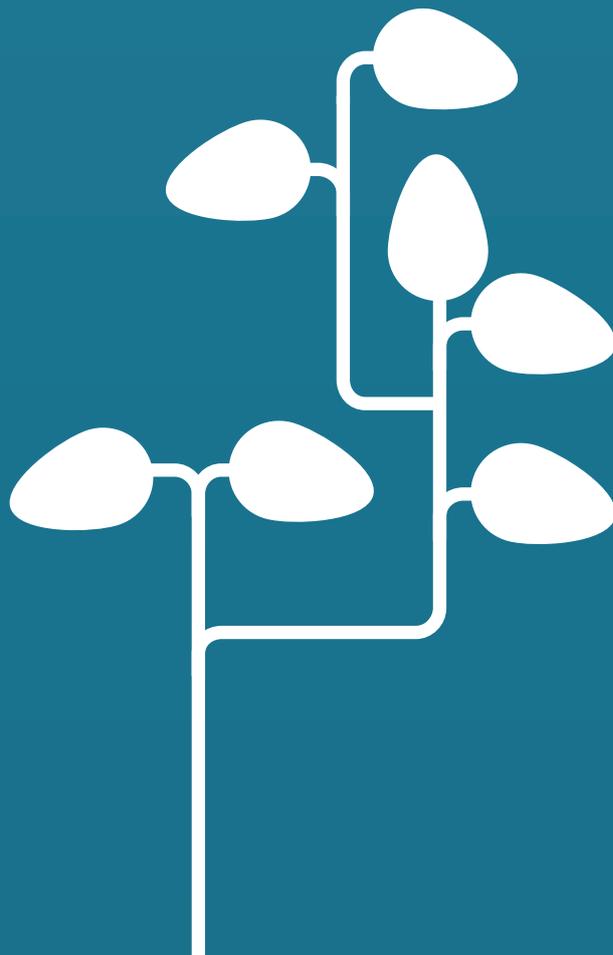


Startup Ecosystem Report 2012



Introduction from the Startup Genome

While nearly all high growth technology startups have historically emerged from no more than 3-4 startup ecosystems, namely Silicon Valley and Boston, this trend appears to have reached its end. Simultaneous with a global explosion of entrepreneurship has been an explosion in the rise of new startup ecosystems around the world, and a new found maturity in others.

As high growth technology startups look to be the primary growth engine of the new information economy, the recent development of startup ecosystems flowering all over the world has big consequences for the future of the global economy. With that in mind, Startup Genome and Telefonica Digital teamed up to take a global look at the state of startups to understand where, outside of the proven testing ground of Silicon Valley, does entrepreneurship take hold?

There are several factors that helped inspire this report, all with the goal of helping entrepreneurs, investors, and policy makers understand where they sit in the global startup ecosystem, how they can improve their odds of success, and where investors might start exploring for new opportunities.

Obviously there are significant implications from this research, which will be unveiled in entirety in Q4 2012. In the meantime, this highly localized look at global entrepreneurship can be represented at a glance in the Global Startup Ecosystem Index, below.

Summary

Overall, the Startup Ecosystem Index paints a glowingly positive picture of the state of entrepreneurship around the world. While Silicon Valley is far and away the strongest ecosystem, just 5 or 10 years ago most of the other ecosystems on this list either barely existed or didn't exist at all. The global startup revolution is going strong, indeed.

Individualized analysis of each ecosystem will be covered in the local reports in the next section, but here are a few observations of the index as a whole.

As the Startup Ecosystem Index endures, we will have to watch how the rise and fall of various startup ecosystems trends over time, and what leading indicators might be.

The Global Startup Ecosystem Index

Ecosystem	Ranking	Startup Output Index	Funding Index	Performance Index	Talent Index	Support Index	Mindset Index	Trendsetter Index	Differentiation from SV Index
Silicon Valley	1	1	1	1	1	1	1	1	1
Tel Aviv	2	2	1	12	5	5	9	17	18
Los Angeles	3	4	6	2	3	13	11	4	11
Seattle	4	19	7	6	2	4	6	11	14
New York City	5	3	4	8	12	9	8	7	8
Boston	6	10	1	7	7	8	7	5	20
London	7	7	5	10	9	2	3	14	17
Toronto	8	6	9	3	10	3	15	12	5
Vancouver	9	13	12	9	4	14	2	9	19
Chicago	10	8	15	5	14	7	13	18	9
Paris	11	14	13	4	17	6	12	15	6
Sydney	12	5	14	16	6	12	16	1	3
Sao Paulo	13	9	10	15	19	11	5	16	4
Moscow	14	16	19	18	11	10	14	8	2
Berlin	15	15	11	13	13	20	18	5	16
Waterloo	16	11	16	14	16	17	17	10	13
Singapore	17	18	8	19	8	16	20	19	12
Melbourne	18	12	17	20	15	18	19	3	15
Bangalore	19	17	18	17	18	15	10	20	10
Santiago	20	20	20	11	20	19	4	13	7

The index is based on data from more than 50,000 startups around the world who are using the Startup Genome's Startup Compass, an automated analyst in the cloud that helps businesses make better decisions via benchmarks and actionable recommendations.

(Note that the dataset is heavily skewed towards early stage startups, although it does include many later stage companies doing millions of dollars a year in revenue. The dataset contains extensive anonymized data on nearly all aspects of the startups' businesses, including finances, team, product, sales, marketing, business model, market and demographic & psychographic information about the founders).

The first column in the index is the overall ranking, followed by 8 weighted component indexes that are the inputs to the overall ranking.

The index isn't perfect, but it is a robust 80% solution that will be optimized in future versions. Feedback is always welcome at feedback@startupcompass.co.

Here is how we define the eight weighted component indexes:

Startup Output Index: The startup output index represents the total activity of entrepreneurship in the region, controlling for population size and the maturity of startups in the region.

Funding Index: The funding index measures how active and how comprehensive the risk capital is in a startup ecosystem.

Company Performance Index: The Company Performance Index measures the total performance and performance potential of startups in a given startup ecosystem, taking into account variables such as revenue, job growth, and potential growth of companies in the startup ecosystem.

Mindset Index: The mindset index measures how well the population of founders in a given ecosystem thinks like a great entrepreneur, where a great entrepreneur is visionary, resilient, has a high appetite for risk, a strong work ethic and an ability to overcome the typical challenges startups face.

Trendsetter Index: The trendsetter index measures how quickly a startup ecosystem adopts new technologies, management processes, and business models. Where startup ecosystems that stay on the cutting edge are expected to perform better over time.

There's a good chance the trendsetter index is a leading indicator of the future success of a Startup Ecosystem. The trendsetter score for example corroborates with the prevailing excitement expressed about the Berlin and Sydney Startup Ecosystems, while also aligning with the anecdotal evidence we have received about the conservative culture and slow pace of adaptation in the Chicago and Tel Aviv startup ecosystems.

Support Index: The support index measures the quality of the startup ecosystem's support network, including the prevalence of mentorship, service providers and types of funding sources.

Talent Index: The talented index basically measures how talented the founders in a given startup ecosystem are, taking into account age, education, startup experience, industry domain expertise, ability to mitigate risk and previous startup success rate.

Differentiation Index: The differentiation index measures how different a startup ecosystem is to Silicon Valley, taking into account the demographics and what types of companies are started there.

Since Silicon Valley is the #1 ecosystem it is assumed that other ecosystems will perform better if they differentiate themselves from Silicon Valley and establish their own strengths.



Deep Dive Into Selected Top Ecosystems

Silicon Valley

Entrepreneurs' persona

Age	34.12
Gender (F/M)	10% 90%
Education (dropout vs. master + PhD)	1 : 2.5
Serial Entrepreneur	56%
Percentage of non-technical founding teams	16%
Working hours per day	9.95
Percentage of founders who lived in SV	100%
Motivation (product vs. impact)	1 : 1
Customer (B2B vs. B2C)	2 : 1
Market (new vs. niche)	4 : 1
Local startup examples	Google, Apple, Facebook, Twitter, Quora, Airbnb

Findings

Here is how SV compares to the global average of all startup ecosystems:

- Capital raised in SV is 32% higher across all stages of a startup's development
- SV has 20% more mentors
- SV has 35% more serial entrepreneurs
- In SV entrepreneurs are 54% less likely to engage in on-the-side consulting activities
- In SV startups are 13% more likely to have a subscription based revenue model
- Entrepreneurs are 22% less likely to experience building the product as a major challenge
- Silicon Valley entrepreneurs are much more ambitious, shown by how they:
 - Entrepreneur's ambition in Silicon Valley is paramount compared to entrepreneur's ambition on average across all other ecosystems.
 - work longer hours daily.
 - are more committed to work full time.
 - are 19% more likely to motivate themselves by the vision of changing the world, rather than just building a good product
 - are 30% less likely to tackle 'niche' markets.

Tel Aviv

Entrepreneurs' persona

		SILICON VALLEY
Age	36.16	34.12
Gender (F/M)	9% 91%	10% 90%
Education (dropout vs. master + PhD)	1 : 2.33	1 : 2.5
Serial Entrepreneur	47%	56%
Percentage of non-technical founding teams	11%	16%
Working hours per day	9.42	9.95
Percentage of founders who lived in SV	13%	100%
Motivation (product vs. impact)	1.5 : 1	1 : 1
Customer (B2B vs. B2C)	1.6 : 1	2 : 1
Market (new vs. niche)	4 : 1	4 : 1
Local startup examples	Mirabilies, Babylon, SunDisk, Jajah, Fring, Waze	

Findings

- Tel Aviv entrepreneurs are similarly educated to SV entrepreneurs (40% Master & PhD vs. 42% in SV)
- Startups in Tel Aviv employ as many people per stage as startups in Silicon Valley.
- 27% of the user base of Israeli startups is paying, 46% more than in SV.
- There is no funding gap in Tel Aviv, it has a healthy capital funnel throughout the startup lifecycle.
- Funding Sources are slightly more focused on angels, and less on family/friends than in SV.
- Tel Aviv entrepreneurs and SV entrepreneurs both tackle large total addressable markets, and concentrate on new markets and niche markets in equal proportion.
- The average working hours in Tel Aviv are similar to SV.
- Tel Aviv startups are less "ambitious":
 - Israeli startups are 46% more likely to tackle smaller markets than startups in SV.
 - The average company performance (growth & revenue) is lower than of other top ecosystems. This seems to be mostly based on the fact that startups out of Tel Aviv seem to tackle smaller and niche markets. E.g. the rate of companies tackling markets below \$1 Billion is 46% higher than in Silicon Valley. Tel Aviv ranks only 12th in our ranking for company performance.
 - They are 9% less committed to work full time before product market fit.

US Hub - Los Angeles

Entrepreneurs' persona

		SILICON VALLEY
Age	32.55	34.12
Gender (F/M)	12% 88%	10% 90%
Education (dropout vs. master + PhD)	1 : 2	1 : 2.5
Serial Entrepreneur	55%	56%
Percentage of non-technical founding teams	21%	16%
Working hours per day	9.64	9.95
Percentage of founders who lived in SV	29%	100%
Motivation (product vs. impact)	1.4 : 1	1 : 1
Customer (B2B vs. B2C)	0.25 : 1	2 : 1
Market (new vs. niche)	3 : 1	4 : 1
Local startup examples	ShoeDazzle, Factual, Omaze, Beachmint, CapLinked	

Findings

LA startups are 12% less likely to monetize directly than SV startups

Compared to Silicon Valley, LA startups are 58% more likely to have consumers as their primary payer and 43% less likely to have SMEs as their primary payer

Startups in LA employ as many people per stage as startups in Silicon Valley.

LA has no funding gaps. It has a healthy mix of capital sources.

LA entrepreneurs are as ambitious as SV entrepreneurs. Both tackle similarly large total addressable markets, and concentrate less on 'new' markets and 'niche' markets.

The average working hours are the same in LA as in SV.

The key challenges of LA startups are similar to SV startups: customer acquisition, building the product, funding, and building the team.

The revenue streams of LA startups are similar to SV: subscription, transaction fees and advertising.

63% of LA entrepreneurs have previous experience in the market their startup is targeting.

LA startups are as data driven as SV startups.

Newer programming languages like Python and Ruby are the preferred coding languages of LA startups.

40% more of the user base of LA startups are paying customers compared to SV.

The average age of entrepreneurs in LA (38.22) is 4.1 years older than in SV.

US Hub - New York City

Entrepreneurs' persona

		SILICON VALLEY
Age	32.55	34.12
Gender (F/M)	18% 82%	10% 90%
Education (dropout vs. master + PhD)	1 : 4	1:2.5
Serial Entrepreneur	56%	56%
Percentage of non-technical founding teams	22%	16%
Working hours per day	9.69	9.95
Percentage of founders who lived in SV	19%	100%
Motivation (product vs. impact)	1 : 1	1 : 1
Customer (B2B vs. B2C)	1.2 : 1	2 : 1
Market (new vs. niche)	2.6 : 1	4 : 1
Local startup examples	Foursquare, Tumblr, Etsy, Meetup, Bit.ly, Fab, Kayak	

Findings

NYC is the global capital for women tech entrepreneurs, with 18% being female.

NYC companies tend to monetize earlier, with a higher ratio of paying customers. Even though that may mitigate risk, it may also limit the startup's ability to be highly disruptive.

Startups in NYC employ as many people per stage as startups in Silicon Valley. However, in the efficiency (stage 3) NYC startups have twice as many employees as SV.

NYC is the second largest ecosystem for software startups in terms of absolute output.

NYC has been able to clearly distinguish itself from SV with a strong emphasis on consumer startups.

NYC entrepreneurs are as ambitious as SV entrepreneurs, with an equal preference for tackling 'new' markets over 'niche' markets.

The revenue models in NYC are basically the same as SV, with subscription similarly being the most popular. There is a similar rate of indirect monetization in NYC as SV.

NYC has a funding gap, with 70% less funding than SV in the second stage before product market fit, probably due to a lack of super angels.

NYC is slow in adopting new technologies such as Ruby on Rails and Python, relying more on PHP and .Net.

NYC entrepreneurs are 10% less likely than their peers in SV to go full time on their company before reaching Product Market Fit.

There are 34% fewer serial entrepreneurs proportionally compared to Silicon Valley.

US Hub - Boston

Entrepreneurs' persona

		SILICON VALLEY
Age	36.8	34.12
Gender (F/M)	9% 91%	10% 90%
Education (dropout vs. master + PhD)	1 : 6	1 : 2.5
Serial Entrepreneur	51%	56%
Percentage of non-technical founding teams	15%	16%
Working hours per day	10.41	9.95
Percentage of founders who lived in SV	16%	100%
Motivation (product vs. impact)	1.6 : 1	1 : 1
Customer (B2B vs. B2C)	2.7 : 1	2 : 1
Market (new vs. niche)	4.5 : 1	4 : 1
Local startup examples	Formlabs, Runkeeper, EchoNest, Vertica	

Findings

Boston startups are 24% more likely to monetize directly than SV startups.

Boston entrepreneurs are more educated than SV entrepreneurs (50% Master and PhD vs. 42% in SV)

Boston's funding ecosystem as no major funding gaps.

Boston entrepreneurs are almost 3x more likely to have a PhD than entrepreneurs in SV.

Compared to Silicon Valley, Boston entrepreneurs are more likely to be serial entrepreneurs, especially in markets where they have previous experience.

The motivation of entrepreneurs in Boston is significantly different to entrepreneurs in Silicon Valley.

Boston entrepreneurs are half as likely to create a quick flip, 87% less likely to want to get rich, 16% less likely to want to change the world, and 37% more likely to be motivated by building a great product.

Boston startups review metrics more often than SV.

The Boston startup ecosystem has the same healthy mix of startups targeting consumers, enterprise, and SME customers as SV.

Boston doesn't seem to differentiate itself much from Silicon Valley in the type of internet companies it produces.

London

Entrepreneurs' persona

		SILICON VALLEY
Age	35.98	34.12
Gender (F/M)	9% 91%	10% 90%
Education (dropout vs. master + PhD)	1 : 3	1 : 2.5
Serial Entrepreneur	42%	56%
Percentage of non-technical founding teams	15%	16%
Working hours per day	9.78	9.95
Percentage of founders who lived in SV	25%	100%
Motivation (product vs. impact)	1.3 : 1	1 : 1
Customer (B2B vs. B2C)	1.8 : 1	2 : 1
Market (new vs. niche)	3 : 1	4 : 1
Local startup examples	Tweetdeck, Moshi Monsters, Wonga, Autonomy, Moo.com	

Findings

London has a funding gap, with 81% less capital raised by startups before product market fit than startups in Silicon Valley. This is probably caused by a lack of super angels and micro VCs which are designed to target the deal sizes of 500k to 2.5M

London entrepreneurs are less ambitious and more risk averse than their counterparts in SV. They are 31% more likely to tackle smaller markets than their peers in SV, being 6% less likely to tackle markets ranging in soze \$1Billion to \$10 Billon, and 32% less likely to tackle markets larger than \$10 Billion.

They are more motivated to build a great product than change the world.

They are 9% less likely to work full time before product market fit.

London has been slow in adopting mobile, with 30% fewer startups than SV and NYC in the mobile space.

London entrepreneurs focus 81% more on consulting as a side activity than SV entrepreneurs.

London's technology adoption is slower than SV. London startups rely more heavily on PHP (50%), and less on Java (10%), Ruby (13%), and Python (8%) compared to SV.

London startups have slightly less support from mentors than startups in Silicon Valley. (3.24 vs. 4.04 mentors per startup).

There are 42% fewer serial entrepreneurs in London than in SV.

London entrepreneurs are just as likely to tackle markets they have previous experience with as Silicon Valley entrepreneurs.

Canadian Hub - Toronto

Entrepreneurs' persona

		SILICON VALLEY
Age	35.63	34.12
Gender (F/M)	18% 82%	10% 90%
Education (dropout vs. master + PhD)	1 : 1.4	1 : 2.5
Serial Entrepreneur	44%	56%
Percentage of non-technical founding teams	17%	16%
Working hours per day	8.69	9.95
Percentage of founders who lived in SV	31%	100%
Motivation (product vs. impact)	1.1 : 1	1 : 1
Customer (B2B vs. B2C)	3 : 1	2 : 1
Market (new vs. niche)	3.2 : 1	4 : 1
Local startup examples	Wave Accounting, FreshBooks, Achievers, Polar Mobile, Idee	

Findings

Toronto entrepreneurs are as ambitious as their counterparts in SV. They consider building a great product and trying to change the world as their key motivations in similar proportions. They are similarly committed to work full time before product market fit, and focus similarly on 'new' vs 'niche' markets.

The key challenges of Toronto startups are similar to SV startups: customer acquisition, building the product, funding, and building the team.

Toronto has a similar technology adoption rate to SV.

Toronto startups are as data-driven as SV startups.

Toronto's startup ecosystem has the same healthy mix as SV of startups targeting consumers, enterprise, and SME as customers.

Toronto startups have a similar level of mentor support per startup to SV.

Startups in Toronto receive 71% less funding than SV startups. The capital deficiency exists both before and after product market fit. Toronto startups receive 70% less capital in Stage 2 (Validation) and 65% in Stage 4 (Scale).

The ecosystem most likely lacks a sufficient quantity of all kinds of startup capital sources: angels, super angels, accelerators, micro VCs, VCs etc. As a result Toronto startups rely more on self-funding, or rounds from family/friends.

Toronto startups employ fewer people per stage than startups in SV, which is likely a result of undercapitalization.

Canadian Hub - Vancouver

Entrepreneurs' persona

		SILICON VALLEY
Age	36.7	34.12
Gender (F/M)	8% 92%	10% 90%
Education (dropout vs. master + PhD)	1 : 0.6	1 : 2.5
Serial Entrepreneur	50%	56%
Percentage of non-technical founding teams	9%	16%
Working hours per day	9.50	9.95
Percentage of founders who lived in SV	26%	100%
Motivation (product vs. impact)	2 : 1	1 : 1
Customer (B2B vs. B2C)	1.6 : 1	2 : 1
Market (new vs. niche)	2 : 1	4 : 1
Local startup examples	Flickr, Summify, Unbounce, PayrollHero, MediaCore	

Findings

Vancouver startups are 8% less likely to monetize directly than SV startups.

The funding climate for startups in Vancouver is insufficient, with startups receiving 80% less funding than startups in SV. They receive 72% less in Stage 2 (Validation) and 97% in stage 4 (Scale). The late stage funding market basically doesn't exist for Vancouver startups.

Vancouver startups employ less people per startup than their peers in SV.

Compared to entrepreneurs Silicon Valley, Vancouver entrepreneurs 59% less likely to consider customer acquisition their main challenge.

Vancouver entrepreneurs rely 2.75x more on advertising as a revenue stream than SV entrepreneurs.

Entrepreneurs in Vancouver are less likely to tackle 'new' markets and more likely to tackle 'niche' markets than their peers in SV.

Entrepreneurs in Vancouver are 10% less likely to be serial entrepreneurs compared to entrepreneurs in Silicon Valley.

Startups work the same hours in Vancouver as in SV.

Vancouver has a similar technology adoption rate to SV.

Vancouver startups are as data-driven as SV startups.

The Vancouver startup ecosystem has the same healthy mix of startups targeting consumers, enterprise, and SME customers as the SV startup ecosystem.

Paris

Entrepreneurs' persona

		SILICON VALLEY
Age	33.21	34.12
Gender (F/M)	7% 93%	10% 90%
Education	95% with higher education	1 : 2.5
Serial Entrepreneur	37%	56%
Percentage of non-technical founding teams	25%	16%
Working hours per day	9.88	9.95
Percentage of founders who lived in SV	25%	100%
Motivation (product vs. impact)	2.6 : 1	1 : 1
Customer (B2B vs. B2C)	3 : 1	2 : 1
Market (new vs. niche)	3 : 1	4 : 1
Local startup examples	Stupeflix, Kwaga, Appsfire, Hypios	

Findings

Paris startups are as likely to monetize directly as SV startups

Paris entrepreneurs are much more likely to have graduate degrees than entrepreneurs in SV (97% Master & PhD vs. 42% in SV).

Startups in Paris employ as many people per stage as startups in Silicon Valley.

There are no significant differences in the sizes of the markets entrepreneurs in Paris tackle vs. entrepreneurs in SV.

Paris entrepreneurs are as likely to work full time before product market fit as Silicon Valley entrepreneurs.

Paris entrepreneurs work 9.88 hours per day, which is almost the same as Silicon Valley entrepreneurs (9.95).

Paris startups are as data-driven as SV startups.

The Paris startup ecosystem has the same healthy mix of startups targeting consumers, enterprise, and SME customers.

Paris startups outsource as little product development as their peers in SV.

Startups in Paris raise 62% less funding than startups in SV.

There is a significant funding gap after product market fit in Paris. In total, Paris startups raise 95% less capital in stage 3 (Efficiency Stage) and 91% less capital in stage 4 (Scale Stage) than SV startups.

Due to the dearth of super angels and venture capital in Paris, entrepreneurs are almost solely reliant on self-funding, friends and family, and incubators for capital.

Sydney

Entrepreneurs' persona

		SILICON VALLEY
Age	33.43	34.12
Gender (F/M)	3% 97%	10% 90%
Education (dropout vs. master + PhD)	1 : 1.8	1 : 2.5
Serial Entrepreneur	45%	56%
Percentage of non-technical founding teams	20%	16%
Working hours per day	9.17	9.95
Percentage of founders who lived in SV	17%	100%
Motivation (product vs. impact)	2 : 1	1 : 1
Customer (B2B vs. B2C)	5 : 1	2 : 1
Market (new vs. niche)	1.7 : 1	4 : 1
Local startup examples	Atlassian, Spreets, Freelancer.com, Wooboard, Pygg, BigCommerce	

Findings

Sydney startups are 9% less likely to monetize directly than SV startups. Sydney entrepreneurs are as highly educated as SV entrepreneurs (37% Master & PhD vs. 42% in SV).

The key challenges for Sydney startups are similar to SV startups. Both consider customer acquisition, building the product, funding, and building the team to be their primary challenges.

Entrepreneurs in Sydney have a similar amount of mentors per startup as entrepreneurs in Silicon Valley.

Sydney entrepreneurs work 9.17 hours per day, almost as many as in SV (9.95).

Sydney startups outsource as much product development as their peers in SV, with less than 6% of product development being outsourced.

Founders in Sydney are as likely to tackle markets they have had previous experience in, as entrepreneurs in Silicon Valley (50%)

Startups in Sydney raise 59% less capital than startups in Silicon Valley.

Funding sources in Sydney are skewed towards self-funding, friends/family and incubators; significantly away from super angels and VCs.

Startups in Sydney have 43% fewer employees per stage compared to SV.

Sydney startups are 53% less likely to focus on consumers and 62% more likely to focus on SMEs.

Entrepreneurs in Sydney are 20% less likely to be a serial entrepreneur than entrepreneurs in SV.

Sydney startups are 57% more likely to tackle small markets compared to startups in Silicon Valley.

São Paulo

Entrepreneurs' persona

		SILICON VALLEY
Age	30.80	34.12
Gender (F/M)	4% 96%	10% 90%
Education (dropout vs. master + PhD)	1 : 10	1 : 2.5
Serial Entrepreneur	23%	56%
Percentage of non-technical founding teams	24%	16%
Working hours per day	8.86	9.95
Percentage of founders who lived in SV	26%	100%
Motivation (product vs. impact)	2.4 : 1	1 : 1
Customer (B2B vs. B2C)	1 : 1	2 : 1
Market (new vs. niche)	3 : 1	4 : 1
Local startup examples	Peixe Urbano, Dafiti, Kekanto, NetShoes, Descomplica	

Findings

Sao Paulo startups are 20% less likely to monetize directly than SV startups.

São Paulo entrepreneurs are similarly educated as SV entrepreneurs (40% Master & PhD vs. 42% in SV)

Startups in Sao Paulo employ as many people per stage as startups in Silicon Valley.

São Paulo startups are as data driven as SV startups.

The key challenges of Sao Paulo startups are similar to SV startups: customer acquisition, building the product, funding, and building the team.

The Sao Paulo startup ecosystem has the same healthy mix of startups targeting consumers, enterprise, and SME customers as SV.

Sao Paulo entrepreneurs tackle 'new' markets over 'niche' markets with equal proportion to SV entrepreneurs.

São Paulo entrepreneurs have an average age of 30.80, 3.32 years younger than their peers in SV.

São Paulo has a significant funding gap. Before and after product/market fit São Paulo startups raise 86% less capital than SV startups.

São Paulo startups use significantly different revenue streams to monetize than SV startups. Compared to SV, São Paulo startups focus 26% less on subscription models, half as much on advertising, and 30% more on transaction fees, and 2.2x more on a license fees.

São Paulo startups have 37% less support from mentors than SV startups. On average, startups in São Paulo have 2.51 mentors and SV startups have 4 mentors.

Moscow

Entrepreneurs' persona

		SILICON VALLEY
Age	27.90	34.12
Gender (F/M)	7% 93%	10% 90%
Education	1 : 2.3	1 : 2.5
Serial Entrepreneur	50%	56%
Percentage of non-technical founding teams	13%	16%
Working hours per day	9.38	9.95
Percentage of founders who lived in SV	10%	100%
Motivation (product vs. impact)	3.6 : 1	1 : 1
Customer (B2B vs. B2C)	1 : 2.5	2 : 1
Market (new vs. niche)	1.25 : 1	4 : 1
Local startup examples	Yandex, Ozon, Mail.ru, Abbyy and Kaspersky, Hipway, Zingaya	

Findings

Moscow startups are 32% more likely to monetize directly than SV startups.

Moscow entrepreneurs do have more Master degrees than SV entrepreneurs (69% Master vs. 37% in SV). On the other, they are also more likely to have no education at all (8% Master vs. 4% in SV), or only have a high school degree (15% vs. 2% in SV)

Moscow startups are as data-driven as SV startups.

There is an overall funding gap in Moscow, with 80% less funding raised by Moscow startups than SV startups.

There is a significant funding gap before and after product/market fit in Moscow. In total, Moscow startups raise 93% less capital in stage 2, 94% less in stage 3, and 76% less capital in stage 4 than SV startups. Funding sources in Moscow are relatively high on family/friends and self-funding, and low on Venture Capital.

Moscow has the lowest funding index within the top 20, only Santiago is lower. The funding gap is more present in the early stage than later. Even though Moscow has money, there are still few, young institutional vehicles for high risk capital such as accelerators, incubators, angels, super angels and VCs.

Moscow lacks a healthy mix of different revenue models among startups in comparison with SV.

In terms of total addressable market size, and the type of market tackled, Moscow startups are much less ambitious as SV startups.

Moscow startups tackle markets that are twice as small compared to SV startups.

Moscow entrepreneurs tackle are twice as likely to tackle niche markets.

Berlin

Entrepreneurs' persona

		SILICON VALLEY
Age	31.86	34.12
Gender (F/M)	3% 97%	10% 90%
Education	1 : 6	1 : 2.5
Serial Entrepreneur	40%	56%
Percentage of non-technical founding teams	17%	16%
Working hours per day	9.18	9.95
Percentage of founders who lived in SV	7%	100%
Motivation (product vs. impact)	1.6 : 1	1 : 1
Customer (B2B vs. B2C)	1.5 : 1	2 : 1
Market (new vs. niche)	1.8 : 1	4 : 1
Local startup examples	Soundcloud, Gidsy, EyeEm, Amen, Readmill	

Findings

Berlin startups are 11% more likely to monetize directly than SV startups.

Berlin entrepreneurs are less educated than SV entrepreneurs (59% Master & PhD vs. 42% in SV)

Startups in Berlin employ as many people per stage as startups in Silicon Valley.

Berlin entrepreneurs are as ambitious as SV entrepreneurs in terms of their motivation, working hours, and full time commitment before product/market fit.

Berlin has high technology adoption, startups heavily rely on Ruby, and not at all on Java and .NET.

Berlin entrepreneurs are almost 2 years younger on average than SV entrepreneurs.

The key challenges of Berlin startups are similar to SV startups.

There is an overall funding gap in Berlin, with 80% less funding raised by Berlin startups than SV startups.

There is a specific significant funding gap before and after product market fit in Berlin. In total, Berlin startups raise 87% less capital before product market fit and 79% less after product market fit than SV startups.

Funding sources in Berlin are relatively high on banks and low on accelerators, and VCs.

In terms of total addressable market size, and the type of market, Berlin startups are much less ambitious than SV startups.

Berlin startups are 54% more likely to tackle smaller markets than their peers in SV. They are 10% less likely to tackle \$1Billion to \$10 Billion markets, and 51% less likely to tackle markets greater than \$10 Billion. Berlin entrepreneurs tackle are almost twice as likely to target niche markets compared to SV entrepreneurs.

Canadian Hub - Waterloo

Entrepreneurs' persona

		SILICON VALLEY
Age	33.43	34.12
Gender (F/M)	9% 91%	10% 90%
Education (dropout vs. master + PhD)	1 : 2.3	1 : 2.5
Serial Entrepreneur	32%	56%
Percentage of non-technical founding teams	13%	16%
Working hours per day	9.80	9.95
Percentage of founders who lived in SV	35%	100%
Motivation (product vs. impact)	1.8 : 1	1 : 1
Customer (B2B vs. B2C)	2.3 : 1	2 : 1
Market (new vs. niche)	1.5 : 1	4 : 1
Local startup examples	TribeHR, Top Hat Monocle	

Findings

Waterloo startups are 18% more likely to monetize directly than SV startups. Waterloo entrepreneurs are less educated than SV entrepreneurs (32% Master & PhD vs. 42% in SV)

In terms of total addressable market and motivation, Waterloo entrepreneurs are similarly ambitious as SV entrepreneurs.

The average working hours in Waterloo are similar to SV.

The key challenges of Waterloo startups are similar to SV startups. Both focus on customer acquisition, building the product, funding, and building the team.

Waterloo has a similar technology adoption rate as SV. Waterloo startups are as data-driven as SV startups.

Waterloo entrepreneurs focus much more on mobile (28% vs. 17% in SV), and much less on web (50% vs. 73%). However, they also do more consulting as a side activity (17% vs. 7% in SV).

Waterloo has a funding gap (96% less in the second stage) for early stage startups before product market fit, probably due to a lack of super angels and micro VCs.

There are high numbers of accelerators and much lower numbers of super angels and VCs than SV.

Startups in Waterloo employ slightly fewer numbers of people on average compared to startups in SV (8.0 vs. 9.79 in SV).

Waterloo entrepreneurs are 15% less likely to go full time on their company before reaching product/market fit compared to entrepreneurs in SV.

Waterloo startups outsource twice as much of their product development as SV startups (12% vs. 6% in SV).

Singapore

Entrepreneurs' persona

		SILICON VALLEY
Age	33.35	34.12
Gender (F/M)	5% 95%	10% 90%
Education (dropout vs. master + PhD)	1 : 6	1 : 2.5
Serial Entrepreneur	32%	56%
Percentage of non-technical founding teams	26%	16%
Working hours per day	11.00	9.95
Percentage of founders who lived in SV	33%	100%
Motivation (product vs. impact)	1 : 1	1 : 1
Customer (B2B vs. B2C)	2 : 1	2 : 1
Market (new vs. niche)	1.4 : 1	4 : 1
Local startup examples	Mig33, Viki, Zopim, Bubble Motion, Buzz City, Tencube	

Findings

Singaporean startups are 15% more likely to monetize directly than SV startups.

Singaporean entrepreneurs are as highly educated as SV ones (52% Master & PhD vs. 42% in SV).

The Singapore startup ecosystem has the same healthy mix of startups targeting consumers, enterprise, and SME customers as SV.

The key challenges of Singaporean startups are similar to SV startups.

Startups in Singapore are 88% undercapitalized compared to SV startups before product market fit.

Funding sources in Singapore rely more on incubators and self-funding, less on accelerators, super angels, and VCs.

Startups in Singapore have less employees per stage (6.57) compared to SV.

Startups in Singapore have 35% fewer mentors per company compared to startups in Silicon Valley..

There are 46% fewer serial entrepreneurs proportionally in Singapore than in SV.

Singaporean startups rely more on advertising and license fee revenue models than SV startups.

There is lower technology adoption in Singapore than in SV. Singaporean startups heavily rely on PHP, Java, and .NET, with no use of Ruby compared to their peers in SV.

Singaporean startups are 50% less data driven than startups in SV.

Singaporean entrepreneurs focus 51% less on web, 48% more on mobile, 2.4x more on consulting, and 7.1x more on non-web software.

Melbourne

Entrepreneurs' persona

		SILICON VALLEY
Age	33.06	34.12
Gender (F/M)	6% 94%	10% 90%
Education (dropout vs. master + PhD)	1 : 1.3	1 : 2.5
Serial Entrepreneur	33%	56%
Percentage of non-technical founding teams	24%	16%
Working hours per day	9.80	9.95
Percentage of founders who lived in SV	24%	100%
Motivation (product vs. impact)	4 : 1	1 : 1
Customer (B2B vs. B2C)	2 : 1	2 : 1
Market (new vs. niche)	0.9 : 1	4 : 1
Local startup examples	Sitepoint, 99designs, Redbubble, Retailmenot, Scoopon	

Findings

Melbourne startups are 23% less likely to monetize directly than SV startups.

Melbourne entrepreneurs are less educated as SV entrepreneurs (22% Master & PhD vs. 42% in SV)

Melbourne startups are 42% more data-driven than SV startups.

Melbourne entrepreneurs work 9.8 hours per day, almost as many as SV (9.95).

There are similar level of support from mentors for startups in Melbourne as in SV.

Founders in Melbourne are as likely to tackle markets they have had previous experience in, as entrepreneurs in Silicon Valley.

Funding for startups in Melbourne is insufficient before and after product market fit. Melbourne startups receive 86% less funding than SV startups.

Melbourne has a funding gap (97% less in the second stage) for early stage startups before product market fit.

Melbourne also has a funding gap. After product/market fit, Melbourne startups receive 2.25x less funding when scaling compared to their peers in SV.

Startups in Melbourne employ 71% fewer people per stage (7.02) compared to SV.

There are 40% fewer serial entrepreneurs, proportionally, in Melbourne compared to SV.

Melbourne entrepreneurs are 23% less likely to commit full time before finding product market fit than their peers in SV.

Bangalore

Entrepreneurs' persona

		SILICON VALLEY
Age	37.00	34.12
Gender (F/M)	6% 94%	10% 90%
Education	1 : 4.5	1 : 2.5
Serial Entrepreneur	24%	56%
Percentage of non-technical founding teams	15%	16%
Working hours per day	10.86	9.95
Percentage of founders who lived in SV	8%	100%
Motivation (product vs. impact)	2 : 1	1 : 1
Customer (B2B vs. B2C)	1.4 : 1	2 : 1
Market (new vs. niche)	2.4 : 1	4 : 1
Local startup examples	Flipkart, Tally, Zoho , Make my Trip, hungama	

Findings

Bangalore startups are 24% more likely to monetize directly than SV startups. Bangalore entrepreneurs are as highly educated as SV

Startups in Bangalore employ as many people per stage as startups in Silicon Valley.

There is similar motivation in Bangalore to SV: 56% of entrepreneurs in Bangalore are motivated by building a great product, and 30% are motivated by trying to change the world. Interestingly, entrepreneurs in Bangalore do not seek to create or clone already proven business models.

Bangalore entrepreneurs commit as heavily as SV entrepreneurs to work full time before product/market fit. Bangalore entrepreneurs work almost 1 hour more per day compared to SV (10.86 vs. 9.95 in SV).

The key challenges of Bangalore startups are similar to SV startups. Both focus on customer acquisition, building the product, funding, and building the team.

There is an overall funding gap, with 74% less funding raised in Bangalore compared to SV. There is a significant funding difference before and after product/market fit in Bangalore.

Bangalore startups are 67% more likely to tackle smaller markets than their peers in SV. They are 10% less likely to tackle markets sized \$1 to \$10 Billion, and 51% less likely to tackle markets greater than \$10 Billion.

There is a significant difference in terms of revenue streams between Bangalore and SV. Subscription models are 59% less likely to be used, advertising 37% less likely to be used, transaction fee models 44% more likely to be used and license fee models 3.4x more likely to be used compared to startups in SV.

Bangalore has a low rate of technology adoption: Bangalore engineers heavily rely on PHP, and Java, and much less on Ruby and Python compared to their peers in SV.

Santiago

Entrepreneurs' persona

		SILICON VALLEY
Age	28.42	34.12
Gender (F/M)	20% 80%	10% 90%
Education	1 : 1.3	1 : 2.5
Serial Entrepreneur	25%	56%
Percentage of non-technical founding teams	8%	16%
Working hours per day	8.76	9.95
Percentage of founders who lived in SV	11%	100%
Motivation (product vs. impact)	1.3 : 1	1 : 1
Customer (B2B vs. B2C)	1.2 : 1	2 : 1
Market (new vs. niche)	1.4 : 1	4 : 1
Local startup examples	AgentPiggy, QuantConnect, Glazeon, Kuotos	

Findings

Santiago startups are 31% more likely to monetize directly than SV startups.

Santiago entrepreneurs are less educated than SV entrepreneurs (26% Master & PhD vs. 42% in SV).

Startups in Santiago employ as many people per stage as startups in Silicon Valley.

Overall, Santiago startups are similarly ambitious as Silicon Valley startups.

Santiago startups are 53% more likely to tackle smaller markets than their peers in SV. They are 55% less likely to tackle markets sized 1 to 10 Billion 1% more likely to tackle markets larger than \$10 Billion.

Santiago entrepreneurs are 7.3% more likely to commit full time than their peers in SV.

The key challenges of Santiago startups are similar to SV startups. Both focus on customer acquisition, building the product, funding, and building the team.

There is an overall funding gap in Santiago. 96% less funding is raised by Santiago startups than SV startups.

There is a significant funding difference before and after product/market fit in Santiago. In total, Santiago startups raise 97% less capital in stage 2, 94% less in stage 3, and 90% less in stage 4 than SV startups.

Santiago relies highly on accelerators and incubators, and much less on angels, and super angels, with no capital from VCs at all.

Santiago founders work almost an 1 hour less per day compared to SV founders (8.76 vs. 9.95 in SV).

Santiago entrepreneurs prefer transaction fees (38% vs. 17% in SV) over subscription based models (23% vs. 48% in SV).