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Startup Genome Partners with Endeavor to Research the Detroit Region's Entrepreneurial Ecosystem

Driving tangible progress with the Detroit region's startup community

SAN FRANCISCO, Calif. — JANUARY 24, 2023 — Startup Genome and Endeavor are working together to study and support the Detroit region's entrepreneurial and innovation ecosystem development. With support from the William Davidson Foundation, the parties collaborated to assess the current entrepreneurial climate for growth and tech-oriented startups with the goal to identify key gaps and opportunities to actively support founders.

Detroit was recently recognized as the #1 Emerging Startup Ecosystem globally in Startup Genome's annual Global Startup Ecosystem Report 2022. Successful companies including Airspace Link, Autobooks, Bloomscape, DUO, Floyd, The Lip Bar, Our Next Energy, StockX and Workit Health prove that the region is emerging as a startup hub. However key leaders in the community recognize that a data-driven assessment was needed to spark an overarching movement, supported by research and driven by founder engagement.

With more than 125 clients across six continents in 45+ countries to date, Startup Genome is the leading research and policy advisory organization for governments and private institutions committed to advancing their startup ecosystems. Using a combination of proprietary methodologies, including 50 founder surveys, Startup Genome, Endeavor, and local project lead and Detroit-based entrepreneur Justin Mast, conducted an in-depth analysis and defined priority recommendations in close coordination with key community partners.

Local findings include:

- The ecosystem improved its ranking in the Global Startup Ecosystem Report from 2021 by an impressive 12 spots, now counting about 1,500 active startups across the region and producing several Billion-Dollar exits in the last 5 years

- The Detroit region's founders are incredibly well connected with local peers, investors, and experts, a leading indicator for startup growth and success according to global research by Startup Genome

- Founders feel there is no clear strategy leading the region's efforts and believe support organizations (accelerators, incubators, and other ESOs) are disjointed and have provided limited services to support growth and scaling.

- In terms of exits and scaling, founders aim lower in comparison to other national and global regions, limiting the outlook and potential of success. Despite this, the Detroit region has produced more $100 million+ exits than its peers in the U.S.

- Founders believe local angel groups and investors could provide more support and adapt more current practices focused on growth and scale; there is not enough capital to deploy, too few active investors in the region, and too few that take necessary risks on emerging companies.

- In comparison to its peers, the area shows a low success rate of companies securing seed funding and an even lower success rate in securing Series A funding. Those who do secure Series A rounds show smaller valuations on average than those in peer cities.

"We are thrilled to support the people of the Detroit region in creating a thriving and inclusive startup ecosystem as an engine of growth and wellbeing. The region has all the ingredients it takes to build a world-class environment for startups, but is missing a cohesive, data-driven strategy. Our work together will drive clarity and focus going forward," shares Marc Penzel, Founder and President of Startup Genome.

Endeavor has outlined initial areas of opportunity based on the assessment findings. These actions include convening and aligning the region's efforts around a more unified strategy, ensuring efforts are founder-led and founder-focused, advancing policy and advocacy efforts to drive more federal, state, and local funding into early-stage investment, targeted support for high-performing ESOs and those requiring technical

assistance, providing more transparency around accelerators, incubators, and ESOs' performance, and advancing the region's storytelling to drive momentum and provide greater visibility and investment.

"We believe Detroit has the potential to become one of the world's premier locations for high-growth entrepreneurship. This study offers actionable insights to help us get there," shares Diana Callaghan, Managing Director of Endeavor.

On January 25th at 11:30AM a webinar will be hosted to cover major findings, community reactions, and include a Q&A. All are welcome to attend. [RSVP here](#).

ABOUT STARTUP GENOME
Startup Genome's mission is to enhance startup success and ecosystem performance everywhere. Startup Genome is the world's leading policy advisory and research organization for governments and public-private partnerships. Its impact is rooted in the world's largest entrepreneurship research with data on three million companies over 280 cities. Learn how Startup Genome accelerates global startup ecosystems by contacting Adam Bregu at adam@startupgenome.com and on [startupgenome.com](#), [LinkedIn](#), [Twitter](#).

ABOUT ENDEAVOR
Founded in 1997, Endeavor selects, mentors and provides customized support services to entrepreneurs leading companies with the most potential to create economic impact. Headquartered in New York City, Endeavor operates in 41 growth markets and 65 cities throughout Latin America, Africa, Asia, Europe, the Middle East and North America. Endeavor has selected more than 2,400 founders including the first $1 billion valued companies to come out of 12 countries. Established in 2015, Endeavor's Detroit affiliate selects and supports high-growth entrepreneurs in the Great Lakes Region. Endeavor's portfolio includes entrepreneurs leading some of the region's highest performing companies including Workit Health, SkySpecs, The Lip Bar, Floyd, and more.

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