

Snap Inc. launches accelerator program to invest in media start-ups

May 28 2018, by Tracey Lien, Los Angeles Times

Snap Inc. will dole out \$150,000 investments to various media start-ups this fall as part of an accelerator program it announced Wednesday called Yellow.

For the first cohort of the program, which starts in September and goes for three months, the [company](#) is seeking start-ups that "have a vision for what mobile storytelling can be."

In exchange for an undisclosed amount of equity, those who make the cut will receive the \$150,000 investment, as well as office space in Los Angeles' Venice neighborhood, where Snap is based; mentorship; access to Snap-facilitated networking events; and the opportunity to distribute their content on Snap's platform, Snapchat.

Snap will accept 10 applicants in its first cohort, a company representative said. That would suggest an initial upfront investment of \$1.5 million. The representative would not specify exactly how big an [equity stake](#) Snap would take from each start-up, but said that the size would be in line with Y-Combinator's figures.

Y-Combinator, Silicon Valley's most famous tech incubator, invests \$120,000 for a 7 percent equity stake and has helped launch companies such as Airbnb, Dropbox and Twitch.

Tech incubators have long existed to provide funding and support for up-and-coming start-ups in exchange for an [equity](#) stake. But a growing

number of established firms have in recent years launched their own incubators to help build companies that could eventually benefit their own businesses.

Coca-Cola, Oracle and Microsoft are among the companies that have their own start-up accelerator programs.

Applications for the first cohort of Snap's accelerator [program](#) close July 8.

©2018 Los Angeles Times

Distributed by Tribune Content Agency, LLC.

Citation: Snap Inc. launches accelerator program to invest in media start-ups (2018, May 28)
retrieved 24 May 2024 from <https://phys.org/news/2018-05-snap-invest-media-start-ups.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.