# Scale Ireland
# State of Startups Survey 2022

Scale Ireland, supported by Microsoft for Startups, Hadfield Green, Republic of Work and Atlantic Bridge, will host their first annual Regional Summit on 28th January 2022. To coincide with the Summit, Scale Ireland launched a 'State of Start-ups' Survey to gauge the sentiment of founders around the country under the headings of economy, employment, taxation, state assistance, gender and climate. 230 start-up founders and CEOs completed the survey, which comprised 26 questions.

The findings provide valuable information and insights about the challenges facing founders and the sector at this critical time. A summary of the key findings is listed below:

**1**

**Keeping staff is becoming more difficult for startups - *45.4%*** of respondents said they found it more difficult than last year while ***41.5%*** have lost staff in 2021.

**2**

**State incentive schemes are not appealing to startups - *74.2%*** of respondents did not avail of EIIS, ***77.7%*** did not avail of KEEP and ***65.9%*** did not avail of the R&D credit.

**3**

**The majority of startups don't have a sustainability or climate plan - *70.7%*** of startups don't have a sustainability or climate action plan, with ***45.1%*** citing it as not a priority.

**4**

**Marketing and Sales are where most startups identify their skills gaps** - Marketing and sales was cited by ***48%*** of startups as an area where they lacked expertise, with only ***14.4%*** saying they felt they didn't lack expertise in any area.

**5**

**Greater visibility of leading female founders will inspire others - *53.4%*** of respondents believe greater visibility of leading female founders will increase the number of female founders, while ***35.4%*** think more mentoring would assist.

**6**

**For Irish startups, their top priority is raising capital yet they are finding it difficult - *79%*** of startups found it difficult ***(57.6%)*** or extremely difficult ***(21.4%)*** to raise capital. Securing funding was cited as the single biggest priority of ***47.2%*** of startup founders/CEOs.

ScaleIreland Microsoft Microsoft for Startups Hadfield Green Atlantic Bridge Republic of Work

## 1. What do you think is the biggest challenge facing Irish start-ups

230 out of 230 answered

| | | |
|---|---|---|
| Securing funding | 108 resp. | 47% |
| Recruitment & retention of staff | 58 resp. | 25.2% |
| Cost of doing business | 20 resp. | 8.7% |
| Tax & regulation burdens | 20 resp. | 8.7% |
| Lack of expert advice & support | 13 resp. | 5.7% |
| Other | 11 resp. | 4.8% |

## 2. How difficult is it to attract private capital?

230 out of 230 answered

| | | |
|---|---|---|
| Difficult | 133 resp. | 57.8% |
| Extremely Difficult | 49 resp. | 21.3% |
| Straightforward | 42 resp. | 18.3% |
| Very straightforward | 6 resp. | 2.6% |

## 3. Have you used the Employment Incentive Investment Scheme (EIIS)?

230 out of 230 answered

| | | |
|---|---|---|
| No | 171 resp. | 74.3% |
| Yes | 59 resp. | 25.7% |

## 4. Have you found it more difficult to recruit or retain staff in the last year

230 out of 230 answered

| | | |
|---|---|---|
| Yes | 105 resp. | 45.7% |
| No difference | 83 resp. | 36.1% |
| No | 42 resp. | 18.3% |

## 5. Have you lost staff in the last year?

230 out of 230 answered

## 6. Have you used the Key Employee Engagement Programme Scheme/share options as a means of attracting/retaining talent?'

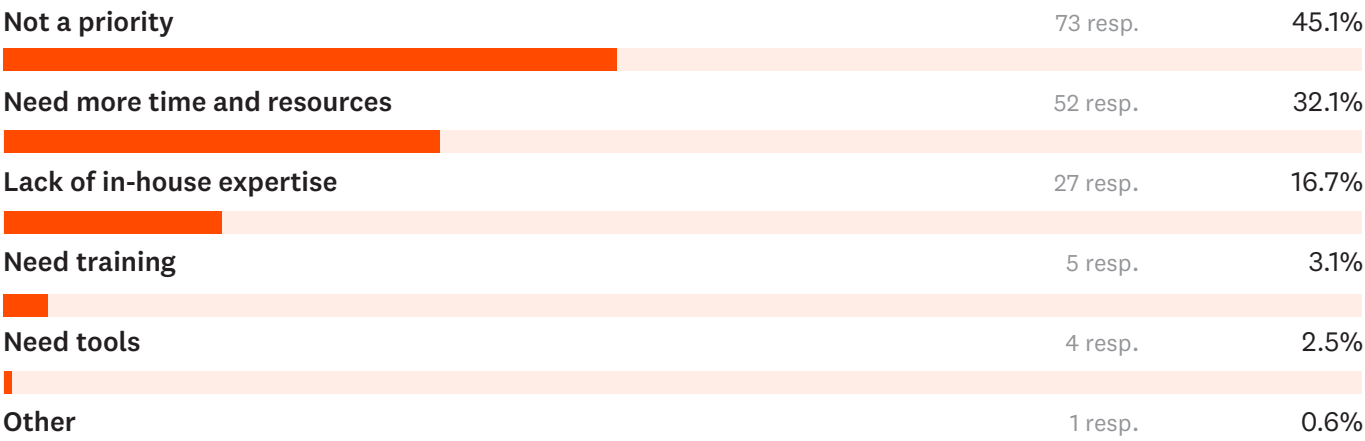
230 out of 230 answered

## 7. Does your company have a Sustainability/Climate Action plan?

230 out of 230 answered

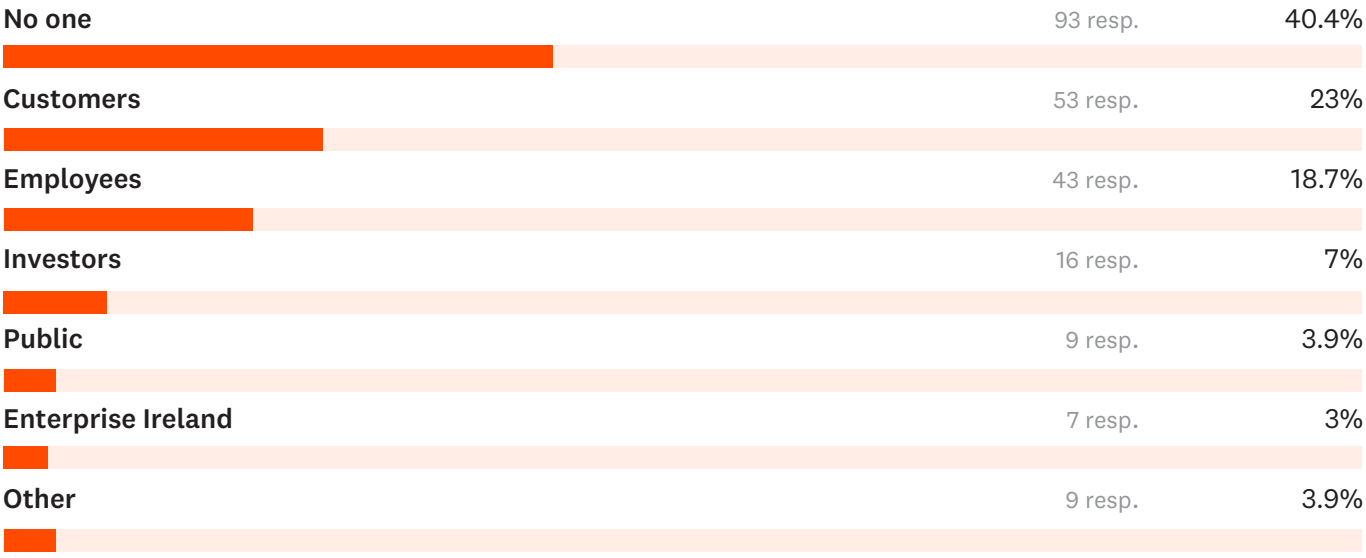
## 8. What are the key challenges for your organisation to introduce a Sustainability or Climate Action plan?

162 out of 230 answered



## 9. Which of your stakeholders are most encouraging/supportive of your organisation having a sustainability plan?

230 out of 230 answered

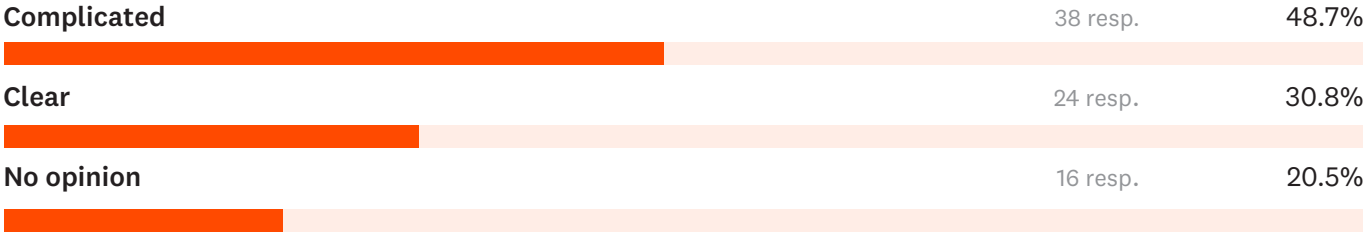



## 10. Has your company sought to avail of the R&D Credit?

230 out of 230 answered

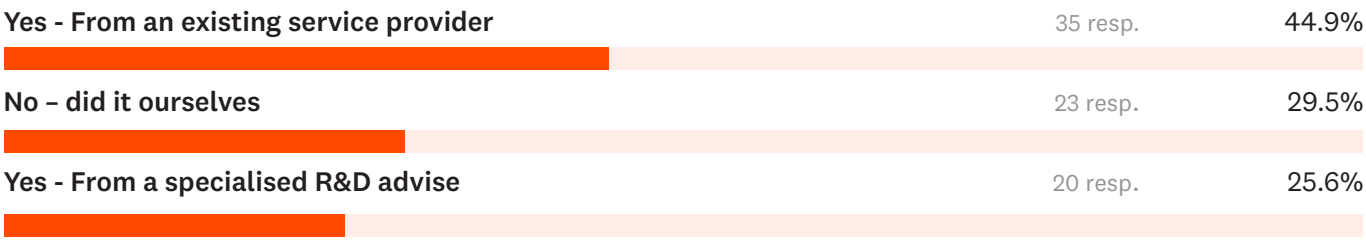
## 11. How have you found the application process?

78 out of 230 answered




## 12. Did you use external advice?

78 out of 230 answered



## 13. What is the main change would you like to see in the credit?

78 out of 230 answered

| | | |
|---|---|---|
| Monetise it in year one, not over 3 years | 36 resp. | 46.2% |
| Simplify the process | 15 resp. | 19.2% |
| Include wider range of R&D to market costs | 12 resp. | 15.4% |
| Increase the tax credit | 11 resp. | 14.1% |
| Other | 4 resp. | 5.1% |

## 14. Why did you not make an application?

173 out of 230 answered

| | | |
|---|---|---|
| Not aware of the credit | 41 resp. | 23.7% |
| Not relevant to my company | 40 resp. | 23.1% |
| Fear it is too time-consuming | 38 resp. | 22% |
| Financial incentive insufficient | 21 resp. | 12.1% |
| Fear of Revenue audit/penalty | 4 resp. | 2.3% |
| Other | 29 resp. | 16.8% |

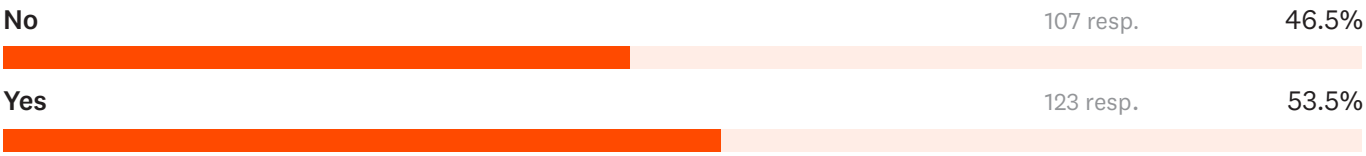
## 15. Does your company lack certain skill sets or experience?

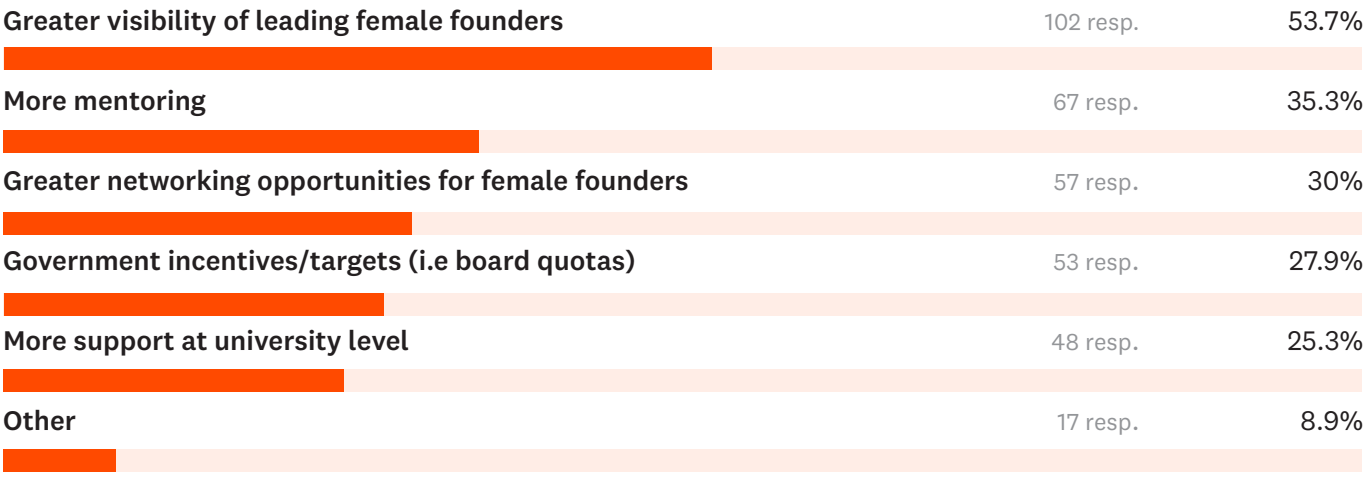
230 out of 230 answered

| | | |
|---|---|---|
| Marketing & Sales | 110 resp. | 47.8% |
| Finance & Operations | 79 resp. | 34.3% |
| Technology Expertise | 70 resp. | 30.4% |
| Human Resources | 44 resp. | 19.1% |
| No | 33 resp. | 14.3% |
| Other | 8 resp. | 3.5% |

## 16. Does your company have a female founder or senior staff that are female? (i.e. CTO, CFO)

230 out of 230 answered




## 17. What do you think would help increase the number of female founders in Ireland?

190 out of 230 answered