category in Indonesia and also highlights the differences in the structure and services provided by each category.

Table 1. Summary of SAO Classification in Indonesia

Organization Types	Incubators	Accelerators	Ecosystem builders	Other support programs
Duration	6-12 months; can be longer	3-4 months	Varies or ongoing	2-7 days
Business model	Non-profit or for-profit	For-profit	Varies	Varies
Revenue model	Other*, private corporation, or fee	Equity, private corporation, or fee	Other*, individuals, or fees	Private corporation, government, or philanthropy
Structured program	Yes; can also vary	Yes	Varies	No
Selection	Less to moderately competitive; cyclical	Highly competitive; cyclical	Varies; ongoing	None to moderately competitive, cyclical
Program location	In-house and hybrid[17]	In-house	Virtual or hybrid	In-house and hybrid
Average Graduate tracking	6-12 months	6 months	Never	Never
Average KPIs Tracked	Traction, Monthly Recurring Revenue, Sales	Profitability, Fundraising, Revenue	None	None
Graduate support[18]	Forever	Forever	Varies	Varies
Guaranteed funding	No	Yes	Varies	No
Average investment	USD 18,500; Grant or Equity	USD 50,000; Equity	Varies	Varies
Average Equity	10-15%	10-20%	None	None
Mentors or advisors	Yes (minimal, tactical, internal and external)	Yes (intense, internal and external)	Yes (as needed)	Yes (as needed)
Venture stage	Early	Early to mid	Varies	Varies

**Others can include funding from sponsorships, events, partnerships, and other business units*

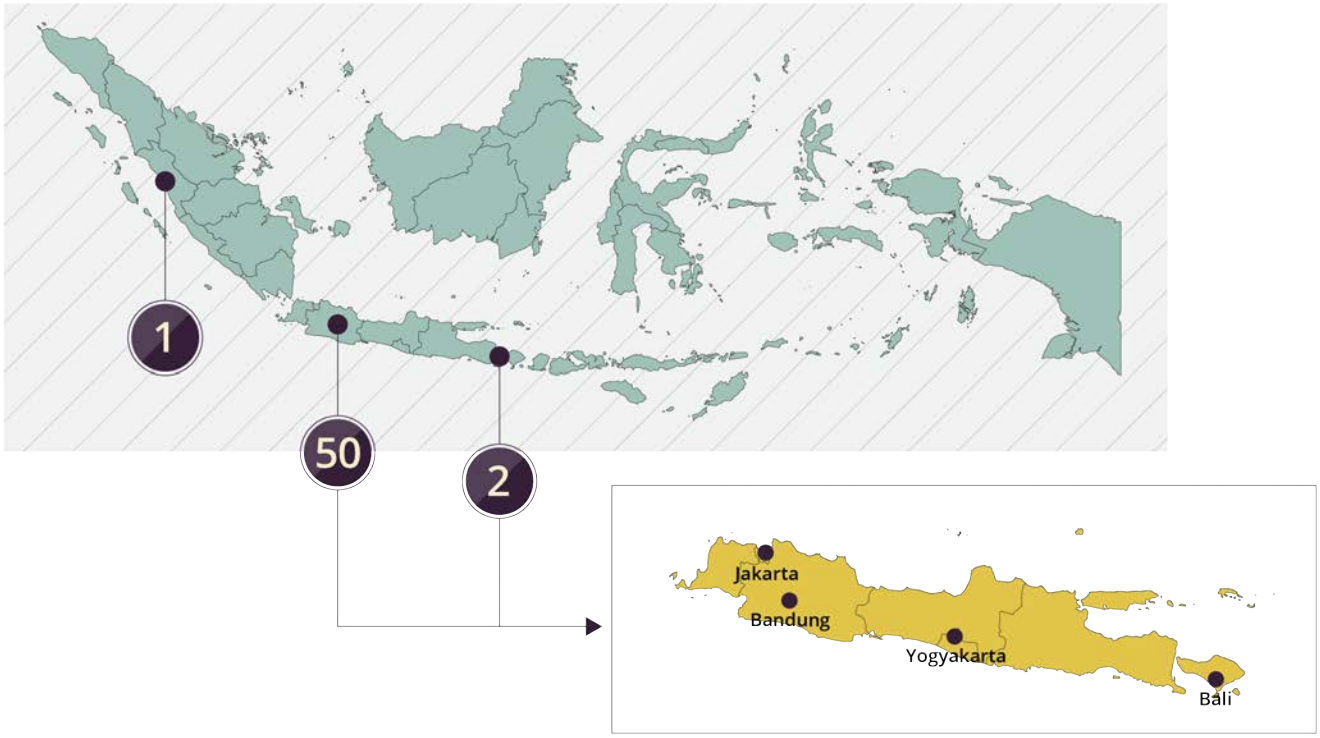
17 Hybrid in this context implies a mix of online and offline program delivery.
18 Graduate support is usually provided on ad hoc basis after the program completion. Most alumni after program completion seek connections and introductions to strategic partners.

Landscape of SAOs in Indonesia

We identified 53 SAOs in Indonesia[29] and studied and analyzed responses from 32 SAOs[30] in detail. Out of the 32 survey respondents, 14 SAOs fit the criteria for incubators, nine met the criteria for accelerators, and nine respondents were categorized as ecosystem builders. In aggregate, the sample studied has supported more than 4,700 ventures since 2010 (as of January 2018)[22].

GEOGRAPHICAL SPREAD

Figure 2. Geographical spread of SAOs in Indonesia



19 There were significant difficulties in obtaining data; therefore, we could only identify 53 SAO candidates.
20 The remaining 21 were not analyzed in detail as they failed to respond to the survey and there was not enough data available from other sources.
21 The sample studied consists of accelerators, incubators and ecosystem builders. For the purpose of this report, we have not conducted in depth analysis of the "other support programs".

As seen from Figure 2, SAO activity in Indonesia is heavily concentrated in the Java region[22]. The majority of the 53 SAOs identified are based in Java region, and 41 have headquarters in Jakarta.

> *During the roadshows outside Jakarta, we can see the differences in quality between Jakarta start-ups and other cities, it is not even.*
>
> *– SAO Program Director*

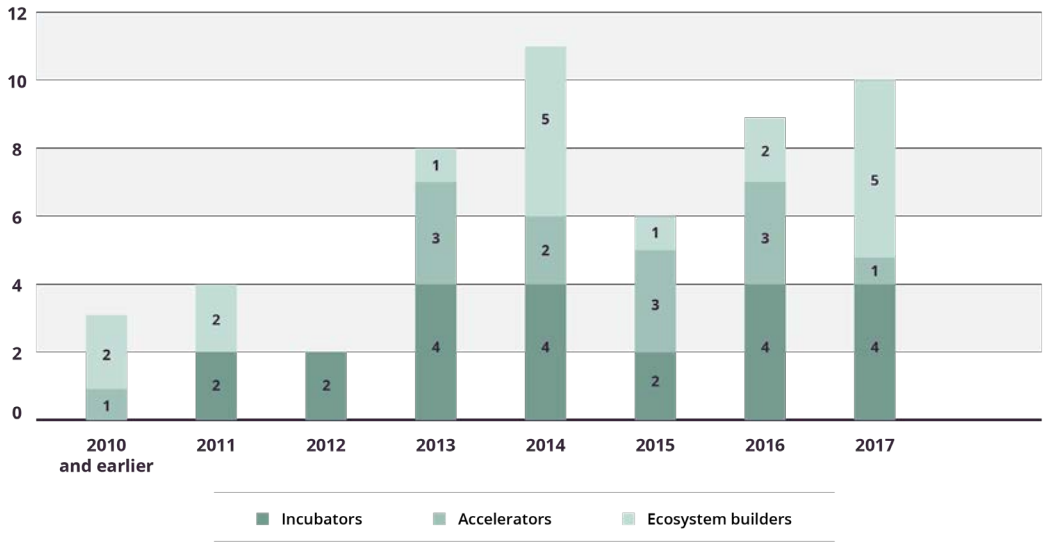
This geographical concentration is due to the majority of key ecosystem players being located in Java, and as a result, resources outside these regions are very limited. To address this centralization, several ecosystem builders and other support programs deliver short-term programs outside these regions[23].

Additionally, despite being headquartered in Jakarta and having difficulty accessing ventures across the Indonesian archipelago, many SAOs strive to actively recruit enterprises from other regions by organizing promotional touring, sometimes in the form of capacity building workshops. However, several SAO program managers note that there is a difference in the quality[24] of start-ups based in Jakarta versus those based in other cities; Jakarta-based start-ups are likely to have more developed business models and higher understanding of finance and accounting.

SAOs' ACTIVITY IN INDONESIA

According to our research, SAOs in Indonesia – as categorized by our definitions – may have started before 2010[25] with the onset of organizations that focused on supporting enterprises via customized and unstructured programs with flexible durations. Under our definition, these early SAOs would have been classified as "ecosystem builders." Our data also suggests that accelerator-type organizations emerged approximately in 2010 (Figure 3)[26]. However, we noticed that there are some uncertainties around the current operational status of some of the organizations that emerged before 2013. Furthermore, our data reflects that the majority of SAOs in Indonesia sprung up after 2013.

Figure 3. Number of New SAOs Launched



22 While our research focuses on these two regions, expert interviewees, who have had experiences in other regions, verified our hypothesis about the limited availability of SAOs in other regions.
23 Not reflected in the figure.
24 Quality may include but not limited to strong entrepreneurial mindset, relevant background and experience of founders, technical skills, level of overall business preparedness, the strength of the business model, unique value proposition or basic understanding of finance and accounting.
25 While the SAOs may have been present prior to 2010, this reports mainly studies SAOs that have emerged in and after 2010 because of lack of data and information availability.
26 Broadly similar to the patterns seen elsewhere in Asian countries.

The dip after 2017 (Figure 4) is mainly because some SAOs, mostly incubators and accelerators, have ceased operations after a few years. This was mainly due to the lack of financial resources to support the program, as indicated from the various interviews. However, there are several new SAOs that have emerged and continue to emerge.

In fact, during the past five years, over half of the SAOs studied have either changed or are planning to change their operational structure, core business model, or ceased their operations (Figure 5). Such changes occurred due to the need to adapt to the local context and changing market conditions. Changes in operational structure ranged from improving the program or service delivery to changing their selection procedure. Business model transformation includes more strategic changes, such as changing the sustainability or monetization model, reconstructing the core business activity, or changing the legal structure.

Figure 4. Growth of SAOs in Indonesia

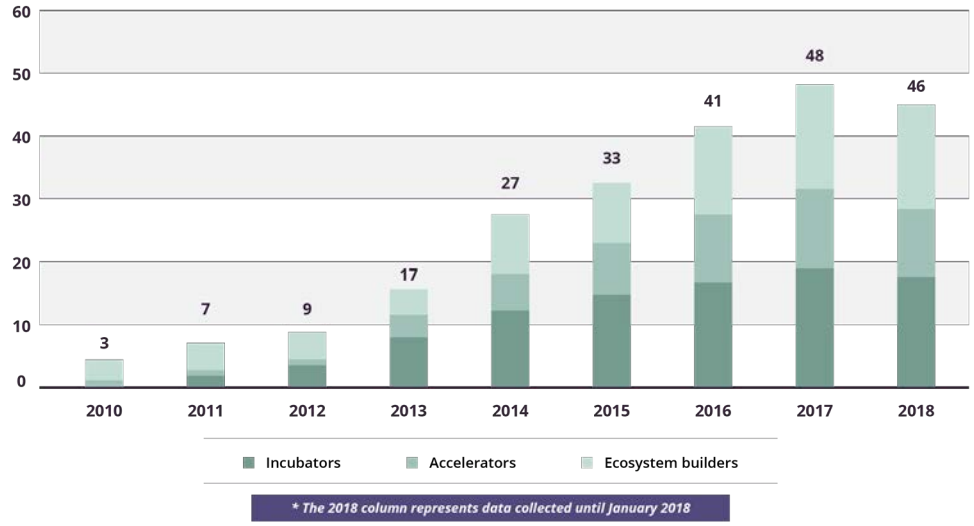
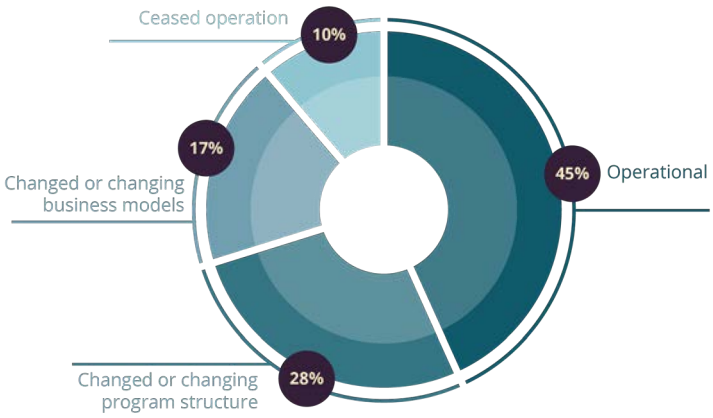


Figure 5. Learning Curve of SAOs



For example, some SAOs started their programs as a classroom type model, with many workshops in their first few batches. As they found that the classroom models were not very effective, these SAOs modified their program into a more interactive program model with more one-on-one consultations. Another SAO is currently restructuring their model from a classic model with classes and mentors, to one that includes more real market exposure and validation of the product or service in the market.

> *…it will take a couple of more batches to reach maturity stage as per the Indonesian context.*
>
> *– SAO Program Director*

> *In our first batch we did more workshops in a classroom-type setting, but it wasn't effective. As the start-up participants have different knowledge and requirements. Some start-ups, are strong in IT, others are strong in finance.*
>
> *– SAO Program Manager*

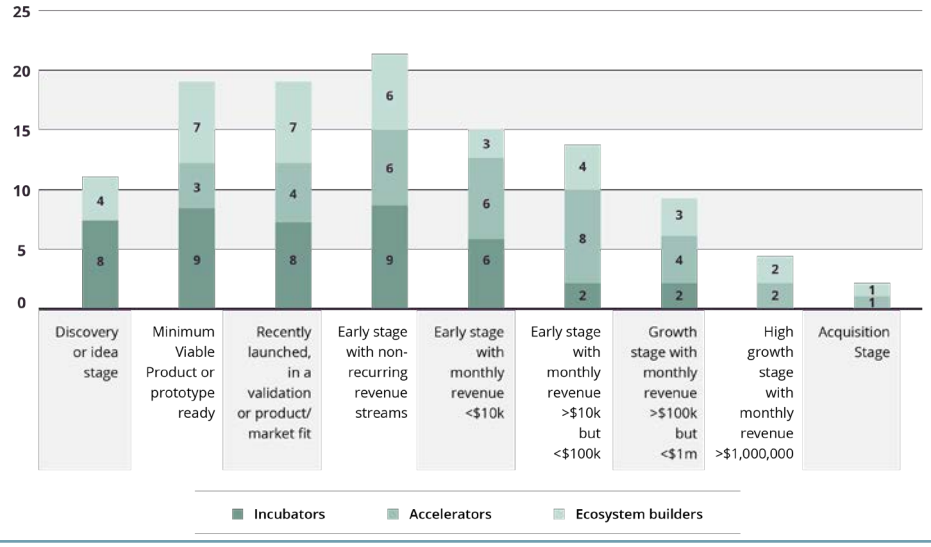
The degree of changes indicates that SAOs in Indonesia are still in flux and are still in their learning phase – discovering what does and does not work in supporting entrepreneurs. During interviews and FGDs, we observed that, on average, an SAO reaches a level of maturity[27] after dealing with 2 to 3 batches of start-ups.

TYPE OF VENTURES SUPPORTED

Venture Stage Focus

Different SAOs support different stages of ventures, based on their mission. Incubators primarily focus on early-stage enterprises, from ideation or prototype stage to enterprises with some recurring revenue. Meanwhile, accelerators are more growth-driven and therefore, look for enterprises with larger tractions and higher levels of consistent revenue streams. Ecosystem builders, on the other hand, provide more customized support and together offer support to enterprises across the growth spectrum; the mission and vision of the ecosystem builder further determine the specificity of the growth stage that they focus. We also identified several ecosystem builders that solely focus on high-growth enterprises (Figure 6).

Figure 6. Venture Stage Focus



27 Level of maturity is defined as having a robust business model that aligns with the requirements of the local entrepreneurial ecosystem and market conditions.

Sector Focus

The majority of the SAOs (78%) that we studied reported to be sector-agnostic, either by choice or by evolution (Figure 7). However, when offering services, a clear pattern emerged[28] where self-reported agnosticism was replaced with a clear preference for start-ups in ICT, financial services, e-commerce or online retail and food and beverage sectors. For SAOs that focus on specific sectors, the top sectors of preference are ICT, agriculture, fisheries and forestry, and healthcare (Table 2).

Figure 7. Sector Focus Reported by SAOs

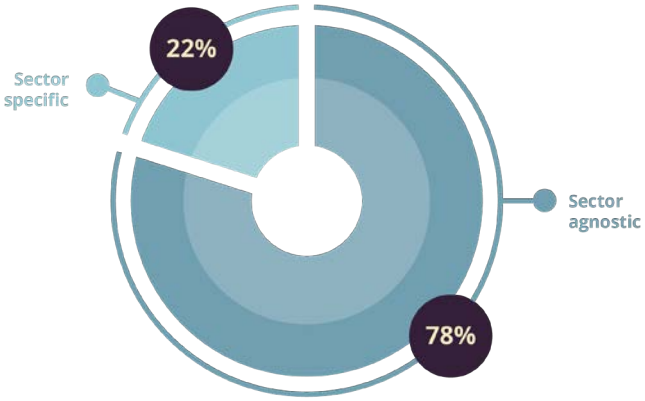
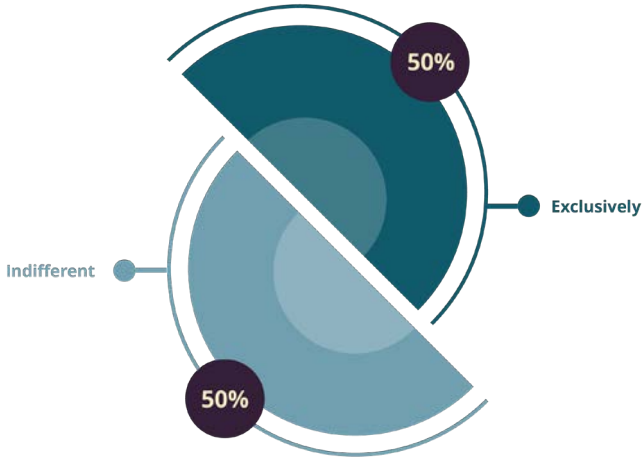


Table 2. Top sectors of preferences

Sector-agnostic SAOs	Sector-specific SAOs
ICT	ICT
Financial services	Agriculture, fisheries, and forestry
E-commerce or online retail	Healthcare
Food and beverage	

Our interviews and FGDs suggest that since the entrepreneurial ecosystem in Indonesia is relatively new and rapidly evolving, there is a distinct disparity in terms of numbers and quality of ventures across different sectors. As a result, SAOs that express preferences for a certain sector end up accepting applications from a variety of sectors. Additionally, many SAOs indicated that being sector-specific could sometimes induce aggressive internal competition resulting in cannibalization, so they choose to be sector-agnostic.

Figure 8. Percentage of SAOs with a Focus on Technology-based Enterprises



Furthermore, 50% (16) of all SAO respondents reported they solely focus on ventures that are technology-based or enabled by technology (Figure 8). This is correlated with the insurgence of technology-related start-ups that emerged with Indonesia's digital economy boom.

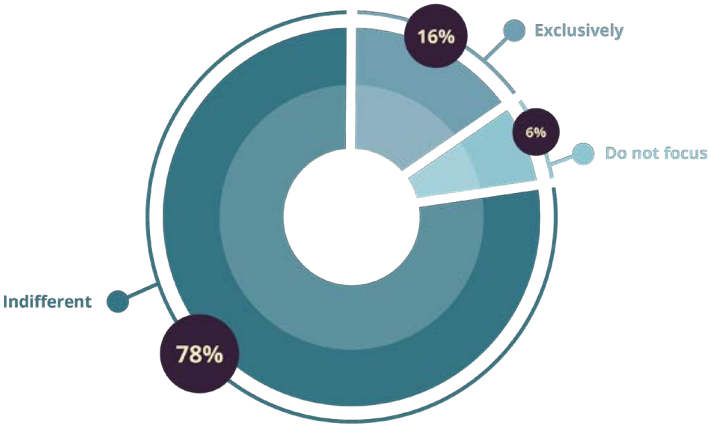
> *I think it [decision to be sector-specific or agnostic] changes every year depending on the market outlook. In Indonesia there is very little data and deal flow is very scarce. So we made some exceptions and decided to look more into criteria on the quality of founders, instead of focusing on a specific sector.*
>
> *– Former SAO Program Director*

28 Preference for these four sectors was identified during various focus group discussions, expert interviews and analysis of the SAO and start-up surveys. We also found that there is more inclination of SAOs towards ICT and financial services sector because these businesses require low initial investment, less time to prototype and have high scalability potential (Dempwolf et al, 2014). However, because of scarcity of quality start-ups specifically in financial services sector, and more number of quality start-ups in food and beverages and retail sector, these three sectors received similar number of responses.

Impact Focus

Social entrepreneurship has recently become a common way to address social and environmental problems (Miller & Stacey, 2014). This trend has catalyzed both private and public sector interest in supporting, nurturing and investing in social enterprises. This increased interest from public and private sector may have also prompted more entrepreneurs to follow the trend of social entrepreneurship. Following the need to strengthen the pipeline of viable and effective social enterprises, many SAOs are now focusing on providing incubation and support services to such organizations (Low et al., 2016). From the sample that we studied, 16% of respondents focus solely on providing support to ventures with a social impact, while the majority (78%) of the SAOs are open to supporting social enterprises as one enterprise type[29] (Figure 9).

Figure 9. Percentage of SAOs with a Focus on Social Enterprises



PROGRAM STRUCTURE AND DEMOGRAPHICS

Selection Process

For SAOs that have a selection process, most start with an online application (Figure 10). At this stage, the selection committee, which may include SAO program staff, corporate or strategic partners, or partner investors, shortlists the applicants based on their enterprise proposal or pitch deck. Multiple rounds of interviews and evaluations may be conducted before the applicants are selected. In some cases, there will be final deliberation in which SAOs confer with their strategic partners. For many SAOs that guarantee investment, further due diligence is conducted before formal acceptance.

Figure 10. Overview of a Typical Selection Process

29 In the survey, we asked the participants "Do you accept applications from firms that have social purpose/impact, such as for-profit social enterprises, non-profit organization, etc.?"

Typically, there are broadly three criteria that SAOs look for in their participants:

People	The team behind the idea or venture is a main criterion for selection. The entrepreneurial spirit and character of the team is a very important factor that determines the success of the venture. Some of the characteristics that SAOs look for in the founders are: 1. Founders' intention to capture the opportunity and grow the venture 2. Strong and relevant background: It may include exposure to the entrepreneurial ecosystem[30], prior work experience in a relevant domain or technology, or other relevant educational background. 3. Thorough understanding of their market and their product or service. 4. Strength of the vision for the company
Product or service	The potential of the product or service to be a market leader. Sometimes, SAOs also check if the products or services offered fit with their goals and mission statement. For instance, some SAOs only accept applications from technology-based enterprises or exclusively from impact-oriented enterprises.
Plan and potential	The third key criterion is the scope of market potential and innovativeness of the business plan. SAOs often evaluate the viability, scalability and growth potential of the venture. SAOs often seek ventures pursuing an innovative business approach or marketing strategy.

Selection process as a capacity building module

Several SAOs incorporate a capacity building module in the selection process. This acts as a medium to improve the competitiveness of the enterprises before joining the program and also ensure that all the participants are at the similar level of preparedness.[31] The structure can vary from one-on-one mentoring and consulting sessions with experts to a 24-hour 'hackathon' to build a prototype, a weeklong boot camp to validate the idea or multiple rounds of one-on-one interview with mentors. Program managers and directors suggest that these sessions are designed to mirror actual capacity building modules offered during the program, so applicants know what to expect from the program. In addition, this type of selection process is deemed by many SAO program directors as a fairer and more natural way to sift through applications.

> *The mission of our organization is to support start-ups, and we really mean it. Therefore, throughout the sourcing and selection process, we try to incorporate workshops or mentorship. In that way, everyone who applies gets a chance to receive capacity building, regardless of being selected into the program.*
>
> *– SAO Program Manager*

30 Exposure to the entrepreneurial ecosystem may include, but not limited to, proven track record and prior experience as a founder of a company, prior experience working in a start-up, SAO or a start-up capital provider, or as an investor in a start-up.
31 There are conflicting opinions about the intensity and selectivity levels of the selection process. Some ecosystem experts and program directors argue that a high level of selectiveness will eliminate the lower quality start-ups, and therefore, strengthen the ecosystem and also provide higher quality of deals to the investors. While the others argue that it might discourage the entrepreneurs who, with the help of support programs, have the potential to build strong businesses.

12 out of 13 (92%) surveyed incubators had a minimum of 3 steps in their selection process and accelerators, on average, had a minimum of 4 steps (Figure 11). The average acceptance rate for incubators was 18%, while for accelerators it was only 5%. This indicates that the selection process for accelerators is more rigorous and more competitive compared to incubators.[32]

In contrast, 50% of ecosystem builders often do not have any selection process (Figure 11). Typically, these include communities or hubs and business support and commercialization agencies. However, other ecosystem builders, such as capital providers and organizations supporting high-growth ventures, have more competitive selection processes. The number of steps in the selection process varies from one organization to another. The average acceptance rate (42%) of ecosystem builders is much higher than incubators and accelerator (Figure 12).

Figure 11. Number of steps in the selection process

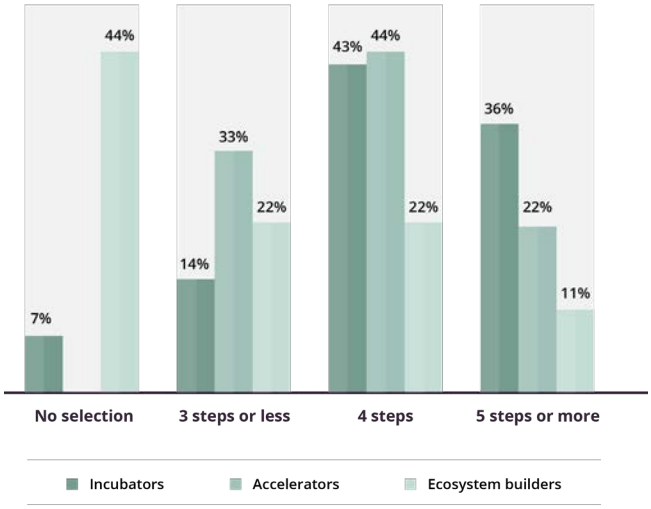
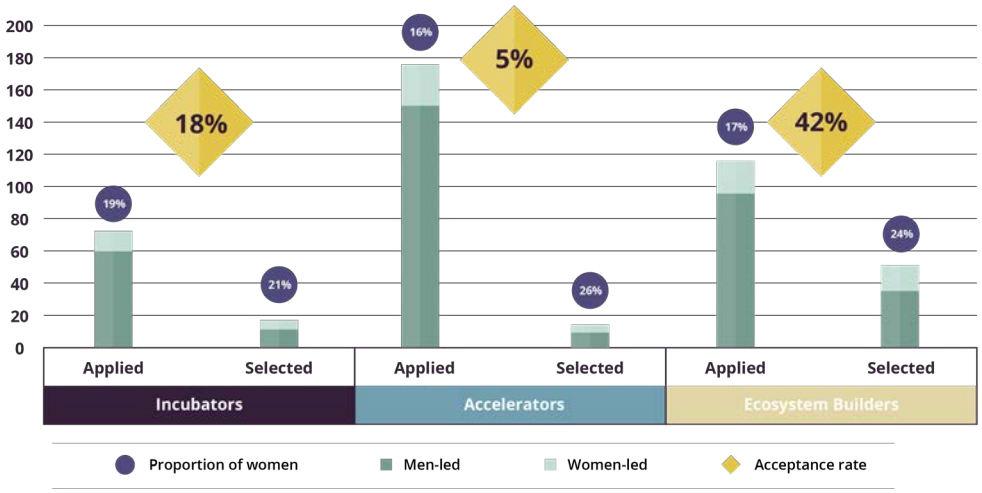


Figure 12. Applications vs. selections: Gender demographics and acceptance rate



16%

From the sample, the average acceptance rate for SAO programs is 16%. Accelerators' selection processes are the most competitive, with an average acceptance rate of only around 5% (Figure 12).

32 As a comparison, globally-recognized accelerator programs such as Y Combinator, Techstars, and 500 Startups have acceptance rates of <3%, 1-2%, and <1, respectively. (Altman, 2014; Apel, 2014; Tan, 2015)

Key Facts about Program Participants

Among the sample, incubators participants have the youngest age range (Table 3). This is due to the fact that several incubator programs are run by universities, where they exclusively accept applications from university students and recent graduates. On the other hand, as accelerator programs focus on enterprises with more traction, their participants are likely to be more experienced and older.

Table 3. Program participants demographics

	Incubators	Accelerators	Ecosystem Builders
Average applicants per batch	75	178	115 (No batches; ongoing selection)
Average number of participants selected per batch	13	8	49 (No batches; ongoing selection)
Average gender ratio (W: M)*	1:4	1:3	1:5
Average age	20-24	25-29	Diverse but typically 25-34
Background	Mixture of business and technical	Business	Mixture of business and technical
Highest educational attainment of typical participant founder	Bachelor's degree	Advanced degrees	Bachelor's degree

**(W:M means women-led vs male-led start-ups)*

Types of Support Provided

Respondents were asked to list all services they provide during their programs. Most SAOs provide access to networks of clients, investors, and partners, mentoring sessions, business strategy development and business support services (Table 4). Although key services provided are very similar across SAOs, services may vary in terms of intensity and depth. For instance, as incubators mostly target ideation to early-stage enterprises, they focus more on validating the business idea, market, or product. On the other hand, accelerators are more growth-driven and therefore, they focus more on refining and improving the product and business strategy for rapid acceleration.

Mirroring global experiences, one of the defining features of an incubator program is the provision of office space for participants (Table 4); some incubators also charge a fee for rental of the space. This is seen as an important feature as incubator programs usually run for relatively longer durations, and participants require more hands-on monitoring and support, as they are usually at early and more fragile stages of the enterprise trajectory. Meanwhile, accelerators distinctively have a demo or investor day at the end of their program with the purpose of connecting graduates with potential investors. Furthermore, in line with the global trend, most accelerator programs that we studied provided guaranteed funding to their program participants.

Table 4. Top five services provided by SAOs and the frequency of responses

	Incubators		Accelerators		Ecosystem builders	
1	Brainstorming of business ideas, business plan and strategy development	(14)	Access to networks (investors, partners, clients)	(9)	Access to networks (investors, partners, clients)	(9)
2	Access to networks (investors, partners, clients)	(13)	Mentors	(8)	Mentors	(6)
3	Mentors	(11)	Brainstorming of business ideas, business plan and strategy development	(7)	Workshops or seminars	(6)
4	Business support services (e.g. HR, marketing and communications, IT)	(10)	Direct funding support	(7)	Brainstorming of business ideas, business plan and strategy development	(5)
5	Provision of office space	(10)	Demo day or pitch day at the end of the program to connect graduates with investors	(7)	Business support services (e.g. HR, marketing and communications, IT)	(5)

Mentors

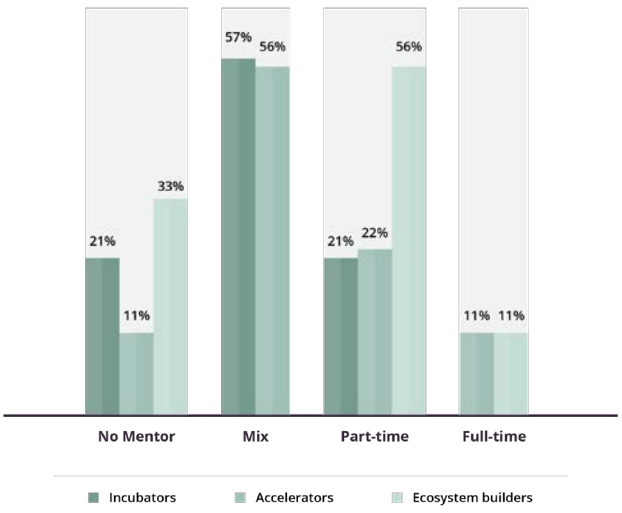
From the surveys and interviews, we found that mentorship is an eminent service that start-ups seek, and more than 78% of SAO respondents listed mentorship as a service that they provide. Typically, programs have two types of mentors:

Visiting or External Mentors
External mentors come from the industry; they can either be successful entrepreneurs, experienced corporate officials, investors or experts in other domains, depending on the need of the start-ups. Some SAOs also look for mentors with regional and global exposure, as they can add more value based on their diverse experiences. Typically, such mentors impart more specific advice, such as the specific technical knowledge or guidance on how to tackle the challenges faced in particular industry.

In-house or Residence mentors
Sometimes also referred to as "entrepreneurs-in-residence." Such mentors are often usually assigned at the beginning of the program and impart more generic advice on topics, such as business operations, market validation, and conduct workshops on business basics, such as legal, accounting and financial skills.

The median number of mentors that an SAO program has is 13, based on responses from all SAO respondents that provide mentoring as a service. Majority of incubators (57%) and accelerators (56%) have a mix of both in-house and external mentors (Figure 13). Accelerators often provide intense and rigorous mentorship, while the incubators focus more on minimal and strategic mentorship.

Figure 13. Types of Mentors: Full-time vs Part-time



We also noticed that the general trend of incubator and accelerator programs is shifting from "workshop-only" model, to include more strategic and interactive one-on-one mentorship sessions. This can be attributed to the fact that participants in each cohort may have different levels of knowledge and experience. As one SAO manager noted, participants in programs are often "state-agnostic" [33].

Our research shows that the majority of ecosystem builders (56%) do not have dedicated full-time mentors (Figure 13). This is related to the fact that take a more customized approach in providing support. In addition, the intensity of mentorship provided can vary from one ecosystem builder to another.

SAO respondents were asked to select all the criteria that they look for while selecting their mentors. Industry knowledge or expertise, entrepreneurial experience, and business acumen were the top three most sought-after qualities that SAOs look for in their mentors (Figure 14). While there are not many variations in the selection criteria among three types of SAOs, accelerators place a higher value on mentors' network.

Figure 14. Criteria for Selecting Mentors

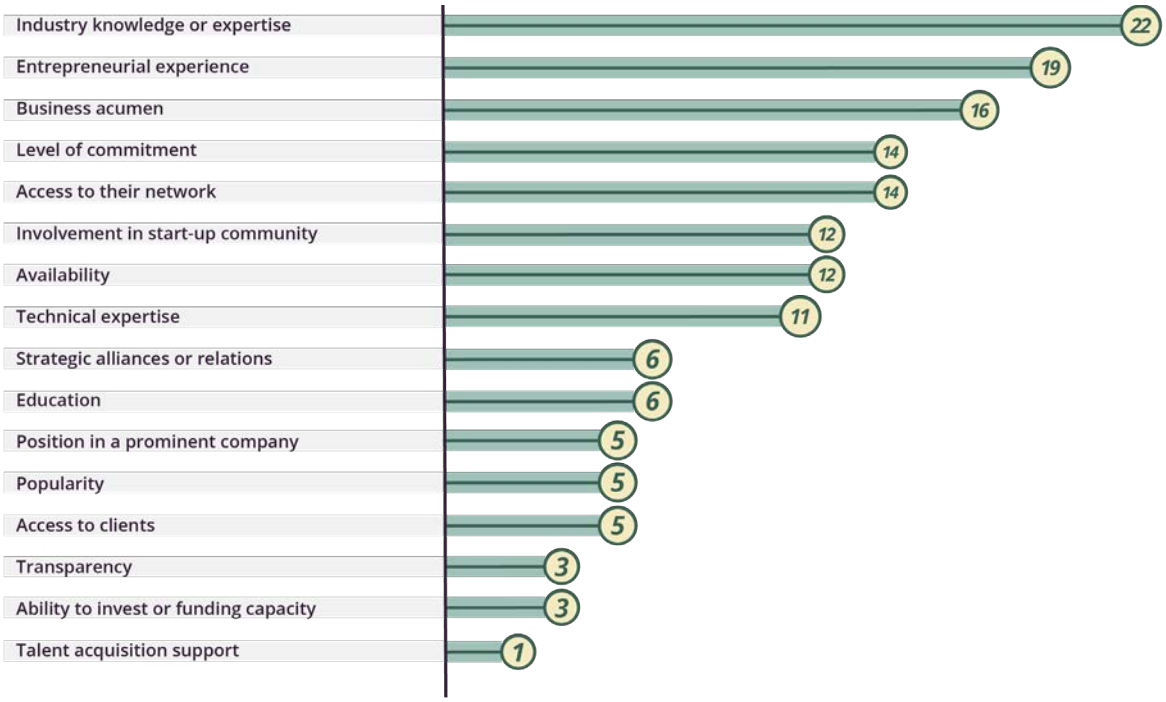


Table 5. Top five criteria by SAO in selecting mentors[34]

	Incubators	Accelerators	Ecosystem builders
1	Industry knowledge or expertise	Industry knowledge or expertise	Industry knowledge or expertise
2	Entrepreneurial experience	Access to their network	Entrepreneurial experience
3	Business acumen	Business acumen	Level of commitment
4	Availability	Involvement in start-up community	Access to their network
5	Involvement in start-up community	Entrepreneurial experience	Technical expertise

33 State-agnosticism implies when participants are in different state or level of preparedness, have different knowledge, experience or different requirements. These participants may be or may not be in the same growth stages. For example, some may be strong in technical skills but need more support in financial modeling, others may have strong business model but need more support in validating their product and creating more traction.
34 The SAO respondents were asked to select all the criteria from a list provided and we picked the top five criteria with most responses in each category in descending order.

Investments

Only 7 (22%) of respondents provided guaranteed investment to participants (Figure 15), with the majority being accelerators. The majority of accelerator respondents (89%) either provided guaranteed seed funding or some form of funding to their participants, while ecosystem builders and incubators did not usually offer guaranteed investments in their programs. However, some incubators are more flexible in terms of investments; four out of 14 incubators have invested in their participants, despite the fact that there was no commitment to invest at the beginning of the program (Figure 16).

Figure 15. Proportion of SAOs Offering Guaranteed Investment

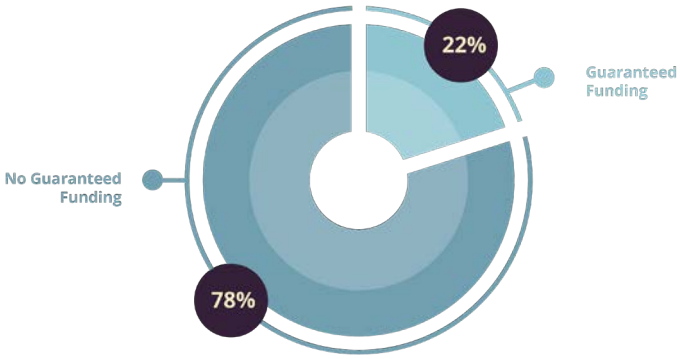
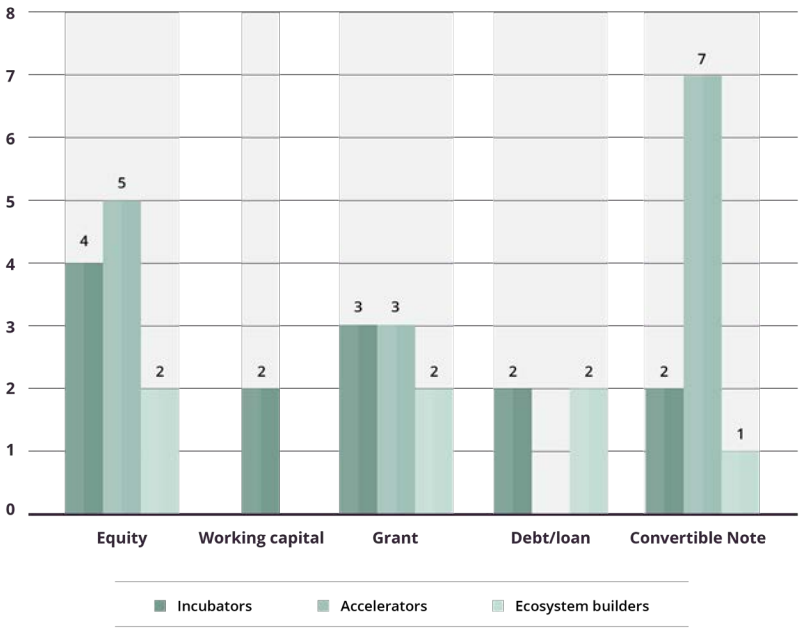


Figure 16. Categorical Analysis of Investments

Median funding provided by accelerator respondents was approximately USD 50,000, while for incubators it was USD 18,500 and in aggregate, the median total funding provided from all SAO types was USD 50,000.

For programs that provide guaranteed funding, convertible notes and equity were the most popular funding instruments used by SAOs in exchange for around 10 to 20% equity stake for accelerators and 10 to 15% for incubators (Figure 17).

Figure 17. Funding instruments used by different SAOs



Affiliations and Legal Structure

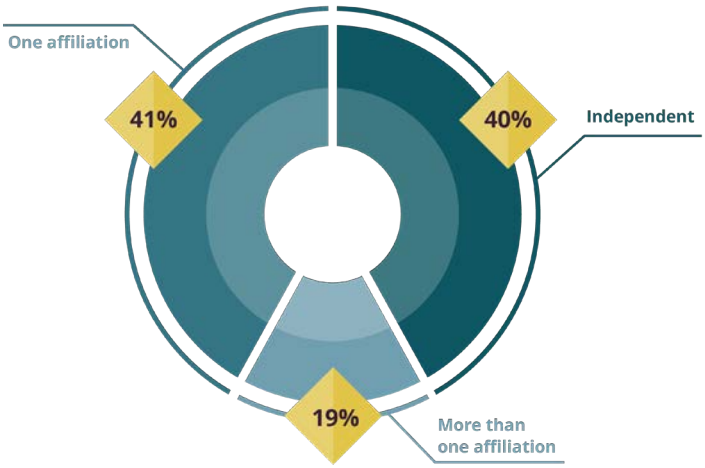
19 out of 32 (60%) SAOs surveyed have at least one affiliation (Figure 18). Affiliations can vary from one SAO to another, including but not limited to purchasing licenses of SAO curriculum overseas, having strategic or monetary partnerships with the government or capital providers, and developing a curriculum or receiving technical assistance from universities. SAOs can also be formed as a division or sub-programme from larger corporations or be established in universities.

Of those that have one or more affiliations, 53% SAOs were affiliated with private corporations. Nine out of the ten corporate-affiliated SAOs were either accelerators or incubators (Figure 19).

The majority of incubators were either independent (6), corporate-affiliated (5) or were associated with universities (5) (Figure 19); suggesting that universities are one of the launch pads for entrepreneurial activity.

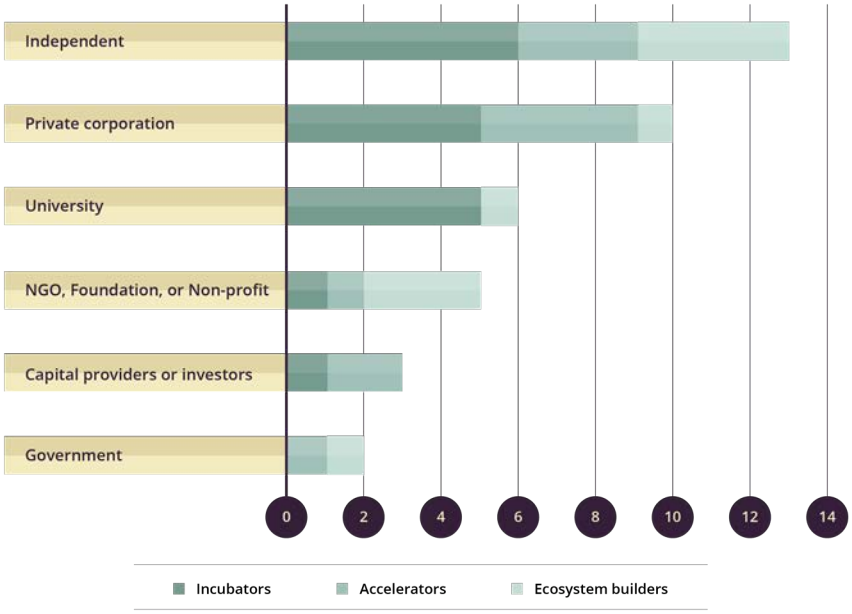
In contrast to incubators, a larger number of accelerators were affiliated with capital providers; indicating the typical focus of capital providers on growth and scalability of enterprises.

Figure 18. Percentage of SAO with Affiliations



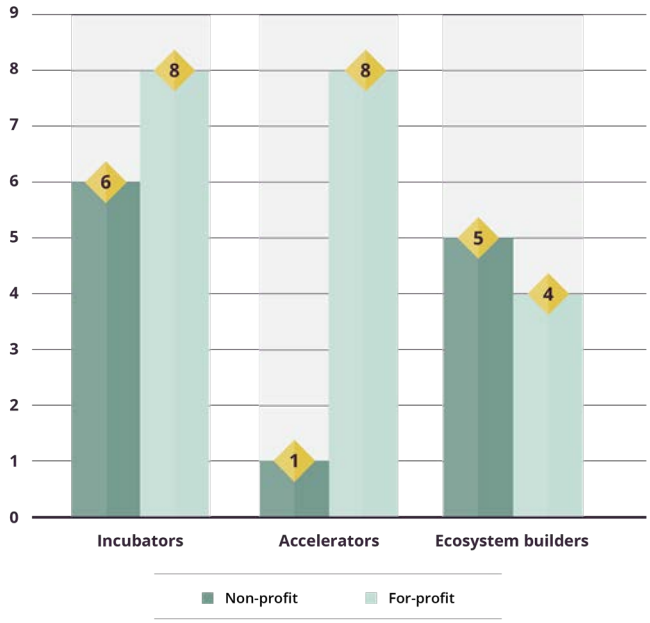
In terms of legal structure, most accelerators (89%) in Indonesia are for-profit organizations[35]. Incubators and ecosystem have more variation in their structure (Figure 20).

Figure 19. Type of Affiliations



35 For-profit organizations in Indonesia are commonly structured in the form of Perseroan Terbatas (PT), equivalent to limited liability company (LLC). Meanwhile, non-profit organizations are mostly structured as yayasan (registered foundation).

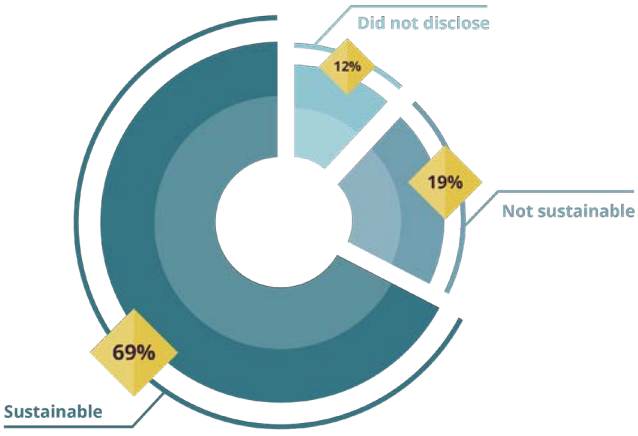
Figure 20. Legal Structure of SAOs



Revenue Model and Financial Sustainability

The survey data suggests that most SAOs (69%) in Indonesia are financially sustainable[36] (Figure 21). However, the majority (86%) of these organizations are dependent on external funding, such as government grant, philanthropy, private individuals or private corporation and are not necessarily generating revenues from running the SAO program. Also, around a third of the sample indicated that they are currently not sustainable or did not provide an answer.

Figure 21. Proportion of financial sustainable SAOs

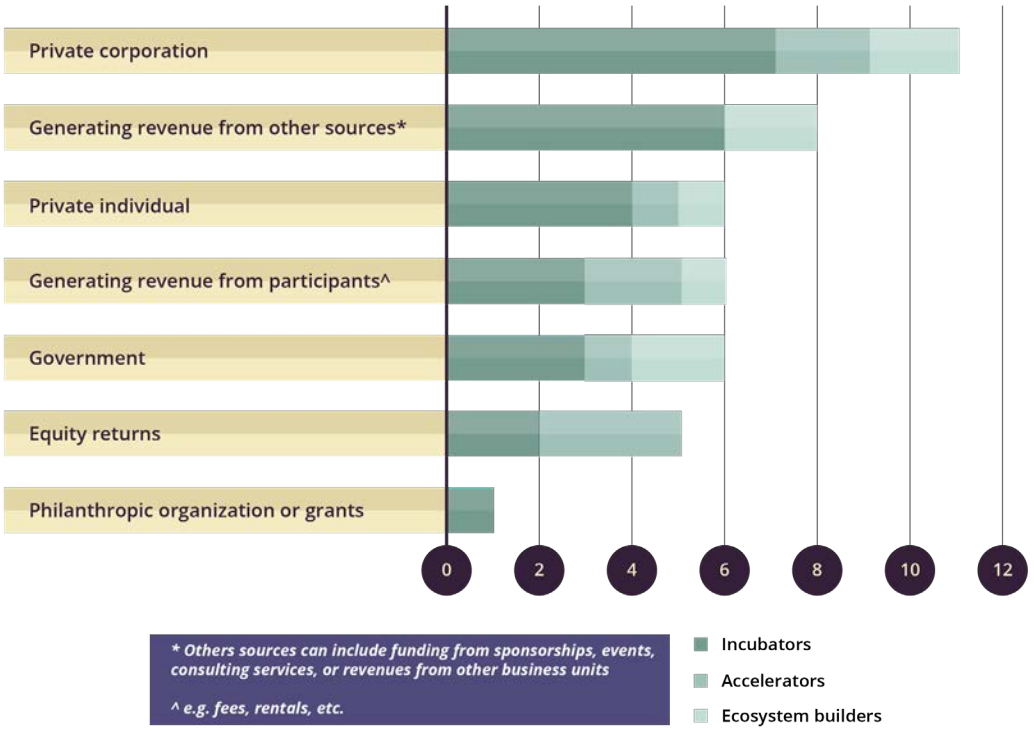


> *It's also the ecosystem, we are still very early in Indonesia. Successful SAOs globally often operate like very early-stage VCs, they make their revenue from exits. The Indonesian ecosystem has not seen too many exits. Perhaps, for the next 5-10 years they would have to rely on external funding sources before they can start making money from equity returns, if they take any.*
>
> *– Partner of a VC firm*

In aggregate, funding from private corporations and revenues from other sources such as events, sponsors and other business lines supporting the programs were the most common sources of funding (Figure 22). Very few respondents generated revenues from equity returns – only 16% of financially sustainable organizations. This can again be attributed to the fact that SAOs are still in developmental stages of the entrepreneurial ecosystem in Indonesia, and Indonesia has not yet seen many exits.

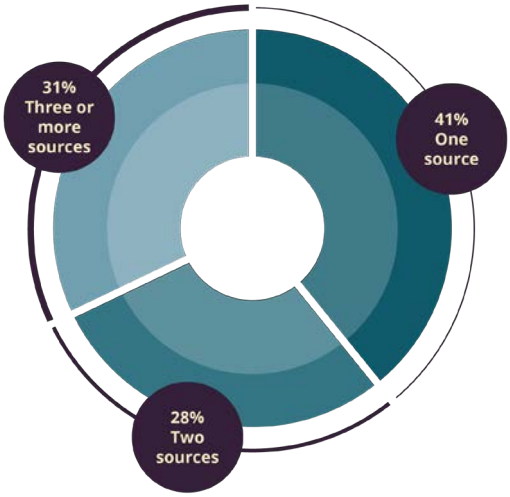
36 Financial sustainability is defined as having enough monetary resources to run the organization in achieving its goals for a foreseeable future (i.e. revenue is larger than expenses)

Figure 22. Revenue Sources of Financially Sustainable SAOs



We also noticed that a majority of respondents rely on more than one funding source (Figure 23). Around 59% of respondents have either two or more sources of revenue. We see that in Indonesia, SAOs are still trying and testing new revenue models as they evolve and respond to market conditions.

Figure 23. Number of Revenue Sources



Focus on Women Entrepreneurs

CONTEXT

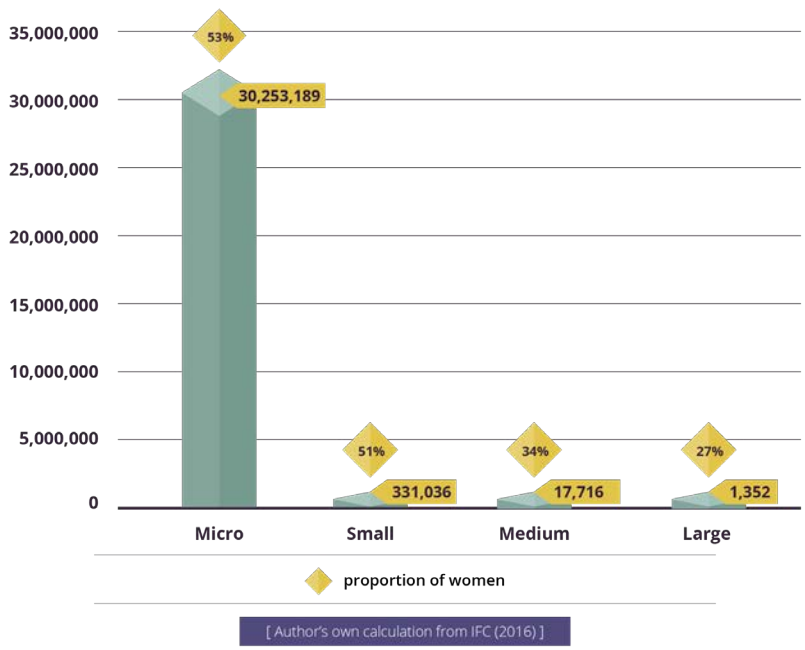
While the exact number varies according to different sources and methodologies, it is clear that there are a large number of women entrepreneurs in Indonesia (Table 6).

Table 6. Estimated number of women entrepreneurs in Indonesia

Estimated number of women entrepreneurs	
14.3 million	BPS (2016)
30.6 million	IFC (2016)
27.2 million	GEM (2016)

However, these encouraging statistics provide an incomplete picture of women's entrepreneurial activities. More than 50% of these female entrepreneurs own micro enterprises and on average most of these are informal enterprises (IFC, 2016). Additionally, while women own 52% of all microenterprises in urban areas of Indonesia, they own only 34% of the medium sized enterprises (IFC, 2016). There is much less representation of woman entrepreneurs further along the enterprise growth trajectory (Figure 24).

Figure 24. Number of women-led enterprises across growth stage in Indonesia



A large number of women entrepreneurs in the micro stage is due to a lack of formal paid employment for women, which tends to push them to earn income through entrepreneurship (Tambunan, 2017). In other words, they are more likely to be pushed into entrepreneurship out of necessity rather than entrepreneurial opportunity. Additionally, there are lower barriers to entry in the form of capital, skills, and technology required at the micro stage. There also appears to be a lower representation of growth-oriented[37] women - who want to focus beyond the micro stage in the Indonesian ecosystem. GEM (2017) reports that globally, women's intention to start a business is increasing over the years. However, there is a wide gender gap in early entrepreneurial activity, implying that there is discontinuation in translating the intention into an actual entrepreneurial activity by women.

We believe that there is a need to address the lack of female entrepreneurs across the growth spectrum in Indonesia, because an increase in new women-led ventures and the longevity of existing ones can lead to a more prosperous economy through the following:

- An increase in female labor force participation: Women business owners tend to hire more women than men (Cirera & Qasim, 2014). In Indonesia, women owners are 16% more likely to have more women employees than men owners (The Asia Foundation, 2013). This will happen if there are more women-led SMEs, as micro entrepreneurs cannot normally hire full-time employees.
- An increase in worker's productivity: The World Bank (2012) estimates that the average output per worker will increase by 7 to 18% if women entrepreneurs have the same access to productive resources as their male counterparts.
- Social transformation as a result of women's empowerment. The increase of growth-oriented women entrepreneurs will create more success stories, which will likely invite more women into entrepreneurial activity (The World Bank, 2016).

The low representation of women in entrepreneurship across the enterprise growth trajectory can be associated with many external and internal challenges, such as lack of access to finance, lack of access to networks and information (Bardasi et al.,2011) and lack of self-confidence (Kay and Shipman, 2014). There is a need to further explore the unique challenges faced by women entrepreneurs in the Indonesian context.

There are a number of programs provided by the Indonesian government that support MSMEs. Often, such programs provided by the government have a different mission to the above. According to IFC (2016), the majority of these programs target microenterprises with the main objective of providing support to make the best of entrepreneurship as a way to earn wages. However, none of these programs focus specifically on women-led businesses.

Therefore, there is an opportunity for SAOs to make the entrepreneurial ecosystem more gender inclusive, by supporting and promoting more women entrepreneurs. In the following section, we briefly outline the current progress of the ecosystem and SAOs in this field. With private and public sector support, SAOs could play a critical role in addressing the issue of ensuring everyone, regardless of gender, is given the same level of support.

37 Growth-oriented women entrepreneurs are women who are pulled into entrepreneurship by opportunity and have desires to grow their enterprises. Growth-oriented women entrepreneurs do not necessarily exclude micro entrepreneurs.

GENDER REPRESENTATION IN SAOs

According to our survey, around 17% of all ventures that apply to SAO programs are women-led. However, the representation of women-led enterprises participating in SAO programs is, on average, 22% (Figure 25). We hypothesize that the difference in actual representation during the program can be attributed to the fact that women-led businesses have 5% more chance than men to get selected into an SAO program if they apply (Figure 26).

Analyzing different categories of SAOs, there is a higher chance (60%) of women-led businesses being selected if they apply to ecosystem builders. We hypothesize that this can be because of two reasons. First, a higher proportion of ecosystem builders create programs that emphasize on women entrepreneurs. For example, some programs exclusively recruit women in their programs or provide women-friendly accommodation for women entrepreneurs. Second, the majority of ecosystem builder programs have less competitive selection processes and higher acceptance rates (Figure 12).

Figure 25. Women-led vs Male-led Ventures in SAO programs

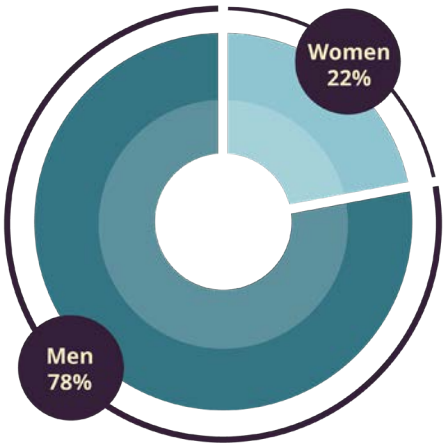


Figure 26. Likelihood of getting selected[25]

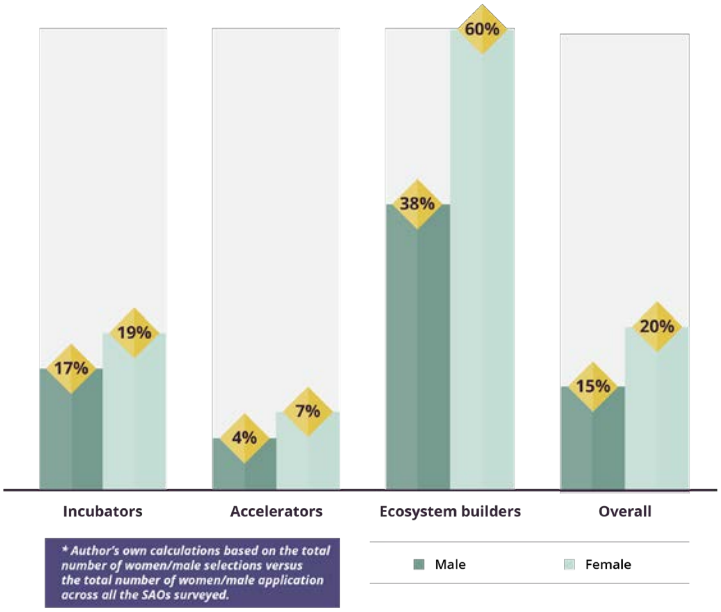
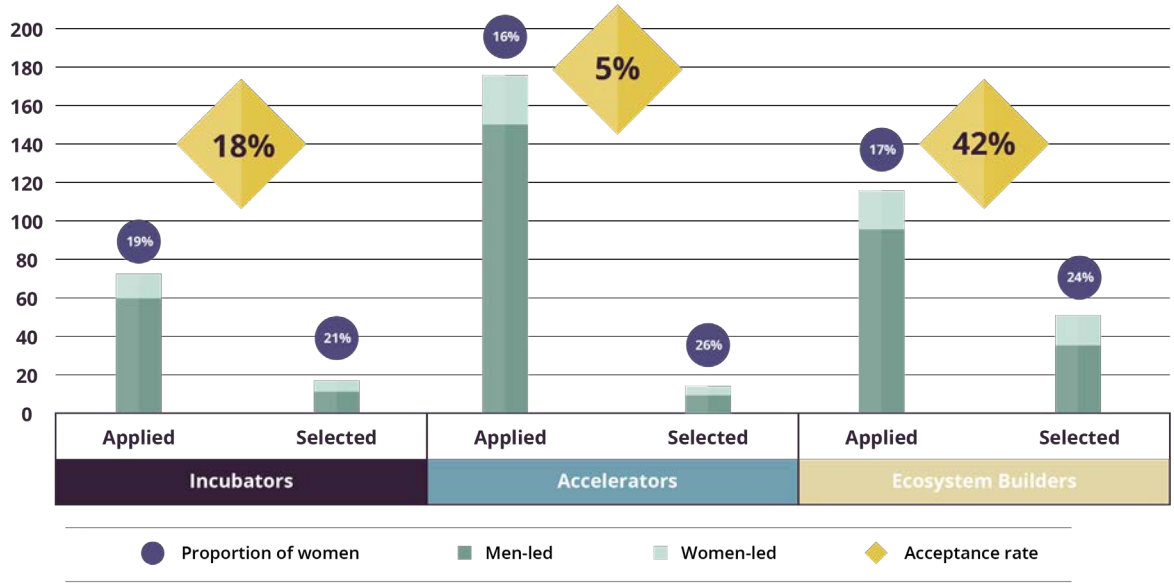


Figure 27. Applications vs Selections: Gender demographics and acceptance rate



Decomposing Figure 12 on SAO participant demographics and acceptance rate, we see that despite the low proportion of applications from women-led business – 19% for incubators, 16% for accelerators and 17% for ecosystem builders – the actual the incubator, accelerator and ecosystem builder participant demographic profiles were comprised of 21%, 26% and 24% women-led ventures respectively. On average, women-led ventures are more likely to get selected in incubator, accelerator and ecosystem builder programs.

Many SAO program directors indicated that women-led ventures are more likely to perform better provided they receive the right kind of support in terms of boosting confidence and access to the support services provided.

However, we notice that the number of female entrepreneurs applying to all types of SAO programs is low, compared to male entrepreneurs (Figure 27). In aggregate, around 83% of the total SAO applications were from male-led enterprises, while only 17% from women-led enterprises. There is a need to further analyze the reasons for this and identify possible solutions to encourage more female entrepreneurs to apply to SAO programs.

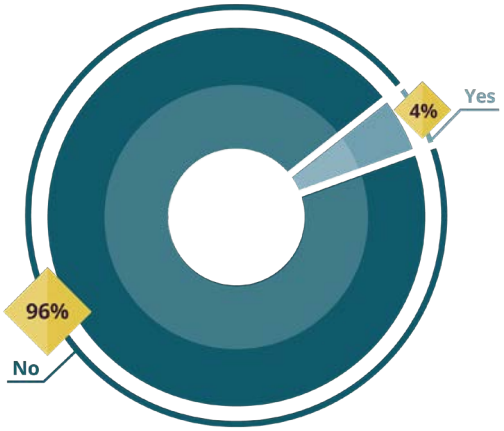
> *Females in our program are more persistent and they also produce consistent results. The graduates that are performing the best are run by female founders*
>
> *– SAO Program Manager*

GENDER-LENS EMPHASIS BY SAOs

Only 4% (2 out of 53) of SAOs that we identified through desktop research specifically focused on women-led enterprises or applied a gender-lens approach[38] in their selection processes (Figure 28). The two SAOs identified with a gender-lens mission target pre-seed and seed stage ventures led by women (i.e. ideation stage to early-stage with some initial revenue). Meanwhile, none of the SAO respondents that target mid to growth-stage enterprises apply a gender-lens approach during their decision-making process.

> *When we find good founders, we don't differentiate between men and women founders. It's not appropriate to invest in a founder because they are female or male, it should be because they are a good entrepreneurs"*
>
> *– SAO Program Director*

Figure 28. Percentage of SAOs with Gender-lens Emphasis



Many SAOs highlighted, in the interviews and FGDs, that during the selection process they do not differentiate between applicants based on their gender, rather they prefer to focus more on capabilities, entrepreneurial potential of the founder and the strength of the business ideas.

We also found that more than half of the SAOs would like to take special measures, such as promotion or scholarships targeted at women entrepreneurs in a particular sectors or get more female mentors, to improve women's participation in SAO programs. The SAO program directors also indicated that they would like

38 Gender-lens is incorporating gender analysis in the decision variables. Gender analysis stems from the issue that men and women have different needs, obstacles, and priorities, and that there is recognition to remove the barriers. The result of gender-lens approach is a careful and deliberate examination of all the implications of the works in terms of gender.

to undertake these special measures only to encourage more women to apply but not to differentiate or give special treatment to women.

Furthermore, our research shows out that there are fewer SAOs focusing solely on women because of the evolving nature of the ecosystem, changing market conditions and a scarcity of quality start-ups across different variables, such as gender composition, sector, and venture stage. This means that they apply a more agnostic approach in their selection methodology instead of a more specific approach. Additionally, we believe that there is a need for more research to measure and compare the performance of women-only versus gender-agnostic SAO organizations.

Limitations in measuring the gender-inclusiveness of SAOs in Indonesia

Data available is too limited to draw general conclusions about the gender-inclusiveness of SAOs. Additionally, there is no previous study of gender-inclusiveness of SAOs in Indonesia. In addition to the novelty of the SAO phenomenon, there is also a lack of gender-disaggregated data of SAOs in Indonesia. The issue stems from the lack of clear key performance indicators and guidance throughout the process of SAO programs (i.e., sourcing, selection, program delivery, and post-program activities).

What SAOs would like to see in the future of gender-inclusive entrepreneurial ecosystem

- A larger representative of women-led enterprises entering SAOs, especially in technology-based sectors, where there is low representation of women entrepreneurs[39].
- More participation from government to promote women in less-represented sectors, such as, ICT and financial services
- A clear guideline on impact metrics, especially relating to gender-inclusiveness
- Better post-program evaluation methods for transparency and tracking the growth of start-ups, specifically women-led, and challenges that women face in scaling their businesses

39 IFC (2016) reports that women entrepreneurs are almost invisible in the ICT sectors. In addition, women do not use technology as much as men when conducting business.

Conclusion and Recommendations

With the rise of entrepreneurial activity in recent years, there is a growing presence of start-up assistance organizations (SAO) in Indonesia. This study revealed that the Indonesian SAO ecosystem - in its current form - was established in the past five years and is still in its evolutionary stages. Since inception, many SAOs have undergone several structural and business model changes, including changes in the program structure or revenue model. SAO models are expected to continue to evolve, as they strive to build stronger programs and achieve financial sustainability

Currently, SAOs in Indonesia vary in their legal structures, business models and investment approach, as well as entrepreneurial growth stage focus. These factors define their varying program curriculum and delivery methods. This report provides definitions and categorizes SAOs based on their objectives, structure, target, and program duration (Table 7).

Although SAOs can be grouped into four buckets (i.e. incubators, accelerators, ecosystem builders and other support programs), in practice, there is large diversity within these buckets. It is also important to note that there may be many categorical overlaps across the buckets; for instance, some ecosystem builders may run a program with a similar curriculum structure as incubators.

Table 7. Summary of SAO Categories and Definitions

Start-up Assistance Organization			
Incubators	**Accelerators**	**Ecosystem builders**	**Other support programs**
Offer structured or customized, relatively long-term support to early-stage enterprises.	Provide an intense, structured short-term program to produce rapid progression, usually accompanied with some funding.	Provides ongoing, diversified entrepreneurial support through offline and online activities tailored to the needs of the enterprise supported.	These include all other support programs, which can range from competitions, events, workshops, boot camps or seminars.
Target: Typically, idea stage to early-stage enterprises, with or without some revenue.	**Target:** Typically, early-stage enterprises with some traction to mid-stage enterprises.	**Target:** Varies according to their mission, typically from MVP- to growth-stage enterprises.	**Target:** From aspiring entrepreneurs to growth-stage enterprises.
Duration: on average 6 to 12 months	**Duration:** on average 3 to 4 months	**Duration:** Varies according to their mission, it can range from 6 months to 3 years	**Duration:** 2 to 7 days

KEY FINDINGS

Geographical Focus
Most SAO activity is concentrated in the Java region, especially in Jakarta. This may be because the ecosystem resources, such as investors and mentors, are centered in this region. However, several SAOs actively try recruiting applicants through promotional touring, often accompanied by mini workshop on capacity building.

Venture Stage Focus
Furthermore, although there are organizations that support ventures across the growth trajectory, we identified a gap with only a few SAOs that focus on pre-startup or ideation-stage enterprises. This is due to a perception among SAOs of increased risk in supporting early-stage enterprises.

Sector Focus
This study revealed that the majority of SAOs apply a sector agnostic approach in their selection of enterprises. However, most of these support technology-focused or technology-backed enterprises and there are not many SAOs that exclusively support non-technology enterprises from traditional sectors.

Selection process and acceptance rates
For those SAOs that have a selection process, the intensity of the selection process depends on the SAO organization's mission and objectives. Typically, accelerators have more competitive selection process than incubators and have a lower acceptance rate. Ecosystem builders tend to vary in their selectivity, from having no formal selection process to being highly competitive.

Ecosystem players have conflicting opinions on the selectivity of SAO programs; some argue that high selectivity will improve the quality of the entrepreneurial ecosystem, while others argue it may discourage many entrepreneurs.

Program Services
Mentorship is the most sought after service by entrepreneurs and is listed as one of the key services provided by the majority of SAO programs. Other main services listed by all the SAO programs were business plan and strategy development and access to networks of clients, investors or potential partners.

Guaranteed funding
Out of the four buckets identified, the majority of accelerators provide guaranteed funding to the participants. On the contrary, incubators and ecosystem builders typically do not offer an investment guarantee but have invested in their participants and alumni.

Affiliations
More than half of the SAOs have one or more affiliations with institutions, such as capital providers, government, or private corporations. Several of the incubators are university-affiliated; suggesting that universities are a platform to start and develop entrepreneurial activity.

Sources of revenue and financial sustainability
Although most of the SAOs report that they are currently financially sustainable, most of them rely on external funding, such as government grants, philanthropy or support from private corporations. Very few SAOs generated revenue from their operations, such as from participant fees or equity return.

Women in SAOs
The research revealed that women-led ventures comprised only 17% of the applicants and 22% of participants in SAO programs. From SAO program directors' perspective, the lack of female SAO applications is mainly due to the lack of women entrepreneurs in the technology-based ventures. Overall, the data suggested that the likelihood of women to get accepted into SAO programs is higher than men. In addition, very few SAOs in Indonesia apply a gender-lens in their processes - from promotion of the program, enterprise selection, curriculum design, delivery method and mentor selection.

Our analysis of the SAO landscape in Indonesia leads to four recommendations that could improve the entrepreneurial ecosystem. These recommendations are:

Recommendation 1

- **Increased transparency**
  Due to the relatively large number of SAOs to choose from and a distinct lack of clear and consistent information about the services, specializations and performance of the SAO programs, many entrepreneurs feel overwhelmed and confused. We recommend improving access to information about support services provided as well as increasing transparency regarding the existing performance of the SAOs, such as information on expected outcomes, impact on startup's growth and other KPIs that measure the effectiveness of the SAOs. Furthermore, there needs to be more information on the performance and specializations of the mentors that SAOs provide because mentorship is one of the most important services sought after by all the entrepreneurs. We note there is a need for identifying and creating performance evaluation criteria for both the SAOs and the mentors.

Recommendation 2

- **Collaboration and consolidation**
  There are many overlapping services offered by different categories of SAOs. Resources can be allocated efficiently if there are more collaborations and interactions amongst the key players in the entrepreneurial ecosystem. We recommend regular networking events and information sharing to improve collaboration and to identify synergies to tap into across SAOs. This can possibly help newer SAOs shorten the time required on the learning curve to arrive at a level of maturity.

Recommendation 3

- **Public and private sector support**
  SAOs need additional resources and support to provide holistic support to develop the entrepreneurial ecosystem across Indonesia. These resources and support include financial, infrastructure and logistical support to expand their service delivery across the Indonesian archipelago. We recommend SAOs to increase dialogue with key policymakers. Additionally, SAOs should also spend more effort in seeking and leveraging support from both public and private sector organizations.

Recommendation 4

- **Promoting more women in ICT**
  We recommend SAOs to increase dialogue with government and development agencies to organize programs to provide technical training to women entrepreneurs. This report identified that many SAOs specifically support technology-based ventures, and that women are under-represented in these ventures. Many SAO program directors also concurred that there is a need to promote more women in technology-based enterprises by encouraging more women in Indonesia to acquire ICT skills and education.

NEXT STEPS AND SCOPE FOR FURTHER RESEARCH

This study on the landscape of SAOs in Indonesia serves as a foundation for deeper investigation to further develop the entrepreneurial ecosystem.

A further investigation to cover SAO activity across Indonesia	An in-depth study across the archipelago can be conducted to understand SAO activity across Indonesia, to complement this study, which focuses on the Java region.
A study on the challenges faced by SAOs	Most SAOs are still changing their business model or program structures. In order to find the most suitable business model and program structures for their mission, a deeper-dive into the challenges SAOs face to achieve this could be conducted.
A study on the effectiveness of SAOs	As SAO activity in Indonesia is still nascent, there is a lack of clarity on the qualitative and quantitative value created by SAO programs for entrepreneurs and the entrepreneurial ecosystem. This presents an opportunity to study the effectiveness of services provided by SAOs and to identify any gaps in the expectation of entrepreneurs versus the actual service delivery and impact.
A study to improve the gender-inclusiveness of SAOs	Currently, there is a low representation of women entrepreneurs across the growth spectrum, especially in the technology-based enterprises. However, not many SAOs proactively engage in making their programs more gender inclusive. There is a need to assess why so few women apply to SAO programs and if there is any unconscious bias at any stage of SAO value chain, such as sourcing, selection, program duration or mentorship. Furthermore, there is also a need to identify at what stage does the unconscious bias have the greatest impact on women participation. However, currently there is a significant lack of data to comprehensively analyze this topic. In addition, there is a need to explore best practices for promoting gender-inclusiveness among SAOs. Furthermore, a study to compare the performance of gender-specific versus gender-agnostic SAOs in Indonesia could help build the business case to engage in gender-inclusiveness.
A best practices framework	While SAO activity has increased over the years, a number of SAOs have ceased operation. A best practices framework for structuring SAO programs in Indonesia will be beneficial to ensure the sustainability of SAOs and effectiveness in serving entrepreneurs.

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Appendix: List of SAOs Identified

	Name	Headquarter
1.	Angel Investment Network Indonesia (ANGIN)	Jakarta
2.	Badan Ekonomi Kreatif Indonesia (BEKRAF)	Jakarta
3.	Batavia Incubator^	Jakarta
4.	BEKUP by BEKRAF	Jakarta
5.	Binus Incubator^	Jakarta
6.	Bionest	Jakarta
7.	Block71	Jakarta
8.	BNV Labs	Jakarta
9.	Boostar Incubator*	Jakarta
10.	British Council	Jakarta
11.	FasterCapital^	Jakarta
12.	Foodlab Indonesia	Yogyakarta
13.	GEPI*	Jakarta
14.	Gerakan Nasional 1000 Startup Digital	Jakarta
15.	GnB Accelerator	Jakarta
16.	Grupara Ventures^	Jakarta
17.	Hivos	Jakarta
18.	Hubud	Bali
19.	Ideabox	Jakarta
20.	Ideosource^	Jakarta
21.	IDX Incubator	Jakarta
22.	Impact Hub	Jakarta
23.	Indigo Accelerator	Jakarta
24.	Indigo Incubator	Jakarta
25.	Inkubator Bisnis Primakara	Bali
26.	Inkubator Bisnis Trilogi	Jakarta
27.	Innovative Academy	Yogyakarta
28.	Jakarta Founder Institute	Jakarta
29.	Jarvis Incubator	Jakarta
30.	KIBAR	Jakarta
31.	Kinara Indonesia	Jakarta
32.	Kolaborasi Kapital Indonesia	Bandung
33.	Mandiri Digital Incubator	Jakarta

Name	
34. Merah Putih Incubator^	Jakarta
35. Pedals.ID	Bandung
36. Platform Usaha Sosial Indonesia (PLUS)	Jakarta
37. Plug and Play	Jakarta
38. Purwadhika	Tangerang
39. Ruangreka Incubator	Bandung
40. Skystar Ventures	Tangerang
41. Smartplus Accelerator	Jakarta
42. Start Surabaya^	Surabaya
43. Startupfounder.ID	Solo
44. StartupGrind	Jakarta & Other Cities
45. StartupLokal	Jakarta
46. SWAP LGTVP*	Jakarta
47. Techbator^	Jakarta
48. The Accelerator^	Jakarta
49. The Greater Hub SBM ITB	Bandung
50. Universitas Indonesia Incubator	Depok
51. UnLtd Indonesia	Jakarta
52. Visio Incubator^	Padang
53. Y Digital Asia	Jakarta

* ceased operation in Indonesia
^ no further data available