

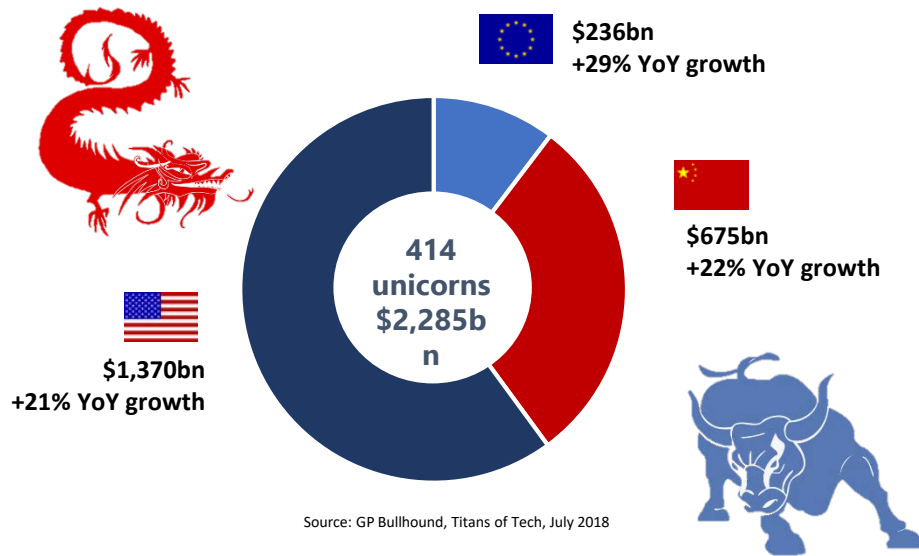
The background of the slide is a dark map of Europe. Numerous white dots of varying sizes are scattered across the map, representing startup locations. From a central point in Western Europe, a dense network of thin blue lines radiates outwards, connecting to other dots across the continent, symbolizing an interconnected startup ecosystem.

# THE RISE OF THE INTERCONNECTED STARTUP

STARTUP HEATMAP EUROPE 2018  
[www.startupheatmap.eu](http://www.startupheatmap.eu)

# Combining forces to compete globally

Europe's market valuations are far behind the US and Asia – to catch up, it must overcome fragmentation



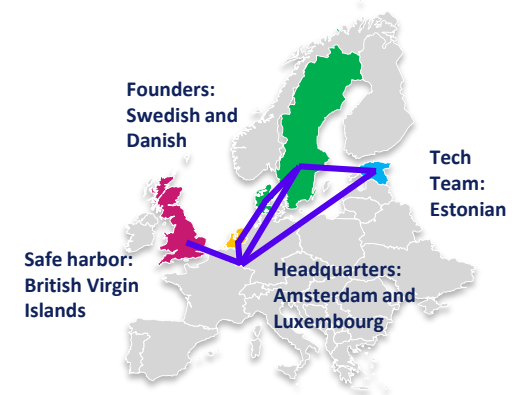
Only 16% of unicorns are from Europe

To activate the capital, tech talent, market opportunities and regulatory frameworks needed to build a global company, European entrepreneurs move and connect across borders.

63% of all founders from London participating in our surveys from 2016-2018 were born abroad. In Berlin the number is 53%. 60% of startups in the 2018 survey state they have employees, investors or entities abroad. European founders have bred a completely new form of entrepreneurship: The interconnected or distributed startup company. The question is: Are they fast enough?

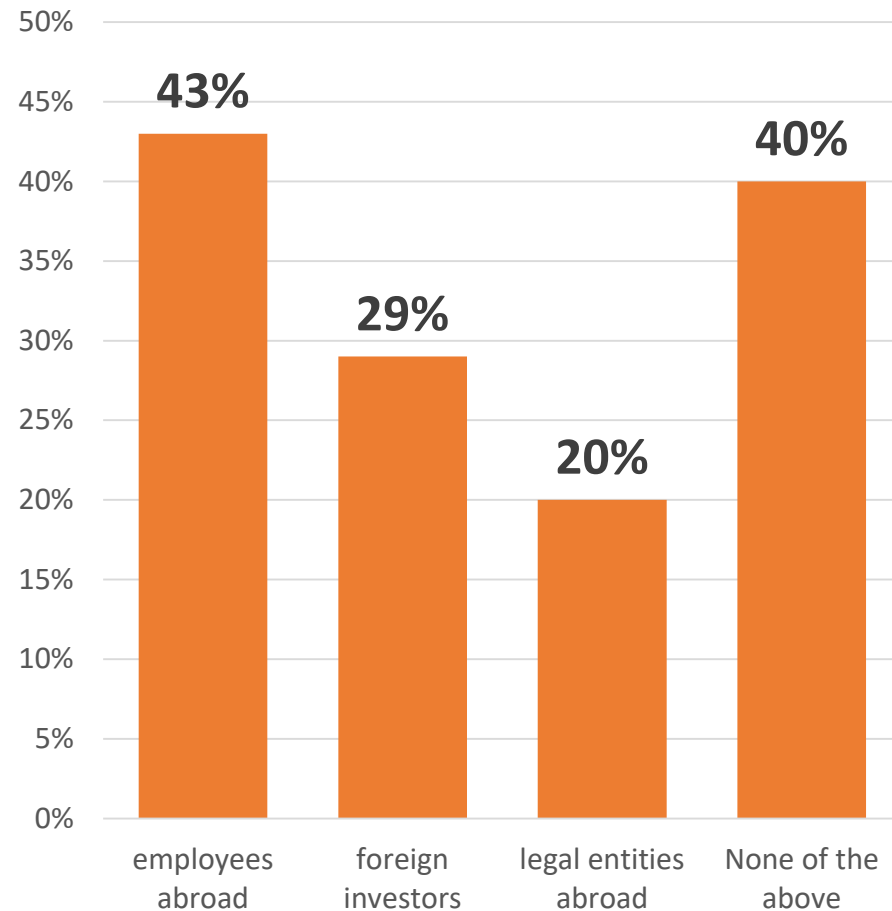
The [Startup Heatmap Europe](#) aims to monitor these connections and map the emerging networks of growth. We aim to educate policy-makers and industry leaders on the speed of these developments, how to adapt and how to play a constructive role in the pan-European innovation system, that we see evolving.

## The Story of Skype: An interconnected Unicorn



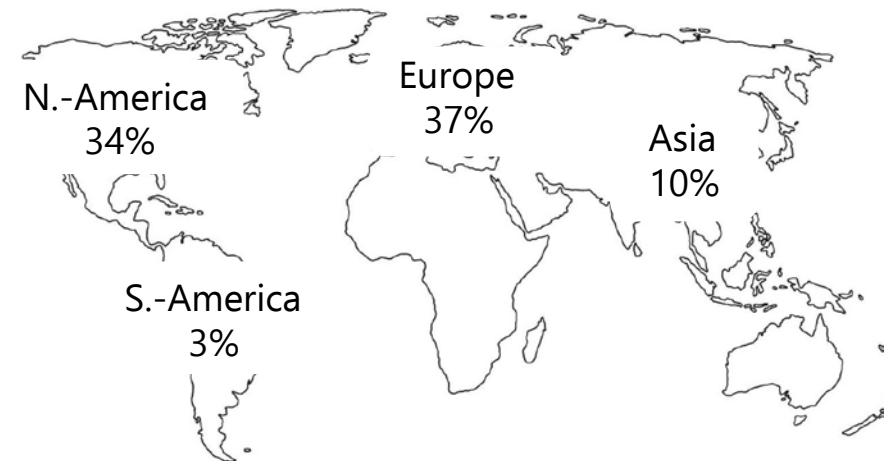
# The Rise of the **Interconnected Startup**

What kind of business relations do you have abroad?



Based on >450 founders' responses in 2018 survey

Foreign office locations of top 100 EU startups:



Based on [SEP Top 100](#), [craft.co](#) and own research

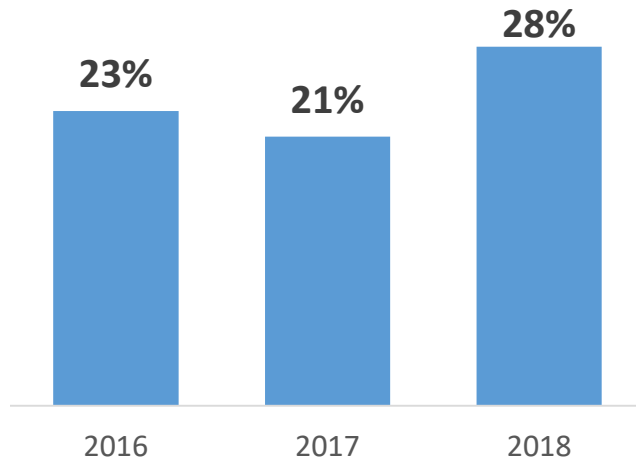
**60% of startups in Europe have investors, legal entities or employees abroad**

[This data is available for download](#)

# 28% of founders in Europe are foreign-born

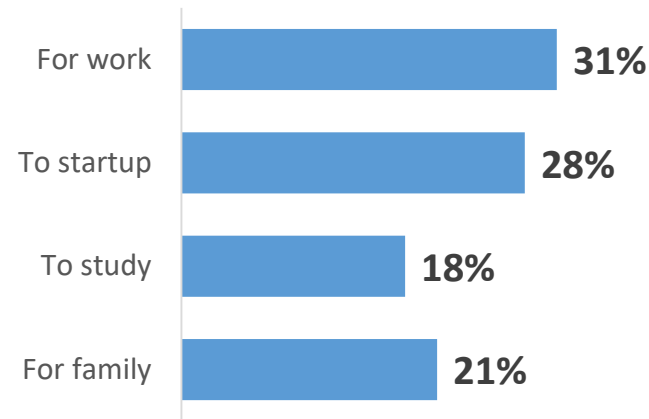
Almost a third of them moved specifically to startup

## Foreign-born Founders in Europe



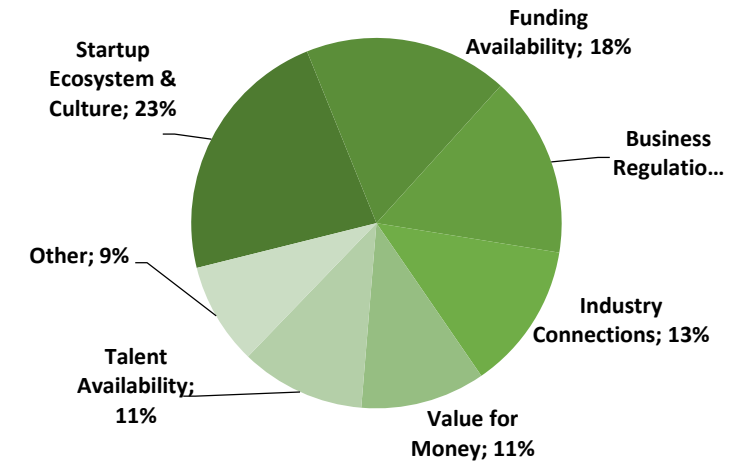
Based on sample of >1,500 mostly self-identified founders over 3 separate surveys.

## Initial Motivations to move



Based on sample of >550 founders in 2018 survey

## Push Factors for Founders



Based on sample of >150 founders in the 2018 survey, who moved

[This data is available for download](#)

## FOUNDER STORIES



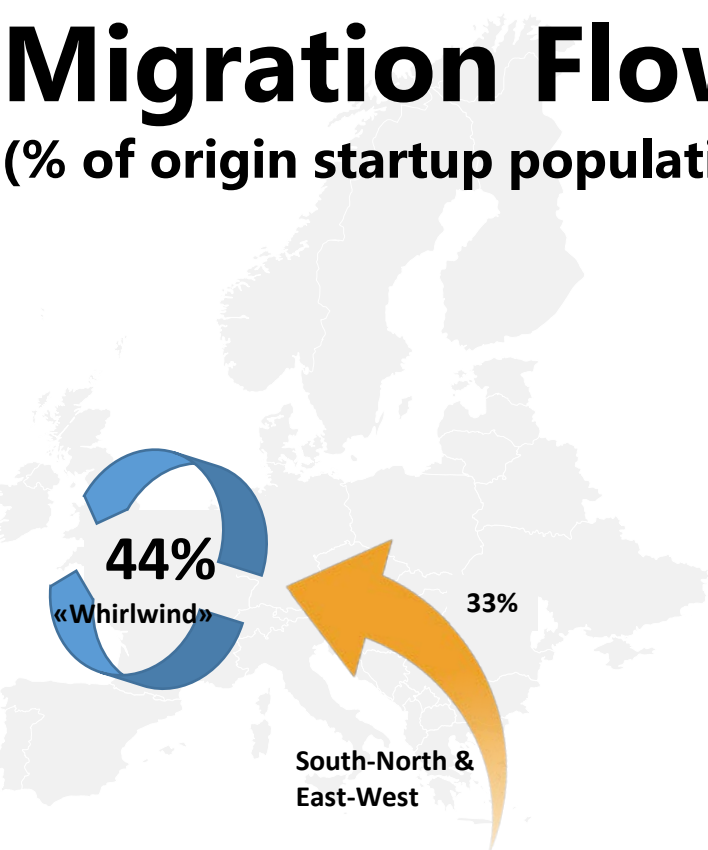
«The Telegram team had to leave Russia due to local IT regulations and has tried (..) Berlin, London and Singapore. We're currently happy with Dubai, although are ready to relocate again if local regulations change.»



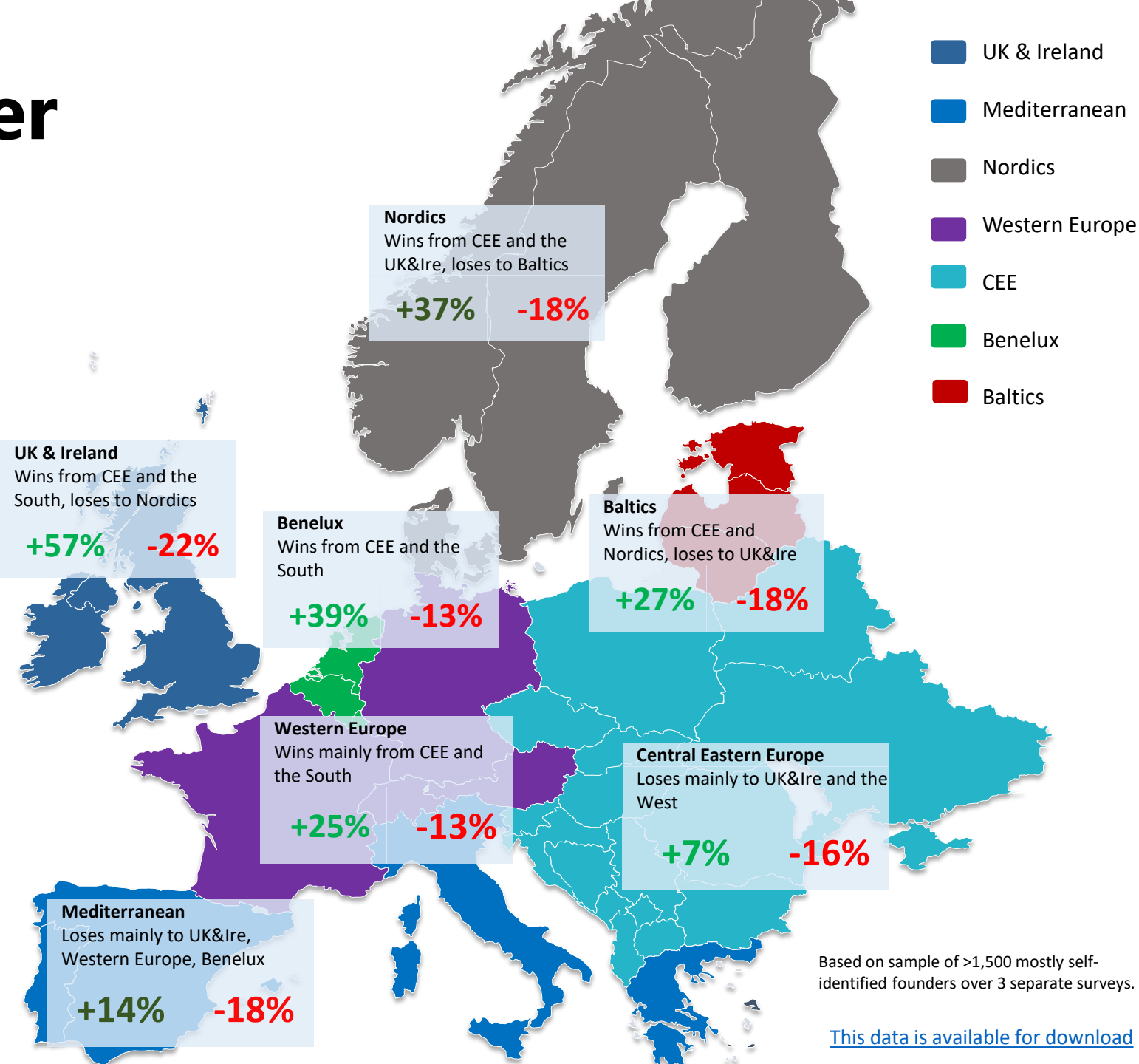
«Since SoundCloud was part music platform and part social network, we didn't want to launch the site only with our Swedish friends (..) so we thought it might be good to move to another city (..) creating an international platform from start.»

# Observed Founder Migration Flows

(% of origin startup population)



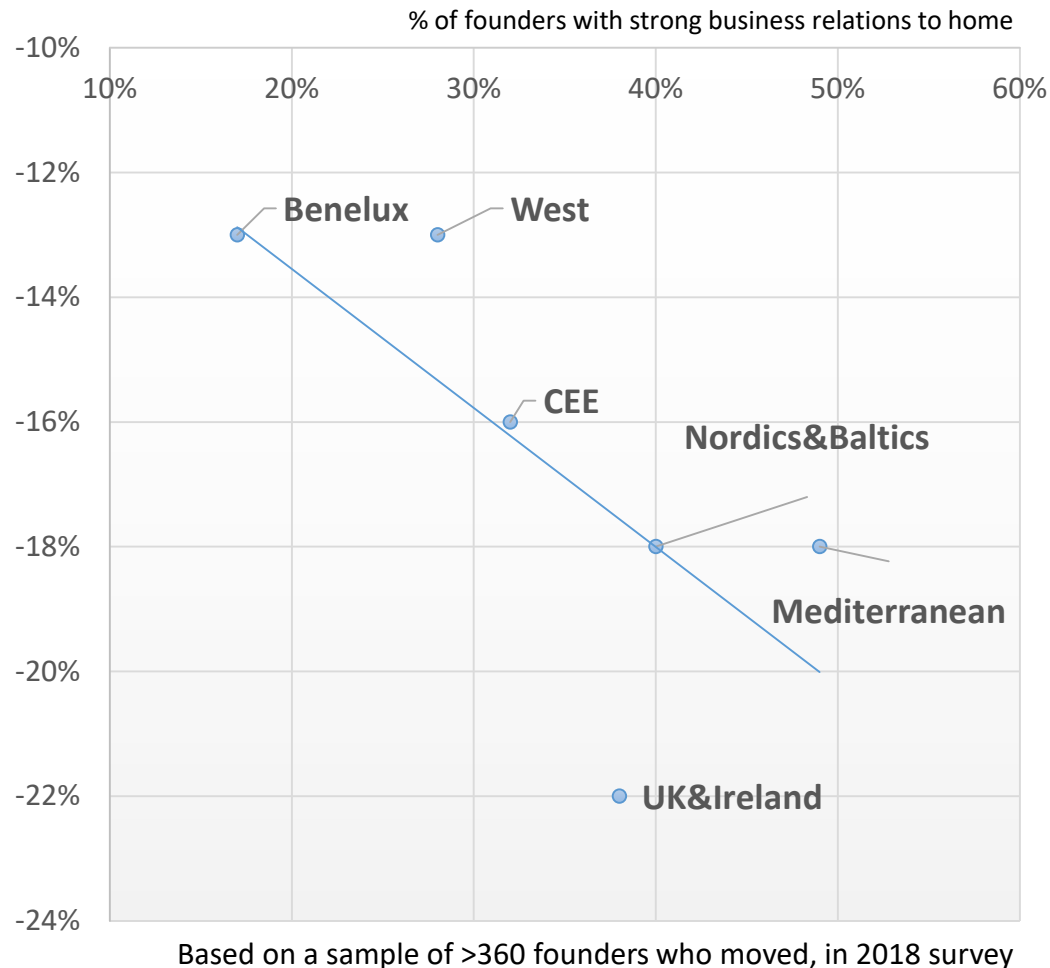
The majority of founder movements happen within the “West”



Based on sample of >1,500 mostly self-identified founders over 3 separate surveys.

[This data is available for download](#)

# 34% of founders maintain strong business relations to home after moving abroad



Daniela Braga, Founder and CEO of DefinedCrowd raised >10mn € in funding and established their company in the US early-on, but raised also funds in Portugal and setup their R&D offices in her home country.

*“Being Portuguese myself and knowing the quality and stability of the talent in Portugal, setting up an R&D center in Lisbon was a no-brainer for me.”*

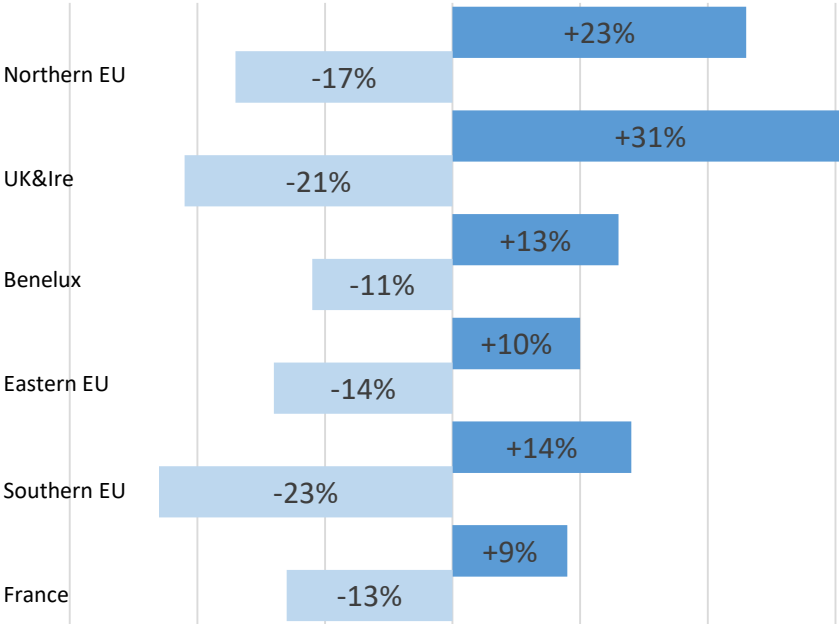
<http://blog.definedcrowd.com/2016/09/05/definedcrowd-closes-1-1m-seed-investment/>

Regions with higher emigration, tend to have a stronger connection with the founders who left. The Mediterranean region, having the 2nd highest emigration rate, has the highest connectivity rate of 49% founders maintaining strong relations back home.



# European tech talent moves 10x more than the average EU citizen

## Origins and Destinations of Tech Talent who moved between regions in the EU



### Tech Talent on the move

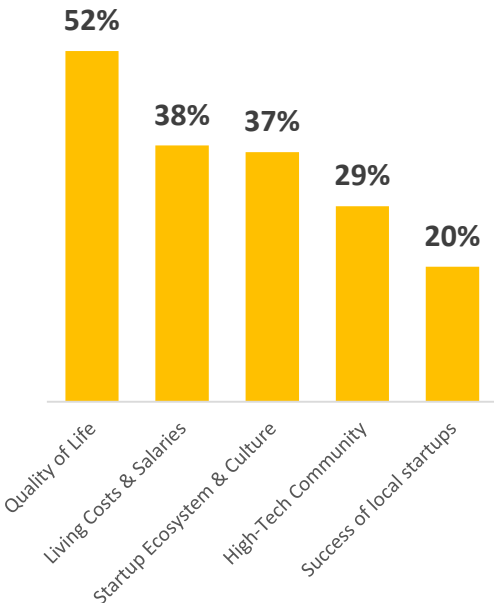
*"I left San Francisco for Paris. I accepted a job with [Sgreen](#), left my old position at Slack, and with a lot of help from my wife, sold our home, packed up all our belongings and we got on an airplane with our 8 year old daughter in tow (..) Why? (..) The French tech scene is a goddamned rocket ship. Better yet, it's still on the launchpad — the best time to climb aboard."*

<https://hackernoon.com/so-yeah-i-left-san-francisco-and-slack-to-move-to-paris-a71a730f1a5d>

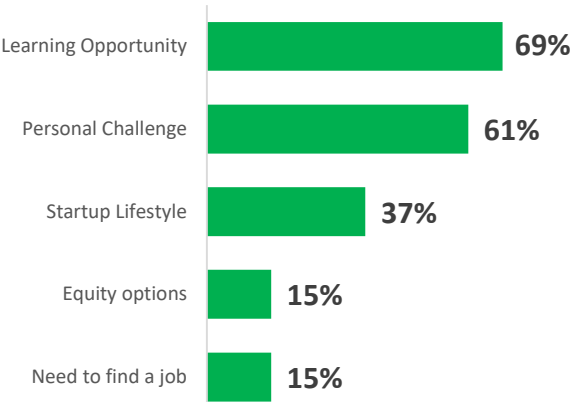


Don Goodman-Wilson, Developer  
Moved from San Francisco to Paris last year and is now on his way to Amsterdam for even another startup job

### Location Factors for Tech Talent



### Why tech talent wants to join startups



Centre for European Policy Studies, How mobile is tech talent? A Case Study of IT professionals based on data from LinkedIn, 2016 <https://www.ceps.eu/system/files/CEPS%20-%20LINKEDIN%20study%20FINAL.pdf>; Sample size >295,000. Northern EU: Austria, Denmark, Finland, Germany and Sweden, Benelux: Belgium, the Netherlands, Luxembourg, Southern EU: Cyprus, Greece, Italy, Malta, Portugal and Spain, Eastern EU: Estonia, Latvia, Lithuania, Hungary, Romania, Czech Republic, Bulgaria, Poland, Slovenia, Slovakia and Croatia;.

Based on sample of 100 self-identified tech talents from the 2018 survey.  
[This data is available for download](#)

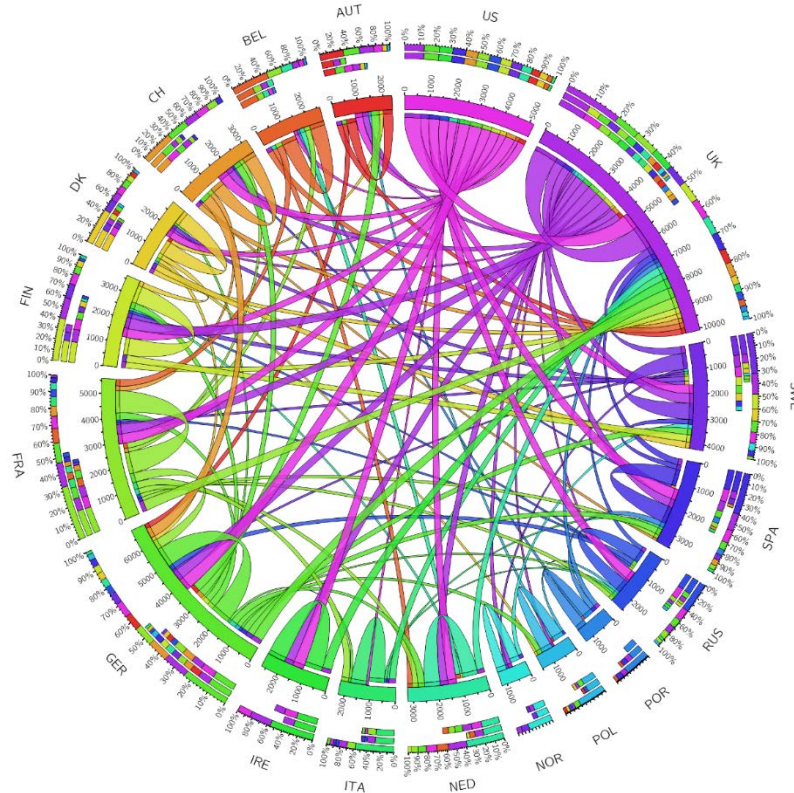
# Each region has a surplus of international investments

UK investors close 22% of all international early-stage deals in Europe (<5mn)

The UK also captures 53% of the total of international investments in the EU.

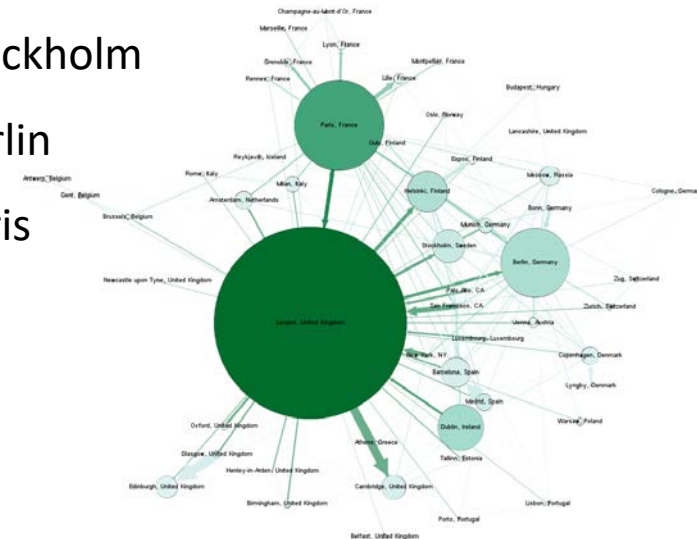
On average  
**only 17%** of European investments go abroad

[Read more on this on our blog](#)



## The 5 most central investment hubs

- 1 London
- 2 Helsinki
- 3 Stockholm
- 4 Berlin
- 5 Paris



Based on a dataset provided by [Pitchbook](#) showing origins and destinations of investment deals in Europe between 2014 and 2017. Deal sizes were between 0.1mn and 5mn €. The investment type was Venture Capital



# Where international talent (doesn't) meet capital

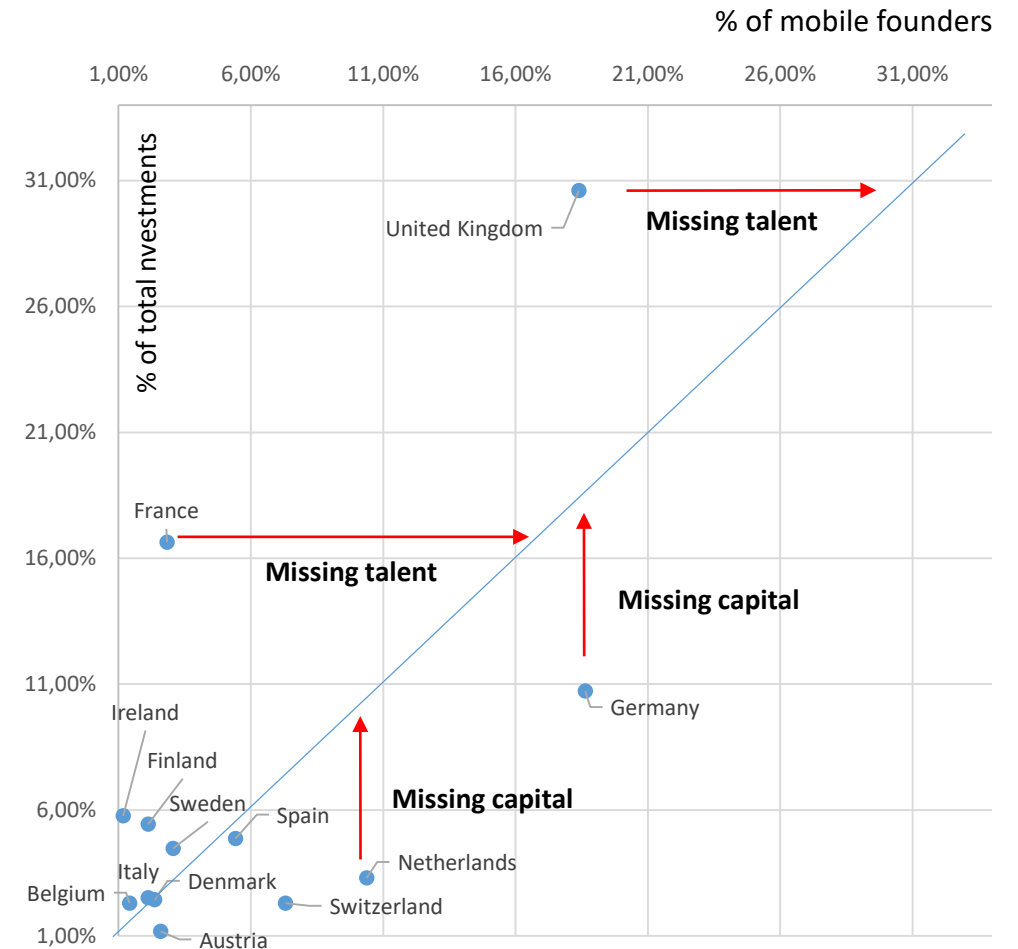
Talent is not always motivated to move where capital concentrates. Yet, capital takes time to adjust to identify new centers of entrepreneurial activity giving way to massive misalignments of talent and capital.

Germany's talent inflow is **61% higher** than the capital available.

On the other side, France's talent inflow is 66% lower than the percentage of all EU deals France captures.

In the graph we compare the % of international founders a country captures with the % of all European early stage deals done in the country, visualizing gaps of capital or talent availability.

[Read more on this on our blog](#)

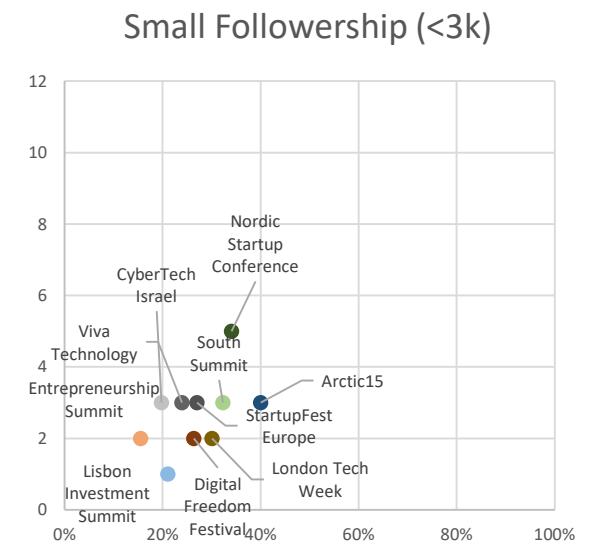
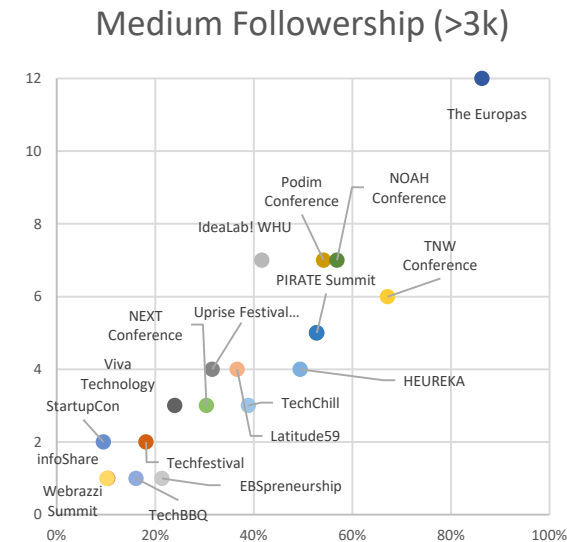
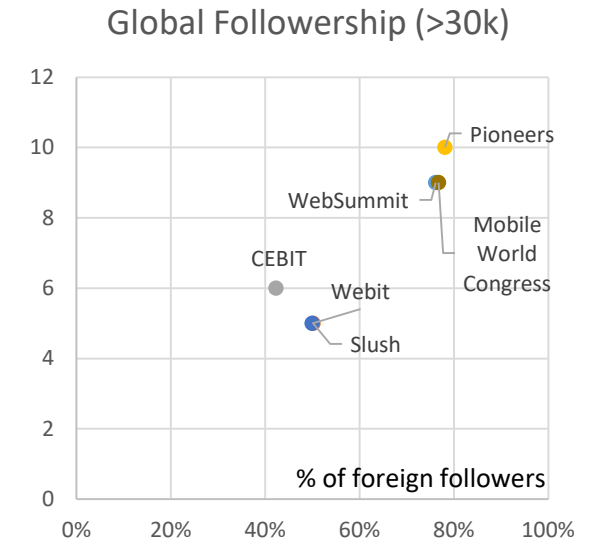
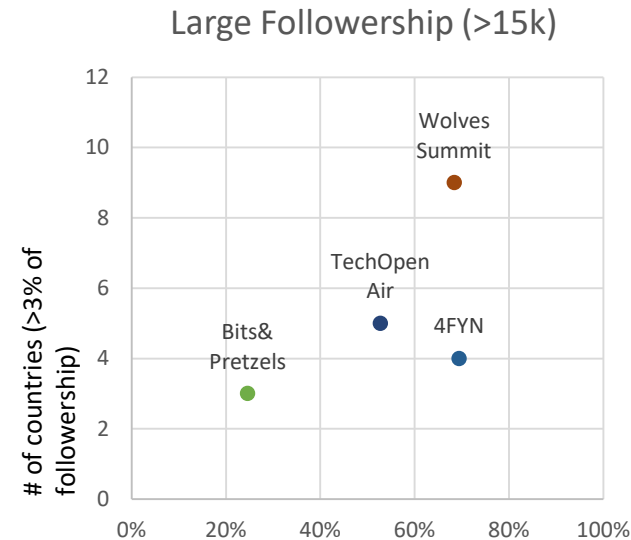


# Conferences can be connectors

We analyzed facebook followership of 38 European Tech conferences with a total of >860k followers

**The Pioneers Festival in Vienna reaches 80% foreign followers**

After eliminating spam followers, startup conferences reach on average 40% foreigners via social media. However, reach often is limited to a small number of individuals per country. Only half of the conferences have a significant audience (>3%) in more than 3 countries. This might hinder the function of conferences to link whole ecosystems versus bringing together only small entrepreneurial clubs with international membership.



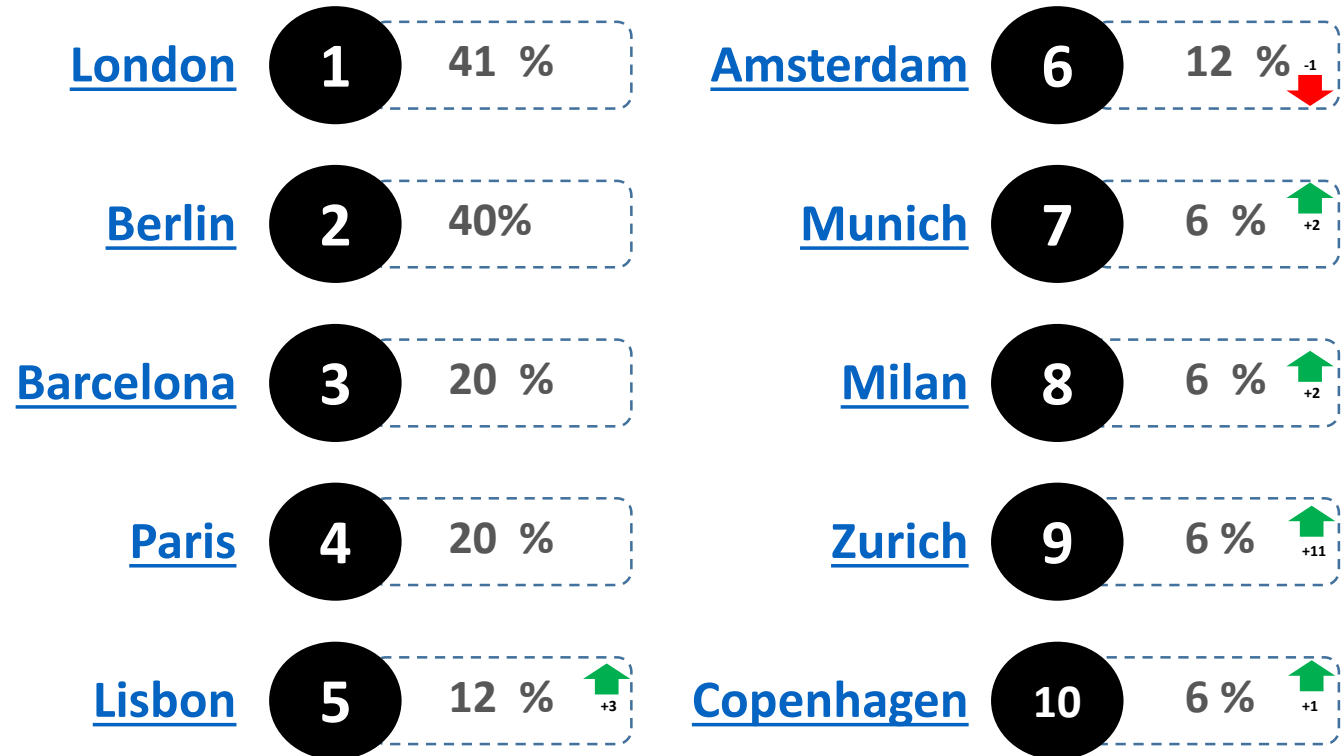
Data based on facebook and own research

[This data is available for download](#)

# Founders' 10 Most Favorite Startup Hubs

«Where would you start a company tomorrow?»

- Ranking based on founders' weighted opinions only, maximum 3 choices
- 93 startup hubs were named (last year: 78)
- The top 5 received roughly 50% of all votes
- But there are 50 hubs attracted 1% or more of the founders, but only 13 more than 5%

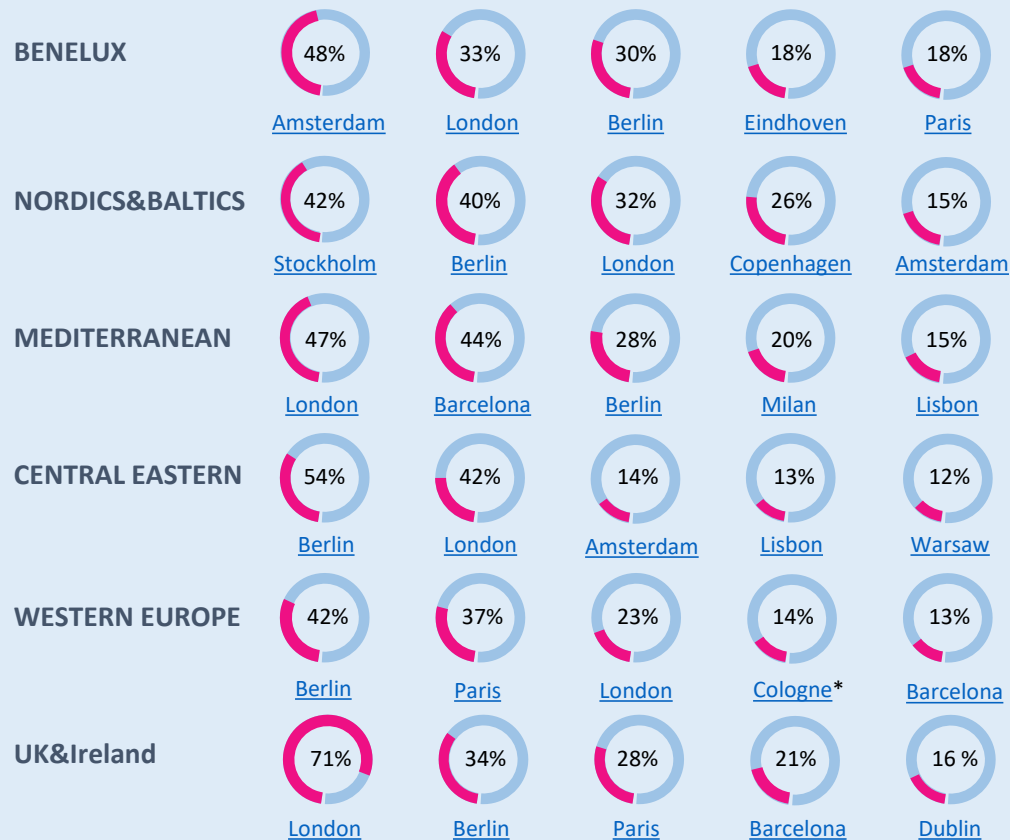


Founders could allocate 3 votes. Percentages indicate how many founders would like to startup in each respective city.

Click on a city and to learn more  
on our interactive [Startup Heatmap Europe Platform](#)

# Regional & Category Champions

## % of Regional Vote

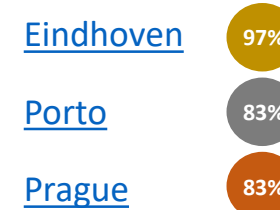


Percentages indicate how many founders coming from a region imagine to startup in the mentioned city. Founders had up to 3 choices.

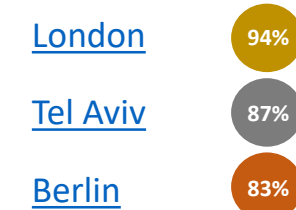
\*Cologne had an unusual high amount of own votes in the survey and Cologne based founders were slightly overrepresented among the cities in Germany

## Best Ratings by Followers (% of «very high»)

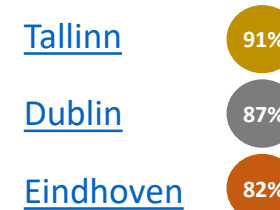
### Talent Availability



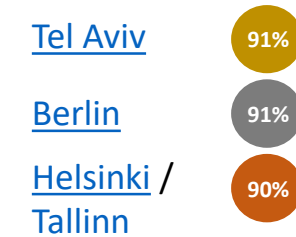
### Funding Availability



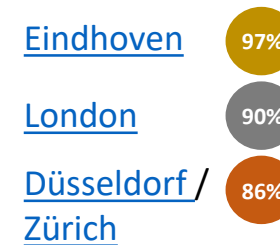
### Business Regulations



### Startup Ecosystem



### Industry Connections



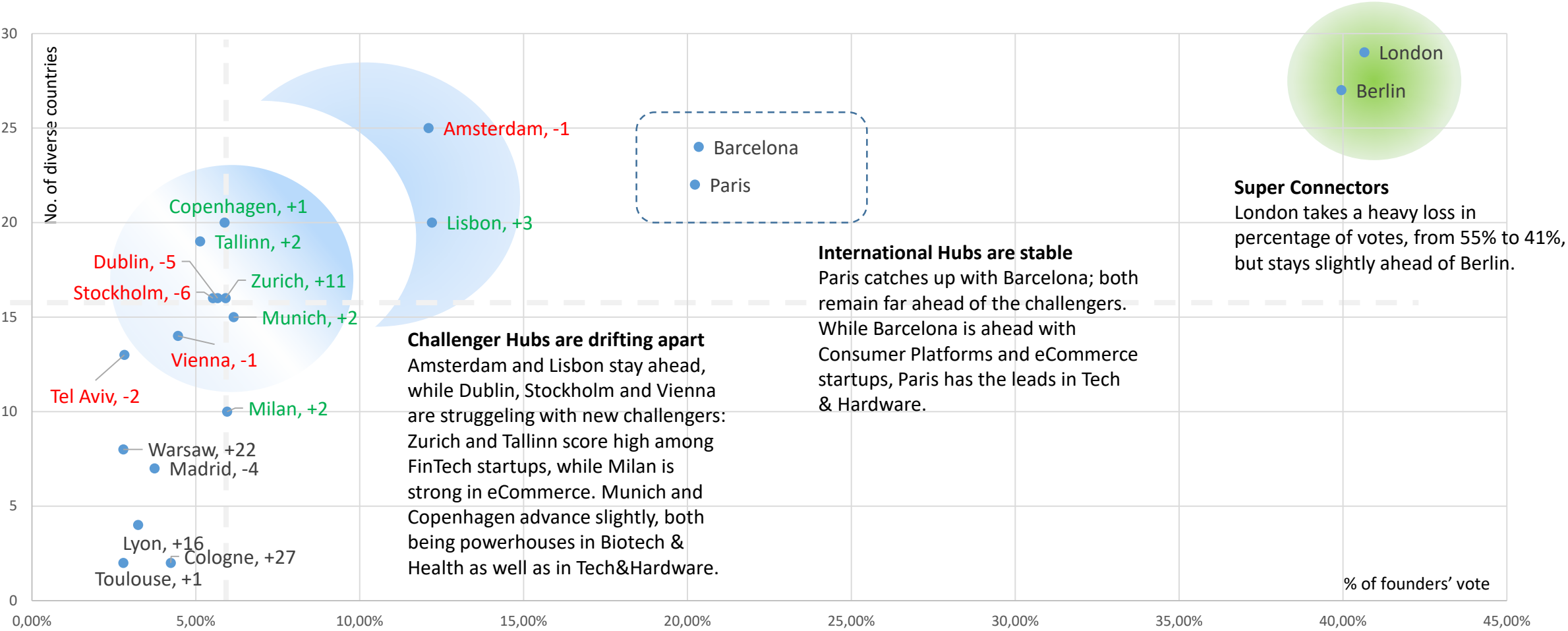
### Value for Money



Percentages show number of voters for a hub who have rated the mentioned factor at least very high. Excluded are hubs, who did not receive >20 outside votes to avoid «upvoting» of your own hub.

[This data is available for download](#)

# Evolution of Top 20 Most Recognized Startup Hubs in Europe



Learn more on each hub on our interactive [Startup Heatmap Europe Platform](#)

[This data is available for download](#)



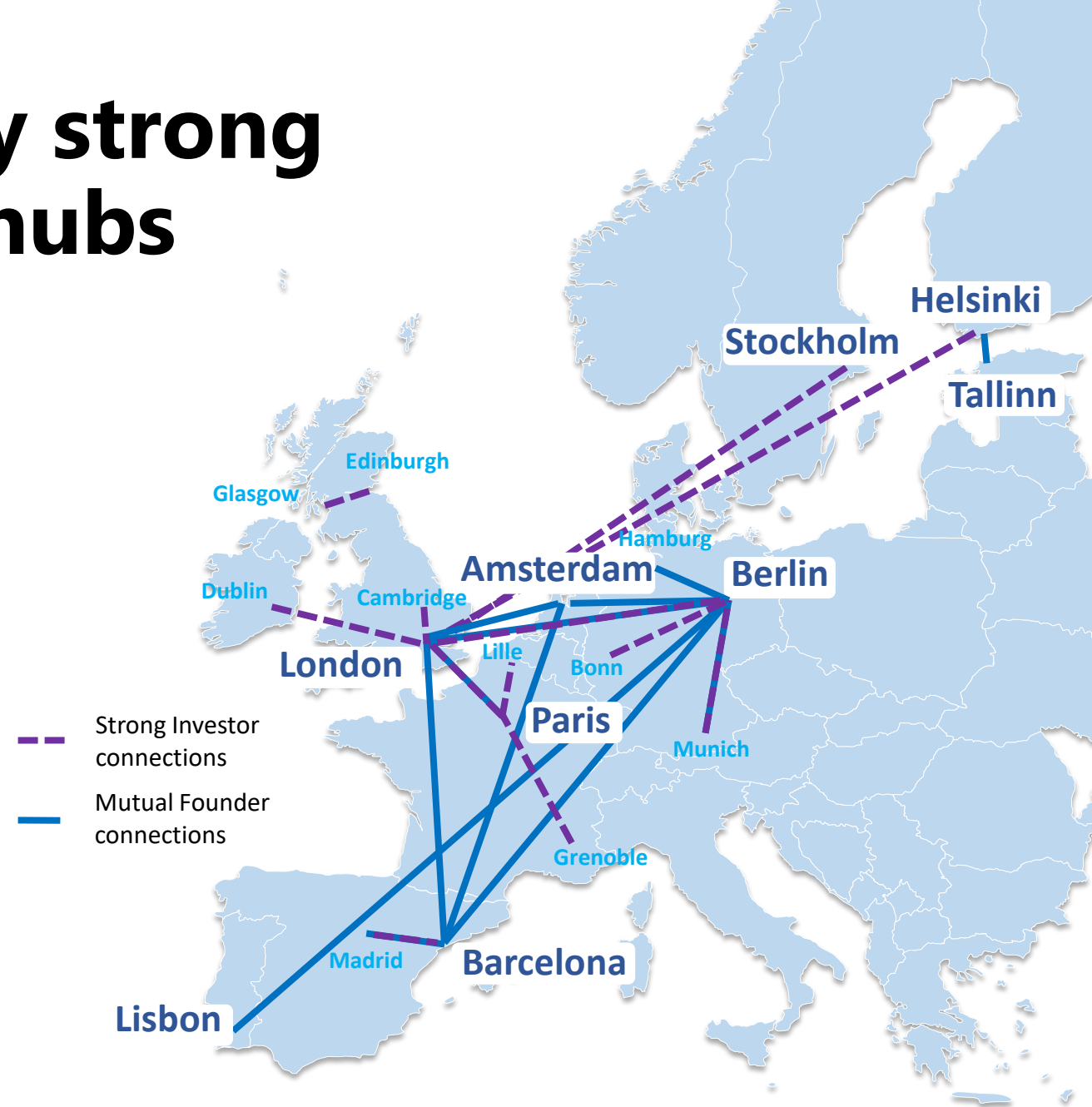
# The Network: Mutually strong connections between hubs

Europe's startup ecosystem is a network of hubs, which is constantly evolving. Taking founders' perceptions and investors' location choices as indicators, we attempt to depict the network on a map showing which hubs are most connected to each other.

Internationally, the **Munich-Berlin-London-Paris** connection is the only equally strong for founders and investors.

Strong founder connections are defined as mutual brand recognition, where at least 5% of the founders of each place voted for the other location.

We identify a strong investors connection between two hubs, if more than 1% of total rounds originating in one place go to same location and more than 9 investment rounds have taken place in this connection.



# Methodology & Demographics

The Startup Heatmap Europe Report is based on an annual survey among founders and other members of the tech community.

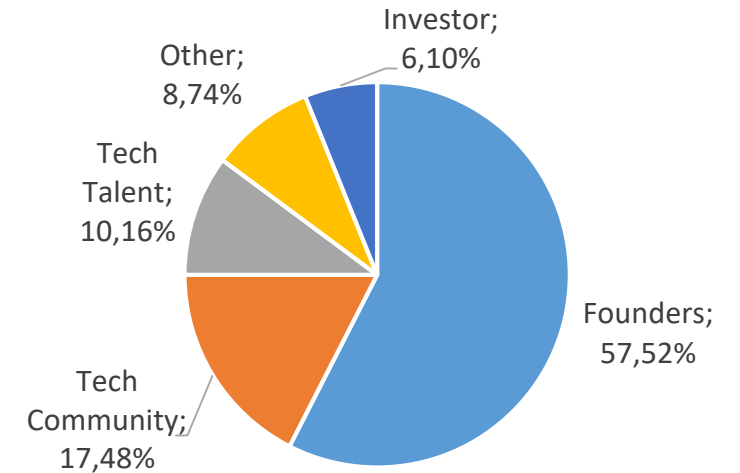
The survey was distributed between April and August 2018 using direct messages to startups, user groups and multipliers like accelerators and incubators.

**More than 1,500 participants in 2018 survey**

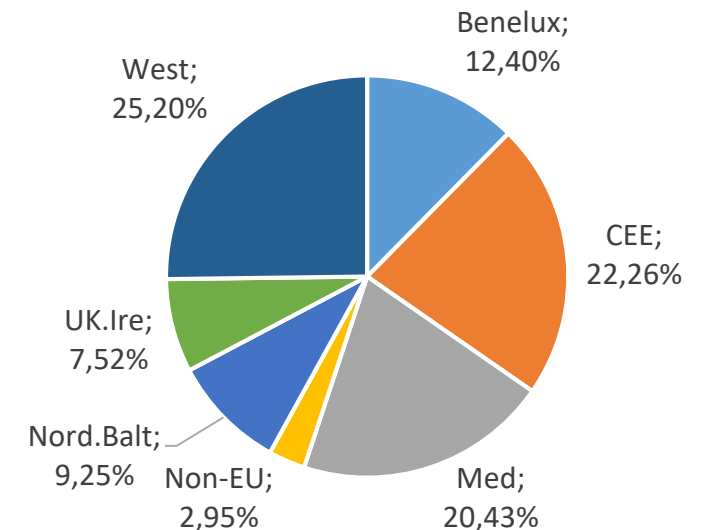
This year more than 1,500 participants shared their favorite startup hubs. These can be seen on the [Startup Heatmap Europe](#) webpage.

After cleaning the data, 984 full datasets were used for the actual analysis. We controlled the data for representativeness by population both on country and on regional level. Having overall acceptable levels of deviation, we weighted answers for rankings to counter over- or underrepresentation of certain regions. Where we see overrepresentation of single cities within one country, we indicate this in the results.

Participants by Role



Participants by Current Region

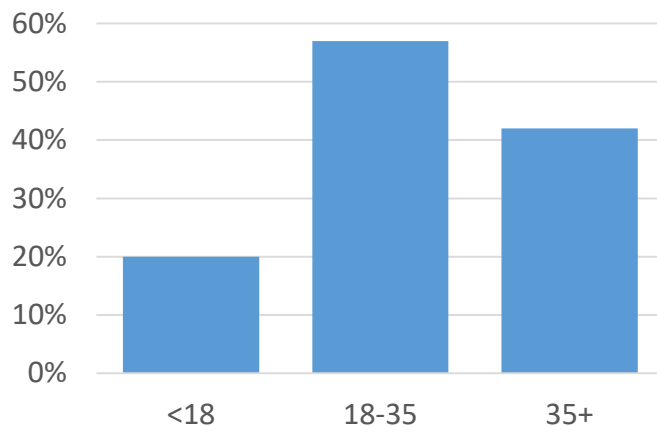


# Methodology & Demographics

## Founders Demographics



## Founders by age groups



For questions of startup migration, we use a combined dataset of 1,661 distinct founders and tech talent having shared their mobility patterns over the past three years.

Additionally, we use unique datasets collected by the Startup Heatmap Europe team on social media followership of startup conferences, the office locations of Europe's Top 100 startups as well as the international reach of Europe's most prominent accelerators.

For investment data, we collaborate with [PitchBook](#) who provided a unique dataset of investment directions in Europe from 2014-2017 (<5mn €) and [Dealroom](#) who provided investment levels on city level for our top 20 cities.

# Thank you to our supporters

Thomas Kösters,  
Founder of the Startup Heatmap Europe



## Main Supporter



## Networkpartners



## Further Partners



## MESSAGE FROM THE FOUNDER

*The european startup initiative which is behind the Heatmap is an entrepreneur driven non-profit organization. Without the passion of our diverse team of entrepreneurs, academics and practitioners who dedicate their time and know-how to this unique project all of this would not be possible.*

*I am deeply grateful for everyone who contributed his or her share to our mission to make Europe's startup ecosystems readable and to allow the tech community to connect to the right centers of gravity in this rapidly evolving environment.*

*I hope that we continue to serve the tech community as a whole and that every ecosystem builder, startup founder or tech talent reading this draws valuable conclusions from our insights.*

Thank you!  
Thomas Kösters

## List of contributors 2018:

Alex Thannhuber	Jonas Muster
Artem German	Luciano Recupero
Davide Gianni	Natalie Novick
Deborah Busari	Olga Usachova
Elena Scolaro	Serghei Glinca
Fabrizio Dell'Acqua	Valentina Benini
Harald Eisenhauer	Victor Umeh



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AND INDEPTH ANALYSES ON OUR BLOG [WWW.STARTUPSANDPLACES.COM](http://WWW.STARTUPSANDPLACES.COM)

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- *[Workshops](#) for ecosystem builders*
- *Comparable [data](#) on founder mobility, brand visibility, startup conferences, accelerators, and many more*
- *Strategic analysis of your startup city brand*

CONTACT US:

*european startup initiative*

[info@europeanstartupinitiative.eu](mailto:info@europeanstartupinitiative.eu)

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# List of all mentioned Startup Hubs in Europe

- London
- Berlin
- Barcelona
- Paris
- Lisbon
- Amsterdam
- Munich
- Copenhagen
- Stockholm
- Dublin
- Tallinn
- Milan
- Zurich
- Vienna
- Madrid
- Cologne
- Warsaw
- Lyon
- Prague
- Hamburg
- Tel Aviv
- Toulouse
- Frankfurt
- Valencia
- Nice
- Helsinki
- Sofia
- Bielefeld
- Krakow
- Edinburgh
- Budapest
- Brussels
- Malta
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- Ljubljana
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- Geneva
- Antwerp
- Eindhoven
- Belgrade
- Trento
- Rome
- Cluj-Napoca
- Oslo
- Porto
- Luxembourg
- Gdansk
- Vilnius
- Lausanne
- Bologna
- Manchester
- Riga
- Malaga
- Palermo
- Marseille
- Bratislava
- Stuttgart
- Las Palmas
- Istanbul
- Wrocław
- Palma de Mallorca
- Poznan
- Kiev
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- Malmö
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- Moscow
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- Naples
- Utrecht
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- Thessaloniki
- Dresden
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- Leipzig
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- The Hague
- Rotterdam
- Turin
- Nuremberg
- Plovdiv
- Leeds
- Catania
- Łódź
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- Hanover
- Duisburg
- Bochum
- Essen
- Bilbao
- Coventry
- Szczecin
- Dortmund
- Birmingham
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- Bristol
- Wakefield
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- Reykjavik
- Leicester
- Minsk

Learn more on each hub on our interactive [Startup Heatmap Europe Platform](#)

# Thank you to our Multipliers

