



FIGURE 19. Current versus planned internationalisation (ESM countries)



IV. Employment

Startups are *job engines*

The startups that participated in this study employ on average 10.3 employees (*excluding founders*). Adding the average number of founders (*section 3.4, page 38*), ESM startups account for a gross impact on employment of 12.9 jobs after 2.5 years. Germany leads the way with an average of 17.4 jobs (*including founder/s*). Comparing the ecosystems in the European countries (**FIGURE 20**), we observe a large difference in job creation. Startups in Germany, the United Kingdom and France create on average more than 10 jobs, whereas startups in other countries tend to focus on ensuring the livelihood of the founder/s without creating additional jobs for employees. Large percentages of such founder-focused startups are found in, for example, Romania (*where 27.8 % of the startups have no additional employees*), Austria (*21.1 %*) and Sweden (*18.6 %*).

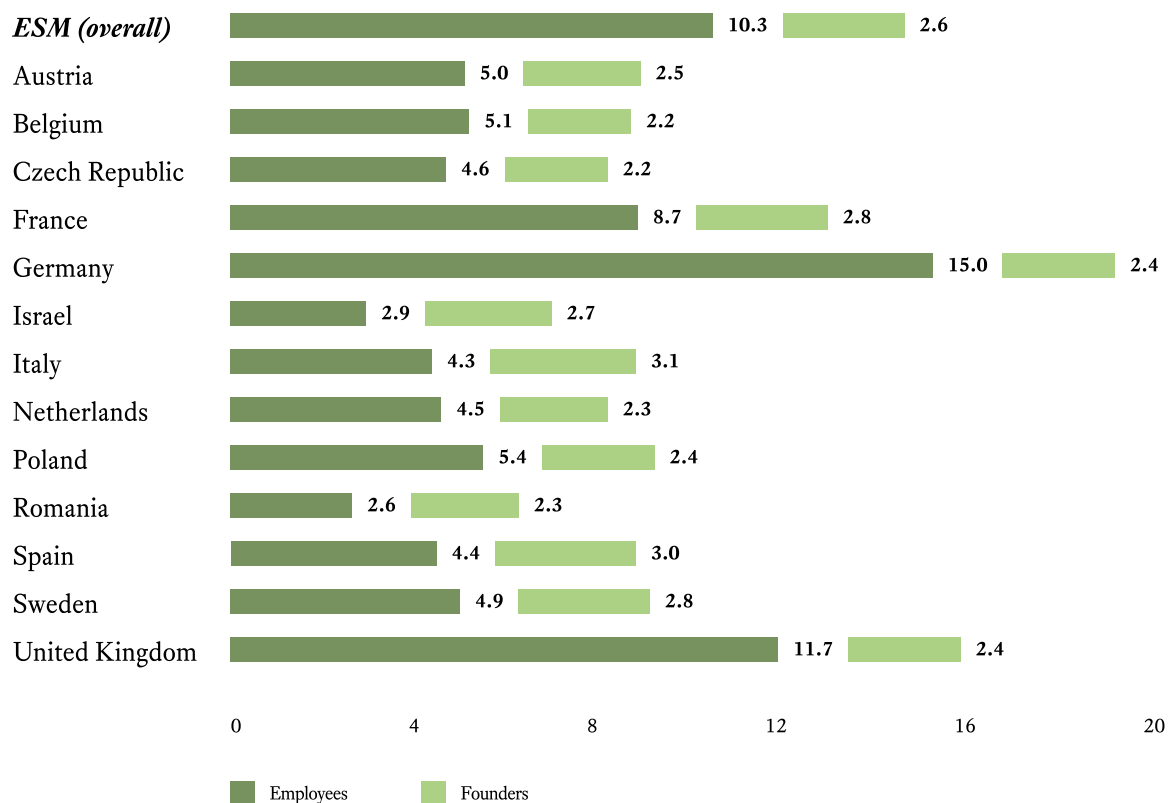


FIGURE 20. Average number of employees and founders (ESM countries)

Startups in all developmental stages are planning substantial *growth in the number of employees*

The impact of European startups on employment becomes even clearer when considering the developmental stages of startups. The chart (FIGURE 21) shows the average number of current employees, including founder/s, per developmental phase. Already during the seed stage, startups across Europe employ on average 5.1 employees. Ventures in the startup stage offer on average 7.6 jobs. In the growth stage, startups provide on average 26.3 jobs. Startups in the later stage currently employ on average 83.5 people. Startups in the steady stage still offer 10.5 current jobs.

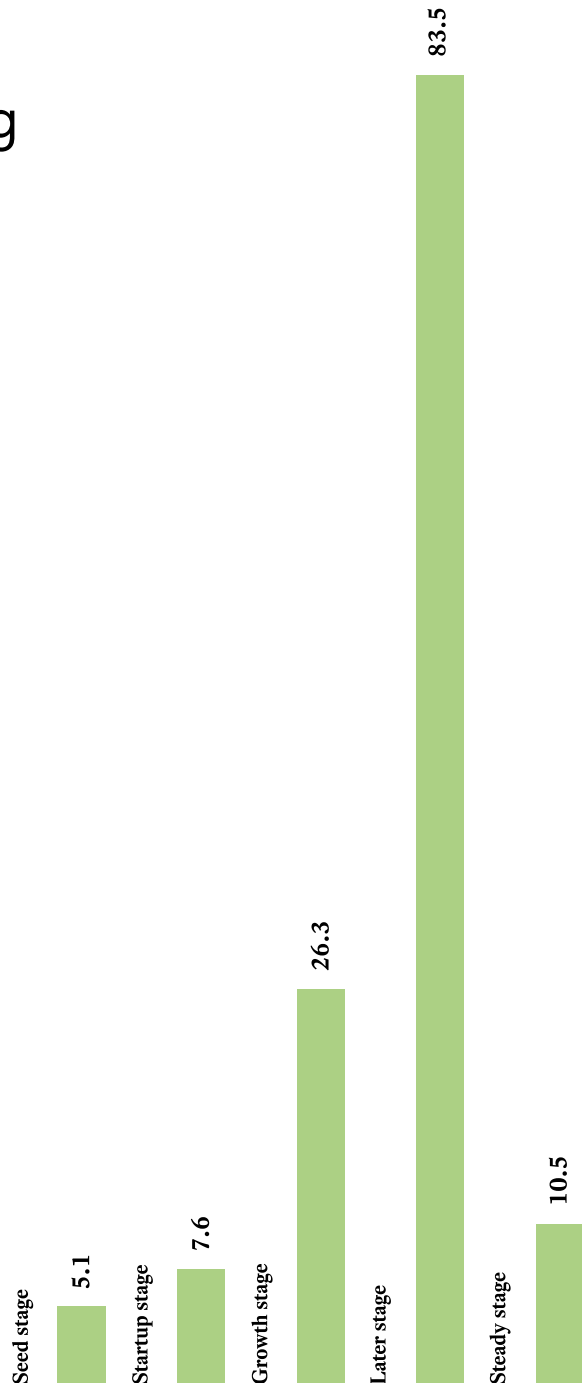


FIGURE 21. Current average number of employees (including founder/s) per startup phase (ESM overall)

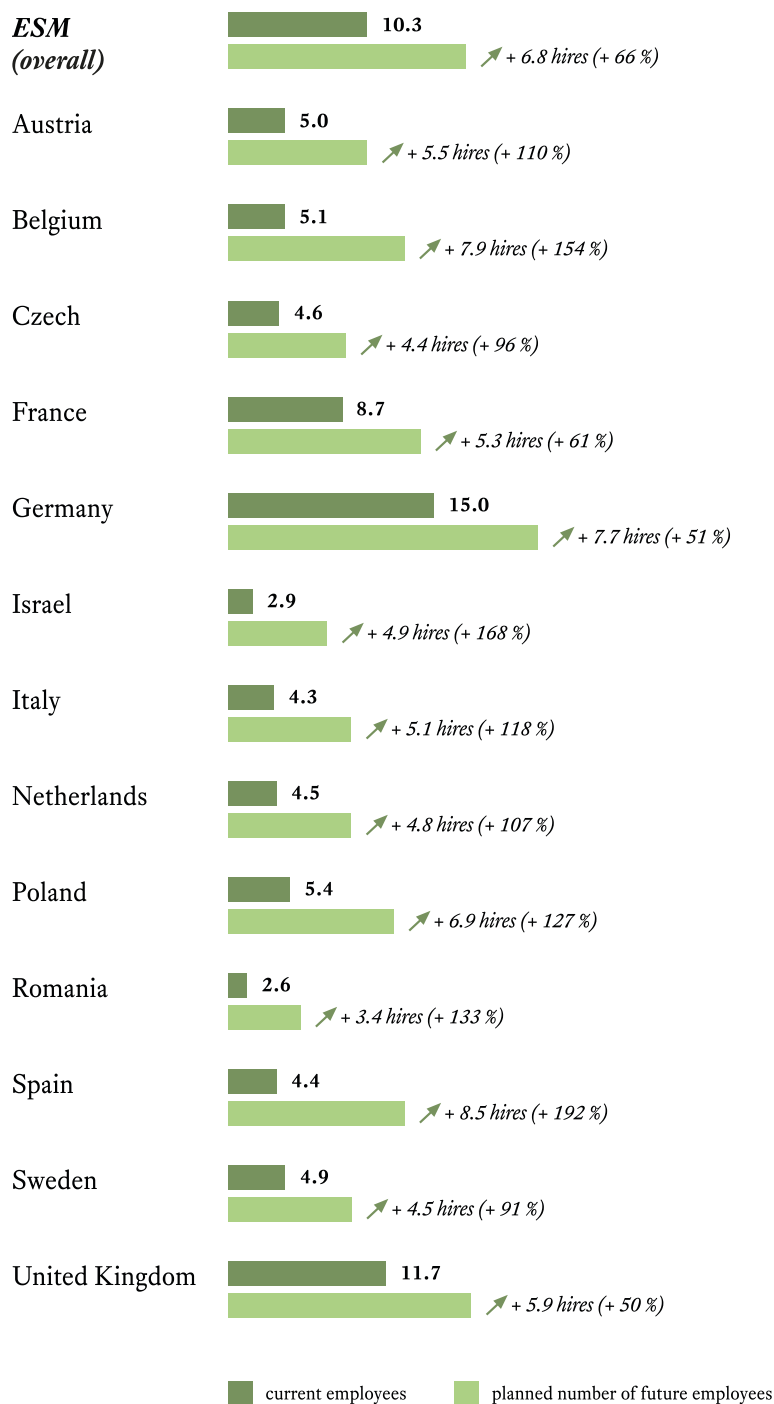


FIGURE 22. Current average number of employees versus planned number of employees (ESM countries)

Almost all startups plan to grow over the next 12 months

Almost all (92.6 %) of the participating startups stated that they plan to hire additional employees (including students and interns) over the next 12 months.

On average, an ESM startup plans to add 6.8 jobs in the next 12 months. While the absolute difference in planned recruitments between most countries are fairly comparable, we observe large differences in recruitments relative to the existing number of employees (FIGURE 22). In countries where startups are relatively small (e.g., Romania and Israel) increases in employees are over-proportional, whereas large startups in Germany and the United Kingdom plan only moderate hires.

A third of all European startup employees are international employees

Most (68.3 %) of the employees working for the startups are originally from the country of the startup's residence. Among the 31.7 % of employees who are from foreign countries, 20.9 % have the nationality of an EU country and 10.7 % of a non-EU country. Countries with the highest percentages of home country citizenship employees are Poland (95.4 %), Israel (92.4 %) and Italy (92.1 %). Countries employing the highest percentages of non-EU employees are Sweden (26.6 %), the Netherlands (14.4 %) and Germany (11.9 %). Taking a look at the major European startup hubs – Berlin, London, Paris and Tel Aviv – the chart (FIGURE 24) shows that London and Berlin have the most international employees. In London, even more than half of all startup employees come from abroad. In contrast, Paris and Tel Aviv primarily rely on employees from their home countries in order to run their businesses.

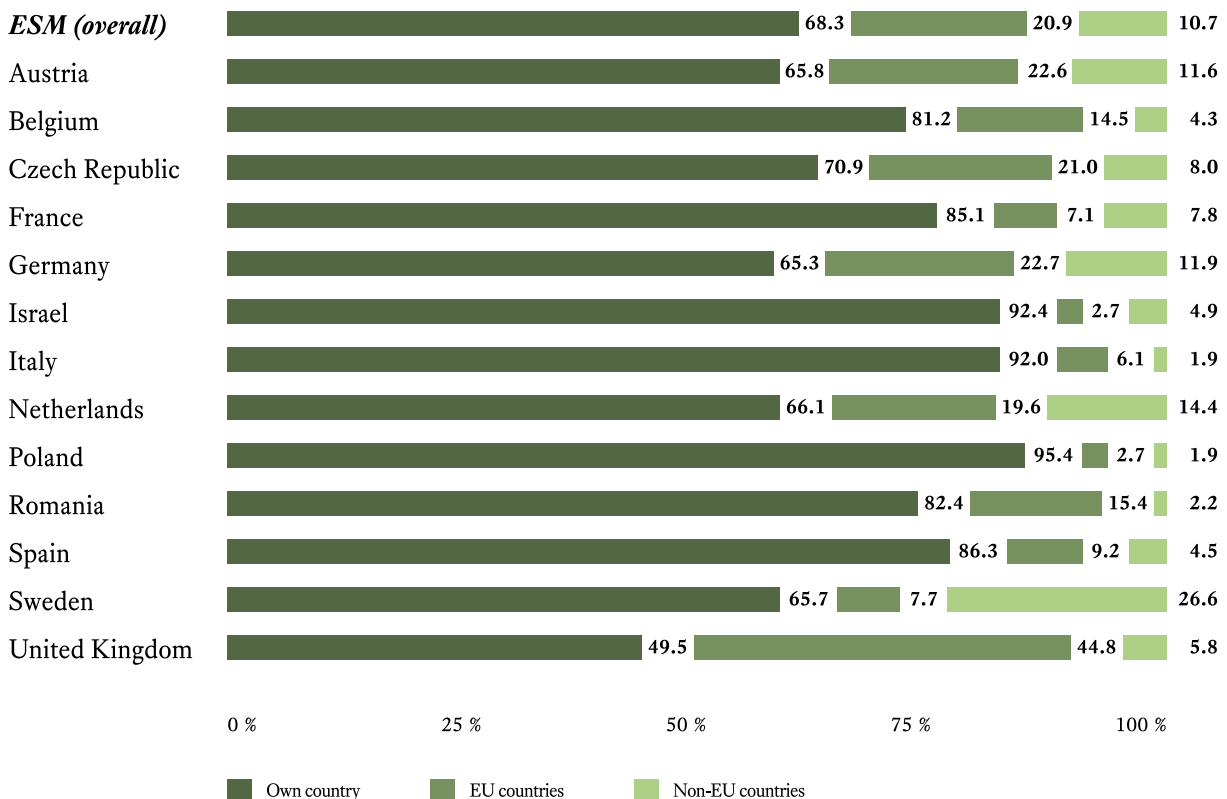


FIGURE 23. Origin of employees (ESM countries)

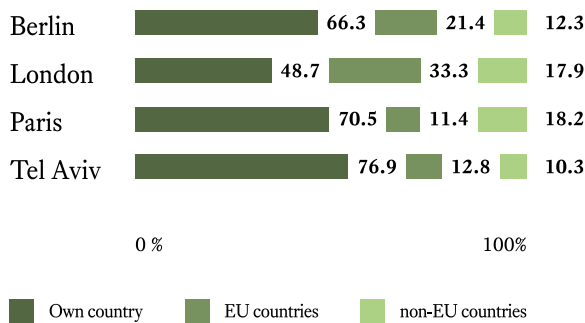


FIGURE 24. Origin of employees in major European startup hubs ⁴

European startups employ *on average 3.1 interns or students*

European startups provide a considerable number of full-time jobs, as well as opportunities for the development of professional careers in the form of internships and student jobs.

While ESM startups on average provide more full-time jobs (*10.3 employees*) than jobs for interns or students (*3.1 interns/students*), only 22.1 % of all startups do not employ any students or interns to support their business activities (FIGURE 25). Startups without interns or students are primarily in Germany (31.7 %). In contrast, startups from the United Kingdom employ on average 5.7 interns/students (FIGURE 26).

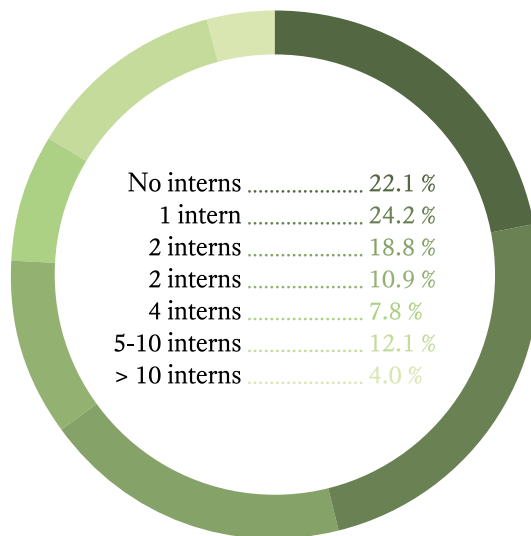


FIGURE 25. Number of interns/students (ESM overall)



FIGURE 26. Average number of interns/students (ESM)



V. Financing

With regard to financing, most European founders indicated (FIGURE 27) that their major capital source was their own savings (69.1 %), followed by support from friends and family (25.1 %). In the third place, founders relied on governmental funding and subsidies (21.9 %) and in the fourth place, business angels supported the founders' business activities (21.3 %). In the Europe-wide comparison (TABLE 4), founders that finance their startups through own savings are primarily found in Germany (79.5 %), Romania (75.0 %) and the Netherlands (72.5 %). Business angel financing is especially common in Germany (29.6 %) and the United Kingdom (22.8 %). Venture capital is a popular source of financing among German (19.1 %) and Polish (12.1 %) startups.

Savings of founders is the *main source* of financing

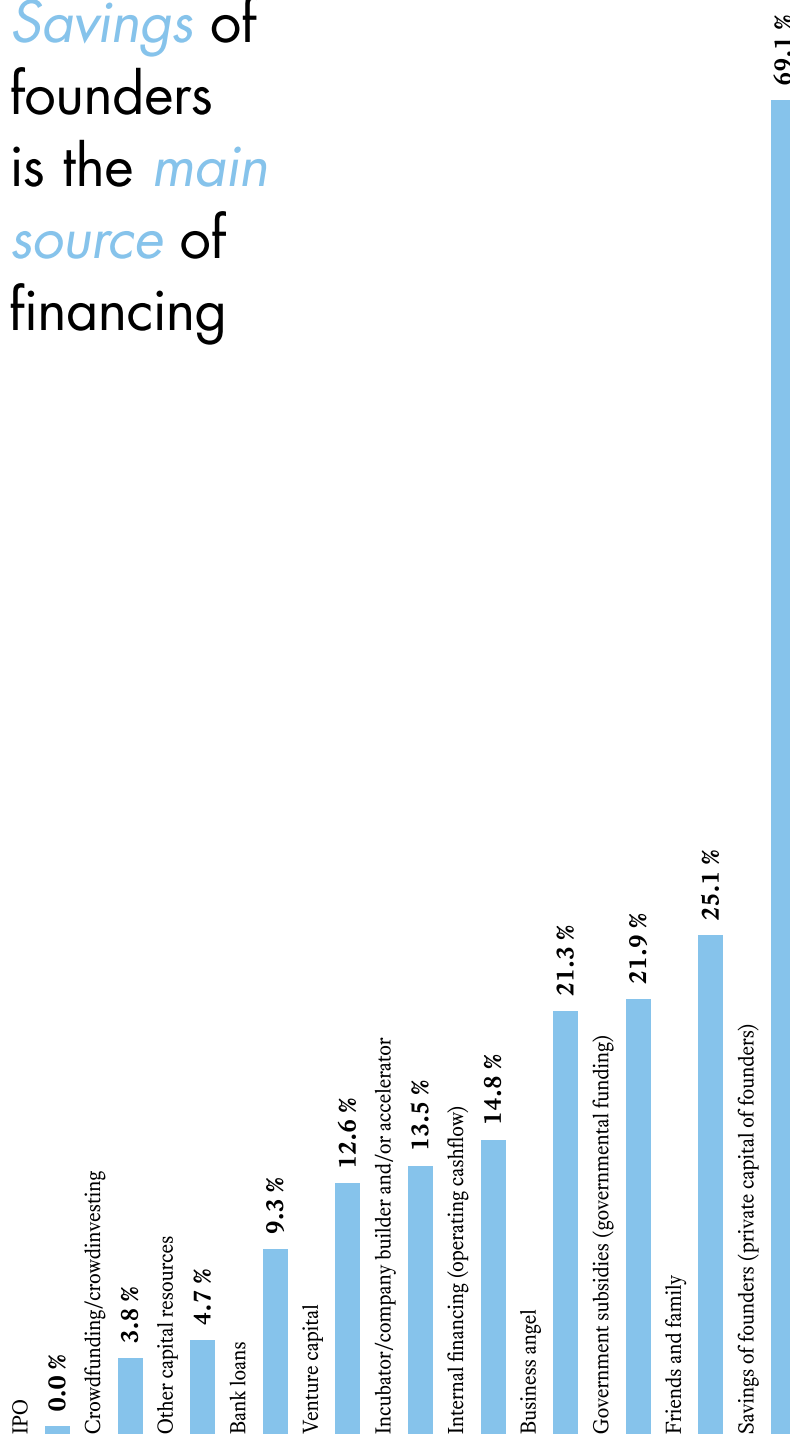


FIGURE 27. Major sources of financing (ESM overall)*

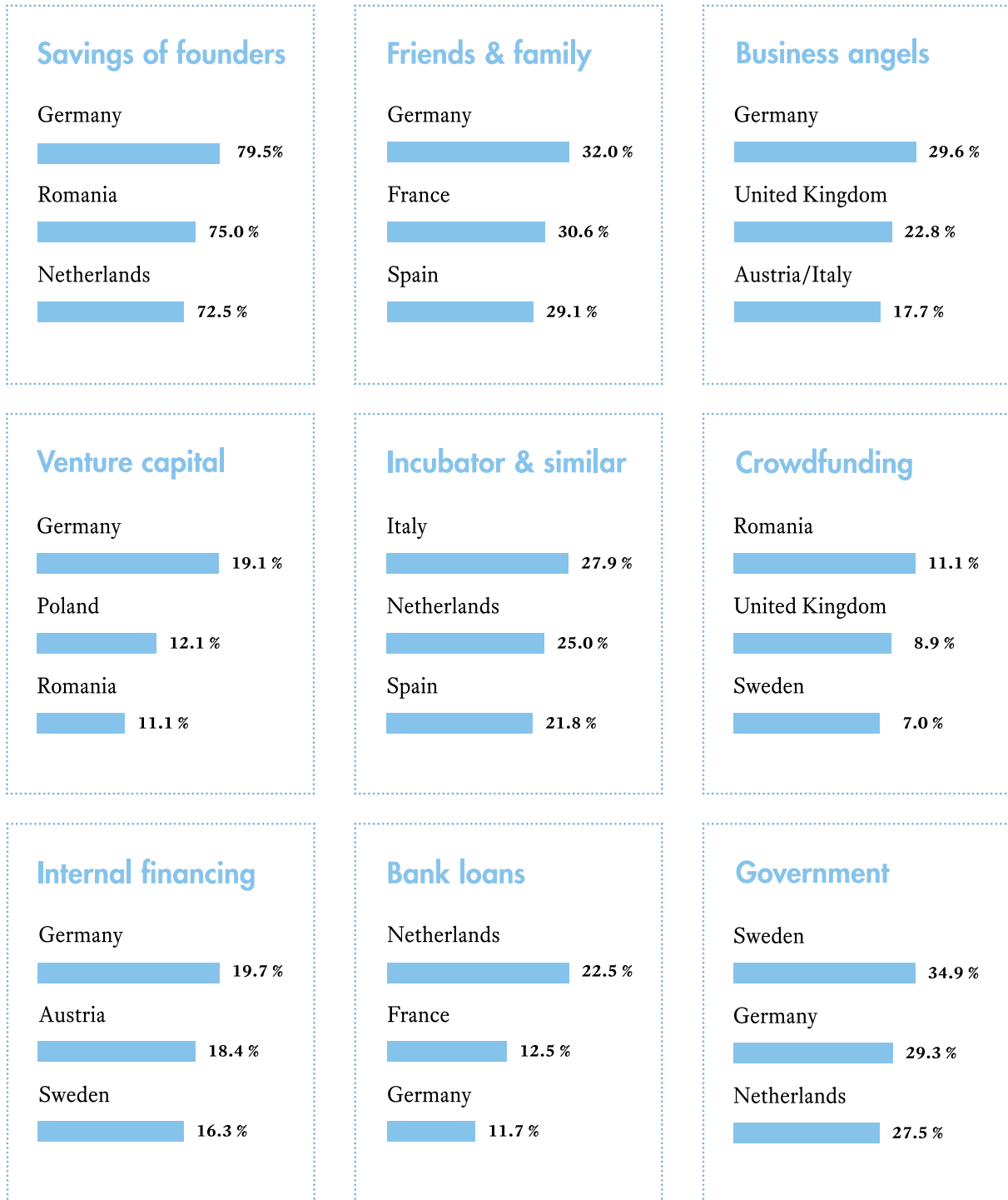


TABLE 4. Major sources of financing: Top 3 countries

Financing with own savings is especially common in eastern ESM countries

The chart (FIGURE 28) shows the percentage of founders per ESM country that financed their startups exclusively with their own savings. In the Europe-wide comparison, founders that finance their startups with their own savings are primarily found in the eastern ESM countries, such as Romania (53.1 %) or the Czech Republic (47.6 %). Thus, there might therefore be much potential for future investments.

In countries with a strong economy, such as France, Germany or the United Kingdom, startup founders have more access to other sources of financing and therefore they do not exclusively rely on their own savings.

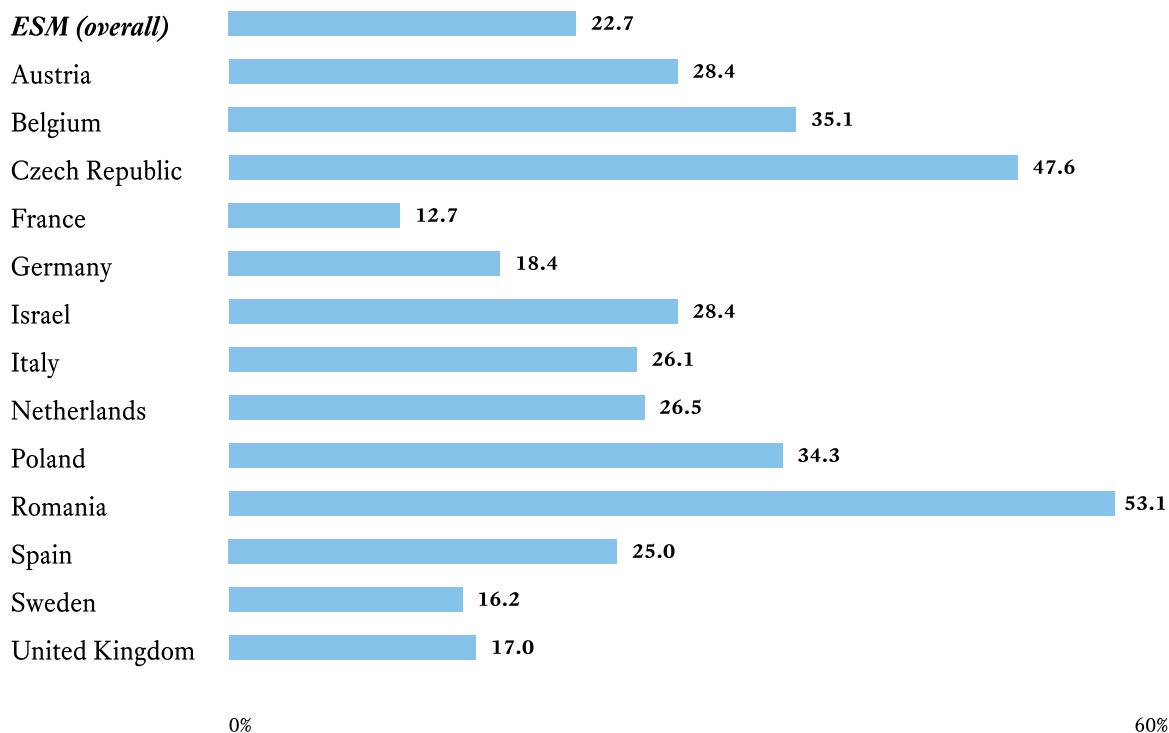


FIGURE 28. Financing only with own savings (ESM countries)

Private investors are *the primary kind of investors*

In order to find out more about the startup investors, founders were asked to indicate from which sources they had received financing (FIGURE 29). Private investors (*such as Index, Partech and Lakestar*) accounted for the majority of investments (77.3 %).

More than half of the participants (50.7 %) reported that they had received financial support from public investors. Another third (33.8 %) of all founders were supported by strategic investors, such as large enterprises that aspire to a strategic partnership.

Across ESM countries, this pattern of investments is relatively similar. One country that deviates from the general tendency towards private investors is Austria, where startup founders are most frequently supported by public investors (*e.g., European Angels Fund, national government-backed funding programs; 47.6 %*).

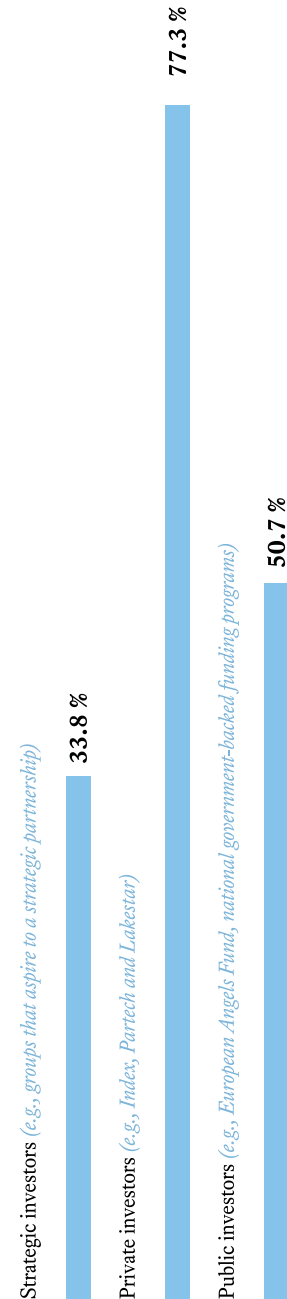


FIGURE 29. Frequency of the use of different kinds of investors (ESM overall) – Multiple answers possible.

Founders were asked to indicate the amount of external capital that their startups had received to date (FIGURE 30).

Among those founders that had already received capital, 42.1 % raised between € 1 and € 150,000. Amounts of external capital between € 150,000 and €1 million were raised by 31.7 % of all participants. Another 26.3 % of all founders raised more than € 1 million in external capital. Overall, those European startups having already received external capital raised - on average - € 2.5 million.

On average, ESM startups have already raised € 2.5 million in external capital

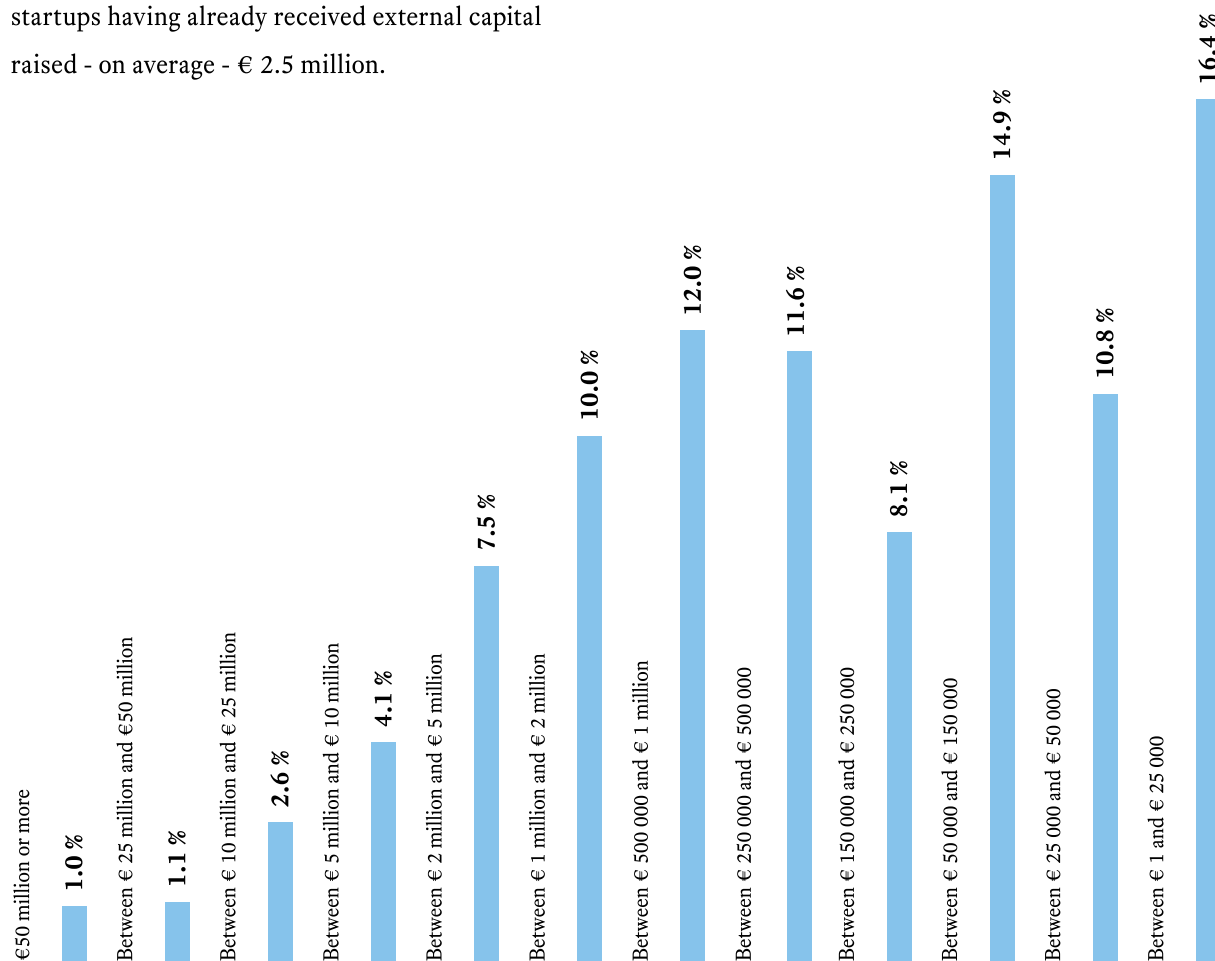


FIGURE 30. Received amounts of external capital to date (ESM overall) ⁵

Startups plan to raise an additional € 3.3 million in external capital on average

Founders also evaluated how much external capital they planned to raise over the next 12 months, based on their budgeting (FIGURE 31). Of the participants, 24.9 % indicated that they would raise no external capital for the following year. Among those who planned to raise external capital, the categories “between € 50,000 and € 150,000” (16.1 %) and “between € 500,000 and € 1 million” (16.1 %) were most frequently chosen. Lastly, 13.8 % of all founders assumed that their startups would raise € 2 million or more. Overall, ESM startups that intend to raise capital in the future are planning with € 3.3 million on average. Overall, it can be assumed that the amount of capital needed by the participating startups will continue to increase as the majority of startups in the ESM sample are still in the seed or startup phase and will progress with significant growth.

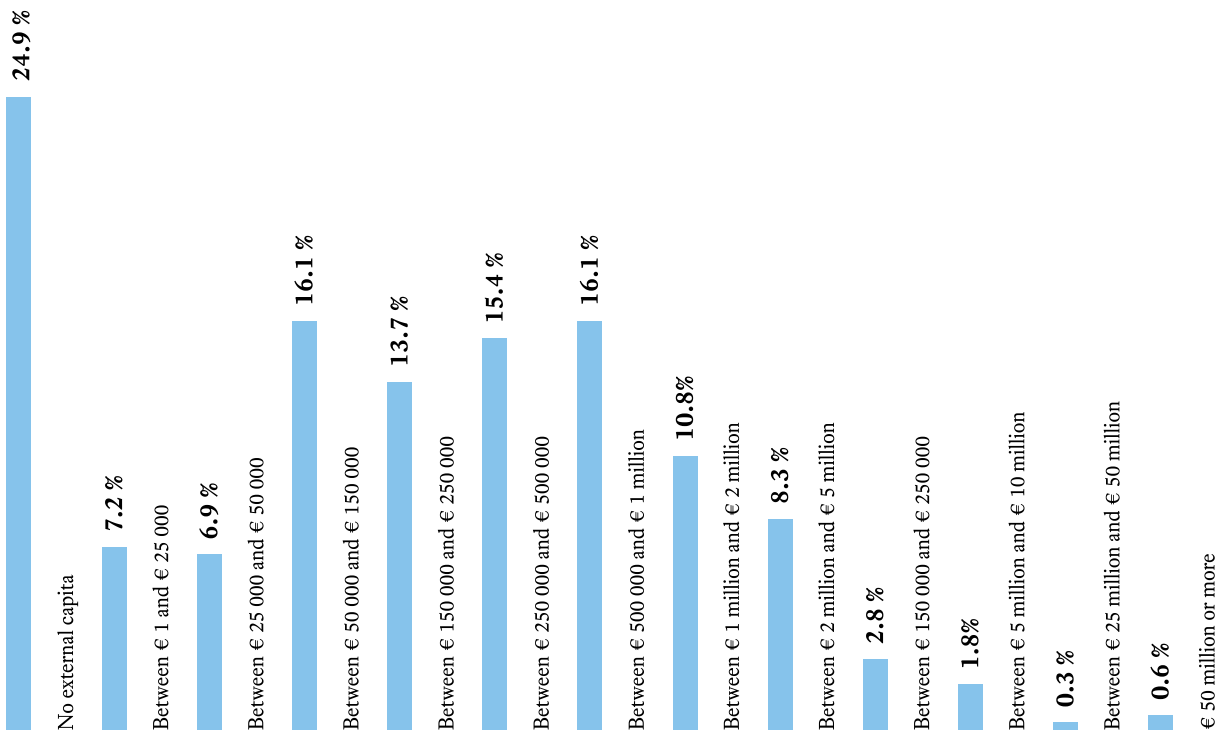


FIGURE 31. Planned raising of capital within the next 12 months (ESM overall) ⁵

In the ESM-wide comparison (FIGURE 32), founders that have enough financial resources and do not require additional external capital for the operation of their businesses in the following year most commonly come from Germany (33.8%), Sweden (26.5%) and Austria (25.7%). Startups from eastern ESM countries (Czech Republic: 55.0%; Romania: 48.4%) are mostly planning for small amounts of external capital of up to €150,000. France (46.9%), Israel (43.7%) and Italy (41.3%) are the countries in which startups most often plan to raise medium-sized amounts of external capital (€150,000 to €1 million) (FIGURE 35).

The threshold of €1 million, up to €5 million planned external capital was most often exceeded by founders from the United Kingdom (20.4%), Israel (16.9%) and Spain (16.7%). Startups from Belgium (9.4%), France (6.1%) and Germany (5.8%) plan to raise the highest amount of external capital (more than €5 million).

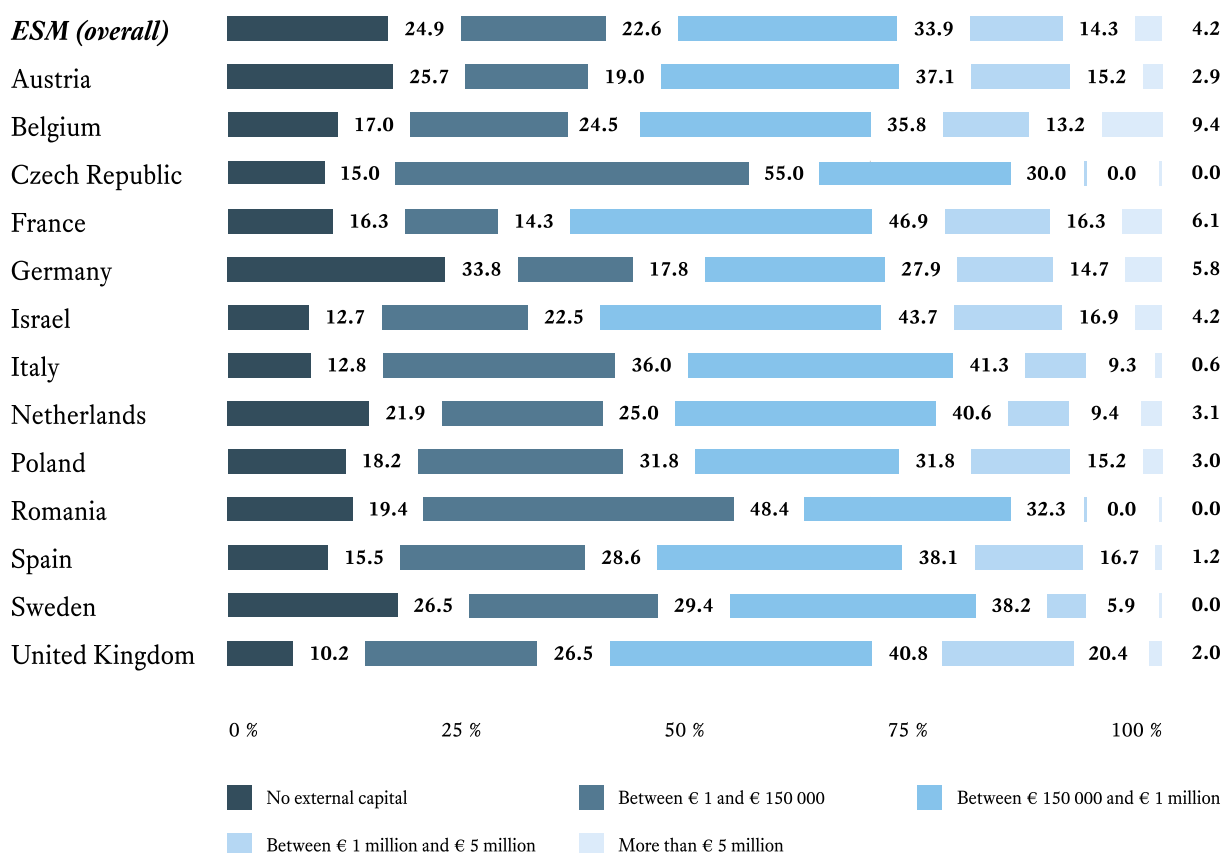
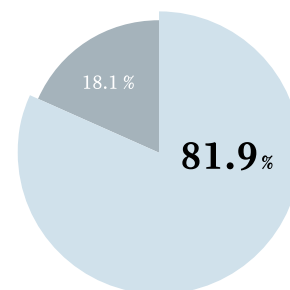


FIGURE 32. Planned raising of capital over the next 12 months (ESM countries)

VI. Economic situation, challenges and expectations

8 out of 10 ESM startups generated revenue in the last fiscal year



A large majority of ESM startups (81.9 %) generated some revenue in the last fiscal year (FIGURE 33). Among startups that recorded revenue in the last year, more than half of the ventures generated up to € 150,000. Another 21.0 % of all ventures had revenue of between € 150,000 and € 500,000. The threshold of € 500,000 was exceeded by

23.9 % of all ESM startups (FIGURE 34). In the two highest revenue categories, startups from large economies such as France or Germany lead the field, but Israeli startups were also strong in terms of revenue. Startups from countries with medium-sized domestic markets, such as Sweden or Poland, have lower ranges of revenue.

Generated revenue No revenue yet

FIGURE 33. Revenue in the last fiscal year (ESM overall)

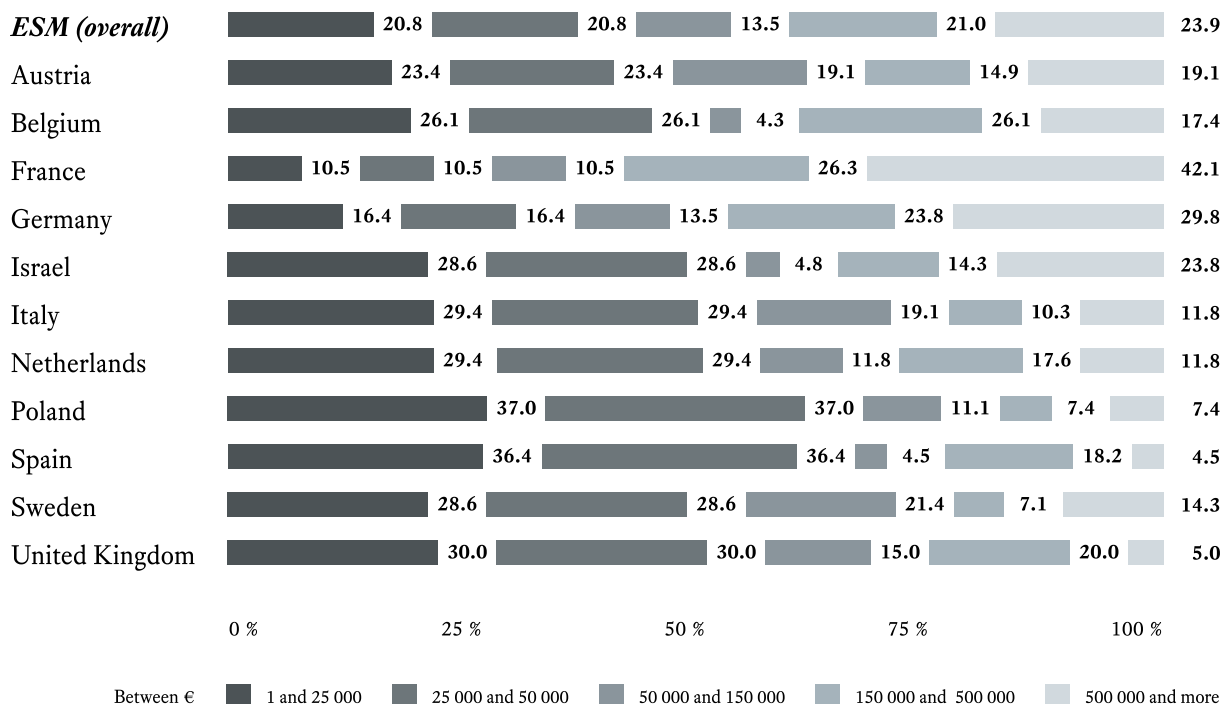


FIGURE 34. Revenue in the last fiscal year (ESM countries) ⁶

More than
90% of startup
founders rate
their current
business
situation as
satisfying or
even good

To assess the prevailing business climate in European startups, participants were asked to rate their current and future business situation (FIGURE 35). A large majority of founders indicated that their present business situation is good (36.3 %) or satisfying (54.0 %). Countries that stand out with a very good present business climate for startups include especially the northern ESM countries, such as the United Kingdom (55.6 % of participants indicated that the present business situation is good) and Sweden (48.3 %). In the southern ESM countries, most founders rate the present business situation as satisfying (*Spain: 61.8 %; Italy: 56.1 %*). Except for Romania, in which a large majority of founders rate the present business situation as satisfying, founders from the eastern ESM countries, such as the Czech Republic and Poland, perceive the current business situation as unfavourable.

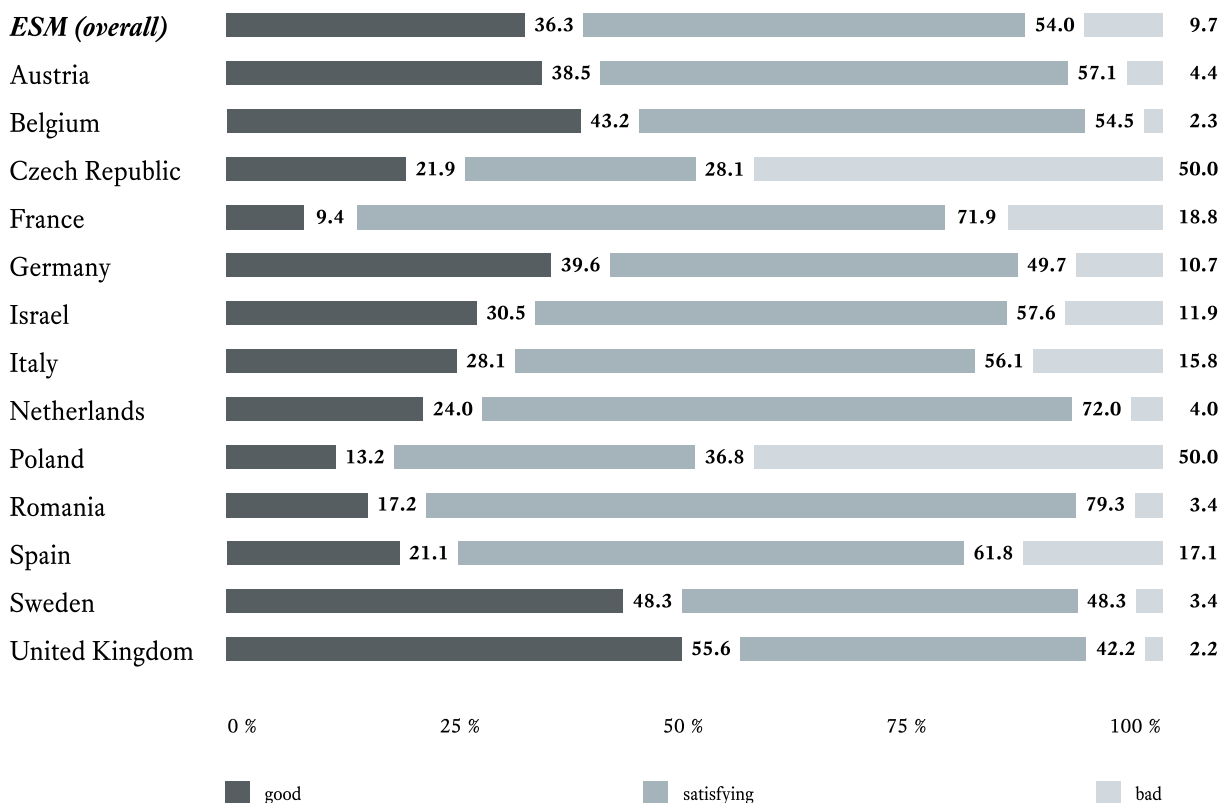


FIGURE 35. Present business situation (ESM countries)

72% assume a positive development during the next 6 months

Founders were asked about their assessment of their startups' future business situation (FIGURE 36). The outlook for the future business situation is very positive for most European startups, as 72.1 % of all ESM startups rate their future business situation as positive and another 24.7 % as neutral. Countries that stand out with a very positive outlook are Sweden (80.0 % of participants rate their future business situation as rather favourable), Poland (78.9 %) and France (76.7 %). The comparison between the current and future business situation shows that although few founders from eastern ESM countries (e.g., Poland and the Czech Republic) rate their current business situation as good, there is a high increase in optimism for the future.

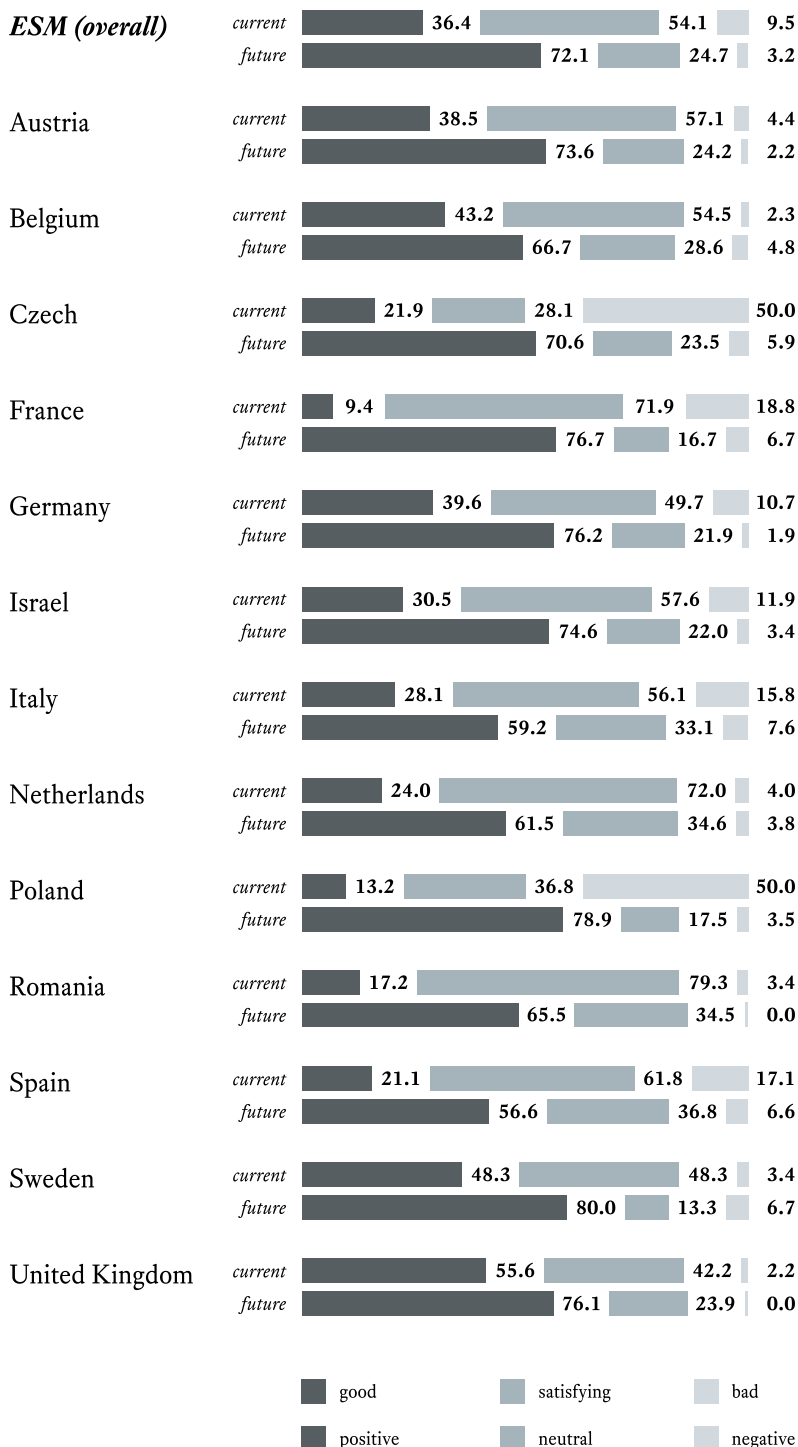


FIGURE 36. Current versus future business situation (ESM countries)

80% of all European *founders* assume that they will permanently remain in their startups

The founders were asked how likely they rated four given scenarios to happen in the future of their venture (FIGURE 37). More than 85 % founders consider the probability to remain in their startups as rather likely to very likely. More than half of the participants (65.9 %) are optimistic that they will be able to sell their profitable ventures within the first ten years. Another 26.7 % of the founders consider it to be rather likely that their startup will be successful enough to become a stock exchange listed company (IPO). Finally, more than 95 % of all European founders are confident that their startups will continue existing in the future and will not close down. For most founders from all the ESM countries, the scenarios to remain permanently in the company (average rating = 4.9) or to sell the company within the first ten years (average rating = 4.0) are the most likely ones. Founders from southern ESM countries, such as Israel (average rating = 5.1) and Spain (average rating = 5.0), but also from the Czech Republic (average rating = 5.1), believe that remaining permanently in their companies is the most probable scenario. Selling the company seems likely especially for founders from northern ESM countries (Israel: average rating = 4.3; Netherlands: average rating = 4.3; United Kingdom: average rating = 4.5) and Israel (average rating = 4.3). An IPO sounds like a realistic option especially for founders from eastern ESM countries (Romania: average rating = 3.2; Poland: average rating = 3.0). Closing down the current business is an option that especially founders from northwestern ESM countries (Netherlands: average rating =

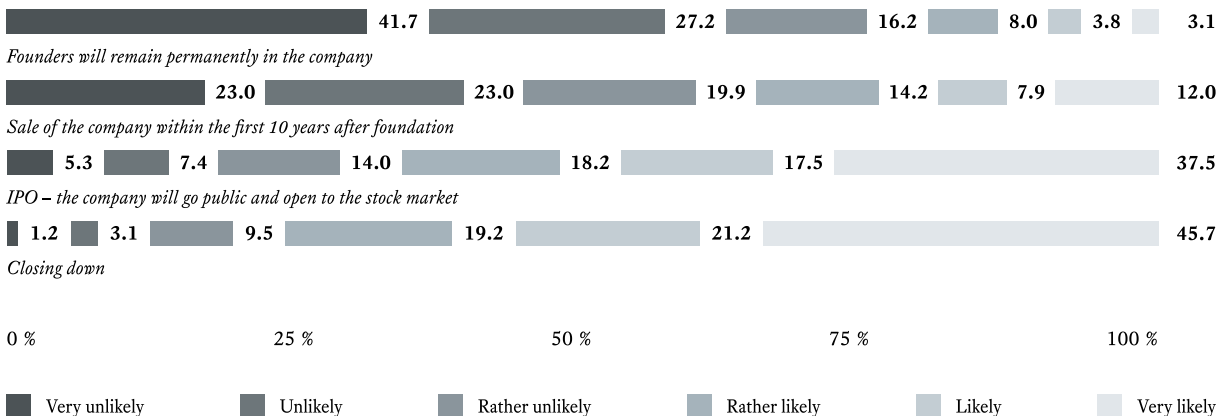


FIGURE 37. Likelihood of future scenarios for startups (ESM overall)

Sales/customer acquisition, raising capital and product development are *the biggest challenges* for European Startups

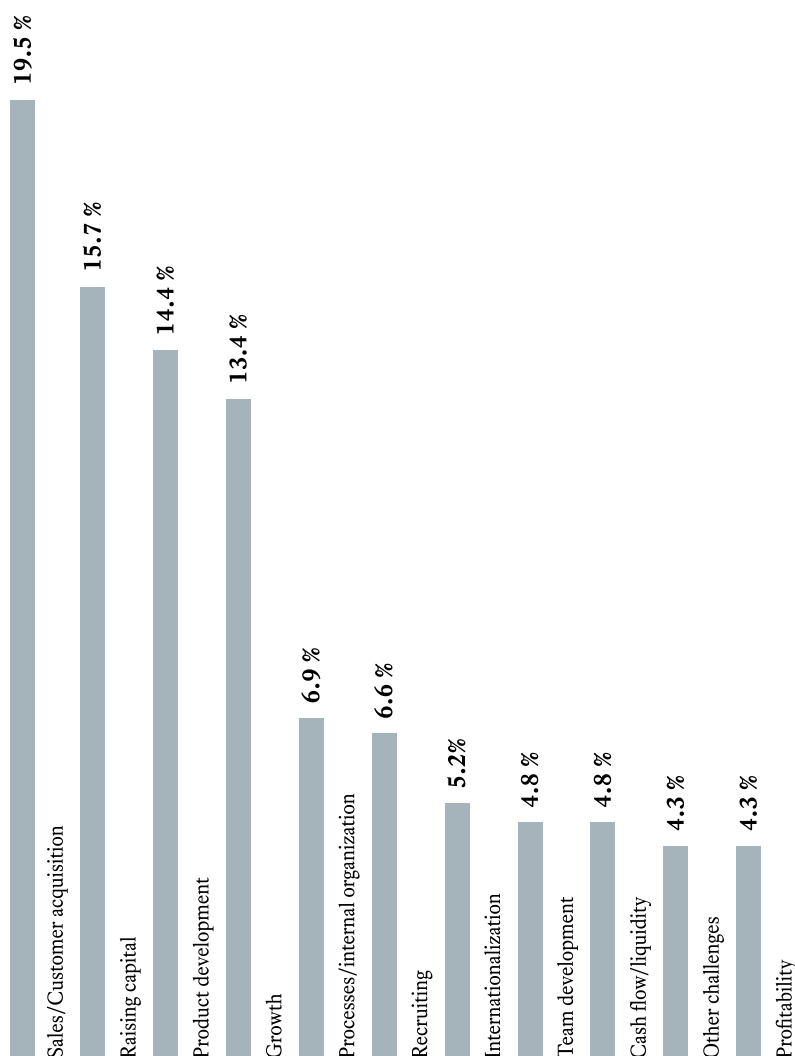


FIGURE 38. Current challenges facing European startups (ESM overall)

2.4; Belgium: average rating = 2.2; Germany: average rating = 2.1) consider.

Participants were asked about the major challenges currently facing their startups (FIGURE 38). The most frequently cited category was sales and customer acquisition (19.5%), followed by raising capital (15.7%) and product development (14.4%). Startups, particularly from northwestern ESM countries, see the acquisition of new customers and the further increase in sales as a key challenge (TABLE 5). Eastern ESM countries such as the Czech Republic primarily deal with product development as an important current challenge. For raising capital and growth, there are no obvious north/south or west/east differences. Instead, these challenges are important for southern, northern as well as eastern ESM countries. With regard to raising capital and growth, Spanish startups see these categories as particularly challenging.

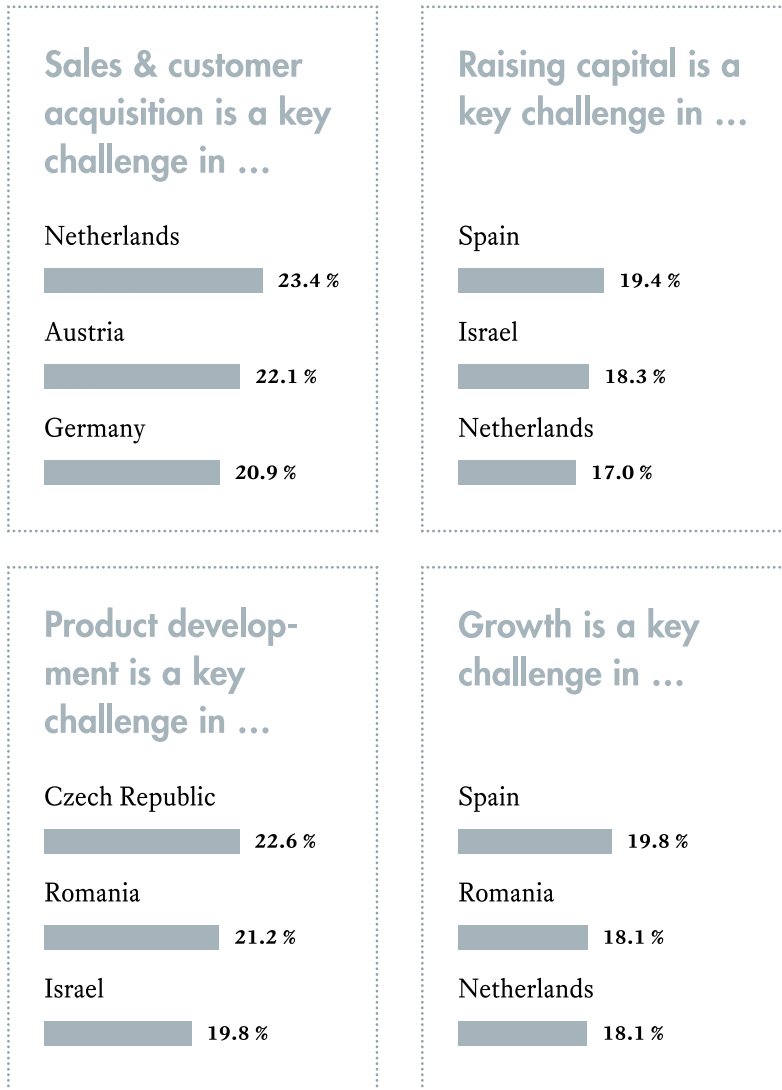


TABLE 5. Current challenges – Top 3 countries

European founders *hope for more financial support* and improvements in political regulations and bureaucracy

In order to derive recommendations for the development of favourable business environments for startups in Europe, participants were asked what they expect from politics regarding their entrepreneurial activities (FIGURE 39). Expectations were grouped into four categories.

Financial support (*including tax reductions/relief; support with raising capital and venture capital*) was the most frequently named expectation across all ESM countries (34.4 %).

28.8 % of all ESM founders expressed expectations regarding **political regulations and bureaucracy** (*including reduction of bureaucracy/regulations; easier recruitment of non-EU citizens*).

25.9 % of all ESM founders expressed a need for **social and advisory support** (*including better support for founders; better understanding of the special needs of startups; improved exchange between politics, startups and the established economy*).

11.0 % of all ESM founders hoped for more **societal support** (including raising the cultural acceptance for entrepreneurship; establishing entrepreneurship education).

Social or advisory support is an important expectation in northwestern ESM countries (e.g., Sweden and the United Kingdom), whereas it is less important in southern ESM countries (e.g., Spain and Italy). Financial support is an important expectation in southern ESM countries (e.g., Spain and Israel), whereas it is less important for participants from

eastern ESM countries (e.g., Poland and the Czech Republic). Societal support is an important expectation in eastern ESM countries (e.g., Poland and the Czech Republic), while it is less important for participants from northwestern ESM countries (e.g., Germany and the Netherlands). Political regulations and bureaucracy were important issues for most participating countries. Only founders from northern ESM countries (e.g., the United Kingdom and Sweden) are relatively satisfied with the regulations and bureaucratic processes in their countries.

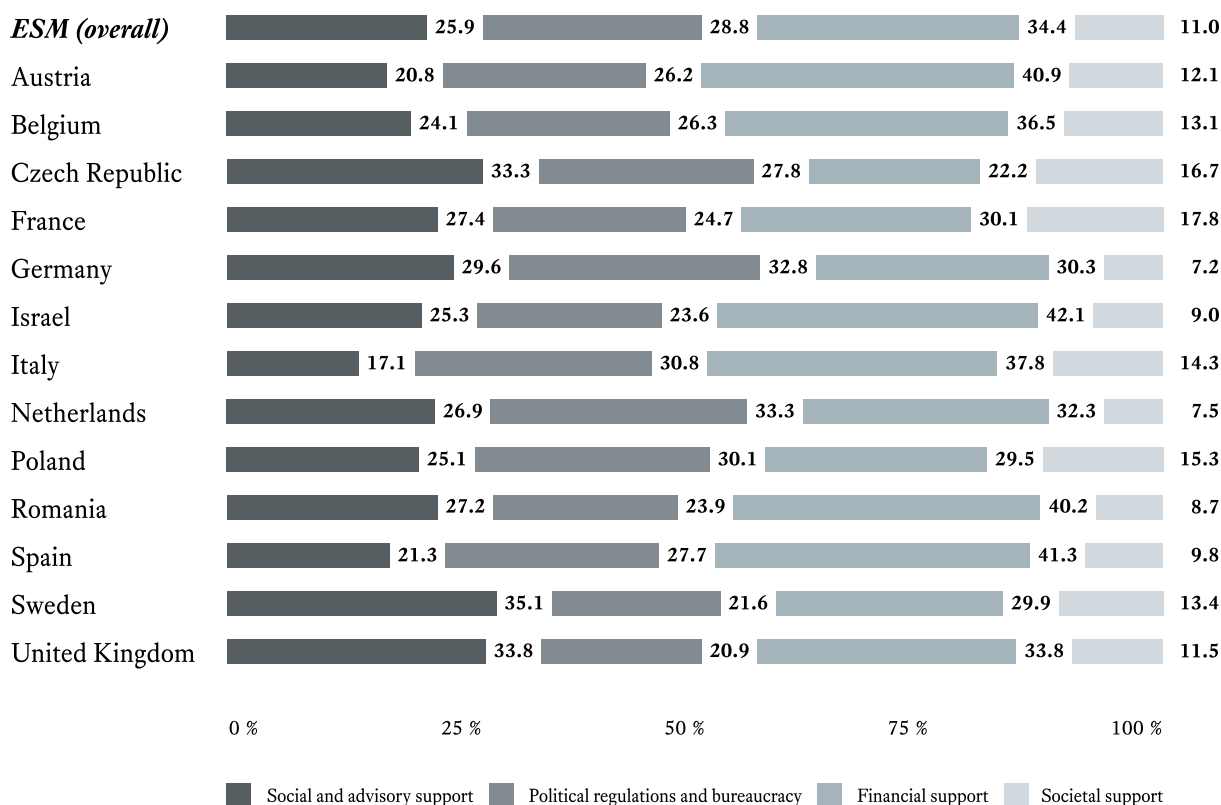


FIGURE 39. Expectations of founders regarding politics (ESM countries)

The European startup environment is rated as satisfying — but there is *room for improvement*

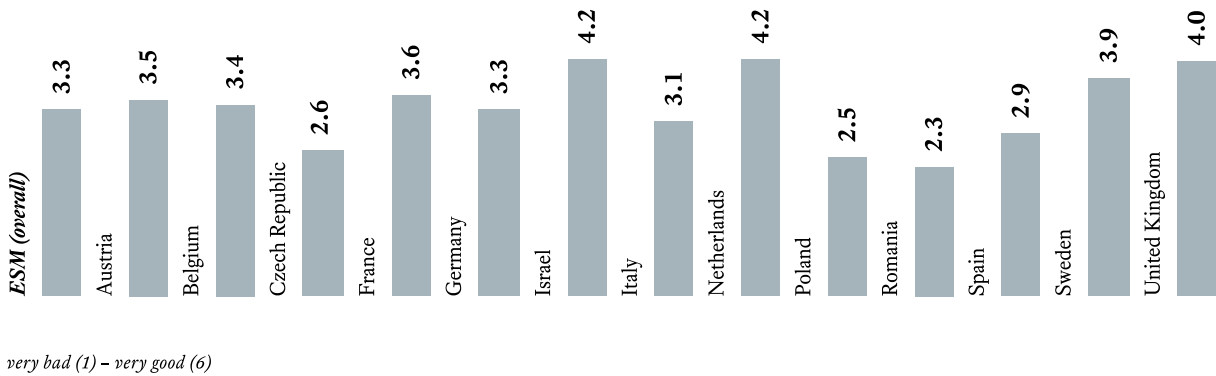


FIGURE 40. Average evaluation of the national government: Support of the startup ecosystem (ESM countries)

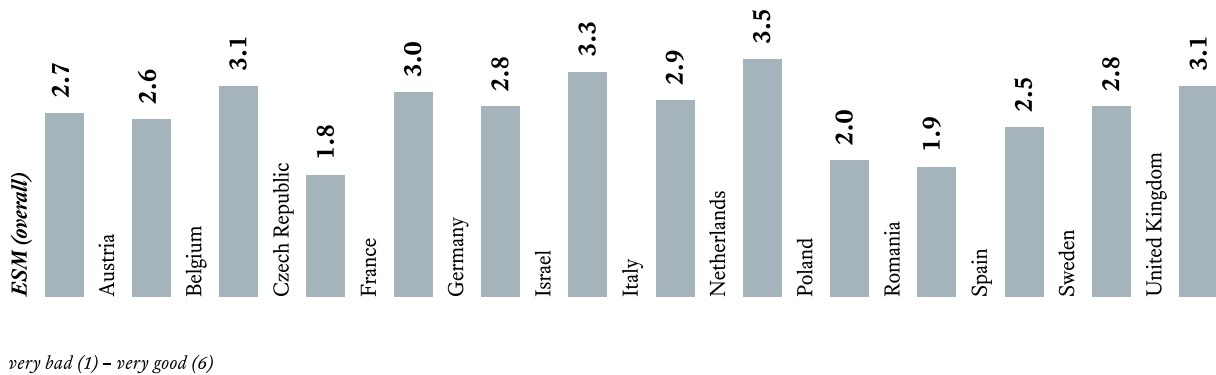


FIGURE 41. Average evaluation of national politicians: Understanding the concerns of startups (ESM countries)

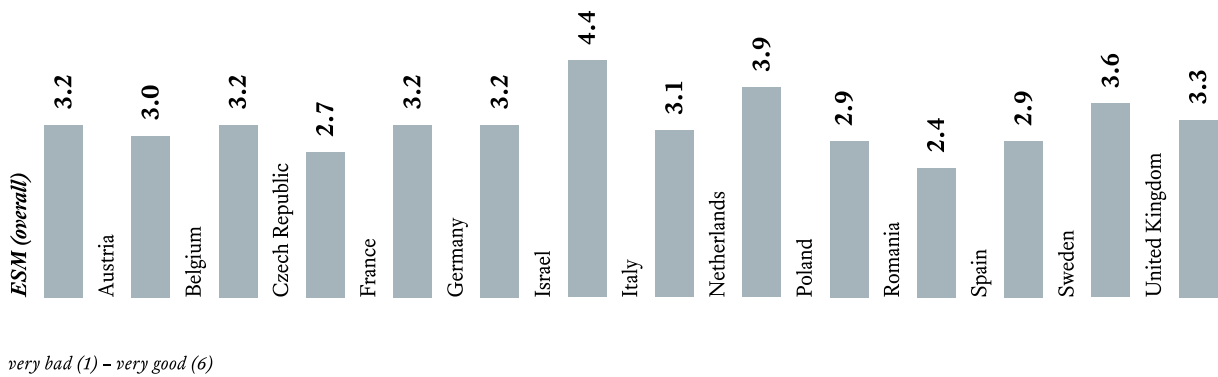


FIGURE 42. Average evaluation of university: Promoting and communicating entrepreneurial thinking/acting (ESM countries)

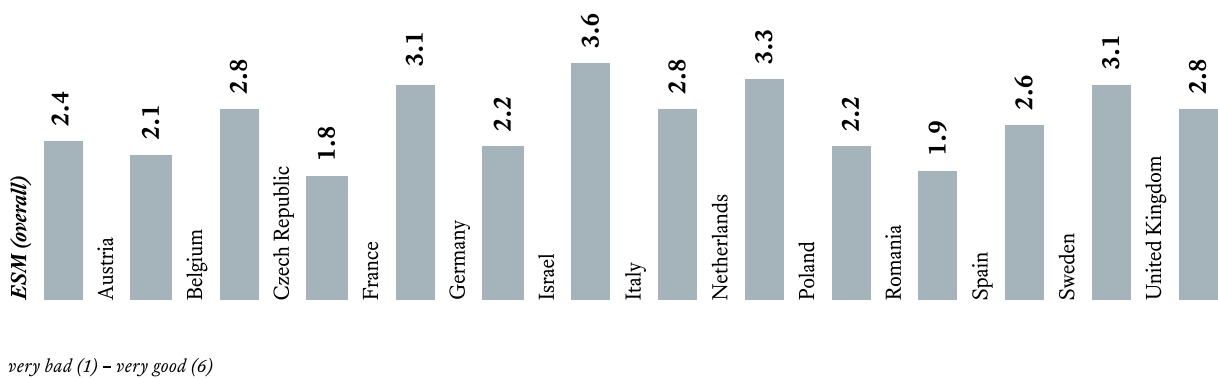


FIGURE 43. Average evaluation of the school system: Promoting and communicating entrepreneurial thinking/acting (ESM countries)



FIGURE 44. Average evaluation of traditional companies: Collaboration with startups (ESM countries)

Founders from Israel and the Netherlands give their countries the *best overall rating* for a favourable startup environment

The ESM founders were asked to rate the startup environment in their respective countries on a scale from 1 (*very bad*) to 6 (*very good*) (FIGURES 40 TO 44). Overall, the evaluations were in the medium range, indicating satisfaction but room for improvement.

ESM-wide, the category receiving the highest average evaluation was that of the traditional companies' collaboration with startups (*average rating = 3.3*). On the other hand, the school system's promotion and communication of entrepreneurial thinking and acting can be improved (*average rating = 2.4*).

When comparing the ESM countries, many northern ESM countries (*e.g., the Netherlands, Sweden and the United Kingdom*) are comparably satisfied with their governments' support of the startup ecosystem.

Israel and the Netherlands stand out as “best practice examples” with very favourable overall evaluations in several categories. Founders from Israel as well as the Netherlands are especially satisfied with their national governments in supporting the startup ecosystem. Israeli entrepreneurs positively emphasised the education system (*universities and schools*) in terms of promoting and communicating entrepreneurial thinking and acting. Founders from the Netherlands appreciated national traditional companies' collaboration with startups.

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An interview with David Birch, *Academy of Management Learning & Education*, 3(3), 289-292.

Blank, Steve (2010). What's a startup? First principles.
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(accessed 21 December 2015)

Ripsas, S. & Tröger, S. (2015). 3. DSM – Deutscher Startup Monitor.
Available at: www.deutscherstartupmonitor.de/fileadmin/dsm/dsm-15/studie_dsm_2015.pdf
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The Economist (2012). European entrepreneurs – Les misérables.
Available at: www.economist.com/node/21559618
(accessed 18 December 2015)

This study would have been impossible without the support of all international partners showing the open entrepreneurial mindset and international orientation of the startup sector. Travelling across Europe and Israel for the European Startup Monitor, the call for more research on European startups was clear. Many initiatives are mapping and monitoring the individual startup-ecosystems on a national level and often in the national language only. These initiatives must be brought together to be able to compare and benchmark. The European Startup Monitor is purposely using only data generated with one multilingual online survey of European founders and the same methodology throughout.

We would like to thank Google, KPMG and Telefónica Germany GmbH for sponsoring us and supporting the European Startup Monitor. A special thanks to everyone who was involved in promoting the study, open to share ideas and networks and overall supportive of working together on a voluntary basis. All international partners and universities supported the study pro bono, which would not have been possible in many other sectors. We hope to be able to develop the study further in cooperation with the European ecosystems, making the European Startup Monitor an holistic initiative created by and for founders out of pure enthusiasm for startups and innovation.

Lisa Schreier – Head of Research & International Strategy, German Startups Association





As one result of the positive partnership with many European representatives of startups for the European Startup Monitor, the German Startups Association has jointly with Startup.be (*the Belgian Startup Association*) initiated the European Startup Network.

Believing, that in order to make rapid legislative adaption possible, startups have to be understood and the relevant areas of improvement need to be clearly identified. This can be done by combining scientific research with practical knowledge and best practice examples of all European startup ecosystems. The national startup associations have as part of the European Startup Monitor proven that they are more than willing to work together, share best practices and leverage their national networks at a European level to coordinate actions and communicate together for the benefit of their national startups.

With the intent to connect the national startup ecosystems across Europe to form a platform for best practice exchange and European policy suggestions made by and for founders, many startup associations commit to creating this European Startup Network.

This network will work on three areas:

- 1. Scientific research to create transparency and hard facts as basis for policy making**
- 2. Policy formation and campaigning**
- 3. Further development of the European entrepreneurs' network setting up cross-market soft landing programs for scaleups; implementing Startup Manifesto insights and proposals;**

For more information visit www.europeanstartups.org or follow the European Startup Network on Twitter [@StartupEurope](https://twitter.com/StartupEurope)



Dr. Rudolf Dömötör – Director of the Entrepreneurship Center Network (*ECN*) at the Institute for Entrepreneurship & Innovation at Vienna University of Economics and Business. ECN is a joint initiative of six Viennese universities.



Prof. Håkan Boter – Professor at Umeå School of Business and Economics (*USBE*), Sweden. His areas of expertise include Entrepreneurial Economics, Organizational Studies, Business Administration.



Javier Capapé – Javier Capapé is a Spanish economist, Research Associate at IE - Sovereign Wealth Lab at IE Business School and PhD Candidate at ESADE Business School (*exp. January 2016*), expert on Sovereign Wealth Funds and SovereignNET Research Affiliate at the Fletcher School (*Tufts University*) since 2012.



Andrew Atherton – Andrew Atherton is a Professor of Enterprise at Lancaster University. His current research interests and areas of activity include innovation and entrepreneurship, local and regional development and social dynamics and aspects of entrepreneurship, as well as entrepreneurship in China and business startup.



The German Startups Association has been a representative and voice of startups in Germany since 2012 and is committed to establishing a founder-friendly environment. This is done by engaging decision-makers in politics, developing proposals that encourage a culture of self-employment and reducing the barriers to starting a business. The association promotes innovative entrepreneurship and wants to establish an entrepreneurship mentality in society. The association is initiating events and startups exchanges between different ecosystems, such as Silicon Valley, New York or Tel Aviv to connect founders, startups and their friends with each other as a broad network. The association has more than 500 members, including 400 startups. The association performs research on the startup ecosystems, in Germany (*German Startup Monitor*) as well as the broader Europe (*European Startup Monitor*). It is an initiative founded by and for founders.



**Florian Noell**

Florian is the chairman of the board at the German Startups Association and a true entrepreneur. He has founded multiple startups and advises on digital economy issues. He is the deputy chairman at the Young Digital Economy Advisory Board giving the Federal Minister of Economic Affairs and Energy firsthand advice on current issues, particularly on the development and potential of the young digital economy and on how to provide startups with a better environment in which to grow. Furthermore, he initiated and co-authored the German Startup Monitor in 2013. Florian has been acknowledged for his extraordinary achievements multiple times, including being named as one of the 40 talents under 40 by Capital Magazine.

Lisa Schreier

Lisa is Head of Research & International Strategy at the German Startups Association. She has graduated from ESCP-Europe with a Masters of Science in European Management. She has

lived, worked and studied in Berlin, Cambridge and New York and has long-term experience in the consulting and governmental sectors. Her areas of expertise are international relations, intercultural competence and business strategy. For the German Startups Association, Lisa is working on European relations, creating a network for European startups to share experiences. Lisa is in charge of both the European Startup Monitor and the European Startup Network. As a network manager, she regularly visits other European startup representatives, startup related events and the European Commission in Brussels.



The chair of business studies and business informatics, in particular e-business and e-entrepreneurship (*net-CAMPUS – We start your e-entrepreneurship*), is located at the University of Duisburg-Essen and led by Prof. Dr. Tobias Kollmann. The research group develops quality solutions for theoretical and practical issues in the scope of the digital economy. The chair occupies itself with current topics associated with electronic business processes, but also fosters interdisciplinary research in the classic research fields of business studies and business informatics. In the field of teaching, the chair follows a special link between economic and technical areas with a special focus on qualification and startups in e-business. There are two main aims: to contribute and intensify the usage of digital business processes (*e-business*) and to foster the foundation of startups in the digital economy (*e-entrepreneurship*).



Under the flag “netSTART – We start your e-business”, Prof. Dr. Tobias Kollmann offers a variety of key-note presentations, speeches, seminars and workshops for individuals and companies that consider the digital transformation as their personal chance or necessity in business. The topics cover economic, societal, technological and political aspects regarding the digital economy, digital innovation and digital transformation. More than 200 companies — from small and medium-sized firms to large corporations — have used this opportunity in the last ten years. Renowned clients include large banks, media and publishing companies, educational institutions or political parties.



**Prof. Dr. Tobias Kollmann**

Prof. Dr. Tobias Kollmann holds the chair of e-business and e-entrepreneurship at the University of Duisburg-Essen in Germany. Since 1996, he has addressed research questions in the fields of the internet, e-business and e-commerce. As a co-founder of AutoScout24, he is among the pioneers of the German internet economy and electronic marketplaces. He is the author of numerous books and practice-based and expert articles in the areas of e-entrepreneurship, e-business and acceptance/marketing in new media. For his research and funding concept in this area, Prof. Dr. Kollmann has received a special award at the UNESCO Entrepreneurship Awards (*Entrepreneurial Thinking and Acting*) in 2007. As a business angel, he has supported and financed several startups over the past 15 years and was recognised as Business Angel of the Year by the Business Angels Network Germany e. V. in 2012. Since 2013, Prof. Dr. Kollmann has been the chairman of the Young Digital Economy Advisory Board for the German Federal Ministry

of Economic Affairs and Energy. In 2014, Germany's largest federal state, North Rhine-Westphalia, appointed him as its representative on issues of the digital economy. Against this background, Prof. Dr. Kollmann has become a popular speaker on topics with regard to the digital economy, digital transformation and digital change. According to the Business Punk journal (*2nd edition, 2014*), he ranks among the 50 most important leaders of the startup scene in Germany.

**Dr. Christoph Stöckmann**

Dr. Christoph Stöckmann is a post-doctoral researcher ("Akademischer Rat") at the University of Duisburg-Essen in Germany, where he is a member of the e-business and e-entrepreneurship research group at the Faculty of Economics and Business Administration. He holds a German diploma (*MSc equivalent*) in business administration and information systems and has received his doctoral degree with a thesis on entrepreneurial management in adolescent ICT companies from the University of

Duisburg-Essen in 2009. His professional experience includes project management as well as consulting in entrepreneurial and innovation management in young growth companies and established companies. His research on various aspects of entrepreneurship, innovation and the digital economy has been presented at numerous national and international conferences and in top-tier academic journals such as *Entrepreneurship Theory and Practice (ET&P)*.



Jana W. Linstaedt, Dipl.-Psych.

Jana W. Linstaedt is a research associate and doctoral candidate at the e-business and e-entrepreneurship research group located at the University of Duisburg-Essen. She studied psychology with a focus on industrial, organisational and media psychology as well as social cognition and interaction at the Saarland University. In her doctoral thesis, Ms Linstaedt examines psychological factors and mechanisms in entrepreneurial teams and organisational management dyads that affect entrepreneurial work processes and outcomes.



Julia Kensbock, M. Sc.

Julia Kensbock is a research associate and doctoral candidate at the e-business and e-entrepreneurship research group located at the University of Duisburg-Essen. She studied psychology with a focus on industrial and organisational psychology at the universities of Mannheim and Konstanz. Combining the fields of psychology and management in her doctoral thesis, she addresses various psychological factors that have an impact on the behaviour of individuals during entrepreneurial activities and in organisational contexts.



Google's mission is to organise the world's information and make it universally accessible and useful. Google is committed to empowering entrepreneurs around the world through programmes, partnerships and products. Google for Entrepreneurs partners with startup communities and builds campuses where entrepreneurs can learn, connect and create companies that will change the world. Since 2011, it has launched campuses and formed partnerships that support entrepreneurs in 125 countries.



KPMG is a network of professional firms with more than 162,000 employees in 155 countries. In Germany, KPMG is one of the leading auditing and advisory firms with around 9,600 employees at more than 20 locations. Its services are divided into the following functions: audit, tax and advisory. It has established teams of interdisciplinary specialists for key industries of the economy. These pool the experience of experts around the world and further enhance the quality of the advisory services. KPMG's Smart Start Team has set itself the task of supporting entrepreneurs in getting their businesses up and running. They know the typical challenges that arise in the lifecycle of a startup. Regardless of whether you are just getting a good idea off the ground, looking for investors or already enjoying your first sales, the KPMG team is there to assist you with any business or legal issues. *Legal services are provided by KPMG Rechtsanwalts-gesellschaft mbH.

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1 Responses from countries with a sample size of at least $N = 30$ were chosen for the analyses.

2 In the detailed comments regarding country comparisons, we sometimes summarise single countries into larger categories in order to give a better overview of the data. With regard to the countries' geographical location, we are talking about northern (*Sweden, United Kingdom, Netherlands*), southern (*Spain, Italy, Israel*), eastern (*Romania, Poland, Czech Republic*) and western (*Germany, Austria, Belgium, France*) ESM countries, following the recommendation of the United Nations. In terms of the size of the economies, we rely on the countries' gross domestic product (*cf., top three large economies: Germany, United Kingdom, France; smallest economies: Israel, Czech Republic, Romania*).

3 Figures in this report might include differences in totals that are due to rounding.

4 The numbers for the origin of employees in Berlin were taken from the DSM 2015 (*Ripsas & Tröger 2015*).

5 Received and planned amounts of external capital were assessed in categories. We referred to the value that lies midway between the lower and the upper value (*e.g., for the category "€ 25,000 and € 50,000", we used the value € 37,500*) to estimate the overall amount of

external capital received or planned.

6 The annual revenue of startups from Romania and the Czech Republic are not analysed due to an insufficient sample size for this question.

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