

European Startup Monitor – Country Report Belgium 2016

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Introduction

Disclaimer: keep in mind that the sample size (73 responses) is rather small to make a valid analysis and draw general conclusions. Research by Sirris, the collective centre for and by the technological industry, on the same subject will be used to provide a broader context. The Sirris database contains 1.750 startups and scaleups, estimated at 50% of the population. It can be consulted on sirris.datascouts.be

Despite the small sample size, the results from the present European Startup Monitor survey are similar in results as the extensive Sirris research.

Main Findings of the European Startup Monitor 2016 for Belgium in numbers

- Belgium consists of 3 main regions: Brussels, Flanders and Wallonia. The breakdown of startups is as follows:
 - o Brussels: 31.5% (Sirris research = 27%)
 - o Flanders: 53.4% (Sirris research = 54%)
 - o Wallonia: 15.1% (Sirris research = 19%)

Note that Brussels, despite having only 11% of all active companies in Belgium is doing exceptional well in its share of startups and scaleups. Almost 50% of all Belgian startups are concentrated around the cities of Brussels, Ghent and Antwerp. Not surprising, these are the biggest cities in Belgium that have also a university campus
- The average number of founders is 2.2. This is in line with the Sirris research where the average number of founders is 2.3
- 13.7% of founders are female. This is rather on the high side. The Sirris study shows 8.4% and is similar in observation to studies in France
- The majority of founders are first time entrepreneurs (77%)
- The average age of these entrepreneurs is 32 years, the median is 33 years. It breaks the cliché that startup founders are 21 something dropouts such as Bill Gates and Mark Zuckerberg
- 86% of the entrepreneurs have the Belgian nationality
- More than half of the companies are active in the following categories: eCommerce, Software as a Service, consumer mobile/web applications, industrial technology/production and education.
- Half of the companies are at startup stage (i.e. completion of MVP or initial customers/revenue). 22% is in the seed stage and 24% in growth stage
- 85% of the companies are mainly in B2B
- Not surprising, the majority (55%) of entrepreneurs believe that their product or service is a novelty in the world. Only 4% realizes that their product or service is not a market innovation
- 23% of startups don't have employees. The average number of employees is 5.1; for interns it's 1.7 and for students it's 1.4
- 29% of companies have a revenue between € 1 and € 25,000, only 10% is above € 1 million in the last fiscal year
- The biggest challenge perceived is growth followed by sales and product development
- 80% of the respondents will found another startup in case of failure. Only 4% will become an employee

Conclusion

The study shows that startups will not necessarily become the biggest source for jobs but are jobs engines that commercialize innovation, expand internationally and create economic value. Once an entrepreneur starts a company, their intention is to start again in case of failure or to become a freelancer. It indicates that programs and policymaking that stimulate entrepreneurship should focus on making people take the first step, irrespective of the age. After all, everyone that becomes an entrepreneur creates at least one job for her or himself and if growth is successful also for others.

The tech industry has a low percentage of women. The same trend can be observed in STEM, the number of women students in engineering or computer science is falling short of their male counterparts. The ESM study confirms this and should be an area of attention for policymakers.

85% of the companies are mainly in B2B. The Sirris data shows 70% but this information confirms that the Belgian ecosystem has a unique DNA. Silicon Valley for instance, has a 2:1 B2B to B2C ratio.