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THE EFFECT OF ACCELERATOR START-UP PROGRAM ON THE PERFORMANCE OF FOOD AND BEVERAGES START-UP IN INDONESIA

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Abstract

This study aims to determine the effect of mentoring marketing, accounting, and production on the acceleration start-up program to the performance of the food and beverages start-up in Indonesia. For the Accelererator Start-Up using 3 variable which is mentoring marketing, finance, and production. The research method used is the quantitative analysis using a questionnaire. The number of samples in this study was 31 food and beverages start-up which join Food Start-Up Inovation Accelerator Program in Accelerice Indonesia. This study uses warpPLS software 7.0 to process data to find answers to hypotheses. The research results show that mentoring marketing and production affect the performance but mentoring finance does not affect the performance of the food and beverages start-up which join this program.

Keywords: *Accelerator, Start-Up, Food and Beverages, Performance.*

INTRODUCTION

Current development in the economic sector has support the smooth running of economic activity, particularly in the food and beverage (FnB) sector in Indonesia. The growth of the food and beverage business in Indonesia has increased from year to year supported by the data from Kemenperin (2022) which states that the growth of the food and beverage industry in the third quarter of 2022 reached 3.57%, higher than the same period last year which recorded 3.49%. Although it was affected by the Covid-19 pandemic, the food and beverage sector was still able to grow and contributed to the growth of the non-oil and gas industry which reached 4.88%.

The food and beverage business does not recognize a crisis, because food and beverages are the basic needs for human. Currently, the culinary business is growing rapidly and people need food that is instant in cooking, serving, and consuming it. The food and beverage business has expanded to various places, from traditional markets to supermarkets or food courts. The types of culinary are also variative, ranging from snacks, drinks, side dishes, or other heavy meals. This shows that there is a great opportunity to start a culinary business to increase income, especially in the midst of pandemic nowadays. Here are some reasons for choosing a culinary business as the main choice in doing business, namely: (1) Huge and continuous market potential, (2) Lower capital, (3) Various types, (4) Easy and practical, (5) Low risk, and (6) Profitable. Business entrepreneurs in the food and beverage sector need to have a

business adaptation strategy, such as providing a variety of food and beverage menu visualizations, offer healthy and ready-to-eat food, offer product bundling packages, provide various promos or special discounts for merchants, and present a better value proposition (Irawati and Prasetyo, 2021).

There are few start-ups have failed, according to Forbes site records, 90% of startups built in the universe have failed. There are many reasons why start-ups fail, including misprediction market needs, internal conflicts, running out of funds, team disharmony and bad corporate patterns (Jaya, 2017). According to Qin et al. (2019), to be able to develop company resources to improve company performance requires quite a long time and to be able to accelerate company's development requires a lot of money. The existence of Start-up Accelerator Program can assist start-ups performance with minimal costs. Accelerators are the organizations focused on supporting Start-ups on a growth stage. Cohen et al. (2019), an accelerator program is a limited duration program lasting around three to six months which helps startup groups in their entrepreneurial processes and aspirations. Most provided key resources are few amounts of start-up capital, a co-working space, and large number of opportunities for networking, education and mentorship from program directors, peer business founders and various external participants commonly referred to as "mentors". The accelerator program offers Start-up companies in the early stages a term program with a limited time period up to 3 months. Accelerators help defining clearer values for Start-ups and help them succeed. Accelerators mentorship business models seem to perform better than other forms of business mentorship. During the program, they offer non-financial support such as networking, tutoring, and mentoring, culminating in a semi-public event during which start-ups pitch their business models in front of potential investors and partners which known as "Demo Day".

The level of competition in the era of globalization is increasing rapidly and will bring up great competitors that could emerge from all over the world. Entrepreneurs who cannot develop their businesses are threatened with bankruptcy. One of many ways to increase profits for the company is to improve company performance. Company performance can be used as a guide in measuring the success of a company. Company performance is the determination of certain measures that can measure the success of a company in generating profits and is a reflection of the company's ability to manage and allocate its resources. Improve company performance can be done by taking part in Accelerator Start-up Program.

Previous research according to Qin et al. (2019) The results of this study show that business development can be compressed in an accelerator setting. Cohen et al. (2019), The results of this study show a strong correlation between the type of founder's sponsorship and the background of the founding managing director. Mansoori et al. (2019) The results of the study show that the Lean Start-up methodology influences how the entrepreneur-mentor relationship develops and how the formation and development of this relationship facilitates learning among entrepreneurs. Gonzalez-Uribe and Leatherbee

(2018), Results from research show Programs bundled with basic services (funding basic services and co-working spaces, and additional entrepreneurship schools) can significantly increase performance start-ups. Regmi (2015) Research results show accelerators help create value for Start-ups and help them succeed and accelerator mentorship business models seem to perform better than other forms of business mentorship. Del Sarto et al. (2022) Results from the study show different knowledge sources have different effects on both Start-ups and incremental innovation performance of accelerated Start-ups. Moritz et al. (2022) The results from the study show that the relationship between Start-ups in accelerators includes both cooperative and competitive elements, and therefore, Accelerated Start-ups seem to build a cooperative relationship ship. Based on previous research, it can be concluded that the position of previous research/research only focused on the Start-up accelerator program in general with qualitative research methods. There has been no research on the Start-up accelerator program in the food and beverage sector, so researchers are interested in researching the Start-up accelerator program in the food and beverage sector using quantitative methods.

PT Ciptasarana Kreasindo Sejahtera which known as Accelerice Indonesia is an Indonesia-based company conceptualized in 2018 to empower and improve small and medium enterprises and is the first food innovation and knowledge center in Indonesia that provide accelerator start-up program for prospective entrepreneurs and individuals. One of the programs organized by Accelerice Indonesia is Food Start-Up Innovation Accelerator which was a 3.5 months program accelerator that aims to provide mentorship programs for food startups. The program is handled by F&B experts and facilitating food startup access related to F&B business networks for food chain ecosystems as business guidance to influence their companies.

Based on this background, it can be seen that from year to year there is an increase in the number of new businesses in the food and beverage sector. The increase in the number of businesses certainly makes business competition more stringent, while developing company resources to improve company performance requires quite a long time. Entrepreneurs must accelerate their business so that they are not left behind which causes bankruptcy. Therefore, the authors are interested and want to conduct a form of research with the title "The Effect of Accelerator Start-Up Program on the Performance of Food and Beverages Start-Up in Indonesia".

METHOD

The location in this research was conducted at PT Ciptasarana Kreasindo Sejahtera or Accelerice Indonesia, Jakarta. The Accelerice Indonesia location was chosen because the company is the organizer of the first Start-up accelerator program that focuses on the food and beverage sector in Indonesia. The time in this research was carried out in February 2023. The object of this research is the Start-up accelerator

program and Start-up performance in the food and beverage sector. The reason for choosing this object is because human resource development is the main thing to be able to develop a company. The sample is part of the number and characteristics possessed by the population. This study uses saturated sampling techniques. Saturated sample is a sampling technique when all members of the population are used as samples. This is often done when the population is relatively small. Another term for a saturated sample is a census, where all members of the population are used as samples (Sugiyono, 2017). According to Ghozali and Hengky (2015), the requirement for an adequate number of respondents to be analyzed with SEM-PLS is between 30 and 100 respondents. So, the samples taken from this study were taken as many as 31 start-ups in the food and beverage sector using a simple random sampling technique. The simple random sampling technique was chosen because each member of the population has the same opportunity.

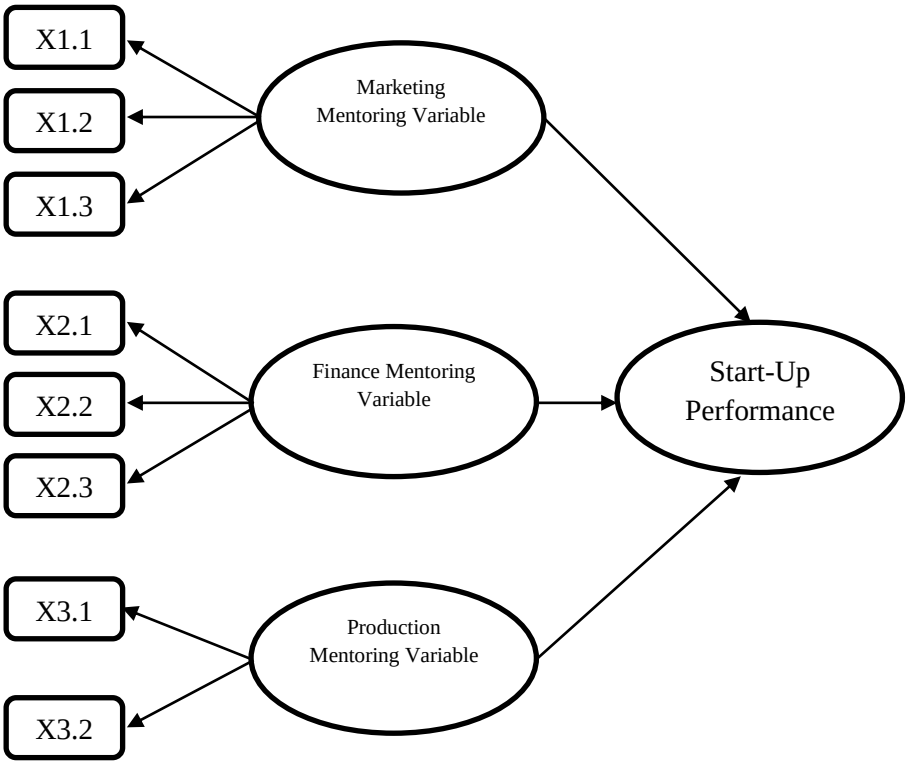

Figure 1. PLS Research Model

Data collection methods are techniques or methods used by researchers to collect data which will later be used by researchers to obtain materials, information, and information related to the research topic being carried out. The data collection method in this study was taken using primary data and secondary data. Primary data is data obtained through observation (observation) and using a questionnaire. Quantitative analysis was carried out to answer the second problem formulation. Quantitative analysis using the SEM (Structural Equation Modeling) model. Hair et al (2017), explained that SEM (Structural

Equation Modeling) was shown in research to include unobservable variables that are measured indirectly by indicator variables.

RESULTS AND DISCUSSION

Quantitative analysis in this study was carried out using the SEM (Structural Equation Modeling) model. Hair et al (2017), explained that SEM (Structural Equation Modeling) was shown in research to include unobservable variables that are measured indirectly by indicator variables. The method used in this SEM is using PLS (partial least square). Ghozali & Hengky (2015) explain PLS (partial least squares) is a powerful analytical method and is often referred to as soft modeling because there is no OLS (Ordinary Least Square) regression assumption, such that data must be normally distributed in a multivariate manner without multicollinearity problems. between exogenous variables. PLS development is carried out to test weak theories and weak data such as a small number of samples or the presence of normality problems. PLS is used to explain whether there is a relationship between latent variables (predictions). The analytical tool used in this study is Structural Equation Modeling (SEM) with the Partial Least Square (PLS) approach with the help of Warp PLS software version 7.0. This study aims to determine the effect of the start-up accelerator program on company performance. The analysis is used to see the form and direct influence of exogenous latent variables, namely Marketing (X1), Finance (X2), Production (X3), with endogenous latent variables namely company performance (Y).

Evaluation of the outer model can be used to see how indicators show latent variables to be measured. There are three criteria in the use of the Data Analysis Technique with Warp PLS to assess the outer model, namely Convergent Validity, Discriminant Validity, and Composite Reliability.

Tabel 1. Result of Loading Factor

	X1	X2	X3	Y	P-Value	Notes
X1.1.1	(0.880)	0.168	0.424	-0.175	<0.001	Valid
X1.1.2	(0.857)	0.407	0.035	-0.346	<0.001	Valid
X1.2.1	(0.879)	0.252	0.196	-0.353	<0.001	Valid
X1.2.2	(0.936)	0.029	-0.178	0.102	<0.001	Valid
X1.3.1	(0.821)	-0.503	-0.115	0.153	<0.001	Valid
X1.3.2	(0.736)	-0.453	-0.427	0.733	<0.001	Valid
X2.1	-0.096	(0.959)	0.003	0.159	<0.001	Valid
X2.2	0.228	(0.911)	-0.094	-0.099	<0.001	Valid
X2.3	-0.118	(0.979)	0.085	-0.064	<0.001	Valid
X3.1.1	0.285	0.006	(0.794)	-0.263	<0.001	Valid

X3.1.2	0.051	-0.006	(0.966)	-0.214	<0.001	Valid
X3.2.1	0.267	-0.133	(0.905)	0.046	<0.001	Valid
X3.2.2	-0.703	0.165	(0.735)	0.509	<0.001	Valid
Y1	-0.229	-.0145	0.174	(0.892)	<0.001	Valid
Y2	-0.025	0.393	0.213	(0.743)	<0.001	Valid
Y3.1	0.163	-0.110	-0.260	0.895)	<0.001	Valid
Y3.2	0.087	-0.072	-0.092	(0.889)	<0.001	Valid

Based on the test results, it can be concluded that the loading factor values for the marketing, finance, and production variables have a value greater than 0.70 because in assessing convergent validity, the loading factor value is said to be high if it correlates more than 0.70 with the construct being measured. Then, it can be said that every question from the marketing, financial, and production variables is valid.

Tabel 2. Result of AVE

	X1	X2	X3	Y
Avg.var.extract.	0.729	0.903	0.731	0.734

Based on the table above, it can be seen that X1 (Marketing), X2 (Finance), X3 (Production), and Y (Company Performance) have a value greater than 0.50. This is in accordance with the requirements for the AVE (Average Variance Extracted) value, which must be greater than 0.50. This concludes that each question of the Marketing, Finance, and Production variables is valid.

Tabel 3. Result of Root value of AVE

	X1	X2	X3	Y
X1	**(0.854)**	0.640	0.619	0.694
X2	0.640	**(0.950)**	0.359	0.464
X3	0.619	0.359	**(0.855)**	0.667
Y	0.694	0.464	0.667	**(0.857)**

The square root value of AVE (Square root of AVE) is the value contained in the parentheses. The AVE root value must be greater than the value of the other constructs in one diagonal either above or below it. Based on the table above, it can be concluded that the square root value of AVE meets the requirements, so each marketing, financial, and production variable question is valid.

Tabel 4. Result of Composite Reliability and Cornbach Alpha

	X1	X2	X3	Y
Composite reliability	0.941	0.965	0.915	0.917
Cronbach alpha	0.924	0.946	0.872	0.877

Based on the table above, it shows that the composite reliability and cornbach alpha values of all research variables have a value of > 0.70. It can be concluded that each of these constructs has high reliability and overall, the results of the outer model fulfill the requirements or are reliable.

The inner model test has a function to see the influence of variables or causality relationships in research and can be measured using the determinant coefficient (R2) and predictive relevance (Q2). The following is the calculation of the value of the determinant coefficient (R2) and predictive relevance (Q2):

Tabel 5. Result of R-Square

Variabel	**R-Square**
Company Performance	0.588

This shows that the variable Y (Company Performance) can be explained by the variables Marketing (X1), Finance (X2), Production (X3) of 58.8%. While the remaining 41.2% is influenced by other variables not examined in this study.

Tabel 6. Result of Q-Square

Variabel	**Q^2**
Company Performance	0.629

The Q-Square assessment shows that there is a value of 0.724 which is greater than zero (0), thus indicating that the model has a strong predictive relevance value.

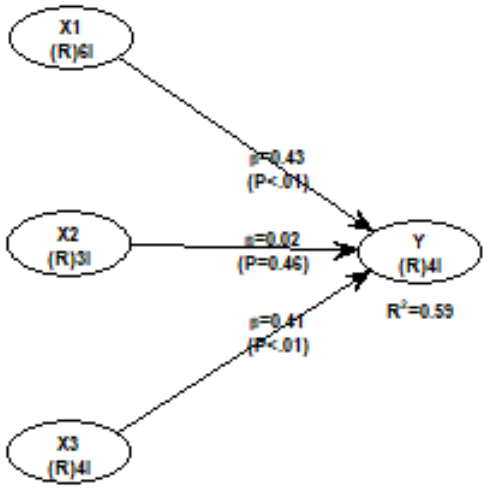

Figure 2. Path Diagram

Testing the hypothesis in this study using PLS analysis techniques using Warp PLS 7.0 software. The hypothesis is accepted if the probability value (P-value) is <0.05 or <5%.

Tabel 7. Result of Hypothesis Testing

	Path coefficients	P-Value	*T-Ratio*	Hasil
Marketing to Company Performance	0.425	0.003	2.914	Accepted
Finance to Company Performance	0.017	0.463	0.093	Not Accepted
Production to Company Performance	0.411	0.004	2.794	Accepted

Based on the results of hypothesis testing, it shows that the 2 variables have a positive effect and have a high level of significance, but there is 1 variable that has no effect and is not significant. This can be seen through the weight of the path coefficient, P-value and T-value, which explains the influence of exogenous variables (Marketing, Finance, and Production) on endogenous variables (Company Performance). Furthermore, in the hypothesis testing table, the data from the analysis results for each variable are presented.

Marketing variables have a positive influence on company performance with a path coefficient value of 0.425, and a P-value of 0.003 which means it has a high level of significance. And the T ratio of 2,914 is greater than the T value of 1,960, meaning that there is an influence of marketing variables on company performance. Financial variables also have a positive influence on company performance with a path coefficient value of 0.017, and a P-value of 0.463 which means it is not significant. And the T ratio of 0.093 is smaller than the T value of 1.960, meaning that there is no effect of production variables on company performance. The production variable has a positive influence on company performance with a path coefficient value of 0.411, and a P-value of 0.004 which means it has a moderate level of significance. And the T ratio of 2,794 is greater than the T value of 1,960, meaning that there is an influence of marketing variables on company performance.

Effect of Implementation of Marketing Materials on Company Performance

The results show that implementation material regarding marketing has a positive and significant effect on company performance. This is supported by research from Hanifawati 2021 which explains that marketing mentoring has a correlation with increasing the performance and income of a business where improving business performance can be carried out through various strategies, one of which is marketing. (Wahirayasa and Kusuma, 2018) argues that market-oriented companies have the skills to assess

consumer needs, so they may be the first to offer a new generation of products and services to the market. Market orientation is often used to improve the business performance of an organization, such as responding to and fulfilling what consumers want, and how to satisfy consumers. It can be concluded that the research conducted by the researchers showed that the program participants had implemented the marketing materials that had been carried out by Accelerice Indonesia well. It is proven by existing indicators such as target market, marketing strategy, and branding that have received a good response from start-ups participating in the FSIA program. This means that the better the marketing materials implemented, the higher the performance level of companies participating in the FSIA program.

Effect of Implementation of Finance Materials on Company Performance

The results show that implementation material regarding finance has no positive and significant effect on company performance. This is because not all business owners who take part in the program have an accounting background and according to Astuty (2021), understanding financial reports that are in accordance with the EMKM SAK takes time, because to understand this standard there needs to be sufficient socialization, the level of education of the actors and the perceptions of the business people. Kaligis, (2021) states that limited knowledge of accounting books, the complexity of the accounting process, and the notion that financial reports are not important matters hinder the process of recording financial reports. Accounting knowledge is a science that is structured starting from recording, classifying and summarizing financial events or transactions that are used for decision making. In fact, accounting knowledge in MSME actors is still lacking, this can be proven from an educational background that does not recognize accounting knowledge and understanding of business actors, who think that accounting records are not very important so they only make simple records. Small entrepreneurs think that financial information is not important because it takes time and costs and is difficult to implement. It can be concluded that the research conducted by researchers shows that the financial material that has been carried out by Accelerice Indonesia is still not good. This can be improved by inviting the finance team from each start-up to take part in financial material sessions and extending the duration of financial material in the FSIA program.

Effect of Implementation of Production Materials on Company Performance

The results show that the implementation material regarding production has a positive and significant effect on company performance. According to Hanifawati and Listyaningrum (2021), the ability to product innovation is an important role in increasing the competitiveness of the food industry. A good product must be packaged in attractive packaging, because packaging is a silent salesman, where almost all of its attributes influence every stage of a consumer's purchasing decision. According to Hartini

(2012), Related to product innovation, companies must be able to see market opportunities well and provide new product innovations to consumers, so that companies will be able to survive and be better or more advanced than their competitors. Product innovation is recognized to increase efficiency and productivity in the production process. Product innovation is one of the impacts of rapid technological changes and high product variations that will determine company performance. Kalil and Aenurohmah (2020), Product innovation is a competitive advantage in improving company performance where innovation has the greatest impact on entrepreneurial activity. It can be concluded that the research conducted by the researcher shows that the production material that has been carried out by Accelerice Indonesia is good. It is proven by existing indicators such as product development and packaging that have received a good response from start-ups participating in the FSIA program. This means that the better the production materials implemented, the higher the performance level of companies participating in the FSIA program.

CONCLUSION

Based on the results of data analysis and hypothesis testing that has been done, the conclusion in this study is that marketing and production variables have a positive and significant influence on company performance while financial variables do not have a positive and significant influence on company performance. This can be improved by inviting the finance team from each start-up to attend financial material sessions and extending the duration of financial material in the program. So for start-ups who want to improve their company's performance, participating in a start-up accelerator program can be one way to improve it.

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