

STARTUP ECOSYSTEM SURVEY

THAILAND 2018

สอวช.

สำนักงานสภานโยบายการอุดมศึกษา
วิทยาศาสตร์ วิจัยและนวัตกรรมแห่งชาติ



TTSA
THAILAND TECH
STARTUP ASSOCIATION

**STARTUP
THAILAND**
NATIONAL STARTUP COMMITTEE

RESEARCH DESIGN

1. Questionnaire Design

Pre-Test Questionnaire

Focus Group

Content

Profile and Performance of Thai Startups

Founders' Opinion Survey

2. Target Group



558 Startups

3. Data Collection



Web Survey

4. Timeframe



August - October 2018

5. Responses



215 Responses
 (responses rate 39%)
 68% are first-time respondents

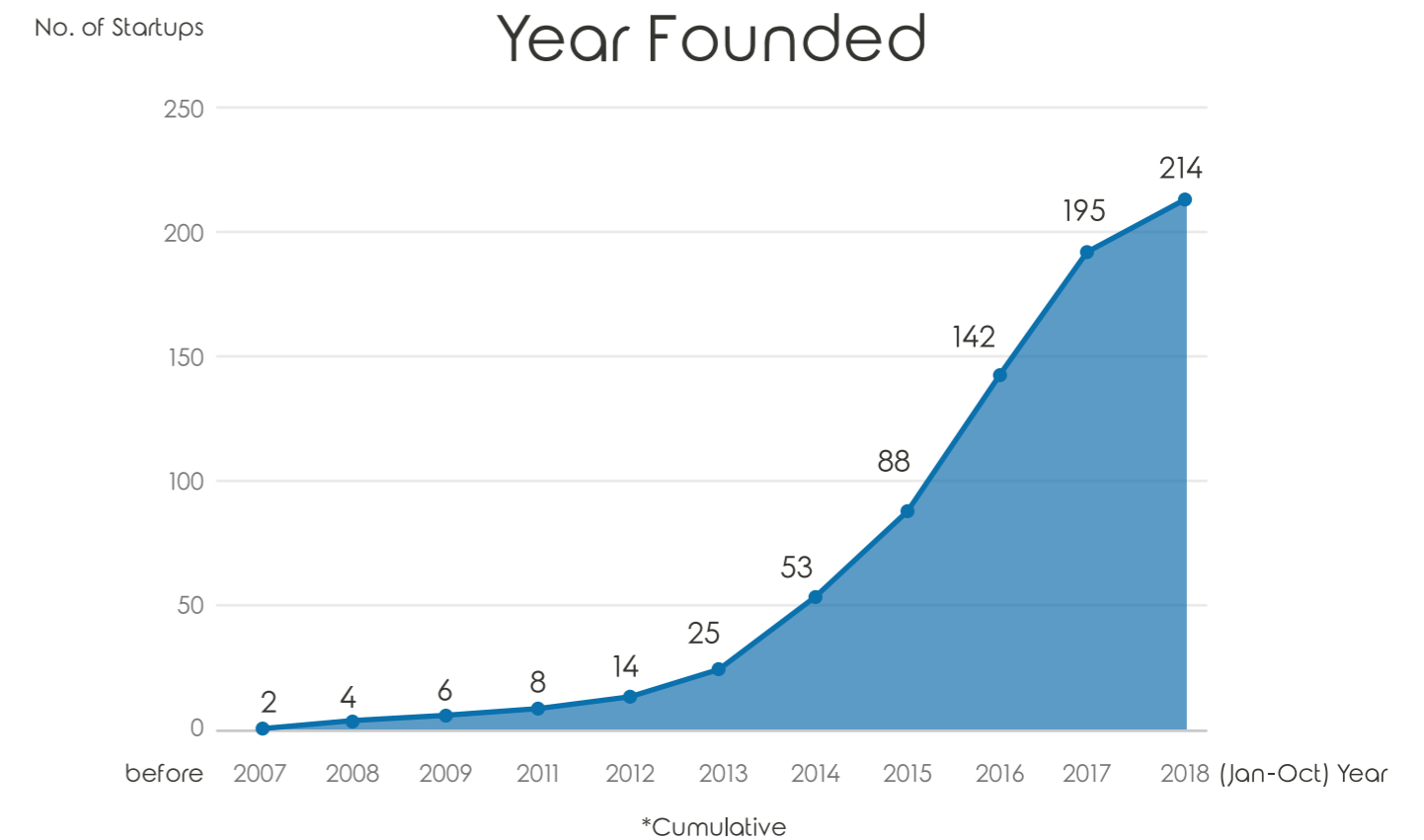
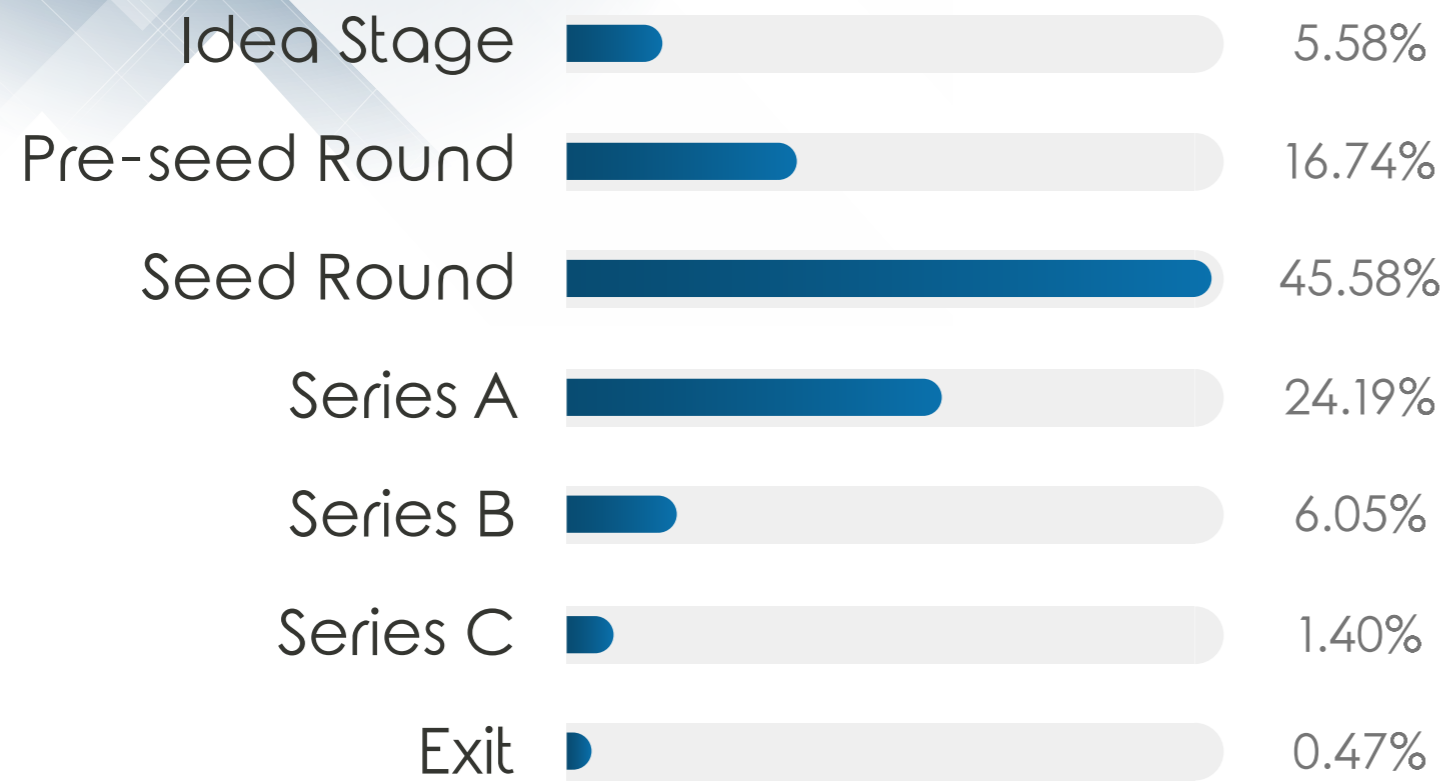
6. Focus Group



Within the Startup Community

Profile and Performance of **Thai Startups**

GENERAL INFORMATION



*75% of Startups Based in Bangkok (Wathana, Bang Rak, Phayathai, Chatuchak, Khlong Toei Districts)

TOP 5 Industries

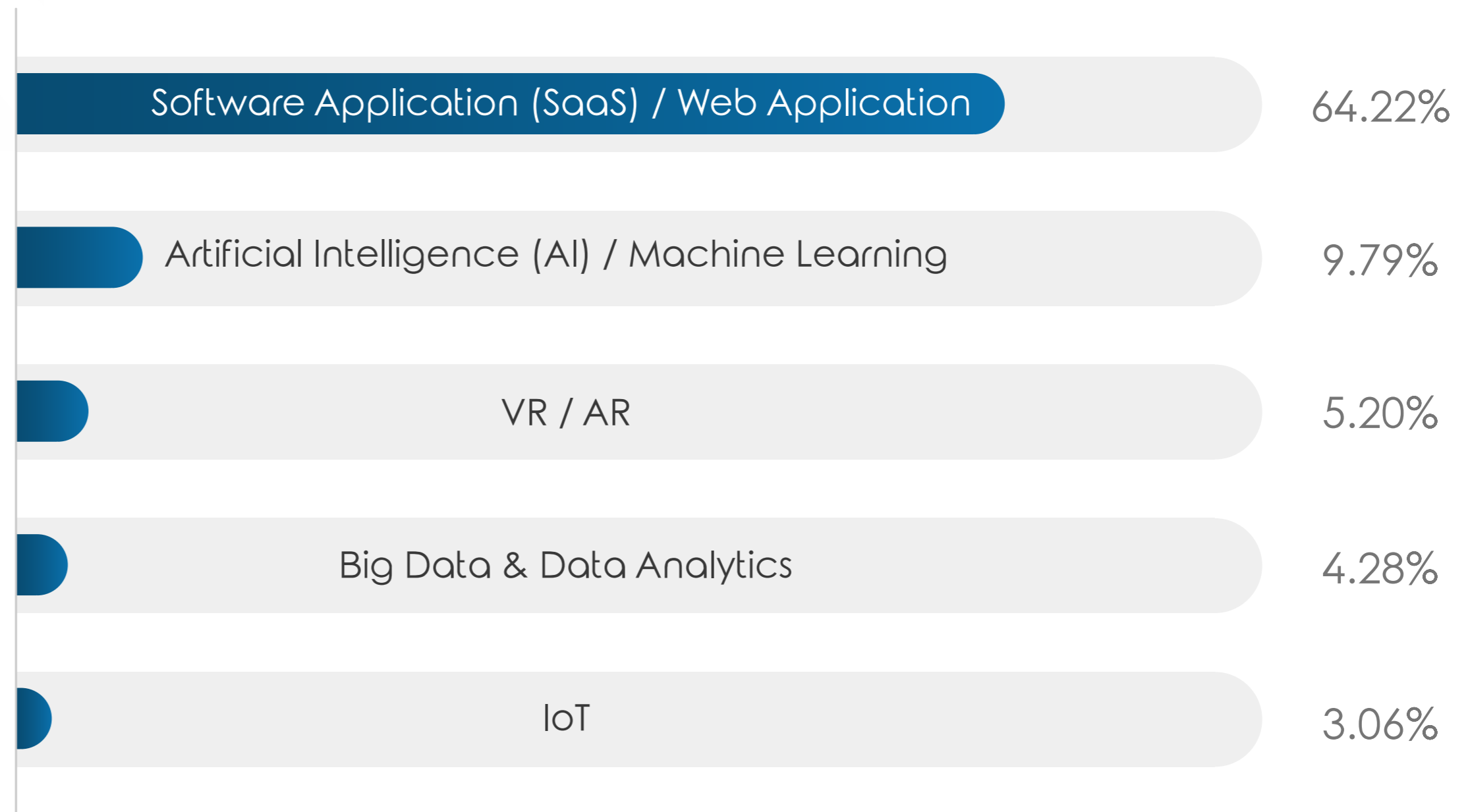


KEY TECHNOLOGIES USED BY STARTUPS



1 Out of 3
 Startups
 are Using
Deep Tech

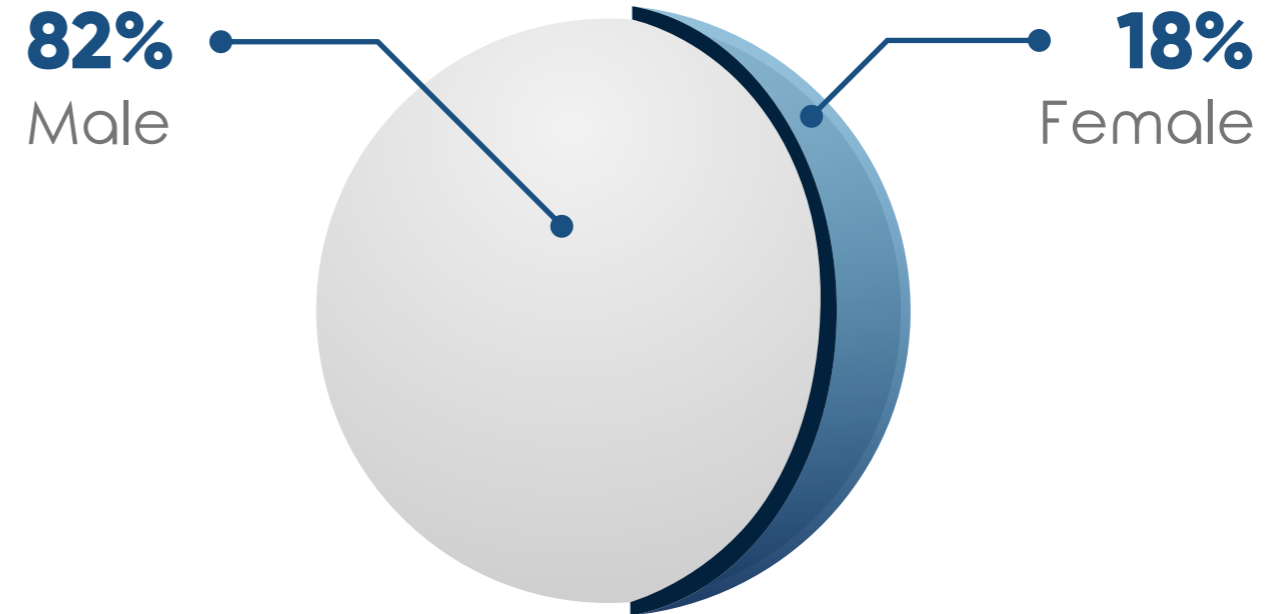
(AI, Machine Learning, VR / AR, Big Data & Data Analytics, Biotechnology, Blockchain, Cloud & Security, etc.)



PROFILE OF STARTUP FOUNDERS



Thai Startups Have
3-4 Founders
on Average



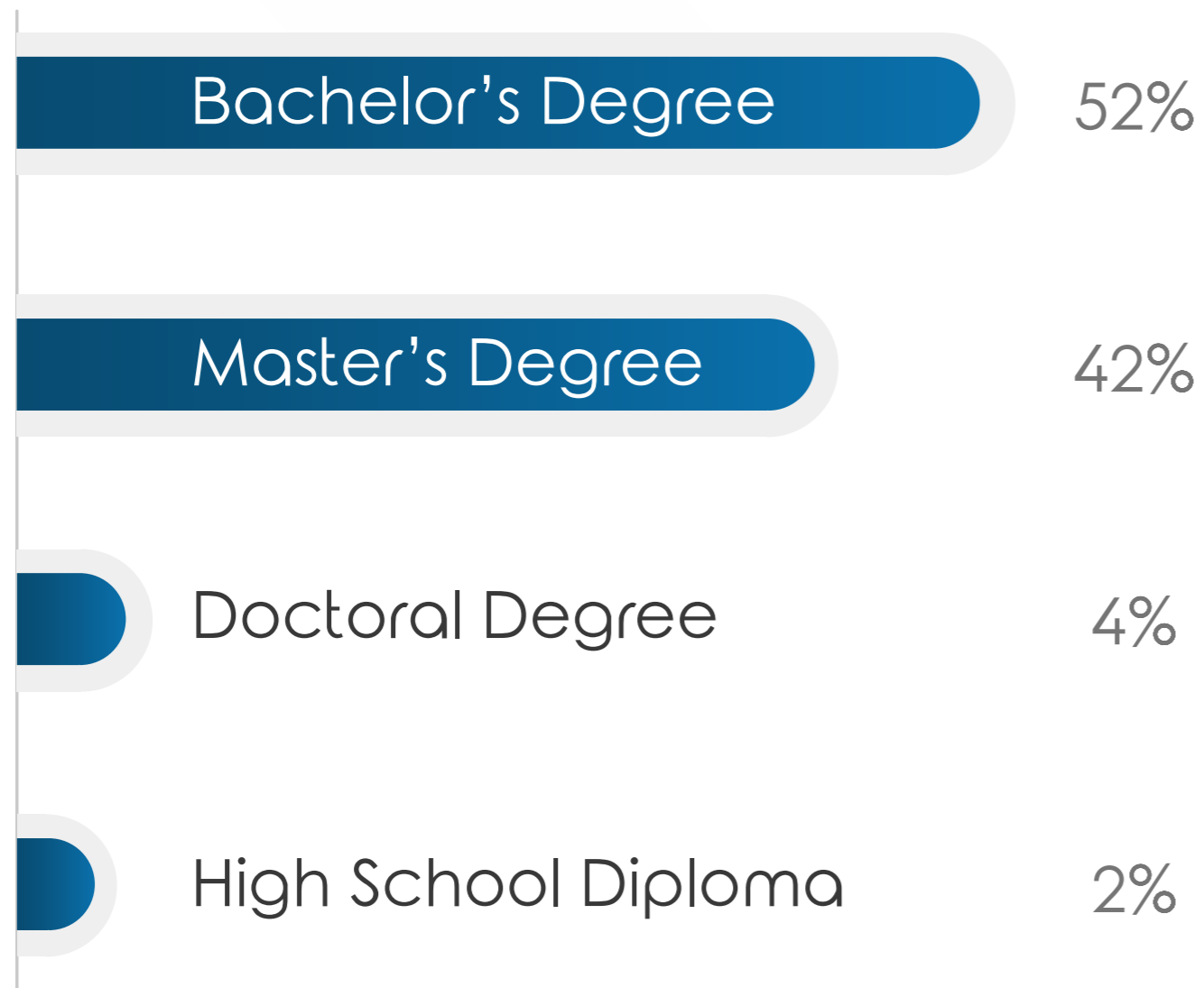
Average Age When Starting Business : 33 Years Old
 Experience - 20% Former Startup Founders / Owners
 - 6% Former Startup Employees

3 Most Important Reasons to Become Startup Founders

- An opportunity to commercialize and gain profits from starting startup
- People's unmet needs or pain points
- Seeking to start a business from own skills and aptitudes.

FOUNDER'S EDUCATION

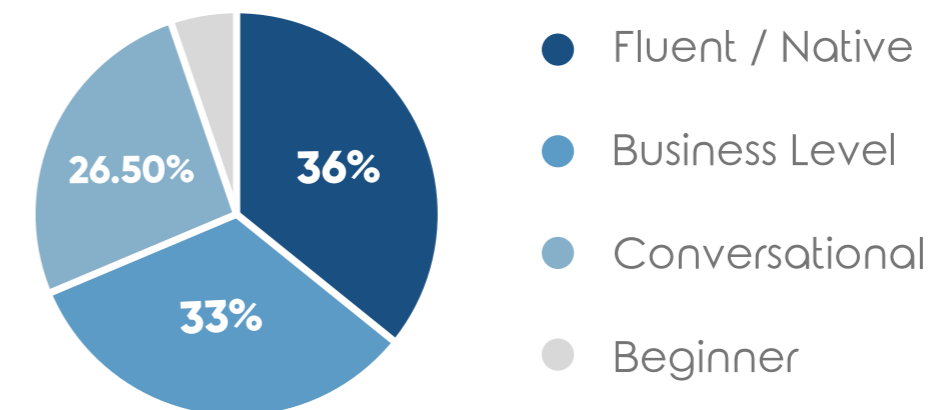
Level of Education



Fields of Study



English Proficiency



STARTUP EMPLOYEE

* included founders

Average Number of Employees per Startup at Launch



Average Number of Employees After 2 Years of Operation



On average, the number of employees increased by 50% from 4 to 6 after 2 years of operation.

Gender Distribution of Startup Employees



Male : 2



Female : 1

74% of Thai startups have no foreign employees.

Top 3 Talent Shortages



Technology Expert
(Developer, Programmer and Data Scientist)



Researcher



Marketer

GOVERNMENT SUPPORT PROGRAMS PARTICIPATION



Benefits / Motivations

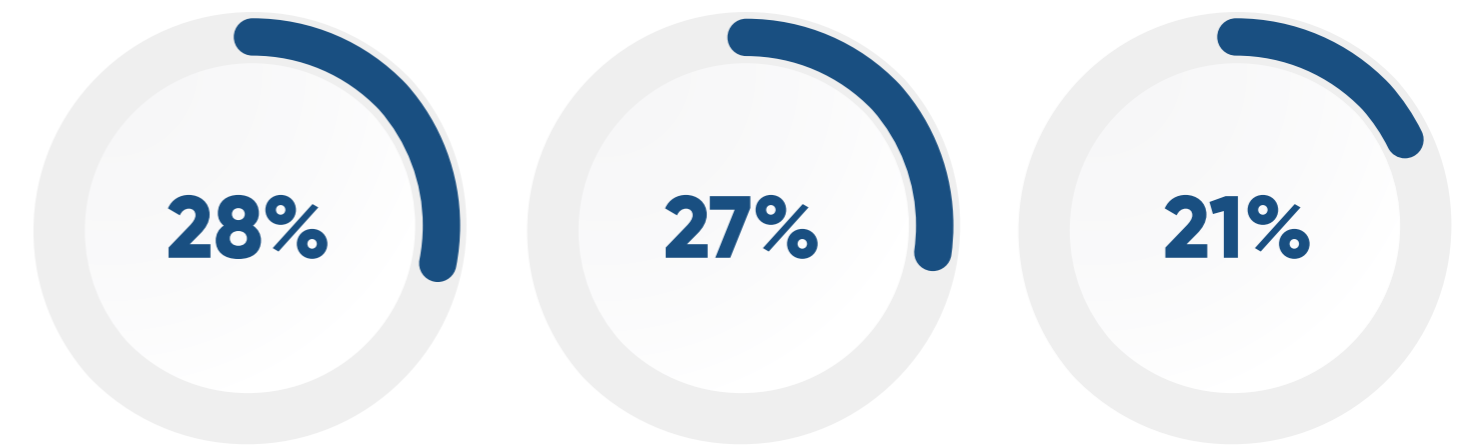


Grant / Funding

Network

Branding

Reasons for Not Joining



Lack of Information

Not Interested / Don't Have Time

Not Eligible

Top 5

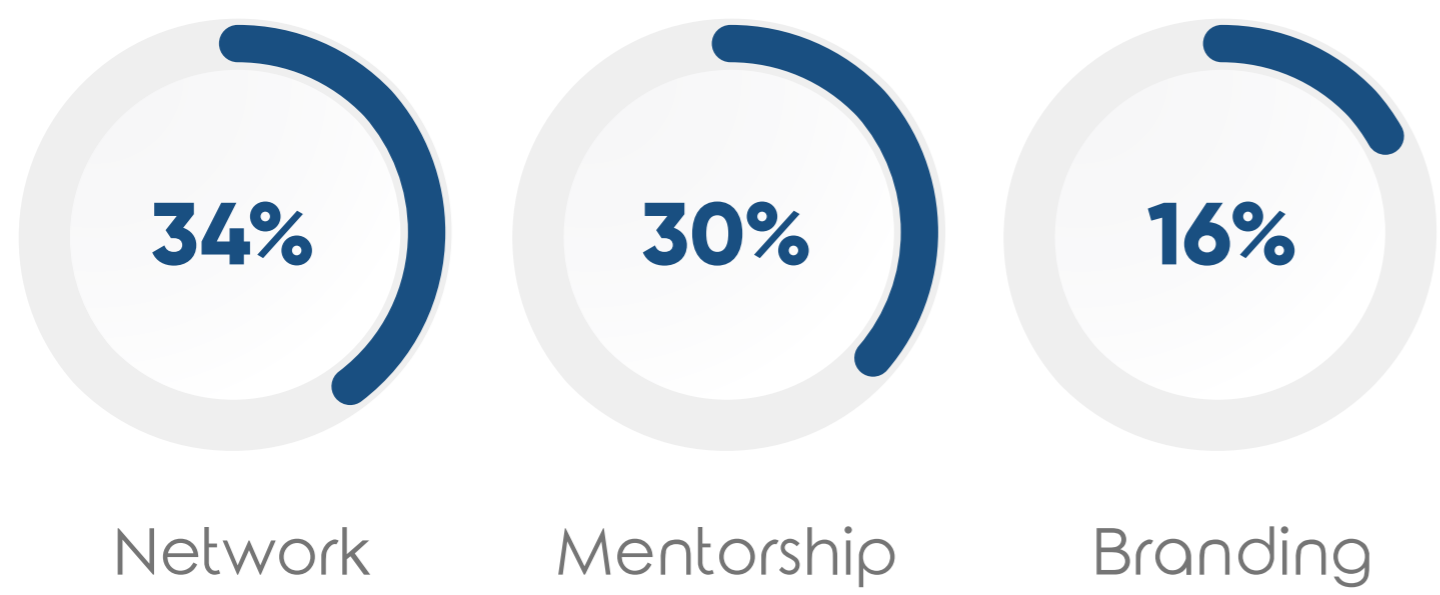
1. Startup Voucher
2. Innovation Coupon and NIA Venture
3. TED Fund
4. Depa Digital Startup Fund
5. 5-Years Startup Income Tax Exemption

INCUBATOR & ACCELERATOR PROGRAMS

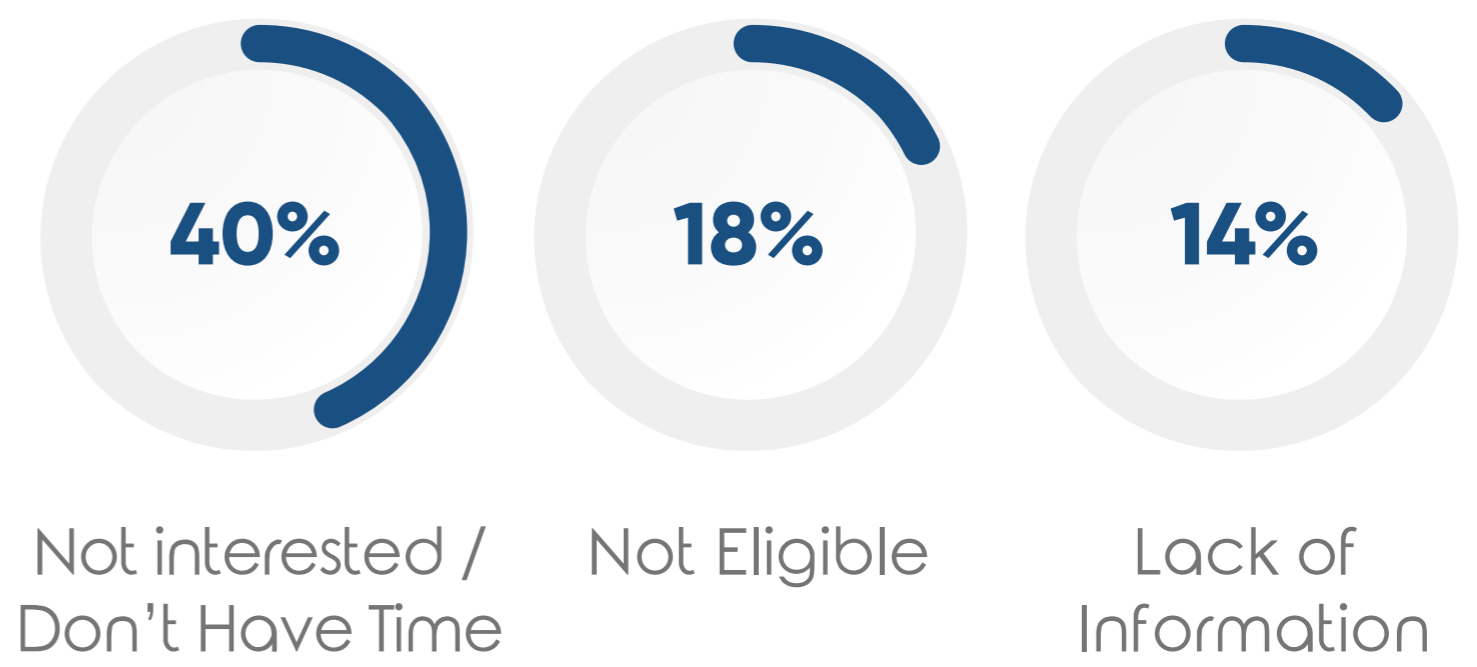
PARTICIPATION (PUBLIC & PRIVATE)



Benefits / Motivations



Reasons for Not Joining

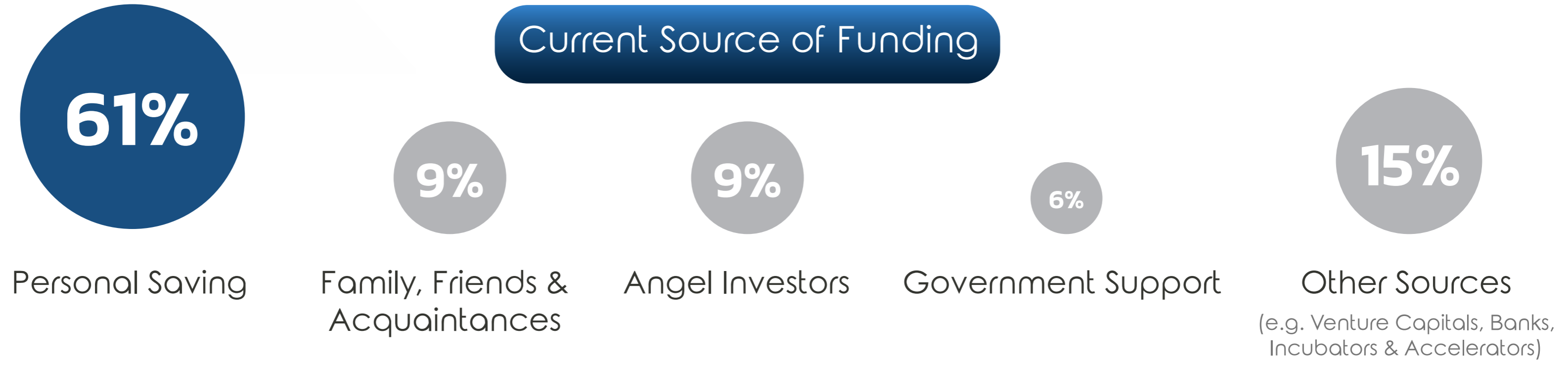


FUNDING

5 Million
Baht per Startup

80% of Startup start business with less than 5 Million Baht.

Current Source of Funding



* Remarks: Out of 100% of the Funding of the Company

3 Most-Needed Financial Instruments



1. Preferred Shares
(24%)



2. Crowdfunding
(23%)



3. Vesting
(15%)

INTERNATIONAL MARKET AND OPERATIONS

Income from Overseas

Noted that the share of income from international market is approximately 28% of the total income



31%
of Thai startups earned international income

Overseas Operations

90% plan to expand their operations abroad.



19%
of Thai startups have overseas operations

Current

ASEAN	42%
ASIA (excluded ASEAN)	24%
Europe	14%
North America	10%
Australia	7%
South America	3%

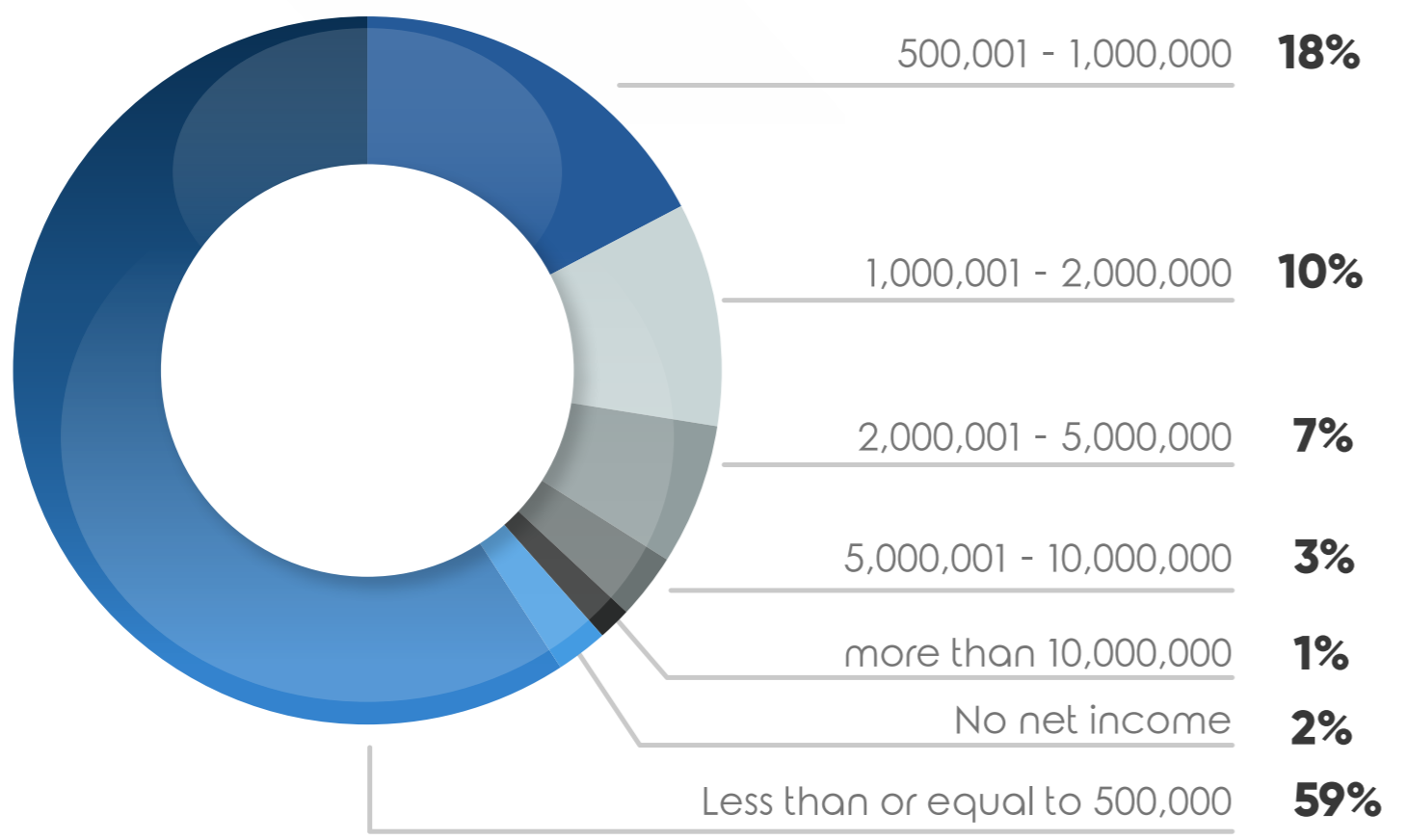


Future Expansion Plans

45%	ASEAN
19%	ASIA (excluded ASEAN)
12%	Europe
9%	North America
10%	Australia
5%	South America

INCOME AND EXPENSES

Range of Income (THB)



* 64% of startups earn income after 6 months of operation on average.

* 30% of startups have been making operational profits after 1 - 3 years of operation on average.

Top 3 Expenses

Employee Salaries



Specialist Expenses



Marketing Expenses



FACTORS AFFECTING STARTUP

FACTORS AFFECTING STARTUPS' PROFITABILITY



Participation in Incubator / Accelerator Programs



Participation in Government Support Programs



Education Level of Founders

FACTORS AFFECTING STARTUPS' INCOME



Participation in Incubator / Accelerator Programs

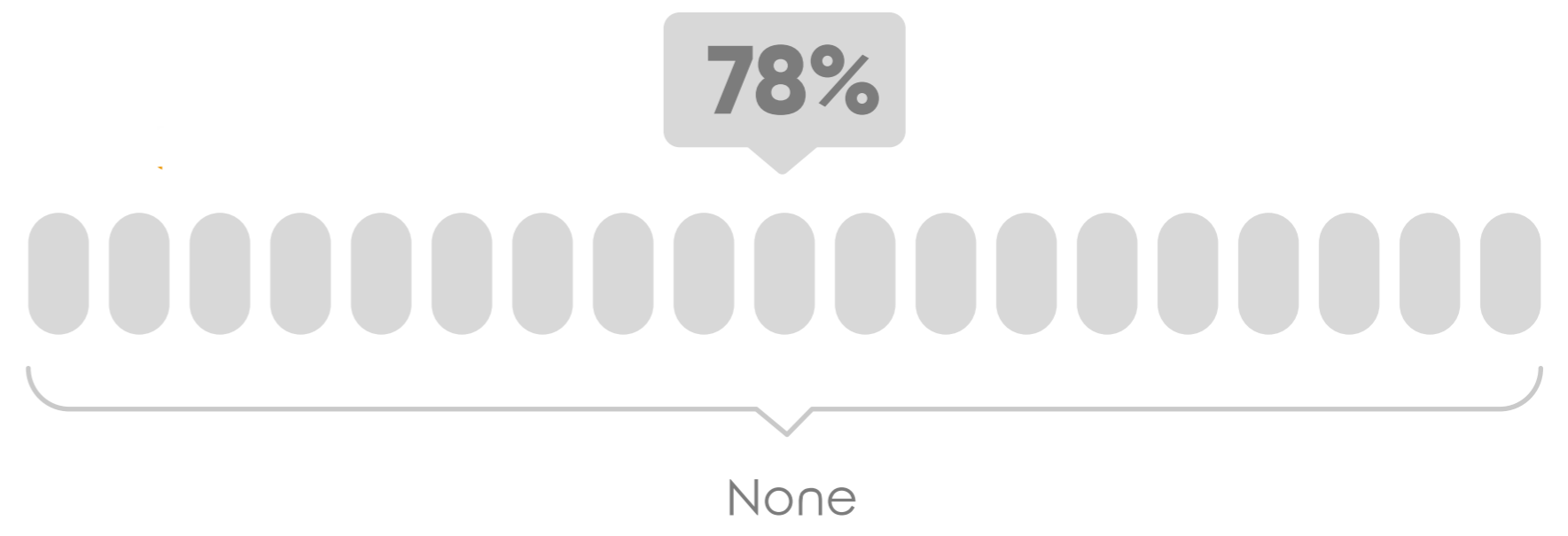
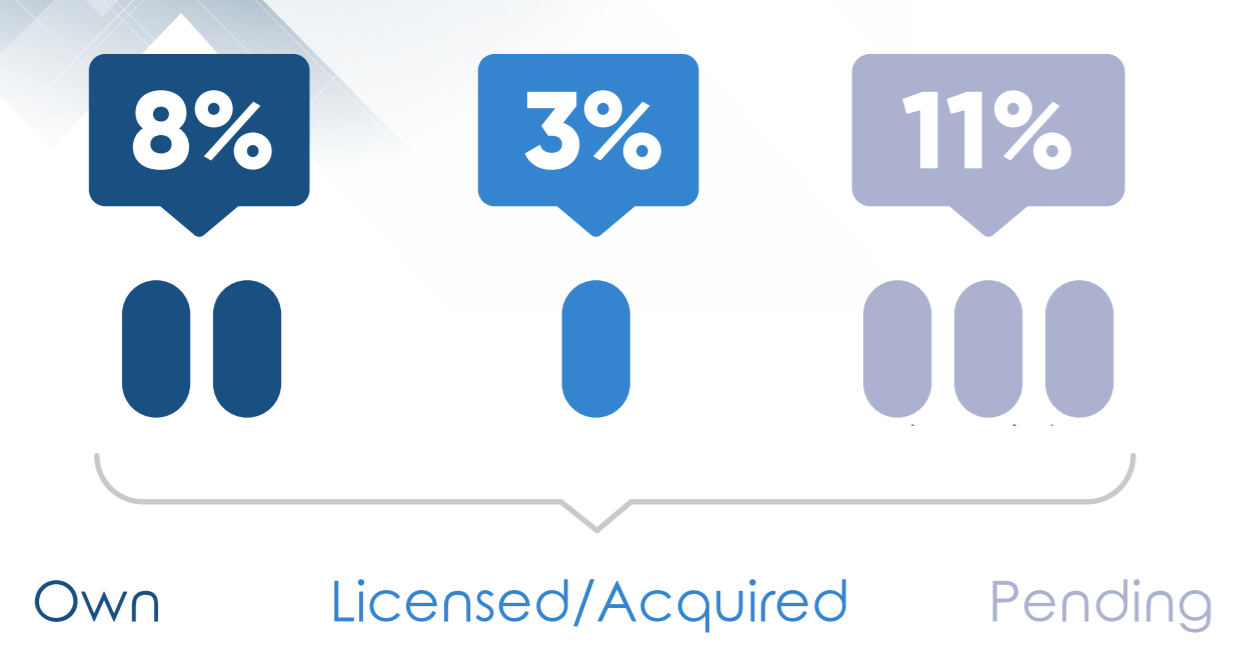


Participation in Government Support Programs



Number of Years Since Launch

PATENTS



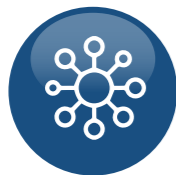
- Invention Patent 44%
- Petty Patent 37%
- Product Design Patent 19%

- No Patentable Technology 30%
- Not Necessary for Business 24%
- Complicated Process 16%

Founders' Opinion **Survey**

TOP 3 WANTED SUPPORT

From Successful Entrepreneurs



Network



Technological Knowledge



HR Management

From Public Sectors



Grants & Funding



Ease of Doing Business



Tax Reduction or Exemption

From Private Sectors



Network

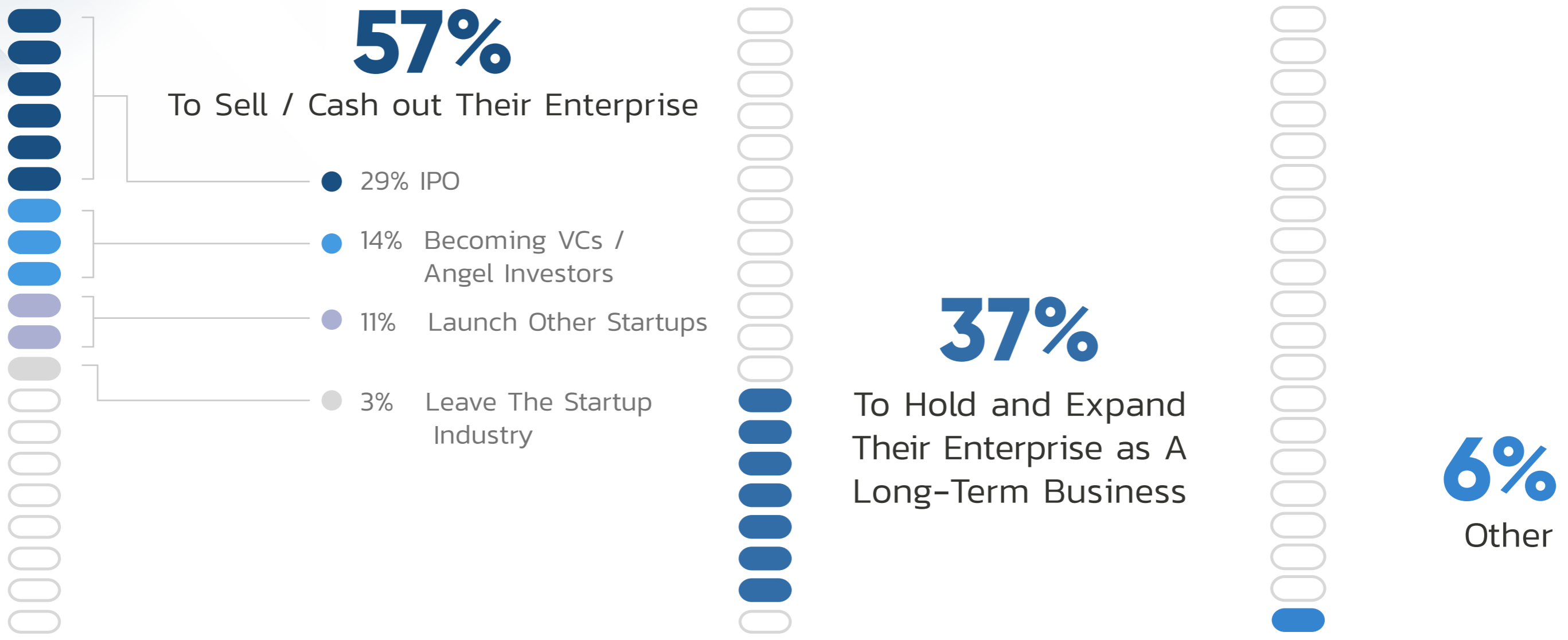


Technological Knowledge



Business Training

LONG-TERM GOALS OF FOUNDERS



Singapore

40% To Sell / Cash Out Their Enterprise
 - 10% IPO
 - 30% Merger / Acquisition

30% Expect to Continue for Foreseeable Future

30% No Planned Exit / Do Not Know

COURSES OF ACTION FOR PUBLIC SECTORS



Public Relation and Channels

Improve public awareness and communication channels of government supporting program and supporting measures.



Ease of Doing Business

- a. One-Stop-Service
- b. Investment Law & Financial Instruments
- c. Competitive Tax Incentive Programs



Ecosystem Facilitation

- a. Single Point of Contact
- b. Central Knowledge Center



Talent & Workforce Development

Support talent and workforce development especially in creating quality developers and programmers with experience.

COURSES OF ACTION FOR **PRIVATE SECTORS**



Network

Help startups expand their business network via networking events among startups, investors, and customers.



Mentorship

Successful entrepreneurs and specialists can help startups in areas such as business planning, laws, HR management, technology, etc



Branding & Marketing

Corporates can use their strong branding to support startups via partnership, endorsement, or incubation/acceleration programs