

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:

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.

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.

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.

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.

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.

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.











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



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

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

No	162 resp.	70.4%
Yes	68 resp.	29.6%

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

Not a priority	73 resp. 45.1	l%
Need more time and resources	52 resp. 32.1	l%
Lack of in-house expertise	27 resp. 16.7	′%
Need training	5 resp. 3.1	l%
Need tools	4 resp. 2.5	j%
Other	1 resp. 0.6	5%

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

200 out of 200 unswered		
No one	93 resp.	40.4%
Customers	53 resp.	23%
Employees	43 resp.	18.7%
Investors	16 resp.	7%
Public	9 resp.	3.9%
Enterprise Ireland	7 resp.	3%
Other	9 resp.	3.9%
10. Has your company sought to avail of the R&D Credit? 230 out of 230 answered		
No	78 resp.	33.9%
Yes	152 resp.	66.1%
11. How have you found the application process? 78 out of 230 answered		
Complicated	38 resp.	48.7%
Clear	24 resp.	30.8%
No opinion	16 resp.	20.5%
12. Did you use external advice?		
78 out of 230 answered		
Yes - From an existing service provider	35 resp.	44.9%
No – did it ourselves	23 resp.	29.5%
Yes - From a specialised R&D advise	20 resp.	25.6%

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?

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

No	107 resp.	46.5%
Yes	123 resp.	53.5%

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

Greater visibility of leading female founders	102 resp.	53.7%
More mentoring	67 resp.	35.3%
Greater networking opportunities for female founders	57 resp.	30%
Government incentives/targets (i.e board quotas)	53 resp.	27.9%
More support at university level	48 resp.	25.3%
Other	17 resp.	8.9%