

EUROPEAN STARTUPS & SILICON VALLEY

SHOULD YOU STAY ?

. . . OR SHOULD YOU GO?

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It Depends.

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If I tell a startup team that I am from California, the members ask if I can help them get to Silicon Valley.

Of course I can.

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HOW TO GET TO SILICON VALLEY

1. When you get to San Francisco, face West.
2. Turn left.
3. If you get to Gilroy you have gone too far.



BUT *WHY* DO THEY WANT TO GO?

But startups should ask why they are going there

- Do they think it will be easier?
- Is it *necessary* for their milestones?
- Isn't the larger EU market large enough?



2 WAYS TO GO

Going to visit

- *Probably* a good idea (if a short visit)

Setting up your company there

- Yes, under *limited* circumstances



VISITING SILICON VALLEY

Great place to go *IF*

- You have been invited by a top tier VC
- You have been selected for one of the best Bar Area accelerators
- Your trip is no longer than 4-6 weeks

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VISITS COST TIME & MONEY

Approximate cost:

- *A minimum* of \$5,000 per person per month

Opportunity costs: Is that money better spent on

- Programming to stabilize your platform/tech?
- Launching a marketing campaign?



MOVING TO AMERICA: \$\$\$

SF Bay Area is very, very expensive

- \$150K starting salary for a programmer
 - If you can find one and keep him/her for longer than a few months
- All CXOs salaries >\$175K
- All employees expect stock options
- Office/apt rent *expensive and scarce*



FIERCE FIGHTS FOR MONEY

Many, many more startups than there is VC funding

- The Series A Crunch

Startups with Series A funding have \$5-50m to fight you



YOU'RE AN OUTLIER

VCs like plain, simple and quick deals

They like introductions from trusted advisers

You're not simple:

- You might (already) have a complicated structure
- You (probably) have employees in the EU
- IP needs to be transferred
- Who is introducing you



WHAT'S WRONG WITH HOME?

“EU Plus” Market is *much* larger*

– 575m v. 325m (approx.)

Much of it is under-served in many verticals

– Excellent mobile penetration

Relatively dense population centers in (overall) small area

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WHAT'S WRONG WITH HOME?

Direct competition is much lower

Better workforce

- educated STEM graduates
- Generally well-trained in previous jobs

Much lower salaries

Benefits (usually) handled by government



WHAT'S WRONG WITH HOME?

Advanced physical & institutional infrastructure

- Trains, trains, trains
- Vast array of government agencies, foundations and major global corporations
- First-rate educational and research institutions

Every European loves startups and innovations

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WHAT'S WRONG WITH HOME?

And . . .

VC (and other) funding statistically
more available

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OK, YOU *STILL* WANT TO GO?

If you need to go there for *your* business then you must have:

- *A minimum* of \$5-10m in Series A funding (higher if you are B2C)
- Strong market awareness and position
- Ability to capitalize on your home market, too

Most Euro startups arrive under-capitalized (read: starving to death)

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We would love to help you.

First, to figure out where you *should* go.

Then, how to get there.

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THANK YOU.

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