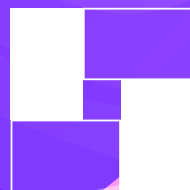


# STA- RT \_UP REP- ORT 20\_19 \_2020



KEIRETSU  
FORUM



# Partners



# Supporters



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**IN  
\_TRO**

# Introduction

Startups have been an inseparable part of the world's, but also Czech, business environment. This is repeatedly reflected by a plethora of articles and even books, however what is missing is a holistic approach that would systematically map the Czech startup scene. And exactly this informational void is this Startup Report trying to fill since 2017.

In your hands you are holding the historically second volume, this time with the subheading 2019\_2020.

In a similar way as in the 2017\_2018 volume we have been asking startups, entrepreneurs, investors and other professional and general public these questions: What is a startup? What is the difference between a startup and starting a business? What do (and don't) the startups deal with? How are the individual startup market actors cooperating? How

has the startup environment changed in the past years? And we also added new, current topics - for example CSR or cybersecurity in startup strategies.

The point of the report keeps being bringing different points of view to the light and an effort to point out where these intersect, but also where they differ. The results of the research can contribute to the debate, offer suggestions for improving of both the startup and general business environment and also show what already works well. This study is unique because of the combination of approaches of the target groups, which were given even more space, compared to last years' volume.

The Startup Report is a non-commercial initiative which includes the participation of many of our partners and supporters, who we mention above

and further below in the report. However, our deep gratitude belongs to all those who put forth a piece of effort for making this volume a reality, be it by filling a survey, participating on a research workshop or "only" by sharing of this initiative among their network. Thanks to all this we, similarly to the Czech startup scene, have managed to grow a little since the last year (especially in the number of research participants). Both fills us with far reaching optimism.

Last, but not least we greatly appreciate your interest in the report. We believe that you will be able to find a lot of interesting data and talking points about the startup scene to contemplate. We wish you a pleasant read and will be looking forward to meeting you and discussing these in person.



# A\_WO\_ \_RD\_ FR\_OM \_PAR\_TN ERS\_

Why are they supporting  
the Startup Report

---

How do they see  
the Czech startup scene

---

Their plans with startup



# A Word from Partners and Supporters

*When the idea of creating the Startup Report has been conceived in Keiretsu Forum in 2017, it was an effort to fill in the informational void about the Czech startup and investor ecosystem. We were missing a structured mapping of this specific part of the market, which would frame it whole in its breadth and entirety. However, we've already then knew that publishing one study won't cut it and that we need to think longterm. Especially if we want to avoid it being a worthless slap into the water and if we actually want to change anything. I am therefore truly glad that we have succeeded. Now there is a second Startup Report, for which it's serial number 2 means for example the valuable opportunity of a yearonyear comparison and following the trends. And all this has been made possible by our great partners, some of which are with us since the "2017\_2018" volume.*

*As the largest global angel investor network we are always trying to bring in international standards and move local markets forward. I believe that this has already happened through the first Startup Report and that the second one will bring new dimensions and insights into topics that influence local business.*

*Already with the first volume, I've been praising the amount of companies, institutions, startupists and other organizations and personalities, that actively participated in this project and without their opinions and experience would this unique study be hardly possible to create. I feel same gratitude this year as well, maybe even greater, because the period when the report was being finished up was indeed unprecedentedly extraordinary and very difficult for everyone.*

*If I avoid the estimates of what will the corona virus pandemic events bring in further and go back to the results of this years' research, what brings me joy is the recorded development and gradual maturing of the young Czech startup environment. I also hope that even this year will the Startup Report inspire all innovators. Because that is exactly what the Czech Republic needs, whatever the age.*



**Daniel Šenkýř**  
Founder and CEO  
Keiretsu Forum CEE

# A Word from Partners and Supporters

” In CzechInvest we cooperate with about a hundred of startups in various developmental stages every year. Nevertheless, we are happy that we can support Startup Report, because we are always learning new information about the Czech startup scene, which is dynamic, always evolving, and possesses many qualities. “



**Lucie Hustolesová**  
Startup Department Director  
CzechInvest

# A Word from Partners and Supporters

” *The startup scene is very dynamic not only in the scope of individuals countries, but thanks to todays' interconnected world, startups easily cross borders. At the same time, key decisions should be substantiated by relevant information, and that's why we perceive it very important to help create a report that summarizes Czech startup scene data. This is important not only for Czech subjects, but also for the international ones that are deciding whether to invest or do business in the Czech Republic.* “



**Filip Řehořík**

CEE Startups Team Leader  
& Senior Cloud Solution Architect  
Microsoft

# A Word from Partners and Supporters

” ČSOB wants to support innovative entrepreneurship, and that’s also why we have launched the accelerator Start it @ČSOB. On the way to be able to help startups even better than now is important to learn what hinders startups today and what can help them. Startup Reports helps not only us, but the whole world, to understand this. “



**Zuzana Paulovics**  
Accelerator Leader  
Start it @ČSOB

# A Word from Partners and Supporters

” We are aware that even in the Czech Republic, there’s a lot of interesting ideas springing, so we carefully evaluate all these innovations. We monitor the startup scene, watch new trends and pick projects that could improve our services or products. Or those who could potentially be used in CSR fields like traffic safety, on which we are intensively focusing on. When we find such a startup, we are ready to support it and utilize in our business. “

At the same time the startup scene produces people with fresh mindsets, people who are active and entrepreneurial. And because innovations are one of our strategic priorities, we would of course would like to welcome such people into our team.



**Ing. Tomáš Vaníček, MBA**  
Board Member  
Kooperativa pojišťovna a. s.

# A Word from Partners and Supporters

” The Czech startup scene has started to consolidate in the past period and is significantly professionalizing. That is visible with young entrepreneurs, who are often founding startups based on their experience from the Czech, European or even American scene, as well as with investors. We have successful angel investors, experienced VC funds and we are able to get the most interesting companies in front of global, mainly American, investors. What also significantly “ increased is the level of legal awareness among the startupists, so businesses are usually under better legal coverage. The beginning of the year 2020 was very successful for the Czech startups - many of them received significant investments, including money from international investors. I am very happy that DLA Piper is participating on this project even this year and that we can support this dynamically growing area even more.



**Miroslav Dubovský**

Country Managing Partner, attorney  
DLA Piper Prague LLP, Organizational Unit

# A Word from Partners and Supporters

” *For us journalists information is universally fundamental. They are the most valuable asset, because if you don't have the right information, you can't make the right decision in the long run. Therefore the effort to map the market and describe it in the biggest detail possible is exactly what the media will use for their work. And on top of that, it will help all market participants to make the right decisions.* “



**Tereza Zavadilová**  
Editor in Chief  
E15

# A Word from Partners and Supporters

*The Startup Report is the result of bringing together people with the will to not only use, but also cultivate and support the local startup and entrepreneurial market. For the Czech circumstances it is a completely unique fusion both in terms of numbers and the relevance of the participants of the startup scene.*

” I see the biggest value of this initiative especially in mutual connecting of individuals, institutions and companies and in sharing of obtained know-how which contributes to faster, healthier and competitive developments of the whole ecosystem. Moreover, as the results of both of the volumes has shown, there is immense demand for intensive mutual cooperation and relevant startup information in the Czech Republic. I believe that the Startup Report is the ideal platform for everything aforementioned and one of the functional cornerstones. “



**Tereza Zyklová**  
Executive Coordinator  
Keiretsu Forum CEE



# A Word from Partners and Supporters

” Starting a business is a great challenge, but founding a startup is a greater one. The startup environment (not only in the Central Czech region) is dynamically developing. Related to that, there are various myths and half truths. Thanks to the Startup Report we can take a look what is really happening here in the Czech Republic. “



**Jakub Hudec**

Business Innovation manager  
SIC

# A Word from Partners and Supporters

” *The Czech startup scene is growing with the speed of light, which is a great thing. But there is still a long way to go for us to be able to compare not only with Western Europe, but mainly with Israel, the San Francisco region or China. Through the Startup World Cup & Summit we are trying to interconnect the European startup ecosystem and in that way make Europe competitive in the long term. We, in the Czech Republic, have many clever people that have the capabilities to build a second Avast or Kiwi. We just need to work on presentation in a foreign language, choosing proper business partners, make system support more effective and definitely simplify the bureaucracy. That's what we feel, but is there any metric indicator that can tell us, what's really going on in the Czech startup scene? That's why quantifier like the Startup Report are a most welcome initiative with results that can support our assumptions and notions. Or completely disprove them...* “



**Tomáš Cironis**

Director  
Startup World Cup & Summit

# A Word from Partners and Supporters

” *Startup Report 2019\_2020 is a distinctive activity that maps the Czech startup market and brings not only current ecosystem status data, but also creates new links and collaborations which is a secondary, but very valuable effect that deserves our support.* “



**Jan Kříž**  
CMO  
UP21

# A Word from Partners and Supporters


” *The Czech nation is very imaginative and can boast a high number of discoveries, inventions or improvements. Whether we call such progressive enthusiasts startupists, scientists, inventors or fools and dreamers, it is necessary to support these future hopes of the Czech Republic as much as possible. That's why the Czech Investment Qualified Startups Association supports the creation of the Startup Report as well.* “



**David Zábrž**

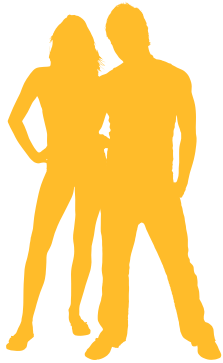
Chairman

Czech Investment Qualified Startups Association, RA

An abstract graphic featuring overlapping organic shapes in bright yellow, vibrant blue, and soft pink. The shapes are layered, creating a sense of depth and movement. The background is a solid, warm yellow-orange color.

**METHO\_  
DO\_LO  
\_GY**

# Research Target Groups



**startupists**



**angel  
investors  
and venture capital  
funds representati-  
ves (VC)**



**corporate  
representatives**



**self-employed  
and small  
business owners**



**incubator  
representatives  
and accelerators**



**general  
public**

In comparison with the last year, target groups have been enriched of representatives of corporations, incubators and accelerators. We also took a bigger aim on VC and angel investors. All groups were represented both in the qualitative and quantitative research parts.

# Quantitative Part

**150**  
respondents  
**Startups**

On-line survey investigation, open and closed questions.

The survey for startupists was key and became the foundation for choosing research questions for other target groups. Chosen questions were asked to all the target groups in the same (all minimally amended) wording. The goal was to obtain base data to compare opinions of these groups.

**Data collection period:**

November 2019 - February 2020.

**100**  
respondents  
**Other Target Groups**  
(investors, representatives of corporations, accelerators and incubators, tradespeople and en)

**300**  
respondents  
**General Public**

# Qualitative Part

Similarly to the first year, we have conducted 50 individual interviews and 5 group discussions/workshops with 12 participants on average.

Participants of the individual interviews and workshops were comprised from individual target groups.

**Data collection period:**

October 2019 - March 2020.

50

individual  
interviews

2

hours of average  
discussion time

5

group  
discussions/  
workshops



# Definitions Problematics

One of the results of the very first Startup Report was, among others, the finding that individually queried target groups were essentially in agreement in the answer to the question about startup characteristics. It should be a company that offers unique, scalable solution, which ideally “changes people’s lives”, while a majority of the startupists was considering themselves as such. Despite this agreement, similarly to the last years’ study, we are encountering the absence of unified, exhaustive definition.

Startup is a buzzword - a phrase under which everyone sees something a little different. Some people’s associations bring forth negative connotations linked with “burning through” funds or exuberant startup support in contrast with minimal support of traditional entrepreneurs. Others carry out purely positive associations like imaginativeness, youthful energy, new solutions and “golden Czech hands”.

Even for this reason we are not coming up with our own definition which would apply as the only metric (such as for choosing respondents for the startups target group). Instead we are working with general categories under which can every respondent identify with the one closes to them through their knowledge, experience and discretion, therefore without the necessity of exact parameters and definitions. In other words, if someone is convinced that the startupist category fits him the most (rather than entrepreneur or tradesperson), we are investigating why is it so and what content does the term, according to them, carries. And we ask tradespeople and entrepreneurs in the same way right after.

**The word (startup) is in the end only a placeholder symbol which encompasses meanings attached to it by different people.**

However we do not give up on the research objectivity, quite the contrary. We bring together an essence of views of different target groups and their synthesis. On top of that, thanks to deeper cooperation with the professional public this year we are attempting to set forth a definition of several descriptive criterions, which encompass a startup in the most common situations, under which it is encountered by the experts.

Similarly as with a startup, we are also lacking A generally applicable sorting of the individual developmental stages of a startup, their steady indicators or industry terminology (including all new technologies and services). Here, for this year, we are inspired by the sorting system used by the CzechInvest agency.

Discussion about startup definition took, among others, one whole two-hour workshop. Clear answer to the question about the essence of a startup was not reached, which only confirms the thesis, that it is a phenomenon, that needs to be framed according to context.



# PERCE\_ PTI\_ON \_AND START \_UP

\_KNOW\_  
LEDGE

# Startups According to the General Public

Every business should be led by an experienced individual who can be surrounded by young people with ideas.

During the last 3 years, the awareness of the term startups increased by tens of percent points. This fact is also supported by significantly more erudite attempts to define this term. 77 % of the general public declares that they know what the term startup means.

**general public (n=300)**

Just like in Hollywood movies, everything is happy and beautiful and young people then don't want to work properly.

Starting businesses, which are looking for investors.

It's doing business like any other, but here they are trying for a modern name.

Risky investment in an idea with innovative character.

It is a quickly growing company.

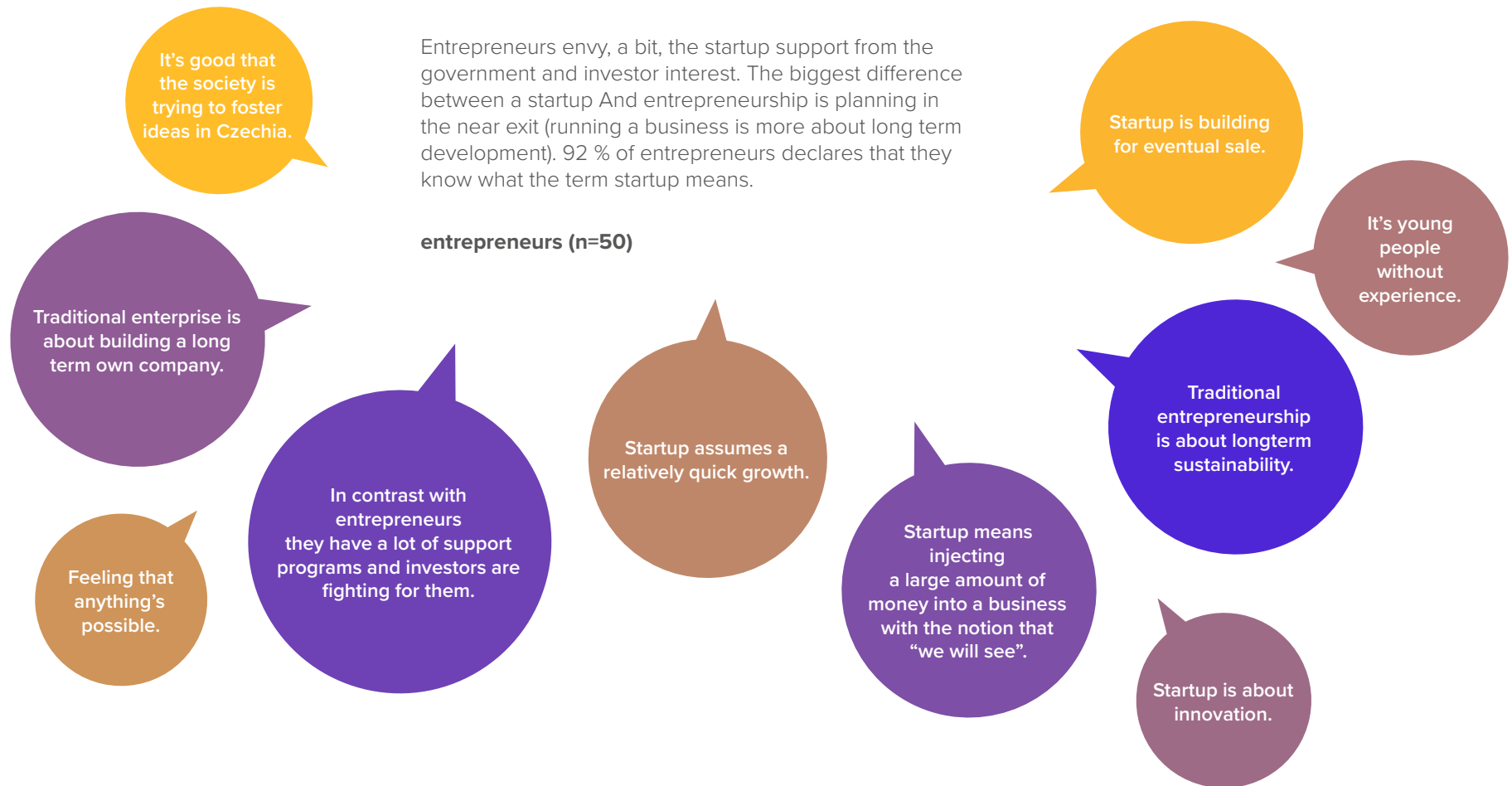
Big companies are inflexible and buy new ideas in the form of startups.

For young people it's an opportunity, but they have to do business with humility, otherwise it's just spending money.

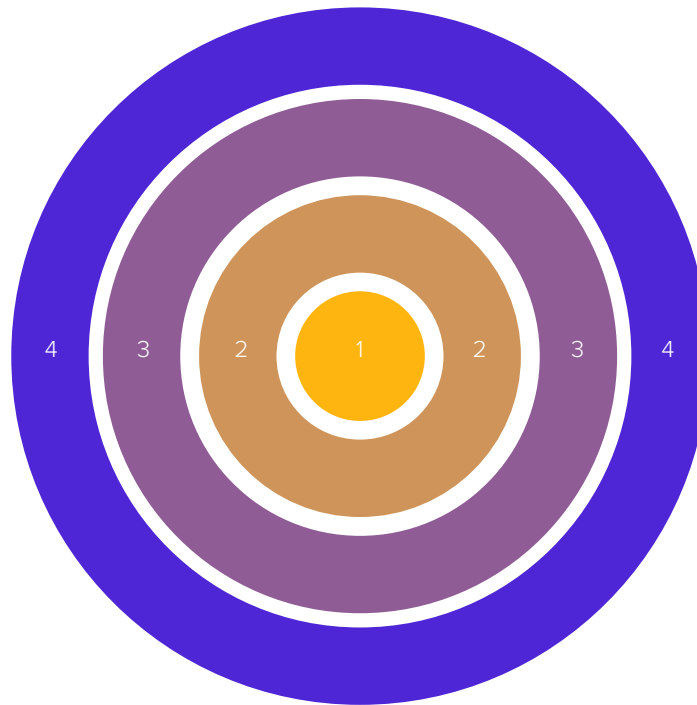
Startups are founded by mostly young, inexperienced people.

It is a new, starting company.

# Startups According to Entrepreneurs



# Startup Examples

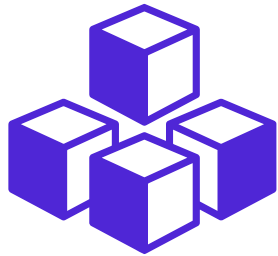


general public (n=300), entrepreneurs (n=50)

■ Kiwi.com 
 ■ Rohlik.cz 
 ■ Slevomat, Zonky, Google, Alza  
■ Tesla, Sklizeno, Facebook, Instagram, Car4way, Zoot, Damejidlo, Liftago, Facebook, Apple

In the last couple years we haven't recorded the perception of new startups, what is apparent is increase of awareness of longer existing brands, or companies that started as startups. For example increase of awareness of Kiwi.com in Prague, in Brno and Olomouc then awareness of Rohlik. cz.  
 In the past strongly perceived company Letgo disappeared from the market and from the knowledge of general public and entrepreneurs.

# Startup Characteristics According to Professional Public



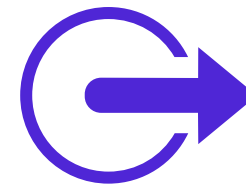
**Scalability**



**Global Ambition**



**Innovative Component**  
(fresh approach to the problem)



**Defined Exit Plan**  
(investor prospects)



**Year-on-year Growth**  
(at least 30%)

Startups are defined by the professional public primarily as those subjects, whose business is scalable and innovative. From the investor point of view there has to be the prospect of exit, which distinguishes startup from a traditional business, for example.

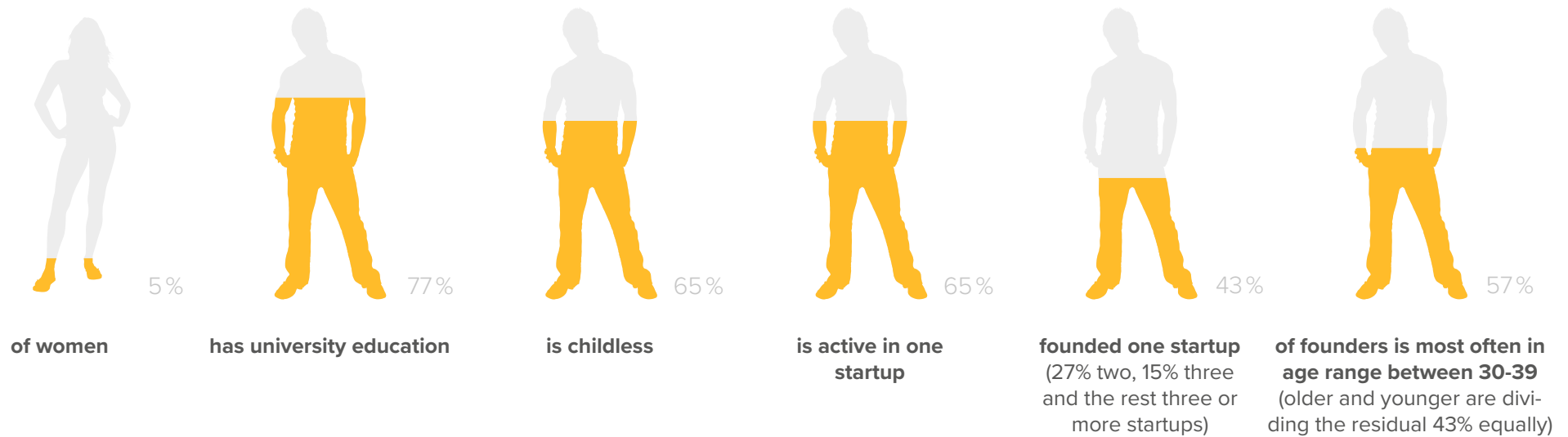
**VC / angel investors (n=16), incubators/accelerators (n=22)**



# STA\_ RT \_UP PROFI \_LING

BASIC  
DATA

# Startup Founder Profile



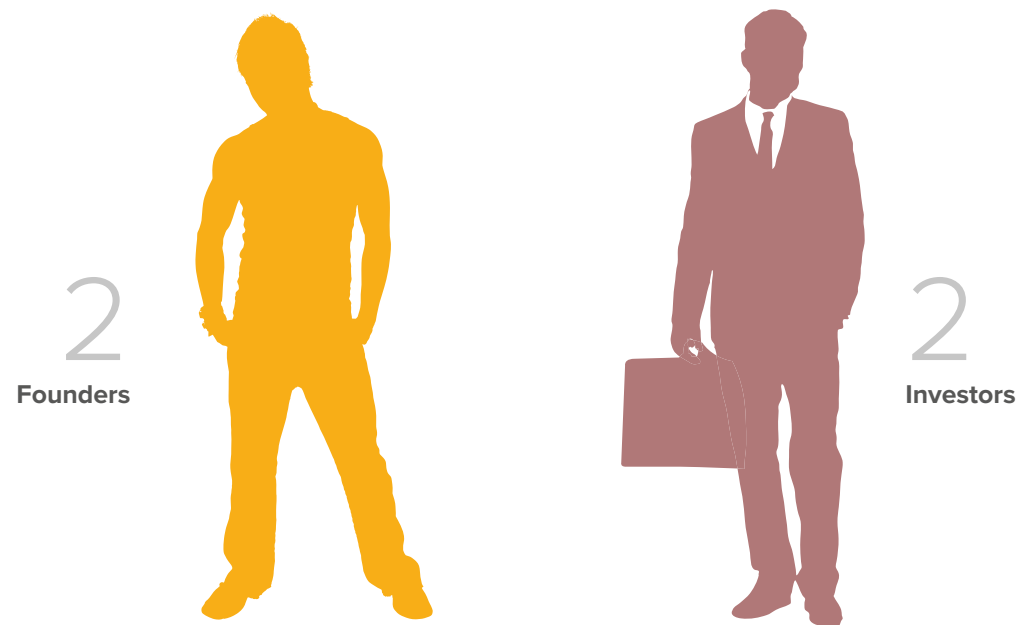
startupists (n=150)



Among startup founders, majority are university educated middle-aged men, who have some previous experience from one to two startups.



# Average Number of Startup Founders and Investors

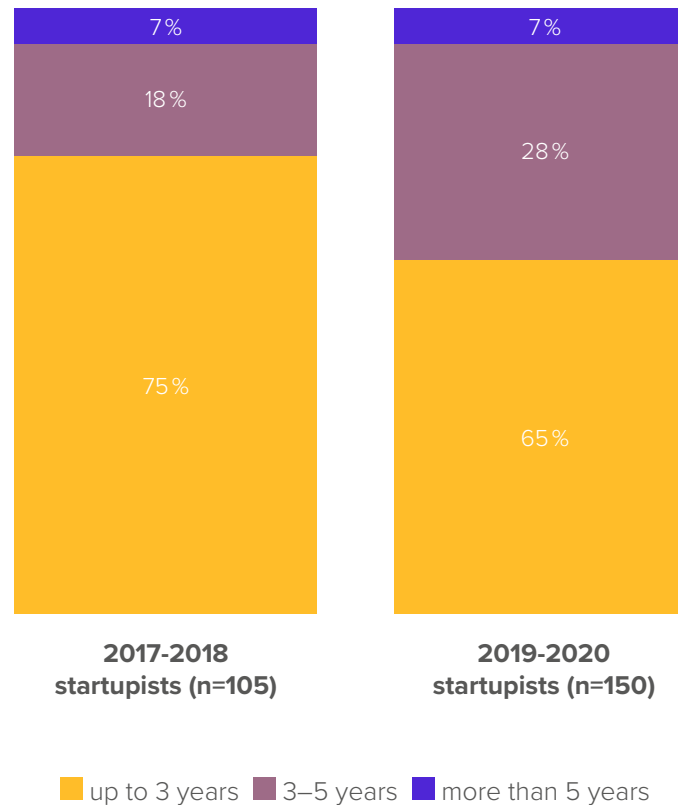


2019-2020, startupists (n=150)



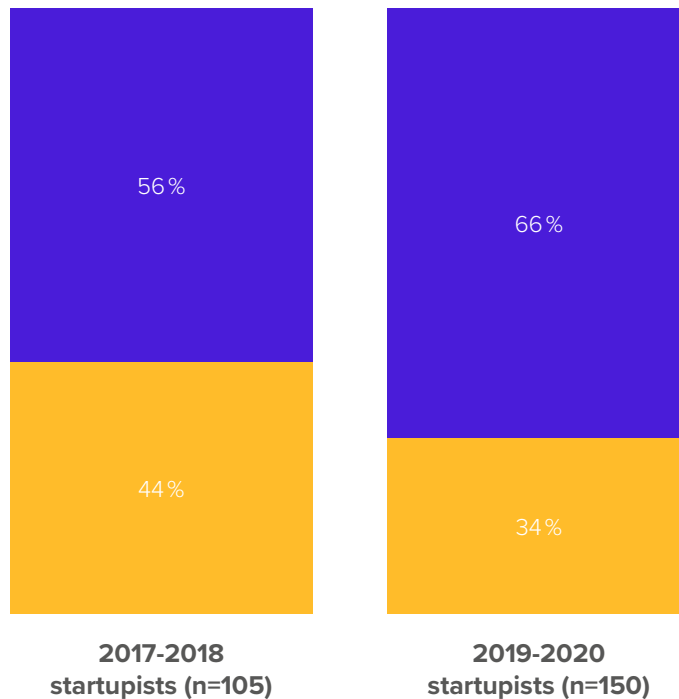
In comparison with the past there was a slight increase in startups founded by individuals.

# Startup sorting according to the length of their existence



There is an apparent decrease in the number of startups founded in the last 3 years. The startup market therefore “ages” slightly as there are startups with longer active time present.

# Share of startups residing in Prague and away



In the last two years the proportion of startups who reside in Prague and those who do not quite significantly change, to the benefit of other regions. While in the last report the ratio of Prague and non-Prague startups was fairly even, this year the Prague startups comprised only about a third of the market. This trend was confirmed not only by the survey research among the startupists, but also comments of addressed experts. They highlight the increasing number of regional innovation centers, whose operation is continuously being set up, optimized, expanded and established. The increasing number of regional startup support programs is also playing it's own role.

Brno and Ostrava's share of startups is growing. But other larger cities' ecosystem are also obviously growing (Hradec Králové, Olomouc, Plzeň, Zlín, Pardubice, Karlovy Vary, Ústí nad Labem, Liberec and more).

■ Prague ■ other region

# Average Number of Startup Employees and Coworkers



startupists (n=150)

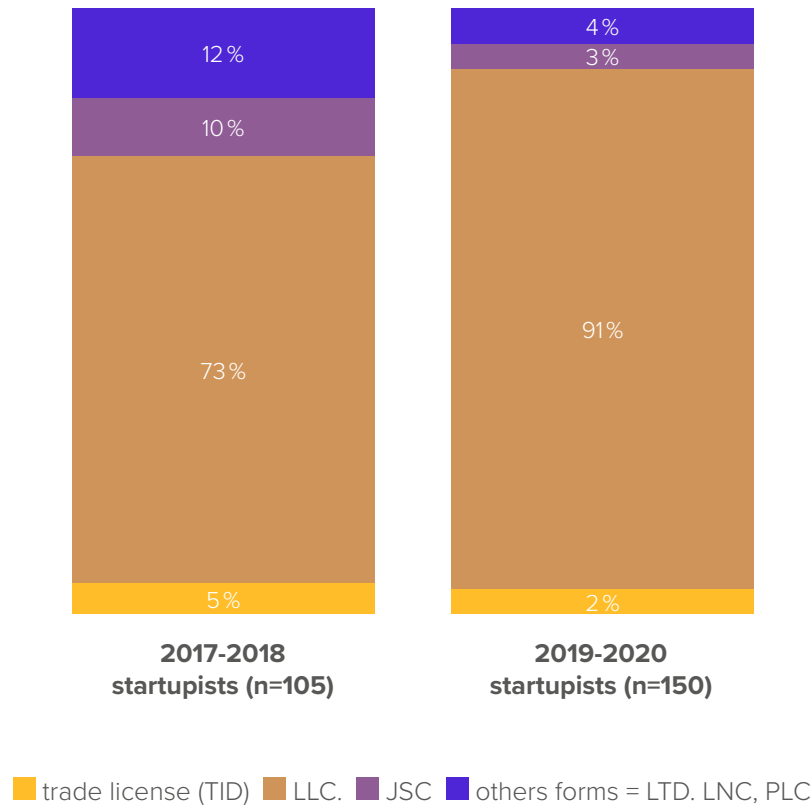
8

Average Number of Startup Employees



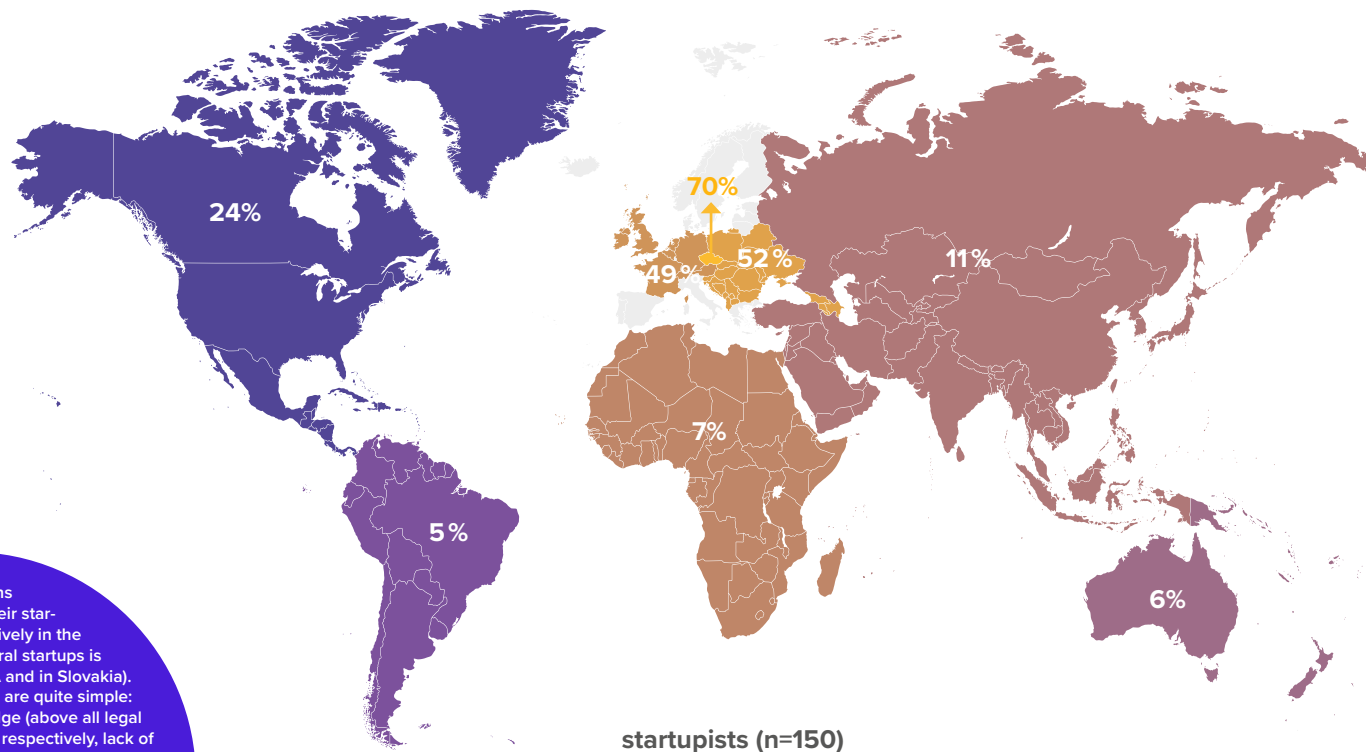
Compared to the last year's results, the numbers stayed the same. Vast majority of startup colleagues is still working as a self-employed partner. The reason behind this is usually the fact, that employees (specialists) with full working hours wouldn't be fully utilized.

# The Most Common Legal Form of a Startup



Current data confirms the dominance of traditional legal form - LLC. It is the most commonly used legal form by companies in the Czech Republic and it is the easiest to set up. International legal forms of companies are generally used when startups expand to foreign markets.

# Startup Sorting by Their Business Region



The Czechs are founding their startups almost exclusively in the Czech Republic (several startups is based in the UK, the USA and in Slovakia). The main reasons for this are quite simple: local environment knowledge (above all legal system, network, language), respectively, lack of knowledge of the foreign systems. Startupists carry out their business decisions in the Czech Republic and most of the time don't even perceive any reasons to build their startup in a different country. In the last years' volume we were asking only about the startups' primary market, this year we changed the question so that it is possible to choose multiple valid answers.

Therefore we cannot directly compare the data from either year.



Not planning expansion = 22%

For the vast majority of Czech startups, Czechia is their primary business region. At the same time, however, the numbers of expanding startups grows compared to previous years - 30 % of them carries out business outside of the Czech Republic, despite common (self)critique of their abilities to do so. In the past there were only single percent digits of startups operating outside of the CEE region.

■ Czech Republic 
 ■ CEE region 
 ■ Western Europe 
 ■ Asia 
 ■ Africa 
 ■ North America 
 ■ South America 
 ■ Australia and Oceania

*Expansion is not easy for starting companies, but it carries an immense opportunity. Often it shows whether all the effort, time and money spent by the founders, investors and the team were worth it. The companies often ask themselves question such as: how to choose the right strategy, which markets to enter, when is the right time, how to find the right partners, how to reach out to the customers, etc. In short, it is an equation with many variables and maybe even more unknowns. From our experience, those, who have not only a good internationally competitive product, but also a good quality team capable of beating new challenges with high sales skills and perseverance can reach success.*

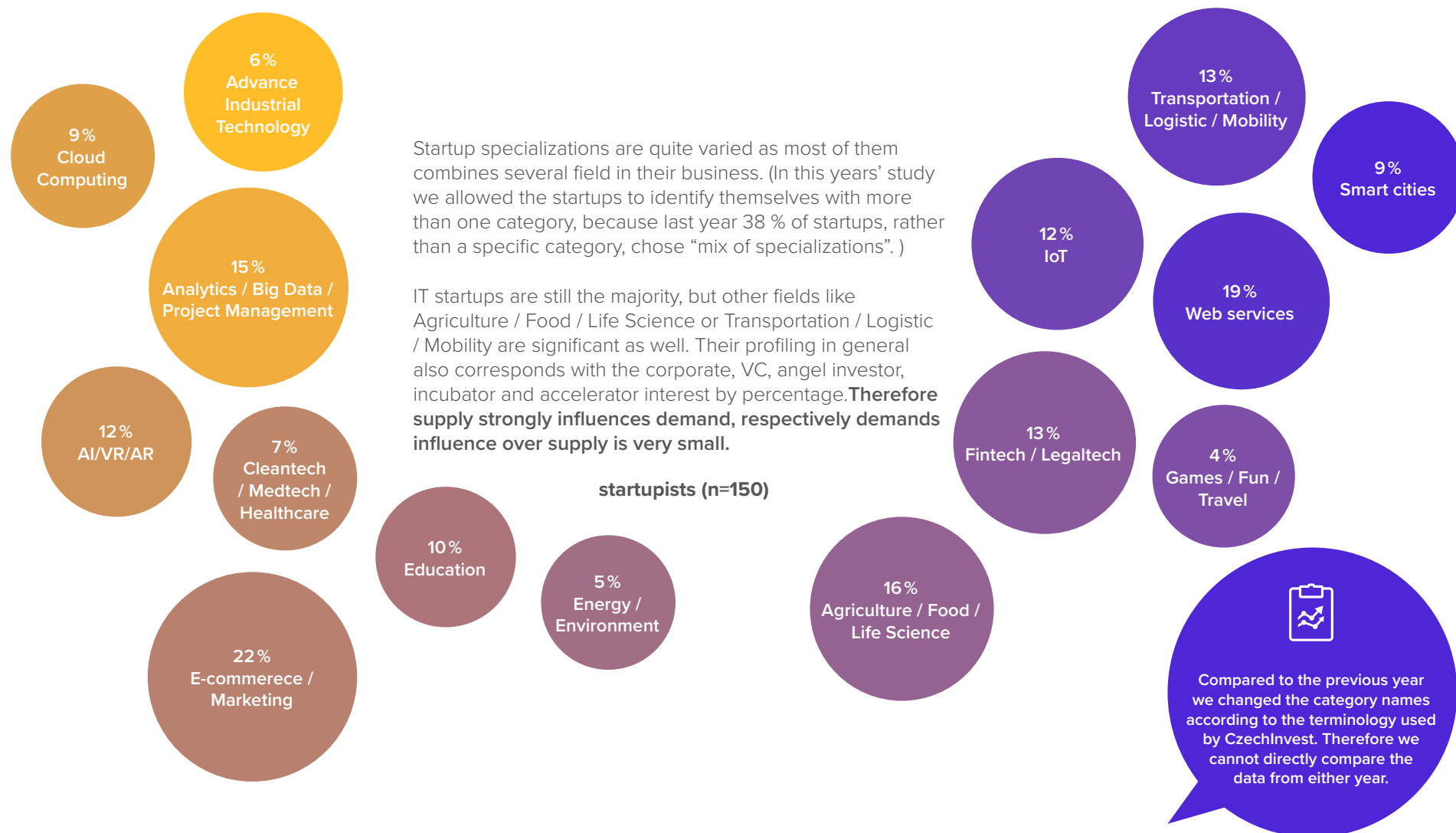
*CzechInvest carries out a longterm effort to help startups succeed on foreign markets and generate necessary know-how. We support 5 Czech startups abroad a month, which is, compared to the size of our country, a number we are proud of. As the results of this report and of our internal data shows, startups are entering, aside the CEE region, Western Europe, the United States and Asia, where we are trying to help and be their “Czech connector”.*



**Markéta Přenosilová**

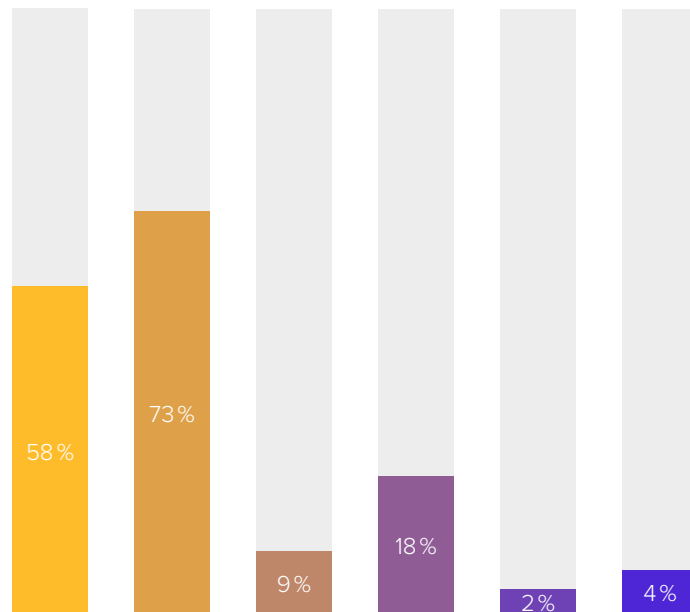
Startup and Innovative MSP Division Director  
CzechInvest

# Startup Sorting by Their Business Region





# Startup Sorting by Their Business Region



startupists (n=150)

We carried out a comparison between the importance of creation of a product and service (last year product strongly outbalanced service). The number of startups improving an already existing service on the market significantly increased, however the trend under which the startups declare that they are creating a new and unique product/ service stays unequivocally strong.

■ We're creating a new (unique) product 
 ■ We're creating a new (unique) service 
 ■ We're improving an already existing product 
 ■ We're improving an already existing service 
 ■ We're copying or adapting a product 
 ■ We're copying or adapting a service

” Regarding their solutions, 95 % of startups is answering to an already existing need that is somewhat covered by their product. Chatbot is a replacement to a person at a call center, big data analysis of transactional data allows for better insight into customer behavior over the current methods, a game or a travel guide with the use of AR/VR offers a better experience to the user. Moreover, most of the projects is based on new options and technologies and is only natural, that nobody will be alone in the given field. At the same time the fact that there is presence of some competition is not a problem, quite the contrary, it is a certain guarantee to me, that the project is not completely out of reality. The main competition comprises, in my opinion, of who can make the given product better, more effectively and mainly, who can choose the right customer and can sell it to them. “

**Pavel Přikryl**

Managing Partner Fazole Ventures  
Investor

*Market research, (direct) competition analysis and above all alternatives research is a very underestimated step corresponding with the whole market research and validation are, which startups often neglect. Through my work I've encountered hundreds of startups in the past years, but those who had an expertly processed analysis of markets they wanted to enter I could count on the fingers of my hand. Sadly, often even their potential investors do not require such analyses from the startups, and they get excited by genius ideas rather than by facts. From this point of view is the Czech startup ecosystem still immature and so we are helping him under the framework of StartupBox.*

**Petr Mandík**

Startup expert

Co-founder Happyend a StartupBox

*I want to advise several things that I also follow to the starting entrepreneurs: Do not copy anyone and be yourself. When you're copying someone else, you're copying their past, meanwhile they are innovating and you're falling behind. Have your own vision, own idea and pursue it. When they copy you, that means you're going the right way.*

“ *Every entrepreneurs story is very personal and unrepeatable. Don't try to be someone else -stay yourself and create a story and a community around your business. Put the customer at the core of your business. Try to create future projects for them and always question, whether they are content with your product or service.* ”



**Simona Kijonková**

Founder and co-owner of Zasilkovna  
Packeta holding CEO

” *The category of unique and completely new products is an allowed marketing boast and every investor takes it with a grain of salt. In reality only a minority of startups bring new solutions and a portion of those doesn't have the question of use case solved. Paradoxically, improving of a current product or solving with a reality applicable use case can turn out to be a better way than searching dead ends.* “



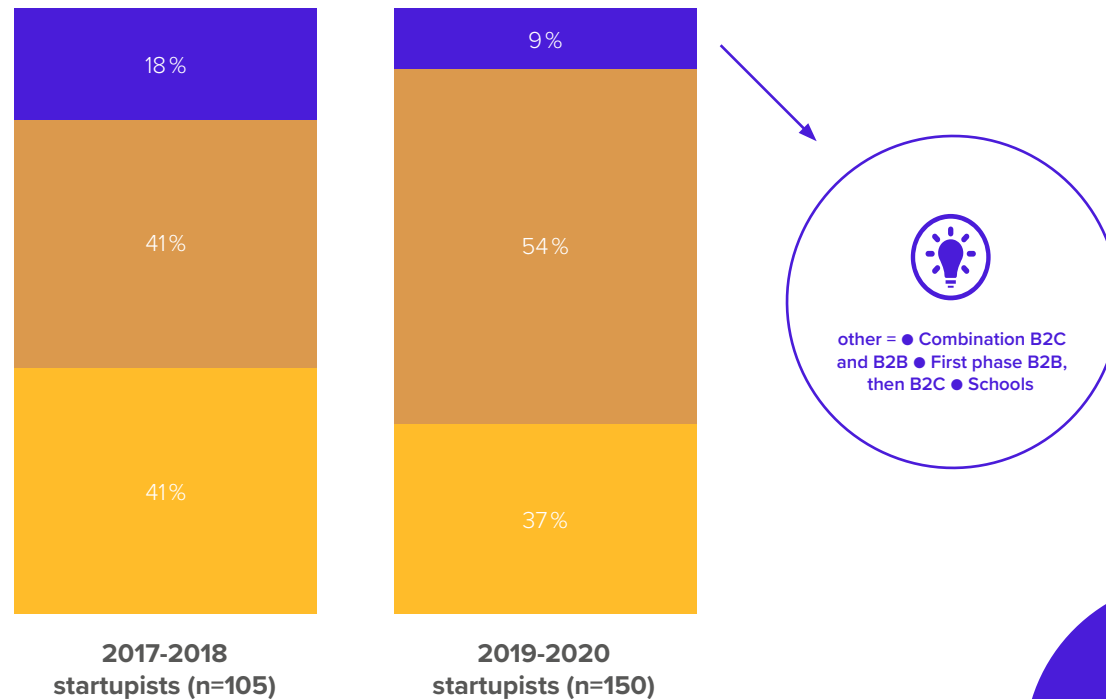
**Jan Hladký**  
Attorney  
Investor

*“The desire for uniqueness is still unwavering and with the combination of underestimating of high quality global research can be (and often is, unfortunately) fatal. A situation, when the startups tell themselves something like “oh that’s something we haven’t seen yet” spend a couple hours browsing Czech websites, or in better case anglophone ones and if they cannot find a similar project, they start to waste time and other resources on it is still quite common. And they often stay in this mode until the MVP stage, when (usually several months later) they get surprised by others, who were capable to carry out proper research, congratulating them to a nice “second place”. That is in my opinion and in my experience more common scenario than seeing teams working on improving an already existing product or a service. Even though you can see some of those as well.”*

**Roman Cabálek**

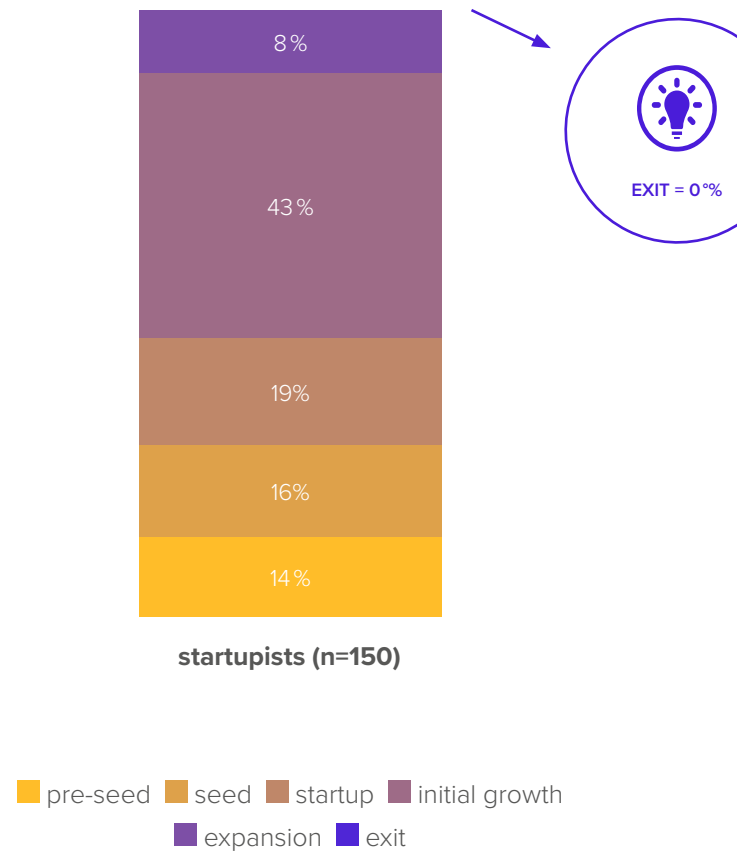
Coach, Mentor  
Angel investor

# Startup Sorting by Target Customer Type



  
B2B sector focused startups saw steep increase (both by type of service and products).

# Startup Sorting by Development Stage

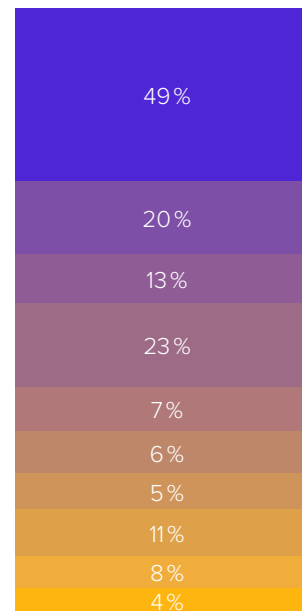


Majority of the startups is currently in the initial growth phase.

This sorting is purely indicative, as there currently isn't a consensus about how to effectively divide the stages (and whether we should at all). In this year's survey we presented the startups with one of the general ways of dividing of the startup cycle used among others by CzechInvest. Last year (2017-2018) the divisions slightly differed, therefore we cannot directly compare the data.



# Startup Sorting by Developmental Stage of the Product/Service



startupists (n=150)

- idea = unverified concept, no testing has happened
- basic research = describing a certain phenomenon on a basic level
- technological formulation = developed technological intention
- applied research = validity of intention verification on an experimental basis
- small scale prototype = intention verification on a laboratory level
- large scale prototype = technological verification on a laboratory level in a model
- environment prototype system = tech function proven in real environment
- sample system = technology working in real contexts and environment
- first commercial system - full system ready for production
- full commercial deployment = technology available to customers



Largest portion of the startups (nearly a half) is currently fully commercially deploying their product/ service.

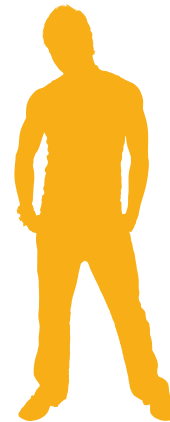


# THE\_ MA\_IN \_MOTI\_VA TION\_TO FOUN\_D

\_A\_STARTUP  
AND A\_BUSI  
\_NESS

# Why did they create a startup?

Startupists perceive a difference between a startups and a business primarily by more creativity in their activities (startup innovativeness). On the other hand, the starting motivation behind a startup is not much different from that behind starting a traditional business. Main motivation is for startupists the need to carry out their ideas.



startupists (n=150)

Incompetence of my past bosses.

We wanted to create a better world.

Learn how to overcome your comfort zone.

An effort to build something no one else did.

Being your own boss.

Compulsive need to innovate.

Helping people around.

I am a visionary and we unfortunately do not have much of a chance to fulfill our potential in regular companies.

Freedom.

The need to walk your own path.

I'm unable to bend to corporate rules.

Challenge. Desire to achieve something.

Implementation of your own ideas.

Fun. A game.

# Why did they start a business?





# **PROS\_& \_CONS**

OF\_THE\_CZ\_ECH  
\_STARTUP  
ENVIRONMENT

*Currently, we are standing in front of several absolutely essential global challenges - climate change, cybersecurity or population aging for example - these bring immense business opportunities for (and not only for) startups. I believe that entrepreneurship is one of the strongest tools to face these global challenges.*

” *For the success of Czechia on the startup field, the key is unquestionably strong support of spinoffs. Data confirms that companies stemming from the academic environment belong to the most longterm successful startups - Flowmon, Phonexia or Sewio, to mention a few. That's why there is a growing need to strengthen the collaboration between the academic sphere and business.* “

*Czech companies (not just startups) also have to invest in innovation more. That's something they're behind compare to the West. In comparison with other countries of the EU, the share of innovative companies doesn't even reach the European average.*



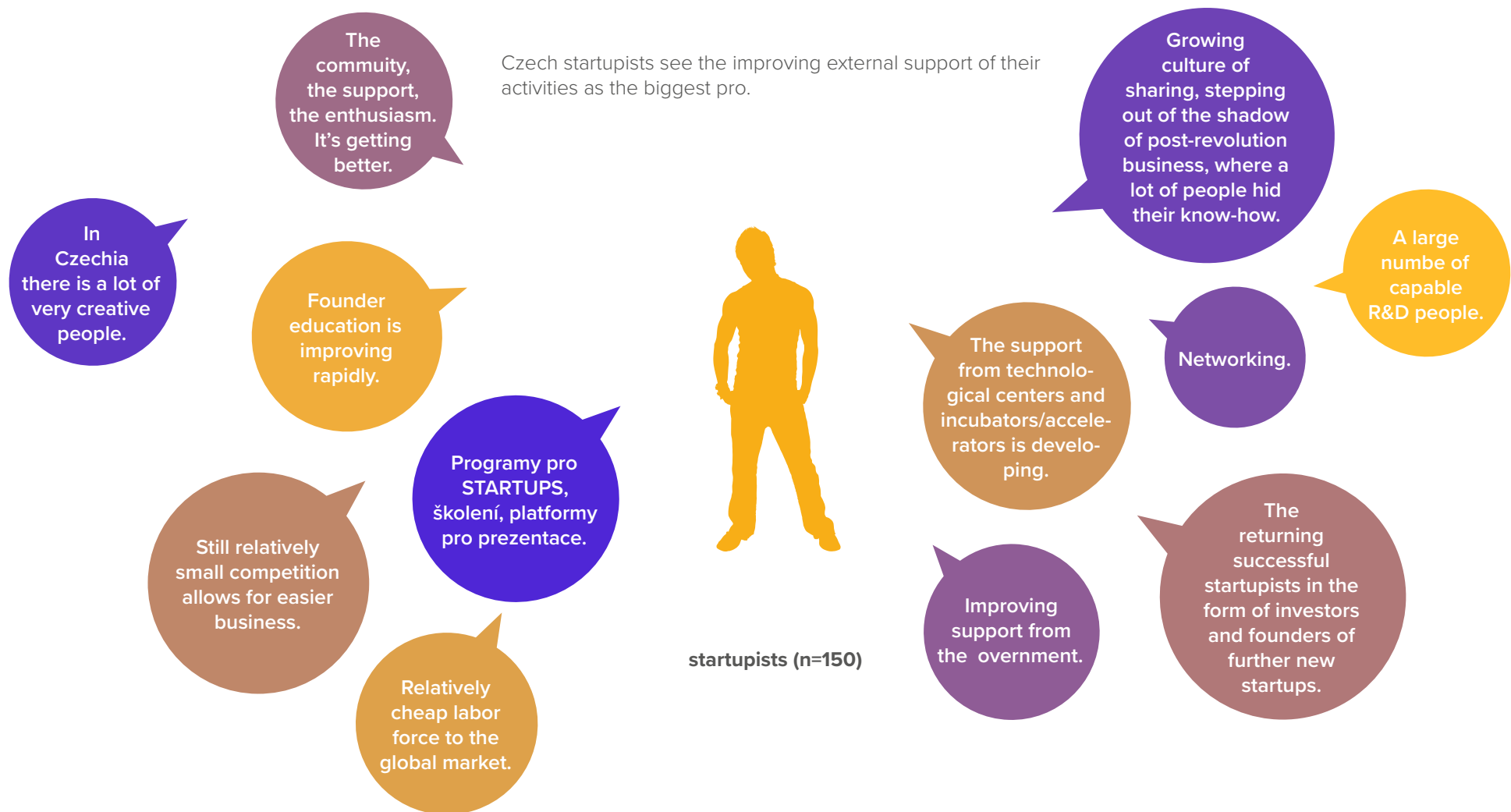
**Petr Chládek**  
CEO  
JIC

*” The startup ecosystem in the Czech Republic is slowly maturing. By numbers, it is dominated by Prague and Brno, where technological companies flock followed by university graduates. The availability of risk capital is increasing in all segments from BA to higher investment rounds. I am personally happy about the activities in Ostrava, where MSIC works. More and more people are interested in setting up a company and among them, there’s an increasing number of project with very interesting scalable products. We also have an increasing number of individuals, that are interested in the possibility of joining a starting project as BAs, interim managers, etc. “ In the global context there’s still a lot to be done in the local startup ecosystem. But improvement is only a question of continuous evolution. Some elements of the ecosystem require time and it is not possible to secure them by subsidies or other forms of public intervention.*



**Pavel Csank**  
CEO  
MSIC

# Pros of the Startup Environment - Startups POV





# Cons of the Startups Environment - Startups POV

The startups put the insufficient risk capital, small size of the local market, lack of experience with international expansion and the lack of quality employees as the biggest cons of the environment.



startupists (n=150)

Unwillingness to take on investor risk.

Banks are still complicated and hard to navigate for startupists.

Expectation of some investors are out of this world.

Czech market is very small.

Discrimination in subsidizing regions other than large cities.

Málokdo se odváží „vystoupit“ za hranice ČR.

Limited cooperation of the startups, everyone is focused on themselves.

Difficult contact establishing with other nations, we don't know how to do it.

Fast self-satisfaction of startupists, relatively low selfconfidence and ferocity.

Difficult to find good employees.

Support fragmentation.

Limited approach to angel investors.

People are coming up with nonsense that is often celebrated as great ideas.

A lot of bureaucracy and a lousy level of digitalization of the government.

Only mobile apps and e-shops creation was booming, luckily, that is now already fading.

Limited integration of schools into supporting businesses.

*In the Czech Republic there are, were and I believe that always will be clever and enterprising people. Whether it is in the startup ecosystem or traditional entrepreneurship. As a representative of the Czech startup scene I have to admit, that we appreciate the trend of establishing hopeful startups as well as the openness of investors about depositing money especially into risk capital.*

”

*The Czech Republic is ahead in many areas, is demographically strategically placed and the mood of the startup environment is friendly. I believe that we can be a nation proud of what we've invented so far and what we've brought to the market as well as we can fully trust in the potential of our people and our future successes.*

“

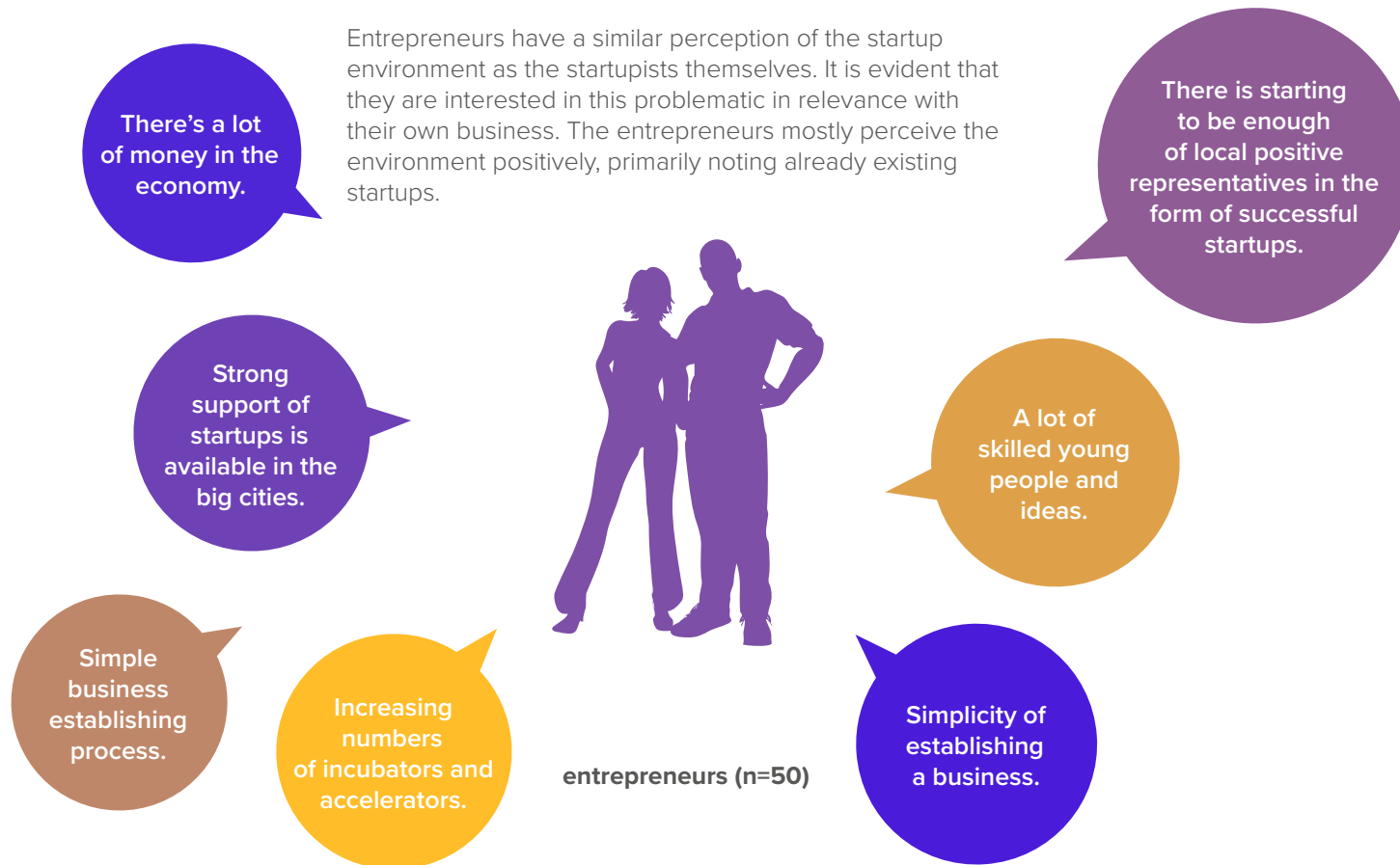


**David Zábrž**

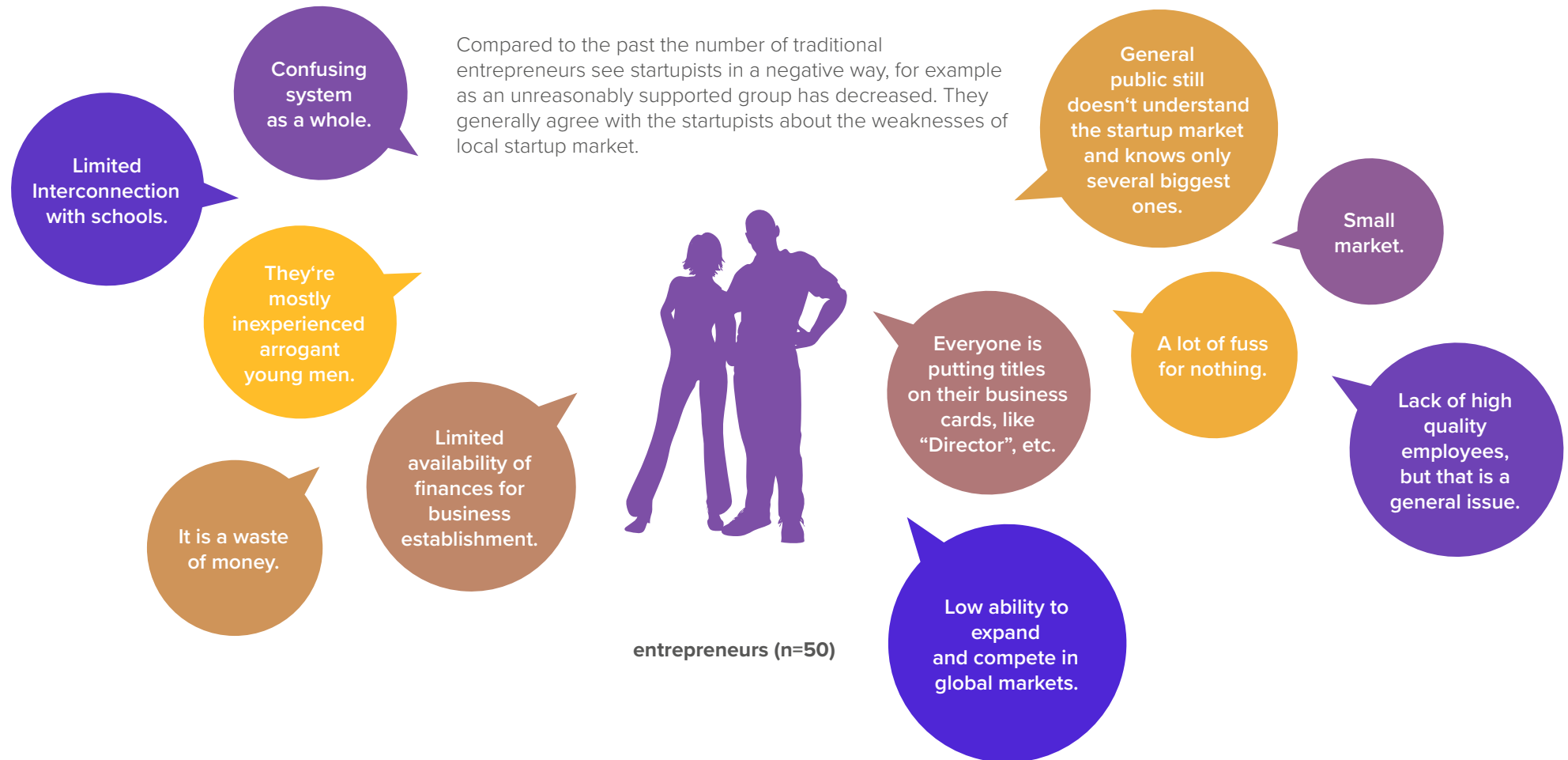
Chairman

Czech Investment Qualified Startups Association, RA

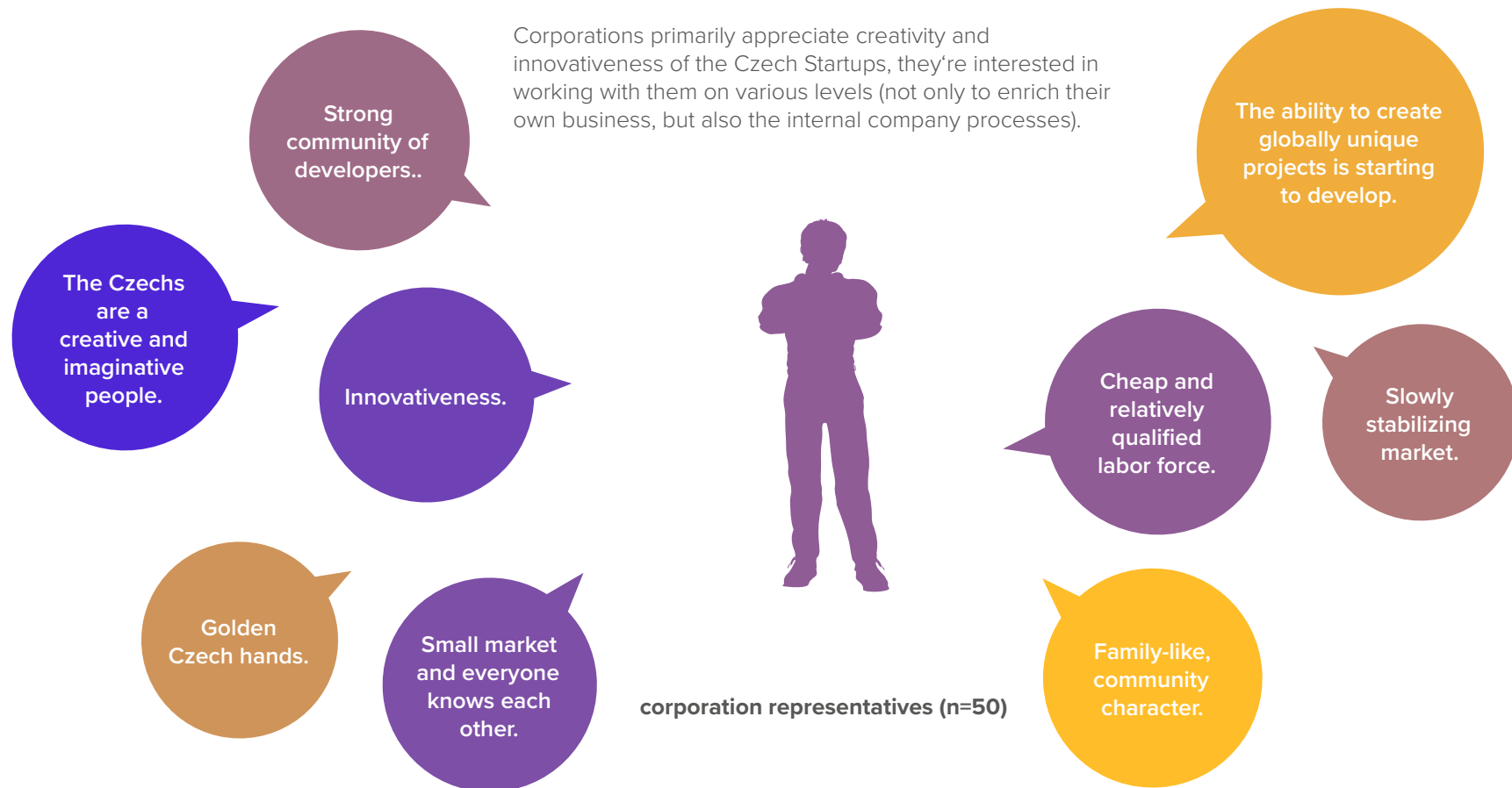
# Pros of the Startup Environment - Entrepreneur POV



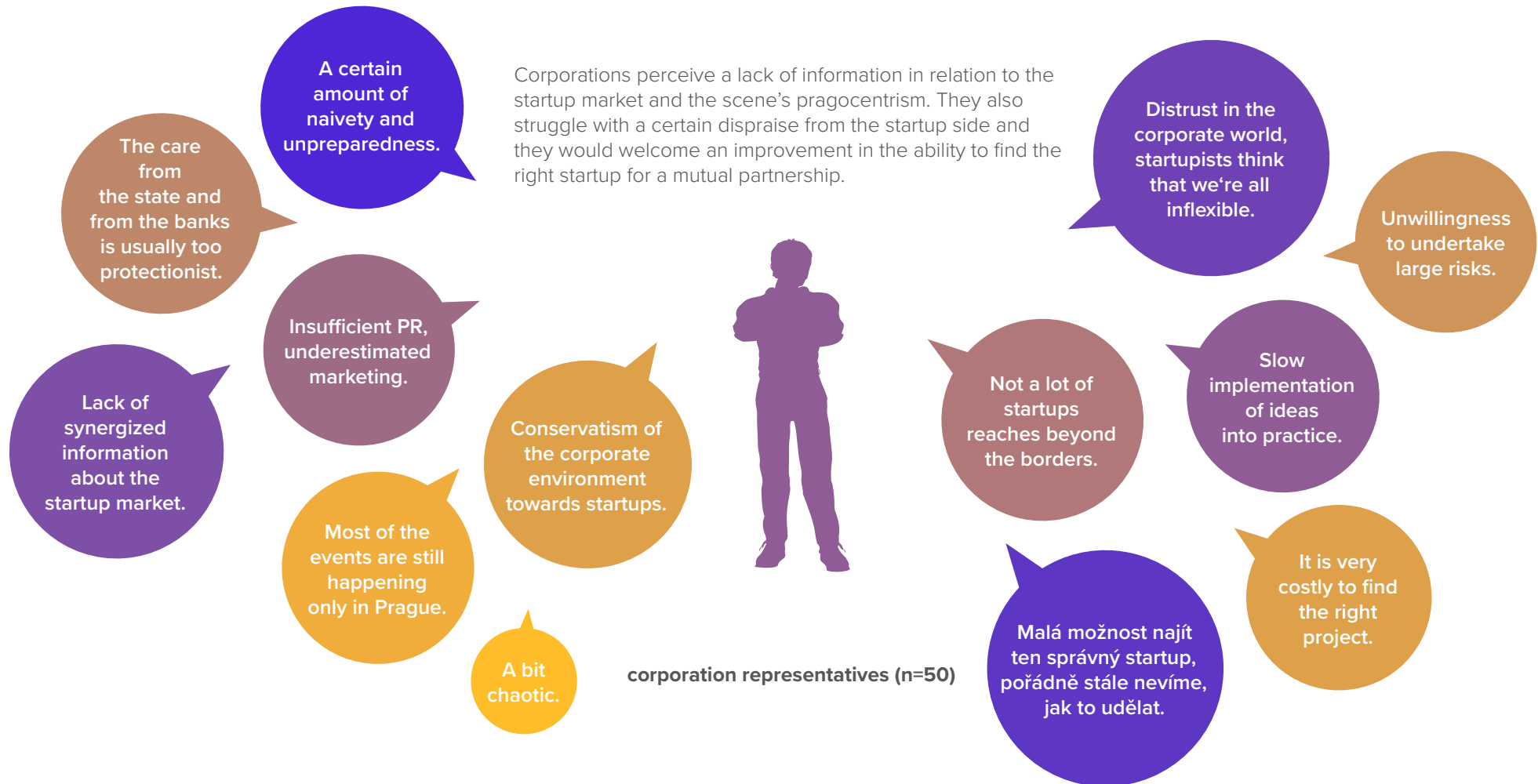
# Cons of the Startup Environment - Entrepreneur POV



# Pros of the Startups Environment - Corporate POV



# Cons of the Startup Environments - Corporate POV

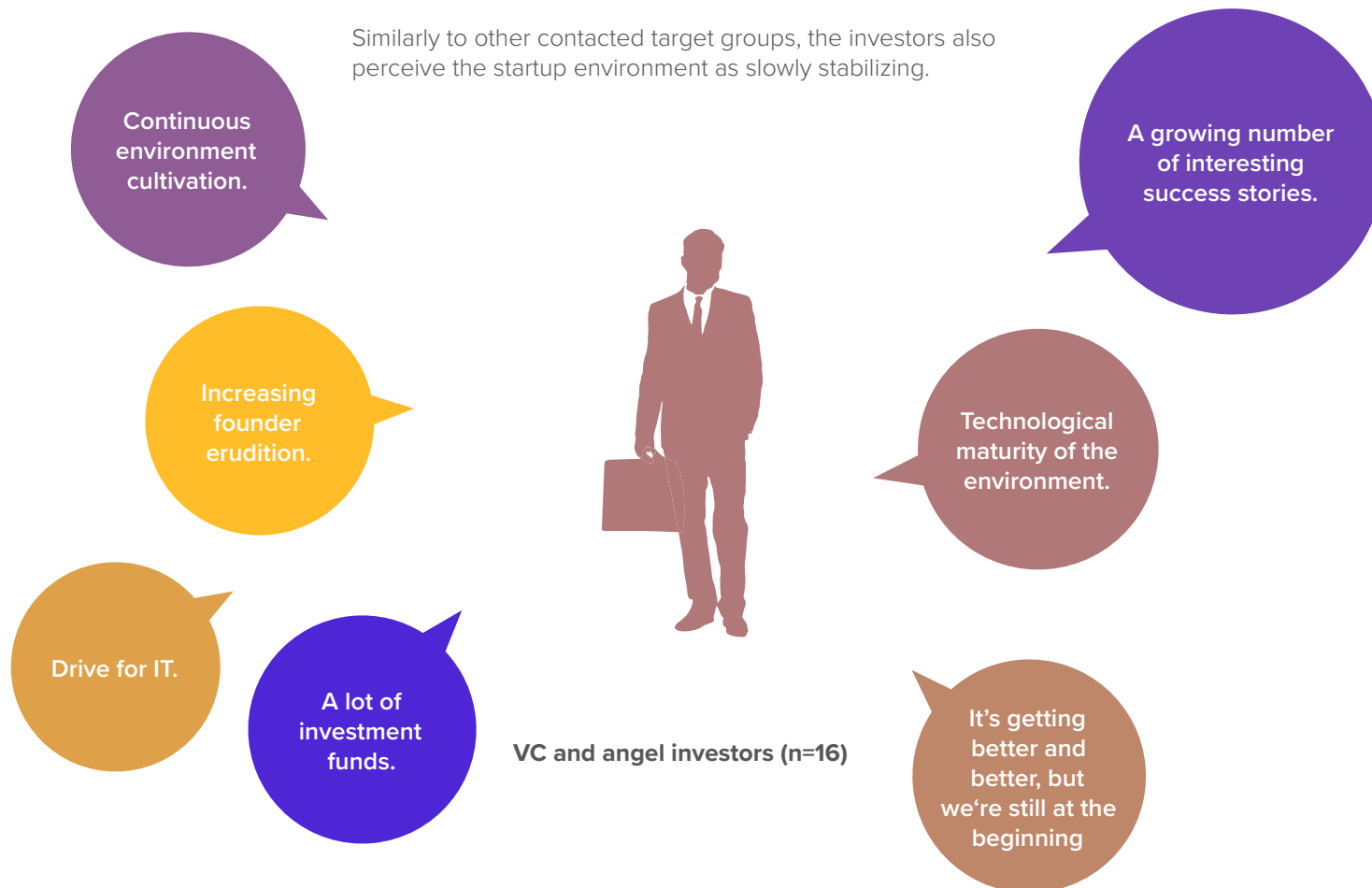


*” I’d say that it only seems like the media writes about “three” startups. Often, we write about a lot of the smaller projects, there is a section called “start-ups” in the magazine and on the website for several years now, and I know that even other media are pursuing this topic. Rather, the problem is that the readers like to read about the celebrities, names they already know - and therefore are not noticing the stories about yet not widely known founders...Us at E15 want to especially spread the awareness about new companies, my colleague Michal Šenk recently launched a podcast called “On the First Try” focused solely on startups, so the content will only increase. “*



**Tereza Zavadilová**  
Editor in Chief  
E15

# Pros of the Startup Environment - VC and Angel Investor POV





# Cons of the Startup Environment - VC and Angel Investor POV



*I will generalize and simplify what is of course a more complex issue. In my opinion, we are still (at least in the European context) a country of technicians, engineers, producers and the infamous “assembly plant” rather than a country of excellent salesmen and marketers. This has its’ historical reasons and consequences and it’s only slowly improving.*

*That’s also why it is still easier to find someone, who will “McGuyver” something out in the workshop overnight or will code an app over the weekend, rather than finding someone who will be able to come up with a plan to quickly and feasibly test the prototype of the product or the service and puts together at least a minimally representative sample of the future target group, or eventually will suggest (hopefully not the first) draft of a marketing and sales strategy.*

” *This is in combination with a certain perfectionism of the founders, who more often than not hesitate with verifying something, which isn’t sufficiently perfect yet, in a way it is a fatal combination of often good initial ideas. I am explaining this as a systemic issue where we are lead to this nonsensical approach from a young age in our educational system, where we are not really learning how to deal with mistakes. We’re not praised for trying new things or questioning the status quo. We are rather encouraged to learn things by heart and didn’t much question them. Now, I don’t want to see things darker than they really are. You can see islands of positive deviation in schools and the startup scene.* “

*What’s left is to lead to courage and faster and more frequent hypothesis verification through real customers and further acceleration of the whole cycle of learning as you go, from your mistake or (even better) from the mistakes of slower competitors. I would, in high school required reading, finally exchanged Jirásek for Riese and his *The Lean Startup*.*



**Roman Cabálek**

Coach, Mentor  
Angel investor

*“The Czech startup scene is evolving the right way. Activities, that connect individual market players arise, investors put more emphasis on project mentoring, corporations seek real ways of actively participating and last, but not least, the startups themselves are building longterm relationships with investors and better present information about their development. On the other hand is our region lacking behind its' own innovative potential and there is a need to learn how to better manage projects and investments, but also present their ideas, be more assertive and think globally.”*

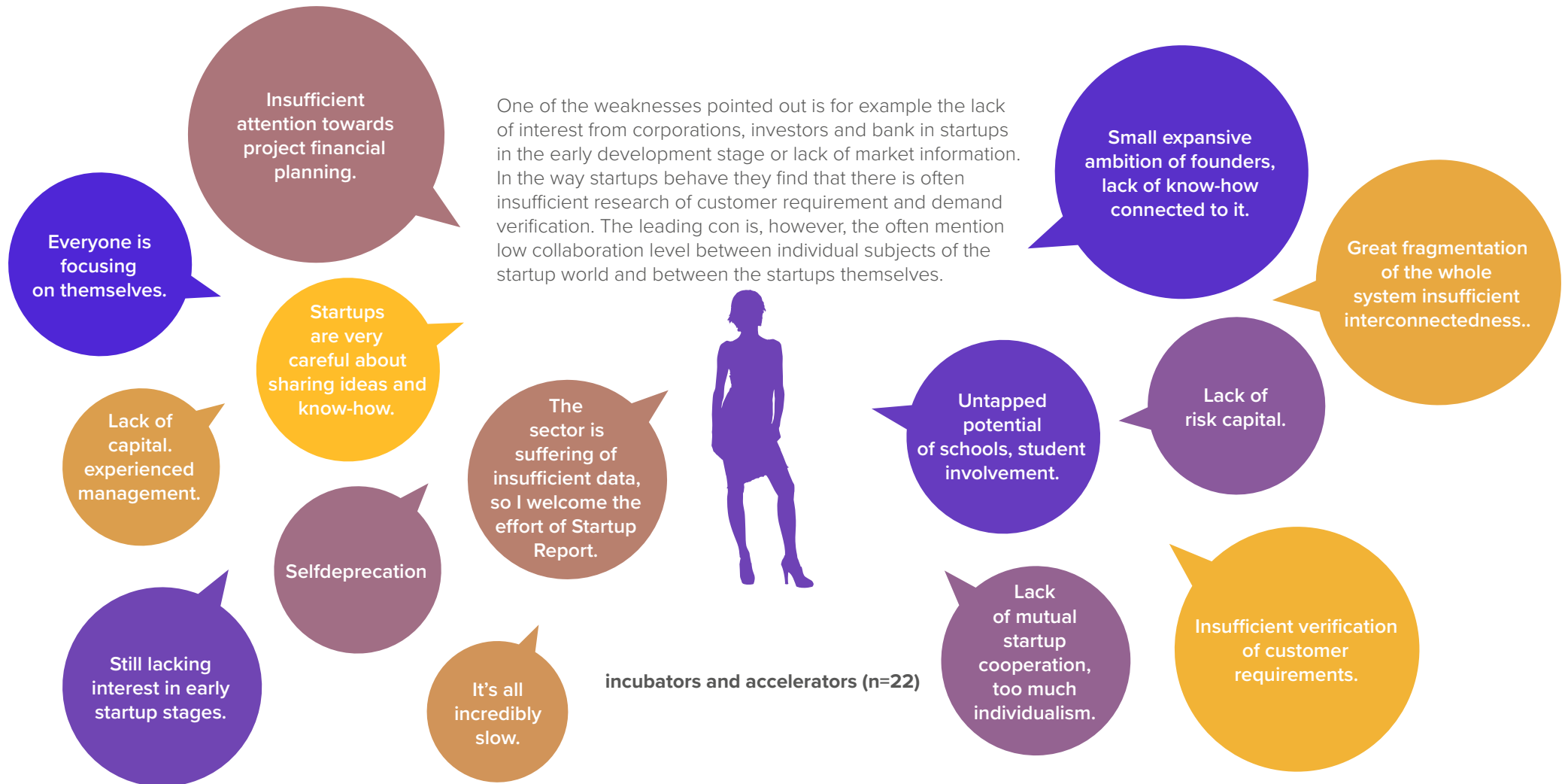


**Jan Kříž**  
CMO  
UP21

# Pros of the Startup Environment - Incubator and Accelerator POV



# Cons of the Startup Environment - Incubators and Accelerator POV



” I think that the Czech startup scene is rich of technologically interesting solutions and what is missing is mainly business acumen. It is important that startups from the very beginning focus on understanding their customers and building a profitable business model. We sincerely hope that there will be a lot more projects like that in the future. “



**Zuzana Paulovics**  
Accelerator Leader  
Start it @ČSOB

” I personally do not feel that Czech Republic would be lacking risk capital - recently we have launched the Czech Business Angel Association and I think that the number of people, who earned decent sums, collected relevant experience and are interested in investing into good startups is growing every quarter. On top of that further new funds are emerging. This statement surprised me, maybe the culprit is going to be elsewhere. . . “



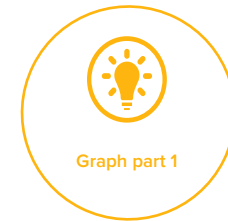
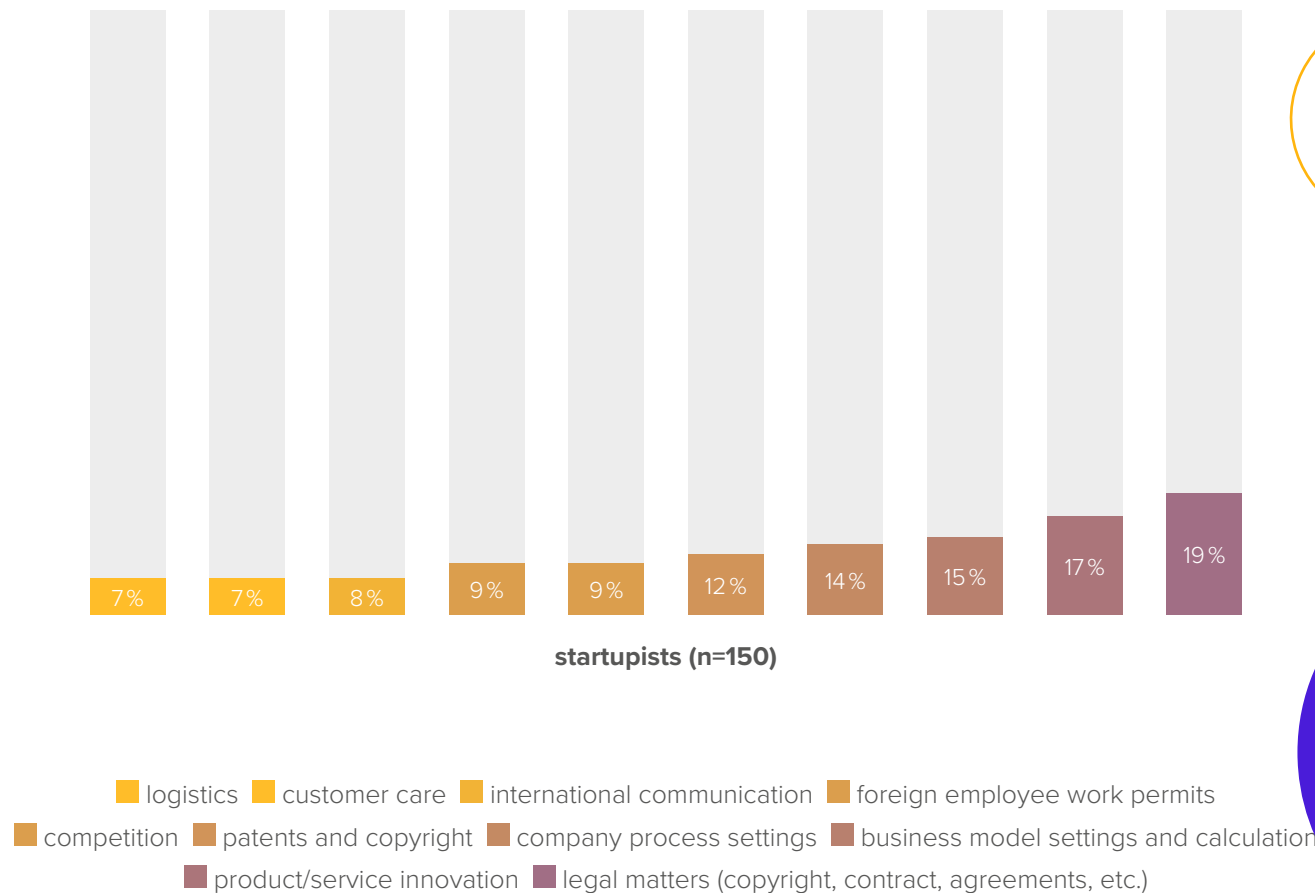
**Petr Skrla**  
Angel investor



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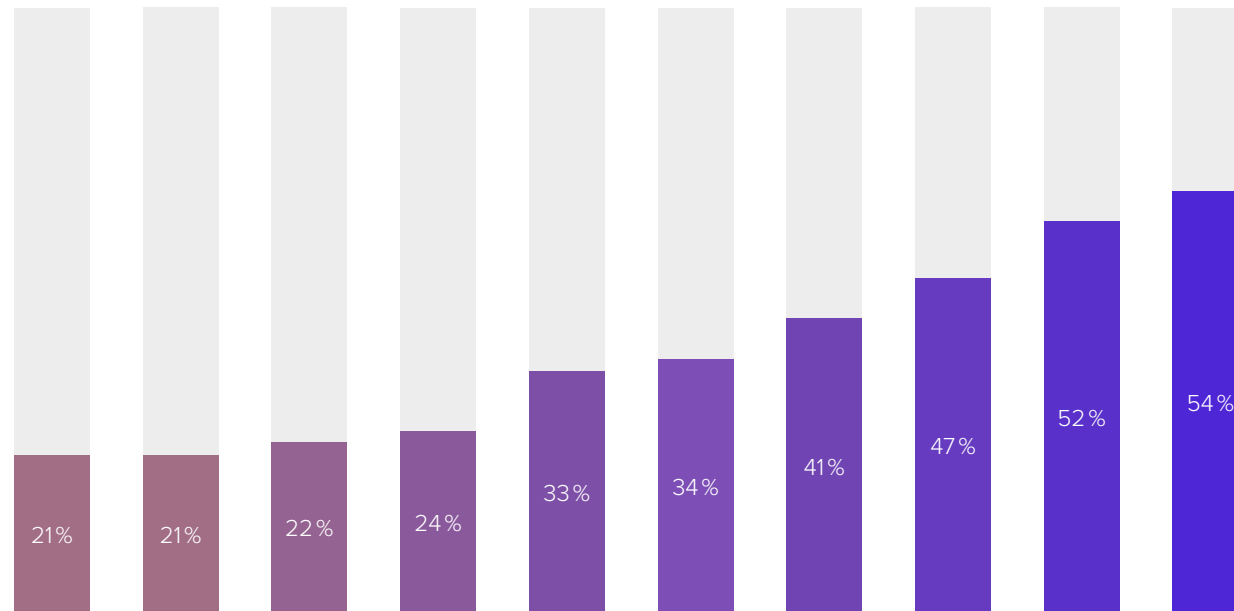


# Largest Startup Problems



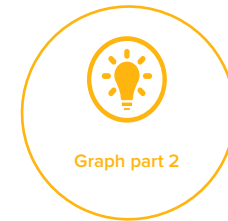
Startupists consider human resources to be one of their most grievous issues (last year even more, around 60 % of startups mentioned it). This year, however, the imaginary "prize" goes to bureaucracy, that afflicts 54 % of startupists, and 2nd place, with 52 %, goes to the availability of funding sources. Meanwhile in the past, funding didn't even reach the TOP 5.

# Largest Startup Problems



startupists (n=150)

■ international expansion ■ administration ■ taxes ■ outsourcing ■ product/service expansion  
 ■ marketing and PR ■ sales ■ human resources ■ financial resources  
 ■ business environment bureaucracy



In comparison with entrepreneurs, the most common issues of startups seem to differ. Entrepreneurs mainly struggle with tax optimization and often don't deal with expanding at all.

# Startup Weaknesses According to Expert Public



Financial planning and  
business model calculation



Financial responsibility



Caring about the customer  
and his needs, sales

Incubator and accelerator representatives, just like VC and angel investors in general name similar weaknesses as startups themselves. What they accentuate much more, however, are business model calculations and correct grasp of sales. They think startups lack emphasis on planning and necessary financial responsibility. They're also missing real and timely care for customer needs, understanding of them and taking those into account when developing their product/service.

” I personally do not think that the Czech market is lacking investment funds. Rather, I am perceiving a lack of truly well prepared and perspective opportunities, ideally in a stage where they can show product viability through the first clients and therefore vindicate the investment for further scaling. What would definitely help the market is the possibility of opportunity sharing through greater transparency. What one investor refuses, can be another's holy grail. Today the investor page, especially its' angel part, is completely atomized. It's not easy to effectively reach out to all the potentially relevant investors. There are some “known companies” and you can bounce off of various recommendations, but in reality there's thousands of potential angel investors. “

**Pavel Přikryl**

Managing Partner Fazole Ventures  
Investor

*” I think that, principally, the size of your business doesn't matter. In every case you have to work with your budget, financial plan and cash flow, or you won't be able to run any business, regardless of its' size. Following numerical indicators (both qualitative and economical) and their analysis is indeed essential for any successful business. But as an entrepreneur you have to have vision, be able to take a chance, trust your gut, never give up and work incredibly hard. “*



**Simona Kijonková**

Founder and co-owner of Zasilkovna  
Packeta holding CEO

” *There's a lot of room to grow for startups, when it comes to effectively using marketing market research in the initial stages of project development. Without continuous independent feedback from potential customers they're risking insufficient demand for the developed product/service. There is a risk of project cancellation or the need for financially very demanding overall adjusting of the project.* “



**Martin Boček**

Market Research Expert  
Agentura Boček

*I wholly identify with this. I see the cause in two factors. First is a firm belief that given idea or solution is genius and the only correct one. Internally, we call it having a crush on an idea. The fact that we don't see many examples of correct behavior in the media isn't helping. Because not many of those who succeeded in the startup world talk about validation, research and testing. Nobody is really asking them about it, either. Everyone including the journalists, who write about startups, is praising the genius ideas, secured funding and valuation. Nobody really mentions how many times was the startup wrong, how many times they had to change their goal or target segment and how much and often they failed, before finally reaching the correct constellation. Inexperienced and uneducated startupists then don't know what they don't know and that is often leading them into bad decisions or ignoring good external advice. That's also something we are trying to combat at Happyend.*

**Pavel D. Bartoš**

Startup expert

Co-founder Happyend a StartupBox



# **STA\_ \_RT\_UP STRA\_ TE\_ GY**



” Both startups in the Czech Republic and in the world have at least one thing in common - to be really successful in the longterm, they have to have global ambitions. Startup products typically belong to the IT and tech fields - and for those, the local markets are small and quickly get exhausted. And that’s why it is important to prepare foreign markets expansion strategy already at the stage of establishing the business. Research results confirm this trend. “



**Petr Chládek**  
CEO  
JIC

# Startup Characteristics According to R&D Workers and Software Developers

70% of startups  
doesn't have AI data  
research employees.

With the exception of  
several individual startups,  
the vast majority of research  
employees and (not only software)  
developers operates in Czechia,  
whereas 92 % of them is not planning  
to move outside of the country.  
(8 % is considering Slovakia, the  
UK, Germany, USA, Romania or  
Austria).

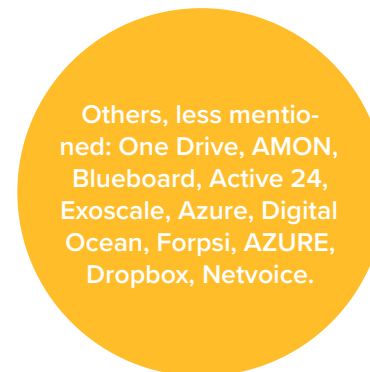
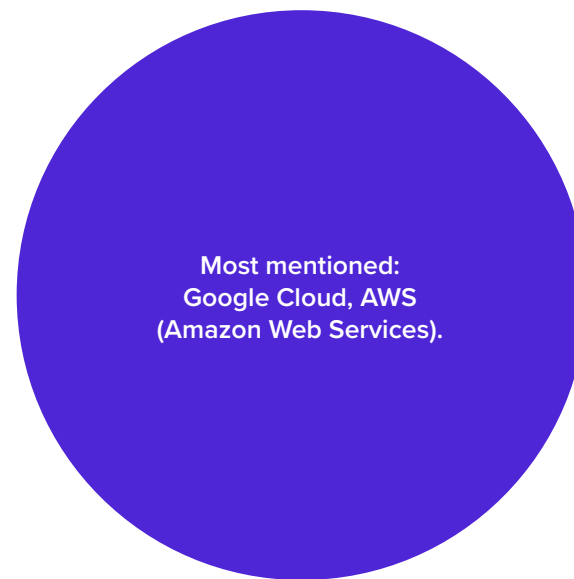
Software  
development is,  
on average, carried  
out by between a  
third and a half  
of the startups  
employees.

The average number  
of R&D employees  
in a startup are 2-3  
people.

Decisions regarding  
the technologies of  
software infrastructure  
are made in the Czech  
Republic by all of the  
queried startups.

startupists (n=150)

# Startup Cloud Solutions

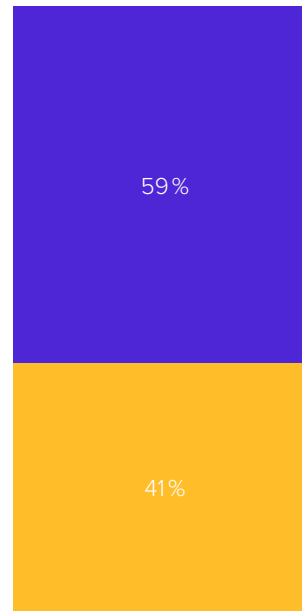


startupists (n=150)



The most often used cloud solutions are Google and AWS (Amazon Web Services). Approximately half of the startups is dealing with cloud technologies internally (20 % of startup employees is working on cloud technologies). All of the startups use some cloud solution.

# Data & IT System Security



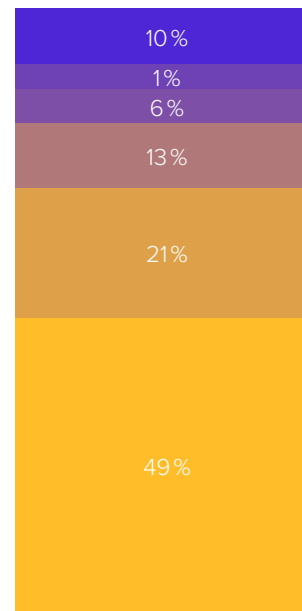
startupists (n=150)

■ encrypting data on HDD ■ not encrypting data



A little over a half of the startups is currently not encrypting their data.

# Company Data Backup Periodicity



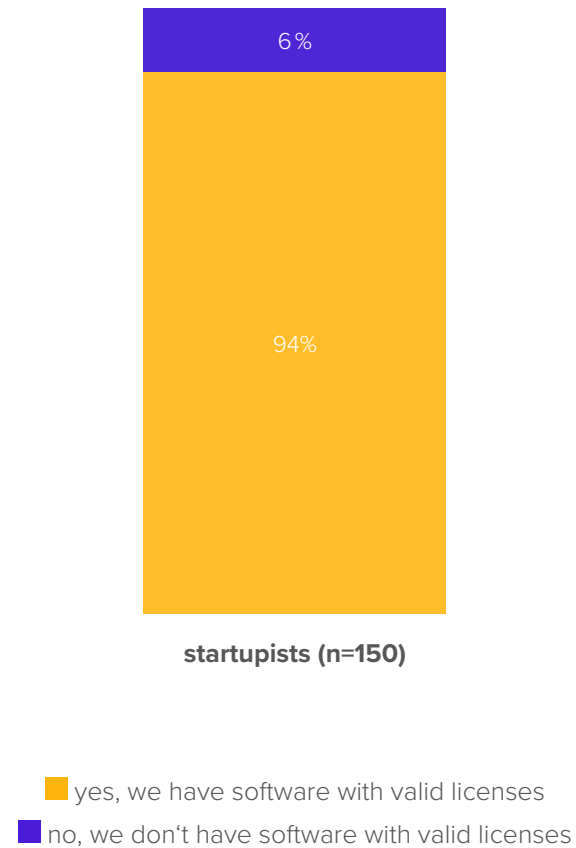
startupists (n=150)

■ daily ■ weekly ■ monthly ■ quarterly ■ annually ■ not at all



Almost a half of all startups backs up their data on a daily basis. However, about a 10 % of startups doesn't back up their data at all!

# Software License Updates

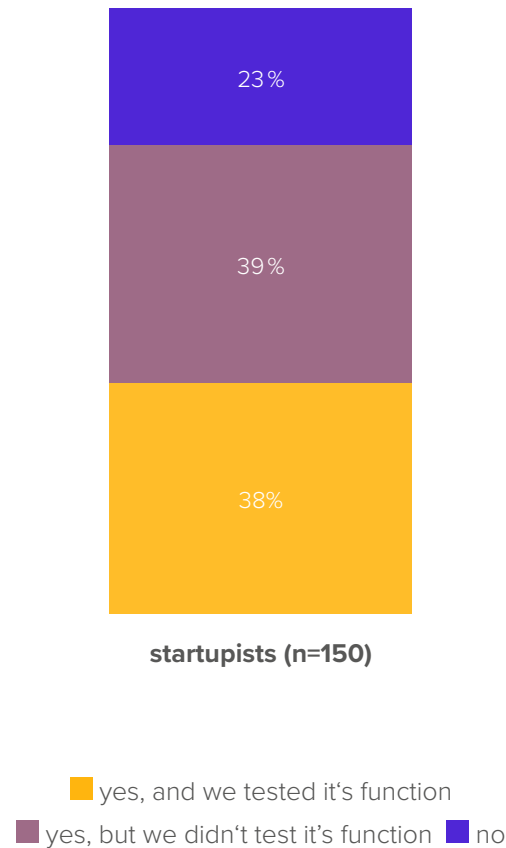


startupists (n=150)



Vast majority has everything in order, but approximately 6% admits outdated software licenses.

# Do Startups Have an IT System Recovery Plan?



On the question how are startups approaching the potential IT system issues, or are they prepared for a potential attack or a crash and whether are they able to recover the companies function in such a situation, restart the systems and recover the data, two fifths of startups claim that they are ready. Almost identical number claims, according to their words, the opposite.

” We’ve already witnessed several cyber attacks in recent time, which are getting stronger and most likely will be more frequent. It’s not only about those we can see in the media, like attacks on large companies or state institutions. It is a set of hacker attacks, which happen daily in large numbers around the world. That is also why will the topic of cybersecurity gain more and more traction and we will see incredible advancement in this area. “

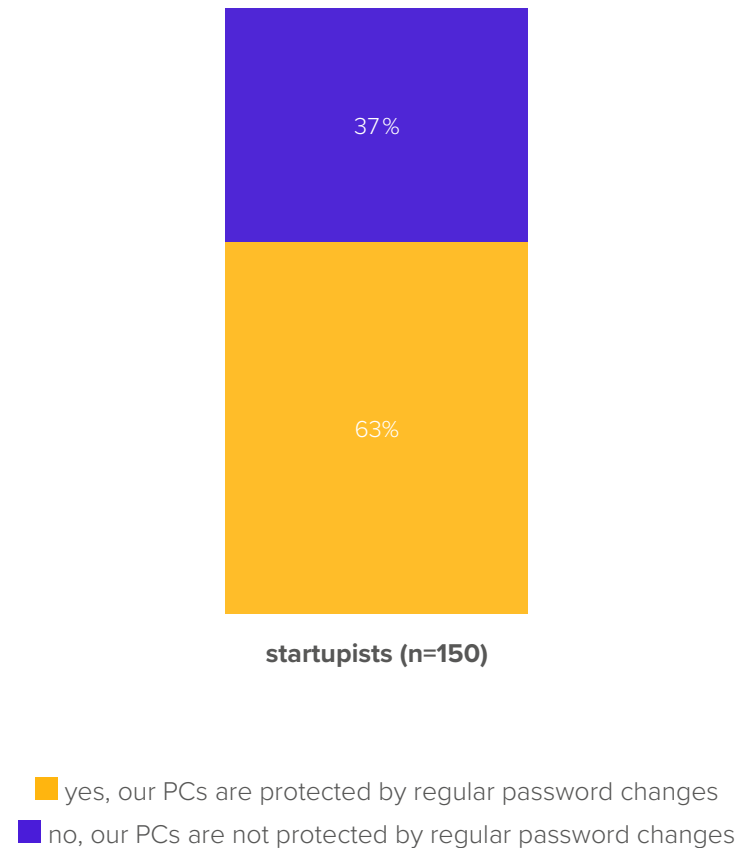
**David Zábrž**

Chairman

Czech Investment Qualified Startups Association, RA

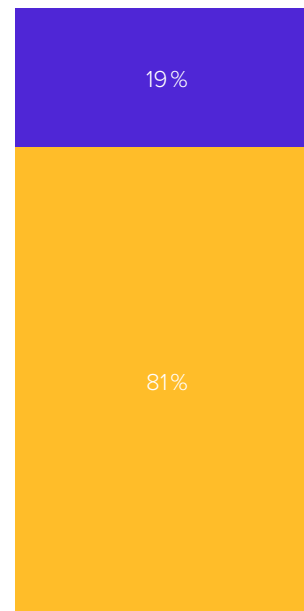


# Protecting PCs by Regular Password Changes



More than a third of the startups is underestimating the effectiveness of protecting PCs by regular password changes.

# WiFi Connection Security



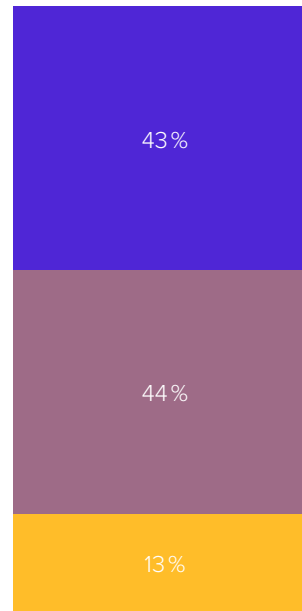
startupists (n=150)

- yes, our WiFi connection is sufficiently secure
- no, our WiFi connection is not sufficiently secure



81 % of startups consider their WiFi system sufficiently secured and rely on their service provider's services. Most of them isn't able to explain the exact type of security used.

# Startups and Insurance Against Cyber Security Attacks



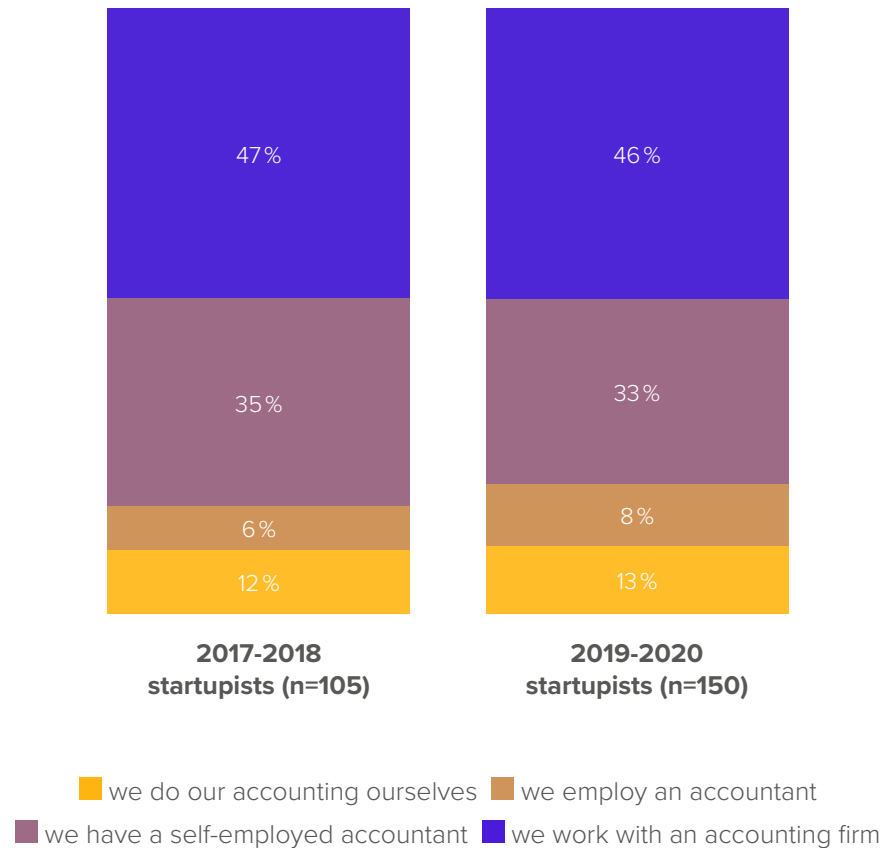
startupists (n=150)

- we are aware of this type of insurance and are considering getting it
- we are aware of this type of insurance, but are not considering getting it
- we are not aware of this type of insurance and are not considering getting it



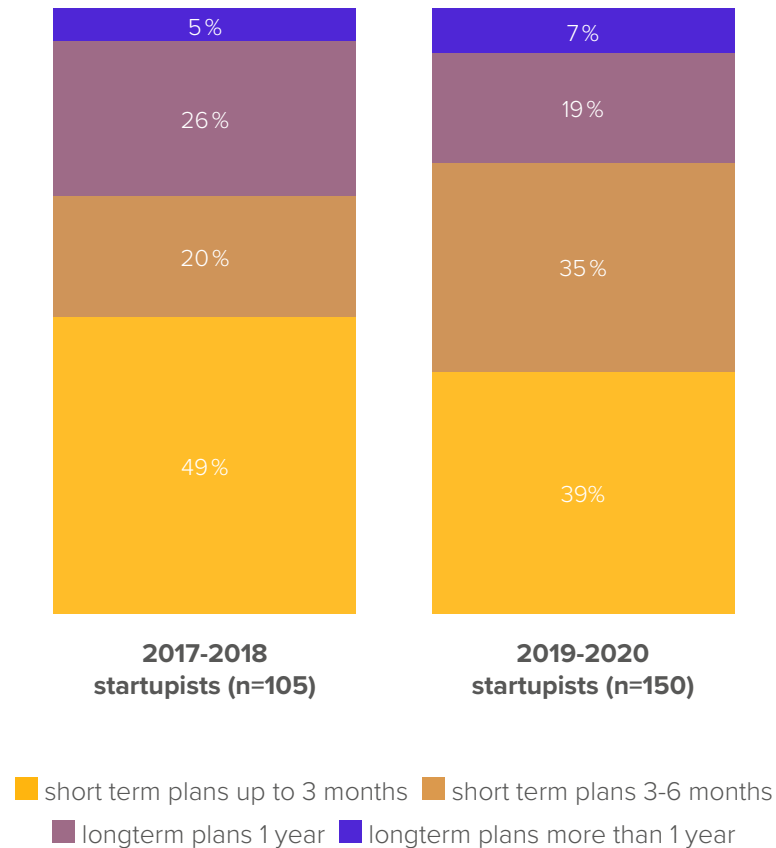
Only a minute number of startups carries an Insurance against cyber security risks. Almost half of the startup is not aware of this type of insurance and only 13% of them is currently considering it.

# Startup Accounting Solutions



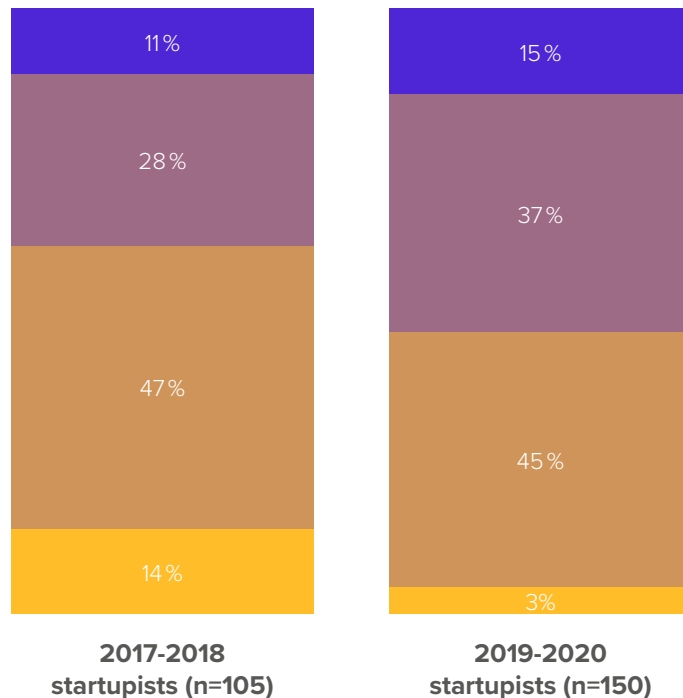
The most common way stays cooperation with an external accounting firm, the data virtually hasn't changed compared to the last year.

# Startup Sorting per Longevity of Planning



Because of startup market stabilization, the planning is moving from planning up to 3 months to planning for the next 3-6 months.

# Startup Legal Services Solutions



■ internal legal advisor 
 ■ external legal advisor 
 ■ law office 
 ■ we do not have a legal advisor

Even though cooperation with external advisor still prevails (it encompasses 51% of all startups), we've noticed a significant increase in the percentage of startups, who solve their legal services need by cooperating with external law offices (43% of all startups in total).

A number of startups, who have their own internal legal advisor has decreased - it is currently in units of percent. Similarly to the last year, there's between 10-15 % of startups who do not deal with their legal needs at all.

Unlike marketing analyses, PR or marketing communication, which startups usually do not outsource, legal matters are almost exclusively dealt with externally.



Graph shows % recalculation of total answers (some startups chose multiple options).

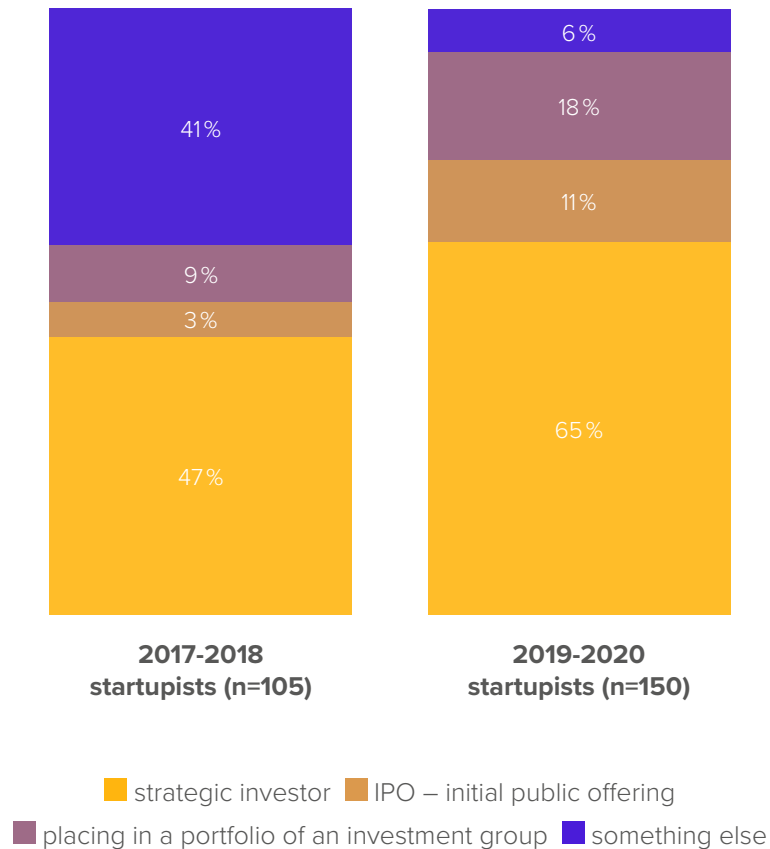
*It is obvious that startups set up their corporate structure and contractual relationships firstly with investors, other advisors and collaborating workers and do not need their own internal lawyers. Those are needed when the startups reaches critical mass and starts dealing with issues of labor law and customer relationships. The result of the research also confirms that startups in their first stage focus rather on their product and general setting than the corporate structure and other legal aspects.*



**Miroslav Dubovský**

Country Managing Partner, attorney  
DLA Piper Prague LLP, Organizational Unit

# Ideal Exit According to Startupists



The more frequent thinking about the possible exit is apparent. Current research shows that approximately a third of startups is at least thinking about this topic. Similarly as in the last report, they're mostly considering the strategic investor option.



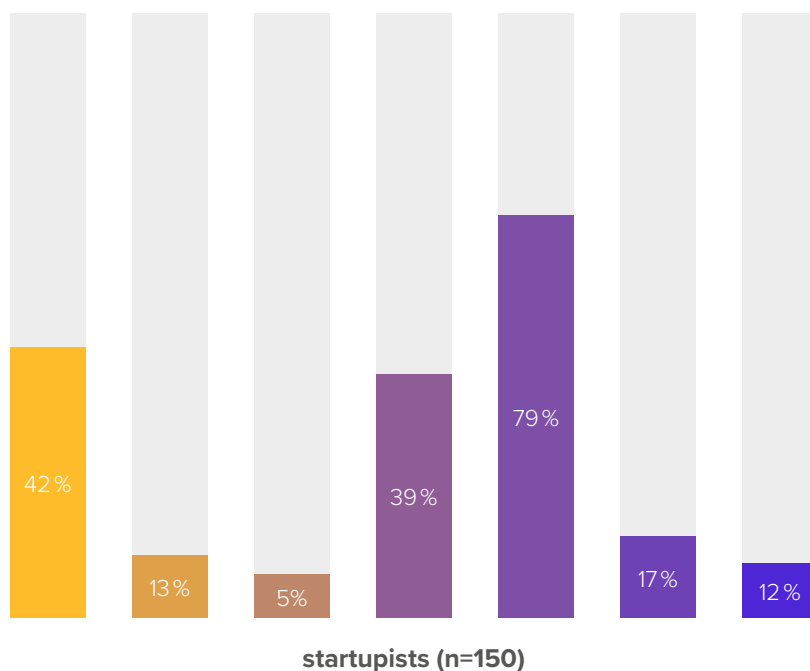


**FIN\_  
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AND FURTHER  
STARTUP  
SUPPORT

# Startup Sorting

## According to the Funding Type



The most dominant funding source for startups up until now is an investment from their founders. In comparison to the past, where exactly 90 % of founders invested in their startups the number decreased a little, and so did the FFF financial involvement, which decreased by a third. The use of interest-bearing loans from the investors in the form of convertible debt also recorded a big drop in the past two years.

Acquiring of funding through emitting of own cryptocurrency, public bonds on the stock market or crowd funding platforms (like HitHit, Startovač, Kickstarter) takes up less than 1 % which also means a dramatic decrease.

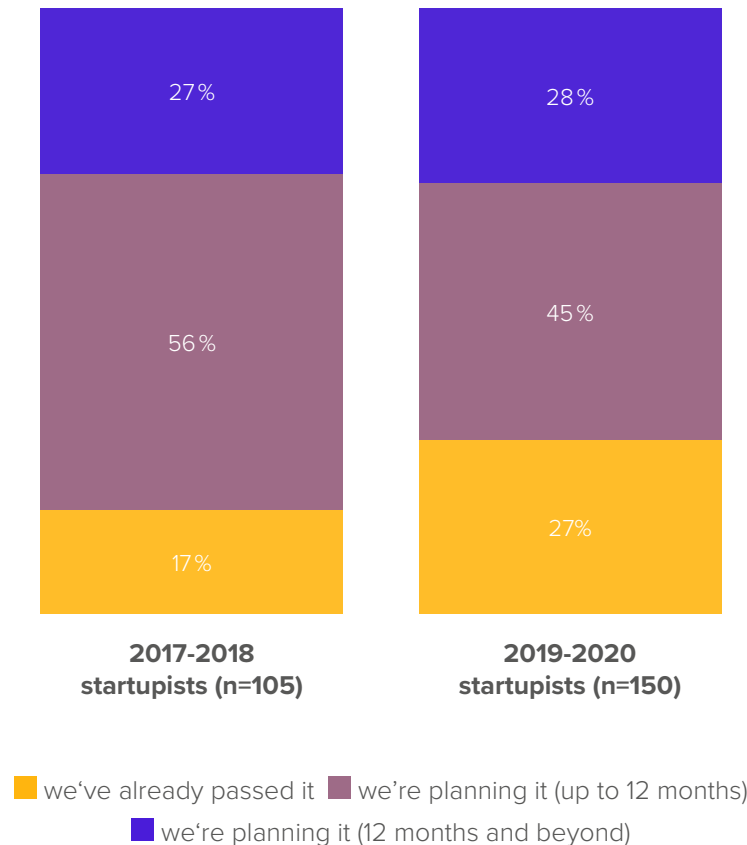
On the other hand, the number of startups using funding gained from accelerators and incubators increased (from 31 % to 39 %). 75 % of startups didn't utilize any external sources in the beginning of their venture.

The average sum invested into the idea phase (getting the product to its' first prototype / first customers) comes, according to the startupists, to approx. CZK 2. 5 million.

For the future, startups are planning to secure funding by investors entering the ownership company structure (equity).

■ FFF (friends, family and fools) 
 ■ bank loan 
 ■ interest-bearing loan from the investors in the form of convertible debt 
 ■ startup accelerators and incubators 
 ■ founder investment 
 ■ investor gaining equity 
 ■ investor invests and gains a share in profit

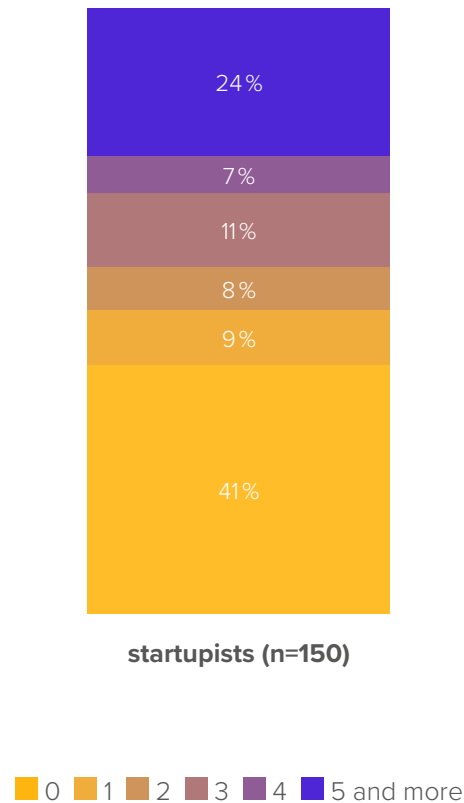
# Share of Startups Beyond the Break Event Point



Only 11% of startups assesses success by profit. 52 % of them does it partially, 23 % according to the market share and others according to other criteria (= number of customers/orders).

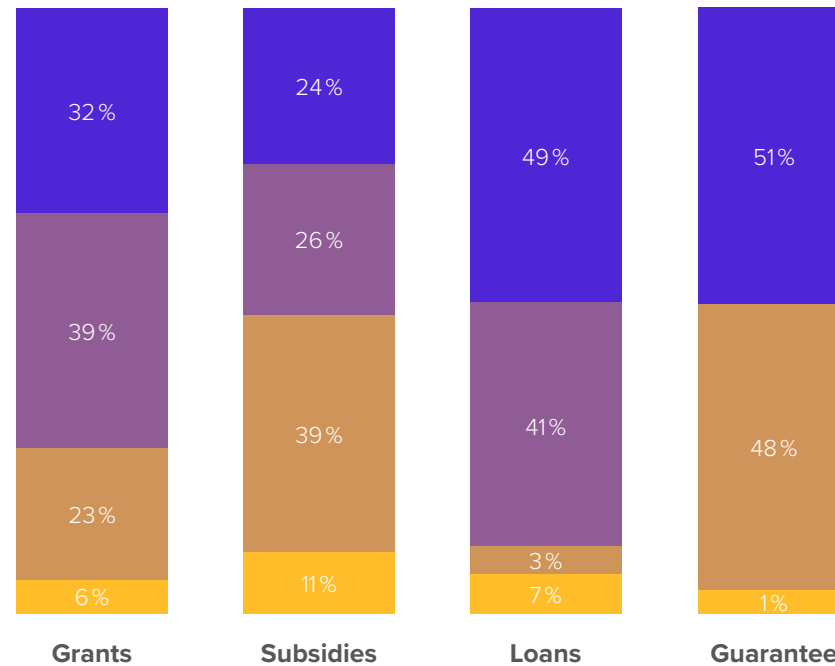
In comparison with the results of the last year, the number of startups, who has already passed the breaking point, increased. Almost three quarters of startups do not yet generate profit, even though almost a half is expecting operating profit in up to a year. Most of the startups that are already generating profit, entered their "break-even" stage on average in two years after the activity start. Approximately half of the founders declares, that they are yet to pay themselves any wages, other half started paying themselves in one to two years after launching the company.

# Amount of Investors Reached Out To by Startups



40 % of startups hasn't reached out to any investors yet. On the opposite end, about a quarter reached out to 5 or more investors. Almost all of them contacted one single specific investor only once.

# Startup Experience With Government Support



startupists (n=150)

■ we applied, but didn't get support 
 ■ we didn't apply and don't plan to 
 ■ we did apply and received support 
 ■ we didn't apply but plan to



Most commonly used support are subsidies and grants. The support was most often used for acquiring know-how (50%), science and research (28%) and expanding production capacities (22%). Startups in general perceive government support as increasing, but not particularly effective in regards of impacting places where it's needed.

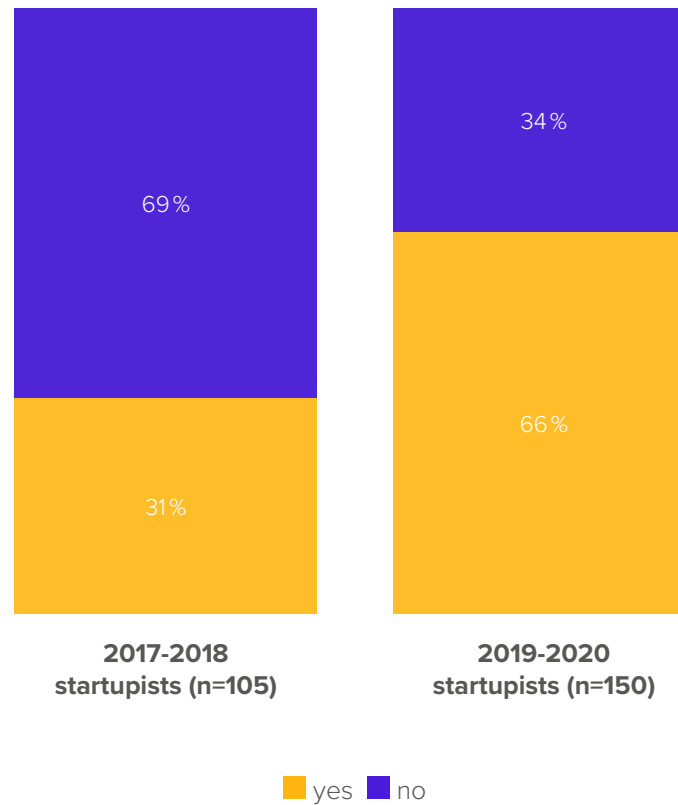
*I very negatively perceive the certain schizophrenia in regards of the government's approach to startup support.*

” On one hand we're still searching for new subsidy programs and ways to draw finances in benefit of the startups and entrepreneurship culture from European funds. On the other hand we're very much behind the developed states in the area of regulation framework. As an example I will suggest our 133rd place in (un)ease of establishing a company. I consider the confusion and large unpredictability of the regulation framework (e. g. in taxation) as a significant issue. Improving of the regulation framework would help in my opinion, more than seeking supporting programmes on the subsidy basis. “



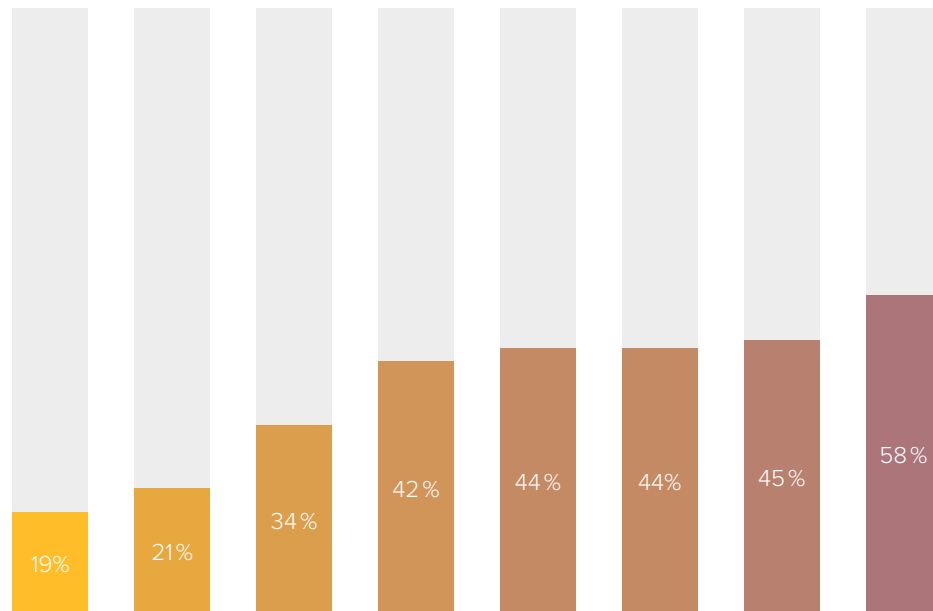
**Pavel Csank**  
CEO  
MSIC

# Startup Experience With Government Support



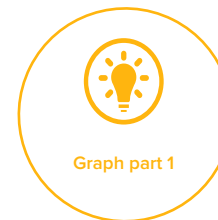
Two thirds of the startups have participated in an acceleration program, which is a significant increase compared to the past. We attribute this mainly to improving availability of these programs in the regions. These services yield high satisfaction, there were no negatives resulting from the comments. Startupists primarily appreciate mentoring/ feedback, networking, the option to use an office and other partial services necessary for the function of a startup.

# Factors Signalling First-Rate Startups

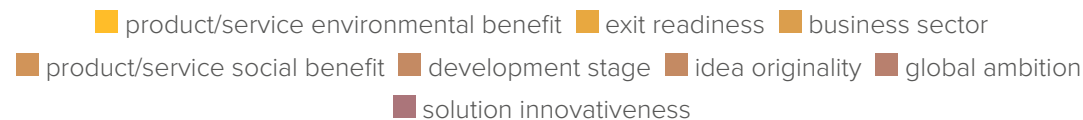


Among the expected characteristics of the startups from the investor perspective, we can include investment return (exit prospects), founder personality, team skills, vision/plan, scalability and business potential. This evaluation is aligned with the perspectives of startups, incubators and accelerators, only excluding globality accentuation solutions, which are as important for investors as scalability itself. Startupists (especially those in the earlier developmental stages) think more locally and regionally, even despite awareness of the small size of the Czech market.

Corporations expect primarily product quality and business potential.

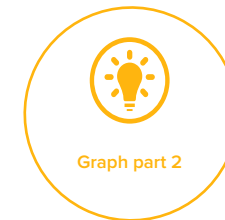
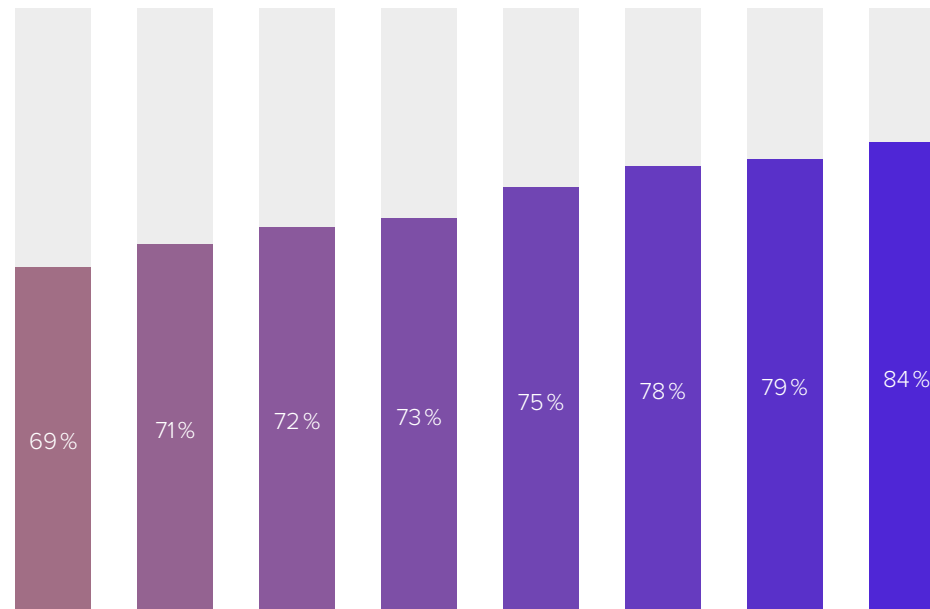


**Startupists, representatives of corporations, incubators and accelerators, VC and angel investors**





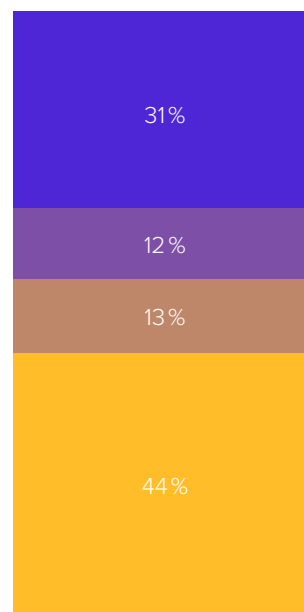
# Factors Signalling First-Rate Startups



**Startupists, representatives of corporations, incubators and accelerators, VC and angel investors**

■ product/service quality 
 ■ business potential 
 ■ potential profit 
 ■ scalability 
 ■ team and experience 
 ■ vision and business plan 
 ■ founder personality 
 ■ investment return

# Period Since Acquiring First Investment



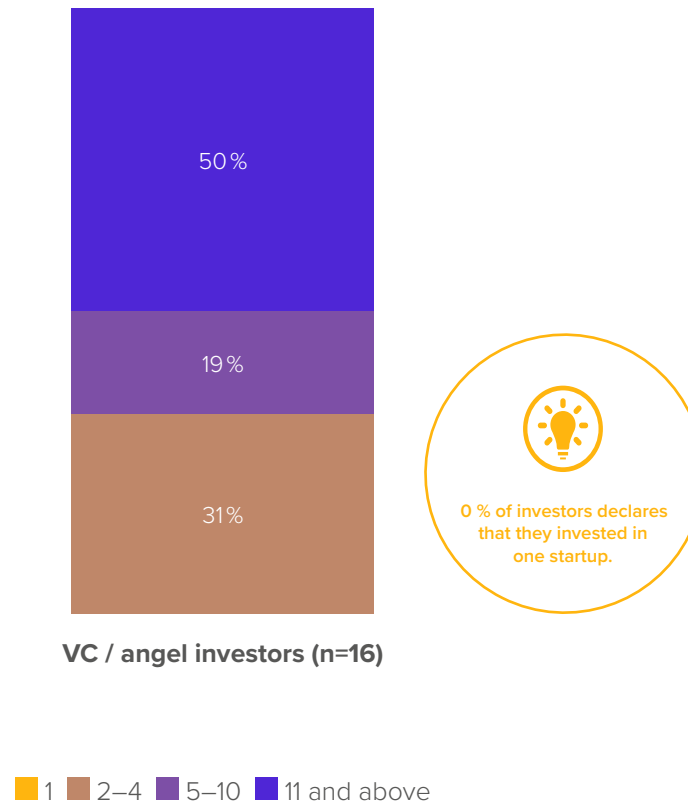
VC / angel investors (n=16)

■ 1–3 years ■ 4–5 years ■ 6–10 years ■ 11 years and beyond



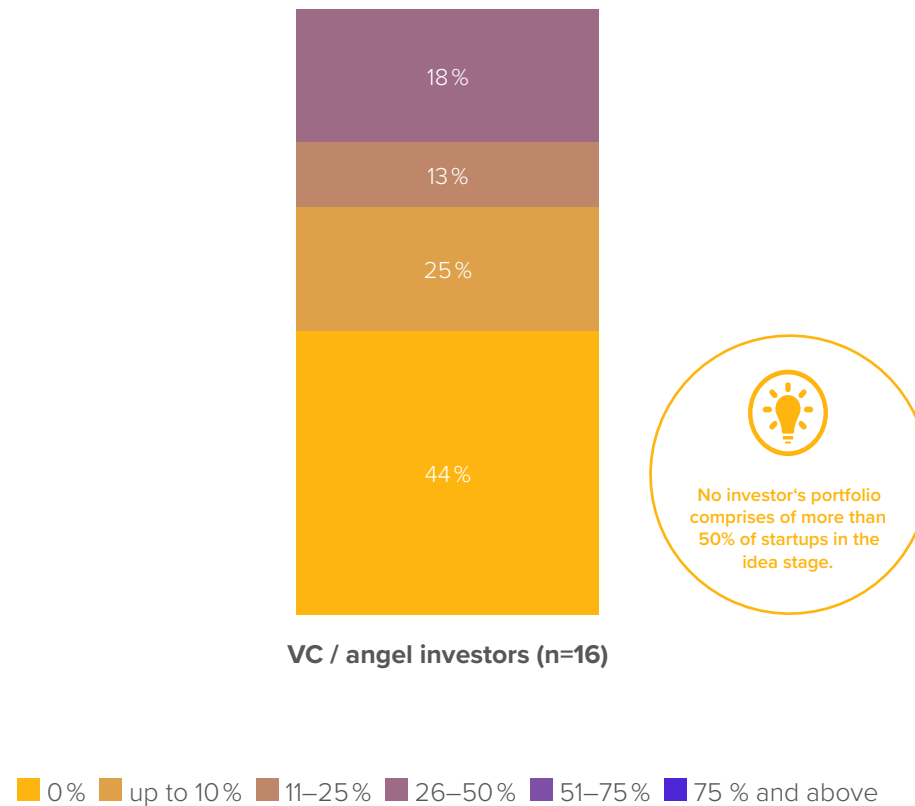
Three quarters of VC and angel investors operate on the Czech market for more than 4 years (third already longer than 11 years).

# Amount of Finalized Investments



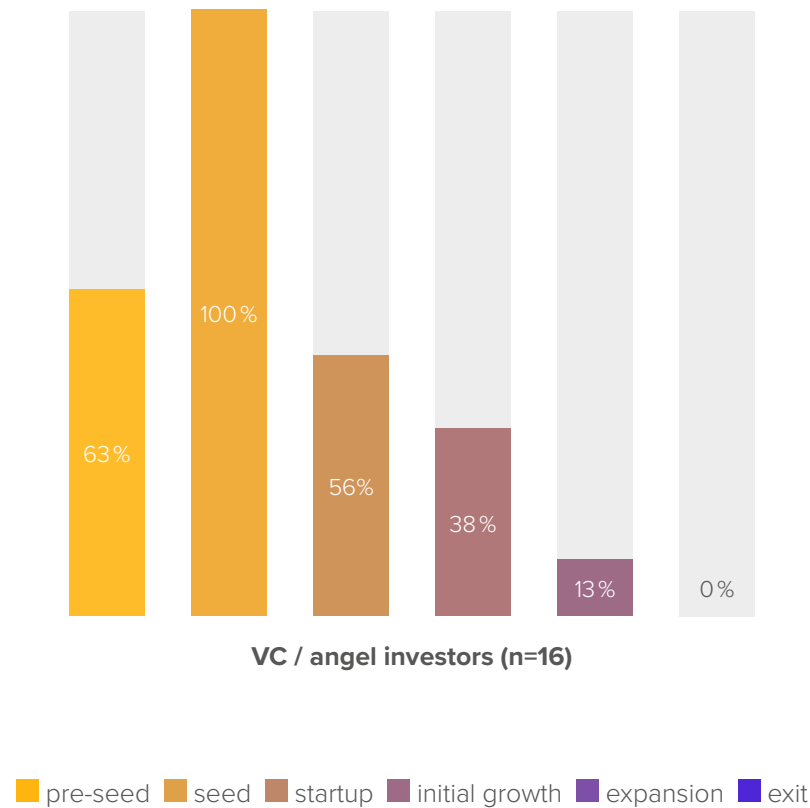
70% of VC and angel investors currently has investments in more than 7 startups. Every investors has met up with dozens of startups in the last year in order to evaluate investments.

# Percentage Share of Startups in the Idea Stage in and Investment Portfolio



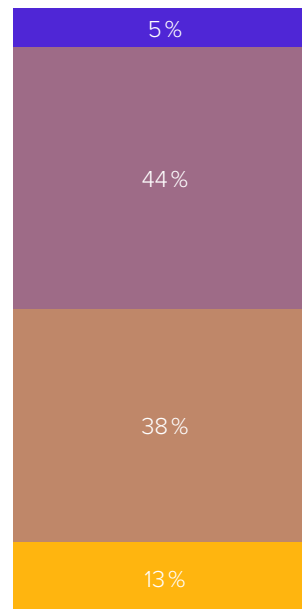
The fact that most of VC and angel investor investment aims at later developmental stage projects holds true. Nearly a half of investors, however, has experience with an investment into more than 5 startups.

# Startup Stages Preferred by Investors



Initial three developmental stages of startups lead the chart of interest of VC and angel investors. Everyone is offering smart money (strategic advisory, networking, contacts, industry experience, contacting other investors).

# VC and Angel Investor Legal Entity



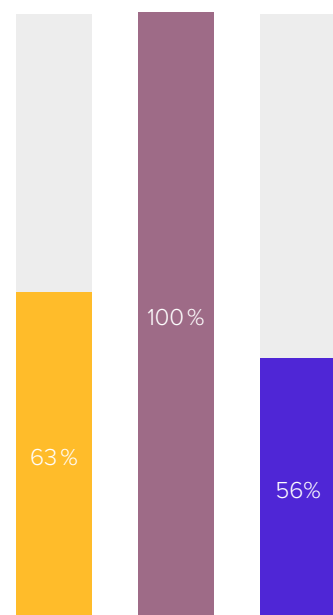
VC / angel investors (n=16)

■ individual ■ business individual ■ legal entity  
■ through a fund ■ I invest on a personal level, I work in a VC fund on the associate level



VC and angel investors conduct most of their investment into startups through a fund or as legal entities.

# Investor Preferred Customer Type Focus



VC / angel investors (n=16)

■ B2C ■ B2B ■ B2G



VC and angel investors most commonly prefer companies focused on B2B for their investment. This figure correlates with the increasing number of startups, focusing on B2B in the Czech Republic.

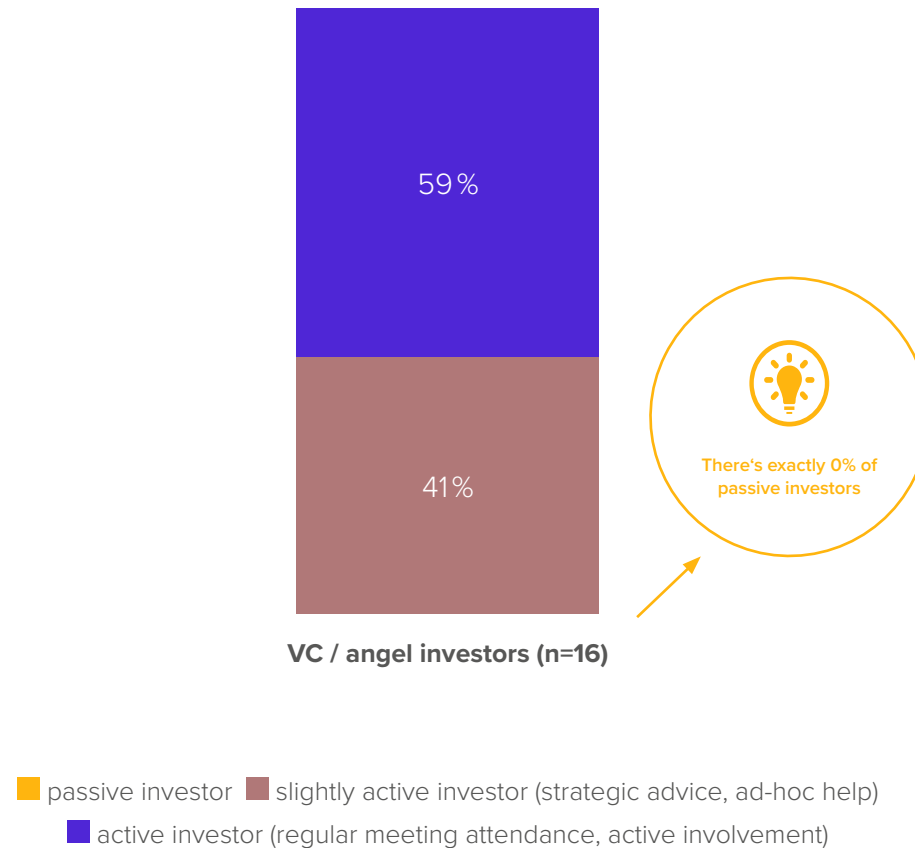
” It appears that startups focusing on business clients (B2B) carry less risk, since their customers know what they want and startups often have a clear execution plan. Whereas with B2C it takes longer to verify, whether the product really works and monetization is more difficult. “



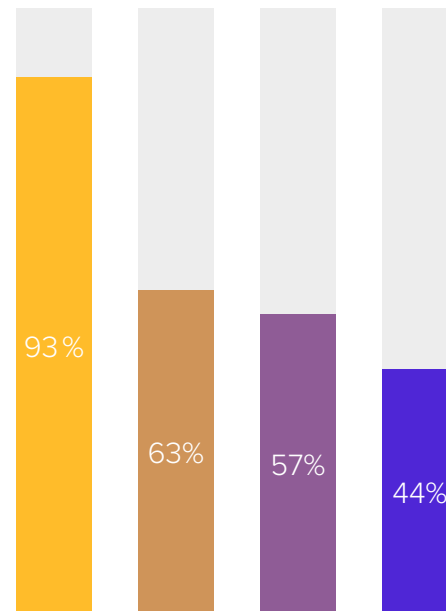
**Barbora Tobolová**  
Presto Ventures



# Investor Activity in an Invested Project



# Investor Way of Seeking Startups



VC / angel investors (n=16)

■ on their own ■ through incubators / accelerators  
■ in media ■ in crunchbase-like databases

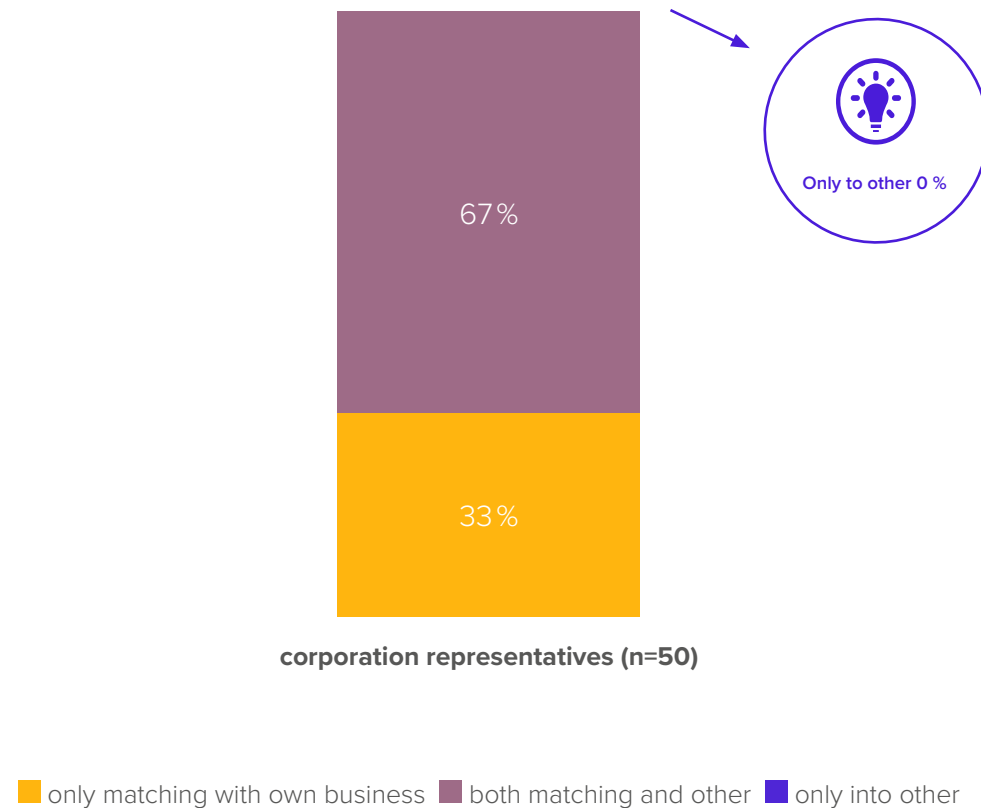


VC and angel investors seek potential startups to invest in most often on their own. Approximately half uses professional advisor services (legal, accounting, audit, market research, tech expertise).

# Investor Strategy

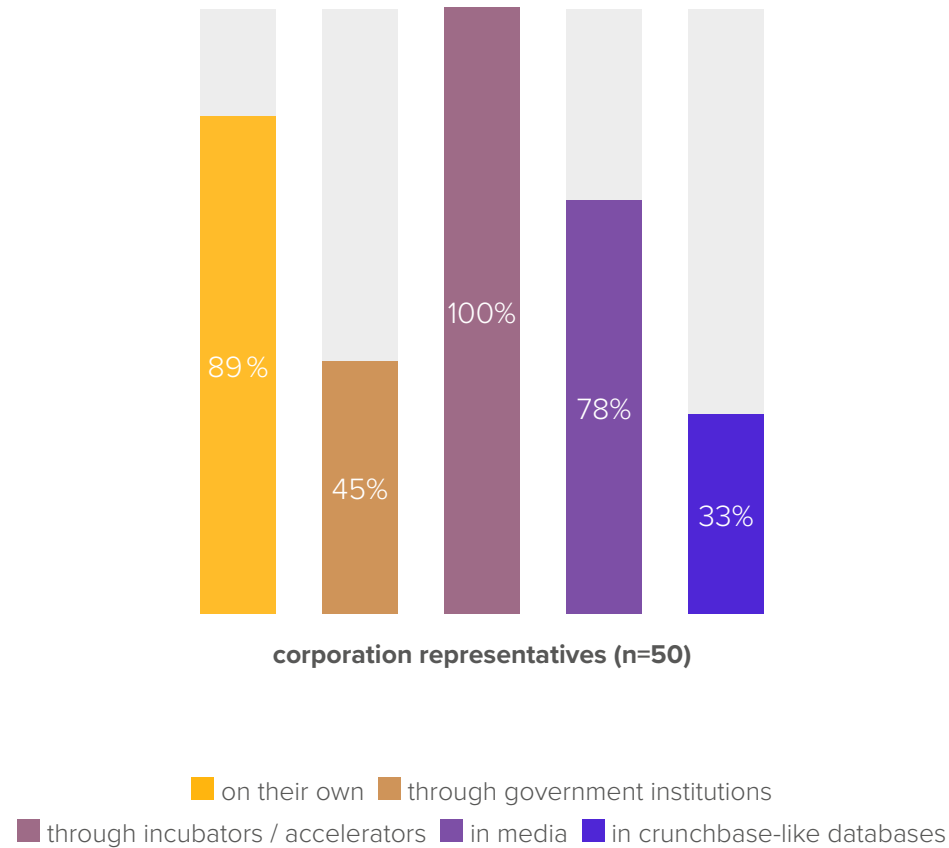


# Startup Segments Most Invested Into by Corporations



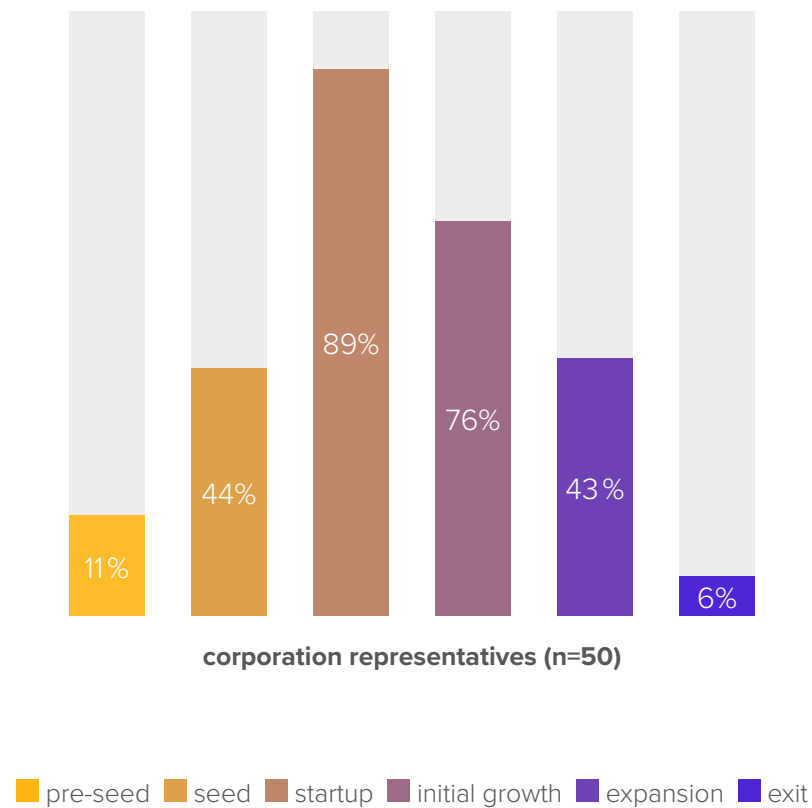
Corporations invest/collaborate with startups from segments aligning with their own business in about third of the time. Most of them also work with startups in other areas of business.

# Investor Way of Seeking Startups



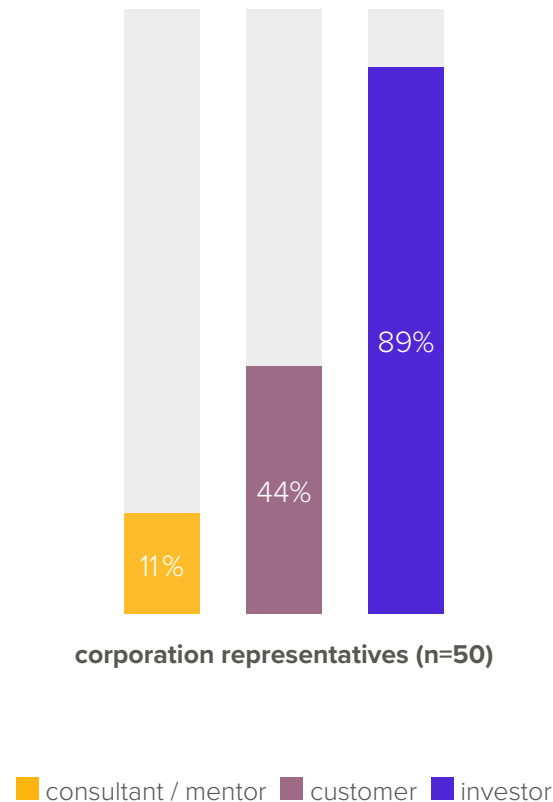
Corporations seek startup investment primarily on their own, through incubators/accelerators and through the media.

# Most Common Startup Stages in Corporate Cooperation



Corporations most commonly cooperate with startup that already passed their breaking point and operate "in the black"

# Ways, in which Cooperations Collaborate with Startups“



Corporations most commonly partner up with startups as their mentor and/or their client. They perceive that their biggest benefit is in the form of offering stable background (technological, processing), supporting the innovative approach and supplying investment funds.

” Currently we are witnessing a digital transformation of not only technological companies, but in every industry out there. Startups are the main source of innovative solutions and fresh business models. The goal of Microsoft is to support startups in all stages of their path, from idea to stock exchange listing, and supplying them with not only state-of-the-art technological background, but also connecting them with customers and partners on the global scale. At the same time we are trying to approach as many local startup communities as we can while trying to understand their needs, so we can be able to better answer the specific needs of a given community - be it technologically, educationally or through events and partnerships. “



**Jana Žůrková**  
CEE Chief Transformation Officer  
Microsoft



*Large companies, from their essence, naturally refuse risk and focus primarily on stability. Therefore they have some difficulty in coming up with “smart” client solutions on their own. On the other hand, startups are able to gamble, evolve quickly and adapt to continuous market changes. But they often lack knowhow, funds, management experience, distribution network or even clients. Building and managing a company is a whole different job than developing the solution itself.*

*Large corporations slowly found out that startups are not their competition, but rather their natural allies and a way to systematically innovate. Startupists on the other end gain from their strong partners help, funds and expertise that they would have a hard time seeking on their own.*

*What is great about such cooperation is also the fact, that not only both of the parties benefit, but eventually even customers and the market itself do, because the end result is a product or a service using the strengths of both sides.*

” And where’s the friction? I see three main areas stemming from the fundamental differences between startups and corporations: “

1) *Difference in the horizon of thinking. Startups discover the undiscovered, want to change the status quo, whereas a corporation just adjusts their status little by little. For startups, this often means that they don’t actually know how much is the whole project going to cost or what is the total potential of their solution. And even if they reveal their potential, it can be under the corporations distinguishing capabilities, which will bar them from fighting through the corporate business case.*

2) *Regulation. Corporate regulations are usually quite strict, whereas startups are often operating on their edge. The risk, created by this cooperation then can be more than the large company is willing to bear.*

3) *Perception of time Simply said, startup needs to “sell on Tuesday, or they go hungry on Wednesday”. Corporations have enough time and aren’t the quickest in the decision making process, which can be dangerous for the startup.*



**Patrik Nový**

Director  
KB SmartSolutions

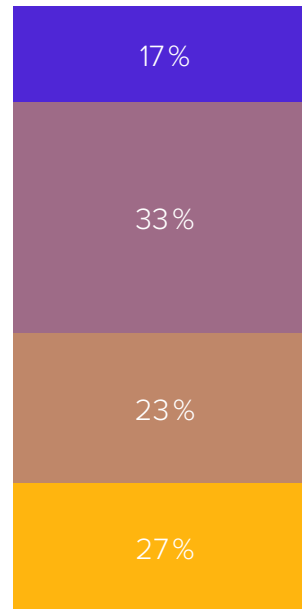
*Startups, and especially the technological ones, are perceived by Microsoft as an essential moving force of innovation, which changes and streamlines the way people and companies communicate, work, implement project and distribute their goods and services to the customers. Microsoft is, through the Microsoft for Startups program and with the cooperation with accelerators and investors, establishing partnerships with startups with the goal to succeed on the market together and bring higher value to our common customers.*



**Filip Řehořík**

CEE Startups Team Leader  
& Senior Cloud Solution Architect  
Microsoft

# Difficulty of Applying Startup Solutions in a Corporate Environment



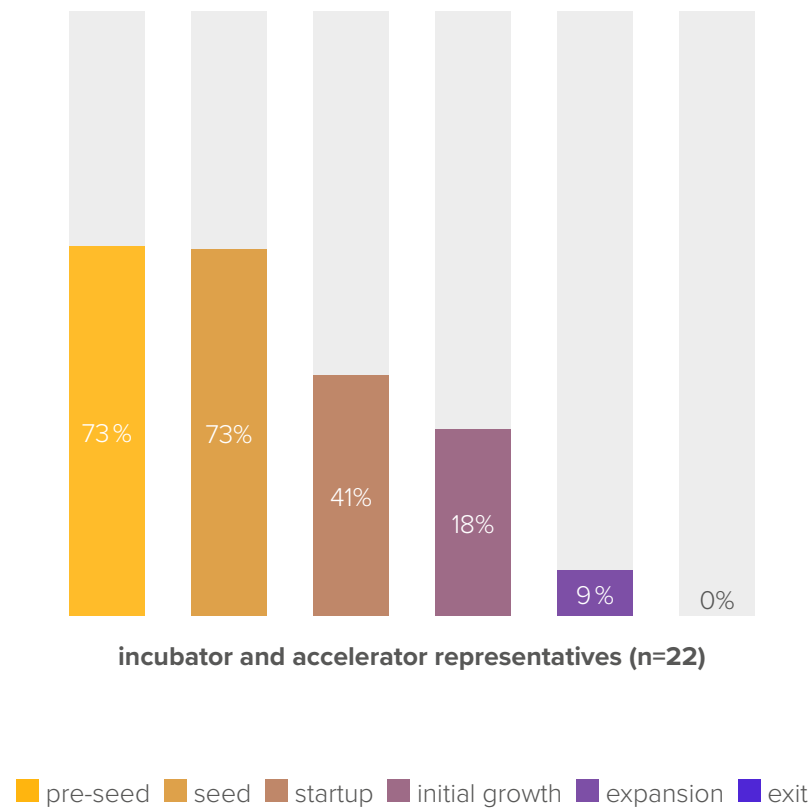
corporation representatives (n=50)

- easy (generally scalable in the CEE region and beyond its borders)
- partial (common scalability in the CEE region, not much beyond)
- it's complicated (scalability only in the CEE region)
- scalability is not happening (usually the service is used only by one specific branch)



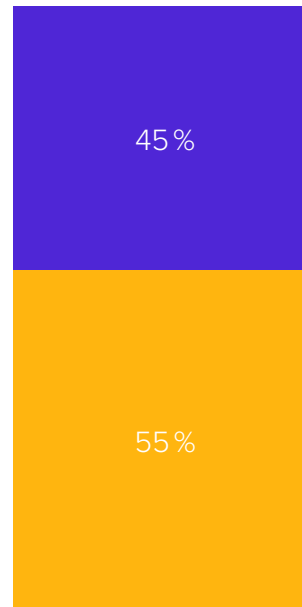
Approximately half of the corporation perceives scalability as easy or moderately difficult.

# Most Common Startup Stages in Incubator and Accelerator Cooperation



Incubators and accelerator most commonly cooperate with startups in their initial development stages.

# Is mutual startup cooperation a thing?

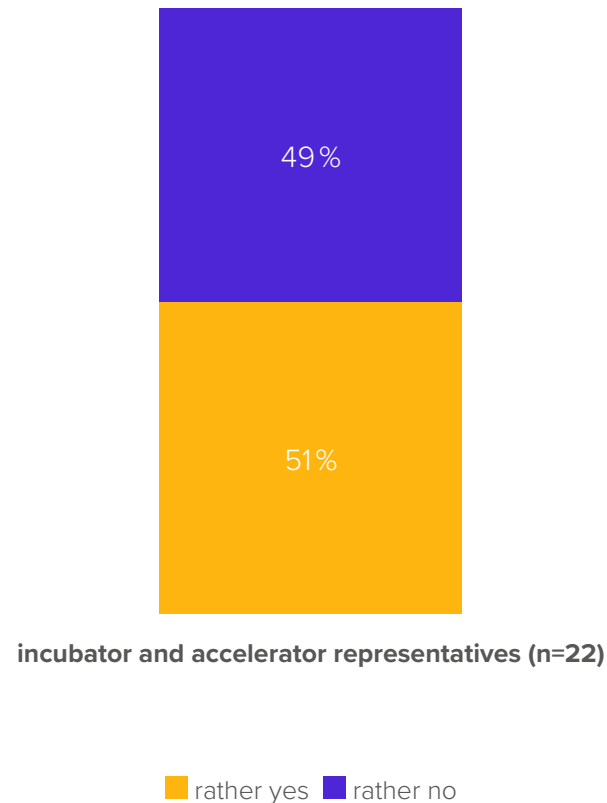


incubator and accelerator representatives (n=22)

■ rather yes ■ rather no

Representatives of incubators and accelerators think, in about half of the cases, that startup cooperation works well. Smaller half think, that it doesn't work and that startups don't think communication is anything of value, or don't see the benefits, they can receive for their business from sharing. This portion of respondents is also actively trying to connect startups to each other, creates communication platforms, but most of the time it's in its beginning.

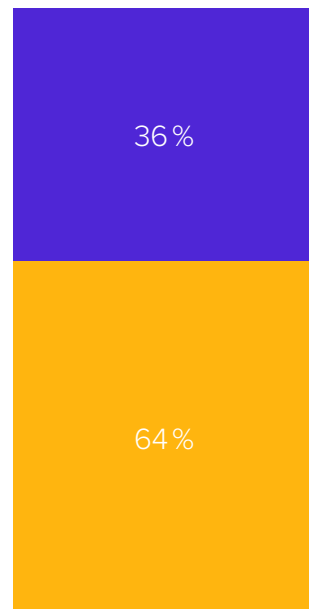
# Is government support sufficient?



Smaller half thinks that government support is sufficient. It should increase primarily in the area of education and schooling, areas where private business subject support is absent. Supporting commercial segments only causes market deformations and deceleration. Because good and high quality projects do not need any protective/supportive activities. It is often just “pouring” money in a project without any demand for output in the form of return and it becomes just another “checking the box” situation.

The government should care more about supporting expansion and connecting subjects in the frame of CEE.

# Is incubator and accelerator support sufficient?



incubator and accelerator representatives (n=22)

■ rather yes ■ rather no

A bigger half of representatives of incubators and accelerators thinks that startup financial support mediated by them is sufficient. Often they even criticize the number of offered services, unwillingness of startups to share the business risk and dysfunctional startup collaboration. They consider their own PR, which would support these programs, but also PR of the projects themselves insufficient. They're also not happy about the limited interconnectedness with foreign markets and ecosystems (especially outside Europe). On the other hand, they most positively evaluate the quality of provided mentoring, business space, industry expert consultations and other services. Vast majority of incubators and accelerators doesn't utilize external advisor (and if they do, it's mostly in the legal area). Incubators and accelerators on average declare 15-20 projects they're involved in, with the average financial support ranging from hundreds of thousands to several million CZK.

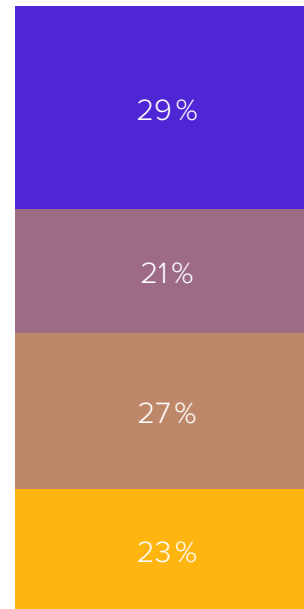


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YER



# Employer preference



general public (n=300)

■ startup ■ doesn't matter ■ large company ■ small, mid-size business



A similar share of the general public considers startups as potential employers as large companies and small/mid-size business. Almost a quarter of the general population would prefer to be employed by a startup.

*Not a long ago, when I was looking for a new employer, I knew that I want to finally apply my education (Innovation and Entrepreneurship), primarily working with methodologies and tools, that makes sense to me. In the beginning I set up five important metrics, further prioritized those and measured how did the individual job offers fit into these metrics or didn't. This helped me a lot with the eventual decision.*

*If I have to be specific and describe these metrics, they would look something like this:*

- ” **1)** projects (in the sense of vision and impact),  
**2)** methods, that the given company is using (used methodologies, tools, etc. ) and potential possibilities to change or co-create these processes (so, in a way, creative freedom without rigid limits and the opportunity to apply your knowledge and potential),  
**3)** people, that work in the company,  
**4)** the environment, respectively company culture and their brand, which largely corresponds with everything,  
**5)** and lastly financial remuneration and benefits. “

*To be frank, based on previous experience I discarded corporations and focused on searching among the startups only. Nevertheless my personal experience showed me, that at least a majority of my requirement could not be matched by a corporation.*



**Roman Vuchtrl**  
 Product Owner  
 Applifting

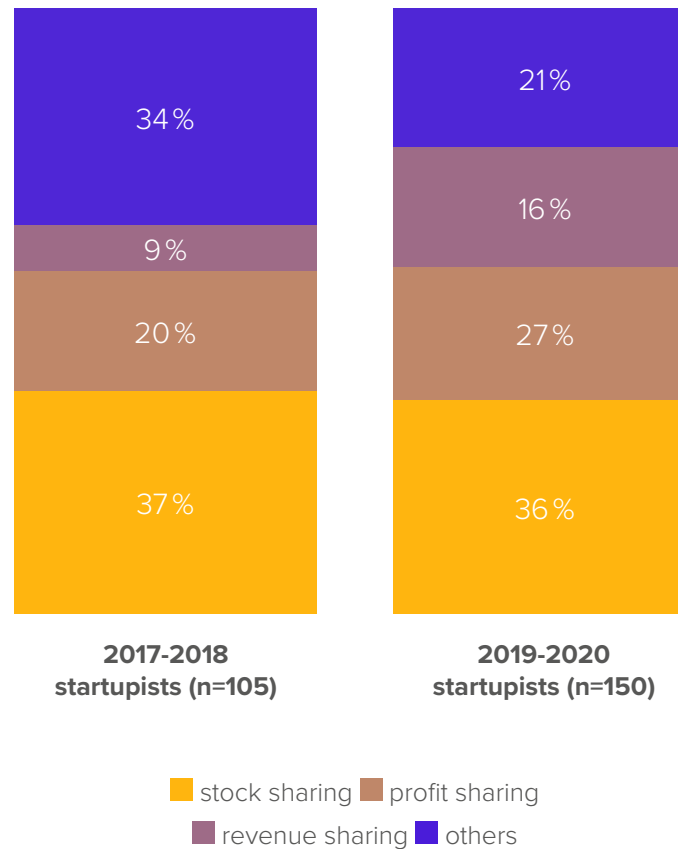
*In contrast with corporations and even mid-sized companies, startups carry at least two effective motivators, that apply especially to young people. First is incredible flexibility. It's not just the working hours, but also what do you do and how you do it. Which corresponds with the following important motivator - the opportunity to professionally grow, quickly. Because newly established companies often do not have any established internal processes, it is possible for an employee to earn things they would have to wait a long time for elsewhere. On top of that there is a certain level of risk and excitement from something new, something extraordinary, which can be, if it works out, very successful for the given startup. In the end, there's a lot of success stories around.*



**Barbora Riedl Černíková**

Managing Director  
SHL Talent Assessment

# Startup Sorting According to Team Motivation Approach



Financial motivation stays most dominant way of motivating your team members. Other, less mentioned ways: special bonuses, company prestige, future earnings expectation, company culture and other soft motivations, work attractivity, the option to participate on a unique project.

*One of the strongest motivations in the long term would definitely be participation on company success, regardless if it is in a startup or in a corporation. Everyone defines success in a different way and this also depends on the stage they're in - motivational schematics change accordingly. Most popular option are various forms of stock sharings, be it in the form of direct share, stock options or other contractual commitments, that guarantee future payout in case some specific event happens (e. g. sale of the company or stock market exit).*

*Big motivation is also the possibility of growths, which is much more dynamic compared to the "traditional" company environment. Simply said, career growth, not only in the sense of position level, but also gained knowledge and experience, can be exponential and that attracts a lot of people.*



**Kateřina Gábová**

HR expert

Ex Chief HR Officer, Kiwi.com

” *This significantly differs person to person. As a certain rule I'd like to ascertain that people in creative or higher career positions have more of an interest in company shares (or options), individual with opposite focus, typically salesmen, a direct financial motivation is more appropriate. If it is revenue, profit or other indexes, even non-financial, isn't important.* “



**Jiří Hlavenka**

Angel investor

Co-founder Kiwi.com and Czech Business Angel Association

”

*If someone is with the company since the very beginning and believes in it, a share in the company can be extremely motivating. However, shares cannot be given to every single employee. It is important to evaluate the nature of a given position, given person and also consider the aspect of startup development (whether you are at the beginning and need to motivate employees to reach revenue benchmarks or you can afford to push for profit). In the end it is a synthesis of various aspects.*

“



**Barbora Riedl Černíková**

Managing Director, HR Expert & Consultant, I/O Psychologist  
SHL Talent Assessment Czech Republic

*People are different, and this affects their motivation. Therefor set up motivational factors influence, who will join your startup and how will the company culture form.*

” *In one of my startups I set it up so my colleagues start with low salaries, because we’re just starting to gain revenue, but there is direct correlation between revenue and salary growth. This gives people absolute direct feedback about how the company is doing, ensures clear focus and the famous “scoring drive”. Next we have a super-bonus fund in place, which will be created in the eventual sale of the startup and which is setup in a very generous way, I think. This component ensure long term motivation to stay with the project.* “

*Adjusting a specific motivational program for specific companies is quite the alchemy, but the result can really be worth it.*



**Petr Skrla**  
Angel investor





# **STA\_ \_RT UPS \_AND\_ CSR**

# Startups and CSR

CSR is „trendy“. Should startups as the representatives of the essence of modern entrepreneurship implement CSR from the start of their existence or deal with this issue when they reach a certain size, enter the stock exchange or other situations?

Is CSR really that attractive to play a role in talent acquisition? In other words - is socially responsible company more attractive, and can strengthening of company culture based on responsibility help solve one of the most common startup issues -the lack of human capital?

We're following up on a partial result of the research that shows that one of the persistent weaknesses of the Czech startup ecosystem (among others) is insufficient information sharing and lack of individual market actors cooperation.

Therefore we are, in this final part of the report, bringing a list of investors, CSR and HR specialists comment in the effort to foster discussion between various startup environment actors, and eventually even with the involvement of the general public and also the media.



CSR = Corporate Social  
Responsibility



The topic of startups and CSR was one of the main themes of the last research workshop.

# The term CSR is kind of like the term “startup”

*CSR is definitely trendy. Interest in the environment, social topics, but also relationships in the workplace (company culture) and out - these are very important values not only for millennials, which will soon dominate the job market. It's worth it to clarify, what kind of “social*

*responsibility” people have in mind, though. Under “CSR” you can hide a never ending list of sometimes even contradicting actions, on which common denominators would their protagonists hardly agree. In this sense it's a bit similar to the term “startup”.*

” *Let's say, to greatly simplify, that companies can and should be aware that they don't just have redistribute their profits for good activities. They can think about their whole business model and innovate it in such way so it fulfills the claim that more help means more profits. CSR activities are not the first thing companies will be cutting, when not doing exactly well. Social responsibility will become a natural part of their business, their “DNA”. When that happens, it won't just be trendy, but also very good.* “

*At the same time I think that it's important to use common sense and think about all the “green” topics not only in buzzwords, but also in the larger context. For example, currently unpopular straws and plastic bags or the hated palm oil...Do the consumers know, that some of the praised substitutes are not much more sustainable and better for the environment? There is a lot of potential for companies taking this seriously - if they come up with good solutions and educate their customers.*



**Alžběta Polzová**  
Partner  
Innovation Footprint

*For some people, CSR is such an important aspect that you almost feel, that they don't care about their main business. Others perceive CSR, but know that without profits and success there won't be any. For me, I find the trend of more and more startups setting up social issues as their core business more interesting. I like that.*

”

*But if CSR is not a natural part of the core business and given startup is not profiting on top of that (which is essentially a common situation), then there's nothing to effectively do. Startups in general have a big problem to keep focus on what's absolutely essential, so thinking about how am I going to do CSR at this point is useless. Maybe the word "Corporate" in CSR can be a hint...*

“



**Petr Skrla**  
Angel investor

” CSR is, from its definition about corporations, that “buy” better PR as an exchange for the problematic aspects of their operation in the society. This type of false social responsibility doesn’t have its place among startups. Startups emerge from natural enthusiasm, effort to change the world and make some money meanwhile. Logically, they don’t need this type of CSR, because they often show the path to the real social responsibility themselves, and reach CSR for example when they enter the stock market, while transforming from a startup to a corporation. “



**Jan Hladký**  
Advokát  
Investor

*If we're talking about the social responsibility of startups in their very beginning, I think that the only relevant point of view is the impact of their product or service on the society. If they're trying to solve a certain social topic (waste, increasing energy efficiency, traffic optimization, healthy diet...), they're socially inherently useful.*

*In the start of their operation can startups lean onto social responsibility topics when establishing their business processes. They can be inspired by sustainability when finding their competitive advantages. That's the only thing that matters, the business - what it is and does. They're not corporations, it's usually a group of boys and girls in a co-working space, a garage, a lab or in a small workshops, bewitched by an idea they want to successfully bring up. In a cynical way, it really doesn't matter if they will recycle their waste, ride public transport and drink tap water instead of bottled one. It has almost zero impact. At least zero impact compared to the potential impact of their business. So if it has any meaning, it is for the people themselves - their personal feeling, emerging company culture and establishing values. It is something that will reliably replace corporate guidelines, codes of ethics, teambuildings and assessment centers when hiring new people. But their product or a service are still the only thing that matters. Only when they find a business solution that helps and profits at the same time, they become socially responsible and operate a sustainable business - regardless if they ride bikes and separate their waste into six different boxes or if they're driving large second hand SUV's and you can't see them behind the pile of pizzaboxes, coke bottles and energy drinks cans on their desk on a Friday.*



**Ivo Jupa**

Partner  
Innovation Footprint

# Does CSR play any role in talent acquisition? Is socially responsible company more attractive?

” I think that we do, and I can confirm it from my experience from Kiwi. com. We do register interest in the company CSR from the new applicants, also willingness to personally participate - as one of the most common entrance questions. “



**Jiří Hlavenka**

Angel investor

Co-founder Kiwi.com and Czech Business Angel Association

” Yes, socially responsible companies are increasingly more attractive. We’re living in a time when candidates (and especially graduates) look (watch) on CSR activities of their prospective employers, their added value for the society and the future of the Earth. Our youngest generations are finding out from their peers what added value which company offers and how is it enforcing is (e. g. pressure for ecology, company operation impact). If we exaggerate a little, we can say that it’s not about “generation Z”, but about “generation A++”. “

At the same time I know from experience, that primary motivations are still finances and benefits (social benefits), that companies and startups offer. Unfortunately it still holds true, that “money are only in the first place”.



**Jan Theodor Kozumplík**  
Social Entrepreneurship Investor  
Investor



*The role of company CSR activities is increasing on value in the last two years, both from the point of view of applicants and current employees. People demand from their employers more taking co-responsibility for the community that they operate in, environmental protection or compensation of consequences, that the company might have on its surroundings.*

”

*We're definitely not yet in a stage where this factor would be the main reason behind deciding whether the applicant accepts the offer or whether the employee leaves the company. But this topic is important for me personally and I can see that it is important for my company as well, it also gives me opportunities to participate in the activities and it is a substantial motivation factor for me. And it's becoming an important tool for the company, be it from the point of view of talent acquisition or retention.*

“

**Kateřina Gábová**

HR expert

Ex Chief HR Officer, Kiwi.com

” *It's not just companies who pick people. People also pick companies. The approach to socially responsible and sustainable business is unmistakably becoming a factor with more and more “drive”. It's related to project teams and enthusiasts, which often meet because of this topic in founding a business or coming up with some innovation. And it's of course also related to the hiring process - both in corporations and small and mid-sized companies. People - or at least many of them - do care about what kind of company they spend their time in, where do they apply their talent and how is their company behaving, both inside and out. They're also sensitive to company “bluffs” and only pretends to talk about CSR. So a brand of an employer, who “lives” by conducting socially responsible business unmistakably belongs to competitive advantages not limited to hiring. These people think about broader contexts of their “ordinary” work.* “

**Martin Walter**

Partner  
Innovation Footprint

# Is socially responsible company more attractive to investors?

”

*If the startups inherent focus has a positive societal effect and impact, it's definitely perceived better by the investors and therefore has a higher chance to receive an investment.*

“



**Jiří Hlavenka**

Angel investor

Co-founder Kiwi.com and Czech Business Angel Association

*CSR activities are for me correlated with continuous growing of conscience of our whole society. In the last couple of years, the society's perception of CSR activities has seen a large shift. This trend comes mainly from millennials but quickly spreads throughout the mainstream society. People today want to know where, under what conditions and from which materials does the company produce, how is it treating their employees, suppliers, customers, society and even the planet.*

*Companies that are able to work with this trend, act in harmony with it and communicate well with their employees, customers, media, etc. will overall be perceived as more “sexy” and customers will have a deeper relationship towards them. Which will in turn give them a very significant competition advantage. However, companies have to be careful about matching that, what they're broadcasting externally and how they are behaving internally - their customers will be increasingly sensitive and the internet gives them the power to find out the truth. Any discrepancy between a company's presentation and their real behavior can very quickly demolish their media image.*

*I can also see that the investor mindset is starting to gradually change. They're leaving the paradigm of focusing solely on profit maximization (often without considering the impacts) and are starting to increasingly consider the impacts of their potential investment on society and the planet. Money is the stimulus of a transformation. I believe that we will keep knowingly spending more and more of them with harmony with long term sustainability and higher meaning of what we're supporting by them.*



**Martin Rozhoň**

VIVANTIS e-commerce group founder  
Angel investor

*Corporations are definitely leaving a significant “footprint”. However, they are capable of dedication both human and investment knowhow and resources into solving it. They can measure and evaluate. They rewrite the topic into complex structures and decision making processes and as it often happens, this becomes a hindrance when it comes to innovativeness and flexibility.*

*Smaller companies, including startups do not have an abundance of employees nor funds, at the same time though, they're also free of complex processes. They can think that operating a socially responsible business is “only for the big boys”, and of course, in the very beginning, the footprint of a small software developer really is incomparably smaller than the ecological benefit of their product (e. g. a solution, that will save emissions through traffic optimization). However, with the growth of their business they will realize that their footprint grows as well, not even mentioning a production company that offers products from new materials replacing plastic, for example. It includes people, resources, production, logistics - all areas. And it is also related to suppliers of this producer.*

*Owners focus all of their attention to securing production development, hired and kept the right people, gained new markets and will be rightfully proud of how many plastics they replaced.*

*At the same time though, one question will keep popping up now and again, and customers, employees and also investors will want to know the answer. How are you approaching your own environmental and social sustainability? To its management, measuring? For example, the client is asking for the product life cycle evaluation and they will need answers to conduct this analysis.*

*At the moment when the startup will be ready for a sale or will think about earning funds on the capital market, following of chosen parameters and regular reporting according to a serious methodology will become a necessity.*



**Martin Walter**

Partner  
Innovation Footprint

# Startups and CSR in practice

” I consider CSR as something obvious that should be an integral part of every business. For a long time, Zásilkovna supports projects, that focus on sick children and families that need help in difficult life situations. I'd like to mention for example the Zdeňka Žádníková endowment fund, the DEBRA charity or Civil Society Development Foundation Pomozte dětem. Last year we have doubled our CSR budget compared to the previous year and we will keep supporting and expanding these activities further on. “

Currently we are establishing the Simona Kijonková Foundation, which will also focus on supporting children in need, single mothers and will connect those who cannot help themselves with technology. The goal is supporting specific stories and NGOs, which do not have sufficient reach and cannot ensure such funding on their own.



**Simona Kijonková**

Founder and co-owner of Zasilkovna  
Packeta holding CEO



# COV\_ \_ID 19 IM\_PA\_ CTS

\_ON\_THE\_  
START\_UP  
\_WO\_RLD

# The “coronasurvey” of the Czech startup scene



8

private  
equity

In reaction to local and global events related to the COVID-19 pandemic we've decided to help with forecasting its impacts on the Czech startup scene. In collaboration with the StartupBox platform and the E15 magazine, we have put together, in truly quarantine conditions, a short separate survey aimed at major Czech VC, PE and angel investors with the goal of bringing the investor view of this crisis closer to the startups. Between March 20th and 30th, 31 investors participated in the “coronasurvey”. We're presenting its' results in the following bonus chapter. To have a fuller image we've also contacted 10 startups, whose subjective comments on the situation are also included.

We believe the crisis will not break the startup ecosyste, quite the contrary - maybe it will contribute to healing and industry transformation and that the Czech innovators will find, among the obstacles in this difficult time, also a lot of new opportunities. We're trying to help that with this part of the study and thank everyone who contributed and keep contributing to this effort.



20

angel  
investors



10

startups

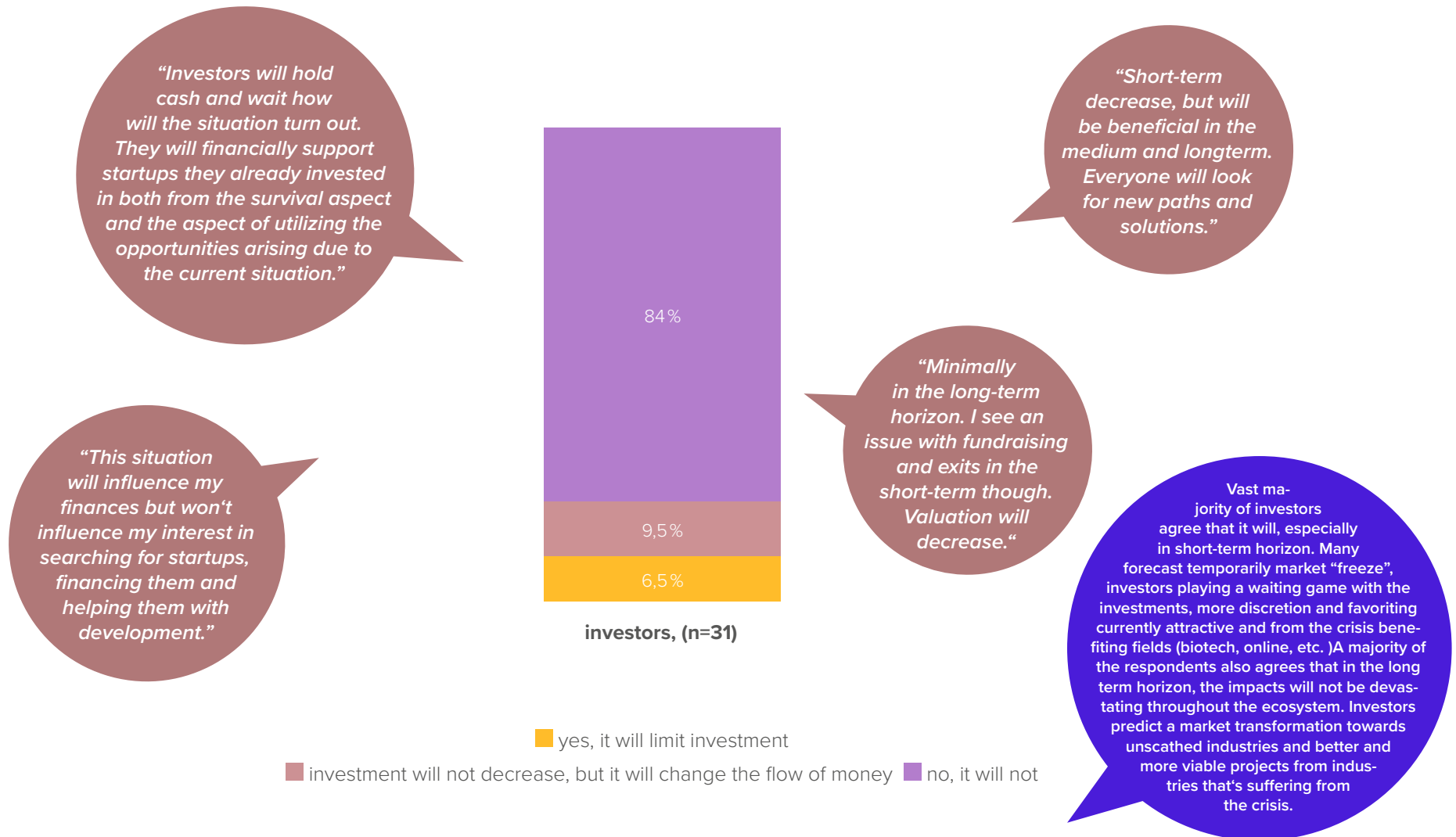


3

venture capital  
firms



# Will coronavirus influence startups investments?



# Which Startup Industries and Stages Will Suffer the Most?

*"Security and crisis communication startups will be interesting. Others will experience slowing down."*

*"It will affect startups of all stages, but mainly those in the beginning of its existence."*

Investors agree that the most affected companies will be those in the travel industry, hospitality, event management, residual products and purely offline services. They also keep in mind traditional businesses like automotive. A large portion of the investors goes as far to say that the consequences of a recession will affect almost all industries.

Vast majority of investors predicts that the situation will affect primarily startups in their initial stages. Some disagree, claiming that initial stage startups are more flexible and have the option to "change plans". Other think of older projects - potential decrease in valuation and exit complications.

*"Entrepreneurs in general found out that it's not beneficial to lack sufficient financial reserves and so this can harm startups in the lack of cash plus stage if they're service oriented."*

*"Everyone, especially those with slow return."*

*"I think that HR projects will suffer them most."*

*"Most of the industries will take a hit, especially initial stage projects."*

# Which Startup Industries and Stages Will Benefit the Most?

*"It will help online services, digitization and healthcare."*

Industries that mostly benefit from the current situation so far and are registering quick growth, include ecommerce, online working tools or long distance education, health care and research (medtech, biochem, virology), nanotech, gaming and IT sector as whole, including VR and AI tech, SaaS, cybersecurity or data analysis. Most of the investors assume that startups that belong to these segments will succeed in reaching for investments even in the short-term horizon, regardless of their development stage.

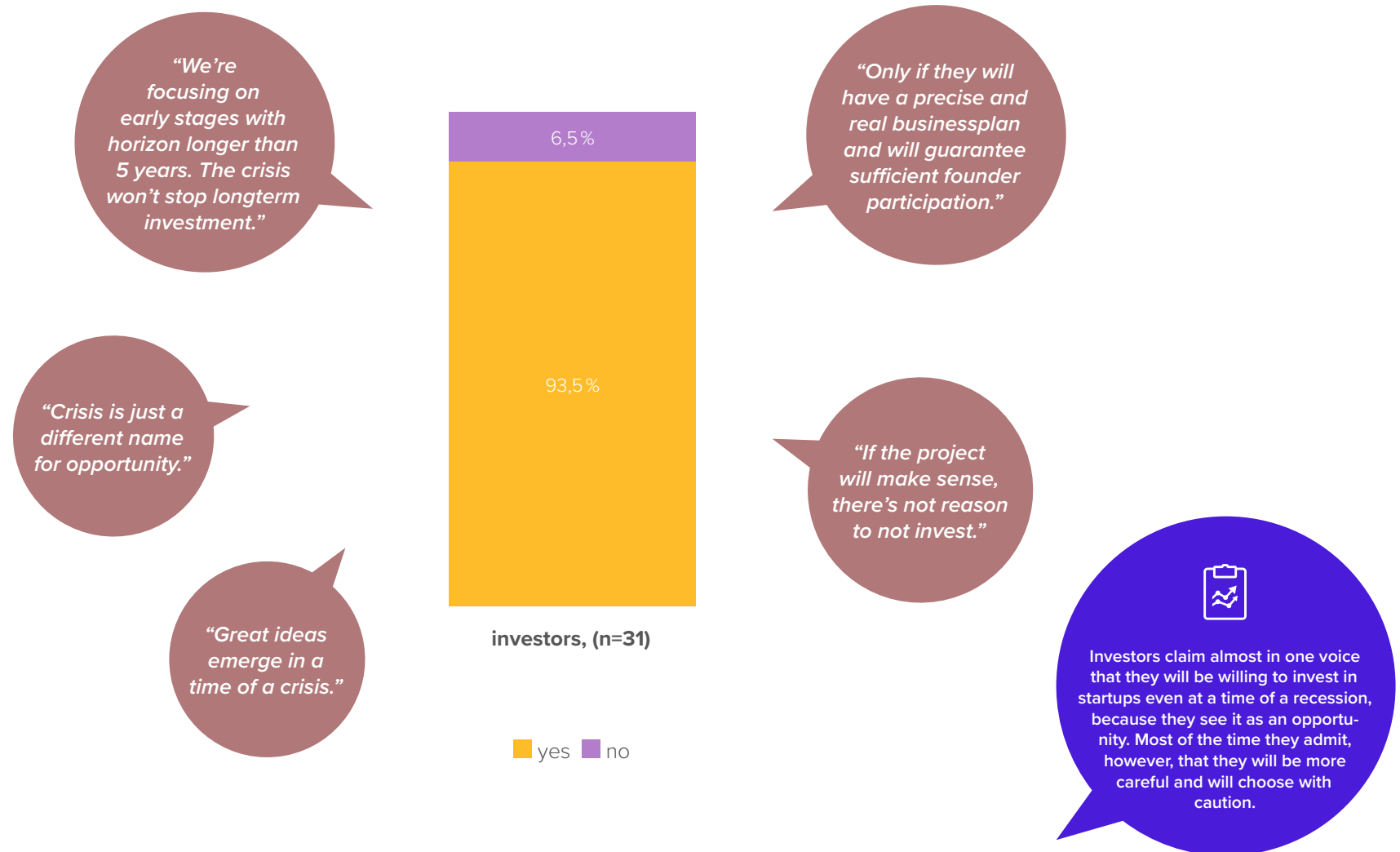
*"Security and crisis communication startups will be interesting. Others will experience slowing down."*

*"Healthcare, automation, AI, data analysis, cybersecurity - all these can help and will be sought for by investors, in all stages."*

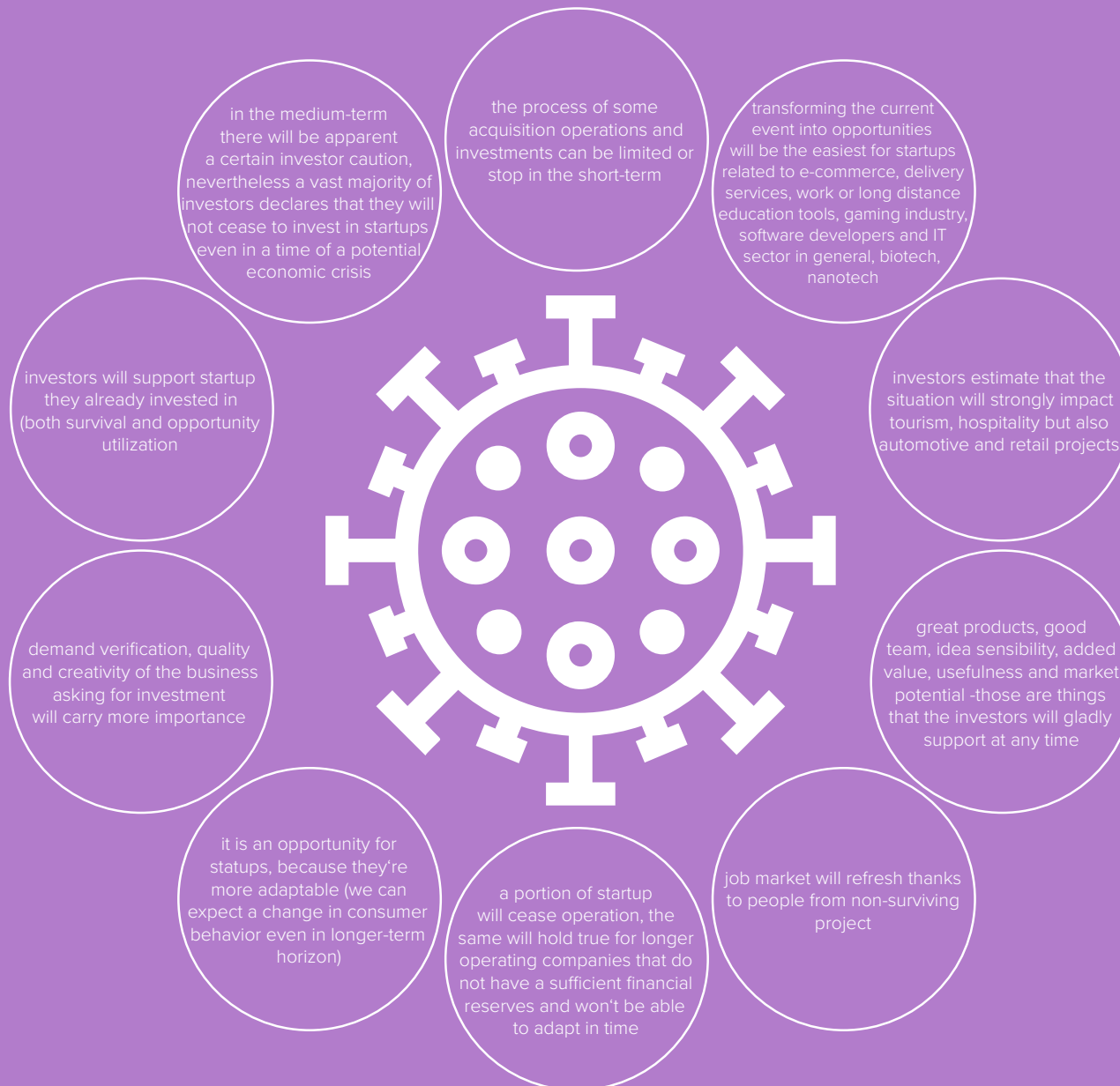
*"It will benefit ecommerce, development and research."*

*"IT sector will manifest the most and in everything. I am also expecting transformational currents and ideas in the most affected industries - tourism, hospitality."*

# Are Investors Ready to Invest into Startups Under Crisis?



# Toplines



# How are startups perceiving the “coronavirus situation’s” influence on their current and future business?

*“It is a complication with the necessity of immediate adaptation. We cannot yet say whether it will have solely negative impacts.”*  
**Automotive industry**

*“Our current business is 100% frozen for at least half a year. And approximately 70% of it is frozen for another 6 months, so we’re looking for a new market for our product, researching demand and changing our business model. It is possible that we will fail and cease operation in a couple of months.”*  
**Tourism**

*“As of yet it is an opportunity.”*  
**Satellite data processing**

*„It will influence everything around us.“*  
**Online car parts sales platform supplier**

*“It’s definitely an opportunity.”*  
**SW Development**

*“Its bad. Some of our client didn’t pay the invoices and a lot of others cancelled or delayed orders, which will most likely be devastating for us.”*  
**IT applications development**

*“We’re perceiving this situation as an incredible opportunity for our business.”*  
**HR / Recruitment**

*“Our industry is not among the necessary products. Action camera equipment which at the same time assumes that people will travel, will most likely lose customers.”*  
**Floating multipurpose action camera tripods**

*“We see it as an opportunity to focus on the essence of our business. Our project makes even more sense now, because it’s focusing on creative industry professionals, which are threatened the most by the state of emergency. We’re now devoting all or resources and energy to introduce our project to the widest audience possible.”*  
**Professional creatives platform**

# Opinions of startups on the contents of investor “Toplines” of this chapter

*“I am not an economist, but I am expecting a more fatal impact on the economy.”*

**Floating multipurpose action camera tripods**

*“I agree that startups will be much more flexible than regular companies after the crisis. The crisis brings new opportunities to a lot of startups. Where do I personally see the biggest issue? They’re not ready for large shifts in products, services, focus, scalability, etc. from the managerial perspective. I think that if angel investors will want to invest in new projects after the crisis, they will be much more cautious and careful with respect to potential crisis scenarios.”*

**Professional creatives platform**

*“Generally, a market situational change is always a new opportunity.”*

**Online car parts sales platform supplier**

*“We see the whole situation as an incredible opportunity. Everyone is currently stressed out and lean towards delaying most of the new things.”*

**IT applications development**

*“It makes sense, but it is a prediction as any other and you can’t rely on it. You need to trust yourself and your team.”*

**SW Development**

*“I generally agree with the content, but it’s necessary to adapt to the times and market demands.”*

**Automotive industry**

*“I completely agree. We’re rearming and charging fully ahead.”*

**HR / Recruitment**

*“I completely agree with the content. It will clean the market and those wanting to succeed will have a very well validated demand.”*

**Tourism**



**CON\_  
CLUSION**



# Conclusion

The Czech startup environment “grew up” a little - not only by average project age, but also by the number of existing articles in the startup network. Startups receive attention, but also government and commercial institutions resources, which significantly influenced the spreading of the startup base into the whole country (outside Prague's borders). Even accelerators and incubators are entering the regions, significantly strengthening their role this year, and general awareness of this business development option increases. The work of accelerators helps with continuous education of the startupists towards practical aspects of business and channels founder focus towards them, as founders occasionally tend to, through their enthusiasm, leave them out. Also those who use accelerator services are satisfied with their experience. This form of support is therefore desirable even in the future.

The work of accelerators helps continuously educate the startupists about practical aspects of business and channels founder focus towards them, as founders occasionally tend to, through their enthusiasm, leave them out.

The term “startup” is a continuously more stable and generally known concept. And startups themselves are - in comparison with last years' results - a bit more stable than before, are planning in a little longer horizon, both average founder age and average life expectancy of the company increased a bit. On top of that they better navigate in the startup ecosystem, which manifests as wider knowledge (and eventually also usage) of various support types or by the fact, that they increasingly often ask for investment outside of “their circle”.

The market moved forward, but key problems remain. Startups still struggle primarily with bureaucracy, lack of qualified human resources and (for some maybe surprisingly) with availability of risk capital. There's still a lack of properly grasped financial planning, good quality business plans, demand and competition verification, global ambition and project selfconfidence. From the media coverage it seems that there's about “three” startups with well managed, respectively funded PR, other projects are presented to the general public only sporadically.

We've already tried to summarize the challenges we're facing in our 10 suggestions for improvement the Czech startup environment. In conclusion, we want to mainly remind everyone that the Czech market is still very young and it covered a lot of ground towards better stability, methods and strategy in the past years, and that is thanks to the cooperation of all who were able to recognize the potential in this dynamic business sector. We're very happy that such people continuously increase and so we're staying slightly optimistic.

We believe that this year's Startup Report will contribute to further education and expert and public discussion. We would appreciate if you could support this goal as well - e. g. by sharing this study with the hashtags #SUPR and #StartupReport. By that you will tell us, among other, that it's worth doing this again next year.

# 10 suggestions for improving of the Czech startup environment.

Presence of risk capital  
in startup initial  
development stages

Government  
digitization and less  
bureaucracy

Stronger school  
involvement in leading  
the young generations to  
entrepreneurship

Further ecosystem  
expansion outside of  
Prague, local support

Financial  
responsibility of the  
startups even  
without partner/  
investor supervision

Available consulting and  
support in regards of  
international expansion

Deeper cooperation  
between startups and  
individual subjects of the  
startup world

Improved grasping  
of good ideas  
(accelerator activity,  
collaboration with schools  
and spinoffs, etc.)

More frequent PR  
and medialization of  
a wider spectrum of  
successful startups,  
including fuckup  
stories

External demand  
verification, end  
customer expectations  
and demands  
confirmation, feedback  
for startups work

all target groups (n=550)



**\_IMP  
LE\_MEN  
TAL\_E  
TION\_  
\_TEAM**

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We would like to thank everyone who has participated on the Startup Report 2019\_2020 project or supported it in any way. We also thank everyone, who read this study and raised questions, suggestions or remarks.

All questions and comments please point towards:  
[info@keiretsuforum.eu](mailto:info@keiretsuforum.eu)

You can for example ask about the possibility  
of presenting the study result in your company. Or find  
out, how to become partners of the next, 2021\_2022  
volume!

**Keiretsu Forum Prague SE**

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