



## **European Startup Monitor: European startups ensure the competitiveness of the European economy through innovation and growth in addition to creating thousands of jobs**

The German Startups Association (GSA) introduced the first European Startup Monitor (ESM) in Brussels and Berlin. The comparable data of the ESM was evaluated in cooperation with startup-representatives of 15 different European Union (EU) Member States and Israel. More than 2,300 startups were surveyed, representing over 31,000 employees, to acquire comparable data for the European startup ecosystem. The ESM has been published with the support of KPMG AG, Telefónica Germany und Google Germany GmbH.

The ESM gives transparency to the European startups, identifies country-specific and European-wide challenges, and underscores the growing influence of these young enterprises to the European economy with valid data:

- most startups are founded by a team of entrepreneurs with a median age range between 25 – 34 years
- 14.7 % of the startup founders are female
- 11.9 % of startup founders and 31.6 % of the employees are from countries other than the location of the startup
- 50% of the European startups act internationally already and 8 out of 10 plan to expand further within the next 12 months
- more than 90 % of startup founders are satisfied with their current business situation with 72% predicting a positive business development in the future
- the biggest challenges for European startups are sales/customer acquisition, raising capital, and product development
- on average the individual European startup collected 2.5 million Euros and aims to collect further 3.3 million Euros in the next 12 months

“We are happy to witness increased and growing mobility, both of ideas and people, in the EU today.”, **Guenther Oettinger**, the European Commissioner for Digital Economy and Society, said. “Our proposal to simplify, adjust and modernise the European Union's rules for doing cross-border business in the EU is aimed at making it easier for the digital domain to flourish. It is important for entrepreneurs, businesses, investors, and policy makers alike to be able to measure success, in order to focus efforts where they have the biggest impact. The European Startup Monitor will allow for a systematic overview of where innovation and growth happens in the digital economy, and how policies should be shaped to help. We need simpler and faster, we need to observe and measure, we need to intervene and add value.”

**Florian Noell**, Chairman of the GSA emphasised the significant findings from the ESM, which illustrates the increasing importance of the European startups: “The European startups are growing rapidly, they are creating jobs and of high importance for the future competitiveness of the European

Union, in particular within the digital economy. Already after the first 2.5 years, they have 13 employees on average and plan to hire 7 more in the next 12 months. Furthermore, the ESM shows that the European startups are major innovation drivers: Two third of the surveyed startups said, that they would recognise their own products, services and/or business models as innovative. With this novelty they ensure our future wealth, they are SMEs and global players of tomorrow.

**Tobias Kollmann**, scientific supervisor of the ESM and professor for E-Business and E-Entrepreneurship at the University Duisburg-Essen: "Startups are of crucial importance for the digital agenda in Europe. In order to support them in the best possible manner, we need proven scientific findings about their development in Europe. Therefore, the ESM is a first basis for decision-making for European policy-makers."

The ESM will be published in the future by the European Startup Network (ESN). The ESN was founded on the basis of the good cooperation of 15 different European startup associations within the context of developing and generating the ESM. The ESN aims to create a better environment for startups, unifying national startup associations to create a common voice for European startups so that more can start, scale, and succeed in the Europe.

The ESM-project management was supervised by Lisa Schreier (Head of Research at the GSA) and Dr. Christoph Stoeckmann (Assistant professor at the chair of E-Business and E-Entrepreneurship at the University Duisburg-Essen).

The findings from the ESM will be presented on the 3<sup>rd</sup> of March at the Telefónica BASECAMP and be discussed on the 15<sup>th</sup> of March at the worldwide largest IT congress and exhibition "CeBIT" in panel with an international line-up, including Commissioner Oettinger.