Scale Ireland State of Startups Survey 2023

Scale Ireland, supported by Microsoft Ireland, Ireland Strategic Investment Fund, Atlantic Bridge, PorterShed, Science Foundation Ireland and Spark Crowdfunding, will host their second annual Regional Summit on 25th February 2023.

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. 248 start-up founders and CEOs completed the survey, which comprised of over 20 questions. Interestingly, one of our key findings was around sustainability, where 66.9% say do not have a sustainability plan, down from 70.4% in 2021.

More than half of the CEOs and founders surveyed (51.6%) considered funding to be their biggest challenge in the last year, (up from 47% in 2021) while 80% of respondents felt it was difficult or very difficult to attract capital. Staff: 35% of start-ups have found it more difficult to recruit or retain staff in 2022, down from 45.7% in 2021. And while 40% of start-ups have lost staff in the last year, 22% of start-ups have let staff go. State supports: uptake of state supports remains unattractive with 83.1% of respondents not availing of the KEEP share options scheme (up from 77.8% in 2021), and 66.1% not availing of the R&D Tax credit (similar to 2021).

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Complexity of supports: While 73% of those who availed or looked at availing of the Employment Investment Incentive Scheme (EIIS) found the process difficult or not easy. 49% of respondents found the R&D Tax Credit scheme complicated. New PreSeed Fund: Almost two thirds (62.5%) found Enterprise Ireland's new PreSeed funding will improve the environment for start-ups. Cost of Living: 12% identified the cost of doing business as the biggest issue facing start-ups. 65.7% said inflation or cost of living issues had impacted their business.











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

248 out of 248 answered

Securing funding	128 resp.	51.6%
Recruitment & retention of staff	42 resp.	16.9%
Cost of doing business	30 resp.	12.1%
Tax & regulation burdens	23 resp.	9.3%
Lack of expert advice & support	19 resp.	7.7%
Other	6 resp.	2.4%

2. How difficult is it to attract private capital?

248 out of 248 answered

6%
2%
7%
4%
7

3. Has inflation or issues related to the cost of living impacted your business?

248 out of 248 answered

Yes	163 resp.	65.7%
Νο	85 resp.	34.3%

4. Which issue do you believe is the most challenging relating to cost of living?

Housing	94 resp.	37.9%
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Staff costs	66 resp.	26.6%
General inflation	62 resp.	25%
Energy costs	22 resp.	8.9%
Other	4 resp.	1.6%
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5. Do you think Enterprise Ireland's revised terms and conditions for PreSeed funding will improve the environment for indigenous start-ups?

248 out of 248 answered

Yes	155 resp.	62.5%
No	93 resp.	37.5%

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

248 out of 248 answered

Same as before

Same as before	114 resp.	46%
Yes	87 resp.	35.1%
Ne	47	100/
No	47 resp.	19%

7. Have you lost staff in the last year?

248 out of 248 answered

No	148 resp.	59.7%
Yes	100 resp.	40.3%

8. Have you let go of staff in the last year?

248 out of 248 answered

No	131 resp.	52.8%
Not an issue for our company	62 resp.	25%
Yes	55 resp.	22.2%

9. Have you used the Key Employee Programme scheme/KEEP share options as a means of attracting/retaining staff?

248 out of 248 answered

Yes	42 resp.	16.9%
No	206 resp.	83.1%

10. Are you aware of the Employment Incentive Investment Scheme (EIIS)?

248 out of 248 answered

Yes	162 resp.	65.3%
Νο	86 resp.	34.7%

11. If you have availed of it or have thought of availing it, how easy or difficult did you find the process?

240 out of 248 answered

Not relevant to my company	132 resp.	55%
Very Difficult	44 resp.	18.3%
Not easy	35 resp.	14.6%
Fine	24 resp.	10%
Easy	4 resp.	1.7%
Very easy	1 resp.	0.4%

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

248 out of 248 answered

No	166 resp.	66.9%
Yes	82 resp.	33.1%

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

Not a priority	92 resp. 55.4%
Need more time and resources	43 resp. 25.9%
Lack of in-house expertise	24 resp. 14.5%
Need training	3 resp. 1.8 %
Need tools	1 resp. 0.6%
Other	3 resp. 1.8 %

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

248 out of 248 answered

No one	114 resp. 46%	%
Customers	44 resp. 17.7%	%
Employees	40 resp. 16.1%	%
Investors	17 resp. 6.9%	%
Enterprise Ireland	14 resp. 5.6%	%
Public	14 resp. 5.6%	%
Other	5 resp. 2%	%

15. Has your company sought to avail of the R&D Tax Credit?

248 out of 248 answered

Yes	84 resp.	33.9%
No	164 resp.	66.1%

16. How have you found the application process?

85 out of 248 answered

Complicated	42 resp.	49.4%
Clear	27 resp.	31.8%
No opinion	16 resp.	18.8%

17. Did you use external advice?

Yes - From an existing service provider	36 resp.	42.4%
Yes - From a specialised R&D adviser	30 resp.	35.3%
No – did it ourselves	15 resp.	17.6%
Not affected	4 resp.	4.7%

18. Does your company lack certain skill sets or experience?*

248 out of 248 answered

Marketing & Sales	125 resp.	50.4%
Finance & Operations	75 resp.	30.2%
Technology Expertise	60 resp.	24.2%
Human Resources	56 resp.	22.6%
No	38 resp.	15.3%
Other	12 resp.	4.8%

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

248 out of 248 answered

Yes	129 resp.	52%
No	119 resp.	48%

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

236 out of 248 answered

Greater visibility of leading female founders	106 resp.	44.9%
More support at university level	70 resp.	29.7%
Greater networking opportunities for female founders	67 resp.	28.4%
More mentoring	62 resp.	26.3%
Greater incentives from Government (ie board quotas)	48 resp.	20.3%
Other	48 resp.	20.3%

*respondents could choose multiple choices for this answer, therefore leading to totals beyond 100%

21. Will your organisation allow staff the option to work from home indefinitely?

248 out of 248 answered

Yes	168 resp.	67.7%
No	42 resp.	16.9%
Don't Know	38 resp.	15.3%

22. Do you engage or have access to students or graduates for internship or graduate programmes?

Yes	157 resp.	63.3%
No	74 resp.	29.8%
Don't Know	17 resp.	6.9%