ESTONIAN STARTUP ECOSYSTEM PARTICIPANTS SATISFACTION SURVEY 2022

FINAL REPORT

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INTRODUCTION

The goal of the Startup Estonia (hereinafter SUE) programme is to create more success stories of startup companies (hereinafter also referred to as startups) in Estonia, by developing their ecosystem for that purpose.[1] The parties of the ecosystem are startup companies, support organisations that provide services to the latter, i.e. the community[2], consultation companies[3] and also public sector service providers. As of April 2022, the Estonian Startup Database includes nearly 1,320 startups and 120 institutions operating in Estonia that participate in the provision of services to startups and the teams developing into startups.

It is important for SUE to consistently get an adequate verified overview of the strengths and weaknesses of the Estonian startup ecosystem, viewed both by startup companies and community members. The satisfaction survey in the field of startup business has been conducted twice so far. The survey organised in December 2016 focused on mapping the general satisfaction with existing services. The aim of the 2018 survey was to map the satisfaction of the parties of the Estonian startup ecosystem with the ecosystem and to investigate the awareness of the support organisations and startups operating in the field about SUE and the services offered by them.

PURPOSE OF THE SURVEY

The aim of this study was to conduct a satisfaction survey of the parties participating in the startup ecosystem based on the activities coordinated by SUE. The output of the survey is a mapping of startup ecosystem bottlenecks, which can be used to organise future startup ecosystem development programme procurements and plan other ecosystem development activities. The survey focused on ecosystem parties':

- awareness of SUE and the goals of its activities;
- satisfaction with SUE's services and activities;
- awareness and user experience regarding the Estonian Startup Database;
- awareness of the activities of SUE's focus areas;
- vision of the development of ecosystem in the near future.

In addition, the startup community's assessment of its own activities and the satisfaction and expectations of startups for support services were studied.

The survey was conducted in such a way that the results were as comparable as possible to the previous satisfaction survey conducted in 2018. However, a lot has though changed compared to the period when the last survey was carried out, incl. SUE has taken into account the problems or bottlenecks revealed during the 2018 survey in the organisation and direction of its activities. Due to the latter the content of many services has changed or new services and activities have appeared, which is why it is not always possible to compare satisfaction with services in two periods. The brief overview of the results of the 2018 survey has been provided in the appendices.

TARGET GROUPS OF THE SURVEY

The survey was conducted in the following target groups:

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[1] Startup Estonia, who we are. Kredex. Read at: https://kredex.ee/et/startup-estonia

[2] Incubators, cooperation centres, mentorships, investments, laboratories, business accelerators, event organisers and other institutions offering services to startups

[3] Consultation companies dealing with legal advice and starting a business

- target group 1: startups - 1,320 startups (based on the Estonian Startup Database as of April 2022)
- target group 2: organisations providing services to startup companies, i.e. the startup community - approximately 80 organisations;
- target group 3: consultation companies dealing with legal advice and starting a business, including public sector service providers - approximately 40 institutions.

The term "support organisations" refers to both target group 2 and target group 3 in the report. For target group 1, the term startup company and startup are used interchangeably.

METHODOLOGY

In order to find answers to the posed research questions, a quantitative survey followed by the qualitative analysis based on (focus group) interviews were carried out.

The study was conducted in four different phases. In the first stage of the study, preparatory activities were carried out, which were the basis for preparing the collection of primary data. The primary data were collected by using the quantitative survey in the second stage and qualitative focus groups in the third stage. In the last, fourth stage of the study, the comprehensive analysis and synthesis of all collected data were carried out and this report was prepared. The collected input has been analysed separately for each target group (1 and 2) in the report.

QUANTITATIVE SURVEY

The survey was conducted electronically through two separate questionnaires. One questionnaire for target group 1 and another questionnaire for target groups 2 and 3. It was possible to answer both questionnaires in two languages: Estonian or English. The survey was conducted by the professional data collection company Norstat by using the database provided by the customer. During fieldwork it was ensured that the sample would be as versatile as possible and representative of the actual target group (see Table 1).

The majority responded to the survey online. Among those target groups where the response rate remained low, phone interviews were used to fill the sample. The phone interviews were started approximately 1 week after the survey invitations were sent out online.

TABLE 1. INITIAL ELECTRONIC SURVEY SAMPLE AND RESPONSE RATES

TARGET GROUP	TOTAL NUMBER OF REPRESENTATIVES IN THE SAMPLE	ANTICIPATED SAMPLE FOR QUESTIONNAIRE SURVEY		MINIMUM SAMPLE FOR QUESTIONNAIRE SURVEY		ACHIEVED SAMPLE FOR QUESTIONNAIRE SURVEY	
Target group 1: startups, including scaleups	1 320	20%	264	15%	198	15%	199
Target group 2: startup community	80	65%	52	60%	48	65%	52
Target group 3: consultation companies, including public sector service providers	40	25%	10	20%	8	15%	6

The analysis of the results was performed across all target groups, if possible, the results are compared separately for each sub-target group (target group 1, 2 and 3[4]).

[4] Due to the small sample of target group 3, the results of this target group are analysed together with the results of target group 2.

QUALITATIVE FOCUS GROUP INTERVIEWS

In stage III of the study, focus group interviews were conducted among target groups 1 and 2. The interviews were conducted based on the target group. During sampling it was made sure that it would cover startups operating in all four life cycle stages (in case of target group 1). In case of target group 2, that providers of different service types would be covered. The more detailed overview of the number of participants and conducted groups can be found in Table 2.

TABLE 2. INITIAL SAMPLE OF FOCUS GROUP INTERVIEWS AND PARTICIPANTS

TARGET GROUP	GENERAL SAMPLE	EXPECTED MINIMUM NUMBER OF INTERVIEWS AND PARTICIPANTS FOR THE FOCUS GROUP	NUMBER OF PARTICIPANTS ACHIEVED	NUMBER OF FOCUS GROUPS CONDUCTED
Target group 1: startups, incl:	1 320	Total of 7-9 focus groups, 3-6 participants in each focus group		
• Idea and seed stage			9	7
• Product/market fit stage			3	
• Scaling stage			8	
Target group 2: Startup community, including incubators, accelerators, investors, cooperation centres and event/conference organisers	80	Total of 4-5 focus groups, total of at least 30 representatives of the target group will participate in the interviews	29	9

Target group 1 – startups

19 people participated in the startup focus group interviews. One registered person sent his/her answers in writing, i.e. input was received from 20 startups in total.

The total of seven focus groups were conducted, two of which included idea and seed stage companies, two product/market fit stage, two scaling stage startups and one focus group involved seed and scaling stage companies. Nine of the participants were from the idea and seed stage, three from the product/market fit stage and eight from the scaling stage.

Seven of the startup companies that participated in the interviews were Estonian founders and thirteen foreign founders[5]. During the analysis it has been observed that the differences between the two groups (i.e. Estonian founders and foreign founders) have been clearly pointed out. Also, the final sample was drawn up in such a way that startups at different scaling stages were covered.

The participants were recruited to the focus groups in two ways. First, the consent of the startups to participate was asked as part of a questionnaire survey. In addition, the client helped to invite the participants to the focus groups by distributing information in the newsletters of the focus areas. The

[5] The founders who have established a startup company by using the option of "Startup Visa for Founder"

invitations to participate in the interviews were sent to those startups that participated in the online survey and later the invitation to participate in the interview was sent to the entire contact base. In sub-target groups, where the participation rate was still low, separate contact was made by email. Finally, those startups which showed interest were invited to participate.

Target group 2 - support organisations

29 people participated in the focus group interviews of support organisations.

The participants represented the providers of different types of services: venture capital funds, accelerators, cooperation centres, incubators, events, networks, as well as other community representatives. In the end, the representatives of target group 3 were also involved in a smaller proportion, whose role is not specified to ensure anonymity.

The participants were recruited to the focus groups in two ways. First, support organisations were asked for their consent to participate in the questionnaire survey. Since the desired sample was not obtained based on this, the support organisations in the SUE contact base were invited to participate in the interview. In addition, the client helped to invite participants to the focus groups by spreading information in its channels.

RECOMMENDATIONS FOR FUTURE FEEDBACK COLLECTION

As it became clear during previously conducted surveys, reaching these target groups in the desired volume can be very difficult, ideas were collected on how to collect feedback from various parties in the future. A number of shortcomings were detected in the current conduct, where the surveys are carried out on a multi-annual interim cycle and are very voluminous in nature and map many different topics. As the sector is developing very quickly, the surveys with a multi-annual interim cycle do not give the desired result according to the participants, as these do not allow responding to important problems quickly enough. Answering voluminous surveys is time-consuming for the respondent, but at the same time it does not allow to go into specific topics in sufficient depth. Based on this, the collection of feedback could be significantly more personal, the volume more specific and the interval more frequent. Feedback should be more specifically focused on only one or two specific services or topics.

In addition, startups considered the benefit factor from participation as an additional motivator. The desire to provide feedback is certainly greater if it is perceived to be of concrete benefit. This can be a direct material benefit (e.g. gift cards for participation, consultations) or a substantive benefit (resulting in tangible change and impact).

1. AWARENESS AND SATISFACTION WITH THE SERVICES OF STARTUP ESTONIA

SUE has two main target groups: startups and support organisations that provide services to startups. SUE offers its services to both target groups.

The services offered to support organisations:

- community meetings
- community study tour
- public procurement for ecosystem development
- ordering small-scale startup business development services

SUE organises the activities of community members in expert groups, the aim of which is to develop the respective field further. The expert groups deal with the following topics: *Diversity, Future Founder, Global Talent, Regional Development* and *Science in Tech*.

The following services are aimed at startups by SUE:

- Startup visa, which allows the foreign founders from third countries to develop their company in Estonia. It also allows an Estonian startup to hire labour from third countries by simplified procedure (Startup Visa).
- Offer of model documents - SUE offers legal documents in the startup field free of charge on its website. Their goal is to educate the community, help create a startup and reduce legal costs (Model Documents).
- Managing the Estonian Startup Database - the database is the most comprehensive overview of the Estonian startup companies (Estonian Startup Database). A startup can join the database by creating a company profile on the Dealum platform and entering specific information related to the startup. The public data coming through the Estonian Tax and Customs Board is automatically quarterly updated. The reviews and analyses related to the Estonian startup sector are also prepared based on the database (Statistics & Surveys — SUE).
- Mediation of information and offers - SUE manages several social media channels (Facebook, Twitter, LinkedIn, Instagram), in addition to the newsletter and newsletters of focus areas.

In addition, special activities are aimed at focus areas, each of which has its own objectives. The focus areas are:

- Cyber Technology (CyberTech) – the goal of the focus area is to strengthen the local cyber technology ecosystem, increase the number of new cyber technology startups and support the activities of already operating startups (Cyber Tech Focus);
- Educational Technology (EdTech) – the goal of the focus area's activity is to contribute to the promotion of educational innovation in cooperation with NGO EdTech Estonia by supporting EdTech companies in their expansion to foreign markets, bringing together educational technology startups and educational institutions for the creation of new EdTech solutions and spreading the startup mindset among schoolchildren (EdTech Focus);
- Ida-Viru region – the focus area is a pilot project with the goal to develop a sustainable startup ecosystem (Ida-Viru) in Ida-Virumaa.

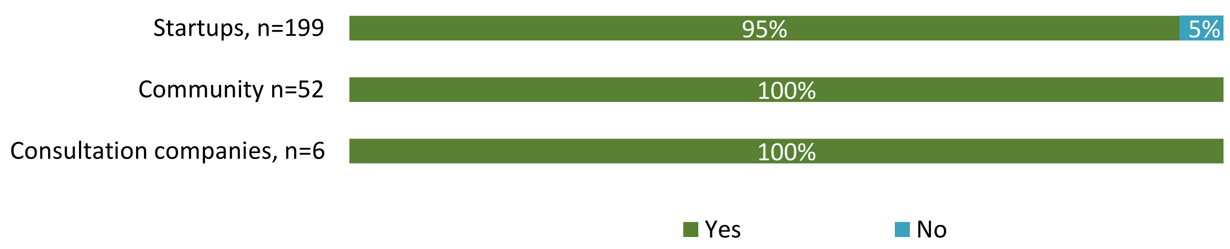
- Deep Technology (DeepTech) - the goal of the focus area is to create an economic environment that favours research and technology-intensive startups. By deep technologies we understand the technologies that are based on scientific discoveries or breakthrough technological innovations and the development of which requires significant intellectual and economic capital, but which have the potential to become widely used and easily scalable in the future.

1.1. AWARENESS OF STARTUPS AND SUPPORT ORGANISATIONS ABOUT SUE

The following describes the awareness of startups and support organisations about SUE and their awareness and satisfaction with the services provided by SUE. The results of the survey have been compared with the results of the 2018 survey where possible.

Almost all of the startups participating in the survey (95%) and all of the ecosystem community members and consultation companies are aware of SUE (see Figure 1). Among startup companies, 10 out of 199 respondents who took part in the survey indicated that they had not heard or been aware of SUE before. Most of them are teams of up to 10 members with an average monthly turnover of less than 50,000 euros.

FIGURE 1. STARTUP ECOSYSTEM AWARENESS OF STARTUP ESTONIA. % OF THE RELEVANT TARGET GROUP.



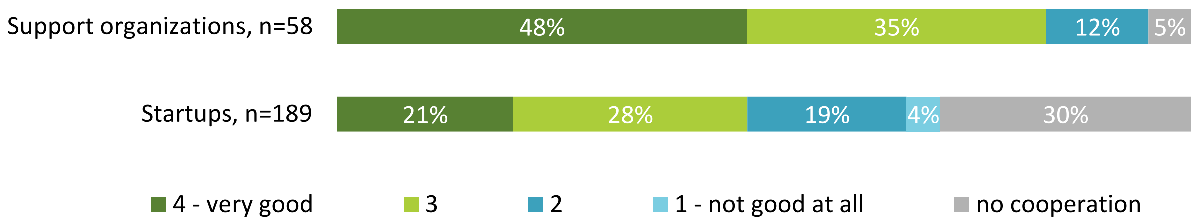
Compared to the results of the 2018 survey, the awareness of SUE services has increased in all target groups. The awareness of support organisations of SUE activities has increased by 9% (last time the same figure was 91%) and among startups by 15% (last time the same figure was 80%). The reasons for the increase in awareness were not analysed separately in the survey, but it can be assumed that a longer period of operation as well as an increase in awareness of specific services, which increase general awareness of the institution, play a role here. At the same time it should be taken into account that the formulation of the question was slightly different[6] in the previous survey and thus the results are not completely comparable.

Although the awareness of SUE as an institution is high according to the survey, the results of the interviews revealed that the role and purpose of SUE may not be so clear. This was mostly evident from the interviews with foreign founders, for whom it was difficult to distinguish between the function of SUE and support organisations. This means that the foreign founders have been waiting for help from SUE, which should actually be provided by support organisations. So far, many foreign founders have felt that they are on their own after registering a company, but would need more guidance and help in developing a business. At this point reaching the right networks or information channels would be enough.

[6] In the survey conducted in 2018 the awareness of SUE as a national umbrella organisation was studied.

In addition to awareness, both target groups were asked to assess their cooperation with SUE (see Figure 2).

FIGURE 2. HOW DO YOU ASSESS YOUR COOPERATION WITH STARTUP ESTONIA?



The support organisations rated cooperation with SUE very highly - the majority (83% of respondents) rate cooperation rather or very good. The cooperation of different parties has been described in more detail in chapter 2.2 Cooperation within the ecosystem.

In case of startups the results are somewhat more modest, where almost half of the startup companies (49%) are satisfied with the cooperation and almost a quarter of the respondents (23%) are rather or not at all satisfied. Based on the information collected during the focus groups this may be due to the fact that startups expect more support from SUE than they currently receive. The chapters 1.2. and 2.1. describe several proposals of startups about which additional support is expected from SUE.

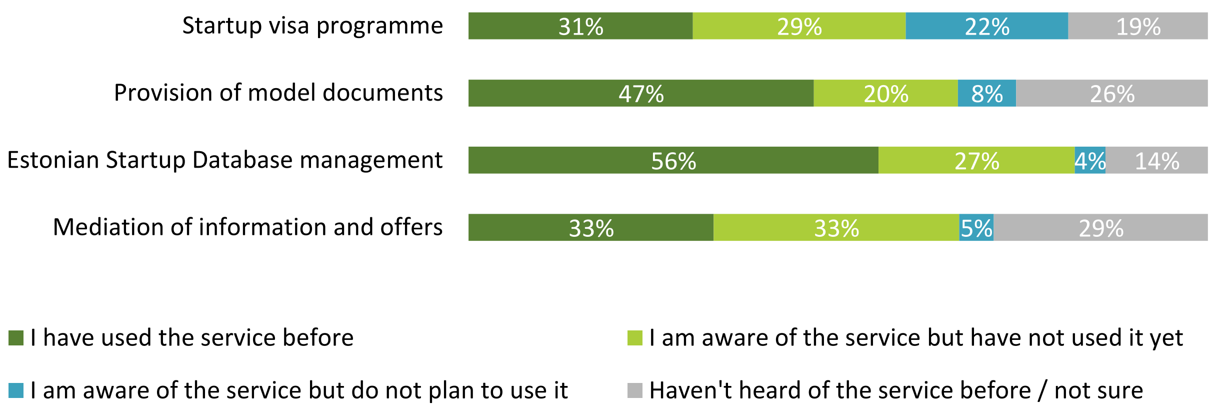
Almost a third (30%) of the participating startups stated that they do not have cooperation with SUE. At the same time it should be taken into account that startups may not often perceive the services offered by SUE as so-called cooperation, since the use of services does not require direct communication or cooperation (e.g. the provision of model documents).

1.2. AWARENESS AND SATISFACTION OF STARTUP COMPANIES WITH SERVICES

The following sub-chapter examines the awareness and satisfaction of startups with the services offered by SUE. The chapter deals with the results of both startup companies and target groups of support organisations.

The awareness of SUE services is high and exceeds 70% in case of all services (see Figure 3). However, fewer companies have used the services. The Estonian Startup Database (56%) and model documents (47%) are the most widely used services. About a third of startups have received information and offers mediated by SUE (33%) and about the same number (31%) have taken part in the startup visa program.

FIGURE 3. PLEASE INDICATE WHICH SERVICES STARTUP ESTONIA OFFERS TO STARTUPS ACCORDING TO YOUR INFORMATION? MARK ONLY THE SERVICES THAT YOU HAVE HEARD / HAVE BEEN AWARE OF EARLIER. N= 189. % OF THE RELEVANT TARGET GROUP.



The number of companies that are aware of SUE services but do not plan to use these is modest for most services (5% to 8% of the target group). Among others, only the startup visa program stands out here, which nearly a fifth of the respondents are aware of, but do not plan to use. This result can be considered quite logical, considering that it is a service aimed at a limited target group. For example, a startup may be aware of this possibility, but is not yet ready to hire foreign labour from third countries.

It is also important to highlight that a considerable number of respondents have not heard of the various services at all or recognised it as a SUE activity for themselves. The respondents are least aware of the mediation of information and offers (29%) and the provision of model documents (26%). However, the latter is one of the most highly rated SUE services (see Figure 4).

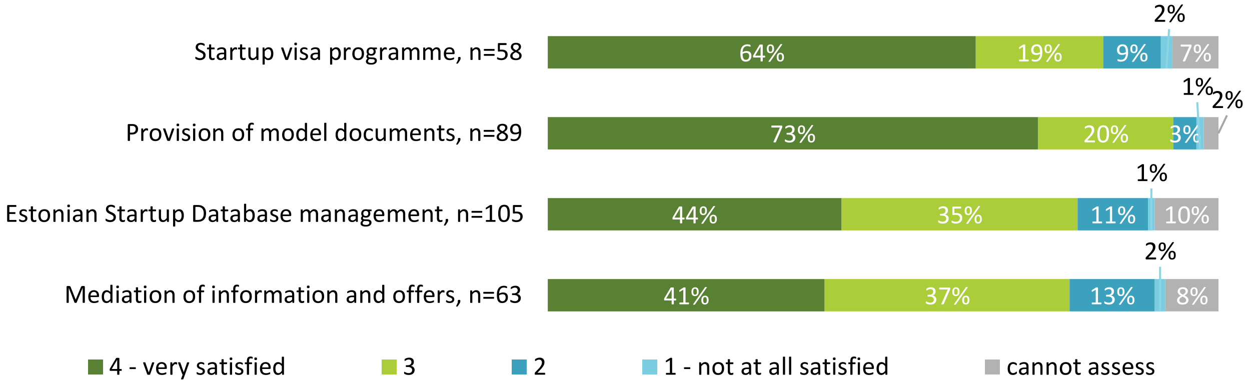
In connection with the results of the 2018 survey it can be pointed out that the awareness of SUE's role in managing the Estonian Startup Database and the provision of support materials and document forms on their website has increased significantly (by 14% and 18%, respectively).

In addition to the mentioned services, according to the recommendations of the survey conducted in 2018, SUE has mapped separate activities in four focus areas which were considered a priority. SUE involved experts in the respective fields for the development of the focus areas. If in 2018 there was only one focus area, i.e. CyberTech, today EdTech, DeepTech and the focus areas of the Ida-Viru region have been added to it. The participants were asked to give feedback on the activities of the focus areas during the focus groups. The interviews revealed the awareness of these activities is relatively low compared to other services. Only about half of the companies that participated in the interviews and belonged to the focus areas and participated in the interviews were aware of the focus areas.

In addition to awareness, startups were asked to assess how satisfied they are with the services they used and how necessary they consider SUE's services. The satisfaction with the service was assessed by startups having used the service before. The necessity of the services was assessed by the startups who had used the service before and were also aware of it.

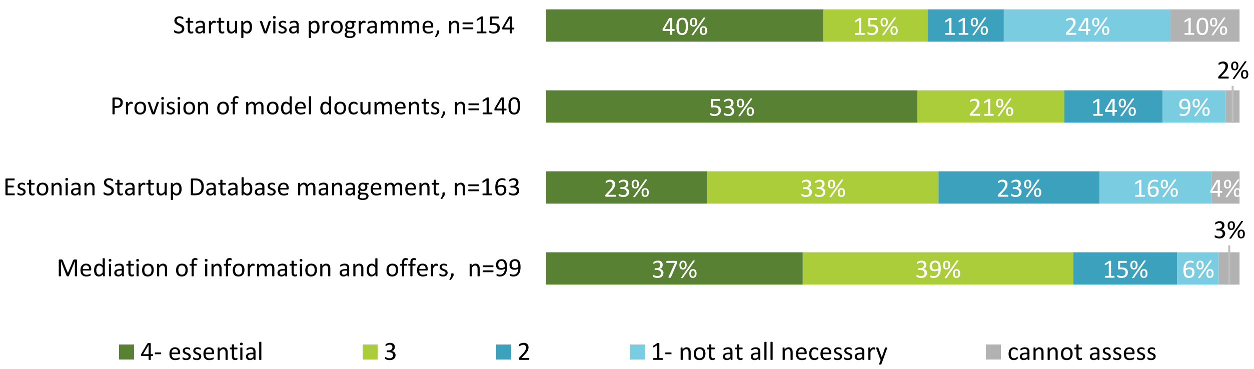
Satisfaction is rated very high for all services (see Figure 4) - for each service, at least 78% of those who used the service are very or rather satisfied. Somewhat more modest assessments were given regarding the Estonian Startup Database and mediation of information and offers, where the percentage of those who are "very satisfied" with the service is significantly lower compared to other services.

FIGURE 4. PLEASE ASSESS HOW SATISFIED YOU WERE WITH THE USE THE FOLLOWING SERVICES? % OF THE STARTUP COMPANIES THAT HAVE USED THE RELEVANT SERVICE.



In the 2018 survey, startups were asked to assess the necessity of the services offered by SUE in the Estonian startup landscape. The result was that 70% to 80% of the respondents assessed the services as necessary. In this survey the startups were asked to assess how necessary SUE services are for their own organisation (see Figure 5).

FIGURE 5. HOW NECESSARY DO YOU ASSESS THE FOLLOWING SERVICES FOR YOUR ORGANISATION, TAKING INTO ACCOUNT THE CURRENT SCALING STAGE OF YOUR COMPANY? PERCENTAGE OF THE RESPONDENTS.



The answers show that the needs of startups are different. The same service has been assessed by some as very necessary and by others as not necessary at all. Each service has been below analysed separately.

STARTUP VISA PROGRAMME

22% of the founders who responded to the survey questionnaire had founded their startup by using the startup visa program. More than half (55%) of the respondents who had previously used the service or were aware of it consider it necessary, while slightly more than a third (35%) do not. This can be considered logical, since the activity has a limited target group.

Although there are startups in all stages of development that rated the service as necessary and unnecessary, the analysis concludes that the service is more necessary for larger companies. For example, as to the startups with more than 10 employees and monthly turnover of higher than 50,000 euros, the total of 74% of the respondents consider the service necessary.

PROVISION OF MODEL DOCUMENTS

The vast majority of respondents (74%) consider the provision of model documents necessary. The service is considered very practical. One of the strengths of the service was that it allows you to save on the costs of legal assistance, as the documents only have to be changed as needed. Model documents also give a good idea of how the document should look.

Almost a fifth have rated the service of model documents as unnecessary. Among them, it is the larger startups that stand out more than the average. 13% of the respondents consider the service unnecessary in the seed stage, 44% in the scaling stage. During the interviews it was pointed out that the provision of model documents is helpful, but there are more important problems for companies. For example, support in finding financing, expanding to foreign markets, etc.

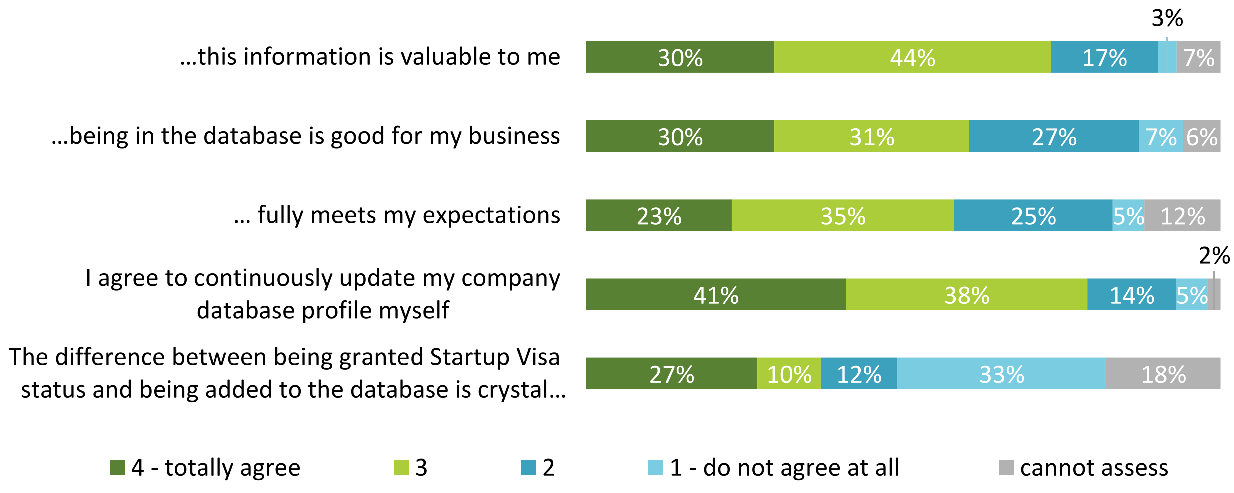
Grey areas in Estonian legislation regarding startup business were also pointed out in the interviews. As an example, it was stated that a difficult situation can arise in a startup company, if the investor makes an investment in the form of a service, not financially. The basic regulation does exist for this occasion, as the contribution to the company may be non-monetary. The situation can become complicated if the contribution has a representative role - for example, marketing and sales, where it is not the hourly work that matters, but the transactions achieved, important contacts, etc.

The 2018 satisfaction survey described a problem where model documents might not have been accepted by the legal service providers who did not participate in the development. This survey did not reveal such a problem.

MANAGEMENT OF THE ESTONIAN STARTUP DATABASE

Estonian Startup Database is considered necessary by half of the respondents (56%). In addition to the necessity of the service, the respondents were asked to assess how much they agree with the various statements about the functioning of the database (see Figure 6).

FIGURE 6. PLEASE INDICATE HOW MUCH YOU AGREE WITH THE FOLLOWING STATEMENTS. ESTONIAN STARTUP DATABASE... N=105. % OF THE RELEVANT TARGET GROUP.



The assessments vary quite a bit between different statements. The majority of the respondents (74%) found that the information in the database is valuable to them. Somewhat less respondents rated being on the database list as useful for their company (61% in total). This topic was also discussed in the focus group interviews, in which the participants undoubtedly considered the database necessary, but several shortcomings were seen in the current version. The important keyword here is to feel the usefulness of being in the database. If being in the database offers greater benefits, the majority of startups would be willing to update their profile themselves. The benefits usually mean the following:

- the visibility of the company would increase, especially in the eyes of potential investors, but also among possible cooperation partners and customers;
- thanks to being in the database, the company would receive important information, for example, about financing opportunities, services, *pitch* competitions, events, etc;
- SUE would do something additional with the collected data, e.g. use it as a source of statistics for lawmaking or for sector reviews and startups would also be aware of this[7];
- SUE would connect the companies in the database with investors, mentors and other startups. SUE could mutually validate the eligible partner;
- the companies could also use the entered data by themselves for other purposes, for example, for participation in procurements for European corporations and for banks;

According to the companies it is also important that data entry and ease of use of the database is good and that they are reminded of the need to update data. In addition, during the questionnaire survey and focus group interviews, several recommendations were made on how to develop the database further. As an example, the following information and/or possibilities were mentioned:

- who are the owners of the company;
- a description of the company's activities. A good example is the European EdTech Map[8], which includes a longer description of the company;
- the company's description could also be visible in the company list view, without having to click on the companies one by one;
- a free field where the company could write what they are interested in - e.g. which services they are interested in, in which part they can help as an advisor, which countries they want to enter, etc;
- export regions. For example, if 10 startups who are strangers to each other have indicated that they want to export to one specific country, SUE could connect them based on this information or they could contact each other themselves;
- the possibility to mark several categories as the company's field of activity at the same time;
- category of "Insurtech" field of activity;
- a contact module allowing you to easily contact the company;
- statistics module, where you can see from which countries and how many people have visited the company's profile.

Comparing the results with the 2018 satisfaction survey, the input was quite similar, where the main question for startups was the efficiency of being in the database.

During the interviews of the support organisations, it was also believed that the SUE database is outdated and sometimes it may contain incomplete information, so the database would need a more thorough renewal and updating. It is considered necessary to be able to distinguish startups regionally and to get information about their cooperation partners, as well as about the development stage. It is also expected

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[7] SUE prepares sector reviews based on the data, but probably not all startups are aware of this.
[8] Public European EdTech map. Read at: https://www.edtecheurope.org/european-edtech-map

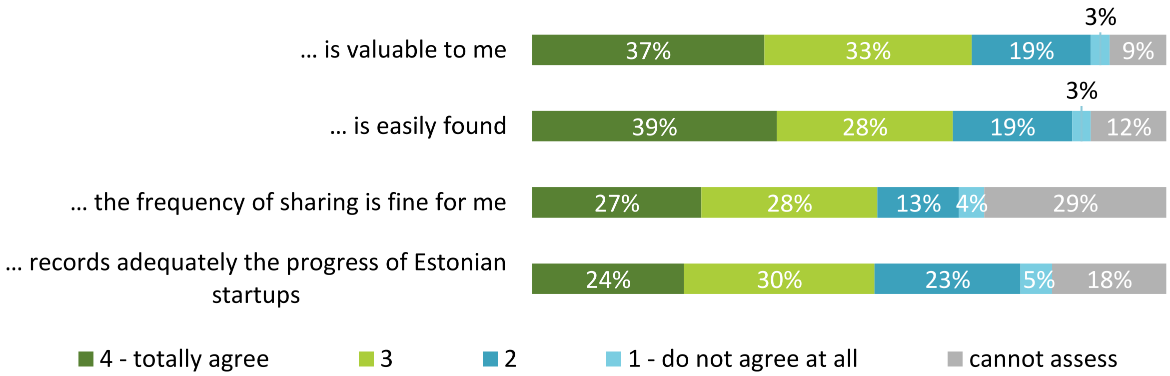
to be able to get more general information about the company's activities and the economic indicators may also be outdated.

In addition, the respondents were asked whether the difference between being granted startup visa status and being added to the database was completely clear to them. The question arises from the fact that the Dealum platform is used for both services. The results suggest this difference is not clear for startups. There is a higher proportion of those who indicated that they did not understand it (45% v 37%). There was also quite large number of respondents who could not answer the question (18%).

MEDIATION OF INFORMATION AND OFFERS

Mostly, the information provided by SUE is considered valuable for one's company (70% of respondents) and easy to find (67% of respondents). At the same time there are also nearly a fifth of respondents who do not consider the information valuable or easy to find (see Figure 7).

FIGURE 7. PLEASE INDICATE HOW MUCH YOU AGREE WITH THE FOLLOWING STATEMENTS. THE INFORMATION PROVIDED BY STARTUP ESTONIA… N=189. % OF THE TARGET GROUP.



Both local and foreign founders agree SUE should support the starting startup with relevant information so startup can get an overview of both the local and international ecosystem and its opportunities as soon as possible. The following ideas were proposed:

- the registration of the company should be followed by the address from the side of SUE, which asks whether it is a startup company and what is the sector that it operates in and explains what kind of support is available;
- SUE should provide information in the form of wikipedia or a digital decision tree, which partially does the selection for the company.

In the course of the interviews conducted with support organisations, it became clear information materials in the style of a "guidepost" aimed at citizens and founders of both Estonian and foreign countries are expected from SUE.

In case of the Estonian ecosystem, the foreign founders living outside of Estonia have the biggest information gap. Unlike local startups, they do not have a local contact network. It emerged from interviews, foreign founders living abroad hope to receive support in developing their startup company in addition to the possibility of registration, e.g. advice, help in creating networks with other startup companies, making contact with investors, etc. The foreign founders proposed the following ideas as solutions:

- SUE could create a community Slack group and hire a community manager to help startups find the information they need. The startup companies want to talk to the startups that are in the same scaling stage to share information about finding funding, hiring employees, etc.
- SUE could offer a general, primary consulting service: who are the companies in the same field the startup could contact; who are the main supporting organisations, investors, etc. Such consultation would make the company feel welcome and part of the ecosystem;
- SUE could have a contact person to whom startups could turn with their questions.

At the same time, one foreign founder living in Estonia pointed out that this kind of networking takes place in accelerators and it should not be the role of a state institution to guide it. In addition, according to him, there are already many startup communities in Estonia where information flows very well. It's just a matter of reaching them. The Estonian founders also see no need for yet another information channel. So, in this case, it would be important to focus on foreign founders for whom information and access to local information channels should be made as easy as possible.

Figure 7 reflects also another two statements - how well the information provided by SUE reflects the progress of the Estonian startup sector and whether the frequency of information sharing is suitable for the companies. Half of the respondents (54%) think information provided reflects the progress of the Estonian startup sector adequately. A little over a quarter (28%) disagree with it and nearly a fifth (18%) cannot assess it.

Although SUE prepares the reviews of the sector, it seems this information may not reach many. It was also mentioned during the interviews SUE could cover the activities of other startups in addition to famous startups. This would enable the startups to expand their network. Almost half of the startups are satisfied with the frequency of information sharing and a third are the ones who do not know how to assess the statement.

During the interviews it was said about information sharing that it should be the role of the community leader to figure out how often and on what topics to write in order to inspire his/her target group.

FOCUS AREAS

During the survey the minimal amount of information was gathered about the activities of the focus areas. Among the startups that participated in the focus group interviews, a few participants knew about the activities of the focus areas.

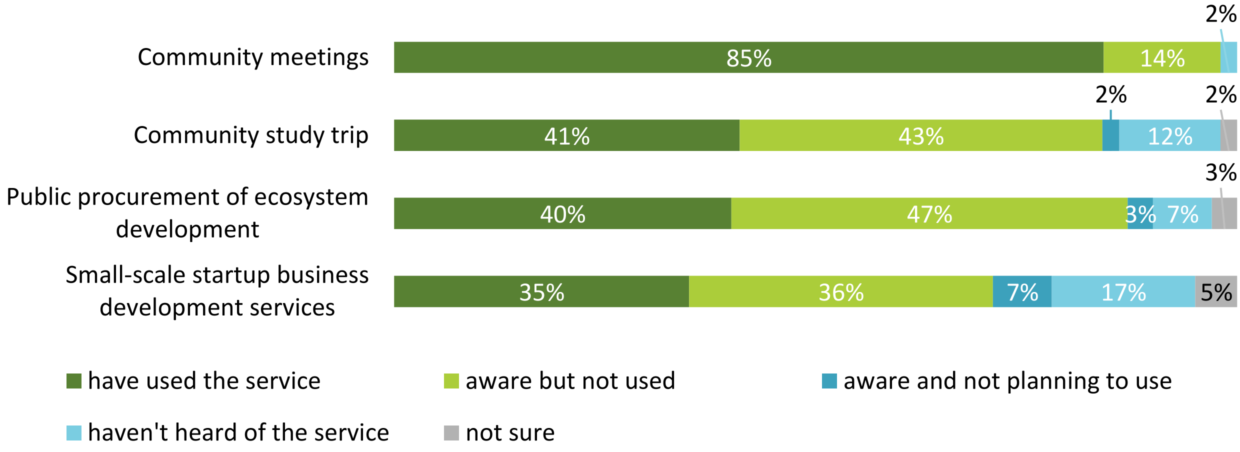
- The activities in the field of EdTech were assessed as functioning well, information is moving and support can also be obtained for raising money. EdTech Estonia has a functioning Slack channel.
- The activity of the CyberTech field so far has not directly helped the business development of startups, but it provides general information. The field has a functional information list and communication takes place on a quarterly basis. The companies of the field could be brought together to jointly find solutions to problems. Of course, the companies would not disclose trade secrets to each other.
- In relation to the DeepTech field, it was mentioned that evening meetings in the field of deep technology have been organised within Science to Business of Tartu Science Park, but it was not known whether it is related to the activities of the specific focus area.
- In case of Ida-Viru focus area, it was assessed that little is happening in the community. They are trying to change it, but it will take years.

Regarding the activities of all focus areas, suggestions were made that a startup could be able to belong to several focus areas at the same time, since a startup can operate in several areas. Health is seen as a new focus area.

1.3. AWARENESS AND SATISFACTION OF SUPPORT ORGANISATIONS WITH SERVICES

The target group of support organisations was also asked about the awareness and use of the services offered by SUE. In Figure 8, we can see that the community meeting organisation service has been used most in this target group (85%). They are also most aware of this service, where only 2% of the respondents have not heard of the community meetings before.

FIGURE 8. PLEASE INDICATE WHICH SERVICES/ACTIVITIES STARTUP ESTONIA OFFERS ACCORDING TO YOUR INFORMATION? MARK ONLY THE SERVICES THAT YOU HAVE HEARD OF / BEEN AWARE OF BEFORE. % OF THE TARGET GROUP, N=58

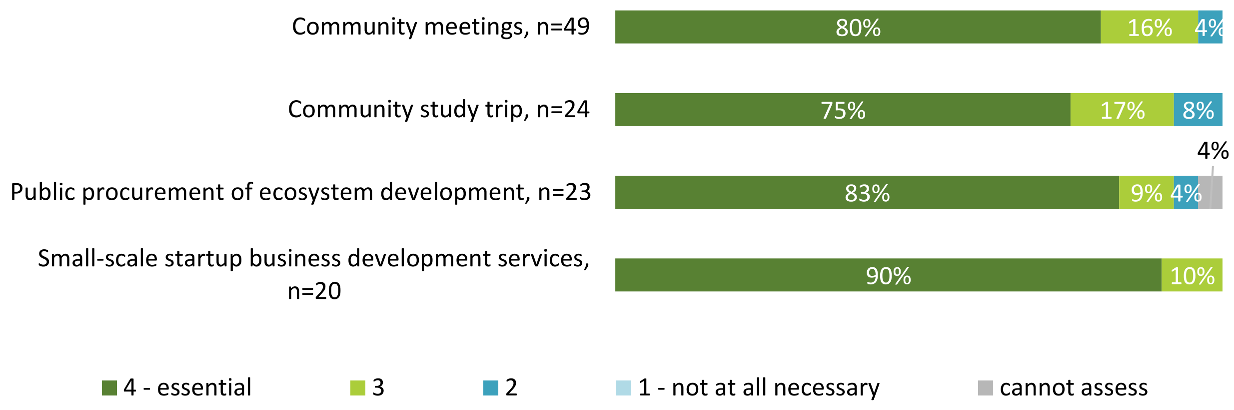


Among other services, a relatively equal number of respondents (41% and 40%, respectively) have previously come across participation in community study trips and used the public procurement opportunity for the development of the Estonian startup business ecosystem. The least, i.e. a little over a third (35%), have used the procuring of small-scale startup business development services. In case of the latter, awareness is also the lowest - 22% of the community's target group stated that they had not heard of this service before or were not sure about it. On the positive side it can be pointed out there are very few respondents who are aware of the service but do not plan to use it.

In case of support organisations, it is not possible to compare the results with the 2018 survey as then it was asked about support organisations' awareness of providing support materials, managing the startup database, supporting the activities of support organisations and organising events and the wording of the question has been changed in this survey.

The support organisations were also asked to assess the necessity of the services based on their own organisation's point of view. Only those respondents who had experience of using the respective service were asked to assess each service.

FIGURE 9. HOW NECESSARY DO YOU ASSESS THE FOLLOWING SERVICES/ACTIVITIES FROM YOUR ORGANISATION'S STANDPOINT?



It can be seen from the figure that the respondents consider all services directed by SUE to support organisations as necessary, incl. the necessity of each service has been assessed as very necessary by at least three quarters of service users.

Compared to other services the highest ratings are given to the possibility of procuring small-scale startup business development services, 100% of the respondents rated it as necessary, including 90% as very necessary. The highest proportion of those who rated it as unnecessary occurs in case of community study trips, which were rated as not necessary by 8%. However, this is a very small percentage.

In the course of personal and focus group interviews conducted with the representatives of support organisations, an assessment of the necessity, appropriateness and quality of the services offered by SUE was also asked. It turned out most people have come across the community meetings organised by SUE, which they were generally very satisfied with, and which were undoubtedly considered a very important service.

In relation to the community meetings, its rather narrow circle was pointed out as problematic, i.e. the representatives of the support organisations found there were few new members and it would be reasonable to involve various parties of the startup ecosystem more broadly. Also, according to the respondents, SUE should consider organise community meetings separately for startups with different orientations as well as support organisations. At the same time, it was emphasised that general community meetings should definitely continue, as these are necessary events. One of the recommendations was suggestion to add more joint activities or workshops at the community meetings, which would make people from different fields, who might not otherwise come into contact, communicate with each other. The 2018 survey also recommended the community-oriented events play an important role in supporting community cooperation. Finally, during this survey, several representatives of support organisations found the meetings and events organised by SUE should also take place outside of Tallinn and regularly include other regions of Estonia in which it is desired to develop the startup ecosystem.

The people who had participated in the study trips organised by SUE were also very satisfied with these, both in terms of the organisation of the study trips and the format. No additional recommendations were made directly regarding the study trips as a service.

The representatives of support organisations had little exposure to ordering public procurement for ecosystem development as well as small-scale startup development services. In terms of individual experiences, it was estimated that the biggest problem with public procurement is the large volume of bureaucracy, which is inherently incompatible with the startup world. Based on the interviews, it is not possible to give direct feedback regarding the ordering of small-scale startup development services as an offered service.

The work of expert groups was also examined separately during the interviews. The people participating in the work of the expert group were also included in the selection. The assessment of the work of the expert groups was rather negative or neutral for those people who had come into contact with the expert groups or participated in their work themselves. Although the essential principle of expert groups is considered proper and necessary, the main problems were seen to be the lack of clear and concrete strategic goals and metrics for assessing the activities. As a result, expert groups meet irregularly and the members of the group do not know how to accurately assess the expectations placed on them and what the benefits and results of the expert group's activities should be.

At the same time the members of the regional development expert group found the knowledge gained from their work is useful for the support organisations themselves and the members of the expert group can use it in their own work.

As a solution, both SUE and the joint organisation of KredEx and Enterprise Estonia should clearly establish what the role of expert groups is in SUE and the wider Estonian startup ecosystem and who should be involved in the work of expert groups.

The operation of the database managed by SUE was considered problematic. According to the representatives of the support organisations the database currently does not fulfil its purpose, as there have been situations where the information about startups recorded in the database is outdated and incomplete. Consequently, in order to obtain adequate information, it is still necessary to contact SUE separately and ask for the necessary information.

However, an up-to-date and continuously renewed database would definitely be necessary according to the various parties involved in the survey, as it would contribute to the more versatile development of the startup ecosystem through the development of networks. According to a representative of an Estonian university, they would expect SUE database to also list potential Estonian and foreign funds and investors, to whom it would be possible to direct startups in different scaling stages. In summary, it can be said that the representatives of the support organisations would expect the existence of an organised and comprehensive database, which would essentially reveal which startups are active in which areas in the Estonian ecosystem, with whom they cooperate and what kind of help is potentially expected. The database should also include higher education institutions and the opportunities they offer, as well as Estonian and foreign funds and investors.

Based on the feedback received from the startups, the participants in the focus groups and interviews were also asked whether the role of SUE should also be to provide "guidepost" information to both Estonian and foreign founders. In essence, all representatives of the support organisations felt that the provision of such information should already be the role of SUE, as logically speaking, their organisation is the first to which both Estonian and foreign founders turn. The information provided should be in both Estonian and English and include information about the establishment of the company in Estonia, an overview of the legal and tax systems, contacts of the various parties in the ecosystem with the information about the services they offer.

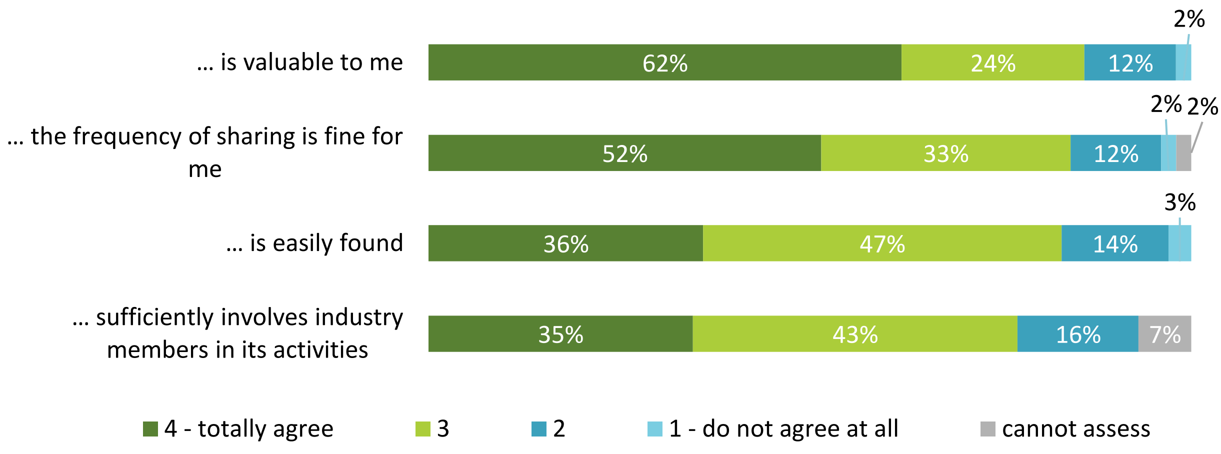
It was found that SUE probably does not currently have the ability to provide such information to those who wish and collecting such information and communicating it in a targeted manner would require SUE to redeploy internal resources or allocate additional funds to SUE in the new budget period. SUE should also offer the *soft-landing* service to foreign founders, which, according to representatives of support organisations, is currently rather poorly organised. Thus, it was pointed out that a potential foreign founder is waiting for support to help establish a company in Estonia, establish initial contacts, organise the first meetings with the necessary ecosystem parties and the startup should also be involved in the SUE communication network.

The representatives of higher education institutions found that more internationalisation is expected from SUE, which means developing cooperation with large and high-tech industrial companies in Europe and other parts of the world, as well as promoting cooperation with the ecosystems of top universities and startups. It is also expected that SUE would involve higher education institutions more in their DeepTech development groups and strategy development.

COMMUNICATION

It can be seen from the responses of the support organisations (Figure 10) that although the assessments are generally positive across all statements, some differences still exist. The value of the shared information is rated the highest, with the total of 86% of respondents agreeing, including 62% who completely agree. The frequency of information sharing is also suitable for the majority of the respondents (the total of 85% have agreed or completely agreed with the statement).

FIGURE 10. PLEASE INDICATE HOW MUCH YOU AGREE WITH THE FOLLOWING STATEMENTS: INFORMATION PROVIDED BY STARTUP ESTONIA … . % OF THE TARGET GROUP



As to the two previous statements the fact that information is easy to find is somewhat less agreed, which was agreed with by 83%, including a significantly smaller share of completely agreeing with the previous statements - 36%. Also, the largest share of the respondents who disagree with this statement is 17% in total. Similar results apply to the following statement regarding the sufficient involvement of industry members. The difference comes in the fact that in this case there was a higher proportion of respondents who could not give their assessments.

The focus group interviews conducted with support organisations revealed the assessment of SUE's communication activities is quite different. On the one hand, it was found that SUE's main communication channel Slack works well and its members receive the information shared by SUE very well. On the other hand, those people who do not use Slack as a communication channel on a daily basis, feel they are missing out on some information and SUE has an information monopoly and decides to whom and in what volume to share information. At the same time, it was found that the situation where SUE shares information in several channels at the same time and in different volumes, is not a good practice and means person has to monitor many information channels in parallel. However, this creates too much information noise.

It was found SUE should share information in fewer information channels and it should be more precisely targeted. In other words, instead of a more general Slack information channel, SUE's communication could reflect SUE's strategic directions of action and be aimed separately at both support organisations and startups in the respective fields. Although this separation has already been created by SUE, support organisations do not perceive it so well at the moment or are not fully aware of it. At the same time, it was felt that the regular sending of information and newsletters should continue. Some representatives of support organisations, who were not located in Tallinn, felt they would expect more direct contact from SUE, regarding direct invitations to various events and sharing information about them. This would increase the sense of community and increase the motivation to participate in the events organised by SUE.

The information needed for different parties of the ecosystem is different in nature and during the interviews it became clear that it is seen as part of the database managed by SUE. SUE does not have to constantly transmit all information to all parties, but different information should be gathered in SUE's database, where it can be easily and logically found and used. For example, information is expected regarding foreign investors and investment funds specialised in various fields, to whom the support organisations could refer the startup companies that have approached them.

Some representatives of the support organisations felt SUE should do more targeted marketing abroad and also in cooperation with umbrella organisations of startup ecosystems in neighbouring countries, which would help to market Estonia as a target country. According to support organisations, specific marketing strategy should be developed, based on which it is possible to invite foreign investors and foreign founders here, as well as people and organisations offering various services. Also, this communication should take place at different levels, i.e. it should be done by SUE, it should be supported by business diplomacy and it should also be communicated at the state level as a whole.

The above topic also involves the concern of support organisations that information and materials to be shared and shown to foreign founders, investors or startups should also be compactly compiled by SUE and uploaded to their website. For example, it is expected SUE would have materials in English and Estonian introducing Estonia and Estonia's most successful startups, which could be used by all different parties of the ecosystem if needed.

According to support organisations opinion, the presence of such concentrated information would also enable the support organisations themselves to more effectively market Estonia as a good startup ecosystem and thereby also find a larger number of potential foreign founders to invite to Estonia.

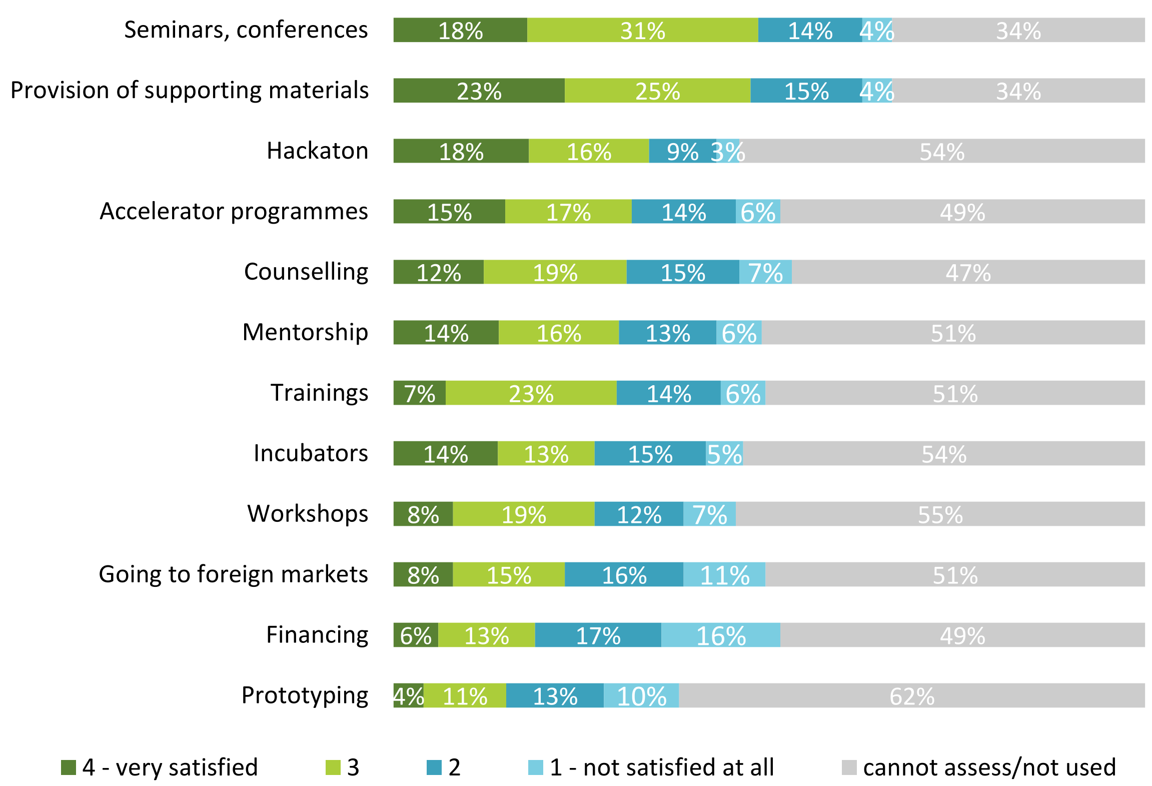
2. FUNCTIONING OF THE ECOSYSTEM

This chapter describes the assessments of the startups on the work of support organisations and the availability of information about support organisations. In order to get a more comprehensive picture, the support organisations were also asked to give different assessments.

2.1. SATISFACTION WITH THE WORK OF SUPPORT ORGANISATIONS

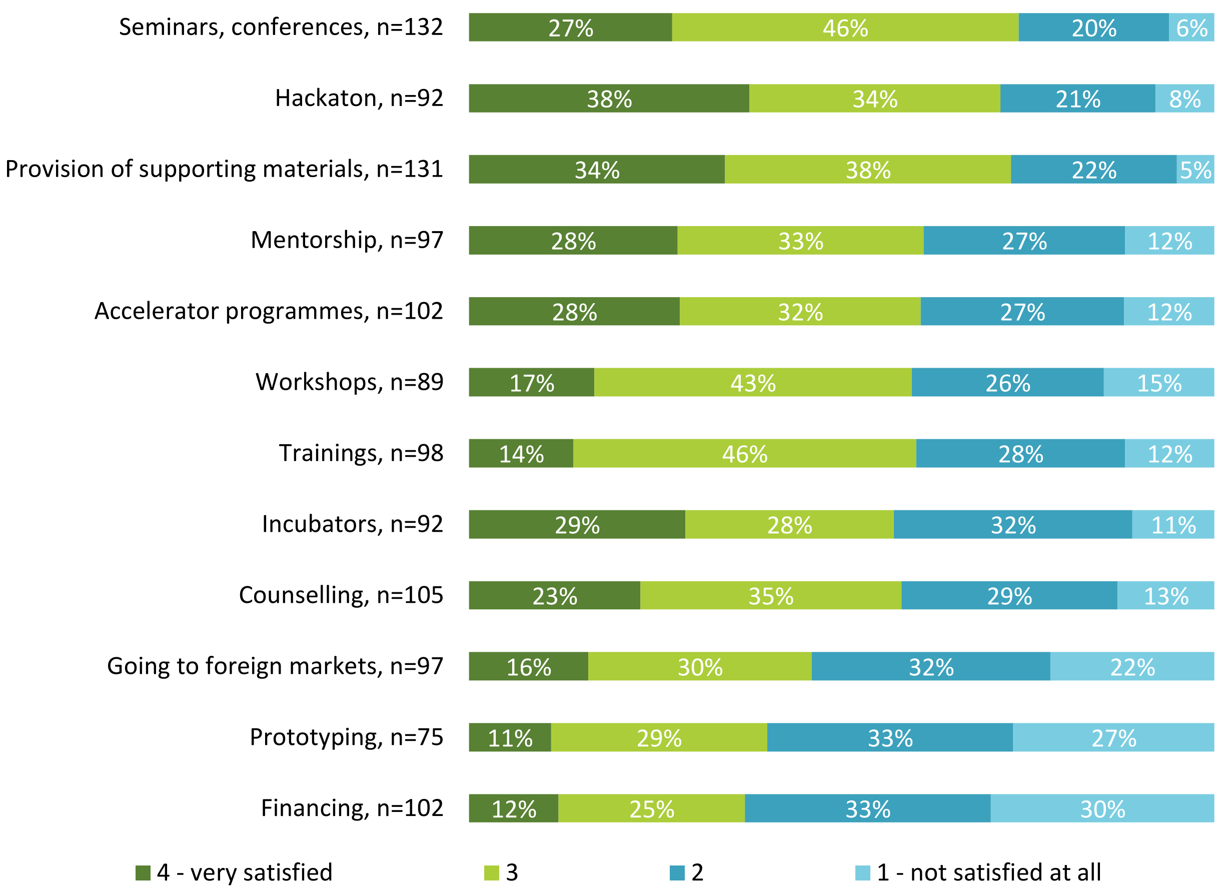
The startups were asked to assess how satisfied they are with the services provided by Estonian support organisations. In the given assessments, it stands out that for almost all services, nearly half of the respondents either do not know how to assess the given service or have not used it (see Figure 11). Only in case of "provision of support materials" and "seminars and conferences", the number of startups using the service is higher. Almost half of the respondents are satisfied with these services. The respondents are least satisfied with the service of going to foreign markets, financing and prototyping. In case of financing, compared to other stages of development, there are fewer companies in the scaling stage who are not satisfied with the service (17% in total). At the same time there are more those who do not know how to assess the service (61%). In case of going to foreign markets and prototyping there are no significant differences in the assessments according to the development stages of the startup.

FIGURE 11. PLEASE ASSESS HOW SATISFIED YOU ARE WITH THE SERVICES PROVIDED BY THE ESTONIAN SUPPORT ORGANISATIONS? N=199. % OF THE TARGET GROUP.



In order to better see the satisfaction with the support services used, Figure 12 shows the results only among the respondents who have used the service. This means the responses "cannot assess/have not used" have been removed and the percentage of responses has been redistributed. In addition, the services are ranked by satisfaction, starting with the service receiving the most positive feedback.

FIGURE 12. PLEASE ASSESS HOW SATISFIED YOU ARE WITH THE SERVICES PROVIDED BY THE ESTONIAN SUPPORT ORGANIZATIONS? "CANNOT ASSESS/NOT USED" ANSWERS HAVE BEEN REMOVED FROM THE ANSWERS. THE PERCENTAGE OF RESPONDENTS WHO HAD USED THE SERVICE.



Comparing the assessments with the results of the 2018 survey, the general trends are the same. At that time, on average, slightly less than half of the respondents had used at least one of the services offered by the support organisations. The most problematic services are still going to foreign markets, prototyping and financing, where more than half of the respondents are dissatisfied. The startup companies still have the best experience with seminars and conferences and the use of support materials, with which more than 70% of the users are satisfied in both surveys.

In order to supplement the survey results, qualitative interviews were also conducted with the representatives of various support organisations, which revealed the problem is sometimes the incomplete functioning of the startup ecosystem, which means startups are not sufficiently included in SUE's information channels and activities (for example, according to the representatives of support organisations, there are not enough startups and newly created startup companies at the community meetings or they are not part of SUE Slack information channel). This, in turn, creates a situation where the startup company is not sufficiently in the information field of the community and thus they also lack substantive knowledge of how to get help, advice and information and from whom.

As the second main problem the support organisations pointed out, they also lack some meaningful marketing activities, which would be specifically aimed at startups in various fields. Many support organisations and the services they offer can be found by *googling*, or a lot of information is passed from person to person in the Estonian context. At the same time there are support organisations (including higher education institutions) that organise various events themselves (e.g. hackathons, startup camps/*bootcamps*), within the framework of which they are looking for early-stage startup companies and where they try to involve both startup companies created by foreign founders and startup companies created abroad, but operating in Estonia. There are also support organisations that have successfully expanded their contact network to Ukraine, where it would be possible to establish good cooperation, but on both sides it is limited by the lack of funds.

As regards prototyping, the representatives of the higher education institutions found it is indeed a problem and the solution can be a closer cooperation between the universities themselves as well as between SUE and the universities. At the moment, however, universities feel they are not sufficiently involved in the activities of SUE, and as a result, it is difficult for them to share information about the laboratories they manage, which startups could potentially use to create prototypes. Also, people do not know how to search for available opportunities in Estonian Research Information System (ETIS) portal and the adapter.ee portal also allegedly does not work as well as it could.

Consequently, under the leadership of SUE, it would be necessary to strengthen cooperation with the companies already operating and functioning in Estonia, to whom startups could turn to with their problems and need for help. For example, through SUE, industrial companies could share information about their machinery fleet and the possibilities associated with it, and thus enable startups to use the equipment for prototyping when not used by company itself. Such forms of cooperation would also have a wider impact - it would increase awareness of the startups among more traditional business sectors and create greater synergy in various economic sectors through the resulting cooperation.

The support organisations were also asked why the startups might find the services related to foreign markets and financing offered by the support organisations problematic. It was found that finding financing and expanding to foreign markets are complex processes and these should be covered by the startups themselves as much as possible. Finding initial capital could be like a hygiene requirement for a startup company, which shows the potential of the startup already in the initial stage. It was pointed out, if startup cannot prove itself in the first two or three years, it should move on and not rely on the constant help of support organisations.

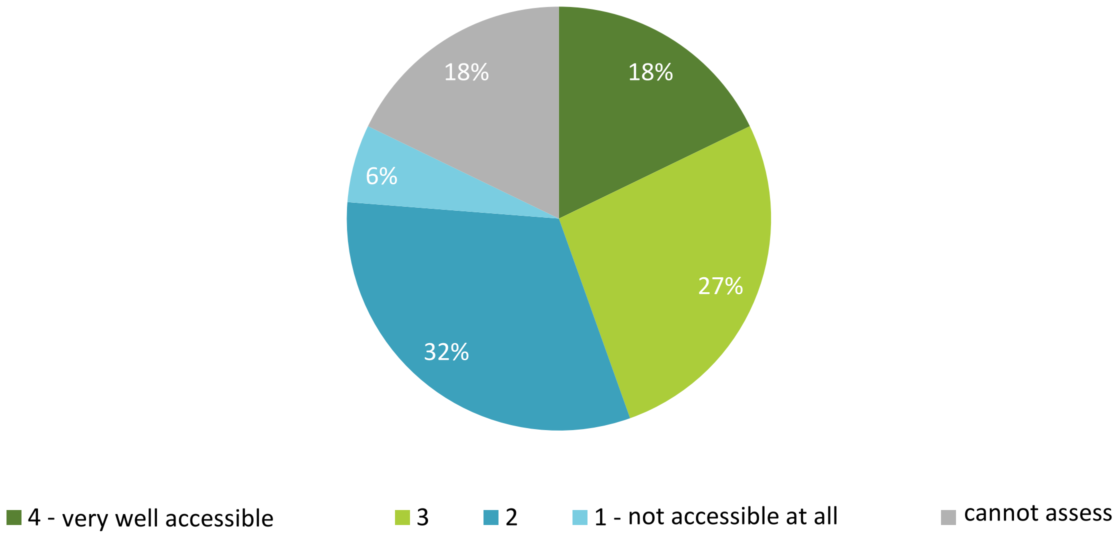
The support organisations also found the ecosystem of the startup sector in Estonia as a whole needs closer cooperation, which could ideally be organised and coordinated by SUE. In particular, the creation of various support and contact networks is expected, and their existence was considered to enable the cooperation of various parties to be significantly intensified. According to support organisations, the COVID-19 pandemic has also reduced the functioning of contact networks. It is also extremely important for SUE to involve more startups in these networks (both in terms of business areas and the company's development stage), which are currently somewhat left out of the networks, but whose involvement would reduce their information gap.

During the interviews it was also expressed that many startups may not be aware they use or have used the service or help of a support organisation at a specific time, as a result of which awareness of what support organisations offer may be lower than in reality.

AVAILABILITY OF INFORMATION

Next, the startups were asked to assess how accessible they think information about various support services is (see Figure 13). Less than half of the startups (45%) found information is easily accessible, and the information is not accessible for 38% of the respondents. Among the larger and more mature startups, there are fewer who think information is not accessible. Therefore, as the startup develops, the awareness of various opportunities and services also grows. Almost fifth of the respondents cannot assess the extent to which information about support services is accessible, regardless of the development stage.

FIGURE 13. PLEASE ASSESS THE ACCESSIBILITY OF THE INFORMATION ABOUT DIFFERENT SUPPORT SERVICES IN YOUR OPINION? N=199



This result cannot be compared one-to-one with the 2018 survey. At that time the question did not have the answer option "cannot assess". There has been a noticeable decline in the availability of information. If in 2018, 64% of the respondents rated the accessibility of information as rather or very good, in this survey only 45%. The proportion of those who believe the information is not accessible has remained similar, in 2018 it was 36%, in this survey 38%.

Based on what was said in the focus groups, the assessment of the support organisations themselves regarding the availability of information was quite variable, as were their assessments and justifications on the given topic.

On the one hand, some support organisations (such as higher education institutions) expressed they do not directly offer traditional services to startups, and as a result, they do not have specific marketing aimed at the startup sector and they do not actively search for startups. For example, some local governments do not offer specific services, but if possible, help startup companies approaching them, for example by validating ideas within their own organisation or by providing advertising space. At the same time the Estonian higher education institutions assessed the availability of their information regarding support services is very good and the goals set within the organisation can be successfully met. Some support organisations also assessed startup may not often know what (support) service it needs and everything cannot be done in advance, that is, the startup company's own responsibility and the amount of work should be greater, also when searching for information.

The representatives of the support organisations also found the topic of finding or availability of information is ultimately a part of the already discussed problem, which is partly the lack of communication by SUE, lack of involvement of startups in SUE's communication and information network and the need for greater ecosystem integration and information exchange between all parties, including by organising the database managed by SUE. In order to solve the mentioned problems, the different parties of the ecosystem and SUE can start offering relevant (support) services or help to companies with different needs.

At the same time the support organisations admitted they also need to do more targeted marketing, so that different startups can find them if necessary, as there are potentially many points of cooperation and many are still either completely undeveloped or not covered. According to support organisations, a lot of information also flows from person to person and having direct contacts is important in Estonia.

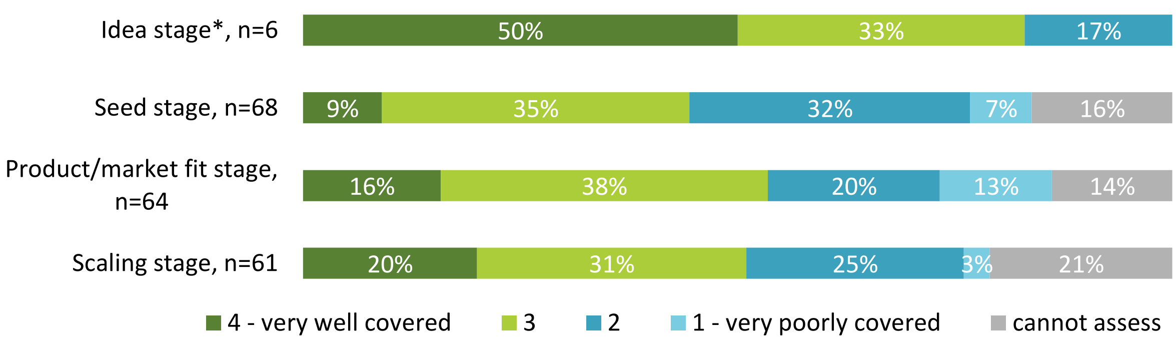
To sum up, it can be said finding information about the services of support organisations boils down to the following three points:

- lack of integration and cooperation of the Estonian startup ecosystem, which complicates communication between all parties and prevents the flow of information;
- startups do not contribute enough to searching and finding the information they need;
- lack of targeted marketing of the services provided by the support organisations themselves.

COVERAGE OF THE NEEDS OF STARTUPS WITH THE SERVICES OF SUPPORT ORGANISATIONS

In addition, both startups (see Figure 14) and support organisations (see Figure 15) were asked how well the needs of startups at different scaling stages are covered.

FIGURE 14. STARTUPS: PLEASE ASSESS HOW WELL YOU THINK THE SERVICES OFFERED TO STARTUPS ARE COVERED IN ESTONIA, TAKING INTO ACCOUNT YOUR OWN SCALING STAGE. N=199

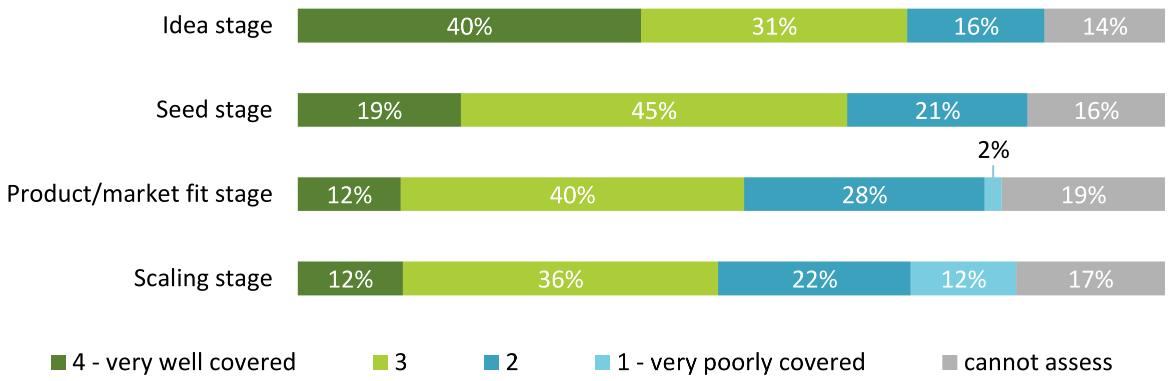


*There were 6 respondents in the idea stage, so this group cannot be assessed separately. Here, however, the idea and seed stage are presented separately in order to compare the results with the assessments of the support organisations. If we put together the assessments of the idea and seed stage companies (n=74), 12% rated "4"; 35% rated „3“; 32% rated "2"; "1" was rated by 7%; 15% of the respondents rated "cannot assess".

Summing up the opinions of both target groups, the needs of startup companies in the idea stage are best covered by the services. Although there were too few respondents to this question among the startups to draw conclusions, the assessment of support organisations is similar to startups and supports such a conclusion.

The coverage of product/market fit stage and scaling stage with services has been rated similarly by both startups and support organisations. About half think the services cover the needs well and a third think they don't.

FIGURE 15. SUPPORT ORGANISATIONS: PLEASE ASSESS HOW WELL YOU THINK THE SERVICES OFFERED TO STARTUP COMPANIES IN ESTONIA ARE COVERED IN DIFFERENT SCALING STAGES. N=58. % OF THE RESPONDENTS



The differences occur in the assessments as to the seed stage. Among startups, less than half of the respondents (44%) rated the service coverage as good. The assessment of support organisations is significantly more positive, the total of 64% of respondents consider the service coverage to be good. One of the reasons for the difference in assessments may be that information about services does not reach startups (see Figure 13).

In addition, at all stages of development other than the idea stage, there are few among both startups and support organisations who would rate service coverage as very good. It can be concluded from this that there is still room for development in terms of services offered to startups. SUE and support organisations have thereby the opportunity to ask startups in different stages of development for information regarding the services offered by support organisations in order to align the services with the needs of startups.

The respondents had also the opportunity to supplement the given topic as an open comment in the questionnaire. The support organisations were asked which services, according to them, are still not covered in Estonia. The question was voluntary and the total of 9 support organisations answered it. In case of the answers, the comments in the broader picture were related to either bringing the support and relationship network closer and finding funding.

The startups were asked which services they miss most in Estonia (the answers are presented to the customer as a separate document). The answers were divided into several different topics, the most lacking is the involvement of funding, as well as advice on various topics, community support and networking, and support when going to foreign markets.

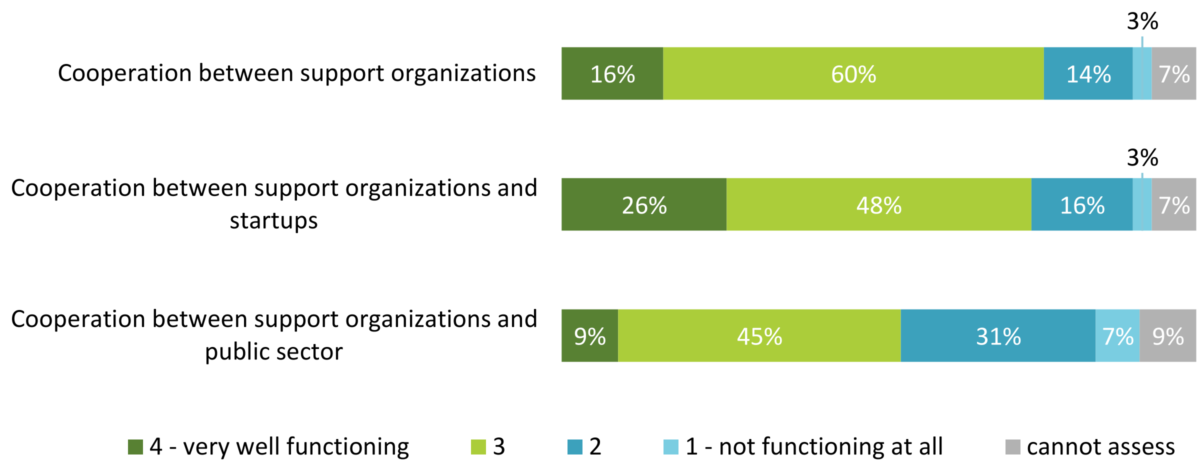
2.2. COOPERATION WITHIN THE ECOSYSTEM

In addition to startups, the support organisations were also asked to analyse their activities. For this purpose, the support organisations were asked as an open question which competences they would like to develop in their organisation, so they could continue to contribute to the development of the ecosystem.

The information obtained from the support organisations during open questions and focus group interviews has been summarised in chapter 2.3. Further development of the ecosystem.

In terms of ecosystem performance, the support organisations were asked to provide feedback on how they believe the cooperation between the parties in the entire ecosystem is functioning today. The assessments were asked to be given in three sections: cooperation between support organisations, cooperation between support organisations and startups and finally the cooperation between support organisations and the public sector.

FIGURE 16. HOW DO YOU ASSESS THE PERFORMANCE OF COOPERATION BETWEEN THE PARTIES OF THE STARTUP ECOSYSTEM? N=58



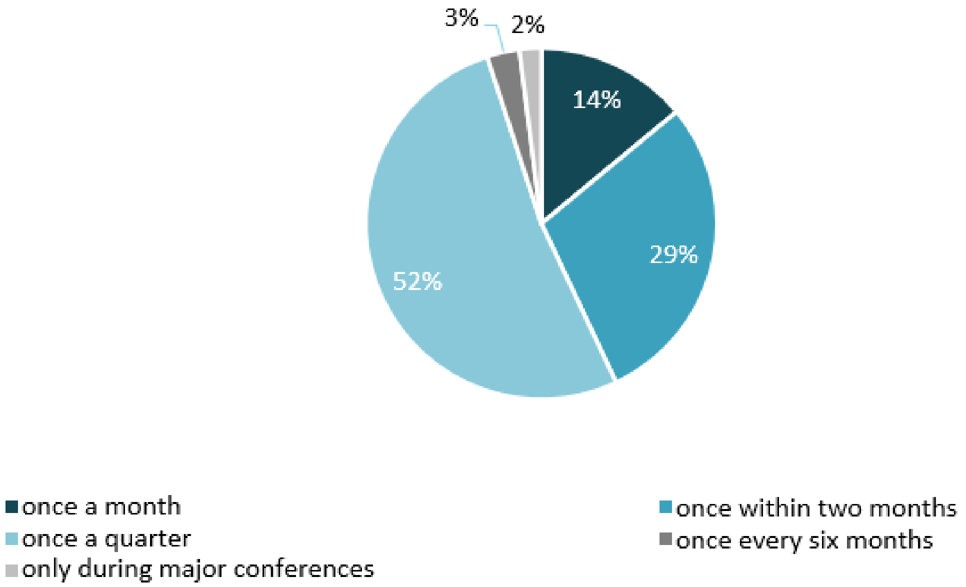
Based on the results, we can conclude cooperation between support organisations and startups is considered to be the most effective, which is rated as effective by 74% of the respondents, including 26% as very effective. In total, about the same number (76%), rated the mutual cooperation of support organisations as functional. At the same time, compared to the previous one, much less, i.e. 16% of the target group, have rated the cooperation as functioning very well. However, in terms of cooperation, the lowest marks have been given to cooperation between support organisations and the public sector. In total, 54% consider it functioning, including 9% considering it functioning very well and 38% as not functioning, of which 7% not functioning at all.

At the same time the representatives of the higher education institutions recognised the cooperation within the higher education institutions as well as the cooperation between the higher education institutions would need to be improved, in parallel with SUE, which would make it possible to create a better environment for the development of startup companies. It was also found SUE could, in cooperation with higher education institutions, be based on the TAIE strategy and develop strategic development goals.

COMMUNITY MEETINGS

In addition to assessing the cooperation of the various parties in the ecosystem, the survey asked to indicate the frequency with which community meetings could be held.

FIGURE 17. HOW FREQUENTLY THE COMMUNITY MEETINGS COULD BE HELD IN YOUR OPINION? N=58



The majority, i.e. slightly more than half of the respondents (52%) indicated the meetings could take place once a quarter. Almost a third (29%) pointed out meetings could be held once in two months and 14% once a month. In total, only 5% of the target group preferred less frequent meetings or meetings held only within the framework of larger conferences.

With regard to community meetings, the representatives of support organisations found SUE has become too Tallinn-focused and therefore community meetings and other cooperation-related events should be organised more often outside Tallinn as well. According to the representatives of support organisations outside Tallinn, this would raise morale and show SUE also contributes to the development of other regions. It was also found there may be too long breaks between different events and then the events tend to be held at too small intervals and may also duplicate each other or even take place in the same city at the same time.

At the community meetings, more practical tasks could also be considered, which would direct representatives of different fields, who otherwise might not come into contact, to communicate with each other and look for solutions to various problems together.

In addition to general community meetings, the community meetings specifically targeted could be considered, for example, only for support organisations or startups in a different field.

2.3. FURTHER DEVELOPMENT OF THE ECOSYSTEM

The current bottlenecks in the ecosystem, according to both startups and support organisations, have been outlined below, along with possible solutions.

FINANCING ISSUES ACCORDING TO THE OPINION OF THE STARTUPS

The biggest problem for the startups is finding funding, especially in the early stages of a startup's development. Startups are primarily interested in finding investors, but are also ready to use loans and various support measures. In case of investors, they need more opportunities for establishing contact with foreign investors. According to some foreign founders, it is more difficult for them to find financing compared to local startups.

FINANCING ISSUES ACCORDING TO THE OPINION OF THE SUPPORT ORGANISATIONS

According to the representatives of support organisations, one of the biggest factors hindering the development of the startup ecosystem is related to funding. This is especially based on the assessments of the state and its subordinate institutions, as well as according to the representatives of Estonian universities. The problem is especially acute in large-scale areas of research and development (e.g. DeepTech), which are strategically important areas for SUE, but which cannot be developed successfully enough in the Estonian context at the moment. If one of the directions of the Estonian startup sector is to become a development centre for startups in research-intensive fields, then this cannot be done without increasing funding for higher education. At the moment, according to universities, Estonia does not have enough people with the background and qualifications of natural and exact sciences, which the field of DeepTech needs for further development. The state order does not currently cover this market demand.

It is also problematic for technology-intensive startups to attract funding from the Estonian market, as awareness of this sector is low and there are few specialised funds or investors. This creates a situation where it is difficult to start with a startup company with extensive research and development activities, as already in the first stage it may be very difficult or impossible to attract a sufficient amount of funding.

The support organisations were also of the opinion startups should find the primary funding to finance their company themselves, acting as a hygiene test for them. However, for example, according to higher education institutions, there are currently not enough investors focused on DeepTech in Estonia, and the knowledge about it is also generally low among investors in Estonia.

SUPPORT FOR EXPANSION TO FOREIGN MARKETS

Several companies who participated in the survey, see a need for support when expanding to foreign markets. In the previous satisfaction survey of 2018, the need of startups for a contact network when expanding to the foreign market was also highlighted. Thus, the problem still remains. According to the couple of startups, it is also possible to get support in foreign markets from the Ministry of Foreign Affairs, joint organisation of KredEx and Enterprise Estonia and the Enterprise Europe network.

For their part, the support organisations assessed that among startups, there is a tendency to share the opinion that expanding to foreign markets is something that can be achieved very easily and quickly (as well as finding financing), but it requires a developed strategy and consistent work.

At the same time the representatives of support organisations also recognised the expansion to foreign markets could be organised in cooperation with the neighbouring countries of Estonia (Baltic countries, Finland, Sweden) in order to increase international cooperation. This would also raise Estonia's reputation and capabilities, bringing in foreign investments, as well as, more specifically, foreign founders and the specialised workforce lacking in Estonia.

COMMUNITY SUPPORT AND COOPERATION

It is difficult for foreign founders who live outside Estonia to join the Estonian ecosystem. There is a functioning community in Estonia, but they do not have access to it. The local community would also benefit from the contacts in foreign markets.

According to some startups and support organisations, Estonian startups cooperate little with each other. They are afraid of losing their business idea and opportunity and are competing for the same employees. In order to increase cooperation, positive effects in participating in ecosystem activities should be pointed out more with sharing success stories and thereby guide startups to actively collaborate with each other.

The startups also pointed out a more general need for mentoring and advice on a company-by-company basis. By field, there is a greater need for advice in the areas of expansion to foreign markets, financing, business culture and legal environment of target countries and marketing activities. Regarding mentoring, some support organisations pointed out that greater internationalisation would contribute to the development of Estonia's startup sector, which would help to bring mentors and specialists from various fields to Estonia.

The representatives of support organisations also recognised that, for example, insufficient cooperation between Estonian higher education institutions creates unnecessary competition and parallel development and provision of services. Coordinated cooperation would make it possible to direct, for example, startups with a need for prototyping to the (technical) laboratories of higher education institutions and also to involve the know-how available in higher education institutions.

It was also revealed from the focus group interviews that support organisations located outside of Tallinn also expect a wider involvement of other regions in the development of SUE strategy for the startup ecosystem.

The analysis of the results of the online survey indicated four areas in which support organisations need to increase competence within the organisation:

- organising events;
- communication, community building, cooperation;
- increasing investment competence;
- involvement of experts on a larger scale.

Juxtaposing the results with the focus group interviews, it is possible to conclude that for support organisations these topics are strongly related to each other and it would not be appropriate to handle these separately. In the opinion of the support organisations, clarification about what is (startup) entrepreneurship and to what extent and how it benefits the Estonian economy and society as a whole, should start from a broader perspective and be carried out both in society in general and within various organisations.

If such knowledge is created within the organisation, it is possible to start increasing more specific competencies, as it is also possible to start creating more specific strategies and action plans within the organisation regarding the areas that were currently considered problematic by the support organisations.

The competencies need to be developed, according to the support organisations, are related to other topics provided for in this analysis and should also be handled as a whole. For example, mutual communication both within and between organisations nurtures and strengthens community and collaboration, resulting in the creation of new knowledge. New knowledge and contacts, in turn, make it possible to better organise various events, increase internationalisation at different levels, and thereby involve a larger amount of foreign and Estonian capital in startups and bring mentors and experts from foreign countries to Estonia, who are not available at the moment in sufficient quantity in Estonia.

ECOSYSTEM FOCUSED ON SOFTWARE DEVELOPMENT

During the research it was pointed out several times that the Estonian startup ecosystem is very much based on software development. Therefore, startups in other fields may find it difficult to raise funds and receive support services. For example, hardware-based startups want to collaborate with universities and labs and feel the need for a prototyping service. The research-based startups operating in the fields of DeepTech, education and health should be supported by the state now more compared to earlier. Their activities can have a significant social impact, but at the same time have a long payback period.

It also occurred in the focus group interviews with the representatives of support organisations that startups engaged in software development in Estonia no longer need special support, as a well-functioning support network has developed and there are enough funding opportunities. In addition, Estonia's reputation among foreign investment funds involved in software development is said to be good. There is also sufficient general know-how in the software development sector in Estonia, both in the form of mentors and company managers.

The research-intensive areas of activity and development are considered problematic, as described in the previous chapters, for which Estonia lacks sufficient people, knowledge and large foreign companies to develop the mentioned areas in cooperation.

LABOUR

In the interviews, both target groups pointed out there is a shortage of qualified labour in Estonia. In addition, there is a lack of mentors with international experience in Estonia who would support startups in growing and expanding to foreign markets. As a result, it is also difficult for startups to find the workforce they need, especially when it comes to developers of physical products, for example. At the same time Estonia also lacks mentors with international experience and in-depth knowledge of technology and managers of (startup) companies who can develop Estonian startup companies further and take them to international markets.

COVID-19 PANDEMIC AND RUSSIAN AGGRESSION IN UKRAINE

During the focus groups the support organisations were also asked about what impact they think the COVID-19 pandemic and Russia's aggression in Ukraine have had on the Estonian startup ecosystem and which challenges await Estonia in relation to these issues in the future.

The assessments of both the COVID-19 pandemic and Russia's aggression in Ukraine were somewhat different among the representatives of support organisations. The participants more related to the technology sector found that although COVID-19 has hindered the movement of people to Estonia, this problem is being solved. In their opinion the Russian aggression has not reduced the volume of investments and the projects that are already underway will be completed.

On the other hand, several representatives of support organisations stated the COVID-19 pandemic reduced cooperation among the startup ecosystem and the cancellation of physical meetings decreased the sense of community. In addition, the impact on programs in higher education institutions was mentioned, where the number of foreign students decreased and the opportunities for foreign founders to come to Estonia to do business were reduced.

Several representatives of support organisations also stated that Russia's aggression in Ukraine has had a direct impact not only on the startup ecosystem, but on the Estonian economy in general. Due to Estonia's geographical location and its sometimes low reputation on the international scene, Estonia is perhaps unreasonably associated with what is happening in Ukraine. Such an attitude has a negative effect on the whole of Eastern Europe, not only on Estonia. In the sectors outside of software development, according to the representatives of support organisations, a very large amount of investment has been put on hold. This especially concerns investment in physical infrastructure and technology-intensive sectors.

As a result of various crises, Estonia also has historically high inflation, which worsens Estonia's position in the international economic environment and causes other negative tendencies in society, such as the growth of inequality, increase in the cost of living and urban sprawl resulting from high real estate prices. In the context of increasing immigration, the questions of society's readiness for changing demographics cannot be ignored either. The startup sector will also have to deal with these topics in the future. Few opinions about the impact of the crisis were collected by startups. Based on these the development of startups has not been significantly affected by COVID-19. The Russian aggression in Ukraine has temporarily brought more IT employees to the market. At the end of the war a situation may arise where more investments will be made in Ukraine, which in turn means that investments in Estonia may decrease by that amount.

3. CONCLUSIONS

Upon the order of SUE, the project team conducted an applied research within the period of June - October 2022, during which the satisfaction of various parties in the Estonian startup ecosystem with SUE services was studied. Also, information and feedback was collected from various parties of the ecosystem about the broader functioning of the ecosystem, along with existing and future bottlenecks in the Estonian startup sector.

AWARENESS AND SATISFACTION WITH THE SERVICES PROVIDED BY SUE

CONCLUSION 1: THE AWARENESS OF SUE AS AN INSTITUTION IS HIGH AMONG STARTUPS AND SUPPORT ORGANISATIONS, BUT THE ORGANISATION'S PURPOSE AND ROLE IN THE ESTONIAN STARTUP ECOSYSTEM ARE NOT EQUALLY CLEAR ACCORDING TO THE PARTICIPANTS OF THE ECOSYSTEM. THIS IS CLEARLY SEEN AS A PROBLEM AMONGST STARTUPS AND FOREIGN FOUNDERS. THE UNCLEAR ROLE OF THE ORGANISATION SOMETIMES CAUSES MISUNDERSTANDING AMONG PARTICIPANTS OF THE ECOSYSTEM AND MORE IS EXPECTED FROM THE SERVICES OFFERED.

Recommendation 1.1: Clearer communication by SUE to different parties of the ecosystem about what their role is in the Estonian startup ecosystem and what support services they offer to different parties of the ecosystem (e.g. startups, support organisations, foreign founders). Clearer communication to all parties would help highlight the role and function of SUE more clearly and would allow the ecosystem parties to turn to them with more specific questions and requests for help.

CONCLUSION 2: THE AWARENESS OF THE SERVICES OFFERED BY SUE IS QUITE SIMILAR AMONG SUPPORT ORGANISATIONS AND STARTUPS. THE AWARENESS OF THE SERVICES OFFERED BY SUE AMONG STARTUPS WAS HIGH AND EXCEEDED 70% FOR ALL SERVICES. THE AWARENESS OF THE SUPPORT ORGANISATIONS EXCEEDED 78% FOR ALL SERVICES.

Recommendation 2.1: Continue to offer existing services and target their promotion and marketing, but do so in greater cooperation with other parties in the ecosystem.

CONCLUSION 3: ACCORDING TO THE ASSESSMENT OF SEVERAL STARTUPS AND SUPPORT ORGANISATIONS THE PURPOSE OF SUE EXPERT GROUPS IS UNCLEAR AND THE EXISTING FORMAT IS NOT SUSTAINABLE.

Recommendation 3.1: Create specific metrics and goals for the work of expert groups, which would help the expert groups to target and coordinate their activities more clearly. The representatives of higher education institutions in the relevant field should also be involved in the work of expert groups.

CONCLUSION 4: STARTUPS AND SUPPORT ORGANISATIONS ASSESSED THE NEED FOR THE SERVICES OFFERED BY SUE SOMEWHAT DIFFERENTLY. AT LEAST 55% OF THE STARTUP COMPANIES ASSESSED THE OFFERED SERVICES AS EITHER VERY OR RATHER NECESSARY. AS TO THE SUPPORT ORGANISATIONS, 92% OF THE RESPONDENTS ASSESSED THE SERVICES OFFERED BY SUE AS NECESSARY OR VERY NECESSARY FROM THE STANDPOINT OF THEIR ORGANISATION.

Recommendation 4.1: In cooperation with startups, align the services offered by SUE with the real expectations and needs of startups in order to increase the relevance and necessity of the services. At the same time, feedback from support organisations on SUE services and their necessity should be regularly collected.

CONCLUSION 5: BOTH SUPPORT ORGANISATIONS AND STARTUPS ASSESSED THE ESTONIAN STARTUP DATABASE MANAGED BY SUE NEEDED TO BE UPDATED, ADJUSTED AND ALIGNED WITH THE NEEDS OF DIFFERENT PARTIES OF THE STARTUP ECOSYSTEM. CURRENTLY IT IS DIFFICULT TO FIND RELEVANT INFORMATION AND SOMETIMES IT MAY BE INCOMPLETE OR OUT OF DATE.

Recommendation 5.1: The support organisations found the database managed by SUE should not only contain data on startup companies operating in Estonia, but should be broader and include information on various parts of the startup ecosystem. The support organisations would expect detailed information about startup companies operating in Estonia, Estonian and foreign investment funds and other funding opportunities, information about mentors, an overview of third-party companies related to the startup sector, including large foreign companies, and Estonian higher education institutions and universities could also be integrated into the database with the information about the services they offer.

Recommendation 5.2: The startups found the information in the database should be supplemented. In their opinion, the owners of the company, a description of the company's activities, export regions and a contact module, through which it would be possible to contact the company directly, should be added.

Recommendation 5.3: Being in the startup database should be made motivating for the startup company, i.e. create a situation where being in the database would provide a recognizable benefit to the company.

AWARENESS AND SATISFACTION WITH THE SERVICES PROVIDED BY SUPPORT ORGANISATIONS

CONCLUSION 6: POOR COOPERATION BETWEEN DIFFERENT PARTIES OF THE STARTUP ECOSYSTEM HAS CREATED A SITUATION IN WHICH SOMETIMES THE LACK OF COMMUNICATION AND LOW INVOLVEMENT OF STARTUPS LEAVE STARTUPS OUT OF THE INFORMATION FIELD OF THE COMMUNITY. AS A RESULT THEY LACK SUBSTANTIVE KNOWLEDGE OF HOW AND FROM WHOM TO GET HELP.

Recommendation 6.1: Increase cooperation between SUE, startups, existing and functioning companies and universities. Cooperation is promoted by being in a common information space and channels and greater awareness of the activities of other parties. At the same time it should be taken into account that the communication channels and the information shared therein should be as targeted as possible and relevant in terms of the target group. The broader and more targeted involvement of ecosystem parties increases the efficiency of the ecosystem and allows startups faster and more targeted growth opportunities.

CONCLUSION 7: 38% OF THE STARTUPS HAVING PARTICIPATED IN THE SURVEY FOUND THE INFORMATION REGARDING THE SERVICES PROVIDED BY SUPPORT ORGANISATIONS IS EITHER DIFFICULT TO ACCESS OR NOT AT ALL ACCESSIBLE. THE PROBLEMS WITH THE AVAILABILITY OF INFORMATION ARE COMING DOWN TO THREE POINTS:

- lack of integration and cooperation of the Estonian startup ecosystem, which worsens communication between all parties and prevents the flow of information;
- startups do not contribute enough to searching and finding the information they need;
- lack of targeted marketing of the services provided by the support organisations themselves.

Recommendation 7.1: Closer cooperation between the parties of the ecosystem, greater integration into each other's activities, wider representation of sectors, targeted communication and a better functioning startup database would help to make information about the services provided by support organisations significantly more accessible.

CONCLUSION 8: STARTUP COMPANIES AND SUPPORT ORGANISATIONS ASSESS THE COVERAGE OF SERVICES DIRECTED TO STARTUP COMPANIES AT DIFFERENT SCALING STAGES SOMEWHAT DIFFERENTLY AND ESPECIALLY AS REGARDS THE SERVICES DIRECTED TO THE SEED STAGE.

Recommendation 8.1: The services offered by support organisations to startups in the seed stage should be better targeted and directed, so the information reaches the startups operating in the early stage, which would help them develop faster and more efficiently.

COOPERATION WITHIN THE ECOSYSTEM

CONCLUSION 9: IN GENERAL, THE PARTIES OF THE STARTUP ECOSYSTEM ASSESS THE COOPERATION BETWEEN THEMSELVES AS GOOD AND FUNCTIONING WELL. THE MOST IMPROVEMENT NEEDS THE COOPERATION OF SUPPORT ORGANISATIONS AND THE PUBLIC SECTOR.

Recommendation 9.1: A clear vision and strategy for the development of the startup sector created by the state, together with legal regulation and environment that favours it, and coordinated cooperation with support organisations would increase the support organisations' understanding of the expectations set by various public sector agencies and institutions for their work. It would also allow support organisations to better assess their role in the development of the startup ecosystem.

CONCLUSION 10: SATSIFACTION WITH THE COMMUNITY MEETINGS IS HIGH, BUT BY CHANGING THE FORMAT OF THE MEETINGS IT IS POSSIBLE TO IMPROVE THE MUTUAL COOPERATION.

Recommendation 10.1: Organise community meetings more often outside the city of Tallinn to involve more ecosystem parties from other regions. It is also worth considering organising events with more practical tasks and holding community meetings aimed at different parties in the ecosystem.

FURTHER DEVELOPMENT OF THE ECOSYSTEM

CONCLUSION 11: ACCORDING TO THE ASSESSMENT OF DIFFERENT PARTIES OF THE ECOSYSTEM, ONE OF THE MAIN OBSTACLES TO THE DEVELOPMENT AND GROWTH OF STARTUPS IN ESTONIA IS RELATED TO FUNDING.

Recommendation 11.1: According to startups the following recommendations would help to solve problems related to financing:

- There could be a single point of contact for grants, where all information is gathered, including European measures.
- The startups in the early development stage would benefit from the information or training on how to communicate with investors and involve the first investors. The negotiation skills of startups should be developed - how to argue, what is the value of a product/service, how to win the market with it, etc.
- SUE could help startups find an investor by mediating between pre-validated startups and investors. SUE could collect information about different investors from the companies that raised money. Also validate startups according to their maturity level, potential, needs, interests, etc. Then try to contact investors who have already invested in startups. The aim of such an activity would be to enable the startups to pitch in front of a larger group of investors.
- The state could offer capital support to startups in the early development stage with loans or investments:
    - The Estonian government could issue loans of 20,000 or 30,000 euros. They would be high-risk, but could undergo prior validation in the Startup Committee.
    - In Estonia it is difficult for very innovative (so-called moonshot and leap of faith type) companies to get financing. SUE could invest, for example, 50,000 euros in companies and then help find foreign investors.
- SUE could prepare a list of competitions where startups are awarded a project in cooperation with a well-known brand/large corporations.
- SUE could introduce the legislation related to Estonian business to foreign venture capital funds - the tax system, e-state systems, how transactions related to the company are carried out and what is related to hiring employees. The venture capital funds could also be informed more about the fact that buying an Estonian company is an equivalent risk and process to buying a company from a better-known country.

Recommendation 11.2: In the opinion of support organisations the following topics should be focused on when it comes to:

- The state research funding should increase (including for universities of applied sciences) with a focus on natural and exact sciences, as a result of which it would be possible to train and teach a sufficient amount of specialists and skilled workers with specialised knowledge the field of DeepTech needs in Estonia.
- SUE could manage a database listing both Estonian and foreign startup funding funds and investors to whom Estonian startups can turn to.

CONCLUSION 12.: ENTRY OR EXPANSION TO FOREIGN MARKETS IS CONTINUOUSLY A BIG PROBLEM FOR STARTUPS, WHICH BECOME A POTENTIAL OBSTACLE TO THEIR DEVELOPMENT AND NEEDS A COORDINATED APPROACH BY BOTH SUE AND SUPPORT ORGANISATIONS.

Recommendation 12.1: During the study, startups made the following recommendations related to entering foreign markets:

- basic information about foreign markets would be necessary;
- SUE could mediate the service of finding a validated sales representative or contact in the foreign market;
- SUE could coordinate the exchange of information on foreign markets. For a company just entering a specific foreign market, it is important to get advice from a company that has been operating there for several years.

Recommendation 12.2: In the opinion of the support organisations, the network of foreign partners developed by SUE and the existing know-how in the joint organisation of KredEx and Enterprise Estonia would help startups to expand to foreign markets better. Based on this, SUE could coordinate these activities together with the joint organisation of KredEx and Enterprise Estonia and offer these to startups that have reached the relevant stage. Therefore, in case of expanding to foreign markets, startup companies would be helped by "roadmap"-style instructions and the presence of a contact network.

CONCLUSION 13: SUPPORT AND COOPERATION OF THE STARTUP COMMUNITY NEEDS COORDINATION AND GREATER CONTRIBUTION FROM ALL PARTIES.

Recommendation 13.1: Greater internationalisation of the Estonian startup ecosystem in various aspects:

- bringing startups with common interests, wishes and needs together and encouraging international cooperation, for example participation with a common stand at international fairs, joint visits to conferences;
- to continue with international study trips, which according to the participants fulfils its purpose very well and is one of the most useful events organised by SUE;
- to find and bring to Estonia more mentors with international experience from various fields who could help Estonian startups in their development collaborating with the startup sector of nearby regions. It would also be necessary to bring more CEOs of startup companies with international experience to Estonia, who would have real experience of the international environment and would be able to take startup companies to the international level.
- in cooperation with the joint organisation of KredEx and Enterprise Estonia, offer more support to foreign founders when coming to Estonia and creating their own startup here and joining the ecosystem, for example by creating „roadmaps“;
- to increase cooperation with large international companies, with whom Estonian startups and higher education institutions would be able to start cooperation in various directions of development.

Recommendation 13.2: Organise more events outside Tallinn in order to increase regional cooperation and offer more opportunities to startups and support organisations located outside Tallinn.

CONCLUSION 14: INSUFFICIENT COOPERATION BETWEEN HIGHER EDUCATION INSTITUTIONS CAUSES UNNECESSARY COMPETITION AND PARALLEL DEVELOPMENT AND OFFERING OF SEVERAL SERVICES, WHICH ULTIMATELY REDUCES THE COMPETITIVENESS OF THE SECTOR.

Recommendation 14.1: Coordinated cooperation within the startup ecosystem, which would not only be between, for example, higher education institutions, but would also strongly include SUE activities, would involve more startup companies, as well as already operating companies, in the development of the information and support network.

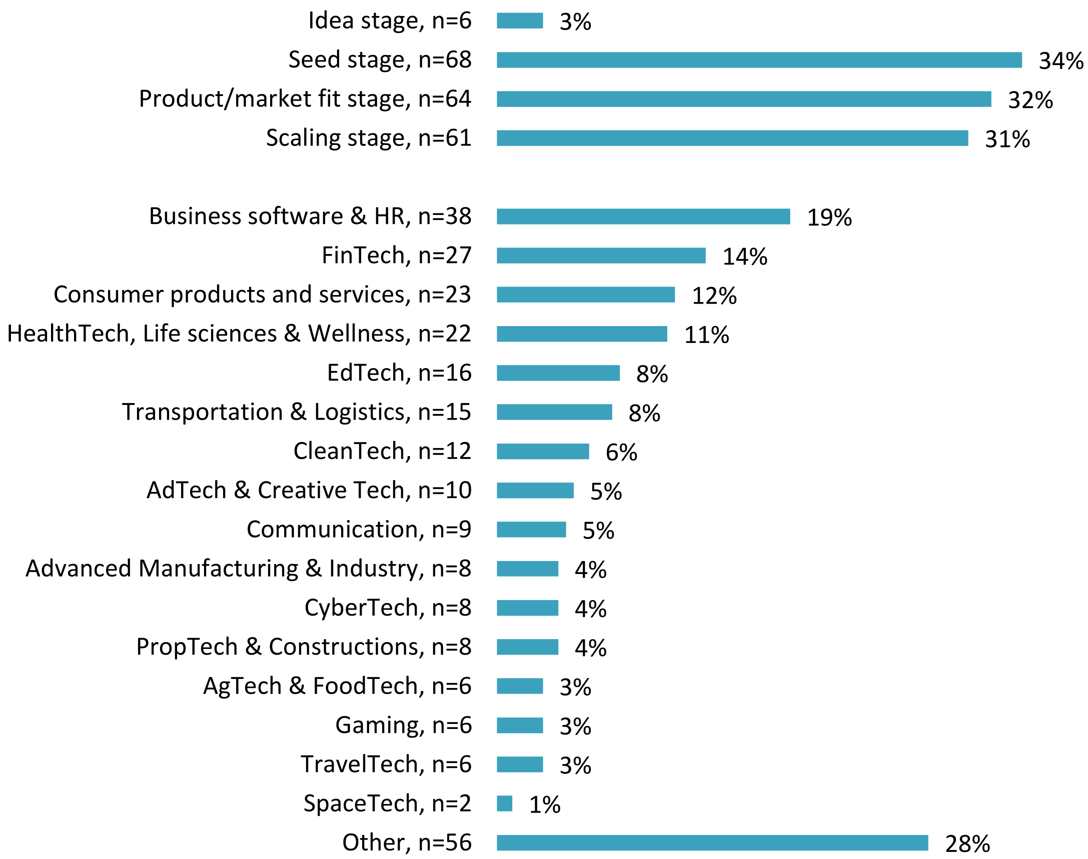
CONCLUSION 15: THE COVID-19 PANDEMIC AND RUSSIAN AGGRESSION IN UKRAINE HAVE WEAKENED ESTONIA'S POSITION IN INTERNATIONAL COMPETITION. THE CONTINUING GEOPOLITICAL DEVELOPMENT MAY WORSEN IT FURTHER.

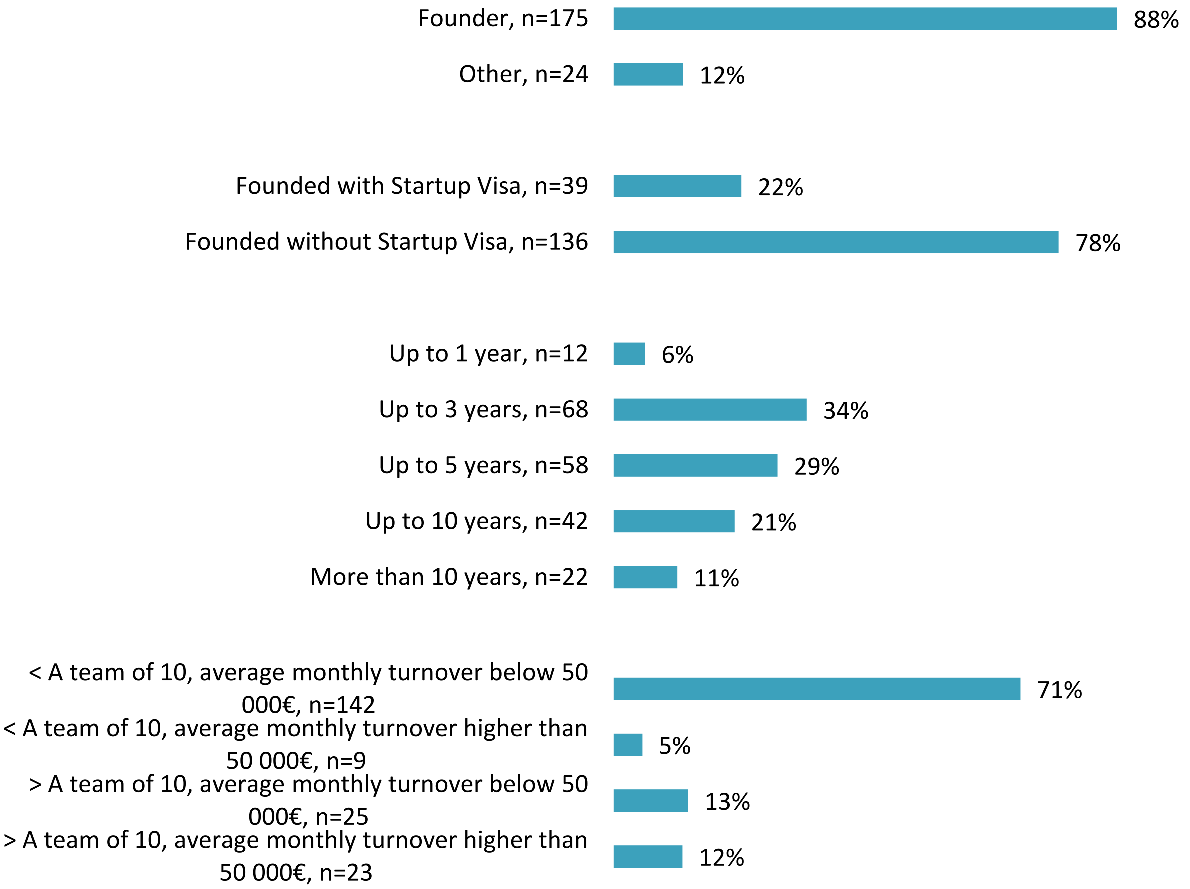
Recommendation 15.1: Create a cross-sectoral strategic communication roadmap by the public sector, with harmonised messages the startup sector could distribute outside of Estonia. Strategic communication could be supported by higher-level public sector messages and also business diplomacy.

APPENDIX

PROFILE OF THE RESPONDENTS OF THE SURVEY

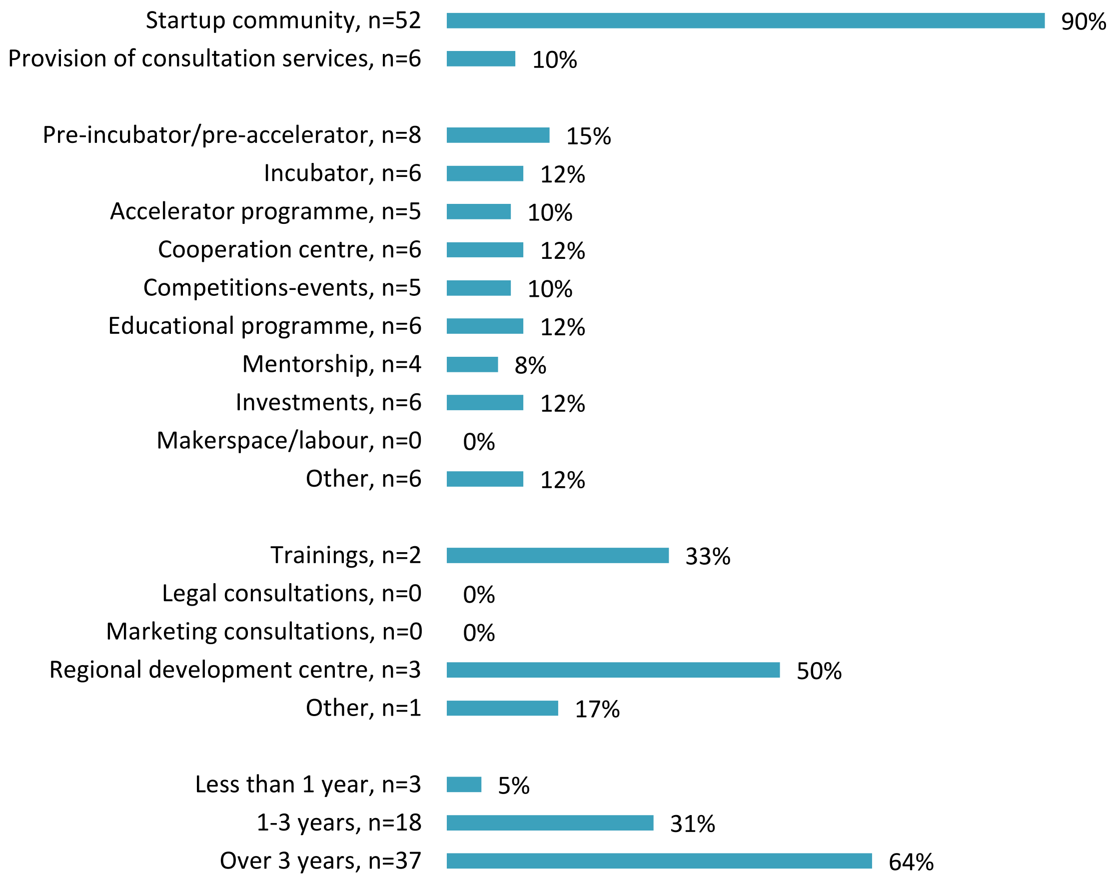
STARTUPS





Founder, n=175
88%
Other, n=24
12%
Founded with Startup Visa, n=39
22%
Founded without Startup Visa, n=136
78%
Up to 1 year, n=12
6%
Up to 3 years, n=68
34%
Up to 5 years, n=58
29%
Up to 10 years, n=42
21%
More than 10 years, n=22
11%
< A team of 10, average monthly turnover below 50 000€, n=142
71%
< A team of 10, average monthly turnover higher than 50 000€, n=9
5%
> A team of 10, average monthly turnover below 50 000€, n=25
13%
> A team of 10, average monthly turnover higher than 50 000€, n=23
12%

SUPPORT ORGANISATIONS



THE MAIN RESULTS OF THE SATISFACTION SURVEY OF THE ESTONIAN STARTUP ECOSYSTEM CONDUCTED IN 2018[9]

Awareness of the ecosystem members of SUE

- 91% of the support organisations and 80% of the startups knew that SUE acts as the national umbrella organisation of the Estonian startup sector.
- Awareness of SUE and the services they offer was higher in Tallinn, while awareness of the organisations operating outside Tallinn about SUE was lower.
- Currently, most information about SUE's activities is received via e-mail and SUE's website. More information is required primarily by e-mail, but also through personal communication and SUE‘s newsletter.
- The members of the startup ecosystem generally consider the currently shared information to be important and necessary.

Community awareness of the startup database

- 71% of the support organisations and 65% of the startups knew that SUE manages the database of startups.
- 72% of the startups who were aware of the existence of the database considered it very necessary or rather necessary to be in the database of startups, and 93% of the support organisations thought that the existence of the database was rather necessary or very necessary.
- Only 10% of the startups use the startup database. The criticism of the database consisted mainly of outdated data and the lack of functions that increase the possibilities of use (e.g. searching by fields).

Community awareness and satisfaction with SUE services

- More than 60% of the representatives of support organisations knew the most popular services offered by SUE. Most people knew that SUE helps organise events and manages the database of startups.
- The startups know best the role of SUE in organising various events.
- Both startups and support organisations consider the services currently offered by SUE to be important.

Assessment on the activities of support organisations

- 73% of the support organisations assessed their activities as sufficient or rather sufficient. 74% of the startups are satisfied or very satisfied with the activities of support organisations.
- The main concern of the support organisations is the sustainability of their activities, primarily due to the project-based nature of the funding.
- The startups that have used the services of support organisations are most satisfied with the organisation of seminars and conferences, provision of support materials, counselling and training.

[9] Survey of the satisfaction of the participants of the Estonian startup ecosystem. 2018. Civitta.

- The most common channel for receiving information about the activities of support organisations is an e-mail. Those who do not receive enough information at the moment would also prefer to receive information primarily by e-mail.

Expectations and recommendations for the future

- Although the communication between support organisations is generally assessed as good, the need for closer coordination of activities than before was pointed out.
- Both startups and support organisations hope to receive support from SUE in establishing international contacts, in finding potential partners and investors for startups, and for support organisations in learning from the experiences and mistakes of similar organisations in other countries. Develop a specific strategy for SUE, which describes the future vision of the field, goals and SUE's role in achieving them. In doing so, define which services/activities are offered by community members and which by SUE.
- Increasing the awareness of the parties in the field about the role and services of SUE.
- Ensure regular review of the information in the database of startups, so that the data in the database becomes reliable and usable.
- To map, in cooperation with the community, the most important fields in Estonia, where the development of startups is a priority, and to involve experts in the respective fields in the activities of SUE and in the development of the field.
- The calendar of events in the startup field could be filled in/updated, for example, twice a year to ensure that events are reflected in the calendar as early as possible. On the one hand, it helps to reduce the number of overlapping events when planning events, and on the other hand, it helps the participants to plan their time better.
- SUE should continue its role as a representative of the community when communicating with national institutions to ensure state support for the field and the creation of suitable conditions for startups.
- SUE could create a good practice where various topics of law, accounting, taxation, etc. important to the company have been provided together with model documents.