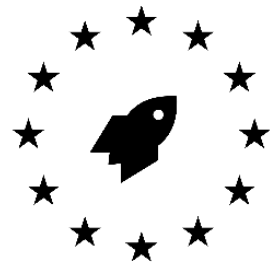


# Silicon Valley to Europe and back

European founders' experiences, opinions and interconnections with the US Tech Ecosystem.

\*lines crossing the Atlantic are actual investments in startups from the US in Europe



STARTUP HEATMAP  
EUROPE

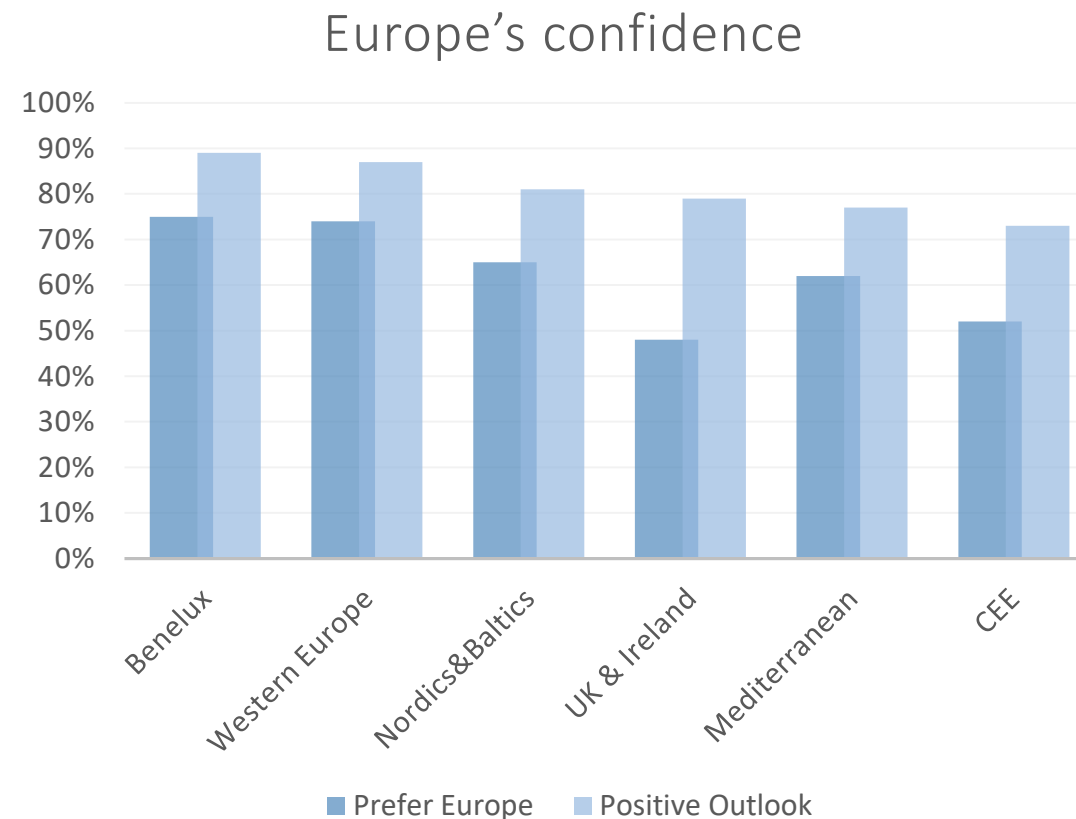
Balderton.  
capital

# Executive Summary

- 64% of European founders, given the choice, would choose Europe over the US again to found their startup
- 81% of founders in Europe rate the future potential of their current hubs very or extremely positive and foresee major investments and/or startup successes in the immediate future
- 36% of those surveyed have had significant or extensive experience of living (studying and working) in the US
- Adapting to growth and approach to risk-taking is named as the most valuable lesson learned from working in the US
- 60% of European founders have travelled to the US at least once for their current startup
- European founders consider that Europe's top strengths are Talent and Value for Money

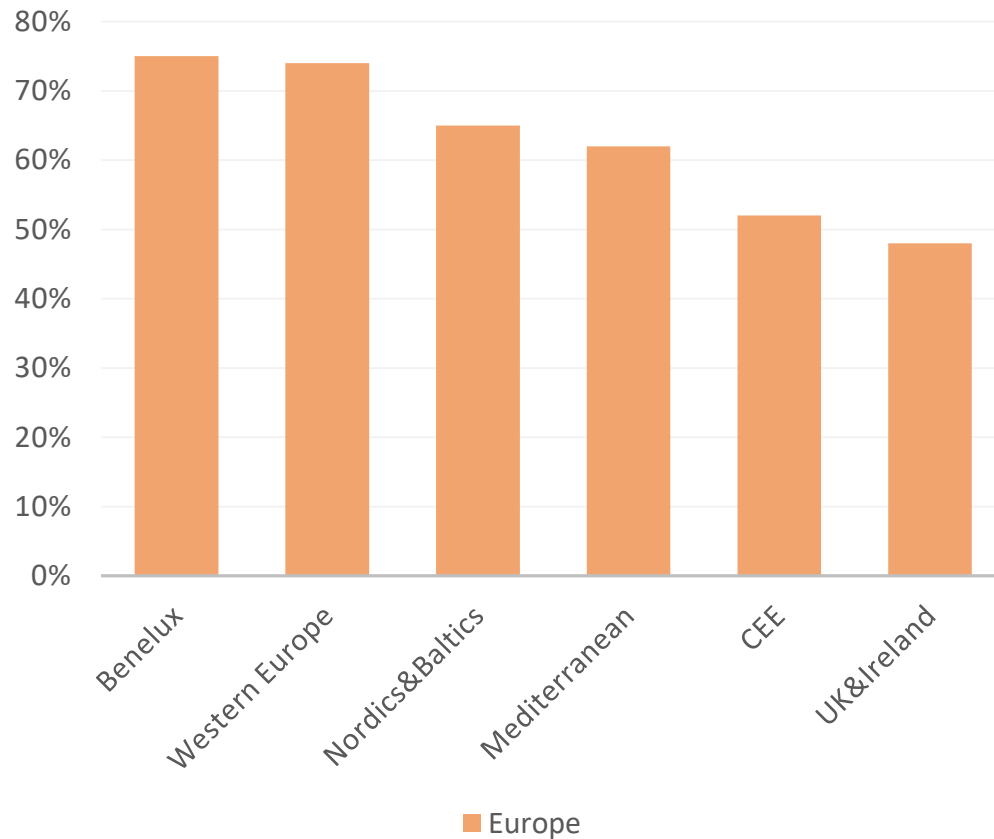
# Europe's Confidence on All-Time High

- Europe's founders are extremely confident about the European potential as a startup hub.
- 81% of founders in Europe rate the future potential of their current hubs very or extremely positive and foresee major investments and/or startup successes in the immediate future.
  - Most optimistic are founders from Western Europe (Ger, Fra, Aust, CH) with 87% and the Benelux with 89% confidence.
  - Remarkably, Western Europe and Benelux are praised especially for the industry connections they offer to startups.

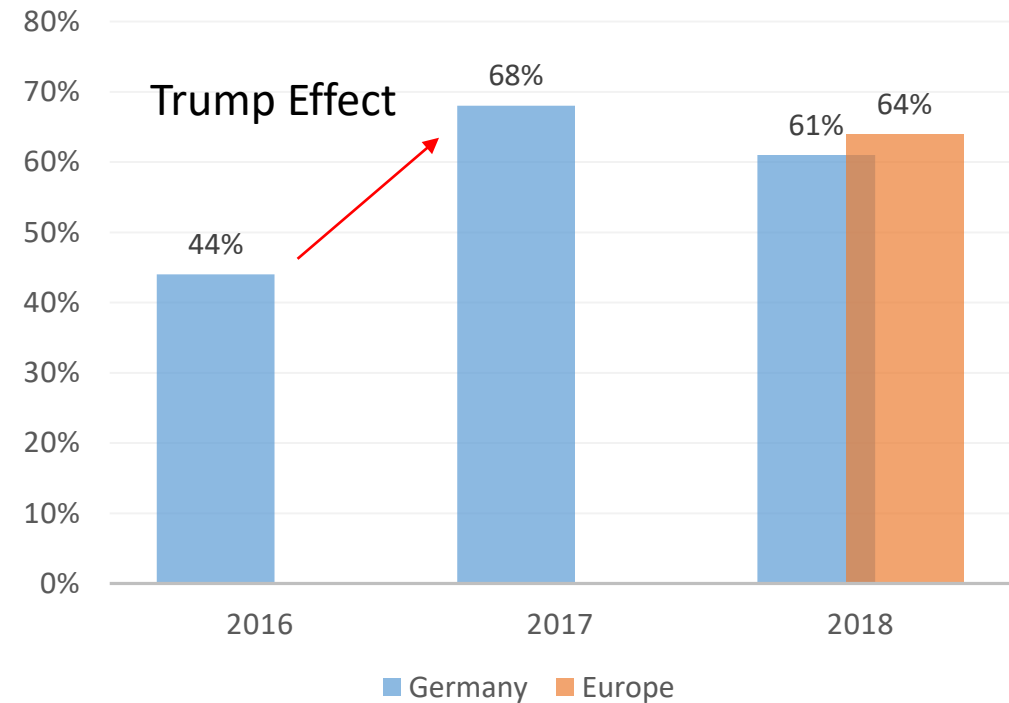


# 64% of EU founders prefer Europe over the US

% of founders who prefer Europe



Comparison over time



Germany based on [Bitkom Research 2018](#)



# Founders on starting in Europe vs. the US

If founders in Europe could freely choose between the US and Europe, 64% of founders would prefer Europe as their startup location.

A survey among German founders asking whether they would startup in Germany or somewhere else (not limited to the US) revealed that Germany's popularity increased from 44% in 2016 to 68% in 2017 and dropped slightly to 61% in 2018.

These numbers can, for the first time, be confirmed for Europe as a whole and suggest an increasing appeal of the continent for founders everywhere. In contrast, US popularity dropped from 32% to 15% when Trump took office and recovered slightly to 21% in 2018. Overall founders show a 36% preference for the US whereas German founders prefer the US only by 27%. The regional breakdown shows that only the UK and Irish founders predominantly prefer the US over Europe.

When looking solely at founders with significant experience in the US, numbers do not change much. For founders with business in the US the preference of starting in the US rises to 48%.



Sten Tamkivi, former GM Skype  
Estonian Serial Entrepreneur

*«I have been building software companies for 16 years in Estonia and worked mostly with teams around Scandinavia and in Prague or London. This is where the best engineers I know are. This is the core of my network. This is my actual unfair home-court advantage»*

<https://techcrunch.com/2014/01/18/why-silicon-valley-cant-find-europe/>

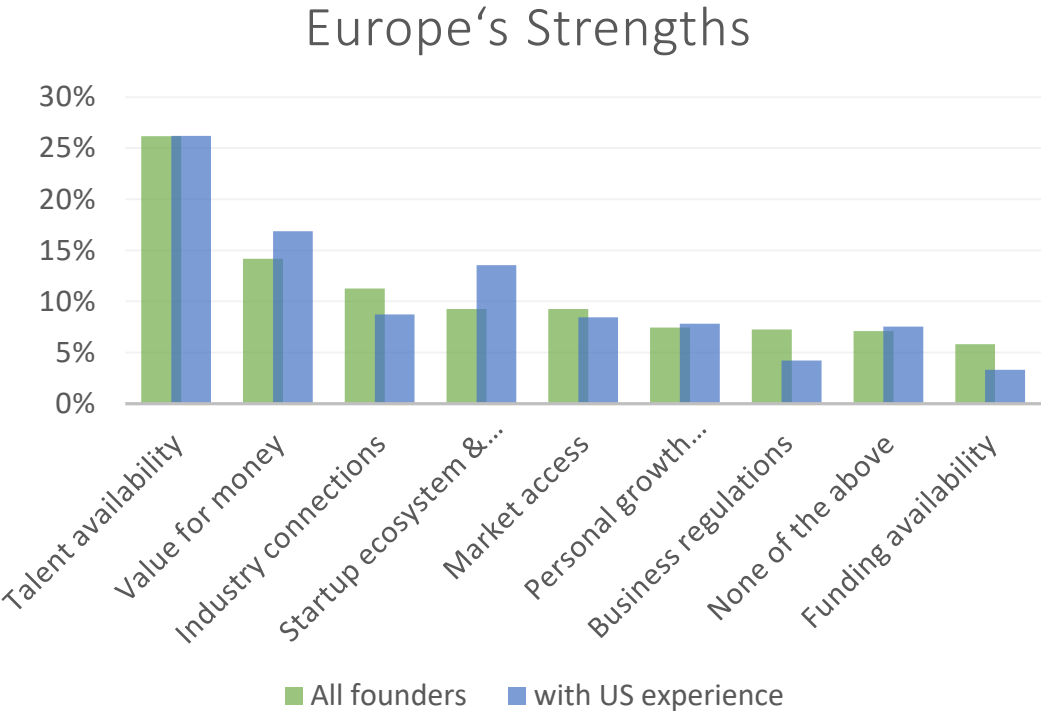


Loic le Meur, founder Le Web  
French Serial Entrepreneur

*«In the Valley, the best companies, entrepreneurs and investors are all in one place. It feels like a campus. (..) Compare this to the fragmentation in Europe, where the next meeting is always a flight away, and you can see why things simply happen more slowly over there.»*

<https://www.telegraph.co.uk/technology/technology-startup100/8264672/Start-Up-100-Why-I-ditched-Europe-for-Silicon-Valley.html>

# Europe leads in Talent and Value for Money



## Founder quotes

*“Multicultural perspectives - less myopic view of the world can lead to better insights for products, business and marketing”*

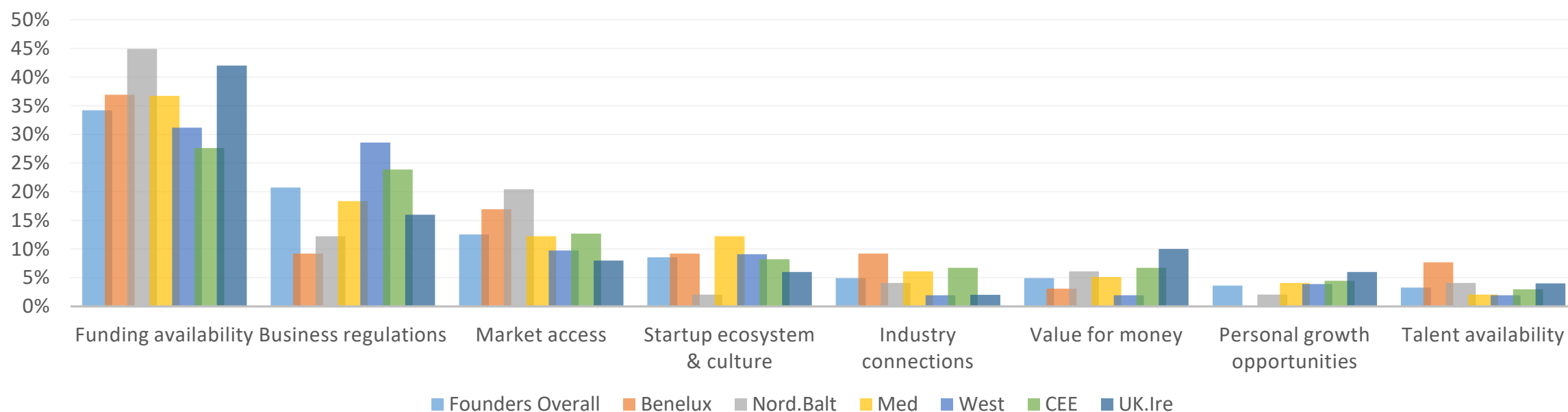
*“Tough and underappreciated market. If you make it there you'll make it anywhere.”*

Regional strong points based on what locals think makes their current location a great place to startup.

Benelux	Startup Ecosystem & Culture 66% <small>(13% above average)</small> Industry Connections 48% <small>(14% above average)</small>
Western Europe	Industry Connections 43% <small>(11% above average)</small>
Nordics & Baltics	Startup Ecosystem & Culture 71% <small>(18% above average)</small> Business Regulations 30% <small>(14% above average)</small>
UK & Ireland	Startup Ecosystem & Culture 74% <small>(21% above average)</small> Funding Availability 53% <small>(33% above average)</small>
Mediterranean	Value for Money 45% <small>(5% above average)</small>
CEE	Talent Availability 55% <small>(7% above average)</small> Value for Money 53% <small>(13% above average)</small>

# Weak in Funding and Ease of Business

Europe's Weaknesses



## Founder quotes

*"Europe has big potential but too slow and bureaucratic to make it really work in current days"*

*"Less prestige than Silicon Valley"*

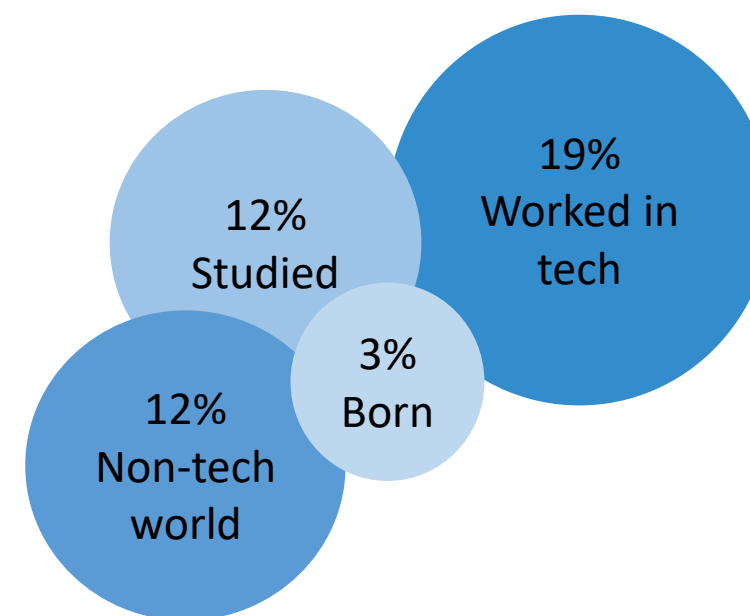
*"Taxes"*



# Europe's Tech Veterans Returning from the US

- 36% of European founders in our survey have had significant experience (born, studied more than 6 months or worked) in the US, but did return to Europe to start their company.
- 19% of European founders have extensive experiences from the US tech sector.
- Even though it is not possible to say, how many European founders have returned to Europe vs. those who left, we see, that emigrating to the US is not a one-way street.
- Those returning prefer to settle in their home country (68% did so).

## European Founders returning from the US



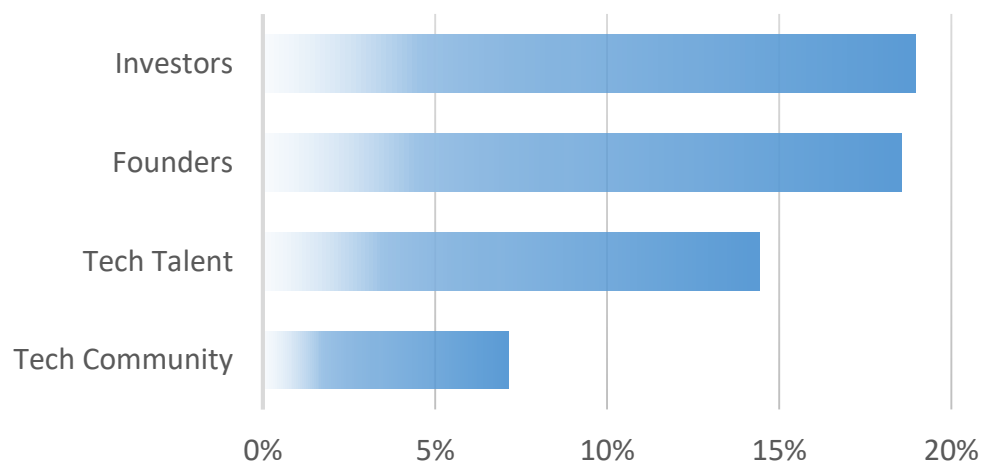
## Founders with significant US experience by region

Benelux	CEE	Med	Nord.Balt	UK.Ire	West
37%	36%	36%	45%	36%	34%

Mutliple responses possible

# ..to all disciplines in the Tech sector

## % OF US TECH VETERANS AMONG



We call «Tech Veterans» those members of the tech community, who have gained first-hand experiences in the US tech ecosystem. Returning Tech Veterans have a major impact on startup landscape in Europe. They add experience and networks and their participation benefits the combined startup community.

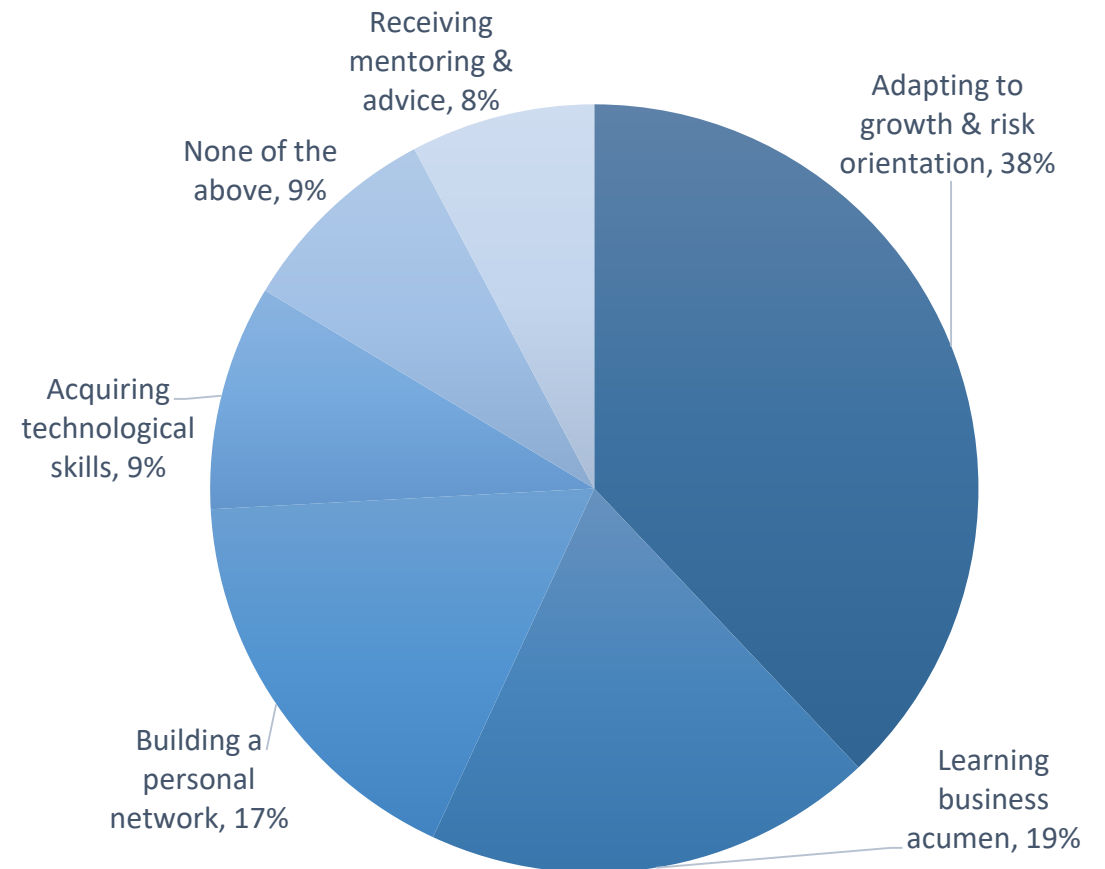
19% of founders in Europe have worked in tech companies in the US and returned to start their own companies here. This ratio is matched by European investors that have been involved in US tech companies.

# Bringing the Silicon Valley Spirit

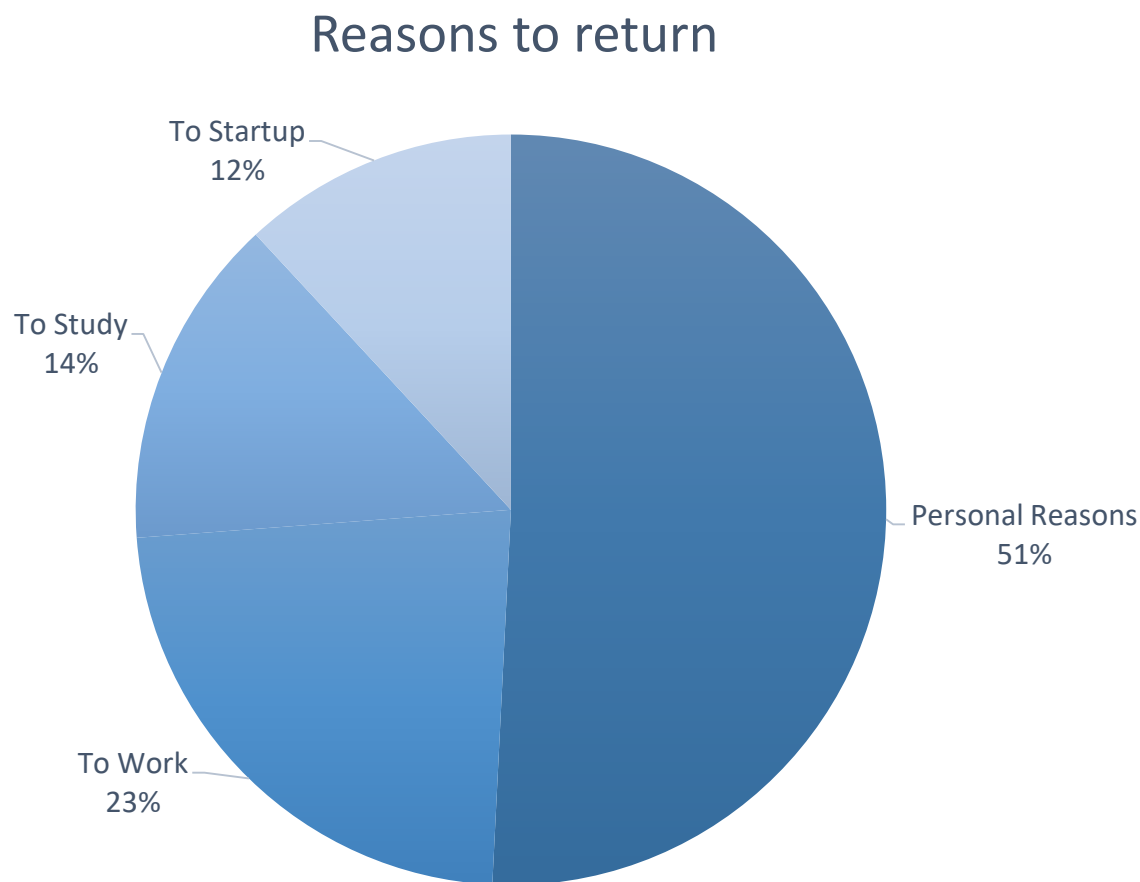
By large margin, returning European Tech Veterans state that the most valuable experience was «Adapting to growth & risk orientation» (38%).

This suggests that it is not the technical expertise that founders are after but the business practices and management skills.

Most valuable experience from US



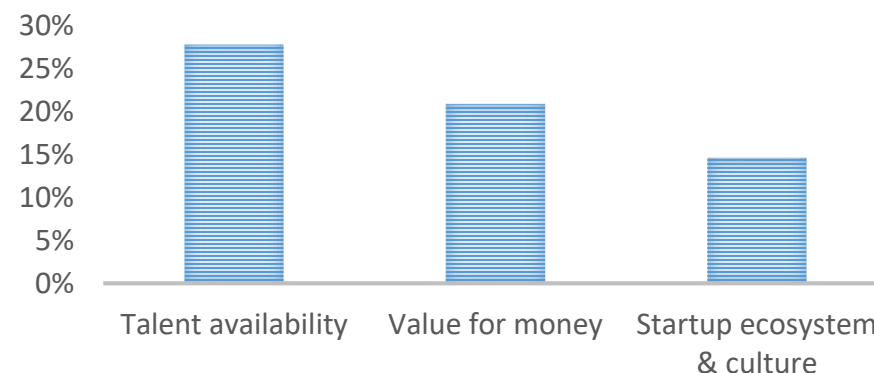
# Reasons to return for European founders



Over 50% returned for personal reasons.

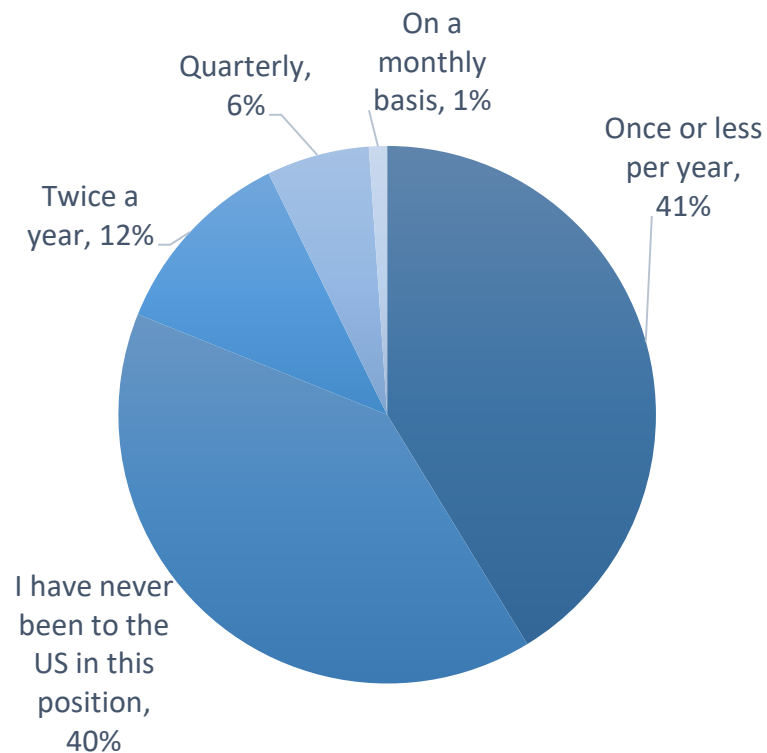
Looking at the origins and destinations of the US Tech Veterans returning to Europe, they are tantamount to the regional distribution of survey participants. Evidence that US Tech Veterans returning home is a cross-regional trend.

## WHAT RETURNING TECH PIONEERS LOVE ABOUT EUROPE

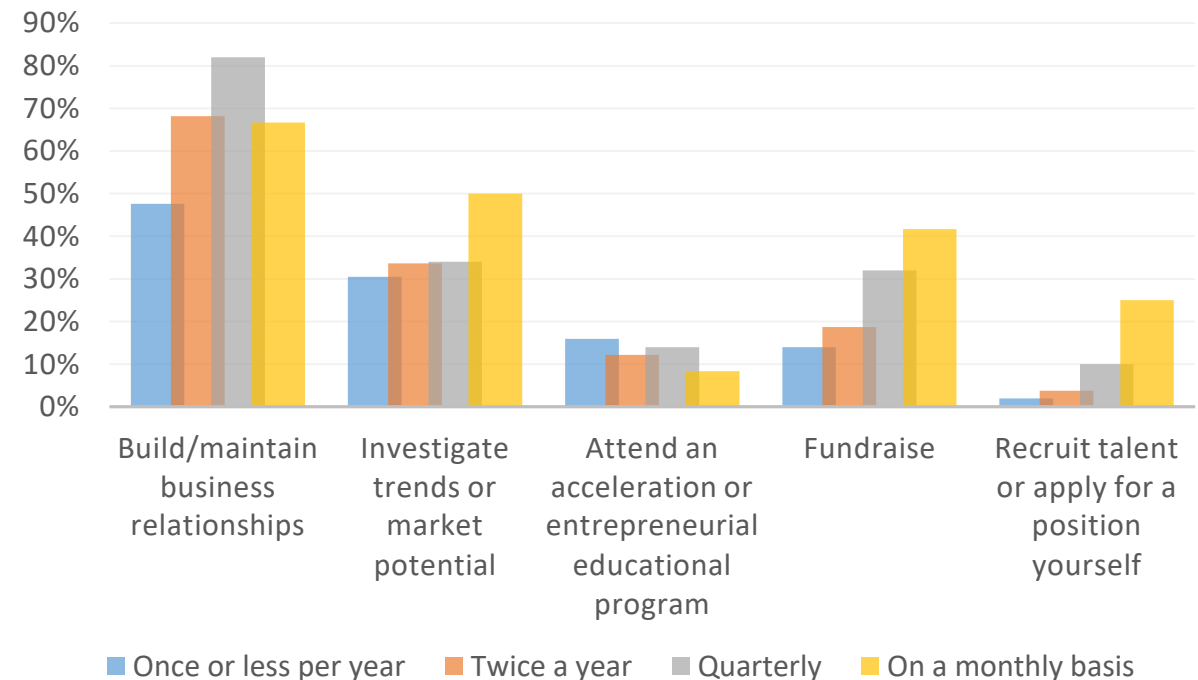


# 60% of European founders have travelled to the US for their startup

## Frequency of US business trips



## Activities on US business trips

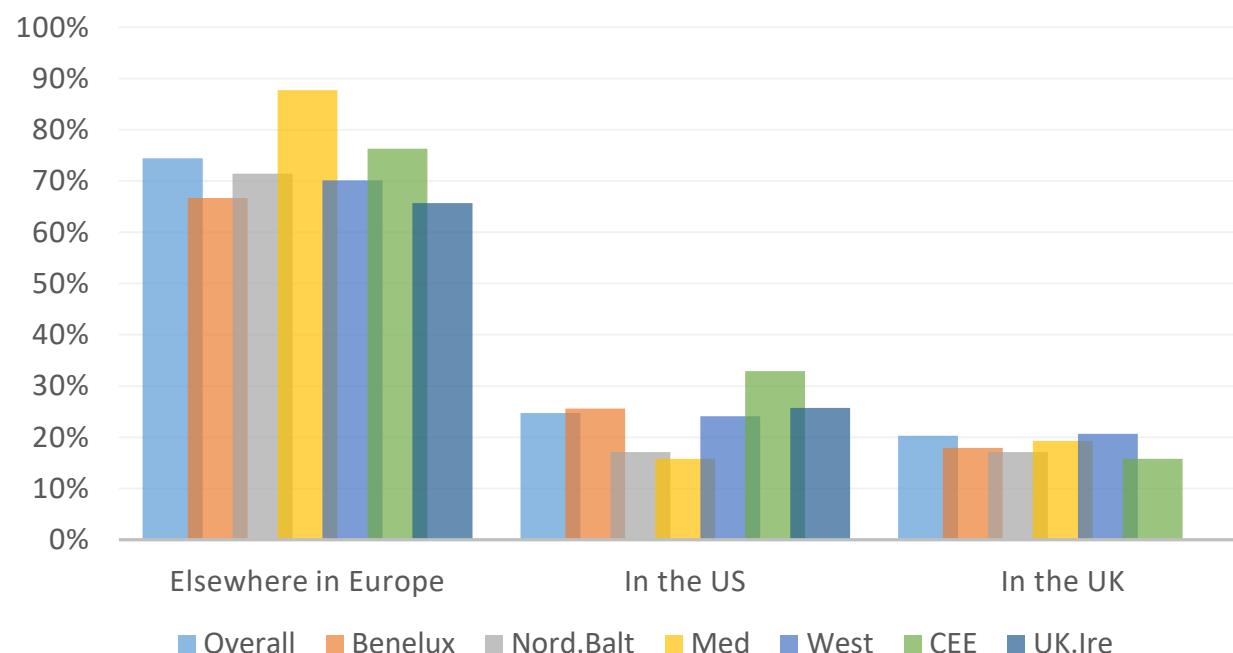


**42%** state that they are unable to go to the US as often as they would like for their business. Founders who returned from the US are **2x as likely** to travel more than twice per year to the US on business.

# Europe and US expansion go hand-in-hand

- 65% of startups with employees, investors or legal entities in the US have also foreign offices in Europe
- More founders in Europe have employees, investors or legal entities in the US (25%) than in the UK (20%)
- When looking at the Top 100 European startups<sup>1</sup> the number of having offices in North America increases to 54%.
- Southern Europe and CEE are the most international startups, with CEE tending towards the US and the Mediterranean towards the UK.

Where European startups have business links

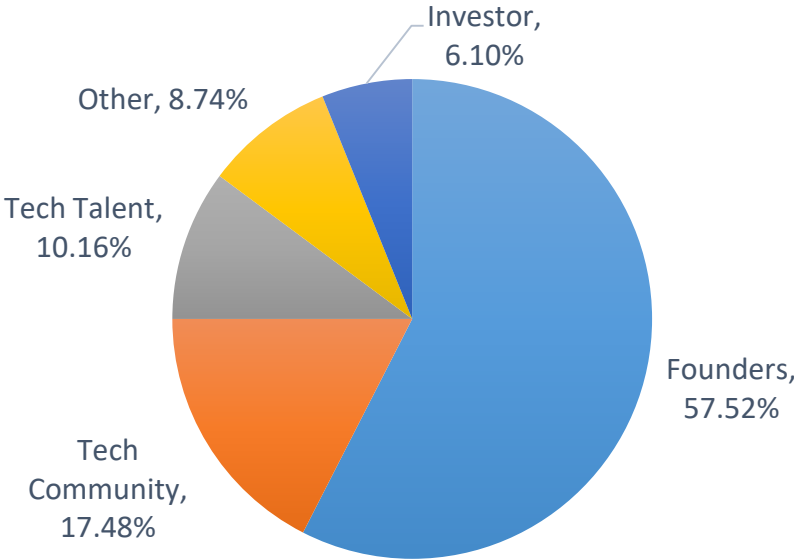


<sup>1</sup>SEP ELITE Tech Scaleup, 2018

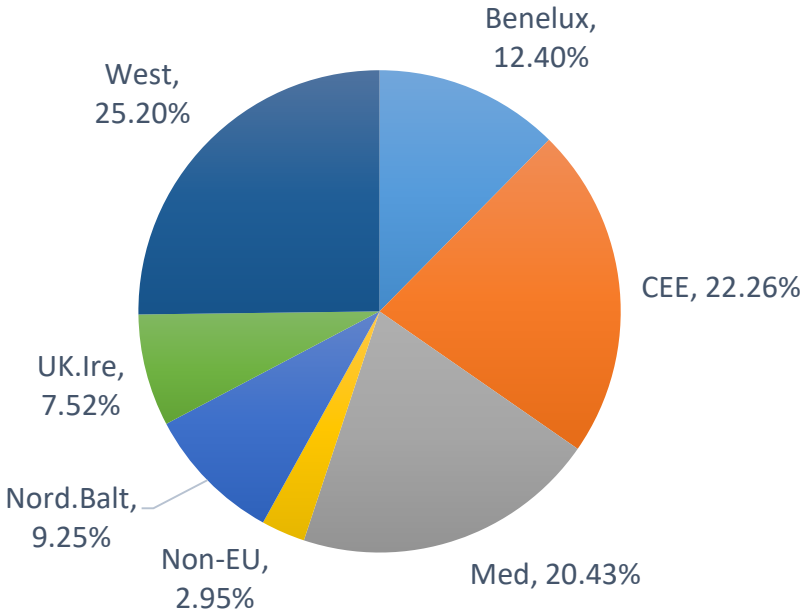


# Survey Sample

Participants by Role



Participants by Current Region



>60% of respondents had a master degree or above

Age Distribution

<18	2	0.2%
18-35	563	57%
35+	415	42%



19%

79%

985 valid responses

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