# Accelerators: Glossary of Common Terms

**Accelerator vs. incubator:** Accelerators generally take small amounts of equity in already independent companies that bring with them both management and partially realized ideas. Incubators generally take ideas that they generate internally or that others bring them and match them with management to bring them to life; they often own large portions of the companies before they spin out on their own.

**Early-stage companies:** Young companies that have been formed to implement newly conceived products and/or services. Early-stage companies tend to have few employees and small amounts of invested capital.

**Exits:** The companies that are being sold, going public, or otherwise producing returns for their investors in a change of control.

**Follow-on fund:** A fund established to provide Series A funding or even later-stage capital to companies after the seed-stage capital has been spent.

**Pre-money value:** The dollar value ascribed to a company for all of its equity prior to a new financing.

**Seed-stage companies:** Nascent companies that have yet to launch their product/service and which are still refining their concept(s) prior to demonstrating market acceptance.

**Series A funding:** Generally, the first round of institutional or otherwise highly structured equity funding for a young company, typically in the form of preferred stock.

**Side-car fund:** A fund established alongside a primary investment fund to add further investment to selected enterprises.

**Translational approach:** An accelerator strategy in which the sponsors define a specific problem to be solved and the companies are selected based on their ability to address that specific challenge.