STARTUP HEATMAP EUROPE 2017
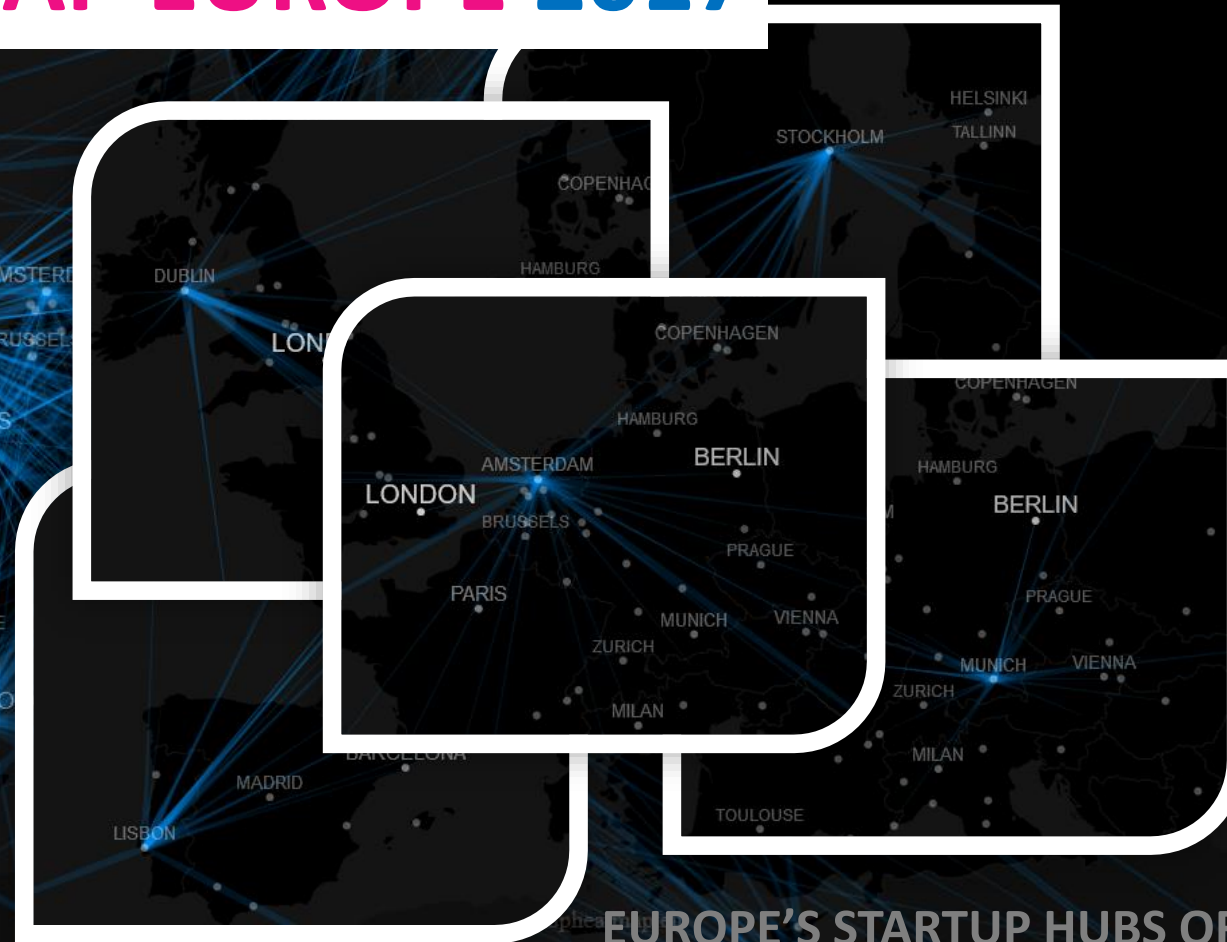
www.startupheatmap.eu

EUROPE'S STARTUP HUBS OF TOMORROW

Startup Heatmap Europe 2017

The Startup Heatmap Europe is brought to you by the *european startup initiative (esi)*. Founded in 2012, esi is a volunteer based non-profit organization, supported by the Allianz Cultural Foundation.

The 2017 Survey

The Startup Heatmap Europe is based on an annual online survey among founders. Since 2016, more than 1,000 founders did participate.

The 2017 survey is based on a sample of 321 founders representing the regional and industry distribution of European startups listed in the Pitchbook database.

Ongoing analysis will be published on www.startupsandplaces.com

We ask:

Where are startup founders coming from and where are they going to?

Selection Criteria 2017

Criteria for Startups:
- Headquartered in Europe (based on historical delimitations we selected 45 countries)
- Date Founded: later than 1/1/2012
- Ownership status is "privately held"
- Match one of 84 select innovative industry sectors

Total Population: 7,830

Random representative sample of 1,500 pre-selected participants

Response rate of 21.4%, i.e. 321 founders that match regional and industry distribution of sample

The 2017 survey confirms the **Hypermobility of founders in Europe**

24% of EU founders moved specifically for better startup conditions

Percentages by origins

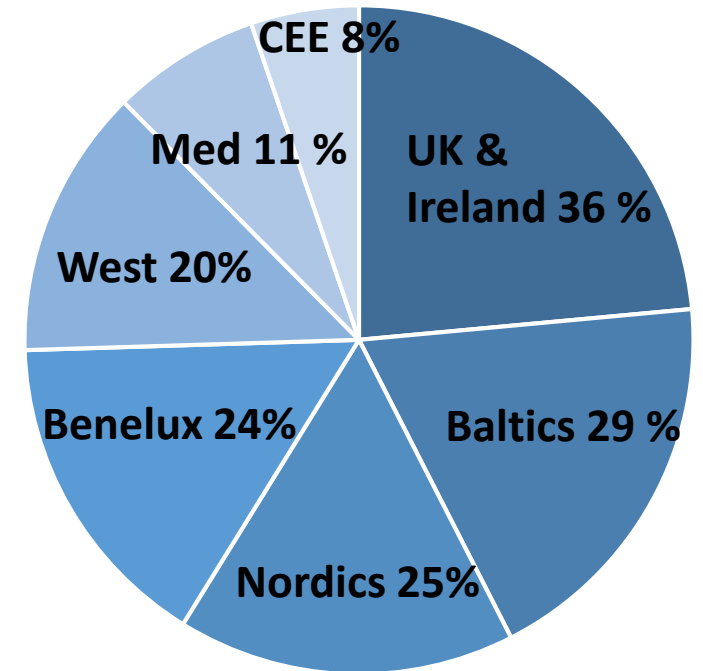|	
36%	Non-EU
35%	CEE
32%	Med
23%	Benelux
22%	West
19%	UK&Ire
8%	Nord.Balt
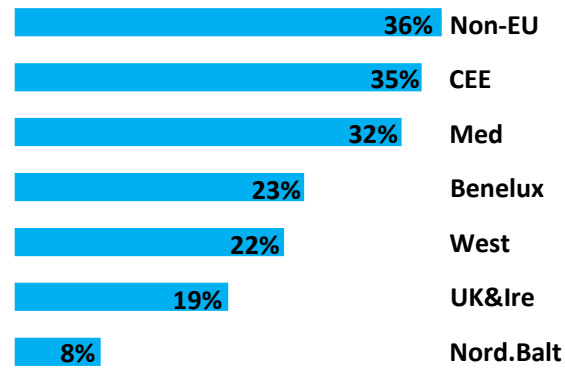
The role of diversity

Diversity in a startup community can both be seen as a sign of its international appeal as well as for its creative power integrating various cultures and tapping into ample resources. While in the Silicon Valley 43.5% of founders were foreign-born in 2012, London has today 54% and Berlin 44% international digital entrepreneurs.

http://www.kauffman.org/-/media/kauffman_org/research-reports-and-covers/2012/10/then_and_now_americas_new_immigrant_entrepreneurs.pdf.

21% of founders in Europe are **foreign-born**, and 88% of these come from a region outside where their company is headquartered.
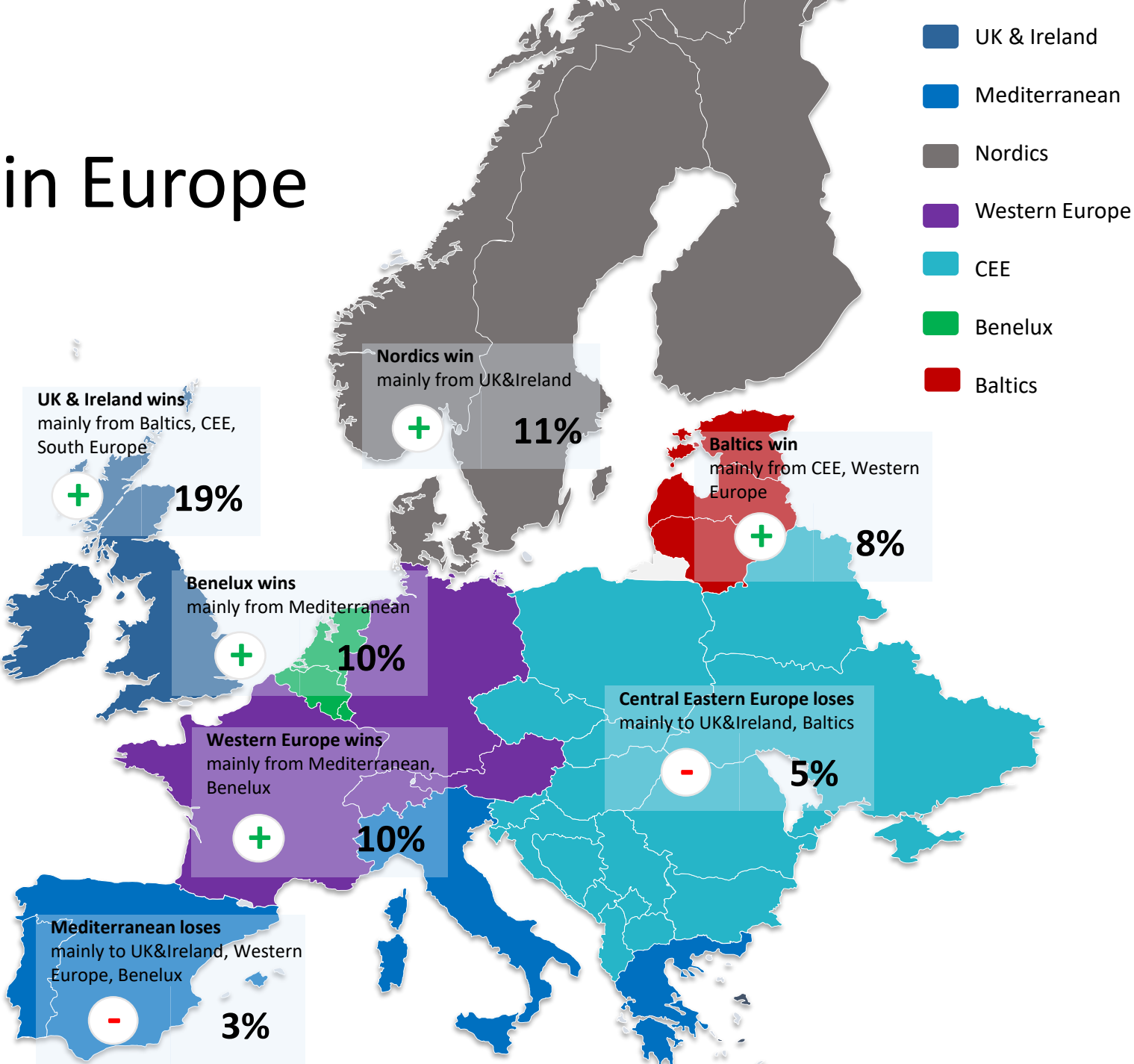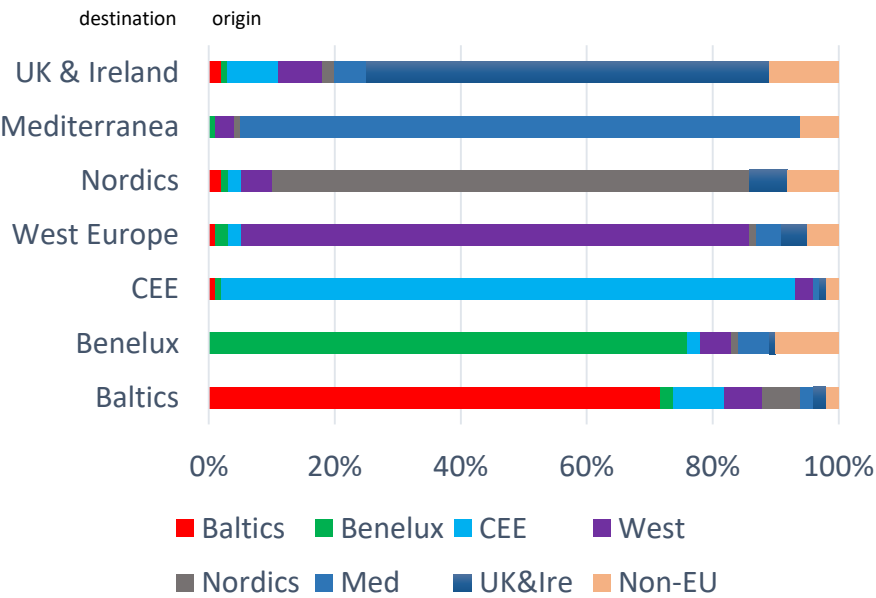

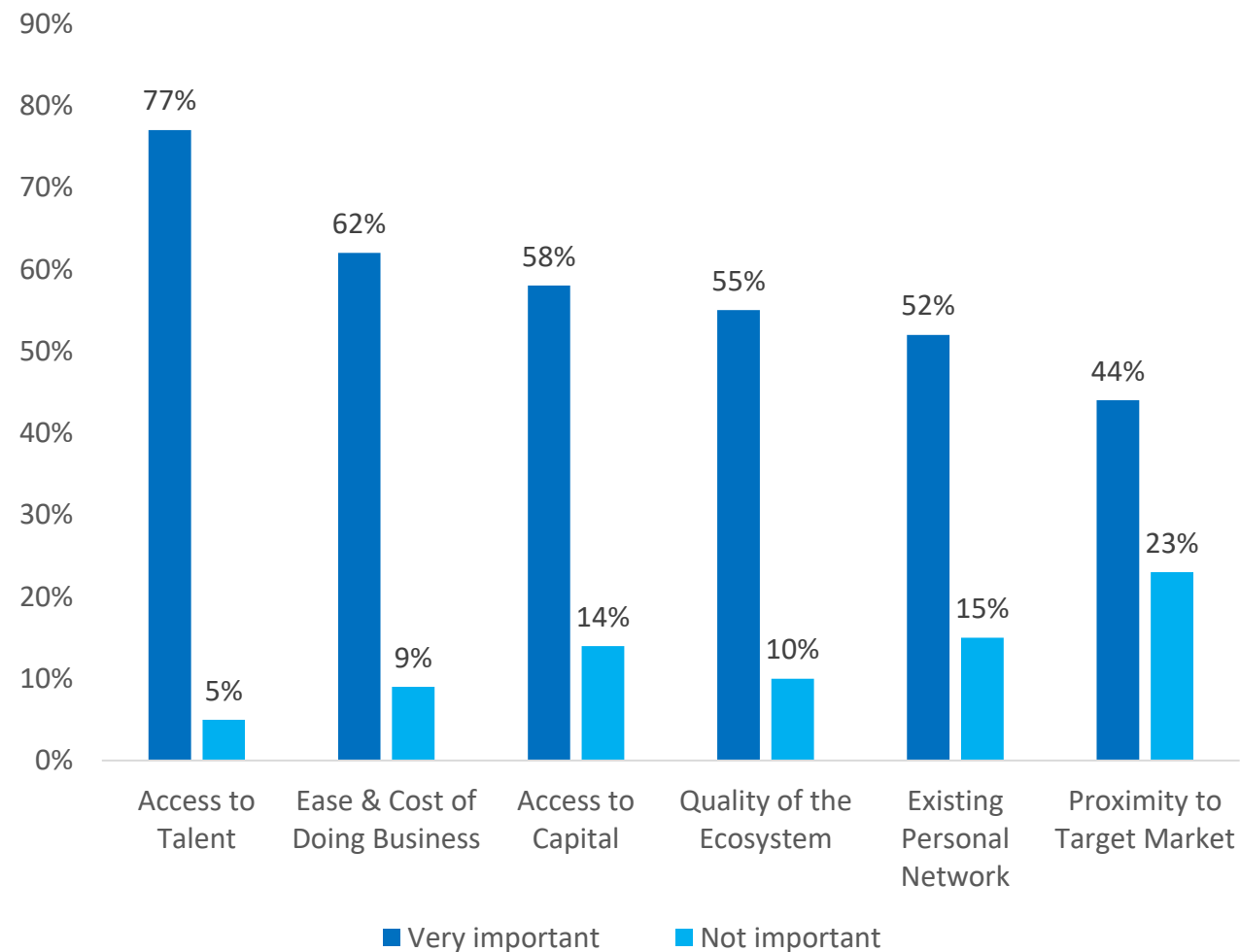Percentages of foreign-born founders in various regions

(pie chart: UK & Ireland 36%, Baltics 29%, Nordics 25%, Benelux 24%, West 20%, Med 11%, CEE 8%)

Percentages of foreign-born founders in various regions

Observed Startup **Migration Flows** within Europe

Based on both the 2016 and 2017 survey and the combined answers of >1.000 entrepreneurs in Europe, we find who wins and who loses from migration

Where founders come from by destination region:

Legend (map):
- UK & Ireland
- Mediterranean
- Nordics
- Western Europe
- CEE
- Benelux
- Baltics

Map annotations:

Nordics win mainly from UK&Ireland — **+ 11%**

UK & Ireland wins mainly from Baltics, CEE, South Europe — **+ 19%**

Baltics win mainly from CEE, Western Europe — **+ 8%**

Benelux wins mainly from Mediterranean — **+ 10%**

Central Eastern Europe loses mainly to UK&Ireland, Baltics — **- 5%**

Western Europe wins mainly from Mediterranean, Benelux — **+ 10%**

Mediterranean loses mainly to UK&Ireland, Western Europe, Benelux — **- 3%**

Bar chart:

destination | origin

- UK & Ireland
- Mediterranea
- Nordics
- West Europe
- CEE
- Benelux
- Baltics

Axis: 0% 20% 40% 60% 80% 100%

Legend (chart): Baltics, Benelux, CEE, West, Nordics, Med, UK&Ire, Non-EU
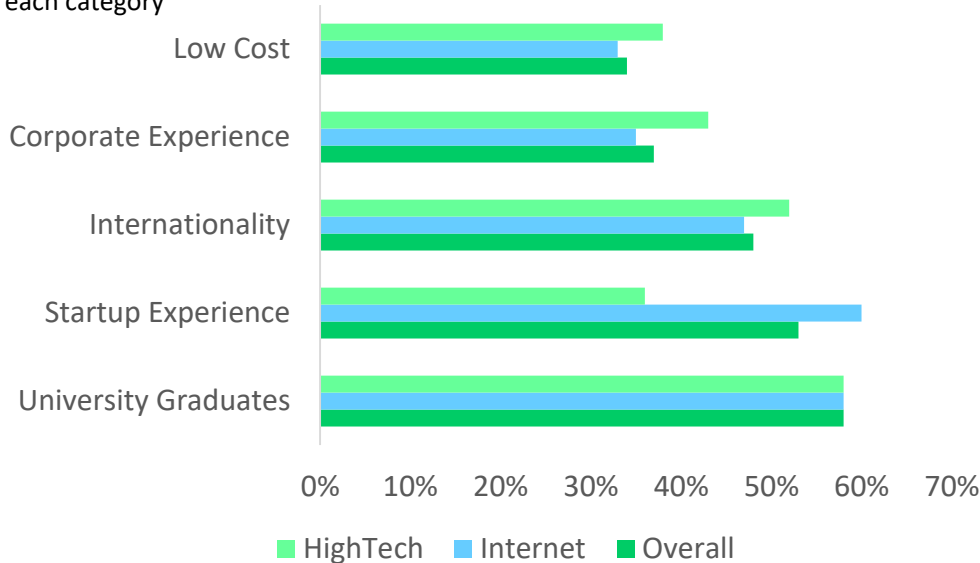
Access to Talent remains top factor for location choice
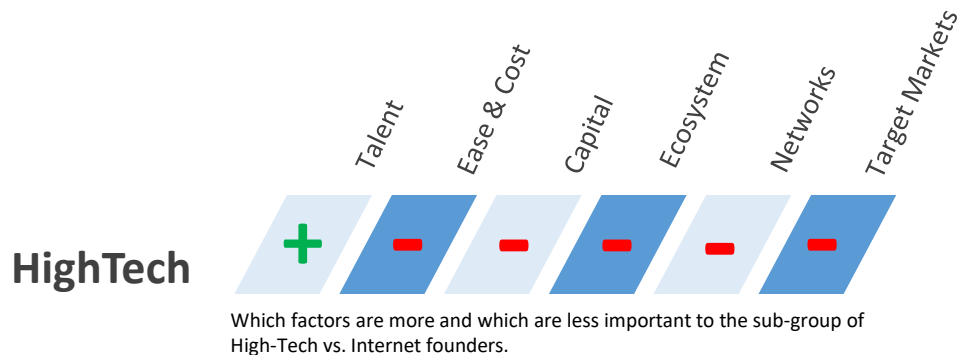

What types of talent are founders looking for?

Percentages indicate how many founders gave more than 7 points out of 10 for each category

High-Tech founders move abroad less (14% vs. 24% of internet founders), but talent is even more important to them.

HighTech

Which factors are more and which are less important to the sub-group of High-Tech vs. Internet founders.

85%

of founders would have voted **against Brexit.**

Only 3% for Brexit, the rest is undecided or would not tell.

35%

of founders think that London is less interesting as a startup location after Brexit.

Most feared consequences of Brexit

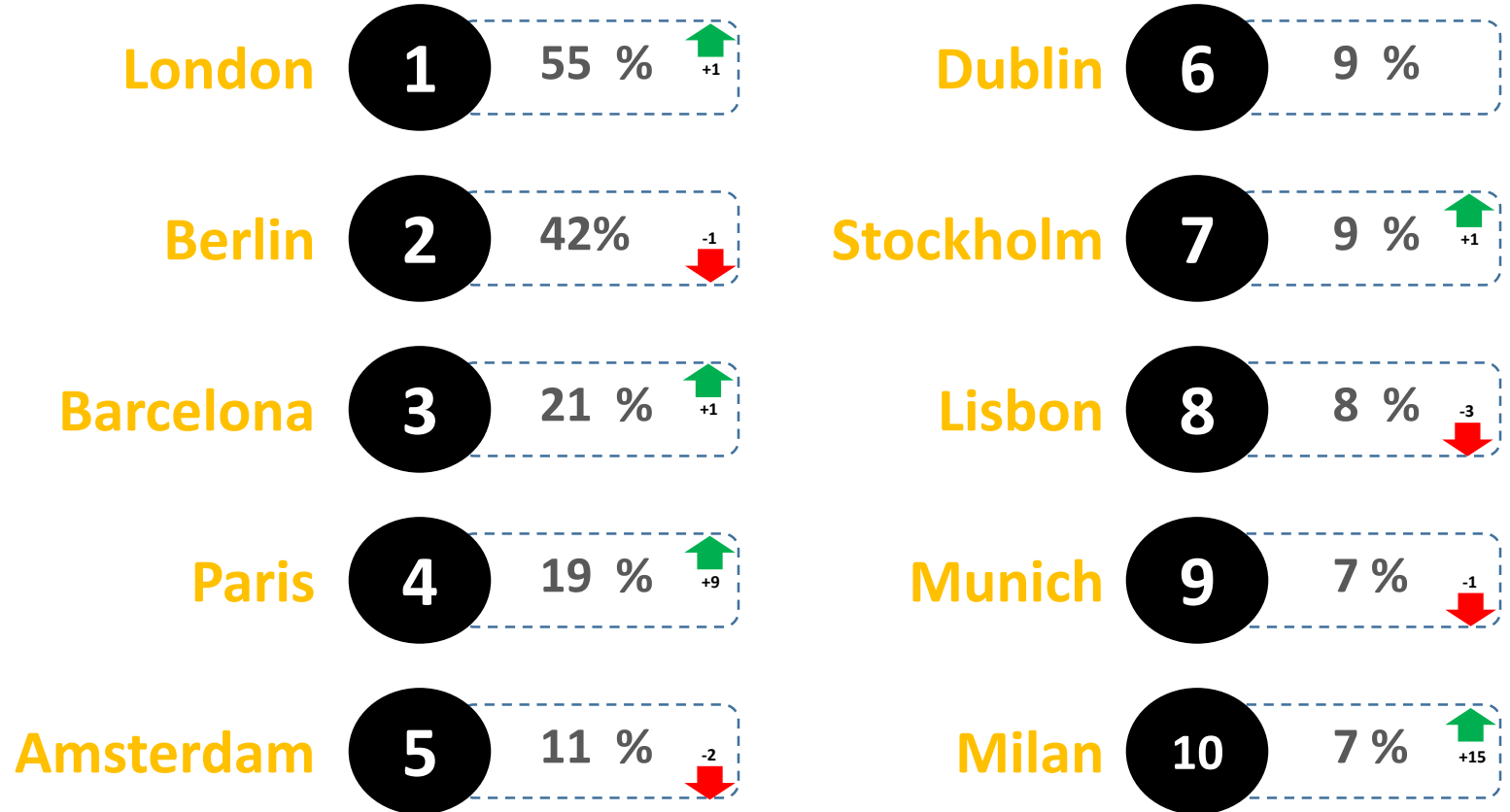Percentages indicate how many founders gave more than 7 points out of 10 for each category

- Loss of free movement
- Decrease of Trade
- Damage to the UK Economy
- Currency Instability
- Damage to the EU Economy

0% 10% 20% 30% 40% 50% 60% 70% 80%

■ Overall ■ UK based
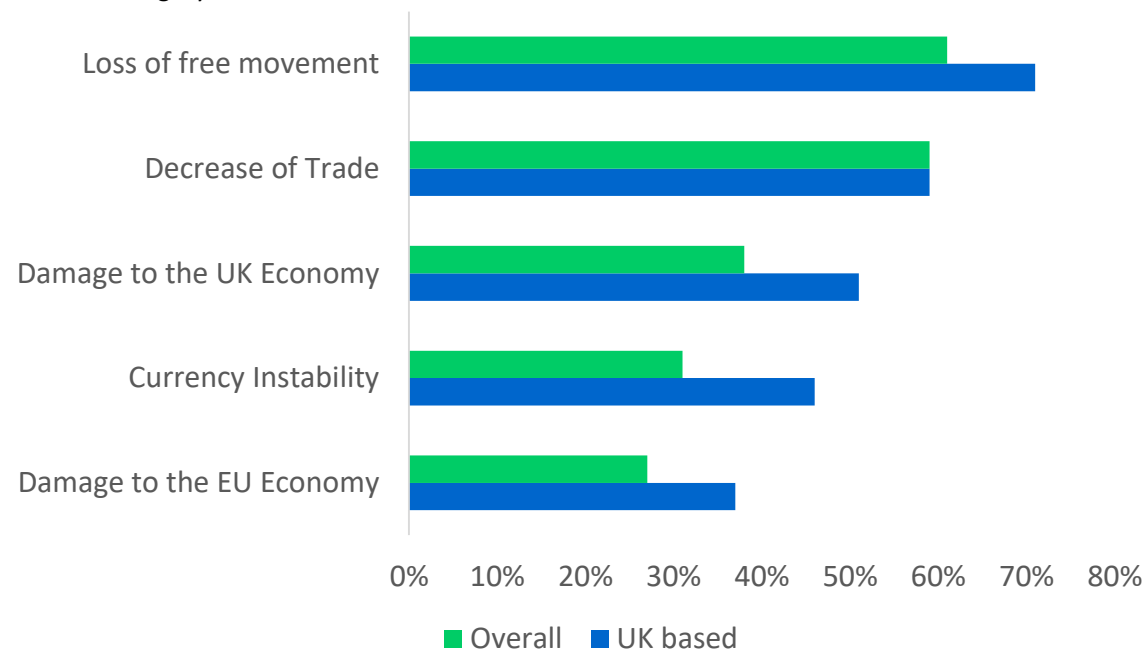
London's popularity after Brexit

■ % less interesting   ■ % still interesting   ■ % undecided

Overall | West | Benelux | Med | Nord.Balt | CEE | UK.Ire | United Kingdom
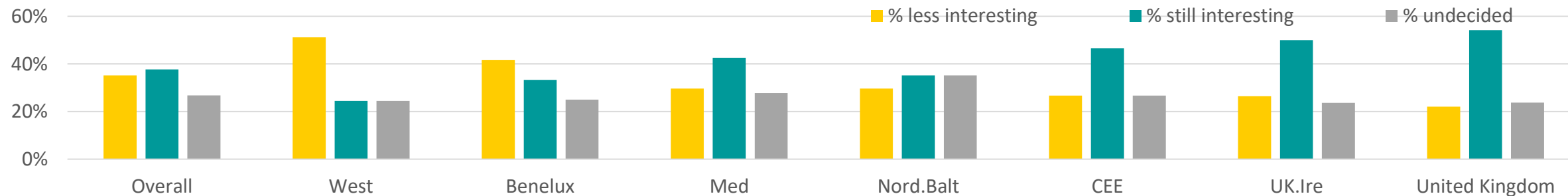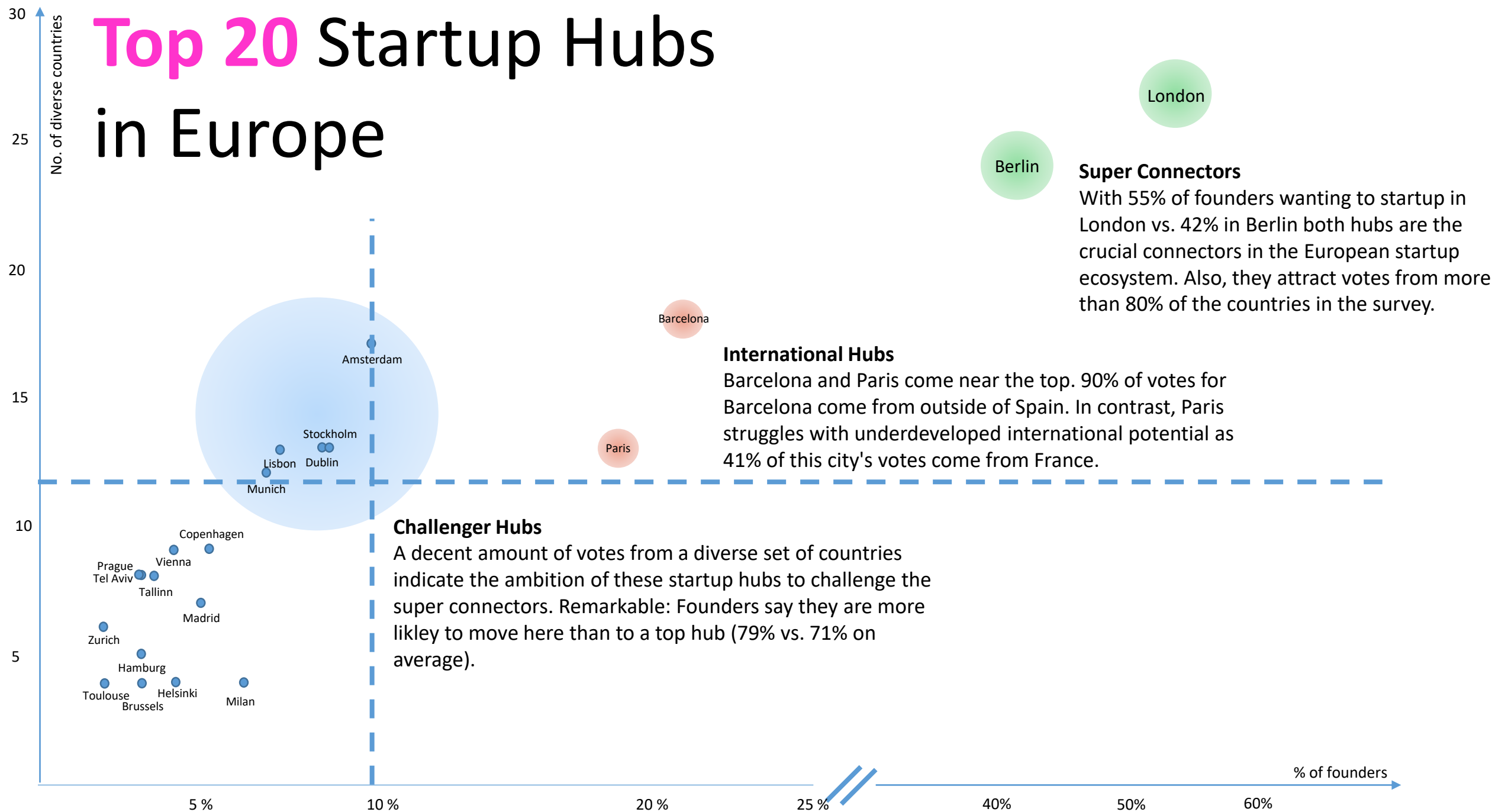
Founders' **Top 10** Startup Hubs in Europe

«Where would you start if you could begin all over again?»

- On average founders picked 3 cities they could imagine to startup
- 78 startup hubs were named
- The top 5 received roughly 50% of all votes
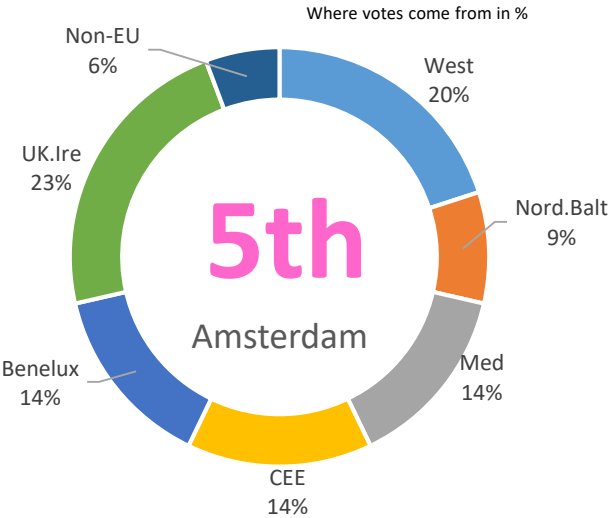- But there are 50 hubs which could attract 1% of the founders or more

London	**1**	55 %	▲ +1
Berlin	**2**	42%	▼ -1
Barcelona	**3**	21 %	▲ +1
Paris	**4**	19 %	▲ +9
Amsterdam	**5**	11 %	▼ -2

Dublin	**6**	9 %	
Stockholm	**7**	9 %	▲ +1
Lisbon	**8**	8 %	▼ -3
Munich	**9**	7 %	▼ -1
Milan	**10**	7 %	▲ +15

Founders could allocate 5 votes. Percentages indicate how many founders would like to startup in each respective city.
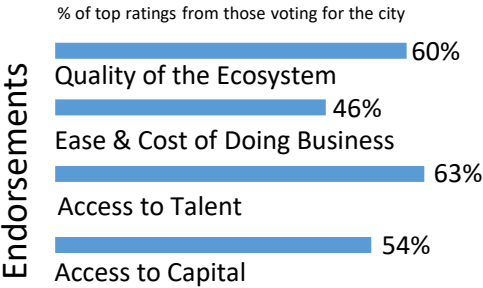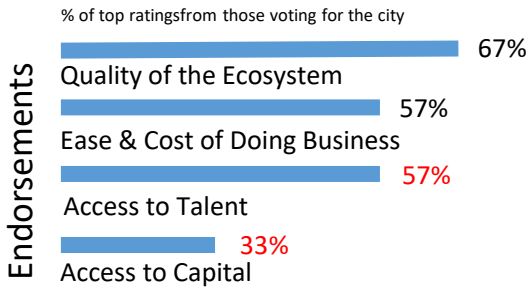
Top 20 Startup Hubs in Europe

No. of diverse countries

London

Berlin

Super Connectors
With 55% of founders wanting to startup in London vs. 42% in Berlin both hubs are the crucial connectors in the European startup ecosystem. Also, they attract votes from more than 80% of the countries in the survey.

Barcelona

International Hubs
Barcelona and Paris come near the top. 90% of votes for Barcelona come from outside of Spain. In contrast, Paris struggles with underdeveloped international potential as 41% of this city's votes come from France.

Paris

Amsterdam

Stockholm
Lisbon Dublin
Munich

Challenger Hubs
A decent amount of votes from a diverse set of countries indicate the ambition of these startup hubs to challenge the super connectors. Remarkable: Founders say they are more likley to move here than to a top hub (79% vs. 71% on average).

Copenhagen

Prague Vienna
Tel Aviv
Tallinn

Madrid

Zurich

Hamburg

Toulouse Helsinki Milan
Brussels

% of founders

30 | 25 | 20 | 15 | 10 | 5

5 % | 10 % | 20 % | 25 % | 40% | 50% | 60%

Looking at the Challengers: Who will be an international hub **tomorrow**?

Where votes come from in %

5th — Amsterdam

- Non-EU 6%
- West 20%
- Nord.Balt 9%
- Med 14%
- CEE 14%
- Benelux 14%
- UK.Ire 23%

% of all founders	Internet vs. High-Tech
11%	9% vs. 16%
No. of diverse countries	Avg. reach per vote
17	796km
Likelihood to move there	Rank media mentions
77%	4th

% of top ratings from those voting for the city

- Quality of the Ecosystem — 60%
- Ease & Cost of Doing Business — 46%
- Access to Talent — 63%
- Access to Capital — 54%

Endorsements

6th — Dublin

- West 10%
- Non-EU 13%
- Nord.Balt 7%
- Med 10%
- CEE 13%
- Benelux 0%
- UK.Ire 47%
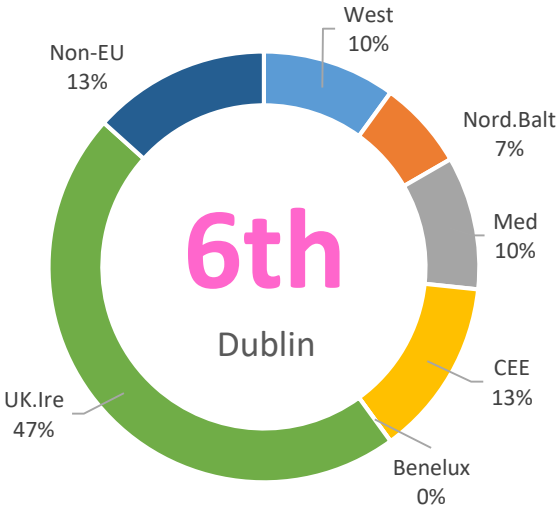
% of all founders	Internet vs. High-Tech
9%	10% vs. 9%
No. of diverse countries	Avg. reach per vote
13	912km
Likelihood to move there	Rank media mentions
77%	10th

% of top ratings from those voting for the city

- Quality of the Ecosystem — 67%
- Ease & Cost of Doing Business — 57%
- Access to Talent — 57%
- Access to Capital — 33%

Endorsements

Colors indicate if value deviates strongly from top 20 averages per category.

Stockholm — 6th*

Donut chart:
- West 27%
- Nord.Balt 40%
- Med 6%
- CEE 0%
- Benelux 3%
- UK.Ire 17%
- Non-EU 7%
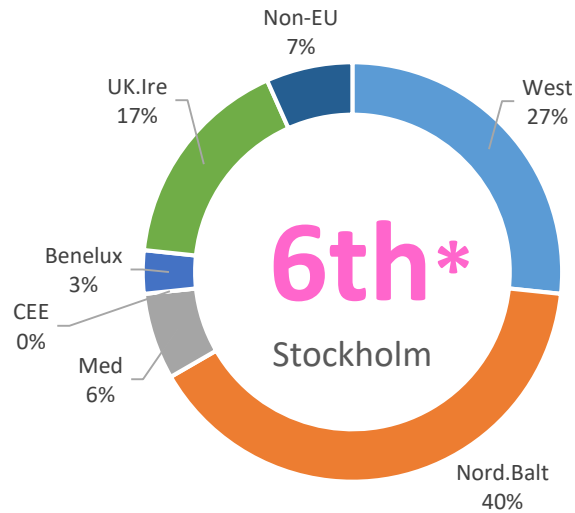
* Equal amount of votes as Dublin

% of all founders	Internet vs. High-Tech
9%	9% vs. 10%
No. of diverse countries	Avg. reach per vote
13	1009km
Likelihood to move there	Rank media mentions
83%	7th

% of top ratings from hose voting for the city

Endorsements
- Quality of the Ecosystem — 57%
- Ease & Cost of Doing Business — 30%
- Access to Talent — 77%
- Access to Capital — 67%

Lisbon — 8th

Donut chart:
- West 24%
- Nord.Balt 16%
- Med 28%
- CEE 4%
- Benelux 4%
- UK.Ire 16%
- Non-EU 8%
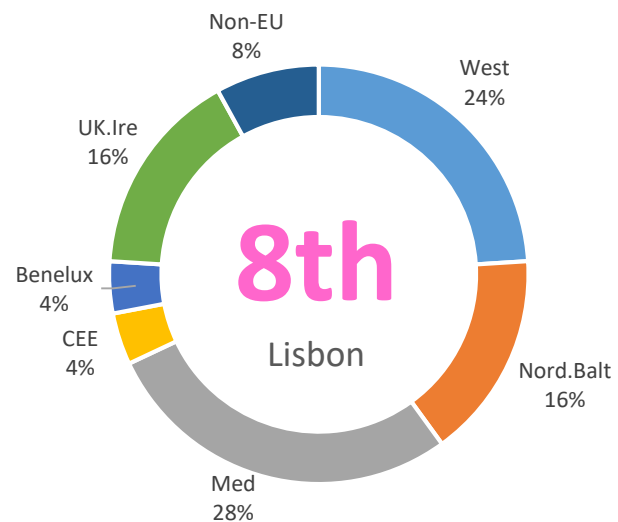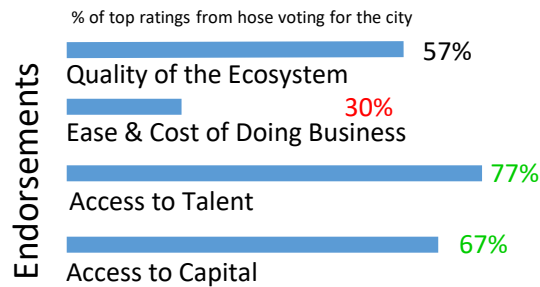
% of all founders	Internet vs. High-Tech
8%	8% vs. 7%
No. of diverse countries	Avg. reach per vote
13	1429km
Likelihood to move there	Rank media mentions
88%	32nd

% of top ratings from those voting for the city

Endorsements
- Quality of the Ecosystem — 60%
- Ease & Cost of Doing Business — 52%
- Access to Talent — 52%
- Access to Capital — 36%

Munich — 9th

Donut chart:
- West 59%
- Nord.Balt 8%
- Med 4%
- CEE 17%
- Benelux 4%
- UK.Ire 8%
- Non-EU 0%
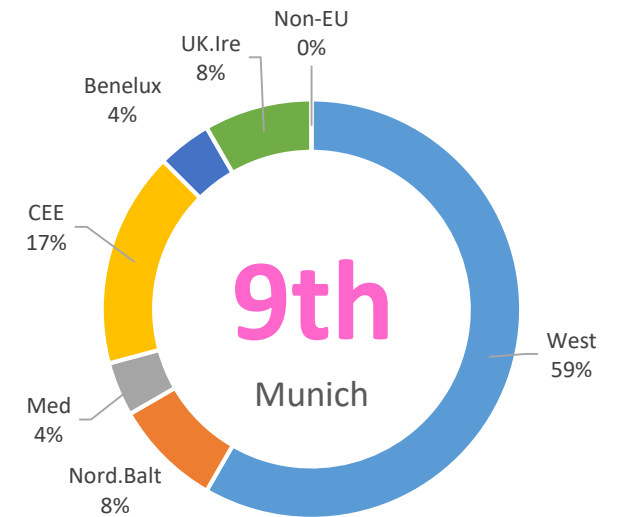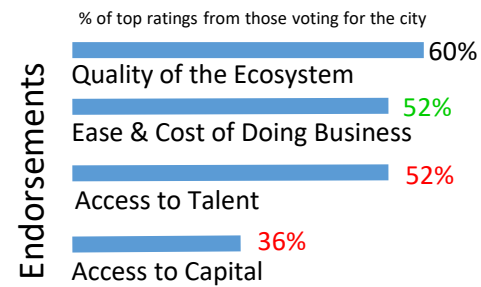
% of all founders	Internet vs. High-Tech
7%	7% vs. 10%
No. of diverse countries	Avg. reach per vote
12	560km
Likelihood to move there	Rank media mentions
71%	8th

% of top ratings from those voting for the city

Endorsements
- Quality of the Ecosystem — 54%
- Ease & Cost of Doing Business — 29%
- Access to Talent — 88%
- Access to Capital — 67%
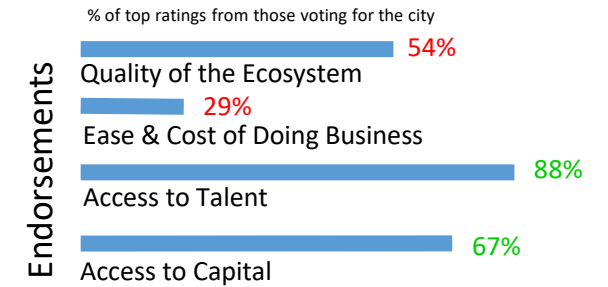
Colors indicate if value deviates strongly from top 20 averages per category.

Chances for specialization

Rank High-Tech

Rank Internet

Ranked better by High-Tech founders

Ranked better by Internet founders

Lausanne ranks top 10 among High-Tech Founders, while # 55 overall

London, Paris, Berlin, Barcelona, Amsterdam, Munich, Stockholm, Dublin, Lisbon, Copenhagen, Brussels, Lausanne, Zurich, Helsinki, Luxembourg, Edinburgh, Tallinn, Milan, Madrid, Riga, Toulouse, Marseille, Prague, Budapest, Frankfurt, Nice, Vienna, Hamburg, Malmö, Tel Aviv

Endorsements — How many entrepreneurs rank their potential destination cities with 8-10 points vs. 1-3 points per category

Finding Talent

Best	Worst
Munich 88%	Milan 10%
TelAviv 82%	Vienna 7%
Prague 82%	Lisbon 4%

Ease & Cost of Doing Business

Best	Worst
Tallinn 83 %	Milan 48%
Helsinki 71%	Hamburg 27%
Prague 64%	Stockholm 27%

Access to Capital

Best	Worst
London 87%	Lisbon 28%
TelAviv 82%	Prague 27%
Berlin 72%	Barcelona 21%

Quality of Ecosystem

Best	Worst
TelAviv 91%	Lisbon 16%
Berlin 88%	Madrid 12%
London 82%	Copenhagen 11%

Regional Champions
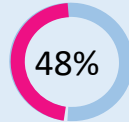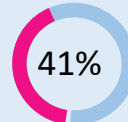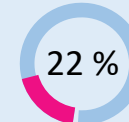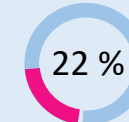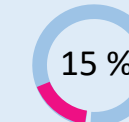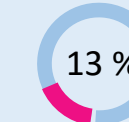
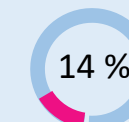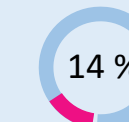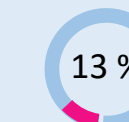| NORDICS&BALTICS	48% London	41% Berlin	22 % Stockholm	22 % Helsinki	15 % Tallinn	13 % Copenhagen
WESTERN EUROPE	49 % Berlin	36 % London	30 % Paris	26 % Barcelona	17 % Munich	9 % Stockholm
CEE	53 % London	47 % Berlin	23 % Prague	17 % Barcelona	17 % Dublin	17 % Vienna and Budapest
SOUTH	65 % London	39 % Berlin	35 % Barcelona	30% Milan	24 % Paris	19 % Madrid
UK&Ireland	69 % London	38 % Berlin	22 % Dublin	14 % Barcelona	14 % Amsterdam	13 % Paris
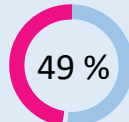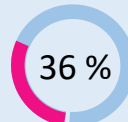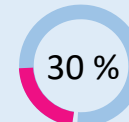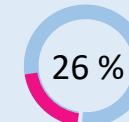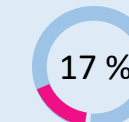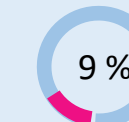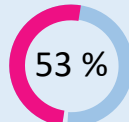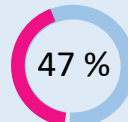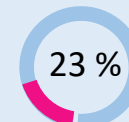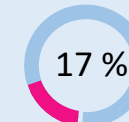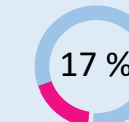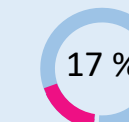
Percentages indicate how many founders coming from a region imagine to startup in the mentioned city. Founders had up to 5 choices.
Benelux is omitted due to the limited number of founders from the region in the survey. Baltics is merged with Nordics for the same reason.

Complete list of all mentioned Startup Hubs in the 2017 survey

- London (UK)
- Berlin (GER)
- Barcelona (ESP)
- Paris (FRA)
- Amsterdam (NL)
- Dublin (IE)
- Stockholm (SWE)
- Lisbon (PT)
- Munich (GER)
- Milan (ITA)
- Copenhagen (DK)
- Madrid (ESP)
- Vienna (AUT)
- Helsinki (FIN)
- Tallinn (EST)
- Tel Aviv (ISR)
- Hamburg (GER)
- Prague (CZH)
- Brussels (BEL)
- Toulouse (FRA)

- Zurich (CH)
- Frankfurt (GER)
- Nice (FRA)
- Budapest (HUN)
- Edinburgh (UK)
- Lausanne (FRA)
- Sofia (BUL)
- Malmö (SWE)
- Rome (ITA)
- Marseille (FRA)
- Riga (LAT)
- Luxembourg (LX)
- Porto (PT)
- Málaga (ESP)
- Valencia (ESP)
- Oslo (NOR)
- Moscow (RUS)
- Belfast (UK)
- Lyon (FRA)
- Geneva (CH)

- Antwerp (BEL)
- Cologne (GER)
- Kiev (UKR)
- Warsaw (POL)
- Palma de Mallorca (ESP)
- Seville (ESP)
- Turin (ITA)
- Glasgow (UK)
- Manchester (UK)
- Liverpool (UK)
- Belgrade (RS)
- Bristol (UK)
- Rotterdam (NEL)
- Stuttgart (GER)
- Vilnius (LIT)
- Malta (MAL)
- Düsseldorf (GER)
- The Hague (NEL)
- Trento (ITA)

- Bologna (ITA)
- Bratislava (SLK)
- Brno (CZH)
- Coventry (UK)
- Dortmund (GER)
- Dresden (GER)
- Eindhoven (NEL)
- Florence (ITA)
- Genoa (ITA)
- Kraków (POL)
- Las Palmas (ESP)
- Ljubljana (SLO)
- Nicosia (CYP)
- Thessaloniki (GRE)
- Utrecht (NEL)
- Athens (GRE)
- Birmingham (UK)
- Aarhus (DK)
- Nuremberg (GER)

GET MORE **INSIGHT.**
WEEKLY ANALYSES ON OUR BLOG WWW.STARTUPSANDPLACES.COM

Follow us & share the report

european startup initiative
info@europeanstartupinitiative.eu

Thank you to our partners