Tampere Region startup survey 2021

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Business Tampere

Background

- Tampere Region startup survey is annually excecuted review of the current phase of the startup-ecosystem in the area
- The survey of 2021 was executed by Business Tampere as a commission by the City of Tampere
- Main goal was to find out the amount of the startups in the Tampere region and gather and analyze information about their current situation
- The outcoming information will be utilized by the business advisors in the region to develop the business services for startups

Startup-company

Several definions has been created for startup companies. A definition drafted by Pirkanmaa startup alliance has been used on this survey:

- **1. Employment:** The company employs 1 to 49 employees, and the company is either registered as an employer or has a team that offers work to at least two people. Work in this context may refer to paid work or unpaid work performed by the owner or volunteers on a full-time or parttime basis.
- **2. Legal form:** The company is a privately owned limited liability company. Subsidiaries of groups and companies owned by the state or local governments do not qualify as startups.
- **3. Innovativeness and scalability:** The company develops a product or a service that involves a high business risk and looks for a scalable and reproducible business model. Companies that have switched from their previous, established business activities to developing an innovative and scalable business model qualify as startups.
- **4. Focus on growth:** The company actively seeks globalisation and rapid growth.
- **5. Potential for funding:** The company has either received risk funding or has attracted the interest of providers of risk funding.
- **6. Yrityksen ikä:** Divided on three categories:
  - 1) Startup companies that are less than 5 years old and fulfil criteria 1–5.
  - 2) Startup companies that are 5 to 10 years old and fulfil criteria 1–5
  - 3) Other growth companies that do not fulfil the criteria for startup companies. The widely accepted definition of a growth company, drafted by the OECD and Eurostat, can be applied here: “During the past three years, the company has grown more than 20% on average, and it employed a minimum of 10 people at the start.”

Startup ecosystem

- Entrepreneurial ecosystems comprise the connection between regional economic development strategy, entrepreneurial activity and innovative initiatives associated with job creation and urban revitalization (Robertson et al. 2020)
- Public sector institutions provide the infrastructure and support needed to cultivate entrepreneurial ecosystems
- In startup ecosystem different stake holders are forming organizations to build infrastructural base to find and support companies, further the development of national products and to increase the amount of employment in wide scale (Zhavoronkova et al. 2020)
- The most developed innovation ecosystems are focused near by universities, research institutions and science and technology parks

Startups from the national economy point of view

- Young, innovative companies have potential to upgrade the economical productivity of regions with new products and services (Ghio et al. 2016)
- Essential for the growth of employment (Halme et al. 2016)
  - Small amount of growing companies create a significant amount of new jobs
- Challenges the old industry structures, big companies to renew and act as an example of implementing new, more flexible operational models in business (Valtioneuvosto 2016)
- The high educational level and the amount of business accelerators in a spesific area is found to have a connection to the amunt of startups (Del Bosco et al. 2019)
- Wide range of experiments, quick failures and pursuing succes with a high risk of failure belong to the experiemential culture of startups (Maliranta et al. 2018)
  - Potential startups should be allowed to grow and unsuccesfull ones to led to new ideas through creative destruction
  - The aim of the economic policy should be to support scaling of startups having potential and willingness to grow, leading to growth of production through employment and productivity growth
- Ecosystem development in Finland is divided on national, regional and local level (Valtioneuvosto 2016)

Tampere Region startup-ecosystem

- Includes several public and private sector organizations besides the startups
- Numerous spinoffs has been formed from the research centers in the area, TUNI as the biggest
  - Especially on medical and technological industries
- Many large-scale enterprices are co-operating with the startups, for example through Rapid Tampere program
- Several communal premices are available for startups
  - Platform6 funded by the City of Tampere as an example
- Private investment companies and angel investors play a significant role on enabling the ecosystem
- Public sector has supported the ecosystem business environment development actively since 2018, and Business Tampere plays a strong role as securing the ecosystem development
- The ecosystem is on an activation phase and still vulnerable
- Fundig by public sector is used to replace the services for early phase companies
- One of the most significant development initiative is the Growth ecosystem initiative, which belongs to 6Aika strategy

Execution

Creating survey

Gathering lists of potential startups

- BT CRM
- 2020-21 based IT companies
- BT customer contacts
- Other sources of information

Delivering survey by email

- Reply from 57 companies, from which 49 were startups

Leftovers

- 17 companies were over 10 years old or had personnel over 50
- 7 companies were relocated
- 6 companes had changes on ownership
- 26 didn't have typical startup kind of business
- 16 companies had given up
- 13 companies were on a break

Phone interviews

- Reached 110 companies, from which 85 were recognized as startups

Meetings

- Met 56 companies, from which 49 were startups

Other methods

- All of the companies were not reachable, some had to be recognized through customer contacts
- 70 companies were searched, from which 26 were startups

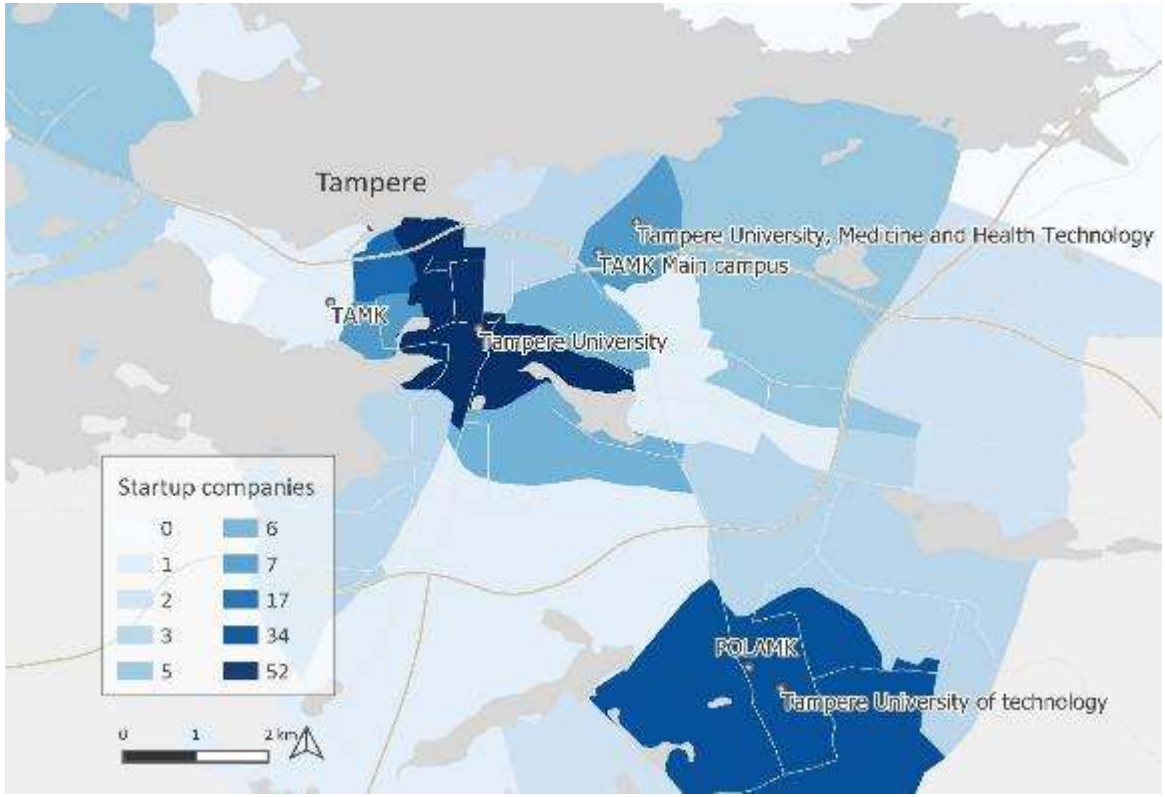
Additional sources

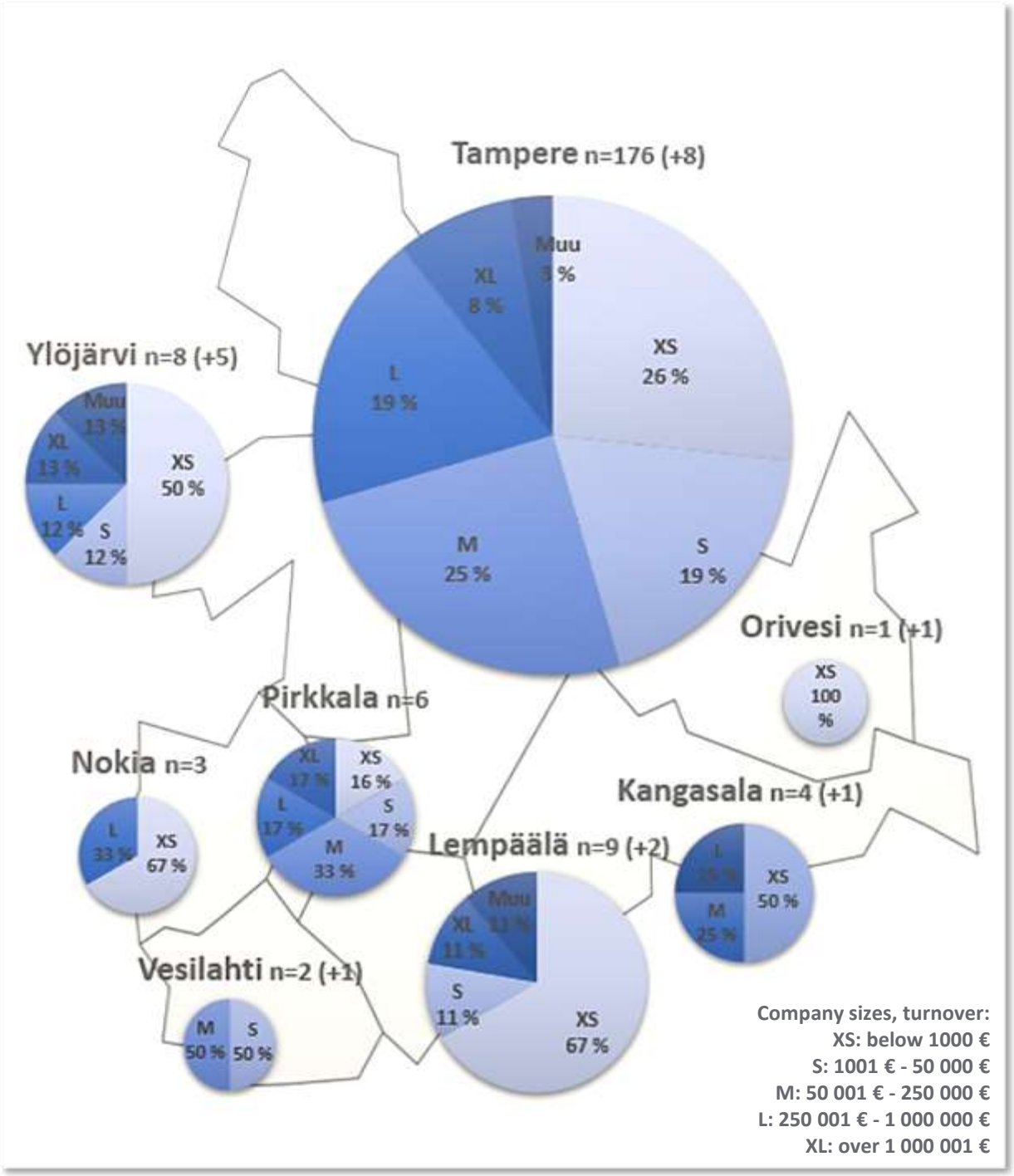
- Crunchbase
- Business Finland – NIY- funding
- Fonecta Finder
- Statistics Finland – Key numbers of municipalities
- Vainu.io

Data analyzing on Microsoft Excel

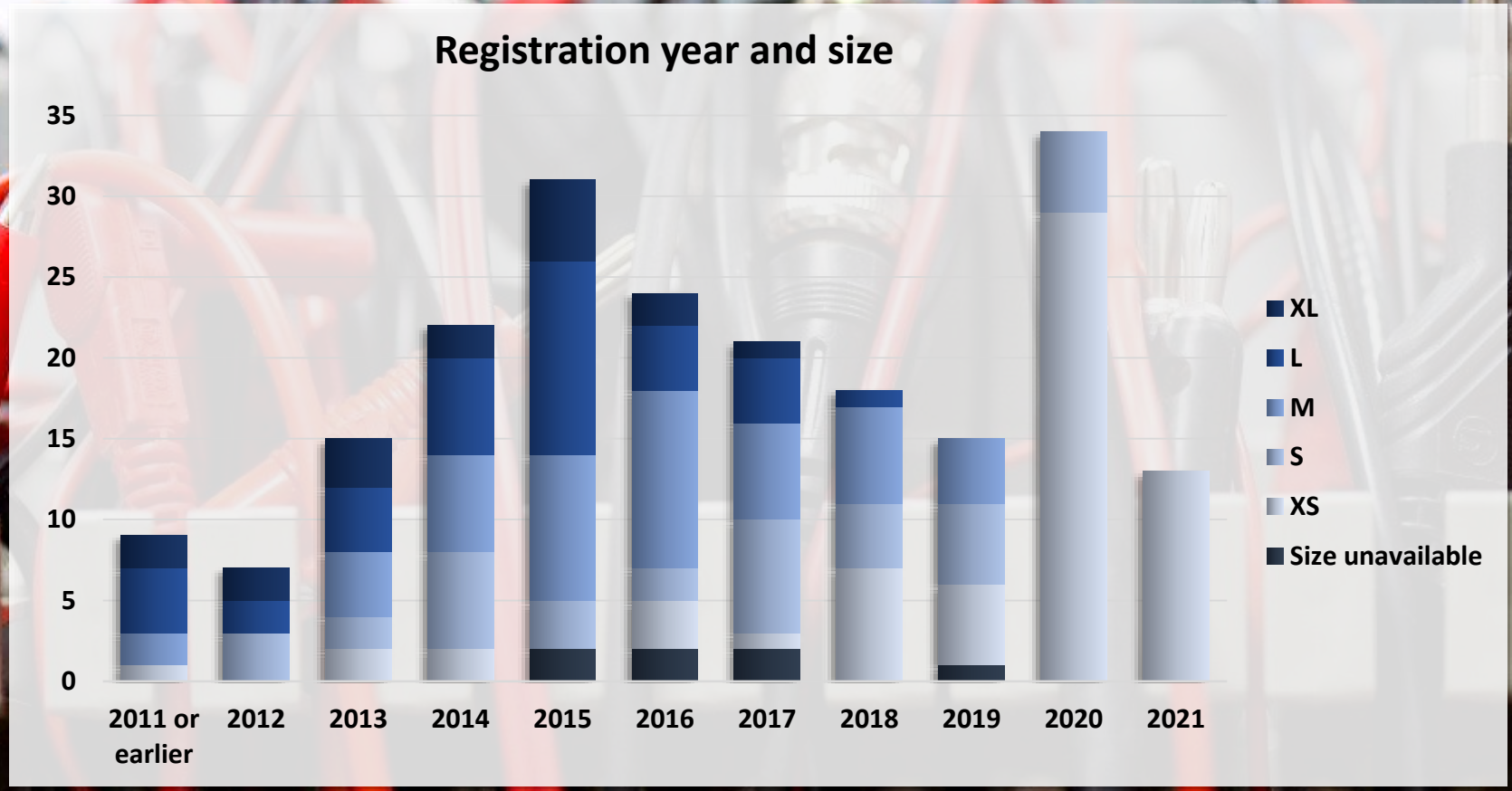
Startups in the region

209 startups were recognized (Appendix 1).

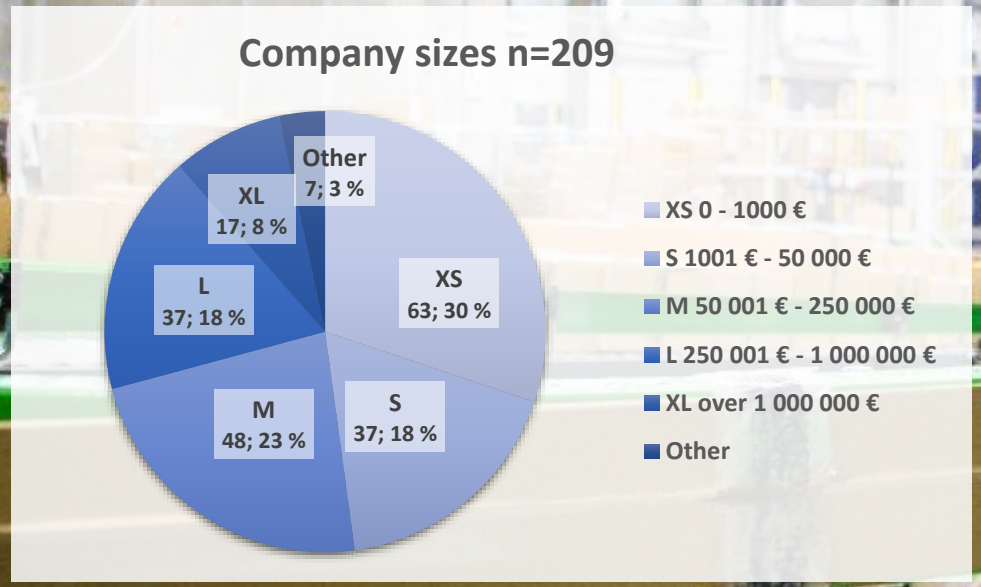


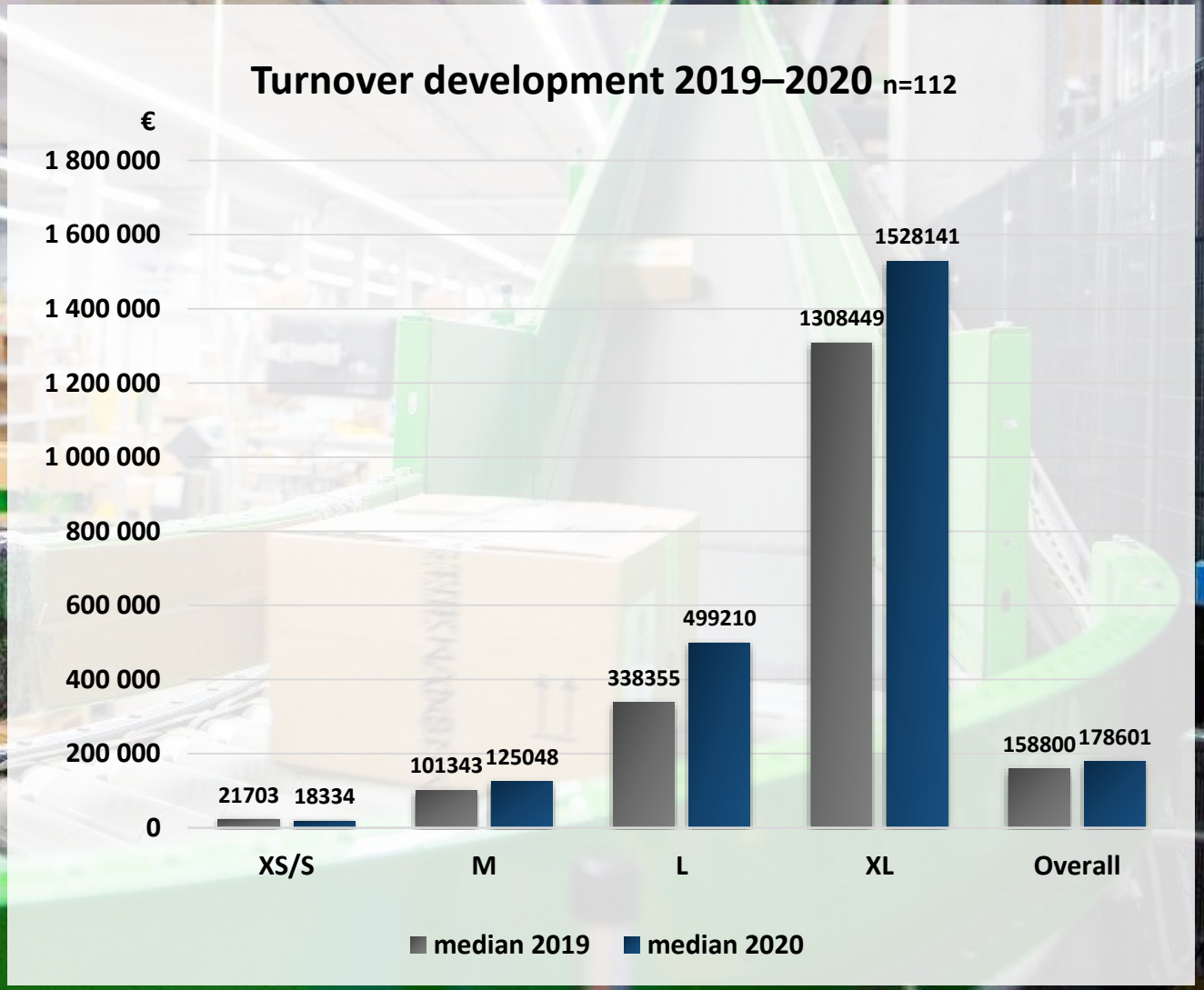


Age

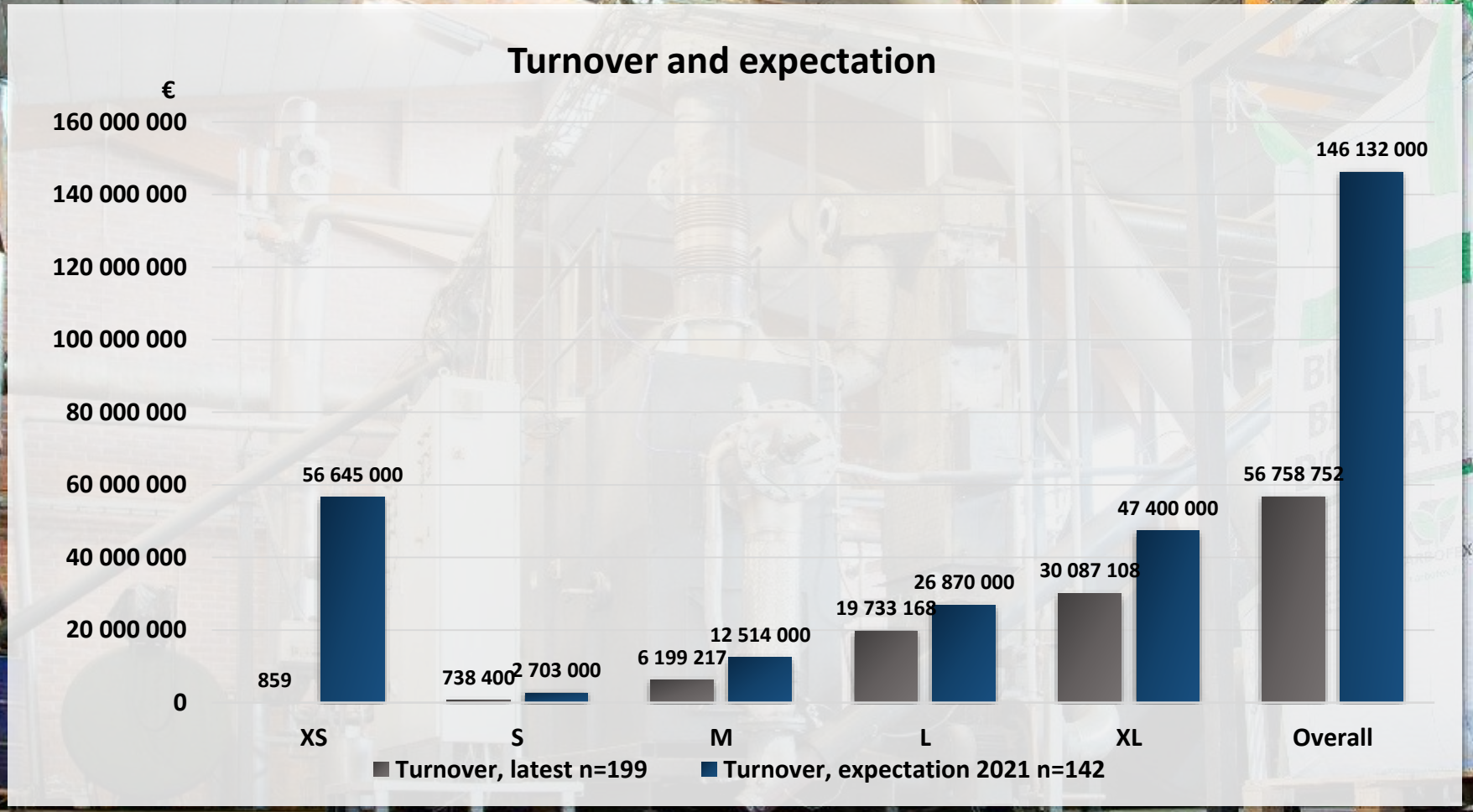

Registration year and size
35
30
25
20
15
10
5
0
2011 or earlier
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
XL
L
M
S
XS
Size unavailable

Turnover

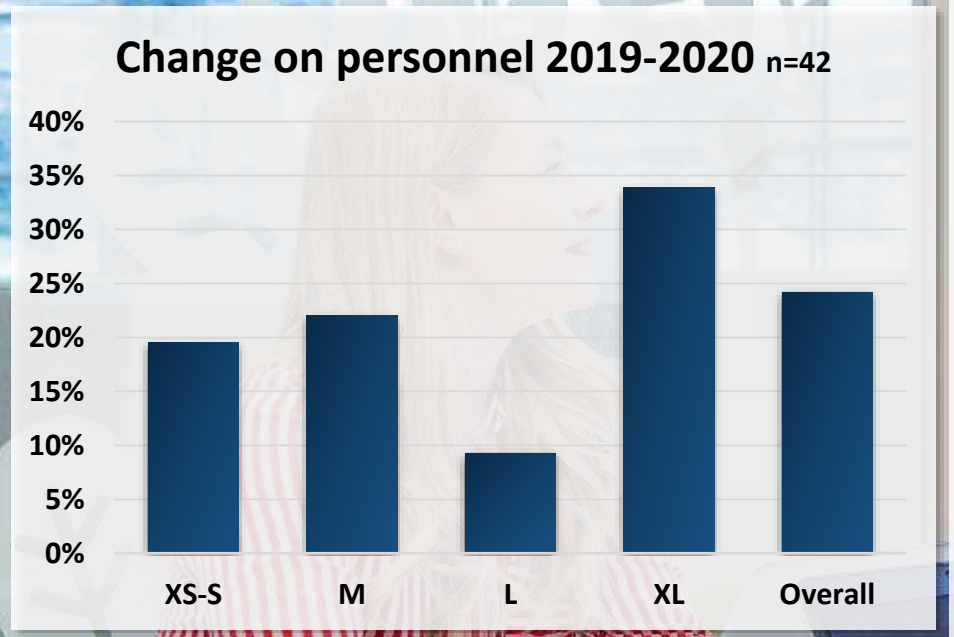

Company sizes n=209
Other
7; 3 %
XL
17; 8 %
L
37; 18 %
XS
63; 30 %
M
48; 23 %
S
37; 18 %
XS 0 - 1000 €
S 1001 € - 50 000 €
M 50 001 € - 250 000 €
L 250 001 € - 1 000 000 €
XL over 1 000 000 €
Other

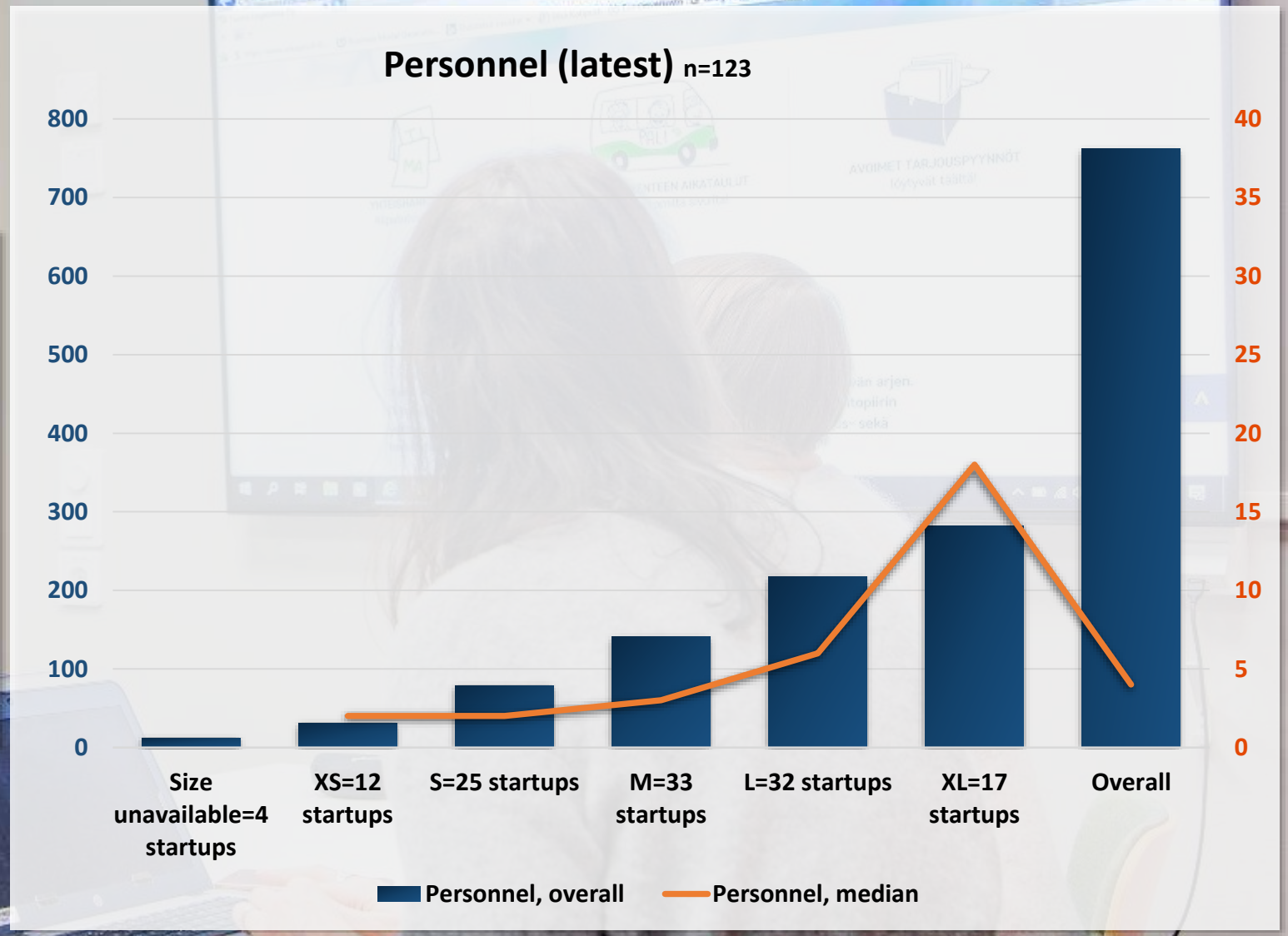

Turnover development 2019–2020 n=112
€
1 800 000
1 600 000
1 400 000
1 200 000
1 000 000
800 000
600 000
400 000
200 000
0
21703
18334
101343
125048
338355
499210
1308449
1528141
158800
178601
XS/S
M
L
XL
Overall
median 2019
median 2020

Expectation of the turnover

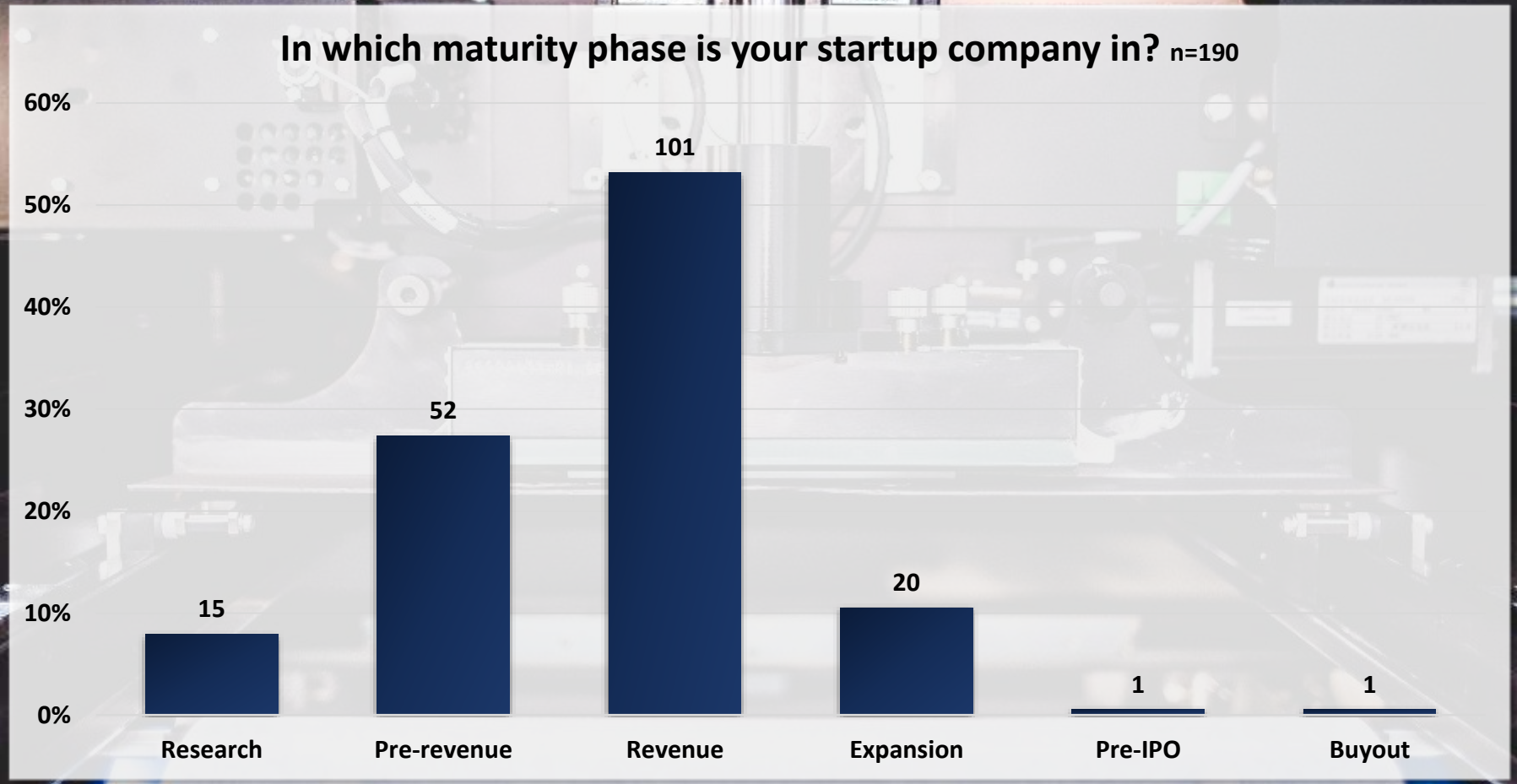


Employment

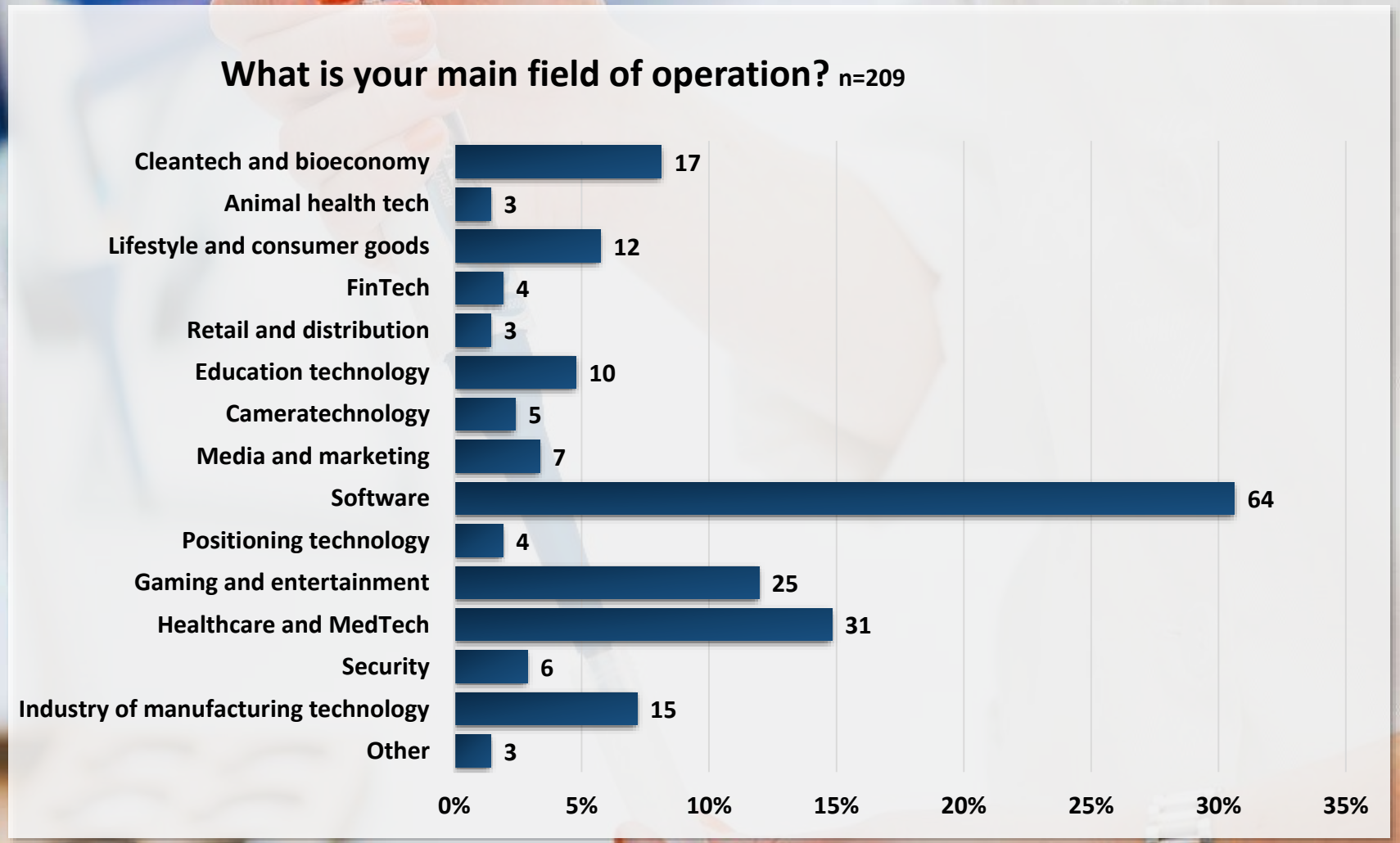

Change on personnel 2019-2020 n=42
40%
35%
30%
25%
20%
15%
10%
5%
0%
XS-S
M
L
XL
Overall


Personnel (latest) n=123
800
700
600
500
400
300
200
100
0
40
35
30
25
20
15
10
5
0
Size unavailable=4 startups
XS=12 startups
S=25 startups
M=33 startups
L=32 startups
XL=17 startups
Overall
Personnel, overall
Personnel, median

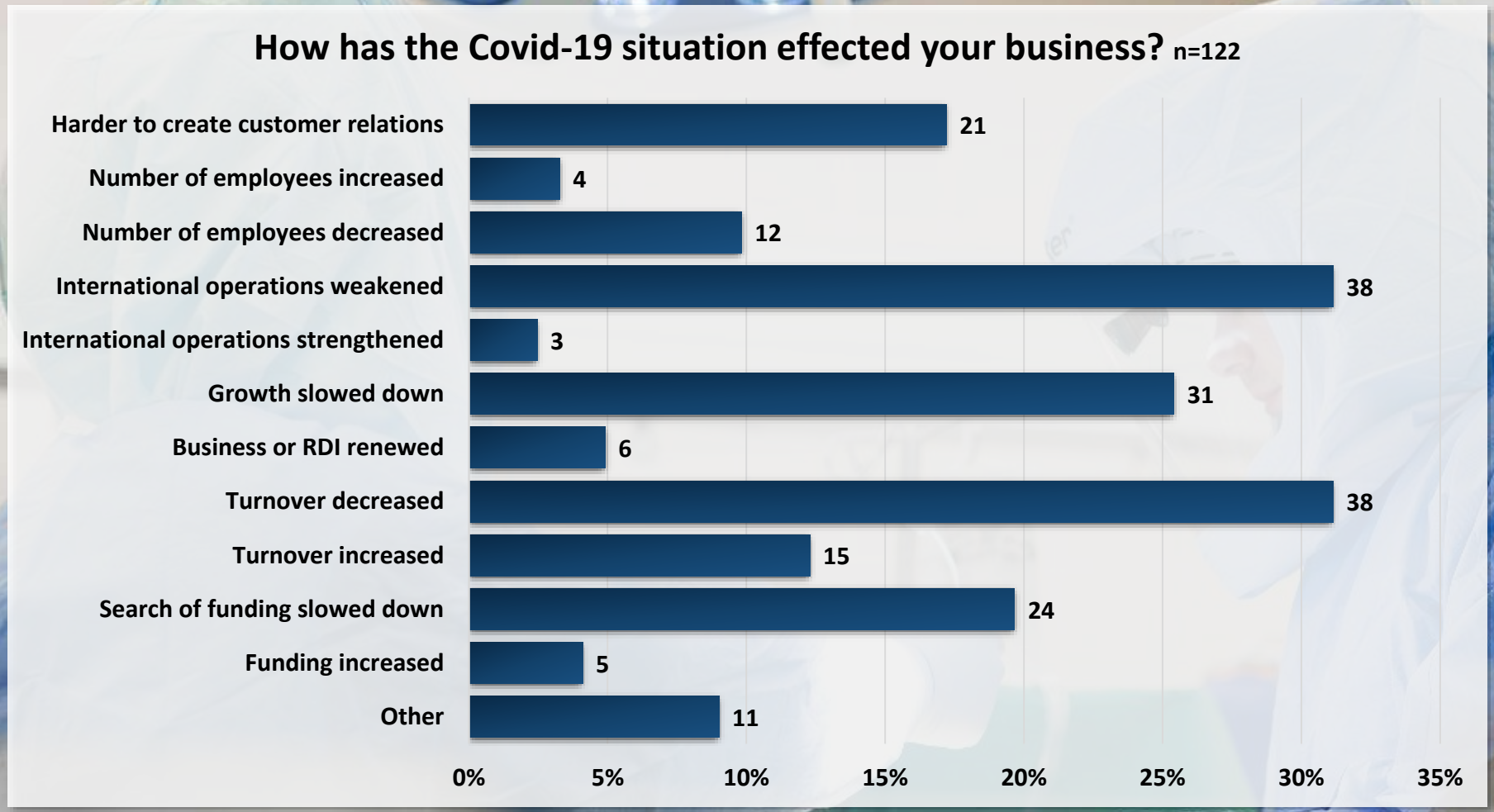
Maturity phase



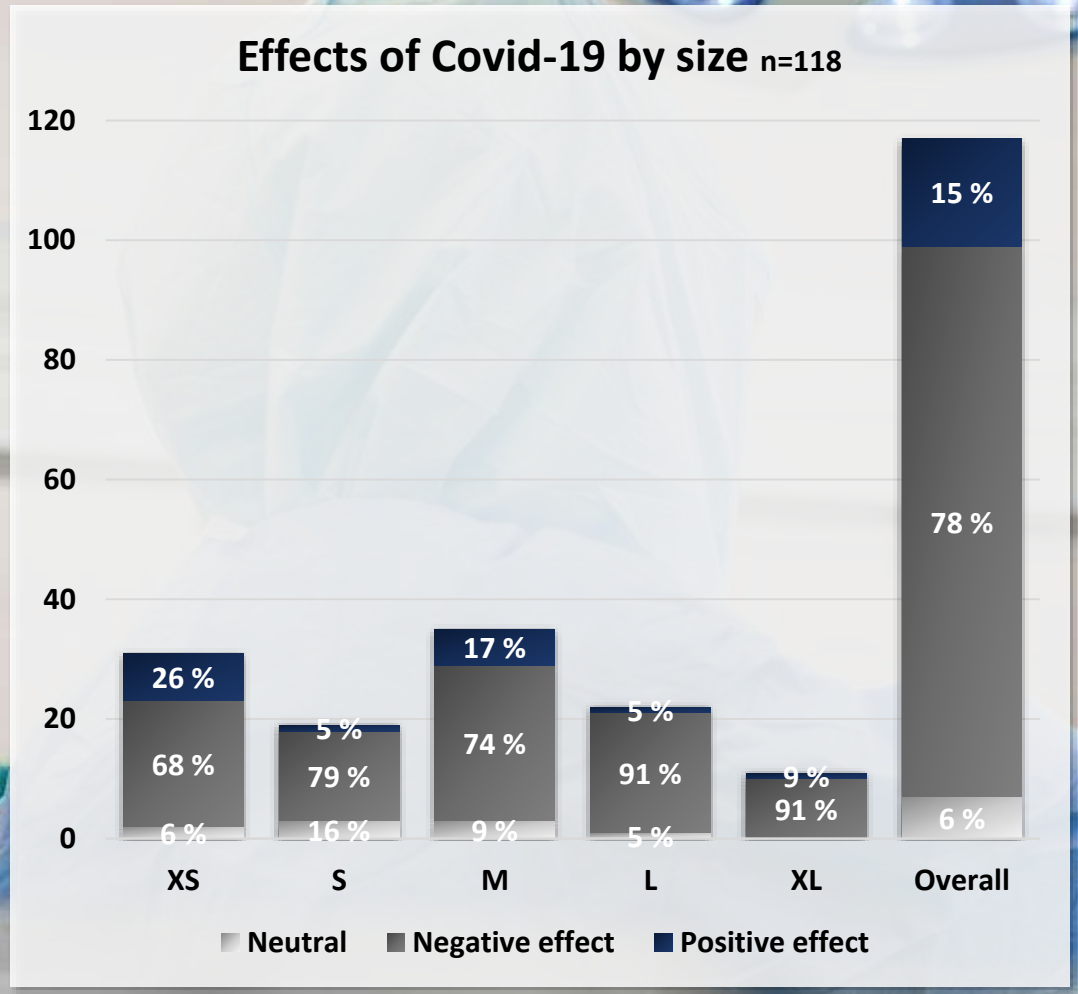
Field of operation

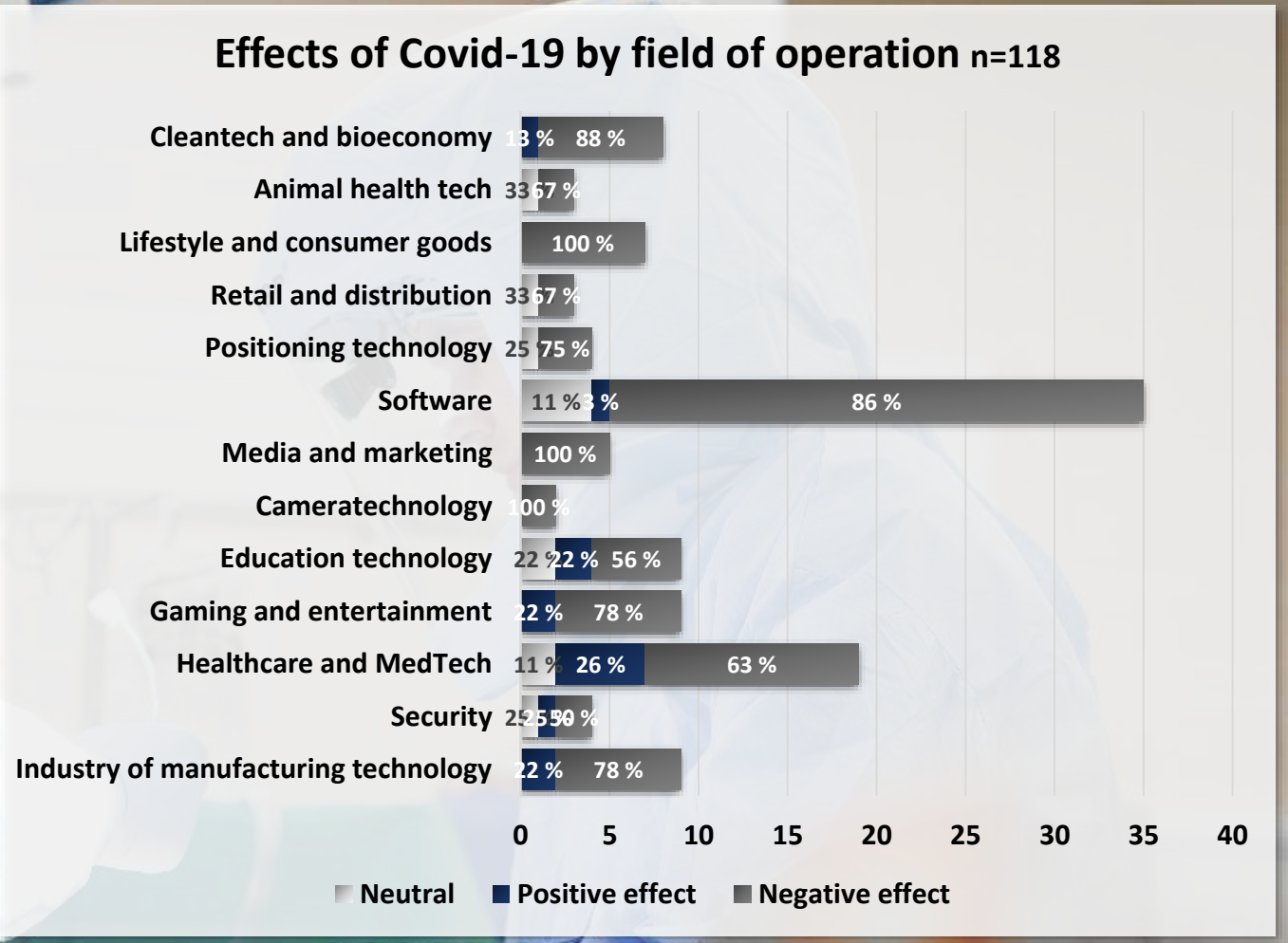


Effects of COVID-19 pandemia 1/2



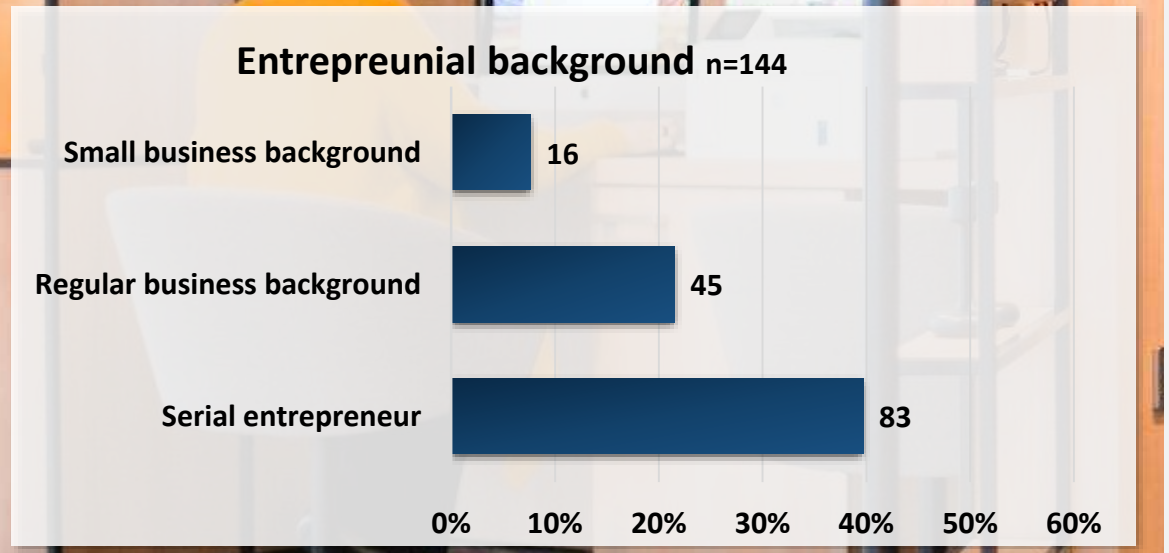
Effects of COVID-19 pandemia 2/2

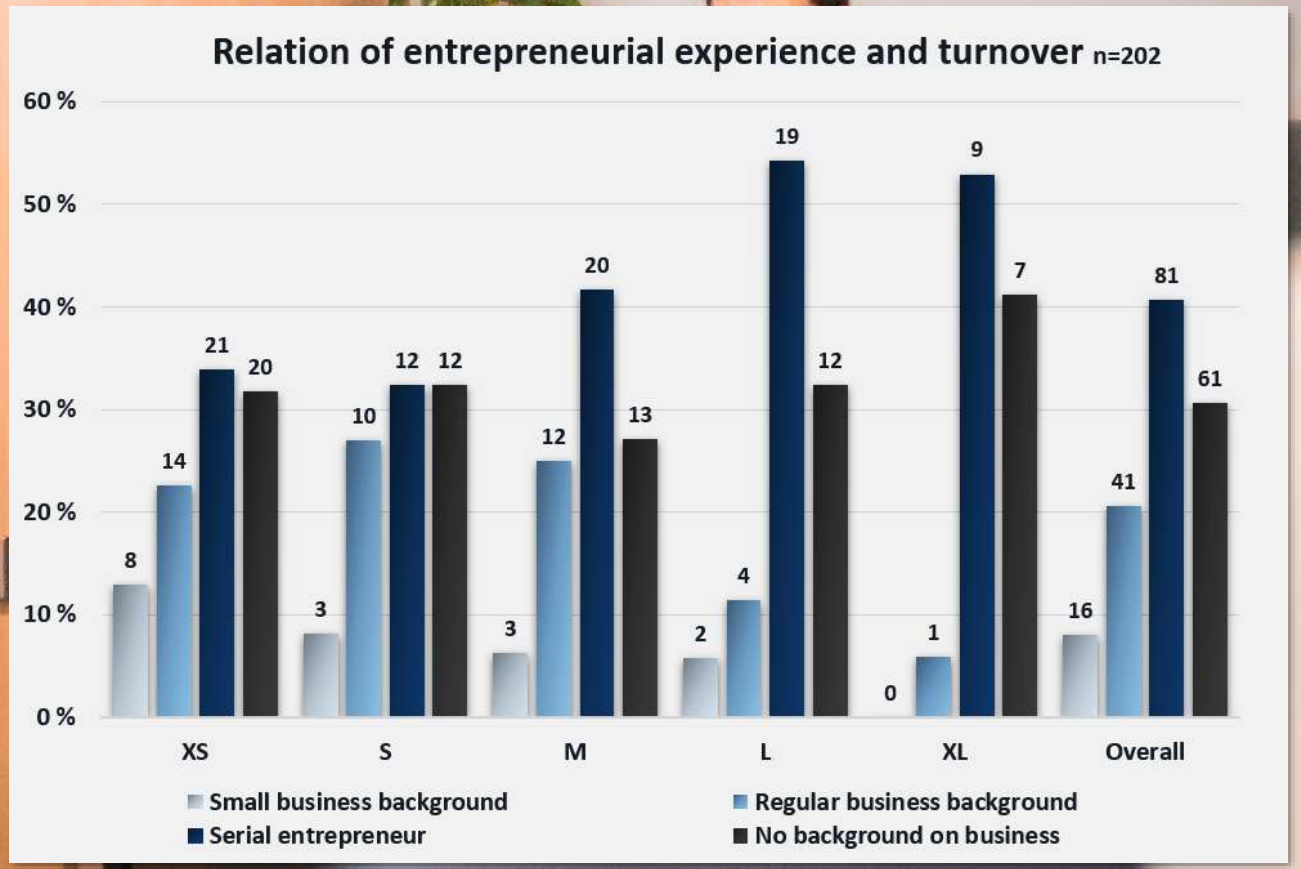




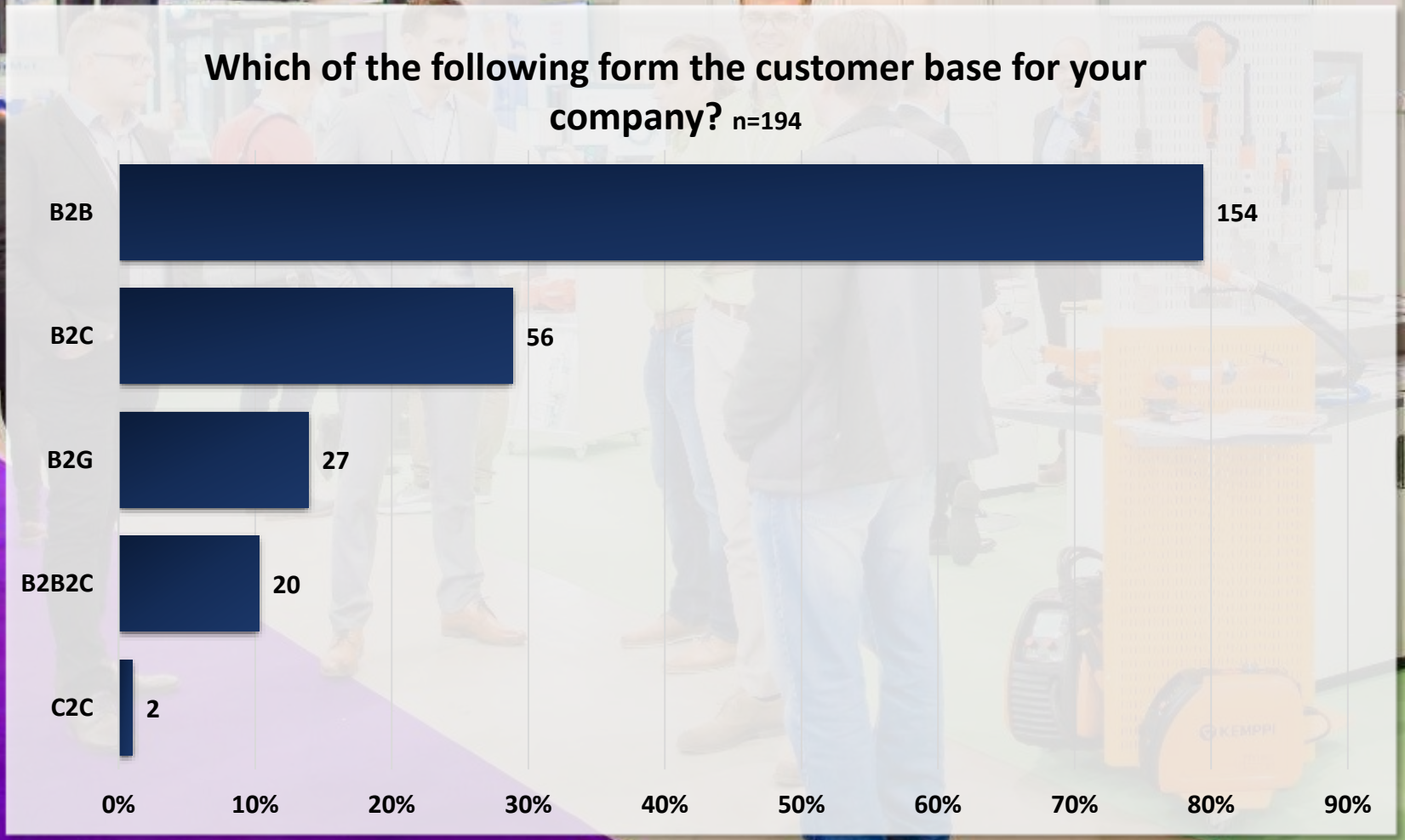
Entrepreneurial backgrund

69 % of founders had previous experience on business (144/209)



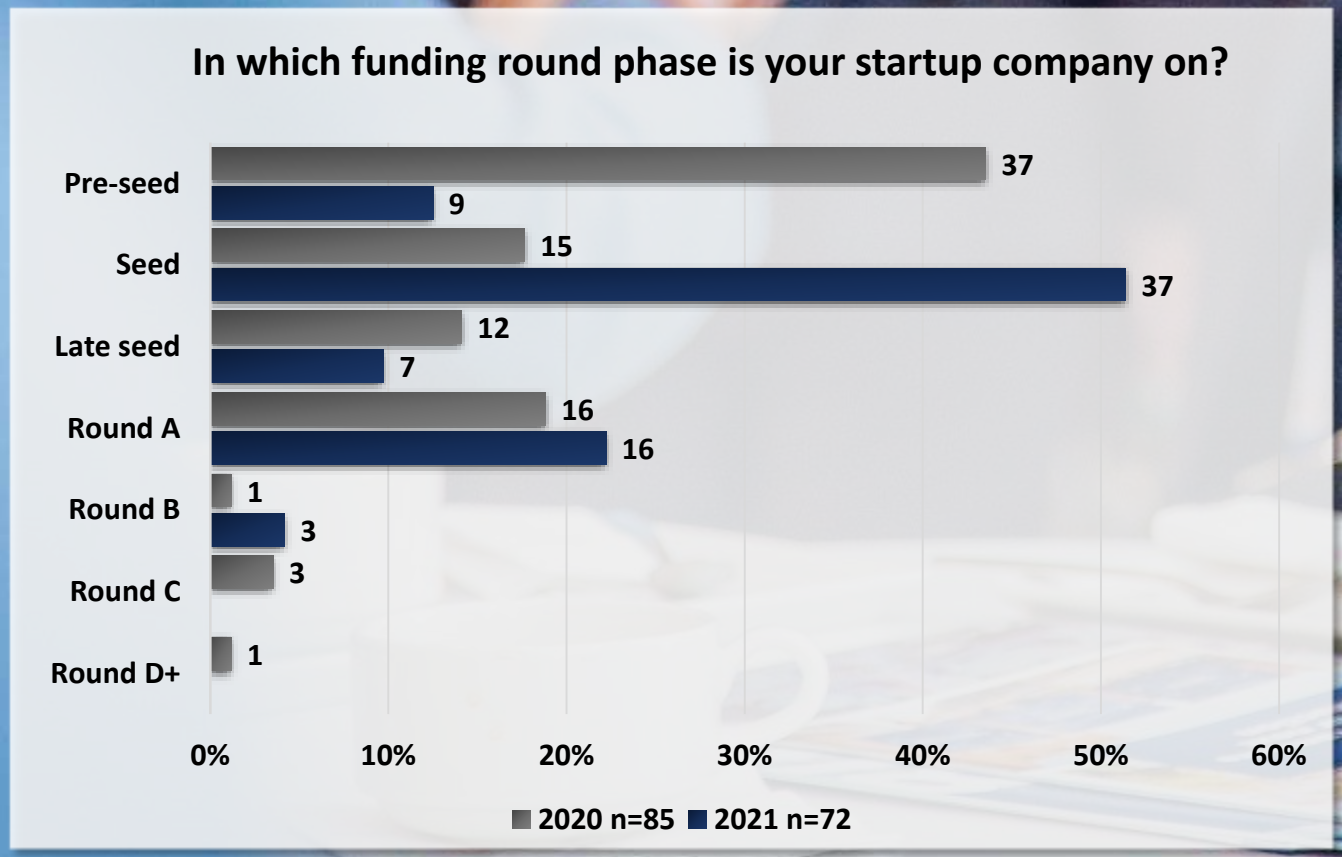


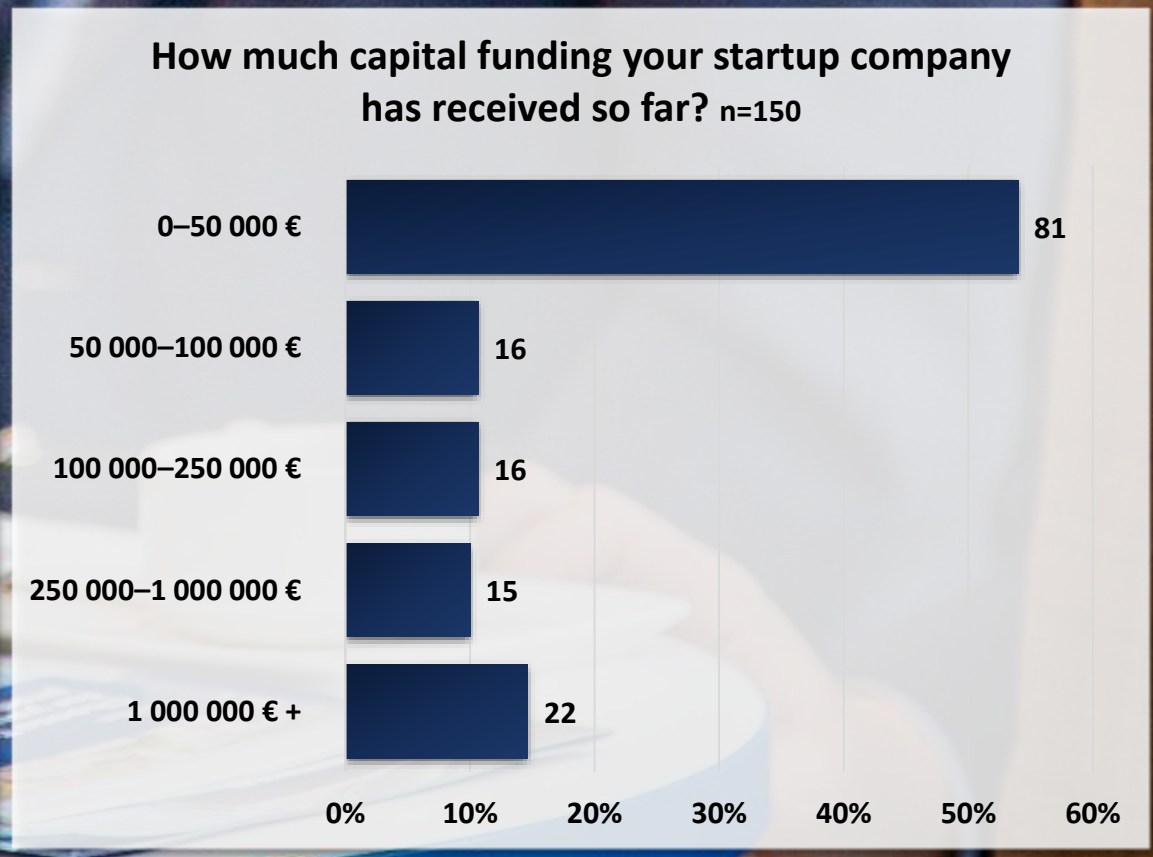
Client targets



Funding

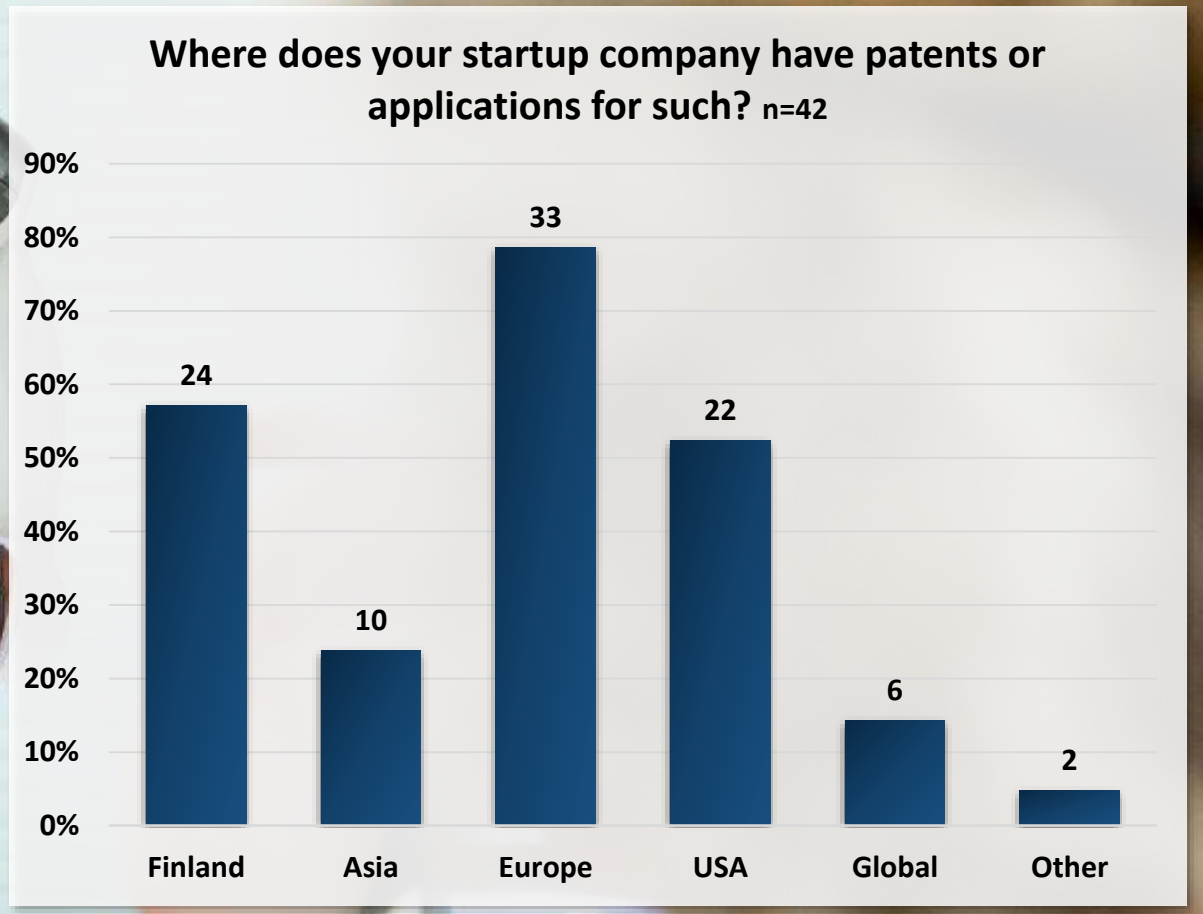
41 % are having an open funding round on 2021



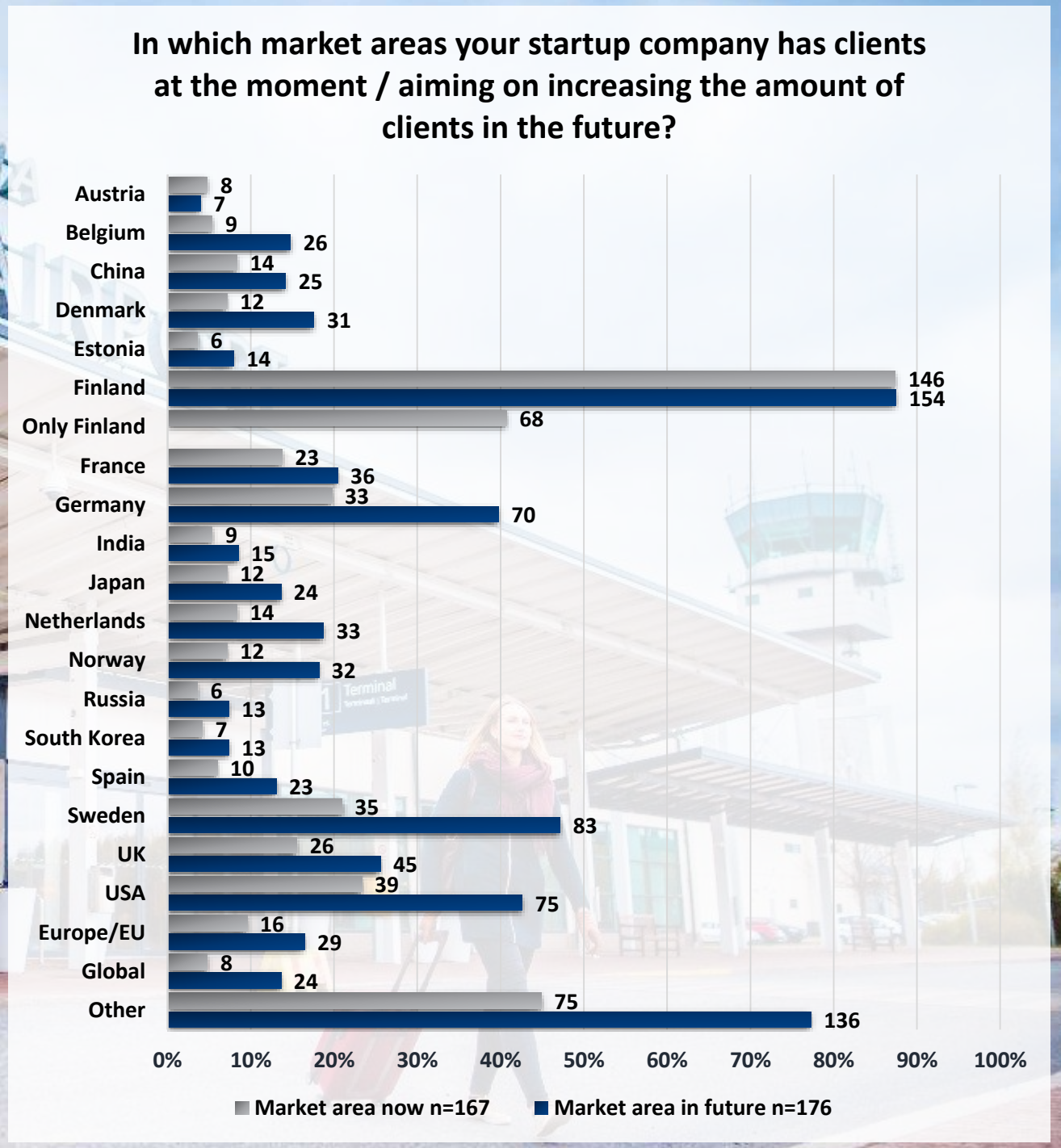


Patents

- 25 % had patents or applications of such at the moment
  - Not relevant for software companies
- Mainly to Europe and USA
  - Not all are aiming on patenting in Finland, but abroad

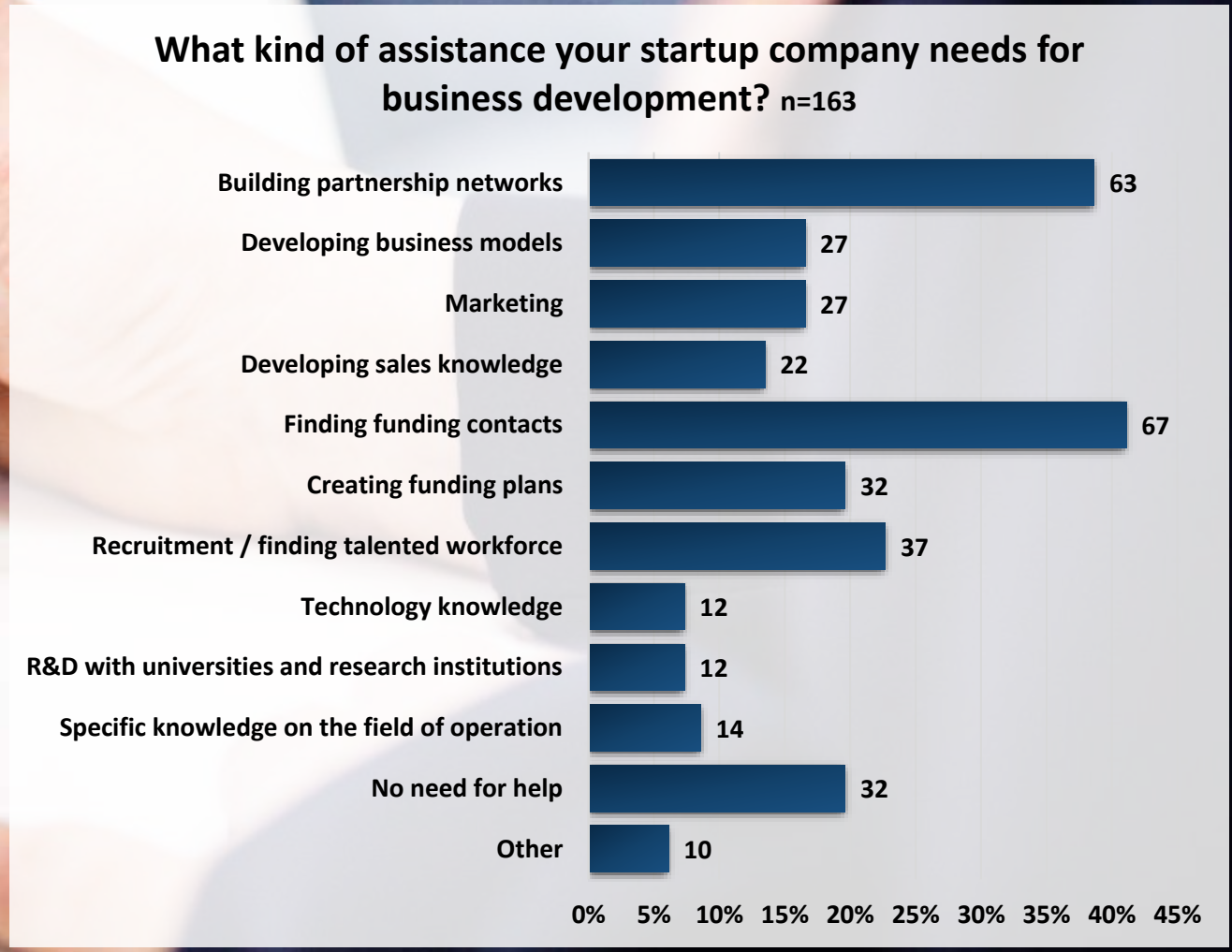


Internationalization

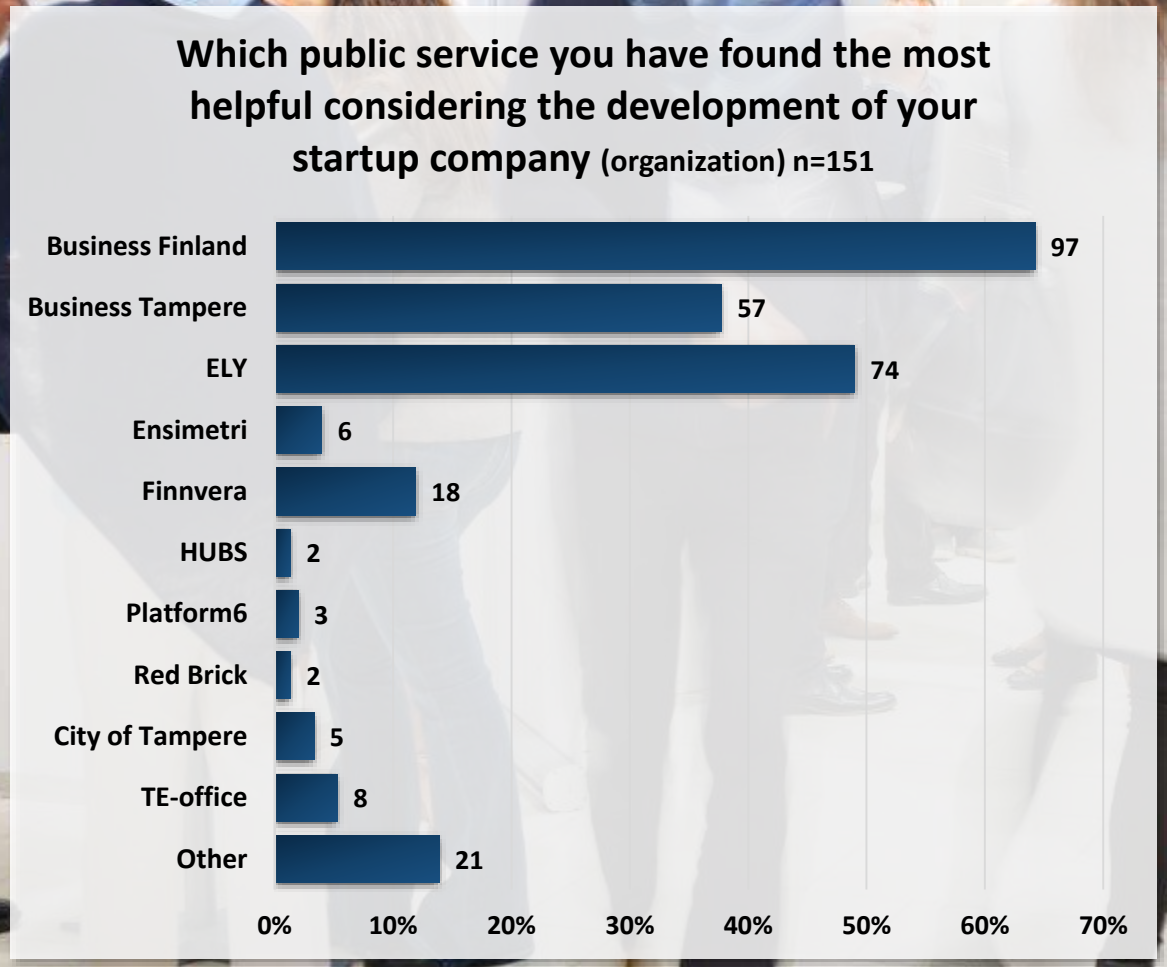


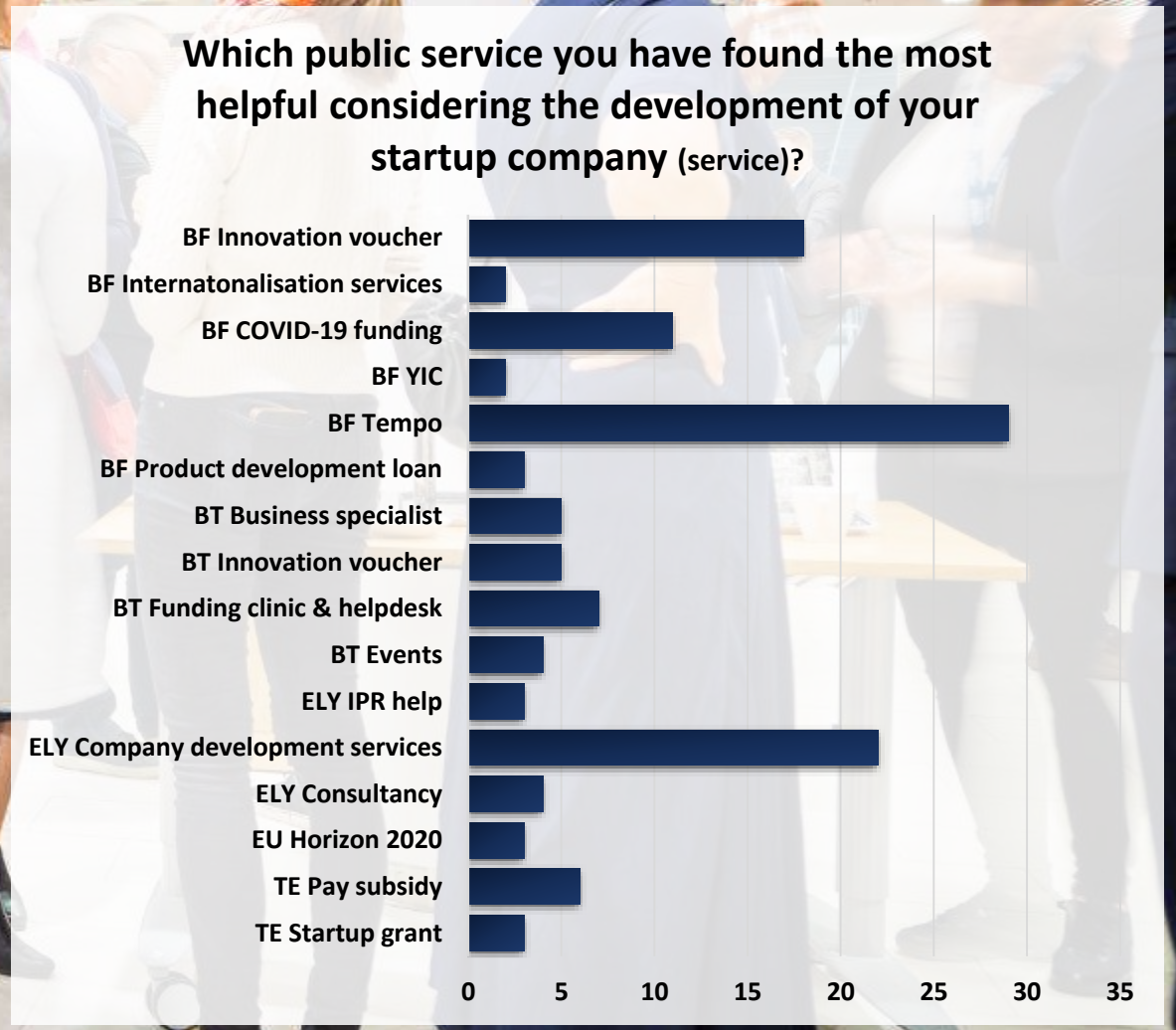
Need for support

- Funding and networking were highlighted in support for overall business adn internationalization
- Regarding internationalization, support was needed for:
  - Customer experience 11 %
  - Global business environments (by law) 18 %
  - Funding for internationalization 47 %
  - Finding partners 41 %
  - Increase of market insights and dynamism 15 %
  - Getting to know the markets 21 %
  - No need for help 35 %

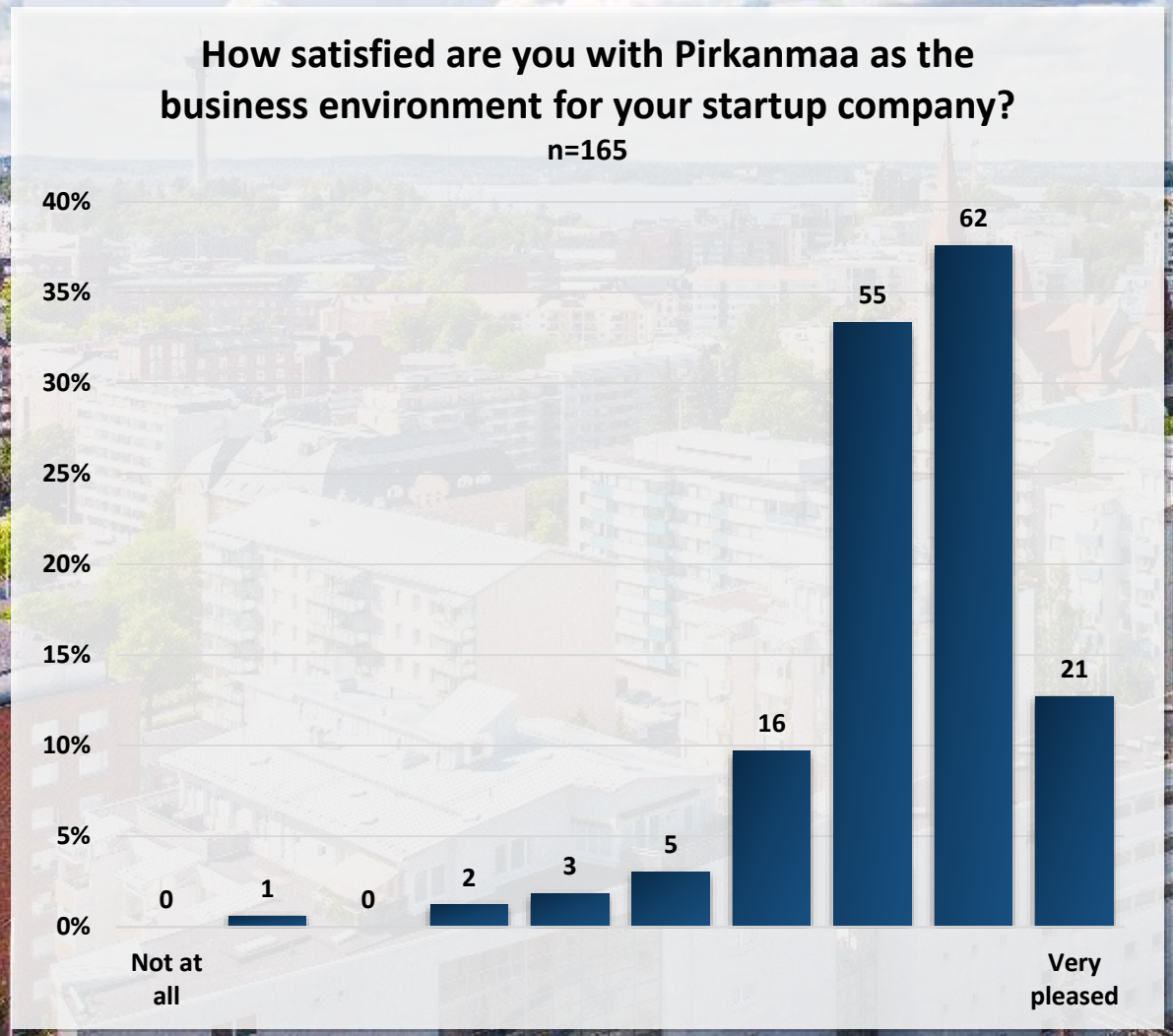


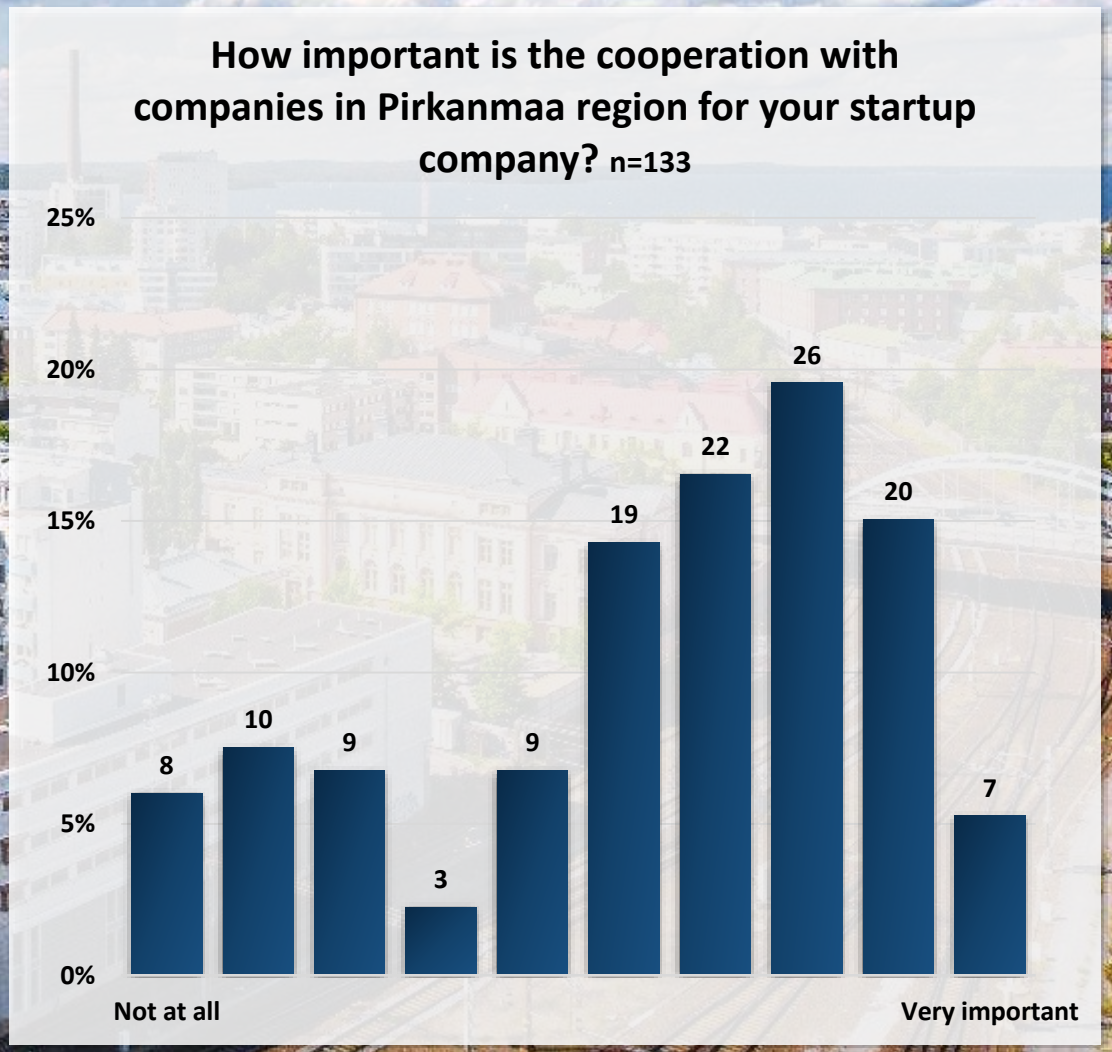
Business Services



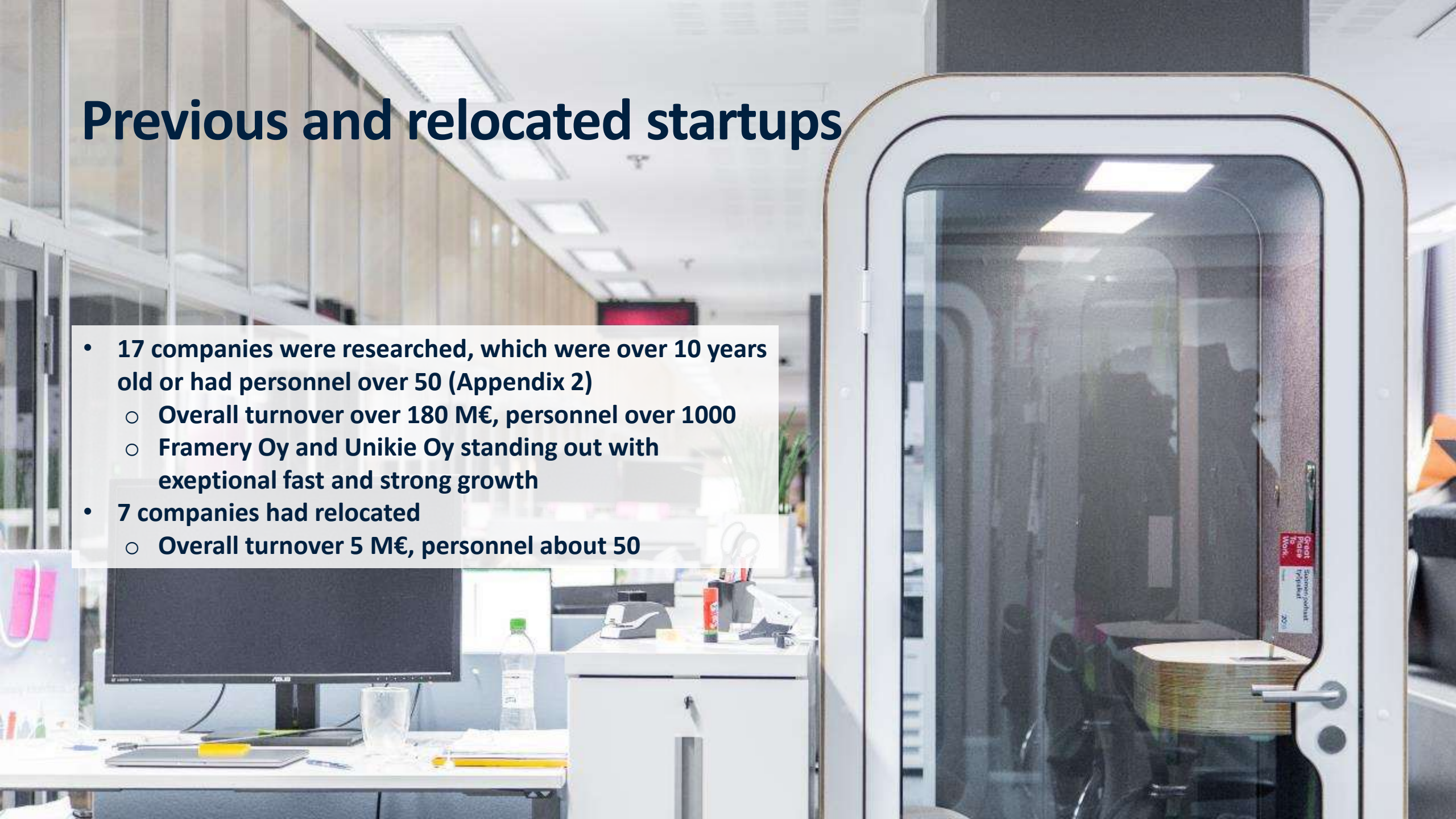


Satisfaction on business environment





Previous and relocated startups



- 17 companies were researched, which were over 10 years old or had personnel over 50 (Appendix 2)
  - Overall turnover over 180 M€, personnel over 1000
  - Framery Oy and Unikie Oy standing out with exeptional fast and strong growth
- 7 companies had relocated
  - Overall turnover 5 M€, personnel about 50

Conclusions 1/2

- The amount of startups had increased from previous year with 16 startups
  - Quick changes on the ecosystem bring challenges on keeping up with the current number
- Strongest development of turnover and personnel focuses on bigger startups, which are predcting strongest growth for the future as well
  - Startups include several small companies with minor success
  - Eliminating weaker ideas through creative destruction
- Every municipality in the region has startups
  - The biggest ones were divided equally in the region
- Effects of Covid-19 had a major influence by slowing down international growth and making customer gaining more challenging
  - Small and health tech companies experienced least negative effects

Conclusions 2/2

- Software companies were the most represented among the startups
  - Several health tech and manufacturing industry tehcnology startups due the closeness of universities. Large number of gaming companies were recognized as well
- The share of serial entrepreneurs was highlighted especially among the founders of bigger startups
  - Also newcomers had succeeded to grow their startups
- Covid-19 pandemia had no significant effect on finding startups
- Funding was standing out among the need for support, major share had found the national funding services
- Almost half of the startups are searching for private funding through funding rounds this year
- The companies had high overall satisfaction on the region as their business environment

Sources

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Appendix 1 Startups in the Tampere Region

- 4seasons Telttasauna Oy
- Absolute Dev Oy
- Adjective Animal Oy
- Adopteri Oy
- AerOff Oy
- Agendium Oy
- AI Marketing Oy
- AJR Solutions Oy
- Ampliconyx Oy
- AnniTech Oy
- Arctic Studios Oy
- Avalosys Oy
- Battery Intelligence Oy
- BearIt Oy
- Bf+ Energia Oy
- Biogenium Microsystems Oy
- Biomendex Oy
- BioMensio Oy
- Bitemark Games Oy
- Bithouse Oy
- Blokgarden oy
- Blue Screen 404 Oy
- Bon Games Oy
- Boom Corp Oy
- Braincare Oy
- Brighterwave Oy
- Buildie Oy
- Buildlink Oy
- BusPay Oy
- Carbofex Oy
- Cation Oy
- Cirous Oy
- Citynomadi Group Oy
- Cleaner Future Oy
- Cognita Corporis Oy
- Collateral Solutions Oy
- ColloidTek Oy
- Combinostics Oy
- Cometa Solutions Oy
- CoreSeer Company Oy
- Crosshill Oy
- Culinar Oy
- CySec Ice Wall Oy
- Deep Sensing Algorithms Ltd Oy
- Delta Cygni Labs Oy
- Dexmen Oy
- Digi Toilet Systems Oy
- Diory Oy
- Dogdevelop Oy
- Domelius Oy
- Dreamloop Games Oy
- Eduhost Oy
- Edunation Oy
- Eeedo Oy
- eligo.live Oy
- eSend Finland Oy
- eSolutions Finland Oy
- EVA Solutions Group Oy
- Evergreen Farm Oy
- Exafore Oy
- FabricAI Oy
- Fibrobotics Oy
- Filmloop Oy
- Finnora Oy
- Fitty Murmel Oy
- FitWood Oy
- Fluivia Oy
- Forciot Oy
- Forecon Oy
- Friendly Fire Oy
- Genevia Technologies Oy
- Gnomecragt Oy
- Go SportY Oy
- Good Guys Oy
- Greener Grass Oy
- Greenseq oy
- Grundium Oy
- Hangover Games Oy
- Harmony Blockchain Solutions Oy
- Healthfactory Oy
- Heimo Films Oy
- Helmee Imaging Oy
- Helmi Games Oy
- Herkkä Snacks Oy
- Hilla Entertainment Oy
- Hologram Monster Oy
- Huoleti Oy
- Hyyra Oy
- Hölkkä SBS Oy
- Höpöhöpö Oy
- IKPN Oy
- Injeq Oy
- iTechRe Oy
- ITfox Oy
- Jobile Oy
- Kahea Oy
- Keho Interactive Oy
- KeloTwin Oy
- Kemion Oy
- Kidtek Oy
- Kjelp Oy
- Kokoustaja Oy
- Kopla Games Oy
- Kuulea Energia Oy
- Lainappi Oy
- LAKKA Health Oy
- Lean Entries Oy
- Lenio Oy
- LessonApp Oy
- LivingSkills Oy
- Loikka Design Oy
- Loopshore Oy
- Lumoin Oy
- Material Maintenance MaMa Oy
- Medified Solutions Oy
- Meluta Oy

Appendix 1 Startups in the Tampere Region

- Memocate Oy
- Midnight Forge Oy
- Minda Labs Oy
- Mindfindr Oy
- Minilabz Oy
- Missing-Link Oy
- Mohavi Creative Company Oy
- MORE Automation Oy
- MOST Digital Oy
- Netbox Finland Oy
- Neuro Event Labs Oy
- Newspek Oy
- Nighthouse Games Oy
- NomiCam Oy
- Nonono.Io Oy
- Nordic Market Research Oy
- Olfactomics Oy
- Omnichannel Retail Services Oy
- OOMZEE Oy
- Osumia Games Oy
- Outloud Oy
- Ozonium Oy
- padelOne Fam Oy
- Partones Oy
- Picophotonics Oy
- Plasmonics Oy
- Poikain Parhaat Oy
- Polar Night Energy Oy
- Polar Partners Oy
- Prenta Oy
- ProChoice Oy
- Productive Software Solutions Oy
- ProTieto FI Oy
- Prönö Enterprises Oy
- Pure Recycle Oy
- Qentinel Quality Intelligence Oy
- QualityDesk Oy
- Radarctic OY
- Radientum Oy
- Random Potion Oy
- ReceiptHero Oy
- Red Stage Entertainment Oy
- Reflekron Oy
- Revonte Oy
- Rinki Entertainment Oy
- Ronsam Digital Oy
- Ruska Naturalia Oy
- Saunatemppeli Oy
- Scouter Mobility Oy
- SecondTie Oy
- Sensotrend Oy
- Sky High VR Oy
- Skydome Entertainment Oy
- Smoothteam Oy
- Solar Fire Concentration Oy
- Songpool Oy
- Sport Venue Oy
- Sportyfly Oy
- StemSight Oy
- StepOne Tech Oy
- Suomen Koirapeli Oy
- Suomen kuntoutusvälineet Oy
- Tammerfast Oy
- Tekno-Ants Oy
- Think Tone Oy
- Toriverkosto Oy
- Trackinno Oy
- Trainesense Oy
- Trelic Oy
- Treon Oy
- Trialwell Oy
- Trinno Oy
- Tussitaikurit Oy
- Vaisto Solutions Oy
- Valaa Technologies Oy
- Valkokettu Oy
- Watchmydc Analytics Oy
- Vektorio Oy
- Veldo Oy
- Wellness Warehouse Engine Oy
- Vertics Oy
- Vexlum Oy
- Vigofere Oy
- Visumo Oy
- Witview Oy
- Voconaut Oy
- XMLdation Oy
- Yepzon Oy
- Zealbots Oy

Appendix 2
Old startups

- 10tons Oy
- Arctic Biomaterials Oy
- Atostek Oy
- BeiZ Oy
- CoreHW Oy
- FlowBrainer Oy
- Framery Oy
- HappyOrNot Oy
- Havamax Solutions Oy
- Hyperkani Oy
- Jolla Oy
- Kyy Games Oy
- Team Action Zone Oy
- Traplight Oy
- Unikie Oy
- Wirepas Oy
- WordDive Oy
- Chainfrog Oy
- Euroeat Oy
- Fluidit Oy
- Mad Finn Brewing Oy
- MEDI Connection Oy
- Pikadev Oy