

REPORT

UKRAINIAN STARTUP ECOSYSTEM: Facing the challenges, seizing the opportunities



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SOCIO-ECONOMIC CONTEXT

After three decades since the collapse of the Union of Soviet Socialist Republics (USSR), Poland's GDP amounted to USD 594 billion, while that of Ukraine is only USD 155 billion.

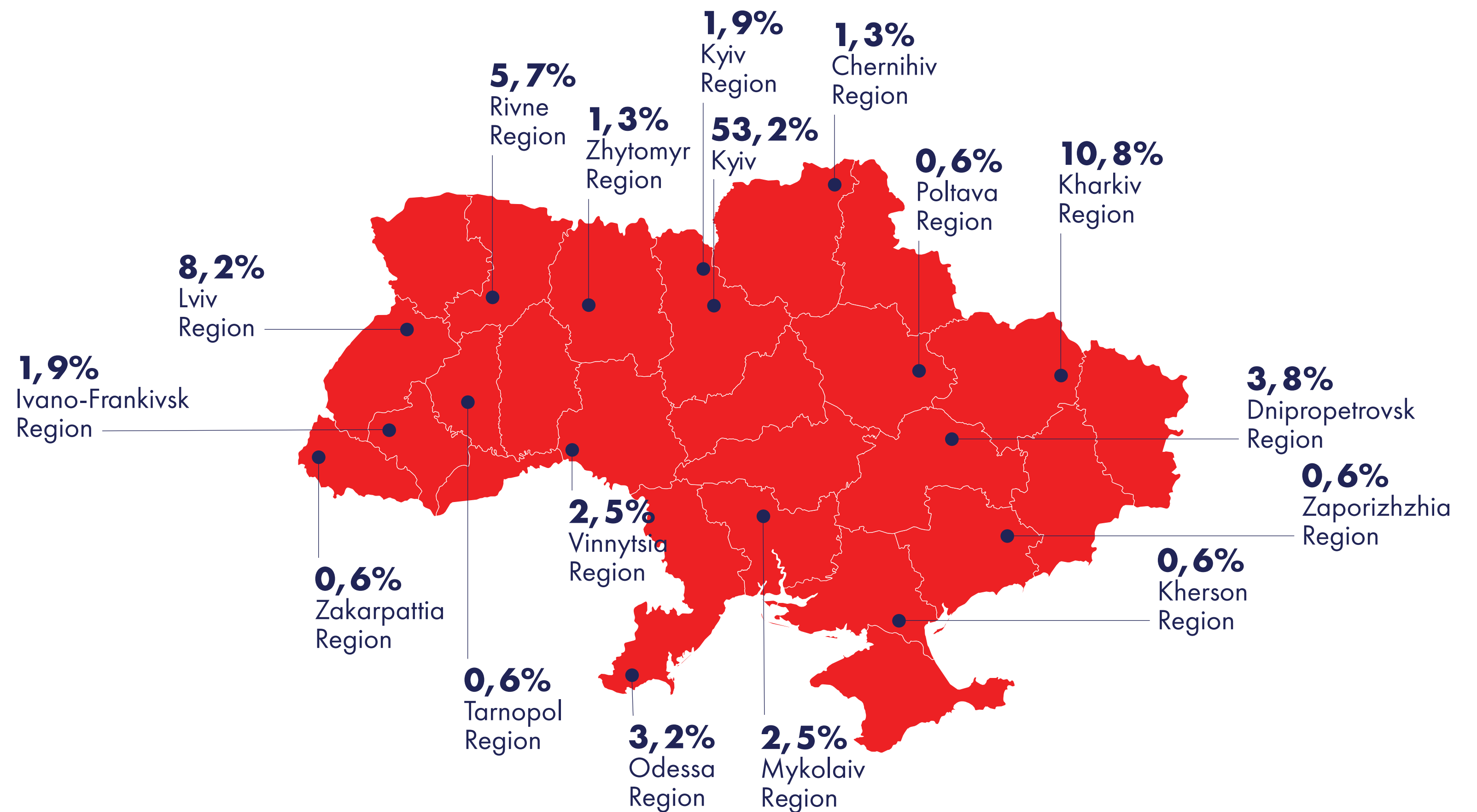
Despite difficult conditions, Ukrainian business is constantly developing, and the local startup ecosystem can be an inspiration for Western European countries.

The development of the Ukrainian market is mainly driven by an increase of foreign investments.

UKRAINIAN STARTUP ECOSYSTEM

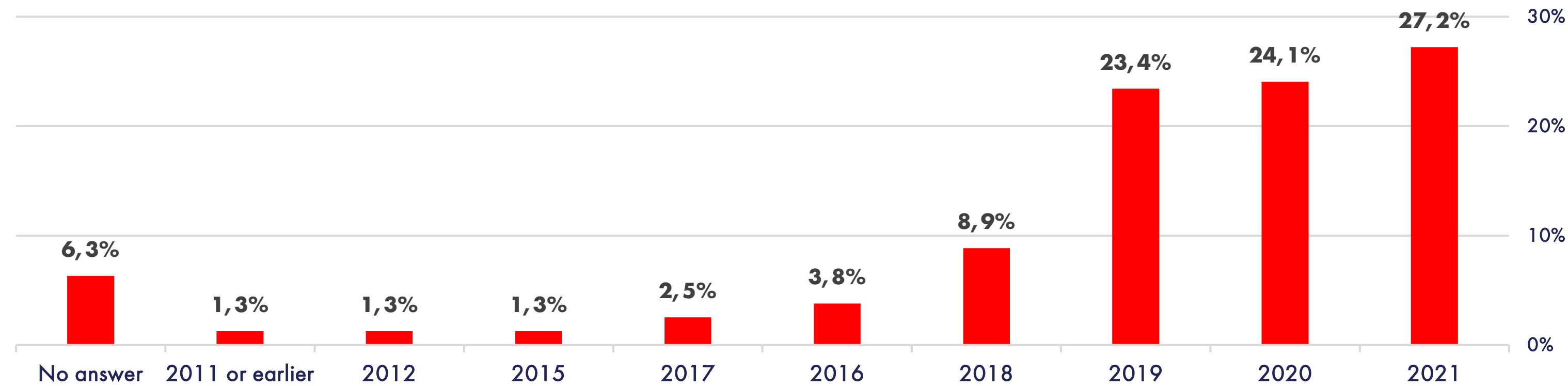
More than half of the surveyed enterprises are located in Kyiv.

Kharkiv and Lviv regions are also important points on the startup map of Ukraine.



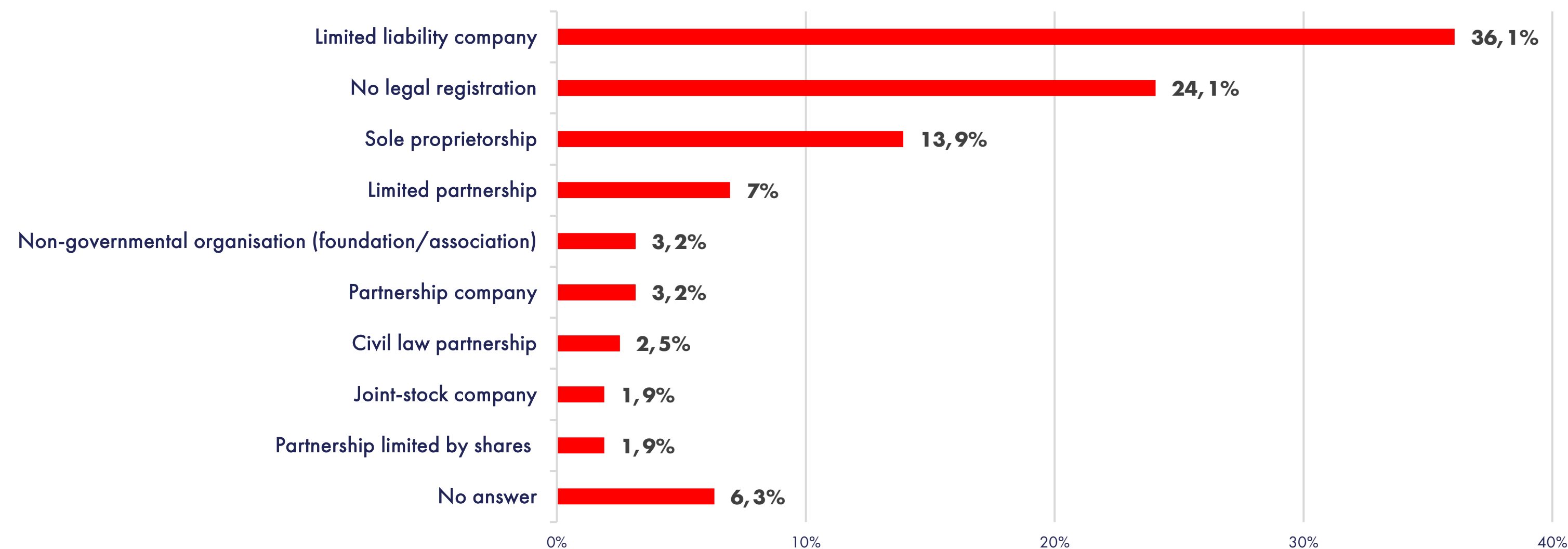
Number of startups in particular regions

Year of establishing a startup



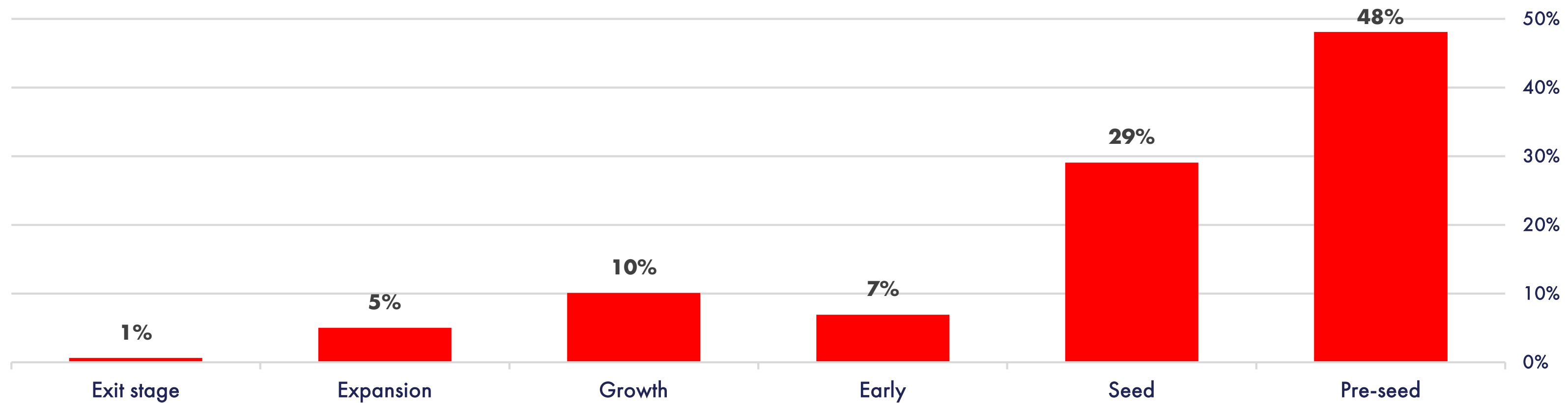
Among 158 surveyed enterprises, 3/4 operated for no more than 3 years.

Legal form of startups



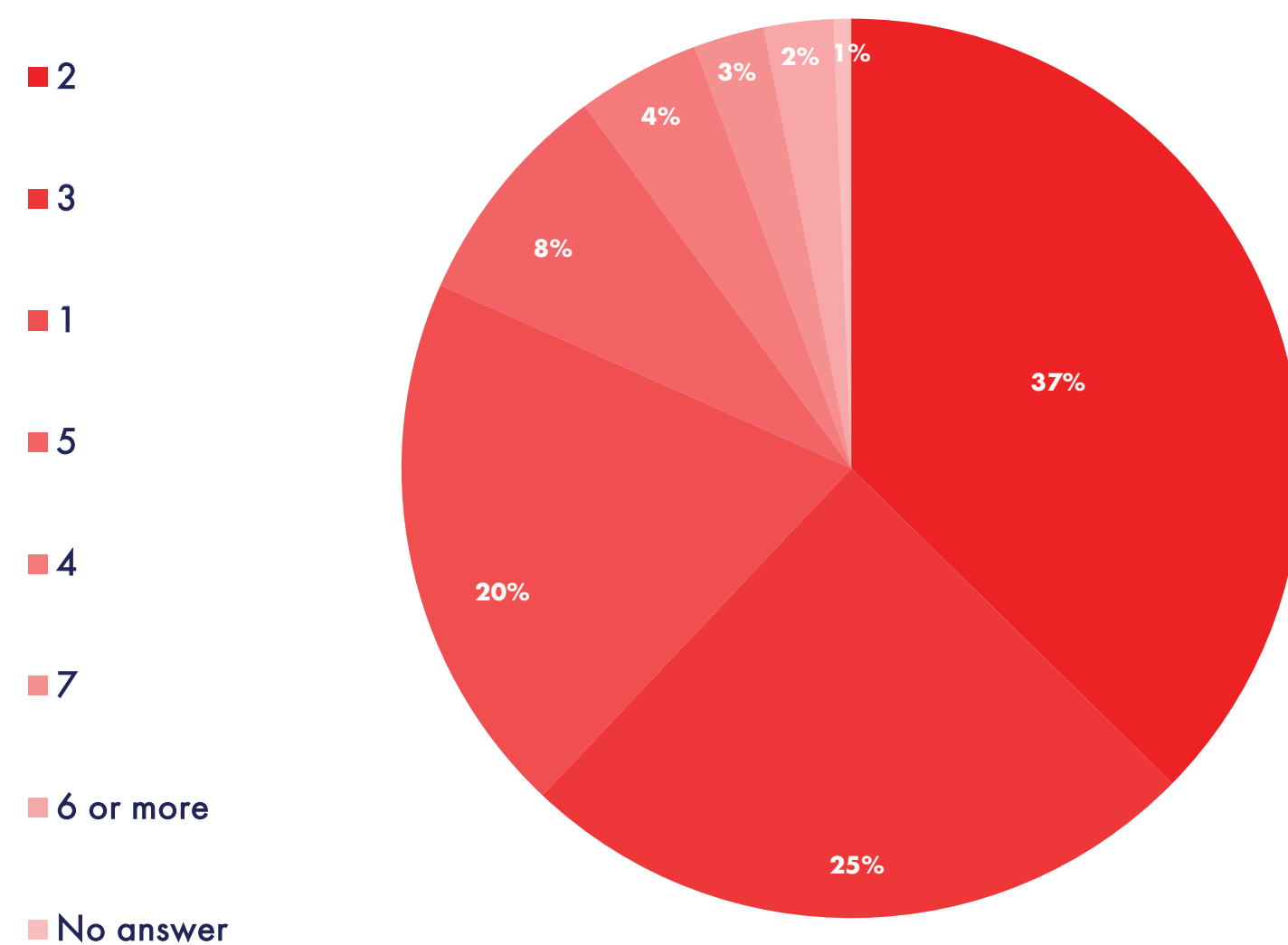
The majority of startups choose the form of a limited liability company or operate legally as a sole proprietorship.

Startups' actual stages of development



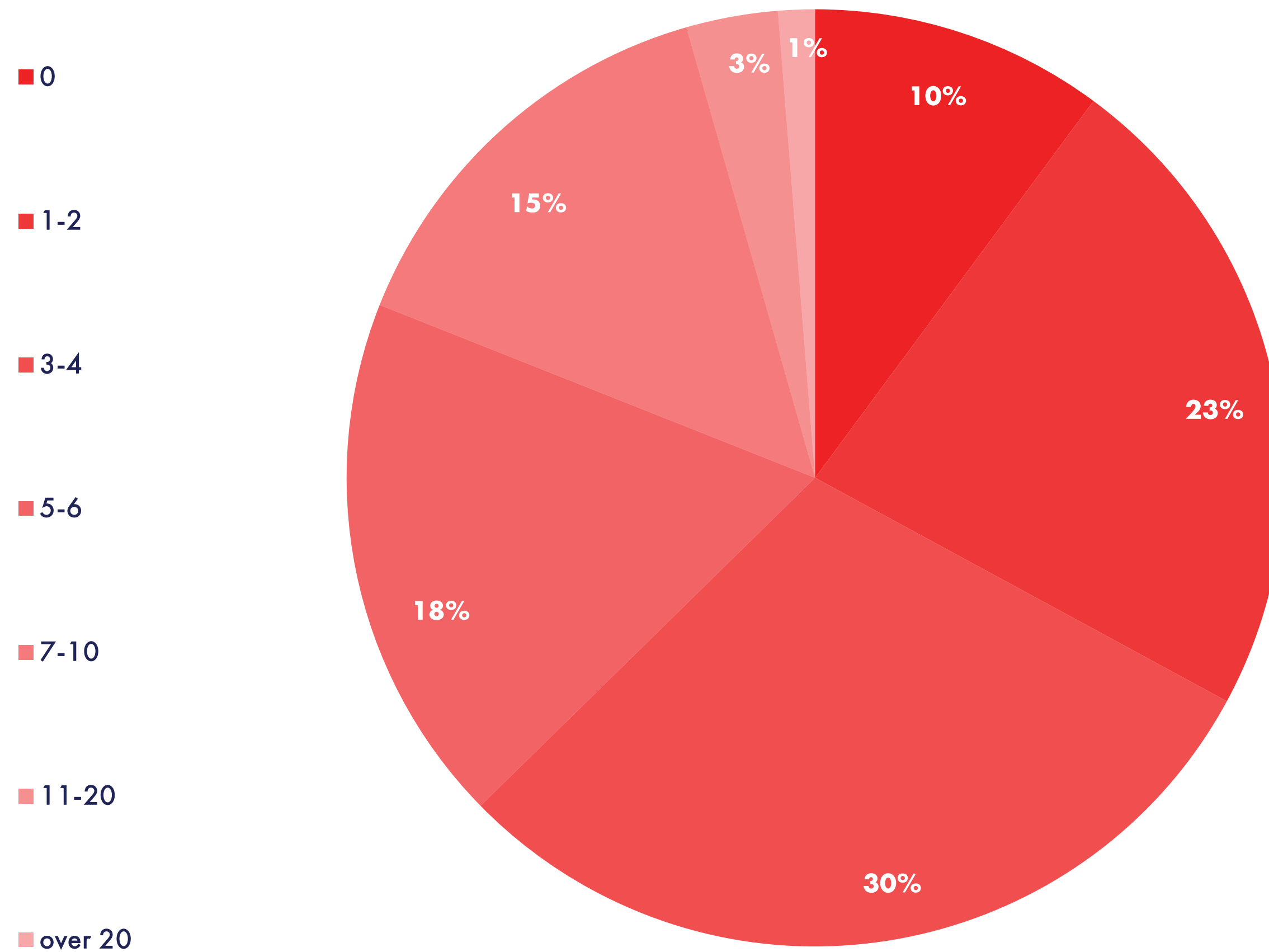
Almost every second startup is in the initial stage of development: pre-seed.

Number of founders/co-founders in startups



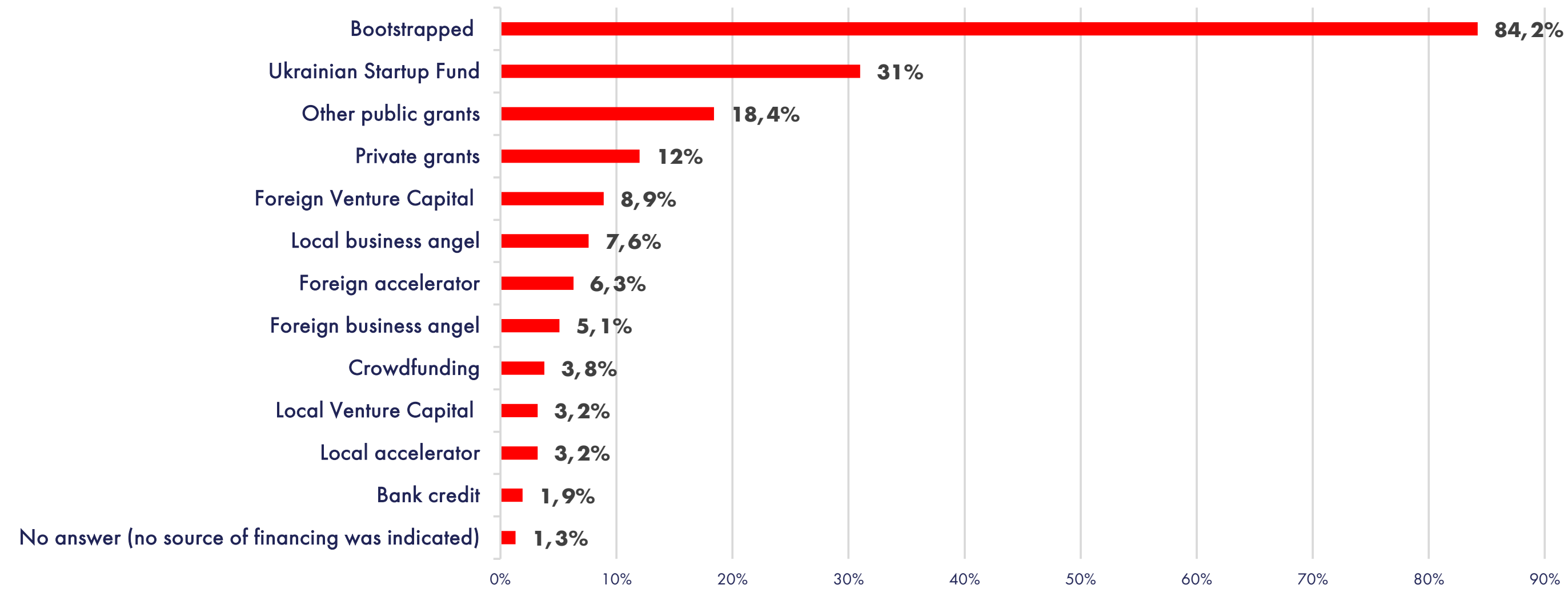
The average Ukrainian startup has three founders.

On average, a Ukrainian startup uses the services of 5 external suppliers. The record belongs to one who has as many as 50.



Number of startups' contractors

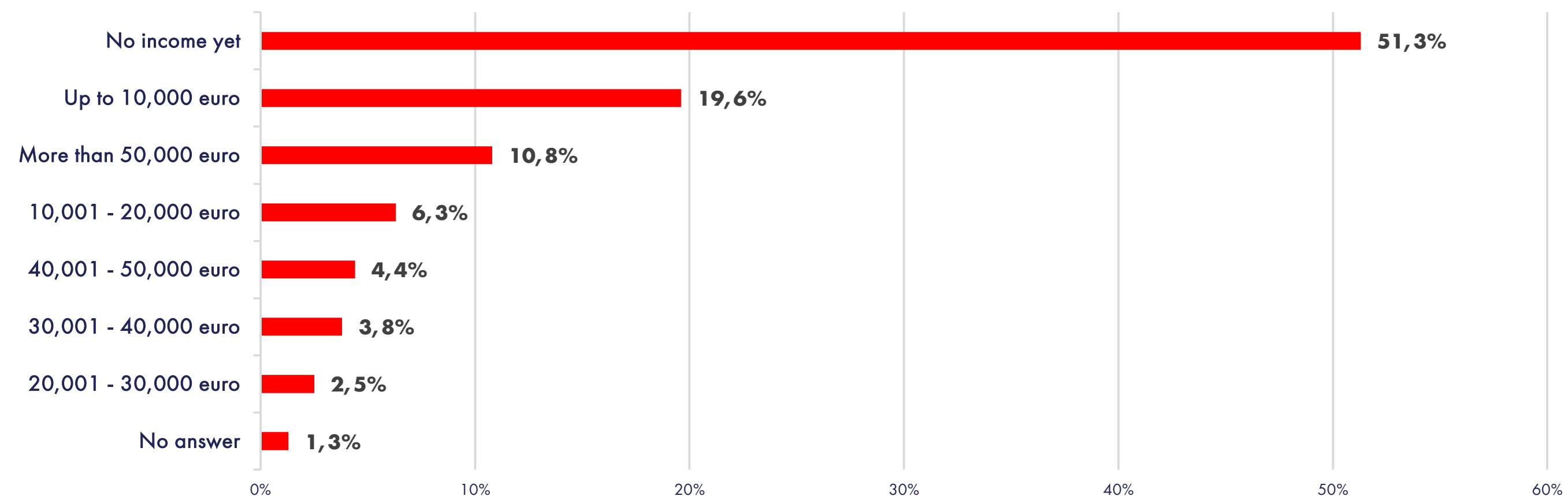
Current sources of financing



For 84,2% of the surveyed enterprises, personal savings is one of the sources of financing, and for 39,2% – the only source.

One out of three entities benefited from the support of the Ukrainian Startup Fund.

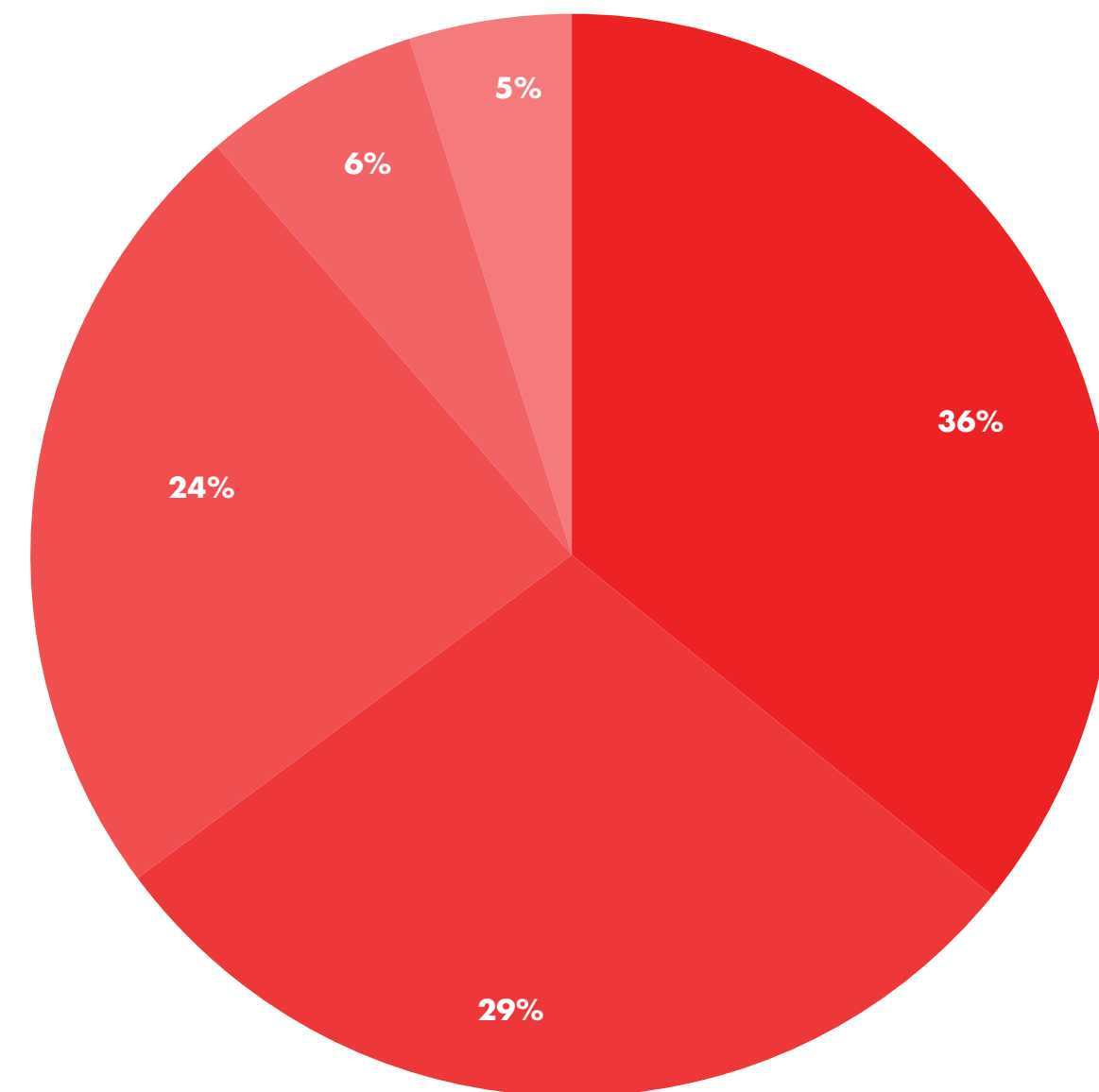
Startups according to the annual income



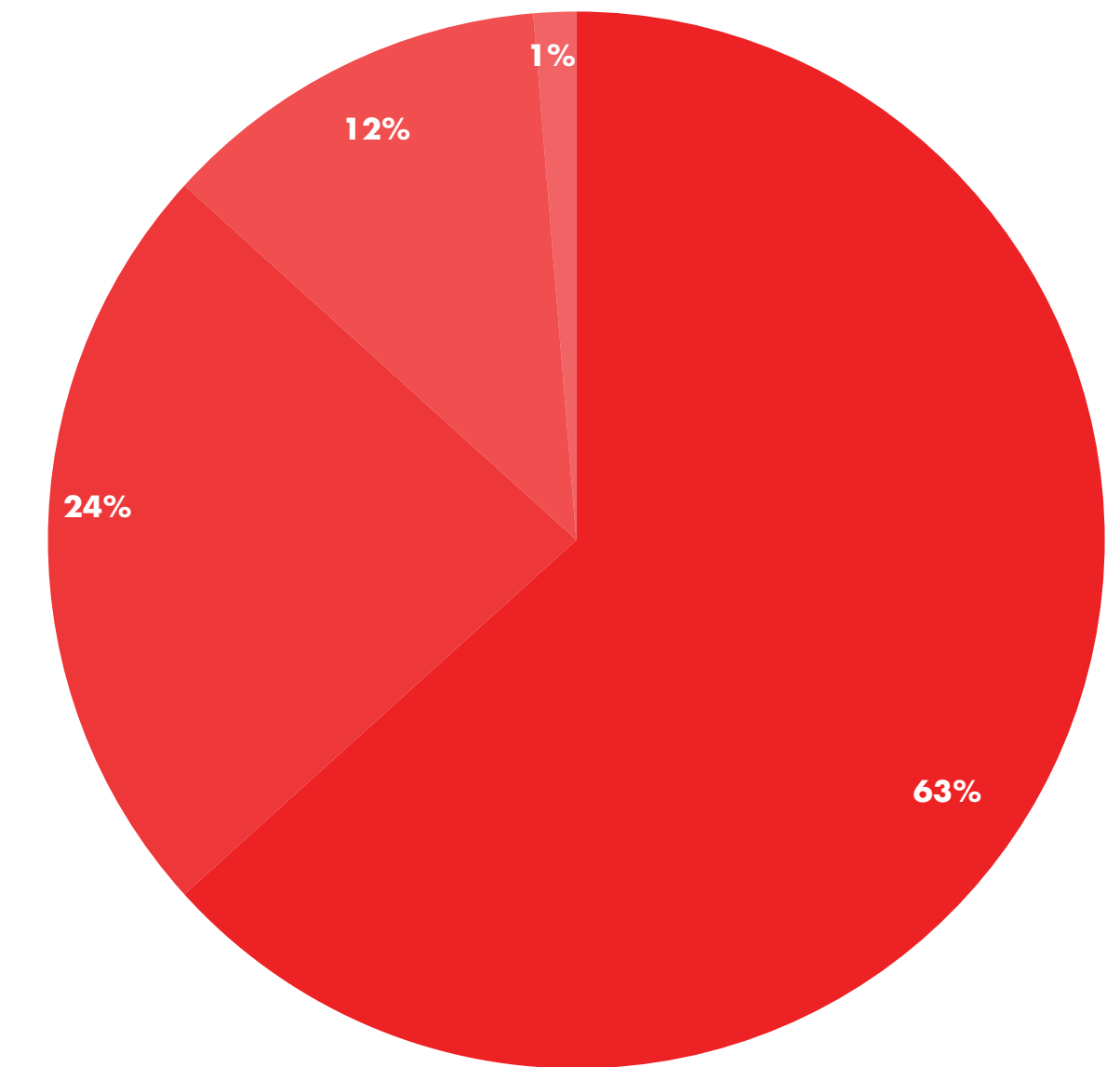
Among the surveyed startups, more than half do not generate any income.

Startups' clients

- B2B (small and medium business)
- B2C
- B2B (large companies)
- B2A (local administrations)
- B2A (central administrations)



- Global market (Ukraine and other countries)
- Local market only (Ukrainian)
- Only foreign market (out of Ukraine)
- No answer



Startups by market areas

DEVELOPMENT PLANS

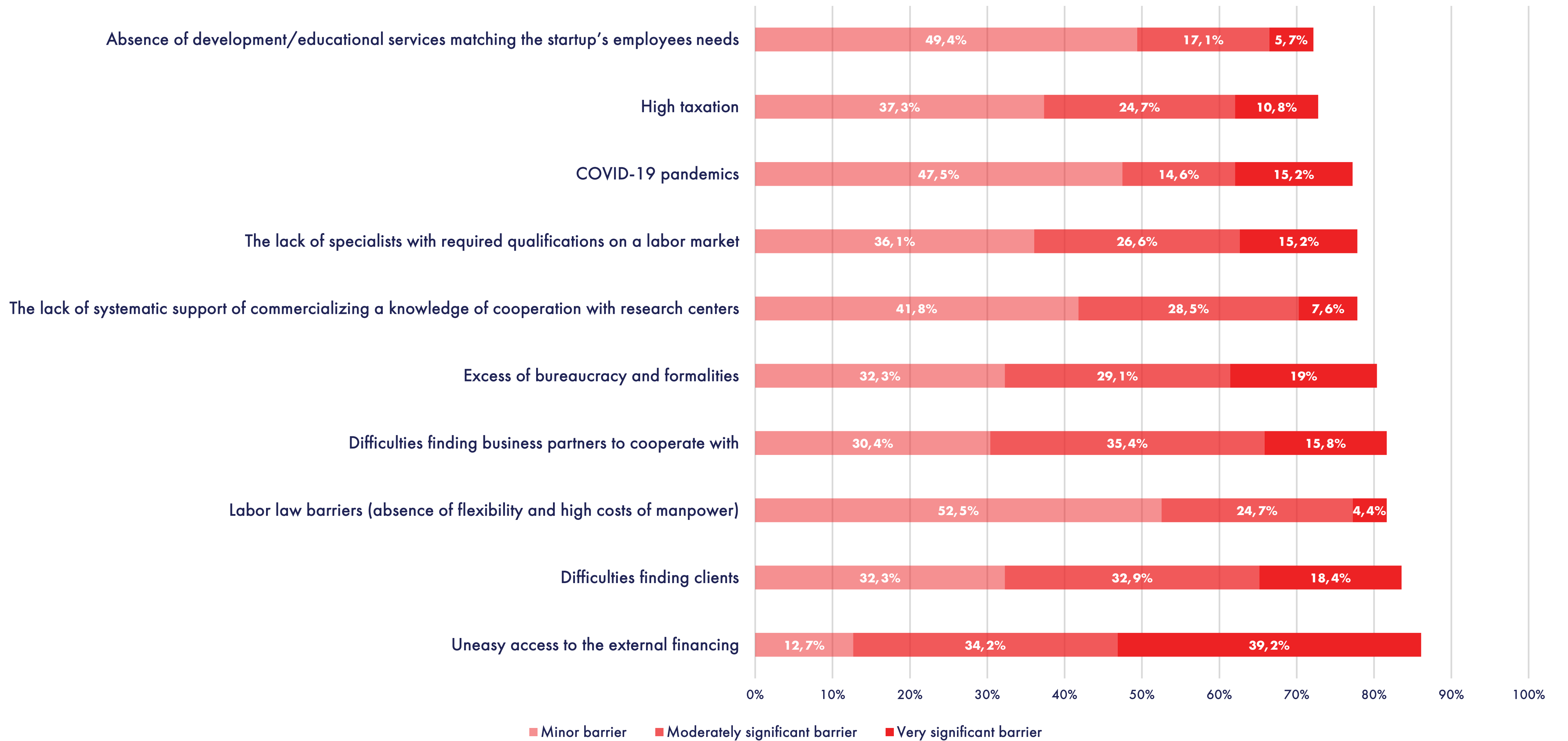


Activities planned in short- and mid-term period

Over 4/5 of startups plans to develop in the following directions:

- Creating new goods and services,
- Building a competitive advantage on the foreign market,
- Collaborating with business partners,
- Widening the competences of the team.



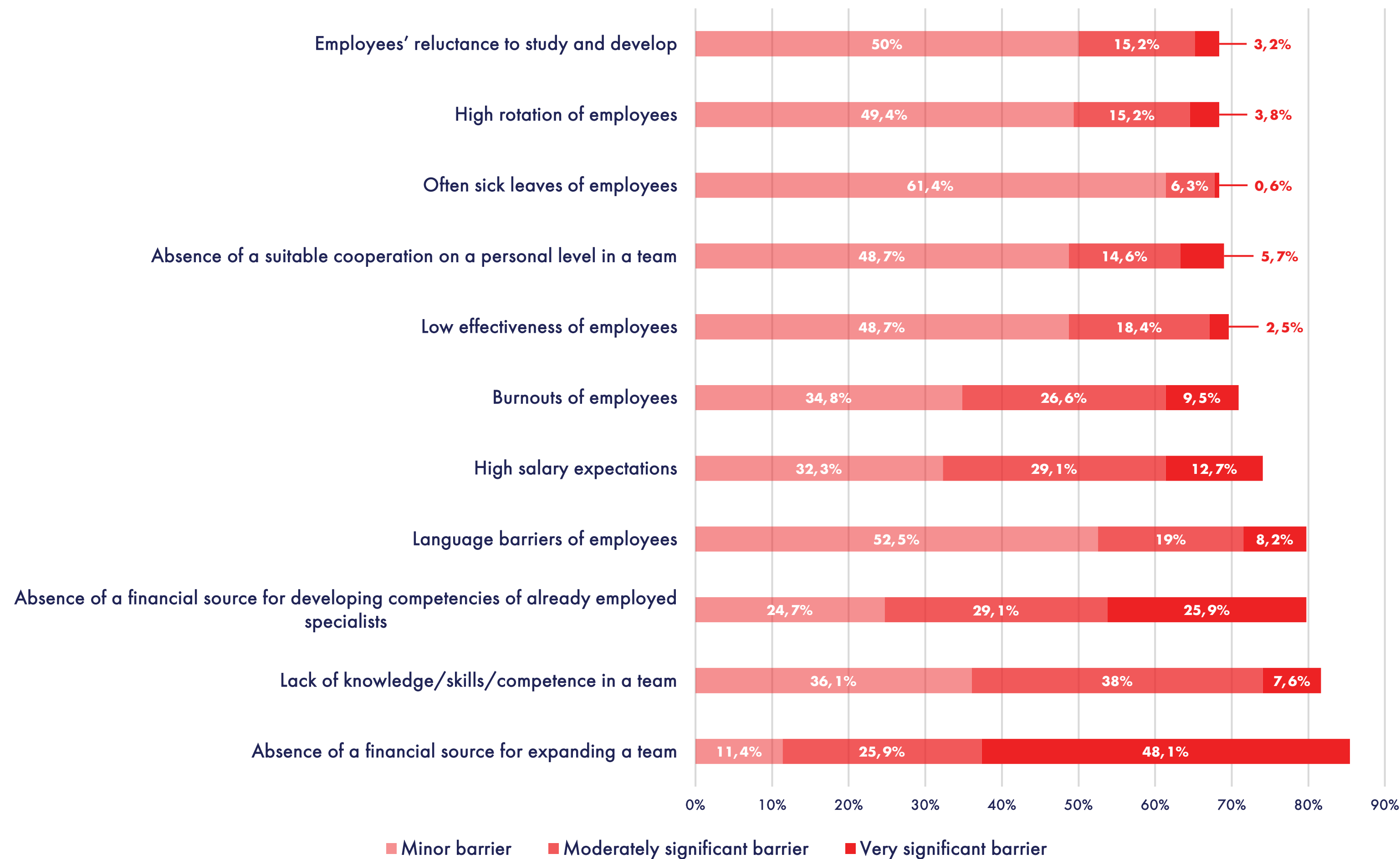


External development barriers of startup projects

- The most frequently indicated external development barrier was a problematic access to external financing.
- More than half of startups also mentioned difficulties in finding clients and struggles in finding business partners for cooperation as a very or moderately significant barrier.



INTERNAL BARRIERS



The lack of funds for expanding the team is the most common internal development barrier indicated by 85,4% of startups.

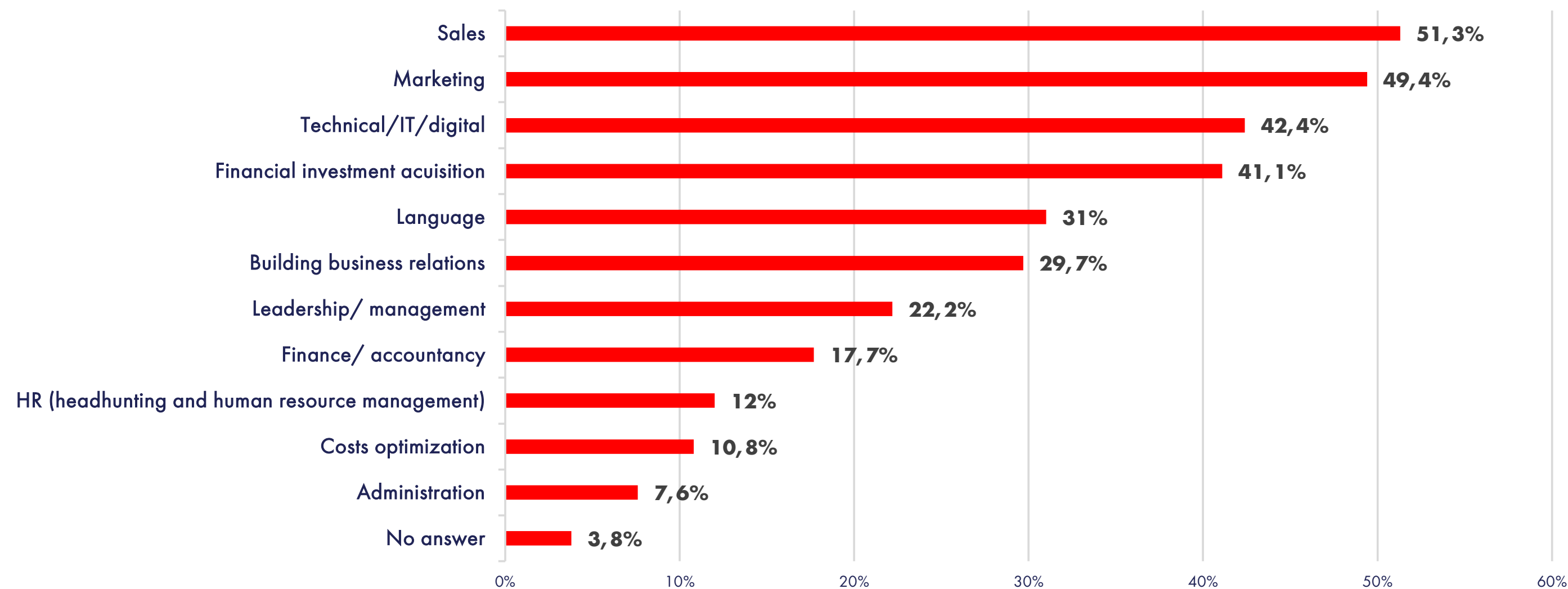
Internal development barriers of startup projects

Assessment of the level of employees' competences



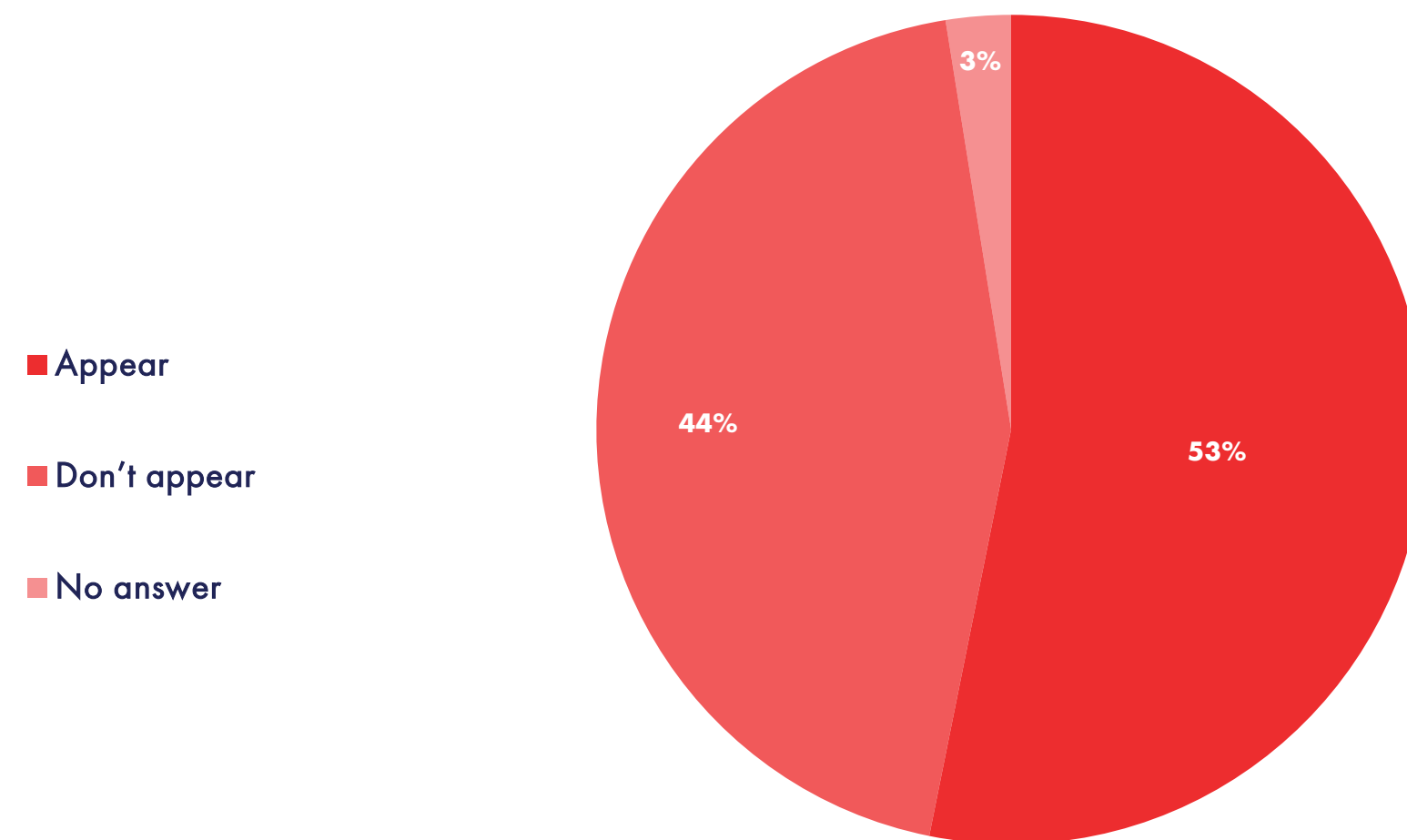
Only 15,2% of the analyzed enterprises indicated that the level of their employees is insufficient.

Areas of lack of competence of employees in a team

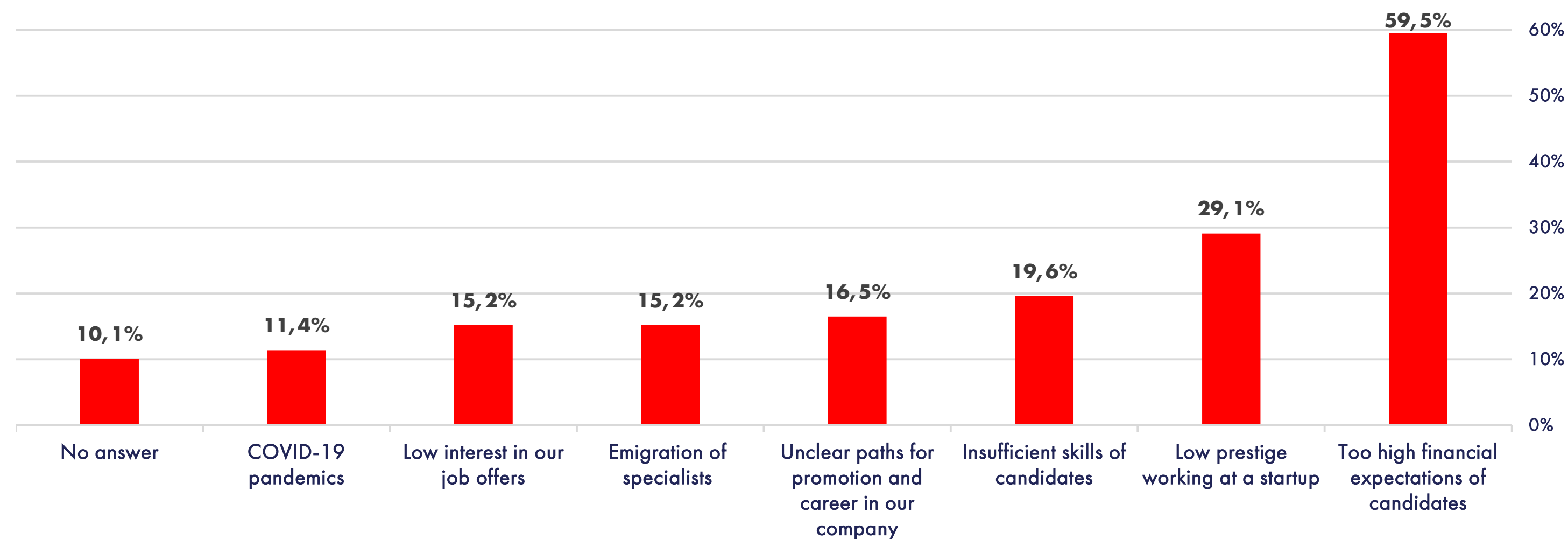


Nearly every second surveyed enterprise stated the lack of appropriate sales and marketing competences among its employees.

Difficulties in recruitment of employees with suitable qualifications



Reasons for difficulties in recruiting employees with appropriate qualifications

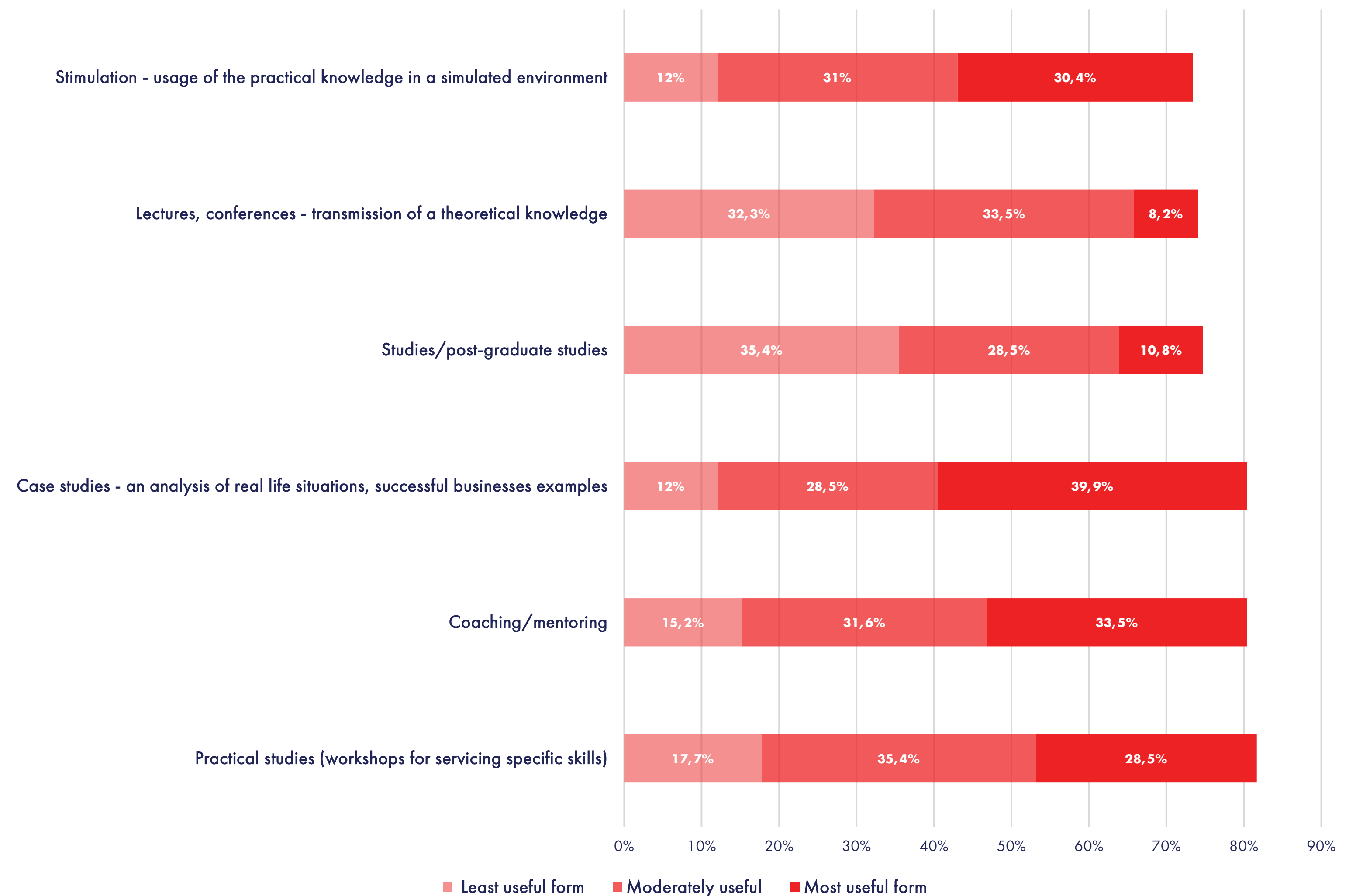


The most frequently indicated reason for recruitment difficulties is financial expectations of candidates for employees.

This factor was indicated on average by almost 4 out of 5 entities.

EXPECTED FORMS OF SUPPORT

Practical forms of development are rated as the most useful: case studies, coaching and development of particular skills.



Effectiveness of particular forms of competence development of employees

ORGANIZATION POTENTIAL



Actions indicated by startups that can be taken after eliminating previously indicated internal and external barriers

BUILDING BRIDGES TOGETHER

