



Mind the Bridge

# GOVERNMENT INNOVATION OUTPOSTS IN SILICON VALLEY

2022 Report Update

Version 1.0 | **October 2022**

Photo Credit: Mesha Mittanasala



# GOVERNMENT OUTPOSTS IN SILICON VALLEY WHO'S WHO?

Alberto Onetti | **Chairman, Mind the Bridge**  
Marco Marinucci | **Founder & CEO, Mind the Bridge**

**It does not come as a surprise that not only multinational companies and investors are setting up a presence in Silicon Valley, but governments too.**

In 2021, in order to provide an accurate picture of the growing phenomenon of global government presence in California, **Mind the Bridge** has mapped, surveyed, and interviewed dozens of **Governmental Trade and Bridge Organizations**, with a focus on inbound and outbound innovation, about their structure, strategies, activities, and results. The outcomes were included in a report, "**Government Innovation Outposts in Silicon Valley**".

One year later, we have updated the research to factor, on the one hand, the evolution of the Silicon Valley ecosystem (both startups and corporate venturing), and, on the other hand, the newcomers. Here are some of the report highlights:

**Government presence in Silicon Valley is a global phenomenon, and growing.**

Institutions from almost 40 countries worldwide have set foot in California. 63 outposts have been established. This is quite a recent trend: 60% of those outposts did not exist before 2010. Among the new arrivals, the European Union that now has its own "tech embassy" in San Francisco.

**Best practices (and some "champions") can already be spotted.**

Government Innovation Outposts in the Bay Area effectively act as one-stop-shops for innovation stakeholders. By appropriately measuring their performance in terms of internal structure, strategies and depth of external actions, we can already identify some trend-setters in terms of service offerings and degree of specialization. They represent a good benchmark for other agencies planning to follow suit.

**Government Outposts produce value.**

Historically, Government Innovation Outposts in California delivered value. Based on our recent analysis, a typical government outpost - over a period of 10 years on average - supports the creation of 500+ jobs, fosters \$250M in commercial deals, and attracts half a billion dollars in FDIs\*. Figures like these cannot be overlooked. Some countries/regions have taken notes, and recently moved to host a cluster including startups and corporates (Italy), research (Germany) and policy making (the EU Commission).

**Blending digital and physical support.**

The world is slowly entering a "new normal" phase after the dramatic pandemic of 2020. Government Outposts adapted quickly. They quickly turned digital during the Covid-19 peak. Now they are equipped to provide an accessible blend of digital and onsite services. The new normal also prompted a proliferation of new Digital matching platforms (such as MTB Ecosystem) that effectively complement the services delivered on site and provide more powerful tools to promote programs offered as well as the most interesting startups coming from a region. As Winston Churchill famously said... never let a good crisis go to waste.

\* - Mind the Bridge, *Government Innovation Outposts in California - Report 2021*, San Francisco (CA), September 2021





# THE NEW KIDS IN THE (INNOVATION) BLOCK GOVERNMENTS

Silicon Valley maintains its status as the world's epicenter of innovation.

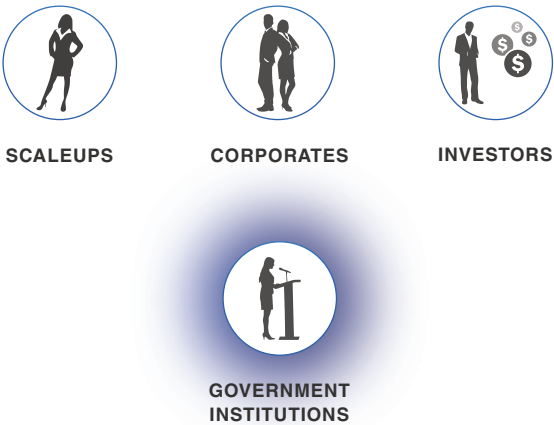
Counting 9,188 scaleups (187.5 every 100K inhabitants) that raised \$693B - a whopping 73% of the region's GDP - **Silicon Valley is still the most thriving global innovation hub**, whose influence and attractiveness remain unrivaled.

In previous reports, we aimed at compiling a holistic picture of the Innovation Economy of Silicon Valley, namely the aggregate effort of all the organizations that play a role in creating - directly or indirectly - technologically innovative products and services, adding to the local network effect, bringing forth more capital, diversity, and increased participation, thus benefiting all parties involved.

Among those, we included Corporates, Scaleups, Investors, and Government Institutions, whose role is confirmed as central in supporting innovation and bridging their home countries' startup ecosystems to Silicon Valley.

This report update serves as the continuation of our effort to map global government "innovation presence" in Silicon Valley.

FIGURE 1  
MAIN ACTORS OF GLOBAL INNOVATION ECONOMY IN SILICON VALLEY  
Source: Mind the Bridge



# GOVERNMENT INNOVATION PRESENCE IN SILICON VALLEY

Our methodology distinguishes between the following government institutions with a presence in Silicon Valley.

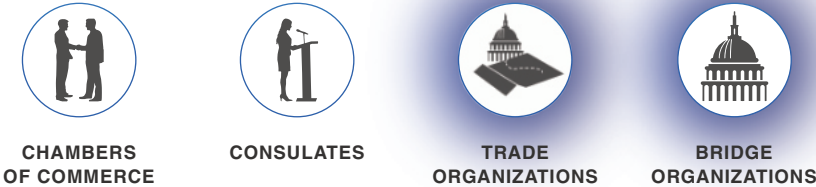
**Chambers of Commerce and Consulates**  
Government authorities and institutions whose focus on innovation is secondary or partial

**Trade Organizations**  
Authorities whose primary focus is fostering commercial opportunities between their home countries and Silicon Valley, increasingly adding services that target innovation stakeholders

**(Entrepreneurship and Innovation) Bridge Organizations**  
Institutions primarily dedicated to supporting innovation stakeholders while landing in Silicon Valley

This report's analysis is focused on Government Trade and Bridge Organizations.

FIGURE 2  
GOVERNMENT INSTITUTIONS IN SILICON VALLEY  
Source: Mind the Bridge



# WHAT IS A GOVERNMENT INNOVATION OUTPOST?

We define as "Government Innovation Outpost" the presence in Silicon Valley of a government-supported Trade or Bridge Organization, with dedicated personnel located on the ground, with or without a structured physical office.

A Government Innovation Outpost's main focus may be related to any of the following areas:

- **Trendspotting and benchmarking** to identify technology/business trends

- **Fostering entrepreneurship, investments, and business opportunities** for their home countries' startup ecosystems
- **Increasing awareness of the home country** or region in Silicon Valley as a dynamic, innovative ecosystem and providing visibility to its stakeholders
- **Policy orientation** through continuous dialogue with Silicon Valley innovation stakeholders



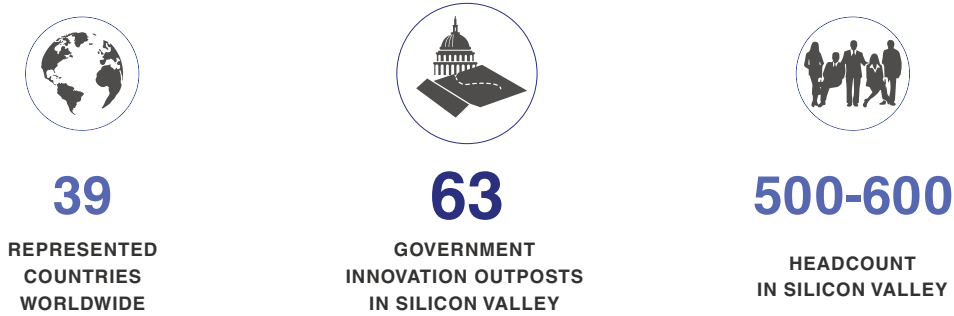
# A GLOBAL PHENOMENON

Government presence in California supporting innovation is a global phenomenon attracting representative institutions from countries, regions, and supranational entities such as the EU.

As of 2022, we record 63 active Government Innovation Outposts in Silicon Valley

(+2 since last year's analysis) that represent entities from 39 countries worldwide, currently hosting an estimated workforce ranging between 500-600 professionals.

FIGURE 3  
GOVERNMENT INNOVATION OUTPOSTS IN SILICON VALLEY  
Source: Mind the Bridge

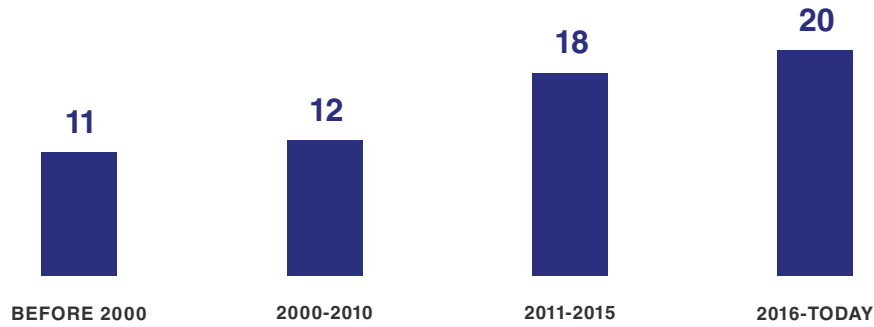


The phenomenon of government institutions setting foot in Silicon Valley is relatively recent, and steadily growing.

Apart from a few outposts (11, 17% of total) whose presence in Silicon Valley dates back to years before 2000, the vast majority of government institutions

have set foot in Silicon Valley in the last two decades, about 60% of which after 2010. Even considering the relative strain put by the 2020 global pandemic on the establishment of new outposts in Silicon Valley, we still recorded 2 new outposts in both 2020 and 2022.

FIGURE 4  
GOVERNMENT INNOVATION OUTPOSTS IN SILICON VALLEY BY YEAR OF ESTABLISHMENT  
Source: Mind the Bridge



# BRIDGING INNOVATION ACROSS THE ATLANTIC AND THE PACIFIC

Unsurprisingly, due to the historical ties between Europe and the US, the majority of Government Innovation Outposts in Silicon Valley are established by institutions from the Old Continent.

We recorded 43 outposts from Europe, mainly established by institutions from Belgium (6 outposts), Germany (5), and the UK (4).

All the Nordic countries are present in Silicon Valley. It is also worth mentioning the presence of Italian, Spanish, French, Austrian, and Irish institutions (2 outposts each).

APAC (including in the definition Australia and New Zealand) is the second most represented macro-region in Silicon Valley with 14 outposts.

Notably, South Korea - with 2 outposts - is the most represented APAC country in Silicon Valley, a sign of the vibrancy and increasing international attractiveness of the Korean ecosystem.

Other regions (North America, LATAM, MENA and Israel) follow a more exploratory approach, with 2 outposts each.

FIGURE 5  
GOVERNMENT INNOVATION OUTPOSTS BY COUNTRY OF ORIGIN  
Source: Mind the Bridge

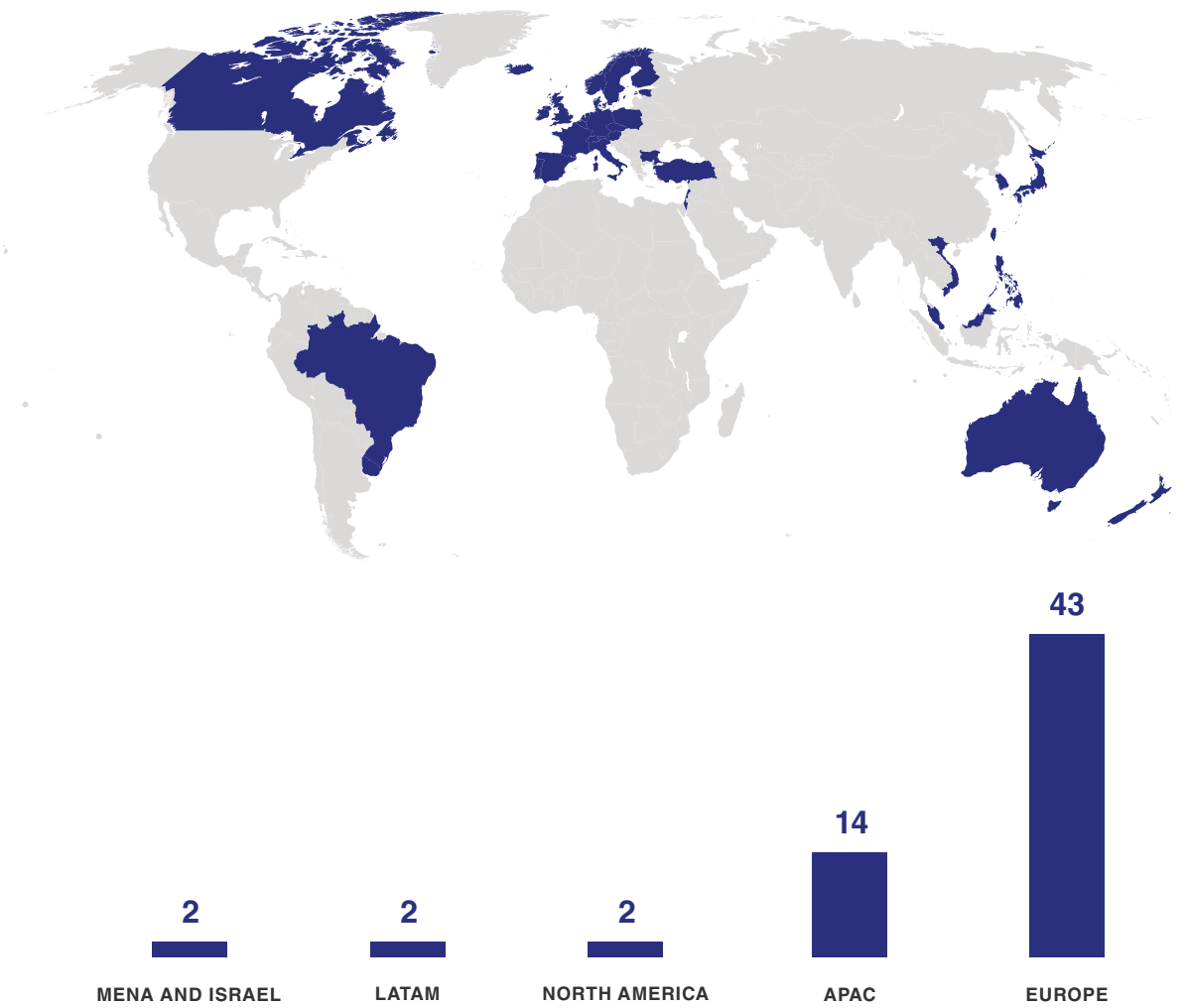
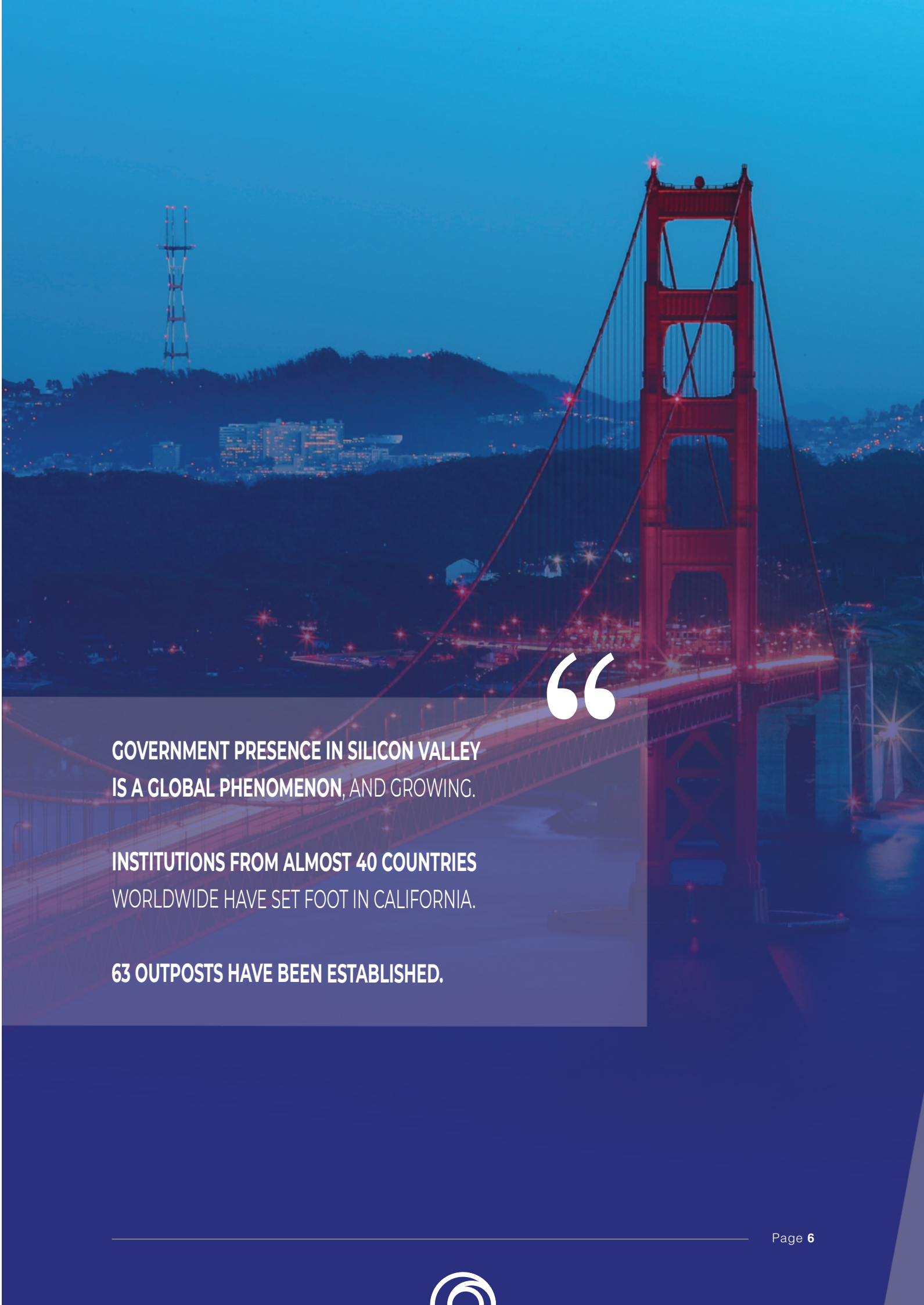




FIGURE 6  
GOVERNMENT OUTPOSTS BY SILICON VALLEY HUB  
Source: Mind the Bridge



“

GOVERNMENT PRESENCE IN SILICON VALLEY  
IS A GLOBAL PHENOMENON, AND GROWING.

INSTITUTIONS FROM ALMOST 40 COUNTRIES  
WORLDWIDE HAVE SET FOOT IN CALIFORNIA.

63 OUTPOSTS HAVE BEEN ESTABLISHED.





# A ONE-STOP-SHOP FOR INNOVATION STAKEHOLDERS

By offering various services and programs, Government Innovation Outposts effectively act as a one-stop-shop for innovation stakeholders that are landing in California or in their home country or region.

As a common prerogative, Government Innovation Outposts perform marketing, brand awareness, and communication activities. This serves the primary purpose of increasing the attractivity of their country of origin and promoting local innovation stakeholders abroad.

The core activity of almost all (95%) outposts is bridging innovation stakeholders across Silicon Valley and their home country, offering networking opportunities, business development support, talent advisory, and legal and visa support for setting up business abroad.

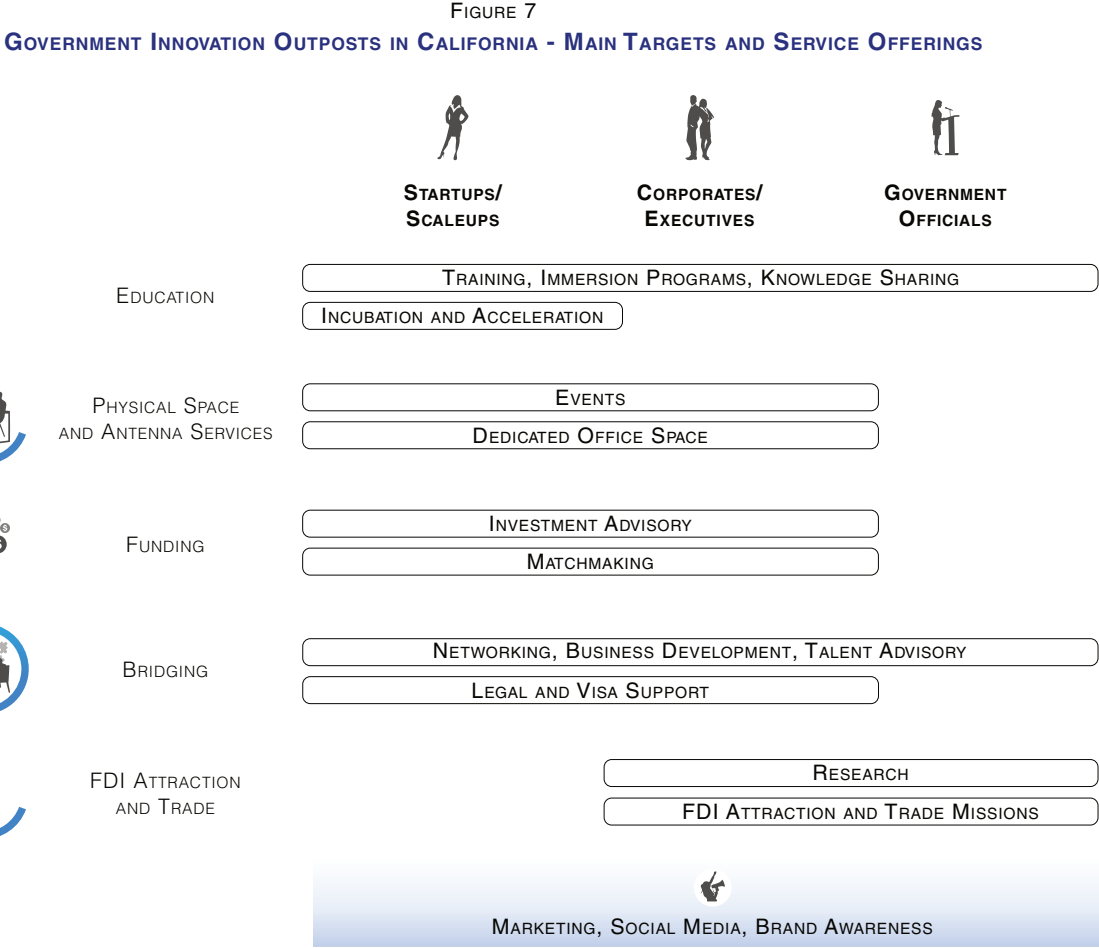
New outposts set up by supranational entities, such as the European Union, serve the purpose of expanding these services also to government officials and policymakers, increasing chances of cross-contamination by leveraging contacts with Silicon Valley innovation stakeholders.

The vast majority (70%) of outposts leverage their physical presence to provide startups and corporates with access to industry events and - when available - dedicated office services.

Half of the outposts provide educational services, including training and immersion programs, workshops, and seminars that fit the needs of all innovation stakeholders, while some organize more elaborate accelerator programs for startups.

Ultimately, 70% of outposts, in particular trade organizations, actively foster FDIs, bilateral trade agreements, organize trade missions, and produce research material about industry and market trends of both California and their home country.

Investment advisory, including direct funding support, appears to be a less common priority for Government Innovation Outposts, as only 30% of them reportedly provide those services.





# HIGHLIGHTS

## CORPORATE INNOVATION OUTPOSTS IN SILICON VALLEY

CORPORATE INNOVATION OUTPOSTS IN SILICON VALLEY  
Source: Mind the Bridge



Silicon Valley is still the place to be for corporates that want to be at the forefront of innovation.

In our previous dedicated report, we identified 315 global players with a stable innovation presence in Silicon Valley, which have since established 387 Open Innovation Outposts.

As of October 2022, we record **405 active Open Innovation Outposts** (+5% since our previous analysis), **run by 330** (+5%) leading global corporates.

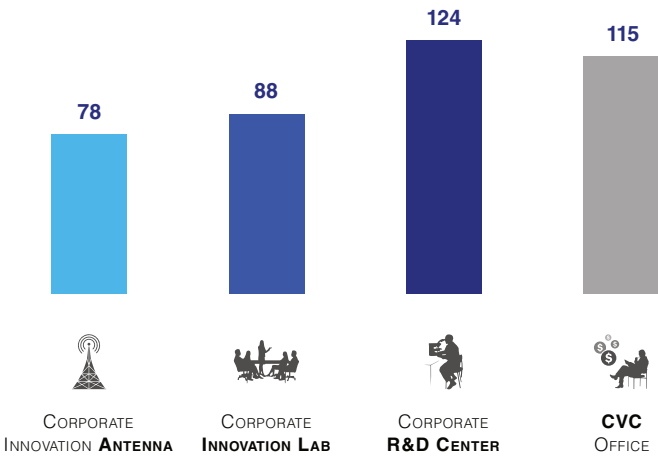
Before 2000, there were only 33 active Open Innovation Outposts in Silicon Valley.

Two decades later, the picture is substantially different. We recorded two main trends.

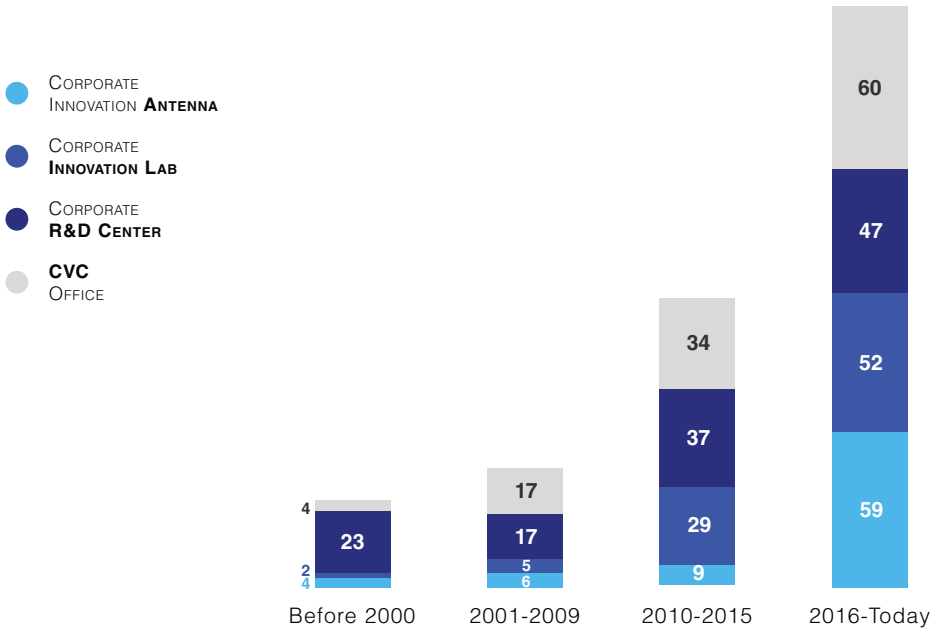
First, **global corporate innovation presence in Silicon Valley is booming**, though we registered a few retreats<sup>1</sup>. Since 2016, we recorded 178 new outposts, 70 more than the previous 5-year period (a 64% increase).

Second, **corporates that recently set foot in Silicon Valley seem to favor “lean” structures**.

CORPORATE INNOVATION OUTPOSTS IN SILICON VALLEY BY TYPE  
Source: Mind the Bridge



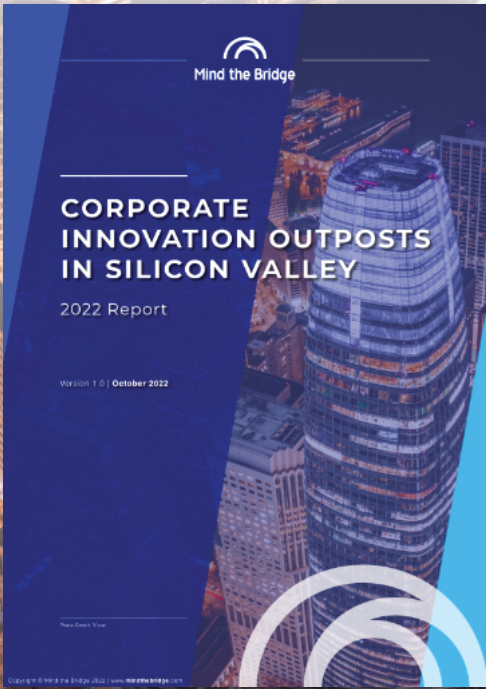
CORPORATE INNOVATION OUTPOSTS IN SILICON VALLEY IN TIME  
Source: Mind the Bridge



Learn more in our dedicated report  
**Corporate Innovation Outposts in Silicon Valley 2022 Report**

**Highlights:**  
Data and insights on global corporate innovation presence in Silicon Valley  
A map of the most attractive Silicon Valley hubs for corporate innovation at global scale  
Facts and trends about the next industries looking at the Silicon Valley tech scene

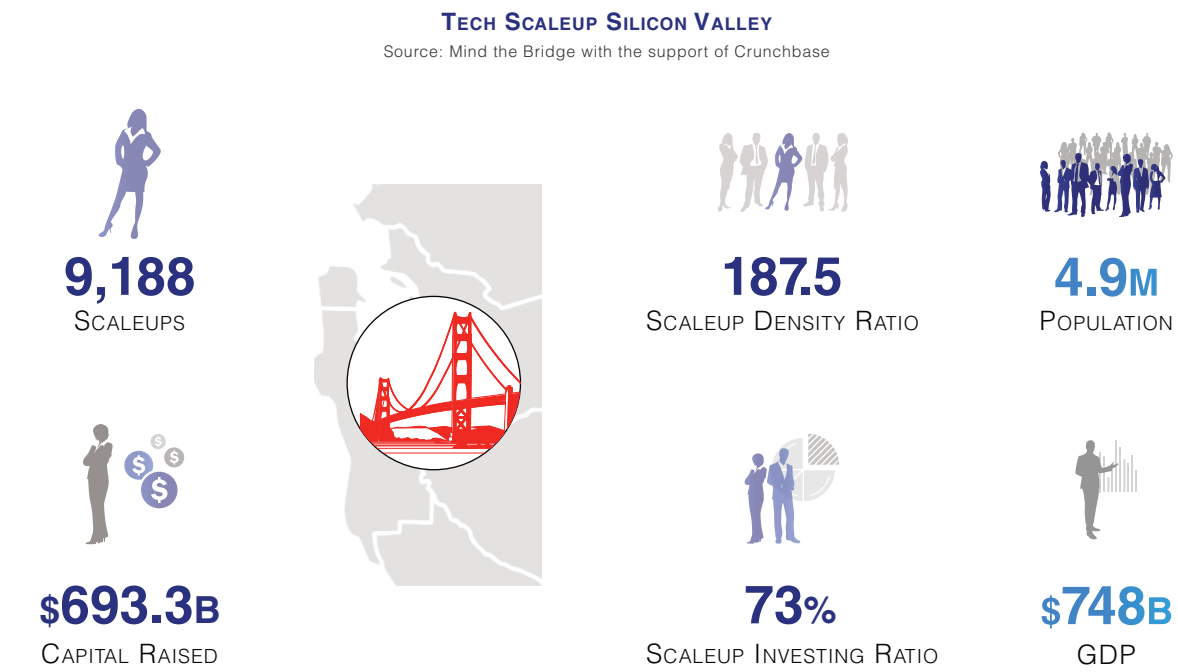
Download the report for free on:  
[research.mindthebridge.com](https://research.mindthebridge.com)





# HIGHLIGHTS

## TECH SCALEUP SILICON VALLEY



Silicon Valley confirms its role as the world's epicenter of innovation.

As of September 2022, **Silicon Valley hosts 9,188 scaleups** (equalling to 187.5 scaleups for every 100K inhabitants) that raised over \$693B in capital (73% of the area's GDP).

Although many hubs around the US are attracting more startups, **no clear rival is emerging to Silicon Valley**, though some hubs are experiencing growth momentum.

Our research identified **8 hubs** showing a significant concentration of scaleup activity: **New York**, the **Los Angeles County** area, **Texas** (including Austin, Houston, and Dallas-Fort Worth), **Boston** and **Cambridge**, **Seattle**, **Chicago**, **Atlanta**, and the recently emerging **Miami**.

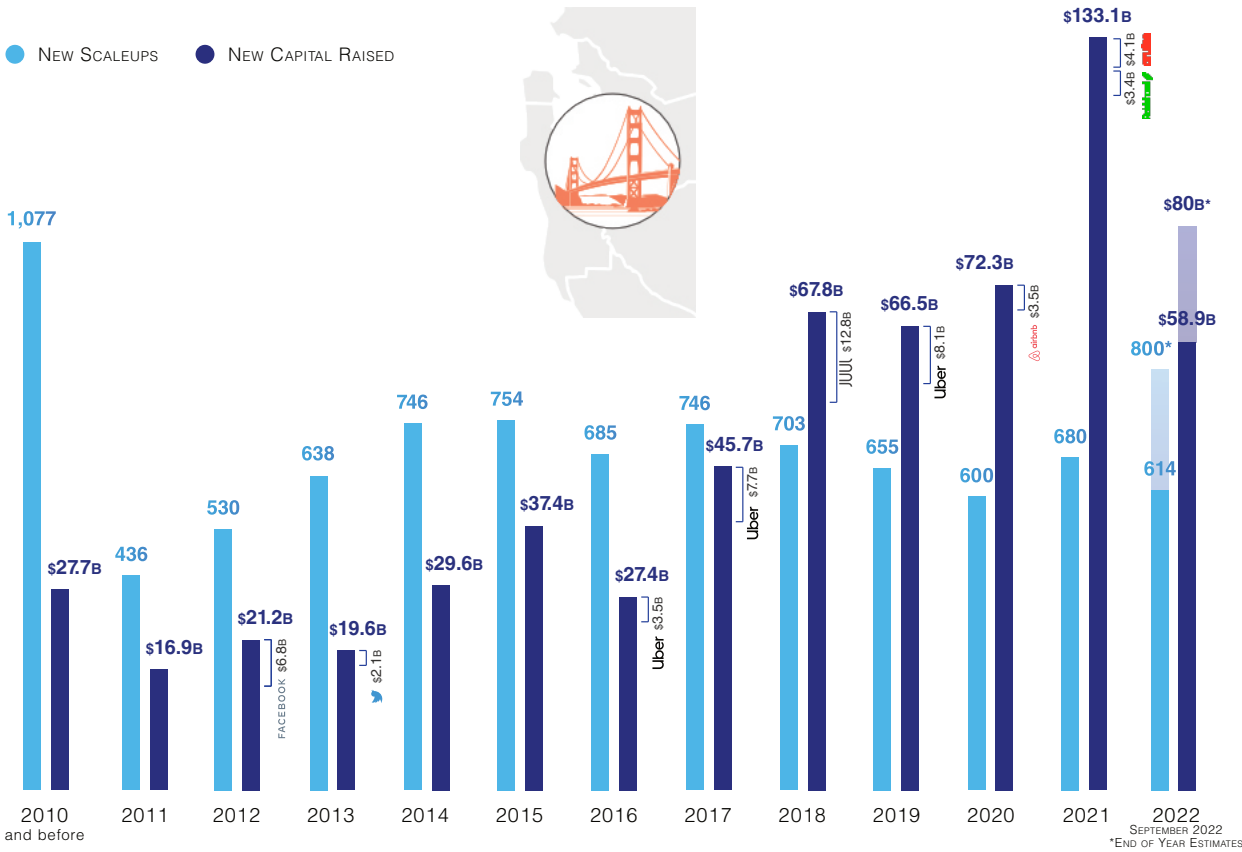
Silicon Valley is well-known for its growth pattern characterized by consequential **"waves of innovation"** and its unique resilience. Our data confirms this trend, at least in terms of funding.

**2021 has been definitively a record year in terms of funding:** \$133B, +85% compared to prior year<sup>5</sup>. In terms of number of scaleups the increase was more regular (+13%).

**Preliminary estimates for 2022, built upon data up to September, suggest that 2021 figures will not be replicated**, although we expect an increase in terms of number of new scaleups per year (around 800) and capital raised (about \$80B), both at value higher than 2020.

## TECH SCALEUP SILICON VALLEY - Y-O-Y GROWTH

Source: Mind the Bridge with the support of Crunchbase



Learn more in our dedicated report

### Tech Scaleup Silicon Valley 2022 Report Update

#### Highlights:

Data and insights on the tech scaleup ecosystem of Silicon Valley

A map of the most attractive Silicon Valley tech scaleup hubs

Facts and trends about thriving technologies in the Silicon Valley tech scaleup ecosystem

Download the report for free on:

[research.mindthebridge.com](https://research.mindthebridge.com)





# START INNOVATING TODAY

A distinctive **AI-based** matching platform designed for connecting large Corporates, Government Agencies and disruptive global Startups & Scaleups

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# METHODOLOGY

## DEFINITIONS

### “Tech Companies”

Mind the Bridge categorizes “Tech Companies” as follows:

- “Startup” <\$1M funding raised
- “Scaleup” >\$1M funding raised
- “Scaler” >\$100M funding raised
- “Super Scaler” >\$1B funding raised

Mind the Bridge defines “Tech Companies” as companies:

- operating in Tech & Digital industries,
- founded in the New Millennium,
- with at least one funding event since 2010.

Companies operating in the Biotech, Life Sciences and Pharma, Semiconductors industry verticals are currently not included.

Mind the Bridge also includes in the analysis so-called “Dual Companies”, defined as:

- Startups founded in one country that relocated their headquarters – and with that part of their value chain – abroad, while maintaining a strong operational presence in their country of origin.

### “Closure”

We consider “closed” all scaleups that shut down and do not continue to operate anymore. Reasons for closure include (but are not limited to) non-voluntary closure - e.g. bankruptcy - and voluntary closure

### “GDP (Gross Domestic Product)”

Data from IMF (PPP, most recent data and/or projections).

### “Population”

Data from World Bank, United Nations, Local government and other reliable sources (2018, or most recent census data).

## FUNDING

Mind the Bridge categorizes funding as follows:

### “Equity Funding”

- All private equity funding rounds (including angel investments, seed capital, series A, B, C, etc...), either coming from VCs and CVCs; funding raised on equity crowdfunding platforms; convertible notes and other equity-based financial instruments.
- Public funding provided in exchange for equity (e.g. specific investments vehicles from the EIB).
- IPO proceeds, at closing price, including over-subscribed shares.
- Capital raised through ICO (exchange rate of cryptos at the day of ICO).
- Operations with no new cash entering company's balance sheet as a number of existing shareholders sell all or a portion of their holding are not considered. This includes e.g. secondary funding rounds, buyouts and buy-ins.

### “Non-Equity Funding”

Includes (but not limited to): public grants, debt financing, product crowdfunding.

### “IPO (Initial Public Offering)”

For companies that went public, the exit valuation is that on the day of the IPO.

### “ICO (Initial Coin Offering)”

A means of raising capital using cryptocurrencies issued by the company (“tokens”) in exchange for legal tender or other cryptocurrencies such as Bitcoin or Ethereum. Price data converted in US\$ at day of sale.

## INDICATORS

Mind the Bridge produces and monitors the following indicators:

### “Scaleup Density Ratio”

Number of scaleups per 100K inhabitants. A measure of density of scaleups in a given ecosystem.

### “Scaleup Investing Ratio”

Capital raised by Scaleups as a percentage of GDP. A measure meant to measure the capital invested in scaleups in a given ecosystem, compared to the size of the overall economy of that country.

### “Scaleup Country Index”

Country ranking built upon Scaleup Density Ratio and Scaleup Investing Ratio. A measure of the overall innovation commitment of a given ecosystem and its ability to produce significant tech players.

### “Scaleup Matrix”

The matrix visually compares ecosystems by factoring the Scaleup Density Ratio and Scaleup Investing Ratios.

## GEOGRAPHIES

### “Europe”

We analyze scaleups headquartered in 45 Continental European states as listed below. We categorize European sub-regions as follows:  
British Isles: United Kingdom (including Gibraltar, Guernsey and Jersey), Ireland  
Central Europe: France, Germany, Switzerland, Austria, Principate of Monaco, Liechtenstein.  
Nordics: Denmark, Iceland, Finland, Sweden, Norway.  
Southern Europe: Spain, Italy, Portugal, Greece, Malta, Cyprus, Andorra, San Marino, Vatican City.  
Benelux: The Netherlands, Belgium, Luxembourg.  
Eastern Europe: Poland, Czech Republic, Slovakia, Slovenia, Croatia, Serbia, Bosnia and Herzegovina, Montenegro, Macedonia, Kosovo, Albania, Romania, Bulgaria, Hungary, Moldova, Ukraine, Belarus.  
Baltics: Estonia, Lithuania, Latvia.

### “MENA”

Scaleups headquartered in 19 countries identified based on World Bank definition, excluding Malta (included in Continental Europe due to its participation in the Eurozone), Israel, and Turkey (analyzed separately for international comparability purposes).  
Middle-East: United Arab Emirates, Kingdom of Saudi Arabia (KSA), Kuwait, Qatar, Bahrain, Sultanate of Oman, Yemen, Kingdom of Jordan, Iraq, Islamic Republic of Iran, Syria, Lebanon, West Bank and Gaza, Djibouti.  
North Africa: Egypt, Morocco, Algeria, Tunisia, Libya.

### “Unites States of America”

Scaleups headquartered in all 50 US states (Overseas territories (e.g. Guam) are not included). Data collected with the support of Crunchbase and analyzed and reclassified by Mind the Bridge.

### “Israel”

Scaleups headquartered in Israel. Data collected with the support of Crunchbase and StartupNation and reclassified by Mind the Bridge.

### “South Korea”

Scaleups headquartered in South Korea. Data collected with the support of Crunchbase, TheVC.kr, Startup Alliance Korea and reclassified by Mind the Bridge.

### “Silicon Valley”

The following 46 cities are home to various high-tech companies and have thereby become associated with “Silicon Valley”, although some are technically outside of Silicon Valley: Alameda, Albany, Atherton, Belmont, Berkeley, Brisbane, Burlingame, Campbell, Castro Valley, Cupertino, Daly City, Dublin, East Palo Alto, Emeryville, Foster City, Fremont, Hayward, Los Altos, Los Altos Hills, Los Gatos, Menlo Park, Millbrae, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Newark, Oakland, Palo Alto, Pleasanton, Portola Valley, Redwood City, Redwood Shores, San Bruno, San Carlos, San Francisco, San Jose, San Leandro, San Mateo, San Ramon, Santa Clara, Saratoga, South San Francisco, Stanford, Sunnyvale, Union City.



# Mind the Bridge

## ABOUT MIND THE BRIDGE

"Mind the Bridge is a global open innovation platform, providing services and products to corporates and local startup ecosystems. Headquartered in Silicon Valley with offices in Barcelona and Seoul, and a presence in Los Angeles, New York and Milan, Mind the Bridge has been working as an international bridge at the intersection between startups and corporates since 2007.

Mind the Bridge scouts, filters, and works with 10,000+ startups a year supporting global corporations with open innovation initiatives that translate into curated deals with startups (POCs, procurement, investments, and/or acquisitions). It also provides corporates with advisory services and benchmarking on innovation strategies and structures.

Mind the Bridge developed MTB Ecosystem, a AI-powered open innovation matching platform.

Mind the Bridge regularly produces research reports with the goal of sharing insights and data about startup ecosystems, open innovation, and corporate presence in global innovation hubs. Mind the Bridge reports have been featured on the Financial Times, USA Today, El Pais, Techcrunch, and more.

Mind the Bridge, in collaboration with the International Chamber of Commerce, the 100 y.o. institution representing more than 45M businesses worldwide, annually runs the "Corporate Startup Stars" awards, which rates and awards the most startup-friendly global corporates.

For more info:

<http://mindthebridge.com> | [@mindthebridge](#)