European ScaleUp Monitor

The fastest-growing companies in Europe explained

2020

Contents

Preface

Scaleups have never been more important for the European economy than today. On the verge of a new decade, Europe is facing unprecedented challenges, ranging from the COVID-19 pandemic and the resulting economic crisis it brought about, to the threats of climate change. Now more than ever, we need innovative fast-growing companies to help us find effective and sustainable solutions to such problems and shape the economy of our future.

In this very first edition of the European ScaleUp Monitor, we provide the reader with a glance into the dynamic European business climate for scaleups. We pay attention not only to their funding scheme, their internationalisation strategy and the markets they operate in, but also to the assets of the founding teams that are leading them. Overall, European scaleups seem to be well positioned to face the pressing challenges urged by these trying times, but there are still a couple of points of improvements, for instance in terms of female entrepreneurship.

At the same time, the European scaleup ecosystem is vulnerable and not all scaleups in Europe are in the state of maintaining their fast-growth as much as the best practices mentioned in our report. Too often the lack of available capital or the lack of access to talent and to (international) markets prevent European scaleups from successfully completing their scaling-up process and become a grownup. These issues cannot but be tackled within a European context alone.

While single European countries seem to be receptive of the needs of scaleups and have developed their national policy to foster fast-growing companies, to varying extents, at the European level we still lack coordination in this matter. In such an interconnected globalised economy that we currently live in, European countries should work more closely with each other to expand connections and multiply the chances of growth for their most innovative companies. Only in this way, we can properly strengthen our position in the global market. On top of that, European scaleups would be able to make use of a larger pool of resources, especially financial ones. Too many scaleups are nowadays leaving Europe to secure better funding opportunities in the United States or China, causing great economic and social loss in the European ecosystem.

At Erasmus Centre for Entrepreneurship, we believe that impact starts with knowledge and we hope that this Monitor will serve as a learning and inspirational experience for all our readers.

Martin Luxemburg
Managing Director
Erasmus Centre for Entrepreneurhip

Introduction

Fast-growing companies, also known as scaleups, are a vital component of any economy, including the European one. However, they need greater recognition and support. They bring multiple positive externalities to the economy: scaleups provide tomorrow's income, create new jobs and, most importantly, contribute by introducing innovative products and services to solving global challenges. Recent studies suggest that especially the scaleups that are able to engage in episodes of high-growth over a long period time have unprecedented capabilities to leverage new technologies, establish new business models, and develop scalable organisations.

At the same time, though, only a very small proportion of the total amount of firms can be considered a scaleup and, most importantly, even less than two percent of scaleups can sustain their high-growth episodes over time. This leads us to a prominent question: Why do we not have more scaleups? What makes it so difficult for startups to transition into scaleups? What prevents other SMEs to become one? And, more importantly, what challenges withhold the persistence of high-growth episodes over time?

This report presents the very first edition of the European ScaleUp Monitor. Its purpose is to provide a platform that builds on the opportunities, challenges, best-practices, and other salient elements of the process of scaling-up within organisations and of the emergence of scaleups in various countries as well as regional ecosystems. In order to do so, we adopt a wide variety of quantitative and qualitative research approaches. In this way, we intend to create impact by producing thought-provoking insights into the world of scaleups, and by directing our attention to topics that can give our readers the extra push to change agendas, enhance capacities, and improve decision-making. We do so by providing relevant information about the dynamics of scaleups, in Europe and more specifically, within various European countries. On top of that, we zoom into trends and developments within industries, domains, and attributes of scaleups. Finally, we work on this together with renowned universities and institutions inside and outside Europe in order to centralise knowledge and generate an even more critical and challenging debate.

This Monitor is just the beginning. In the coming months, we will be building upon the first results hereby presented with more in-depth reports focusing on the topics that we introduce in this Monitor. We hope that the European ScaleUp Monitor will help us fuel the discussions around building the required infrastructures and ecosystems supporting startups, scaleups and grownups. At Erasmus Centre for Entrepreneurship, we are pleased to initiate such conversation and are looking forward to further engaging in it with our international partners, and with any other expert, entrepreneur or ecosystem player that wants to contribute.

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Key takeaways

Geographic concentration

Scaleups tend to concentrate in a few hubs. 80% of European scaleups are located in the Top 10 European Scaleup Countries and 44% are found in the Top 20 Scaleup European Cities. The UK is the country with the highest amount of scaleups, followed by France (#2) and Germany (#3), and counts 5 cities in the Top 20 European Scaleup Cities list with London occupying position #1. Smaller countries are however no less relevant in the list, as in the case of Sweden (#7) and the Netherlands (#8).

In some countries, such as Russia, Austria and the Nordic countries, the capital makes up for the majority of scaleups found in the country, while in others, such as Italy, Spain, Switzerland and Germany, a broader distribution across several locations is observed.

Scaleups explained – age, size & industries

Germany is the country with the highest proportion (25%) of young scaleups (<5 years old) and Italy the one with the biggest share (40%) of older scaleups (>25 years old). European scaleups have on average 74 employees, as opposed to grownups who more often have thousands of employees. Industrials, Saas and Manufacturing are the top industry verticals in which scaleups as well grownups operate. While older scaleups are usually active in the more traditional segments of the economy, younger scaleups, are driving growth in some of the most up-and-coming industry verticals, including Mobile, Artificial Intelligence & Machine Learning, CleanTech, and Life Sciences.

Funding

Venture Capital (VC) represents 35% of all the funds invested in scaleups, followed by angel investors/incubators (23,5%) and private equity (13,1%). VC tends to invest more in SaaS, Mobile, Life Sciences and FinTech scaleups. London, Paris and Dublin are the Top 3 cities with the scaleups with the highest total capital raised. While scaleups with at least a female co-founder raise on average less capital, scaleups with a co-founder with a doctoral degree receive on average more investments. It is reassuring to see considerable investments into Oncology, LifeSciences and Insurtech scaleups, especially because especially because 2020 has shown us the increasing importance of healthcare innovations.

Where are fast-growing companies in Europe based?

The top 20 European countries with the highest amount of scaleups are presented in the list on the left, while the top 20 European cities are on the right. From our study into the European scaleup landscape, the following insights emerge:

Fast-growing companies tend to concentrate in a few hubs.
97% of the scaleups in our sample are located in the Top 20 of the 45 European scaleups countries analysed and 80% only in the Top 10. Moreover, scaleups seem to be particularly fond of big cities: 44% of scaleups are located in the Top 20 European Scaleup Cities.

The United Kingdom dominates the scaleup landscape.
The United Kingdom is the country with the highest number of scaleups found in our sample, followed by France (#2), Germany (#3), Sweden (#4) and Spain (#5). The same ranking applies to grownups, with the exception of Italy occupying the 4th position instead of Sweden. Most interestingly, 5 United Kingdom cities make it to the Top 20 European Scaleup Cities, namely London (#1) – with 46% of the entire country's scaleups, Cambridge (#12), Edinburgh (#16), Manchester (#17) and Oxford (#19).

	Top Scaleup Countries	Top Scaleup Cities
1	United Kingdom	London
2	France	Paris
3	Germany	Stockholm
4	Sweden	Berlin
5	Spain	Dublin
6	Italy	Moscow
7	Netherlands	Barcelona
8	Switzerland	Amsterdam
9	Ireland	Milan
10	Belgium	Oslo
11	Russia	Madrid
12	Finland	Cambridge
13	Norway	Helsinki
14	Denmark	Munich
15	Poland	Copenhagen
16	Austria	Edinburgh
17	Portugal	Manchester
18	Hungary	Zurich
19	Czech Republic	Oxford
20	Luxembourg	Vienna

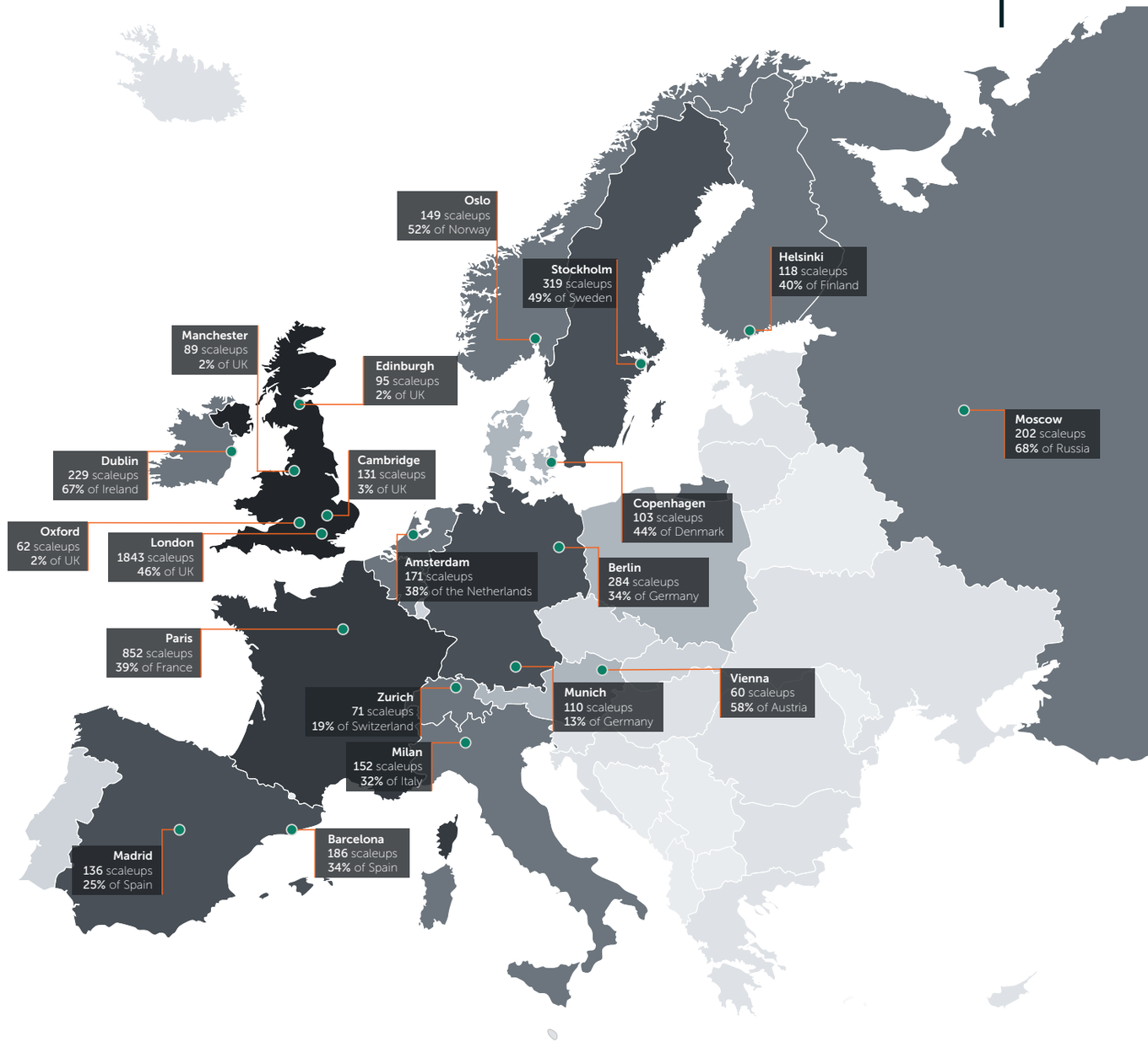
European scaleup landscape

We also find that:

Smaller countries can have a big piece of the pie too.
Despite their relatively smaller size in terms of population, the Dutch and the Swedish scaleup ecosystems stand out in the list. Sweden scores 4th in the top 20 Scaleup countries and its capital Stockholm is the 3rd in the Top 20 Scaleup Cities. Respectively, the Netherlands occupies position 7 and Amsterdam position 8.

Big cities take it all...
In some countries, scaleups seem to be mostly concentrated only in one or few cities. This is the case of Russia (#11) with 68% of its scaleups concentrated in the capital Moscow (#6), Ireland (#9) with 67% of scaleups located in Dublin (#5) and Austria (#16) with 58% in Vienna (#20). Similarly, 52% of scaleups in Norway (#13) are located in Oslo (#10); 49% of scaleups in Sweden are located in Stockholm (#3), 40% of scaleups in Finland (#12) are located in Helsinki (#13); and 44% of scaleups in Denmark (#14) are located in Copenhagen (#15)

...But not always.
Italy (#6), Spain (#5), Switzerland (#8) and Germany (#3) have a larger distribution of scaleups across several locations. In particular, 32% of Italian scaleups are based in Milan (#9), 34% of Spanish ones in Barcelona (#7) and 25% in Madrid (#11); 19% of Swiss scaleups in Zurich (#18), and finally 34% of German scaleups in Berlin (#4) and 13% in Munich (#14). *Read more about scaling-up in Germany in our special feature on the next page.*



Strategy Nation and ifm feature:

From startup to scaleup: Transition success factors among German scaleups

Claire Mula

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There are few startups that are able to successfully transition to scaleups and even fewer again who continue their growth trajectory or scaling for longer than a few years. Ventures seeking to successfully scale up need to organise and manage themselves in new ways, with new characteristics, processes, behaviours and systems. At the same time, there are factors typical of startups that scaleups must protect and strengthen, despite the pressures of organisation scaling, to positively influence firm growth.

Monitoring German scaleups

Scaleups are not routinely monitored as a distinct group in Germany. According to the Deutsches StartUp Monitor 2020, 23.6% of startups less than 10 years old in Germany claim to be in the growth stage of development and another 1.7% are either in a later stage or approaching exit. 27% have 10 or more staff up from 25% year ago. Almost half of the startups surveyed planned to end 2020 with more than 500,000 euro in sales turnover, up from 35.5% of startups in the previous year, with expectations of continued growth next year. Among growth stage companies, 48% generated at least 1 million euro of sales turnover in 2019 (Startup Trendreport: Finanzierung & Kapital 2018-2020).

The annual survey of 1,946 startups and 4,745 founders highlighted some key trends and themes in the German startup ecosystem, such as an increase in ecosystem funding versus previous years. Like everywhere, the coronacrisis has hurt German startups, with almost three-quarters of start-ups surveyed claiming it has had a negative impact on their business. However, there was a significant proportion of businesses, predominantly with digital business models such as online networks, online commerce and software-as-a-service (SaaS), that the pandemic either positively affected or had no impact at all on their business.

Growing from startup to scaleup

A separate study specific to organisational and management factors influencing scaleup growth and transition from startup phase is one of the first of its kind among German startups. Conducted by researchers from Strategy Nation and ifm/University of Mannheim, the scientific research project focuses on a sample of more than 12,000 entrepreneurial ventures (including 395 scaleups1) obtained from IAB/ZEW foundation panel (IAB/ZEW Gründungspanel), a 10-year panel of German entrepreneurial ventures founded between 2007 and 2018. Preliminary results from this ground-breaking research support the notion that scaleups and startups are indeed different in terms of internal management and organisations, and that such difference influences their growth and performance. Specifically, our empirical research found:

- Ventures need to shift their resource allocation between product development activities (R&D) and operational and selling activities (SG&A) only when they have fully reached scaleup status. Making this shift too early can have a negative impact on turnover growth.
- Founders who change their management style to be more inclusive, providing greater autonomy and delegating decisions, are more likely to positively influence turnover growth and transition to scaleup. The results show this was a particular challenge for sole founders compared with founding teams.
- Building and cultivating strong entrepreneurial orientation beyond the startup years is equally influential on scaleup firm growth. Entrepreneurial characteristics which drive decisions and ways of operating such as proactiveness, innovativeness, competitive aggression and risk-taking should continue and be protected from the seemingly opposing pressure created by organisational complexity.
- Finally, despite widely held views and research linking startup survival and growth to serial entrepreneurs, our results found prior entrepreneurial experience makes no significant difference to scaleup performance and success. Investors such as venture capitalists who emphasise the entrepreneurial and industry experience of founders as success predictors, among other criteria, should consider the weight they place on this at growth stage. Perhaps placing greater emphasis on founding teams when making financing decisions may be more beneficial.

| Claire Mula & Baris Istipliler

UNIVERSITÄT MANNHEIM

ifm MANNHEIM
institute for SME research and entrepreneurship

Top-funded scaleups across Europe

On this map, you can see the top-funded fast-growing companies per European country founded in or after 2010. More specifically, this list counts 15 scaleups and 11 grownups, with an average age of 7.3 years. The largest share (19%) is active in the Mobile vertical followed by Mobility Tech (13%).

More than 300 financers overall have invested in these fast-growing champions. The company with the total highest amount raised is Scope Fluidics (€6,295 million), based in Warsaw and founded in 2010. Each fast-growing company on the map has on average 13 investors, with the outstanding performance of the Berlin-based Delivery Hero (€2,934 million, founding year: 2011) leading the list with 47 different investors. The youngest company in this list is Northvolt, based in and Stockholm, Sweden and founded in 2016.

If we zoom in on the founding team, we find that 15.4% of these top-funded fast-growing companies has at least one female founder, which is in line with what generally happens within European scaleups (see p.16). We also find that 11.5% of these companies have at least one PhD founder, which is less than the average across scaleups in general (see also p. 16). Among the latter, the Norwegian scaleup Kahoot! (€350 million) stands out for boasting 11 investors, which includes the Norwegian University of Science and Technology - the university where its founder (Dr. Alf Wang) received his PhD from.

Resilient scaleups of 2020

2020 has not been just another year for the European economy.

Scaleups have been confronted with the effects of the COVID-19 pandemic and the measures undertaken to contain it too. However, despite these unprecedented challenges for the European as well as global economic landscape, scaleups have continued to show signs of resilience by securing funding in midst of the global economic crisis.

Across the European scaleup landscape, scaleups have been able to maintain their fast-growth and managed to secure funding in one of the most economically and socially challenging years in recent history. These 5 European scaleups have emerged top of class in face of the coronacrisis and raised considerable amounts funding in 2020.

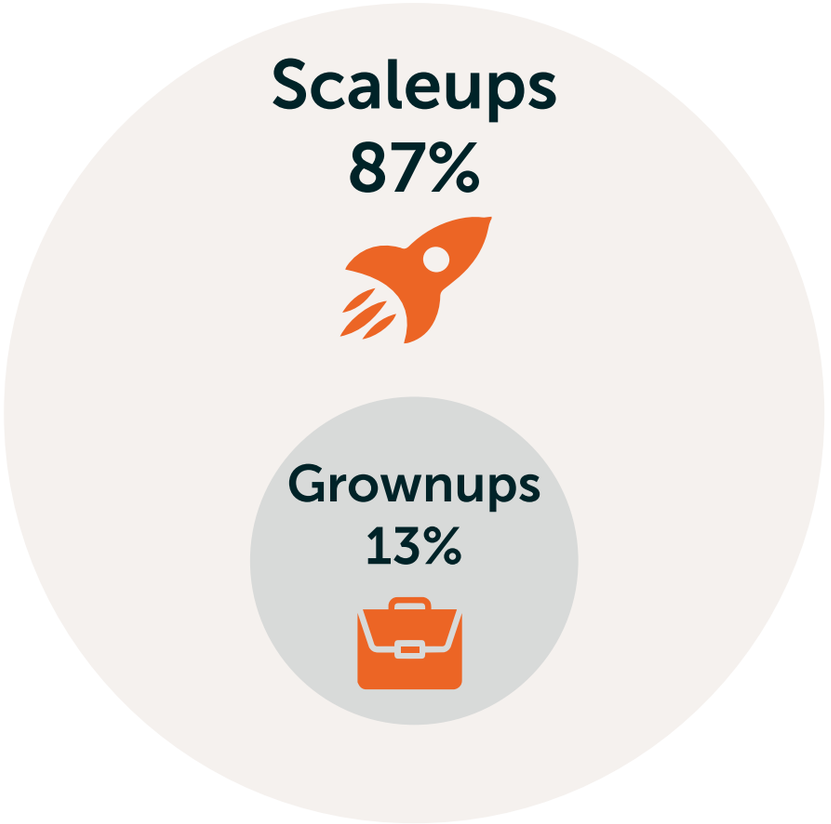
1	**Merkur Offshore**	*Merkur Offshore focuses on the construction and operation of the offshore wind farms and supports the creation of clean and sustainable energy. They are currently building 66 GE Haliade 6 megawatt turbines allowing approximately 500,000 households to be supplied with green energy.*	Location: Hamburg, Germany Founded: 2015 Funding in 2020: €2,177 mil *Funding type: Private Equity* Verticals: *CleanTech, Infrastructure*	
2	**INWIT**	*INWIT (Italian Wireless Infrastructures) is Italy's major Tower Operator with over 11,000 infrastructure assets providing widespread coverage throughout the country, hosting the transmission equipment for all main national operators and consolidating on Telecom Italia's heritage as the pioneer of Italy's mobile network over 40 years ago. the country, hosting the transmissi-*	Location: Milan, Italy Founded: 2015 Funding in 2020: €1,795 mil *Funding type: Other (Secondary Private)* Verticals: *Mobile, TMT*	
3	**Logicor**	*An operator of a portfolio of warehouses spaces and logistic properties based in the United Kingdom. This scaleup's portfolio is strategically located along Europe's busy trade routes and close to its major cities, enabling clients to benefit from swift and cost-efficient access to consumers across the continent.*	Location: London, United Kingdom Founded: 2012 Funding in 2020: €900 mil *Funding type: Private Equity* Verticals: *Industrials, Infrastructure*	
4	**Northvolt**	*Northvolt is an operator of lithium-ion battery plants to produce eco-friendly batteries for electric vehicles. They are manufactured with minimal carbon footprint and with recycling technology without compromising important ecosystems, enabling the auto industry to efficiently replace fossil fuels with electricity. ner. electricity in an efficient manner.*	Location: Stockholm, Sweden Founded: 2016 Funding in 2020: €600 mil *Funding type: Early-stage VC* Verticals: *CleanTech, Mobility Tech, Manufacturing*	
5	**Delivery Hero**	*Delivery Hero provides online food delivery services from restaurants and cafes as well as offers its own delivery services to restaurants. The company has operations in Europe, the Middle East, North Africa, Asia, and the Americas. A large portion of its revenue is from online marketplace services on the basis of orders placed.*	Location: Berlin, Germany Founded: 2016 Funding in 2020: €600 mil *Funding type: Early-stage VC* Verticals: *CleanTech, Mobility Tech, Manufacturing*	

European scaleups explained: *size matters*

Scaleups versus grownups

The landscape of fast-growing companies in Europe comprises of two discernable categories when it comes to company size: scaleups and grownups. 87 percent of these fast-growing companies can be considered a scaleup, while 13% are grownups. On average these scaleups are around 13 years old, compared to the average age of 31 for grownups. What really stands out is the stark difference in number of employees for scaleups and grownups with the average size for scaleups being 74 employees (median: 34 employees) compared to the average size of 6,631 employees (median: 1,514) for grownups.

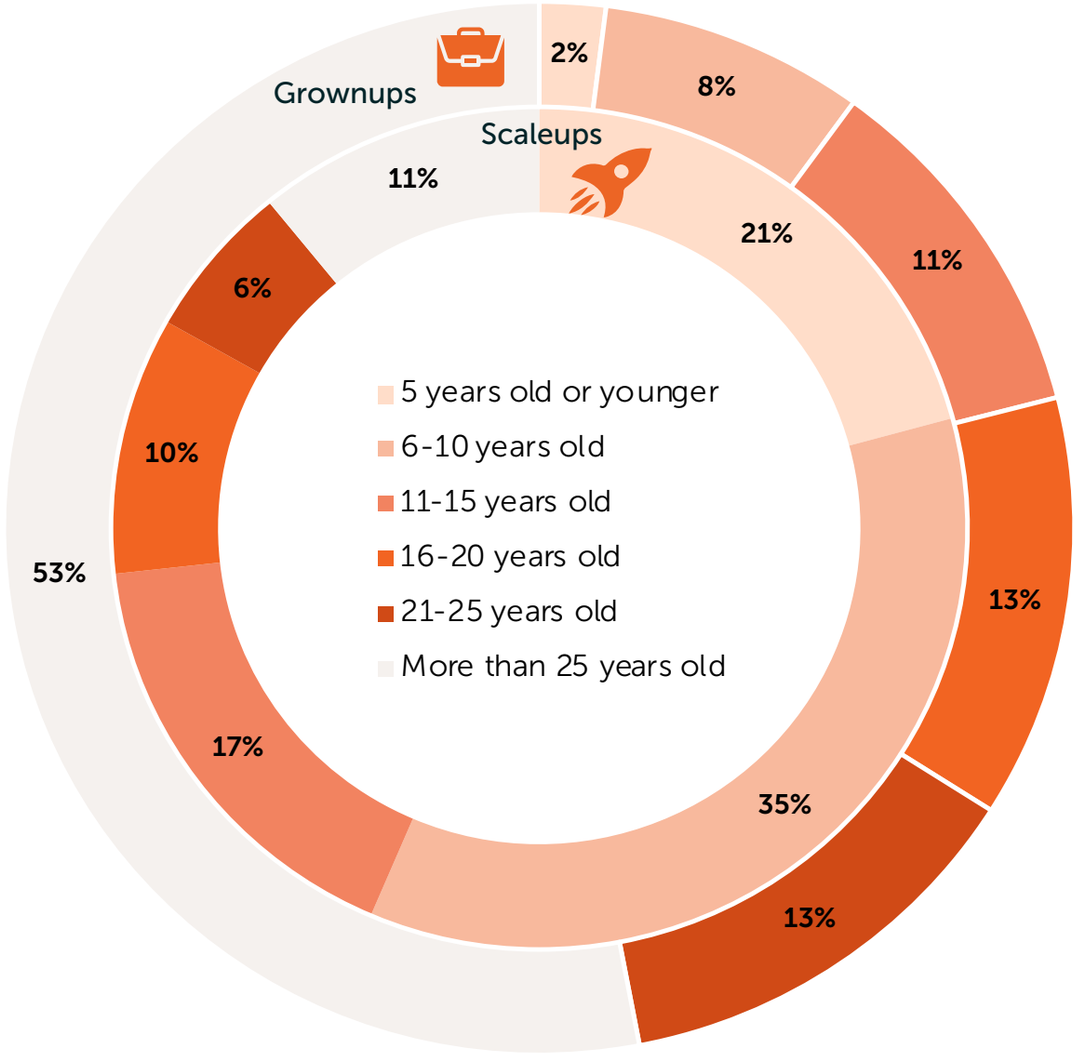
European fast-growing companies



European scaleups explained: *age matters*

Germany is home to young scaleups while Italy is home to old scaleups

It comes as no surprise that the average age of the larger grownups is higher than the average age of the smaller scaleups. When taking a closer look at the age categories within different European countries, it is remarkable that we find Germany to be home to the highest number of young scaleups. Almost a quarter of the German scaleups are five years old or younger. In contrast, Italy has the highest number of older scaleups and is home to almost 40% of the older, more established scaleups (older than 25 years).



European scaleups explained: *top verticals*

Industrials take the lead for fast-growing companies in Europe

It's noteworthy that both scaleups and grownups have the most companies active in the Industrials vertical. Industrials is an aggregate that captures companies that provide industrial and commercial supplies and services, diversified trading, distribution operations and transportation services. Logicor, one of the most resilient scaleups of 2020 listed earlier in this report is an example of a scaleup operating in this vertical. Another example of a grownup operating in Industrials is Uniper, a German energy generation and energy trading company founded in 2016 that already has over 11,500 employees.

Are scaleups in Artificial Intelligence (AI) & Machine Learning and Big Data the grownups of the future?

The verticals Oil & Gas and Infrastructure are verticals with mainly grownups in it. An example of a grownup in the vertical Oil & Gas is Innogy, a company that builds and exploits sustainable power plants, mainly based on wind power, hydropower and bioenergy. Both verticals are not represented in the top 10 verticals of scaleups. These verticals can be considered as more traditional sectors. When we zoom in at the relatively new upcoming sectors, we see a bigger representation of scaleups in AI & Machine Learning and Big Data. In fact, they don't even occur in the top 10 verticals for grownups. The question is, are scaleups in these verticals the grownups of the future? Scaleups in these verticals are companies such as BenevolentAI and Monedo. BenevolentAI is a producer of Artificial Intelligence and computational medicine technology whereas Monedo is a platform for automated balance sheets and fully digital credit services

	Top scaleup verticals	Top grownup verticals
1	Industrials	Industrials
2	SaaS	Manufacturing
3	Manufacturing	Oil & Gas
4	Mobile	SaaS
5	Life Sciences	E-Commerce
6	FinTech	Mobile
7	CleanTech	CleanTech
8	AI and Machine Learning	FinTech
9	E-Commerce	Infrastructure
10	Big Data	Life Sciences

The hottest scaleup verticals

The countries that stand out with the highest proportion of scaleups operating in the top 10 European verticals are France for Industrials, Ireland and Belgium for SaaS, Italy for Manufacturing and E-Commerce, Austria for Mobile, Switzerland for Life Sciences and Big Data, UK for FinTech, the Netherlands for Cleantech and AI and Machine Learning for Portugal.

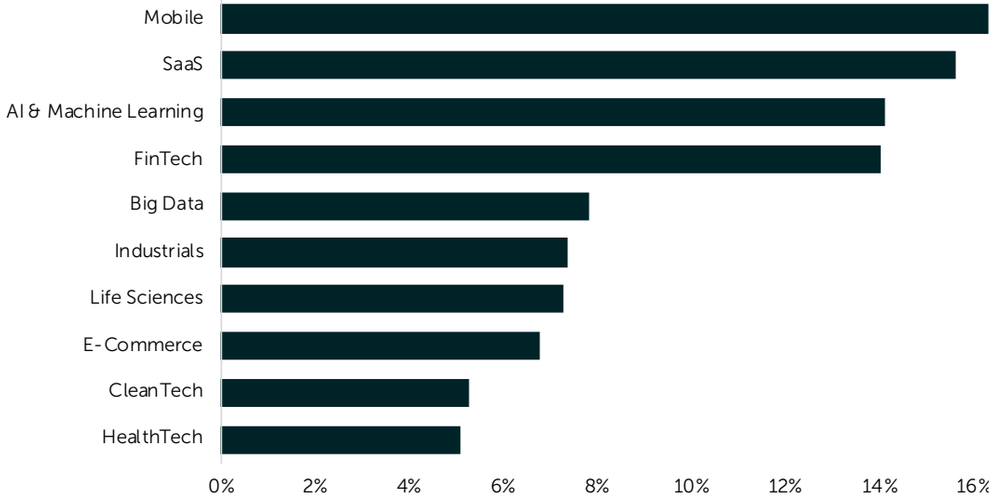
From physical to digital: the growth momentum for young scaleups

Taking a closer look, sharp differences are noted between young scaleups (<5 years old) and older scaleups (>25 years) when it comes to verticals distribution. While older scaleups concentrate in more traditional verticals such as Manufacturing and Industrials, young scaleups are experiencing a growth momentum in upcoming verticals such as Mobile, Saas and AI & Machine Learning verticals. *Read Unknown Group's feature below about how scaleups are coping with a fast-changing ecosystem.*

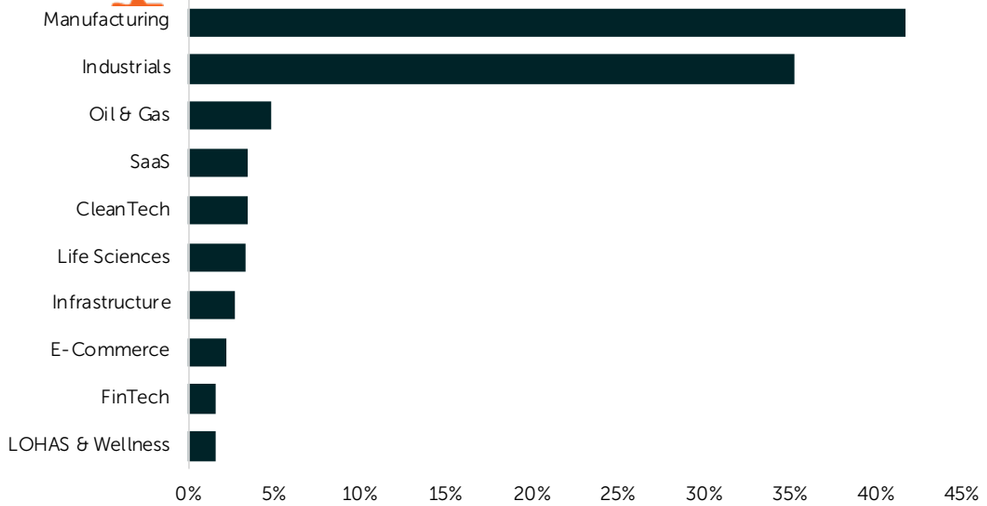
Top scaleup verticals

1	Industrials
2	SaaS
3	Manufacturing
4	Mobile
5	Life Sciences
6	FinTech
7	CleanTech
8	AI and Machine Learning
9	E-Commerce
10	Big Data

Top 10 verticals for young scaleups (<5 years)



Top 10 verticals for old scaleups (>25 years)



Unknown Group | Get in the Ring feature:

What can we do to support a fast-changing startup and scaleup ecosystem?

Wilson Rainho

Head of Scouting
Unknown Group & Get in the Ring

In twenty years from now, our society will look different to the one we know today. The COVID-19 pandemic and the increasing challenges of climate change are urging us to change paradigms and refocus our goals. This is affecting startup and scaleup ecosystems too, in Europe as well as worldwide. Now more than ever, thriving startup and scaleup ecosystems are needed to support this social transition and come up with sustainable innovations to help us build a better tomorrow. However, startups and scaleups are not alone in this journey: players like governments, ecosystem builders, and corporates must be involved and aware of the ecosystem's current challenges to actively support upcoming solutions.

Social distancing affects early-investments

The COVID-19 pandemic changed the paradigm of connections between startups and scaleups, investors, governments, and corporations. The level of connectedness of the startup ecosystem in particular has decreased since the beginning of the pandemic. Less face-to-face interactions affect early-stage businesses as a side effect. Startups and scaleups are struggling to develop deeper connections with partners and investors and to attract investment. Investing in early-stage businesses entails by definition higher risks; startups need therefore to build a deeper relationship with partners and investors to convince them of their capabilities. For early-stage investors, the team is the key factor that influences their decision. The social distancing rules implemented to contain the COVID-19 pandemic have caused a lower connectedness within startup teams, which has in turn led to a higher perception of the risk of investing in young startups. Governments and ecosystem builders should intervene by facilitating engagement and connectedness in a startup and scaleup ecosystem. In this way, they can ensure that, already today, the scaleups of tomorrow can enjoy a sound support system and investment boost.

A new motto: "Doing good is a profitable business"

Secondly, the COVID-19 pandemic reinforced more active action towards climate change. Sectors like CleanTech and Energy are now receiving more attention and investment. While the Paris Agreement and the definition of the new Sustainable Development Goals generated more focus among the society and governments on sustainability, the COVID-19 pandemic has reinforced this. The startup ecosystem is embracing the motto that doing good is a profitable business. The ecosystem should be more aware of the positive impact that startups create in the world as much as they are when it comes to revenue generation or investment they attract. Governments and other policymakers are called to strengthen their ecosystems' capabilities in order to allow startups to grow into a scaleup and ultimately achieve a larger impact.

| Wilson Rainho

European scaleups explained: *the founders*

The gender gap

Scaleups with at least one female founder in the founding team represent only 15% of the European scaleup landscape. The difference becomes sharper when looking at the total funding raised: while scaleups with at least one female founder raise on average €16.58mil, male-only founded scaleups raise on average €26.75mil. *Read about how we should address the untapped potential of female entrepreneurship and what impact that may have on the European ecosystem in our feature below on "The Importance of stimulating female entrepreneurship in Europe".* Female-founded scaleups operate mostly in verticals such as Mobile (177 scaleups), Life Sciences (173), Saas (169), E-Commerce (166), AI & Machine Learning (101) and FinTech (98). In contrast, male-only funded scaleups are mostly found in the verticals of SaaS (1398), Mobile (1083), Industrials (944), FinTech (755) Manufacturing (729) and AI & Machine Learning (621).

Academics taking on the scaleup scene

18.6% of the European scaleups have at least one founder with a doctoral degree. In particular, there are 1,810 scaleup founders with a PhD. When looking at the total of funding raised, these scaleups raise on average €34.13mil, as opposed to the average of €2303 mil raised within scaleups with no academic founder. Scaleups with an academic founder are mostly found in Life Sciences (564), SaaS (195), Oncology (194), AI & Machine Learning (184), and HealthTech (176). Interestingly enough, though, almost none of these scaleups are formally affiliated with a university. *See University of Pisa's feature below to learn more about the role of universities as entrepreneurial players.*

Meet the female founders

These are the top-funded female-founded fast-growing companies in Europe that are 10 years old or younger

1 Glovo

An on-demand delivery application platform utilising a fleet of independent couriers who collect goods from any restaurant or store and deliver urgent packages for a fixed fee, enabling users to order and receive delivered products from the local shops within the city.

Location: Barcelona, Spain
Founded: 2015
Female (co)-founder(s):
Marta de Damborenea
Total raised: €666 mil
Verticals:
FoodTech, Mobile, MobilityTech

2 Hello Fresh

An internet platform that provides customers fresh, healthy, and personalised meal solutions. It offers the choice between various kinds of meals and recipes to be delivered on selected week-days. It has operations in the United States, United Kingdom, Benelux countries, Australia, Germany, Austria, Canada, and Switzerland. The company generates a majority of its revenue from the US.

Location: Berlin, Germany
Founded: 2011
Female (co)-founder(s):
Jessica Nilsson & Maartje Frederiks
Total raised: €626 mil
Verticals:
E-Commerce, FoodTech, Mobile

3 Windeln

An online retailer for baby, toddler and children's products with a presence in ten European countries. The company also operates in China. The product portfolio includes a broad range of diapers, baby food, children's furniture, toys, clothes and strollers to child car seats.

Location: Munich, Germany
Founded: 2010
Female (co)-founder(s):
Dagmar Mahnel
Total raised: €367 mil
Verticals:
E-Commerce

4 Clara-Pensions

Provider of benefit pension scheme consolidation services intended to secure the full pension promise of individuals as quickly as possible. The company brings pension schemes together with governance and a ring-fenced capital buffer, it also acts as a bridge to buy-out, thereby, providing its members with more secure pensions and companies with the certainty to focus on growing their business.

Location: London, United Kingdom
Founded: 2017
Female (co)-founder(s):
Kim Toker
Total raised: €286 mil
Verticals:
HRtech, Insurtech

5 CRISPR Therapeautics

A gene-editing company engaged in the development of CRISPR/Cas9-based therapeutics. CRISPR/Cas9 is a technology that allows for precise, directed changes to genomic DNA. The company advanced programs target beta-thalassemia and sickle cell disease, two hemoglobinopathies that have a high unmet medical needs.

Location: Zug, Switzerland
Founded: 2013
Female (co)-founder(s):
Dr. Emmanuelle Charpentier
Total raised: €251 mil
Verticals:
Life Sciences

Meet the academic founders

These are the top-funded academic-founded fast-growing companies in Europe that are 10 years old or younger

1	Scope Fluidics	*Scope Fluidics focuses on global challenges in health to develop diagnostic and med tech solutions. The company combines the expertise in microfluidic technology with the awareness of the challenges in medical diagnostics. It provides prototyping support for diagnostic services.*	Location: Warsaw, Poland Founded: 2015 Academic (co)-founder | PhD University: *Dr. Piotr Garstecki | Polish Academy of Sciences* Total raised: €6,295 mil Verticals: *Life Sciences, HealthTech*	
2	Telegram	*Developer of an instant messaging application intended to communicate easily. The company's cloud-based application includes group chatting, document sharing, message encryption, cloud storage and message synchronization across various platforms, enabling users to stay connected with friends and family without a hassle.*	Location: London, UK Founded: 2015 Academic (co)-founder | PhD University: *Dr. Nikolai Durov | Saint Petersburg State University* Total raised: €1,700 mil Verticals: *Mobile, SaaS*	
3	Atom Bank	*Operator of a mobile-only bank offering internet banking services. The company's banking services are offered with two market-leading Fixed Saver accounts and a loan offering for SMEs where it allows borrowers to manage everything in an application, providing clients a simple, straightforward and hassle-free process.*	Location: Durham, UK Founded: 2010 Academic (co)-founder | PhD University: *Dr. Edward Twiddy | Durham University* Total raised: €372 mil Verticals: *FinTech, Mobile*	
4	Kahoot!	*A game-based learning & development platform offering E-learning, Gamification, Game-based learning, Interactive presentations, Trivia, Events, Conferences, Engagement, Formative assessment, Compliance training, and Policy training. The company operates in Norway, United States, United Kingdom, France, and Finland.*	Location: Oslo, Norway Founded: 2017 Academic (co)-founder | PhD University: *Dr. Alf Wang | Norwegian University of Science and Technology* Total raised: €350 mil Verticals: *EdTech, Mobile*	
5	CRISPR Therapeautics	*A gene-editing company engaged in the development of CRISPR/Cas9-based therapeutics. CRISPR/Cas9 is a technology that allows for precise, directed changes to genomic DNA. The company advanced programs target beta-thalassemia and sickle cell disease, two hemoglobinopathies that have a high unmet medical needs.*	Location: Zug, Switzerland Founded: 2013 Academic (co)-founder | PhD University: *Dr. Emmanuelle Charpentier | Institut Pasteur* Total raised: €251 mil Verticals: *Life Sciences*	

The importance of stimulating female entrepreneurship in Europe

Entrepreneurship is recognised as an important source of innovation, job creation and economic growth. There's already a lot of entrepreneurial activity in Europe, but there is still some untapped potential, namely female entrepreneurs. Given that women constitute 52% of the total European population, but only 34.4% of the self-employed, and 30% of all startup entrepreneurs[1], they arguably represent the largest untapped entrepreneurial and leadership potential in Europe. When we unlock this potential, this not only leads to a positive economic impact but also a positive social impact by bringing about a fairer distribution of opportunity and prosperity across society.

Marleen Bax

Project Manager
Research & Education
Erasmus Centre for Entrepreneurship

Dr. Ingrid Verheul

Associate Professor
Strategic Management and Entrepreneurship
Rotterdam School of Management

It is widely recognised that the underrepresentation of women in entrepreneurship as well as in economic leadership is a significant issue that ought to be addressed. Despite the fact that female entrepreneurs face their own challenges, there is no doubt that they also have the capabilities to successfully exploit (new) business opportunities, as demonstrated by the existence of many successful scaleups (co-)founded by women that we see on the previous page.

When we look at the situation in the Netherlands specifically, we see an increase of 29% in the number of female entrepreneurs (from 492.000 to 637.000), with an increase of 42% for women up to 35 years old over the last five years[1]. At the same time, to-date, there are still fewer women than men who grow their startups and young ventures into a scaleup. The number of scaleups with at least one female entrepreneur[2] in the Netherlands remained more or less stable at around 12% over the last five years. However, currently, we are at the lowest point in the past five years with a percentage of 11,2%.[3]

The relatively lower number of fast-growing companies owned and operated by women (compared to men) is also visible in other countries. One of the reasons for this is that there is a lack of motivation for scaling-up among European female entrepreneurs. Only 5,5% of new female led startups expect to create at least 19 jobs over the next five years relative to 12,3% of those led by men. Men tend to be more financially motivated in their objectives than women. On top of this, women are in general more purpose-driven than men. Women that start a business are more likely to have the motivation of making a difference in the world. More female entrepreneurs can thus be beneficial in tackling the SDGs through entrepreneurship.[4]

To support and motivate the new generation of (young) female entrepreneurs to (rapidly) grow their companies, it is important to expose them to successful female role models. Research by Bechtold and Huber (2018)[5] demonstrates that exposure to female entrepreneurs boosts the development of female students' entrepreneurial self-efficacy which, in turn, may impact (new) venture performance (Newman et al., 2019)[6]. This means that universities can (and should) play a big role in stimulating female entrepreneurship.

1 https://eit.europa.eu/our-activities/entrepreneurship/women-entrepreneurship-and-leadership
1 Financieel Dagblad, March 6, 2020
2 Entrepreneur is defined here as: independent entrepreneur / self-employed person with a registered company (including partners, director and major shareholders)
3 Erasmus Centre for Entrepreneurship, ScaleUp Dashboard 2020, based on data of Statistics Netherlands (CBS)
4 Global Entrepreneurship Monitor 2019/2020 Global report
5 https://Monitors-aom-org.eur.idm.oclc.org/doi/abs/10.5465/AMBPP.2018.209
6 https://www-sciencedirect-com.eur.idm.oclc.org/science/article/pii/S0001879118300587

| Marleen Bax & Dr. Ingrid Verheul

University of Pisa feature:

The role of universities as entrepreneurial players

Prof. Dr. Giovanna Mariani

Professor Corporate Finance
University of Pisa

UNIVERSITÀ DI PISA

"The university system, with its third mission, is called to play a strategic role in the local economic system as an accelerator of entrepreneurial metamorphosis" - Prof. Dr. Giovanna Mariani.

At the University of Pisa[1], we implemented a multiplier through which we show the value generated in the local community area of Pisa through the University investments in Technology Transfer both in economic terms and in terms of Intellectual Capital creation. The multiplier value results in 2,74. This means that one euro invested in technology transfer generates a value of 2,74 times the capital invested from 2010 to 2014. 102 additional jobs are also generated.

New venture foundation is one of the main objectives of Technology Transfer activities a university can engage in within the scope its third mission. Academic spinoffs are a direct result of that and the main driver of job creation. However, we still struggle to see academic spinoffs grow into scaleups, in Pisa as well as in the rest of Europe. This also emerges in this edition of the European Scaleup Monitor.

In our research at University of Pisa, we wonder why, despite their multiple direct and indirect benefits on a regional economy, academic spinoffs tend to maintain a chronically small scale. There are several reasons for that, which are to be found at the micro, meso and macro level of the university-centred entrepreneurial ecosystem where academic spinoffs emerge, as recently also highlighted by a study[2] from Erasmus Centre for Entrepreneurship.

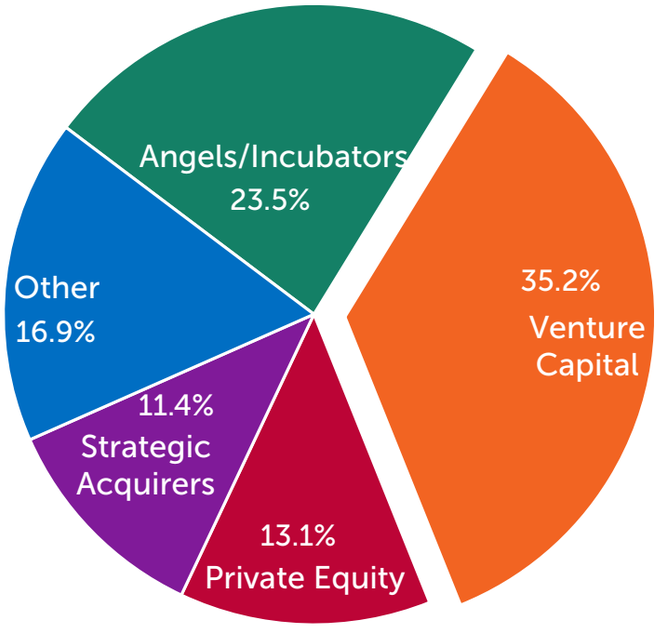
One thing is for sure: universities have a renewed role in fostering entrepreneurial activities both inside and outside the boundaries of their campuses and need to live up to such challenge. As we see in the analysis of this report, many scaleups in some of the most knowledge- and research-intensive verticals are experiencing a particular growth momentum. If these trends are to stay in the coming years, European universities have a great opportunity to exploit, also thanks to the high quality of their research and educational activities.

1 Mariani, G, Carlesi, A, Scarfò, A. (2018), "Academic spinoffs as a value driver for intellectual capital: the case of the University of Pisa", Monitor of Intellectual Capital, Vol. 19 Issue, 1, pp.202-226.
Mariani G. (2018), "University as new entrepreneurial finance player: a search for the new role" in Monitor of Governance and Regulation/Volume 7, Issue 4, 2018 , DOI: 10.22495/jgr_v7_i4_p3, pp. 19-26.

2 This study was conducted for the Advisory council for science, technology and innovation (AWTI), which can be accessed via this link: https://www.awti.nl/documenten/adviezen/2020/11/09/rebooting-report-a-better-start-the-key-to-growth-of-knowledge-intensive-start-ups-in-europe

European scaleups explained: *funding*

Distribution of type of investments in scaleups



Type of venture capital (VC)	Percentage of scaleup investments
Venture Capital	31.6%
Corporate VC	3.2%
Not-For-Profit VC	0.4%

A big slice of the scaleup pie for VCs

Scaleups make the most use of investments in terms of venture capital, followed by angel investments and investments through incubators and accelerators, as shown in the figure above. A comparable distribution in type of investments is visible for grownups.

Investment trends per vertical

Some interesting trends arise when we zoom into the industry verticals in which most investors decide to invest. Business angels and incubators/accelerators invest most in companies active in the SaaS (12.5%) and Mobile (11.9%) verticals, which demonstrates a similar pattern for Venture Capital (VC). 11.4% percent of VC is invested in companies active in SaaS and 10.4% percent in companies active in Mobile. We see another trend with the Private Equity investments, with the most popular verticals being Industrials (19.1%) and Manufacturing (17.9%). Strategic acquirers follow a similar trend with the largest number of investments in Industrials (15.2%) and Manufacturing (11.2%).

European scaleups explained: *funding*

Top invested scaleup countries	
1	United Kingdom
2	France
3	Germany
4	Ireland
5	Switzerland
6	Italy
7	Netherlands
8	Norway
9	Sweden
10	Poland

Top invested scaleup cities	
1	London
2	Paris
3	Dublin
4	Oslo
5	Milan
6	Amsterdam
7	Moscow
8	Berlin
9	Warsaw
10	Stockholm

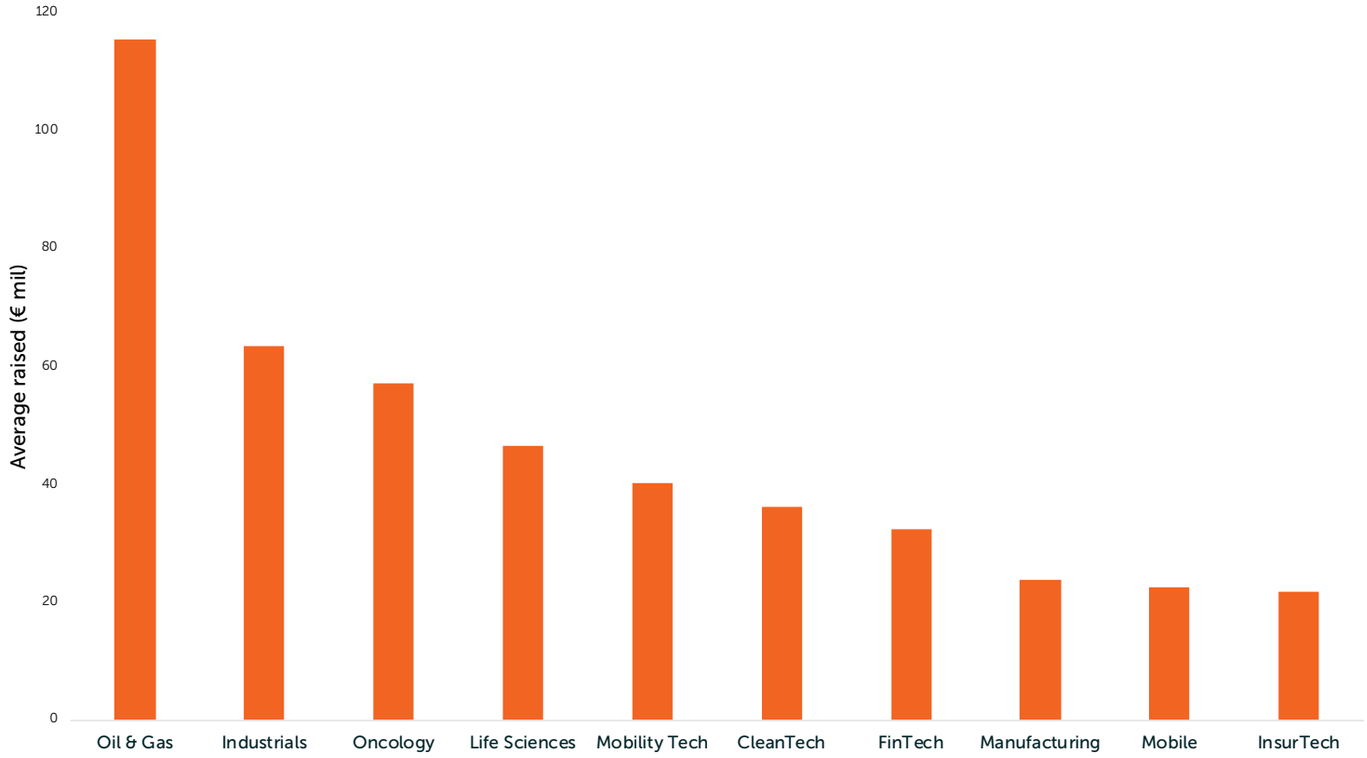
UK, France and Germany stand firmly at the top three while Ireland and Warsaw climb up the ranking

These are countries and cities in Europe where most funding is raised through scaleups. It is not surprising that the United Kingdom is number one, given the high number of scaleups based in that country. The top three countries are the same countries as the countries with the highest number of scaleups.

It is remarkable that Ireland claims the fourth spot in the top invested scaleup countries while it is the ninth country in number of scaleups, this implies that in general the investments in Irish scaleups are higher than average. We see the opposite trend for scaleups from Sweden, they score fourth place in the number of scaleups and in the top invested scaleup countries, ninth place. This implies that the investments in Swedish scaleups are lower than average.

Another interesting fact to mention is that Warsaw is number nine in the top invested scaleup cities while it doesn't have a spot in the top 20 cities with the highest amount of scaleups. This means that the average investments in scaleups based in Warsaw is considerably higher than average.

European scaleups explained: *funding*



Top 10 invested verticals

Investments into Oncology, LifeSciences and Insurtech on the rise: healthcare scaleups as a new trend

The figure above shows the average amount of funding raised through investments into different industry verticals. It is surprising that scaleups in the Oil & Gas vertical raised a considerable amount of funding even though this vertical did not even make it to the top 10 verticals in which scaleups operate. Oncology, MobilityTech and InsurTech are also newcomers into the spotlight when it comes to average amounts raised in these verticals. Although it is comforting to see considerable investments into scaleups involved in Oncology, LifeSciences and InsurTech, it is concerning that we do not see as many explicit investments into impact scaleups besides those involved in CleanTech.

Impact scaleups in the spotlight

To solve the most pressing social and environmental issues of our time, we need impact scaleups such as the ones highlighted here to bring about much-needed social and environmental change in Europe and beyond.

Read Impact Factory's feature below on the rising importance of impact scaleups in the European scaleup landscape.

1	Quentic	**Quentic**	*Software products for health and safety, environmental management and sustainability management. Its product Eco-WebDesk, is a unified platform that allows companies to align their data and targets with operational requirements and key indicators, environmental protection regulations and legal norms, workplace safety and risk management requirements to manage companies' cost-efficiently, securely, sustainably and in an environmentally-friendly way.*	Location: Berlin, Germany Founded: 2007 Total raised: €42 mil Verticals: *SaaS, TMT*
2	Black Bear Carbon Black	**Black Bear Carbon**	*Provider of renewable resource services intended to convert used tires into carbon black. The company's services use a circular economy model to transform waste tires into safe, simple to use and sustainable products as well as engages in selling it as an additive in rubber, plastics, inks, and paints, enabling customers to get access to pure and recyclable carbon compounds.*	Location: Utrecht, Netherlands Founded: 2010 Total raised: €21 mil Verticals: *CleanTech, Industrials*
3	GAMAYA	**Gamaya**	*Developer of smart farming applications designed to offer sustainable agriculture and global food security through universal access to agronomy. The company's platform uses a combination of patented hyperspectral imaging technology, embedded cameras, and analytical software to translate raw hyperspectral data and satellite data into actionable agronomic insights enabling farmers to use water, fertilizers, chemicals, and fuel more efficiently.*	Location: Morges, Switzerland Founded: 2015 Total raised: €16 mil Verticals: *AgTech, SaaS*
4	Algaia	**Algaia**	*Producer of algal biomass intended to help in aquaculture and animal feed. The company's algal biomass is produced with a patented technology that recreates the natural growing conditions of algae, enabling clients to meet the growing demand for protein.*	Location: Lannilis, France Founded: 2004 Total raised: €12 mil Verticals: *Foodtech, Life Sciences, Manufacturing*
5	arbnco	**Arbnco**	*Provider of a proprietary technology designed to deliver commercial real estate improvement analysis. The company's technology enhances energy performance, manages building compliance, monitors indoor air quality and forecasts the impact of climate change on buildings, enabling clients to maximise the value of their assets.*	Location: Glasgow, Scotland Founded: 2012 Total raised: €9 mil Verticals: *CleanTech, SaaS*

Impact Factory feature:

The rising importance of impact scaleups

Oliver Kuschel & Dirk Sander

Managing Directors
Anthropia gGmbH

IMPACT FACTORY

Startups are known to be innovative companies with a strong societal impact. Impact startups differ from other regular young ventures in their goal to solve prominent social and ecological challenges through what is referred to as social entrepreneurship. According to the Social Entrepreneurship Network Germany (SEND)[1], "the primary goal of social entrepreneurship is the resolution of societal challenges. This is achieved by an ongoing use of entrepreneurial means" (SEND, 2019). In other words, for social entrepreneurs, building a successful business is a way to achieve social and ecological impact in a sustainable way. In order to achieve their mission, impact startups need to be in the condition to successfully grow into a scaleup and have a larger impact. While scaling-up may often be a challenge for impact startups, its social relevance has never been more relevant than in 2020.

Amidst the COVID-19 pandemic, impact startups continue to rise

The COVID-19 pandemic has pointed at how fragile and vulnerable our globalised economic system is and to what extent developed economies depend on consumer-driven demand. These days, consumers have become more aware of their habits and of the true cost these have. As a consequence, they often ask themselves "Do I truly need this?", "What is really important to me?" and "How can we live sustainably?". The founders of impact startups and scaleups have been asking themselves these questions since the very beginning of their entrepreneurial journeys. By creating successful companies with a positive social and ecological impact, social entrepreneurs have contributed to increasing awareness to the point that sustainability and impact have evolved into the "new normal": According to the "German Startup Monitor[2] 2020", more than 55% of all German startups state that it is important or very important to offer a product or service with a social or ecological impact.

Scaling-up is crucial to elude the financial gap

Most startups need external capital to survive the negative cash flow period at the beginning of their life cycle. Access to capital providers such as business angels or VCs is, however, often denied to "impact first and profit second"-startups since most investors primarily seek to increase their financial returns on the capital invested. As long as impact measurement has not yet been standardised, impact returns on capital invested are not a "hard" currency. This is the undoing of many impact startups, which is highly unfortunate given their value for society. Since they want to solve the great social and ecological challenges of our time, impact startups also require public funds. In this area, most European countries still have a lot of catching up to do.

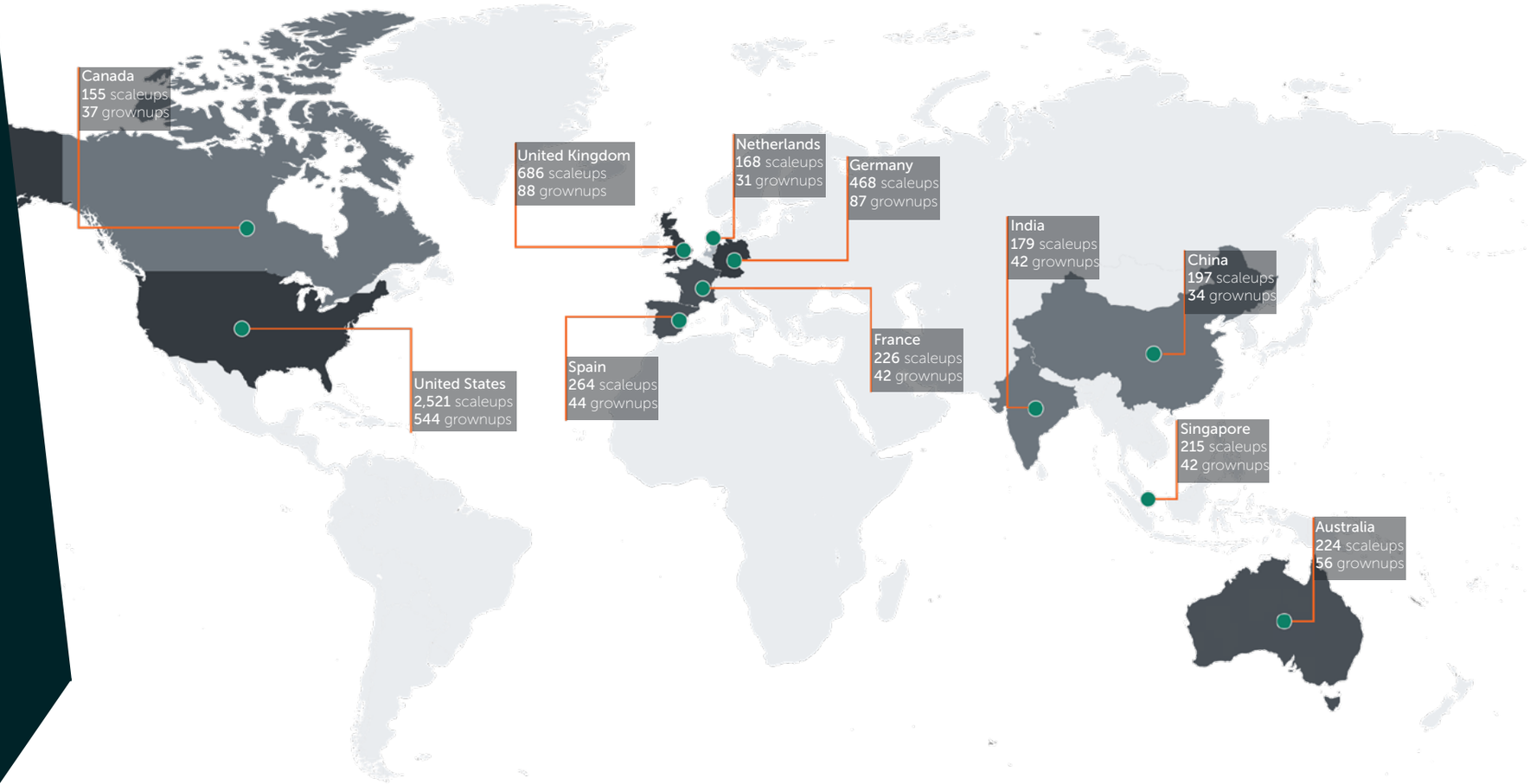
1 https://www.send-ev.de/
2 https://deutschestartupmonitor.de/

| Oliver Kuschel & Dirk Sander

European scaleups explained: *scaling internationally*

13,944 fast-growing companies headquarted across Europe have a total of 13,420 offices outside of their European headquarters. These international offices are made up of 11,098 regional offices and 2,322 regional headquarters. 40.54% of scaleups and 33.72% of grownups have at least one alternate office (either a regional office and/or a regional headquarter). In this map, you can see the top international locations outside of the scaleups' and grownups' European headquarters when counting the number of alternate offices.

Top international locations for scaling-up



International scaleups in the spotlight

We live in a globalised economy with abundant opportunities for international scaleups to exploit and continue their fast-growth. These fast-growing companies have an impressive international presence with multiple global offices and continue to grow even in 2020.

Read weGrow's feature below to find out how scaleups can become successful like these best practices.

1	Darktrace	*Developer of a cyber threat defense platform designed to detect and respond to previously unidentified threats. The company's platform detects cyber-threats including insider threat, industrial espionage, data loss, supply chain risk and long-term infrastructure vulnerabilities, thus enabling businesses to protect against threats to the cloud, email, IoT, networks and industrial systems.*	Location: Cambridge, UK Founded: 2013 Total raised: € 339 mil # of global offices: 44 Verticals: *Artificial Intelligence & Machine Learning, Cybersecurity, SaaS*	
2	Roamler	*Provider of B2B crowdsourcing services intended to perform location-based tasks across large areas. The company's architecture is designed to scale in several verticals and geographies, with first implementations in industries such as field marketing in the retail sector and in-home internet of things installations and repairs, enabling companies to get efficient people who can perform on-demand tasks throughout Europe.*	Location: Amsterdam, Netherlands Founded: 2011 Total raised: € 29 mil # of global offices: 10 Verticals: *SaaS, Internet of Things*	
3	Wallbox	*Designer and manufacturer of electric car chargers intended to allow customers to charge their electric vehicles (EVs) anytime at their residences. The company offers overload protection against power surges, reduced charging times and automatic charging scheduling for off-peak hours to help minimize clients' expenses associated with charging their EVs.*	Location: Barcelona, Spain Founded: 2015 Total raised: € 29 mil # of global offices: 9 Verticals: *Manufacturing, CleanTech*	

weGrow International feature:

Scaling-up your business in Europe in the 2020s

Florent Coudyser & Gernot Schwendtner

Co-founders
weGrow International

How should scaleups expand internationally? – and what does 2021 hold for them?
Despite the challenging year, the European tech sector has still performed extremely well in 2020. The Index Ventures report indicates that the value of European tech companies skyrocketed by 46% in 2020 alone – and that it is now worth four times what it was five years ago. Internationalising in Europe brings immense potential for scaleups. Amsterdam, Berlin and Paris are set to hold their positions as the startup super-hubs of Europe.

However, Europe is far from a homogenous region. Success in one European market does not necessarily translate to success in another. For many scaleups, this process is a hidden minefield, where an unforeseen trap may often leave many casualties. Failing to grow in new markets might also lead to a bad track record and missed funding rounds. Understanding the native product-market fit, local nuances, cultural differences in ways of working, selling and building trust: all these elements will be crucial in determining the right market, the right moment and the right way to expand.

Setting up a good process and decision tree, is key to expansion success.
At weGrow, we always recommend entrepreneurs wishing to expand their business abroad to be aware of the following:

0 - What is "the why"? A speed-game to land-grab market shares. A quest to unlock the next funding round. A natural fast market expansion? because the home-market is too small.

1 - Is your scaleup ready to grow internationally? Determine first if you are growth ready by analysing factors such as scalability of product, infrastructure and financial readiness.
2 - Where to grow best? Heading with your expedition into the wrong direction can lead to many frustrations. Select the right markets and prioritise them. Many of us make the mistake of basing such decisions on gut-feeling or superficial analysis. You can avoid entering into the wrong market by thorough research and qualitative local market insights.

3 - How to achieve native product-market fit best? Before executing a market roll-out, test how strong the local product-market fit is, validate the markets and work with experts to get clear insights into the product or service's likelihood of success.

4 - How to win? Plan it! Once you determine the product-market fit, execute a strategic go-to market action plan with an impactful market entry, e.g. a (virtual) office launch, marketing and sales efforts to support and much more. Evaluate the various organisational models that exist to see which support the expansion best.

5 - How to repeat? Lastly, note your key learnings along the way in order to create your very own internationalisation playbook. In this way, you can transfer knowledge within the team and support future growth efforts.

Our suggestion to those looking to expand internationally in the coming year, is to approach it from a different angle; one that is more flexible and less of a linear, waterfall approach. The opportunities are plenty, but businesses need to be well-positioned, with a flexible strategy at hand and able to adapt in order to capitalise on them.

| Florent Coudyser & Gernot Schwendtner

Conclusion

This edition of the European ScaleUp Monitor was a first attempt to provide inspiring and challenging insights into the world of scaleups from a European perspective. Throughout the report, the main characteristics of the European scaleups are highlighted, paying particular attention to their strengths and weaknesses, but also their future opportunities as well as those of the regional ecosystems they are based in.

The Monitor addresses a large variety of ecosystem players, starting from (startup, scaleup and grownup) entrepreneurs, to more broadly include investors, universities, governmental agencies, incubators and accelerators. In order to provide them with the most complete and insightful picture around the world of scaleups in Europe, but also to trigger their curiosity and challenge their knowledge, we included the contribution of some of our international partners as well. In this sense, the European ScaleUp Monitor 2020 is just the first of a series of more in-depth reports that will follow in 2021.

In the diversity of the considerations that the European ScaleUp Monitor 2020 puts together, one verdict stands out above all: we need a much stronger, more vibrant and more interconnected European scaleup ecosystem. Europe has outstanding resources in terms of entrepreneurship, knowledge and innovation. Yet, many scaleups encounter a hurdle to their growth by not being able to access the right talent, funding and market. These issues request an answer that takes into consideration broader ecosystem factors at the European level too. However, while countries such as the UK and France, but also Sweden and the Netherlands, have articulated economic policies to sustain their scaleup ecosystems, the European landscape lacks coordination. As a consequence, it is missing out on several opportunities.

Having a stronger and more intertwined European ecosystem will reinforce the long-term competitiveness of European countries' economies. Individual countries cannot compete with giants such as the United States or China, where the available resources, especially in terms of funding, are known to be more plenty than in Europe. If we want to keep being a top economic player, we ought to rethink how we cooperate with each other. In this way, we can block the drain of scaleups leaving Europe to secure funding elsewhere and help them grow and innovate in Europe.

Moreover, by joining forces we have an opportunity to collectively address the more pressing societal issues of our times. Climate change has become even more prominent on the EU-agenda and of its Member States. By targeting scaleups and teaming up with them on the joint mission to realise our sustainability agenda, Europe can make a greater and faster impact. The reason is simple: as scaleups are used to growing and adapting fast in terms of size and (international) scale, they are more suited to achieving a larger impact in a quicker manner.

In conclusion, further coordination within the European ecosystem is needed to organise more coordinated growth programmes that make resources such as talent, capital and (international) market more accessible for European scaleups. At Erasmus Centre for Entrepreneurship, we are proud to take the initiative: together with our partners, in 2021 we are launching new research activities that will help ecosystem actors coordinate their efforts and strengthen their regional economies.

... in other words, stay tuned!

| Erasmus Centre for Entrepreneurship
Research Team

About Erasmus Centre for Entrepreneurship

About Erasmus Centre for Entrepreneurship

Erasmus Centre for Entrepreneurship is Europe's leading entrepreneurship centre. Driven by the belief that entrepreneurship is the most important condition for innovation, we strive to weave entrepreneurship into people's DNA, leveraging the knowledge and network of Erasmus University Rotterdam, a university founded by entrepreneurs more than 100 years ago. The European ScaleUp Monitor is one of many research projects that we conduct to monitor the European innovation ecosystem and provide insights to strengthen it.

Research into scaleups

Scaleups play an important role for the economy: not only do they provide new business activities and job creation, but they also bring changes and innovation with them. It is therefore necessary that we continue to invest in supporting startups and scaleups with our local, national and European government agencies. It is especially important now more than ever to do so in times of pressing societal issues, such as the coronacrisis, but also the climate change. In this way we can strengthen (local) innovation ecosystems and increase the positive impact of fast-growing companies on a city, country or at the European level as well.

At the Erasmus Centre for Entrepreneurship, we work together with various municipalities, development companies, ministries and other public organisations around the world to help them realise that mission. We offer them scientific insights into their ecosystem and the companies that play an important role in it. At the same time, we combine this with practical knowledge and recommendations to create a favourable economic environment that enables local businesses to continue to grow and innovate.

Starting with this publication, in the coming months, we intend to make even more resources available to foster scaleup growth at the European level. In this way, we want to maximise the impact of the knowledge European universities have around this topic.

Interested?

For further questions, reach out to us via the contact details below.

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Head of Scaleup Research
Erasmus Centre for Entrepreneurship

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+31 10 302 1331

Methodology

The insights shared within the European ScaleUp Monitor is the result of a combination of qualitative and quantitative research approaches. The qualitative contributions are presented in a list of acknowledgements in the next page.

Sample Selection

The quantitative analysis presented in the European ScaleUp Monitor is based on company data from Pitchbook, Inc. See https://pitchbook.com/research-process for details about the data collection methodology.

A total of 13,944 companies headquartered across 45 European countries are analysed in this report. This includes 12,135 "scaleups" and 1,809 "grownups". In line with the Startup Europe Partnership reports (https://startupeuropepartnership.eu/reports/), the companies are selected based on the amount of funding (at least €1 million) raised over the past 10 years (January 2010 - December 2019).

Definitions

Scaleups are fast-growing companies that have proven their business model and are scaling up. In this report specifically, these are companies that have raised at least €1 million over the past 10 years (January 2010 to December 2019) and have less than 475 employees.

Grownups are fast-growing companies that have already scaled up. In this report specifically, they are companies that have raised at least €1 million over the past 10 years (January 2010 to December 2019) and have more than 475 employees. The benchmark of 475 employees is based on an upper bound outlier calculation made for this specific dataset.

Verticals represent a specific investment area of focus that cannot be accurately depicted by industry groups alone. Verticals commonly span across industries, such that companies tagged to a vertical may belong to a variety of different industries. See https://pitchbook.com/what-are-industry-verticals for more detail about each industry vertical.

Since the technology, media and telecommunications (TMT) vertical is comprised of all tech-related verticals combined with industries that include the entire information technology sector, most companies in our sample fall within this category. The TMT vertical is therefore excluded from the analysis.

Contributions

The Erasmus Centre for Entrepreneurship Research Team members who contributed to the first edition of the European ScaleUp Monitor are:

- Prof. dr. Justin Jansen (Academic Director)
- Prof. dr. Tom Mom (Professor Strategic Growth and Implementation)
- Leonardo Fuligni (Head of Scaleup Research)
- Marleen Bax (Research and Education Project Manager)
- Katty Hsu (Researcher and Startup Facilitator)
- Niels de Groot (Project Member)
- Boris de Veer (Research Design)

We would like to thank all organisations that contributed to the first edition of the European ScaleUp Monitor, with a special thanks to the authors of the special features:

ifm Mannheim and Strategy Nation
ifm Mannheim is the Institute for SME Research and Entrepreneurship of the University of Mannheim, Germany. Strategy Nation is a company that provides strategy design, development, research, and advisory for startups, scaleups and technology-driven companies. They collaborate on research projects about scaleups with the University of Mannheim.

- Baris Istipliler is a researcher and lecturer at the Institute for SME Research and Entrepreneurship of the University of Mannheim, Germany. His research interests focus on family business management, entrepreneurial cognition & action, digital entrepreneurship, and strategic management.
- Claire Mula (Managing Director, Strategy Nation) is a startup coach and entrepreneurial ecosystem builder, supporting entrepreneurs and their ventures through research, programme development, and advisory. Claire has 25 years' entrepreneurial and corporate experience across Asia-Pacific and Europe. As a technology Entrepreneur, Claire experienced first-hand the successes and pitfalls of startup life, ultimately exiting through a direct sale in 2017.

Impact Factory
The Impact Factory is a collective initiative of the Gründungspartner Beisheim Stiftung, Franz Haniel & Cie. GmbH, KfW Stiftung und **Anthropia gGmbH** mit Unterstützung der Programmpartner Der Paritätische NRW und Wilo-Foundation. As of 2020, nearly 100 impact startups from all over Germany have joined the Impact Factory community. By providing a collaborative space, they connect impact startups with professional experts and corporates at an early stage. In addition, they offer them guidance and support in fields such as marketing, sales or fundraising, and provide them with a space to accelerate community building. As an incubator, the Impact Factory aims to prepare impact startups to grow into the impact scaleups that society urgently needs to face the social and ecological challenges of the 21st century.

- Oliver Kuschel and Dirk Sander are managing directors of Anthropia GmbH

University of Pisa
The University of Pisa, formally established in 1343, is one of the oldest universities in the world and it has been extraordinarily successful in updating its structures and human resources in order to meet the new challenges of international research and education at the highest level. Nowadays it is organised in 20 departments. It has about 54.000 students, 1517 faculty members, and 1477 technical and administrative staff members.

- Dr. Giovanna Mariani is a full professor of Corporate Finance at University of Pisa. She is member of Committee Academic Spin-off evaluation and she participates to the entrepreneurial training programme and supports students, researchers and academics to launch new academic spin-off.

Contributions

Unknown Group
Unknown Group is a venture capital that goes beyond known. We fuel founders to answer their calling by unlocking the unknown. With their venture engine to support ventures to scale to 100 million.

Get in the Ring, part of Unknown Group, is a global startup competition active in over 200 cities worldwide. They work alongside industry-leading partners to support and scale early-stage startups across the globe connecting them with the right partners.

- Wilson Rainho is active as Head of Scouting at the Unknown Group & Get in the Ring

weGrow International
weGrow International is a hands-on consultancy specialised in helping tech startups & scaleups achieve fast and sustainable international growth within Europe. The core teams are located in Amsterdam, Berlin and Paris, and work with a network of 100 experienced scaling-experts in Europe, Asia and USA.

In the last three years, they have worked with a wide range of fast-growing businesses in Europe and the USA, including the likes of WeTransfer, Channable, ParkBee, Ticketswap, Honeypot and more, positively impacting more than 300 founders by helping them achieve their international goals and creating many new jobs.

- Florent Coudyser and Gernot Schwendtner are both co-founders of weGrow International