



Mind the Bridge

EUROPEAN INNOVATION ECONOMY IN SILICON VALLEY

2023 Report

Version 1.0 | **March 2023**

Photo Credit: Markus Spiske and Umer Sayyam



FOREWORD

Mariya Gabriel

**EU Commissioner for Innovation, Research,
Culture, Education, and Youth**

Europe is a major actor in Silicon Valley.

Maybe more than any other region in the world, **Europe has strong economic, financial, and human linkages to the Bay Area.** Several unicorns and a lot of Silicon Valley startups were started by Europeans, and more than 200 scaleups founded by Europeans have their headquarters in the Bay Area.

Seventy of the biggest companies in Europe have a permanent presence in Silicon Valley and are actively involved in the innovation ecosystem. On top of that, there are a few venture capital funds based in Europe and a number of corporate venture capital firms that work in the Bay Area.

Also, **more than 50 bridge organizations**, both public and private, have been set up to help European startups, corporations, and small and medium-sized businesses (SMEs) work with Silicon Valley.

In addition to the presence of the **European Institute of Innovation and Technology (EIT)** since 2019, the **Delegation of the European Union to the United States** has a direct presence in Silicon Valley starting in 2022.

Among the vast amount of insightful information and analysis included in this Report by Mind the Bridge, there is one data I'm particularly proud about.

The significant reduction of European scaleup migration.

The United States, and Silicon Valley in particular, have always been a big draw for startups from all over the world looking for a bigger market and more access to capital. "Dual Companies" is the name for this trend, which refers to startups that moved their headquarters from Europe to United States but kept important operations (like research and development, product development, engineering, etc.) in their home country.

When we look at the data from Europe, we see a big drop. Five years ago, 13% of all European scaleups were dual companies. Today they are only 6%. Consistently the percentage of European scaleups with headquarters in Silicon Valley has dropped to 2.2% (from 4.5% in 2018). That confirms the **substantial progress Europe has made in the past few years in terms of developing strong regional innovation ecosystems and increase access to capital for startups** to keep the headquarters in Europe.

There is still a lot to do. But Startup Europe is stronger now. During the First EU Innovation Day in San Francisco in March 2023, we will talk about the **New European Innovation Agenda (NEIA)** with a strong focus on deep tech innovations with a hardware or biological component. This Agenda is a key component of Europe's long-term growth and competitiveness. Our goal is to make Europe the global powerhouse for deep tech innovation (addressing our society's deepest challenges) and bring deep tech entrepreneurs, talent, and investors from the US.



EUROPE IN SILICON VALLEY: A SUCCESSFUL COMBINATION

Alberto Onetti | **Chairman, Mind the Bridge**

Marco Marinucci | **Founder & CEO, Mind the Bridge**

There are two main factors that make Europe an important and lively component of the Silicon Valley Innovation economy.

First, the presence of many of the EU's largest companies.

70 large corporates have innovation outposts and antennas in the Bay Area, while others are adding to the list on a monthly basis. Having innovation boots on the ground allows companies to play an active role in the Silicon Valley innovation engine.

Secondly, the wide network of bridge organizations.

Over 50 entities (both public and private) are here to assist and support European startups, investors, and SMEs in engaging with Silicon Valley and getting exposed to the main trends. Specifically they help European startups and scaleups get access to business opportunities and eventually funding and exits.

However, there are still steps to be taken in order to further strengthen the connections between these two regions. Among others, **Europe needs to present itself - and be perceived more - as a single, interconnected ecosystem** rather than a combination of single national communities.

Our ultimate goal is to help close this gap by creating a **central directory for European startups, corporates, investors, and governments** interested in finding information on the organizations which might help plan an approach or a presence in Silicon Valley.

This report serves as our effort to combine the various research we have done working in and around the European Innovation ecosystem in Silicon Valley in each of its facets, i.e. corporates, startups, investors and institutions.

The report is linked to the on-line directory we keep constantly updated.

This way, by knowing who's-who in the ecosystem, the reader can easily move to a more proactive phase and start directly benefiting from the local European community that is here to help and support.

THE EUROPEAN INNOVATION ECONOMY IN SILICON VALLEY

This report serves as our effort to combine our decade-long research around the European Innovation Ecosystem¹ in Silicon Valley in each of its facets.

These include **Corporate Innovation Outposts**, **Scaleups**, **Investors**, and **Ecosystem Partners**, i.e. government institutions such as Consulates and Chambers of Commerce, and private and public

Trade and Bridge Organizations from EU member states.

Together, these groups form the **European Innovation Economy in Silicon Valley**.

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



1 - Here we restricted our analysis to entities that belong to the 27 member countries of the European Union.

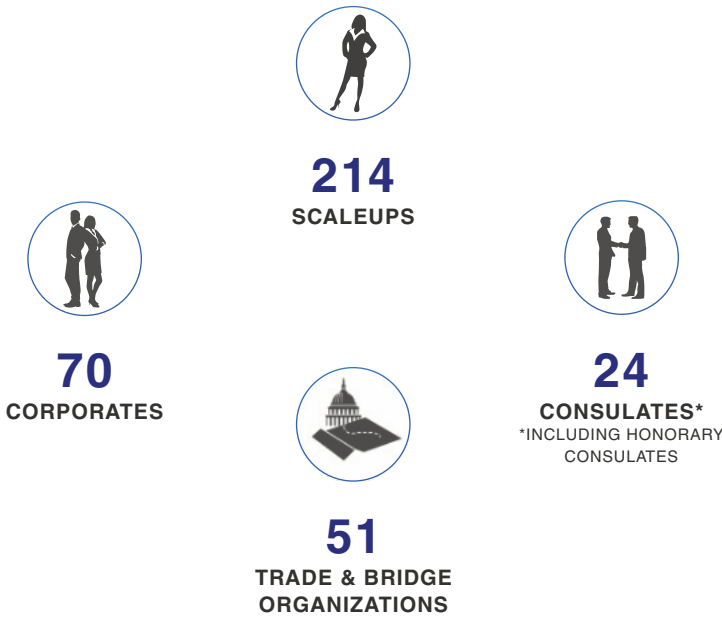
The influx of European Innovation actors in Silicon Valley has been **increasing** consistently since the last decade.

As of March 2023, the European innovation contingent in Silicon Valley includes:

- **214 Scaleups** founded in Europe that moved their headquarters to Silicon Valley while maintaining relevant operations (e.g. R&D, engineering or operations) in their respective countries of origin

- **70 European Corporates** that established a “Corporate Innovation Outpost” (e.g. an Antenna, an Innovation Lab, a R&D Center, or a CVC Office) in Silicon Valley
- **51 branches of European Trade & Bridge Organizations**, including **7 Chambers of Commerce**
- **24 Consulates Generals or Honorary Consulates** of EU Member States.

FIGURE 2
EUROPEAN INNOVATION ECONOMY IN SILICON VALLEY
Source: Mind the Bridge



EUROPEAN INVESTORS IN SILICON VALLEY

European VCs have spent the last two decades on the uptick, rising to relevance from general obscurity in the early 2000's.

There are a handful of Europe headquartered funds with an active presence in the Bay Area such as EQT Partners, Global Founders Capital, Wellington Partners, Bpifrance, Headline (formerly E Ventures), CVC Capital Partners.

Most importantly, we recorded a growing number of corporate venture capital offices in Silicon Valley by large corporates such as Airbus, Axa, BMW, Bosch, Engie, SAP, Shell, and Siemens.

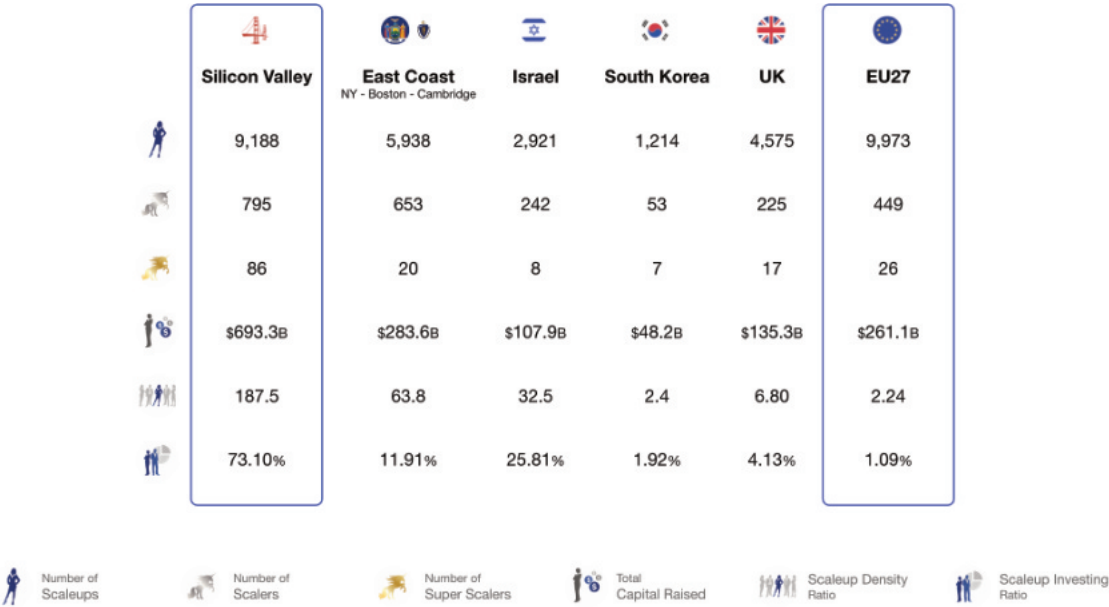


WHY SILICON VALLEY?

For global innovators and supporting institutions, having a presence in Silicon Valley remains of strategic importance, because **Silicon Valley remains the world’s epicenter of innovation²**. As of 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). **It takes the entire European continent to achieve similar volumes**, at least in terms of number of scaleups (overall capital raised in Europe is only 37% of the capital invested in the Bay Area). Although many ecosystems around the US are showing growth, still **no clear rival is emerging to Silicon Valley**.

Israel (the so-called “Startup Nation”) has 2,921 scaleups (that raised about \$108B), while the East Coast (which includes New York, Boston, and Cambridge) - that is the second largest US hotspot - has 5,938 (\$284B raised), and the UK 4,575 companies (\$135B raised).

FIGURE 3
WORLD’S SCALEUP ECOSYSTEMS
Source: Mind the Bridge



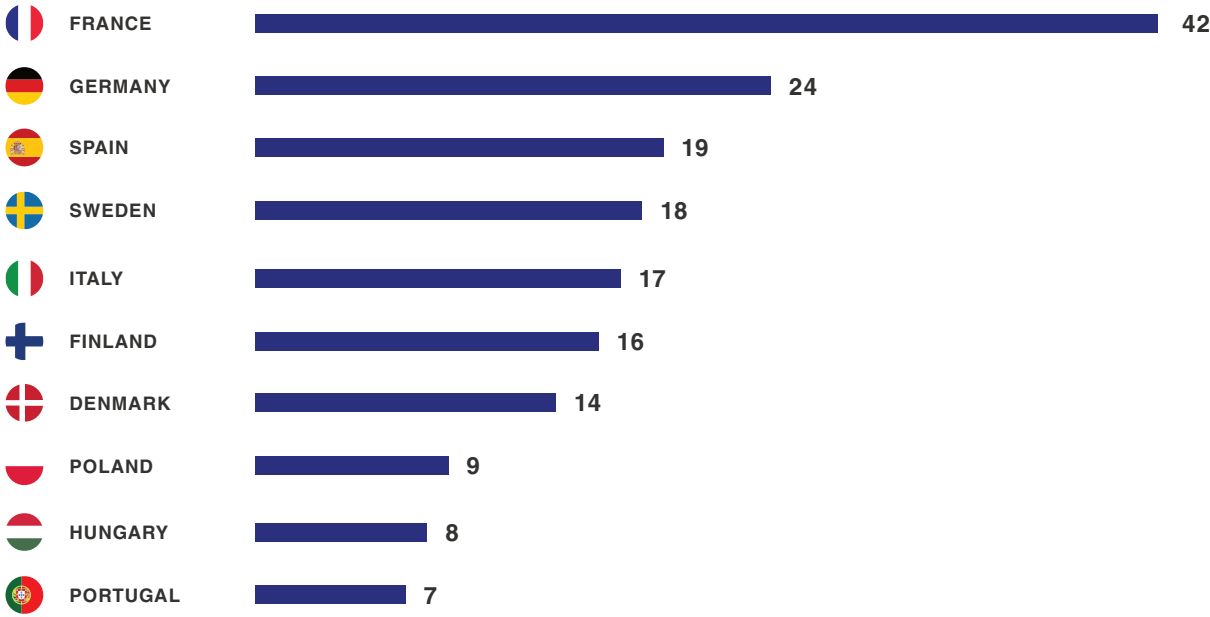
2 - Mind the Bridge, Tech Scaleup Silicon Valley - 2022 Report Update, San Francisco (CA), October 2022

EUROPEAN SCALEUPS IN SILICON VALLEY

Startups often migrate to get broader access to capital and market. We call this phenomenon **“Dual Companies”³**, i.e. startups that moved their headquarters from Europe to Silicon Valley, while keeping significant operations (e.g. R&D, Product Development, Engineering, etc.) in their country of origin. Silicon Valley has traditionally been a big pole of attraction in those tech migration paths. More than one out of three dual companies relocate in the Bay Area. **As of today, we tracked 580 European dual companies.**

Of them, 387 scaleups moved their headquarters to the US. More than half (214, 55% of total) chose Silicon Valley as their destination. France is the most represented country (42 dual companies), followed by Germany (24), Spain, Sweden, Italy and Denmark (with numbers between 14 and 19).

FIGURE 4
EUROPEAN DUAL COMPANIES IN SILICON VALLEY BY COUNTRY OF ORIGIN (TOP 10)
Source: Mind the Bridge with the support of Crunchbase



3 - Mind the Bridge & WSGR, European Dual Companies - Scaleup Migration?, London, June 2017



Looking at the European data, we see a significant reduction in this migration phenomenon.

Just five years ago, 12.5% of all European scaleups were dual companies. **Today they are 6%.**

Consistently **the percentage of European scaleups with headquarters in Silicon Valley has dropped to 2.2%** (from 4.5% in 2018). That confirms the huge progress Europe has made in the past few years in terms of access to capital for startups (at least in the seed and early phases of development, for large tickets and IPOs the US remains the place to be).

Dual companies are most common in younger startup ecosystems and smaller countries.

In those environments, startups often are forced at an early stage to look abroad for market growth and funding opportunities.

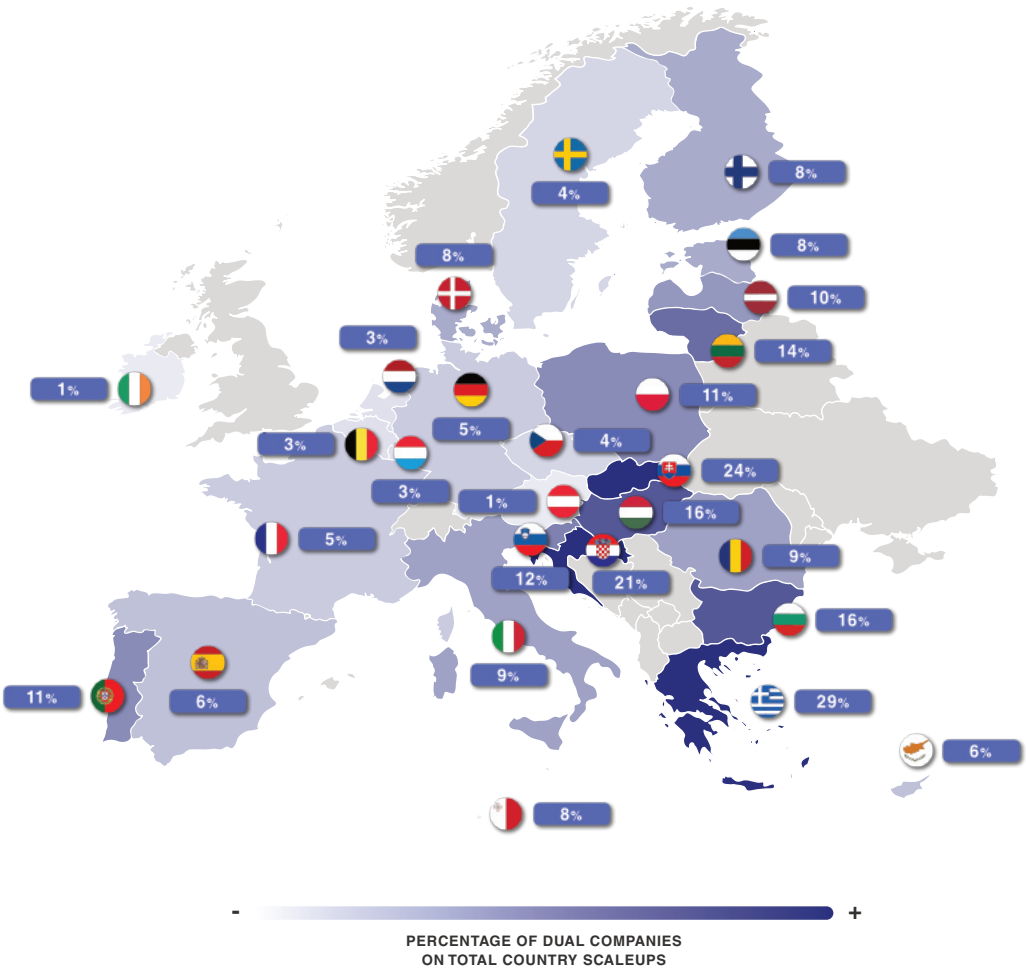
Our data confirm this view.

The most evolved ecosystems such as Germany, France, Sweden and Benelux show ratios of dual companies (3-5%) lower than Southern Europe countries (Spain 6%, Italy 9%, Portugal 11%) and CEECs (e.g. Poland 11%, Hungary and Bulgaria 16%).

We find a high density of dual companies (8%) are also in advanced startup ecosystems such as Finland and Denmark but characterized by smaller domestic markets.

FIGURE 5
EUROPEAN DUAL COMPANIES BY COUNTRY OF ORIGIN (PERCENTAGE ON COUNTRY SCALEUPS)

Source: Mind the Bridge with the support of Crunchbase



EUROPEAN CORPORATES IN SILICON VALLEY

To get exposed to the latest technology trends and business models, as well as increase the depth and breadth of their startup engagement, global corporate innovation leaders put “**innovation boots on the ground**” by opening **Open Innovation Antennas and Outposts** in the global tech ecosystems with the highest startup density.

The trend is on the rise, and according to recent data⁴, the vast majority (more than 70%) of global Innovation Leaders have a structured presence in Silicon Valley.

FIGURE 6
CORPORATE INNOVATION OUTPOSTS: HOW TO

Source: Mind the Bridge



Corporate Innovation Outposts may take various forms⁵, each presenting a different focus and depth of mission. We identified the following **models**:

Corporate Innovation Antenna

A structured but flexible presence, at times supported by a local bridging organization, to spot trends and increase exposure to technologies and business models.

Corporate Innovation Lab

An outpost acting as an incubator/accelerator powered by the support of corporate resources for out-of-house technology research and development.

Corporate R&D Center

A well-established, sometimes specialized presence, typically employing between 50 to 1000+ people. It draws on local startup technology and talent to empower corporates with new solutions

Corporate Venture Capital (CVC) Office

An office of a Corporate Venture Capital (CVC) fund, set up in a global innovation ecosystem to leverage proximity to startups for portfolio building purposes.

4 - Mind the Bridge, Evolve or Be Extinct - Open Innovation Models for the Future - Season 2022 - Highlights from Corporate Startup Stars, London, December 2022
5 - Mind the Bridge, Corporate Innovation Outposts in Silicon Valley - 2022 Report, San Francisco (CA), October 2022

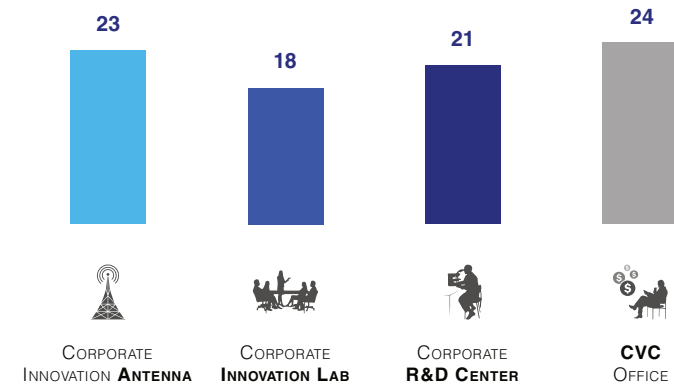
FIGURE 7
EUROPEAN CORPORATE INNOVATION OUTPOSTS IN SILICON VALLEY
Source: Mind the Bridge



The contingent of European corporates with an outpost in the Bay Area is quite large. They represent the **20% of the world's total corporate venturing contingent in the Bay Area.**

As of March 2023, we recorded **70 European large corporates⁶** that established one or multiple innovation outposts in Silicon Valley, for a total of **86 different active local entities.**

FIGURE 8
EUROPEAN CORPORATE INNOVATION OUTPOSTS IN SILICON VALLEY BY TYPE
Source: Mind the Bridge



The vast majority of corporates appear to favor a lean presence to set foot in Silicon Valley. EU corporates also have set up 18 more structured Innovation Labs (21% of total outposts) and 21 well-established R&D Centers (24% of total).

Out of all the 86 innovation outposts set by EU corporates, 47 (55%) are lean entities - i.e. Innovation Antennas of CVC Offices - usually run by agile teams of 1-5 professionals.

At aggregate level, we can estimate that these entities employ a **workforce of about 5-7,000 innovation professionals.**

6 - We restrict our analysis to corporates in the "Fortune Global 500" and "Forbes 2000" rankings. See Methodology.

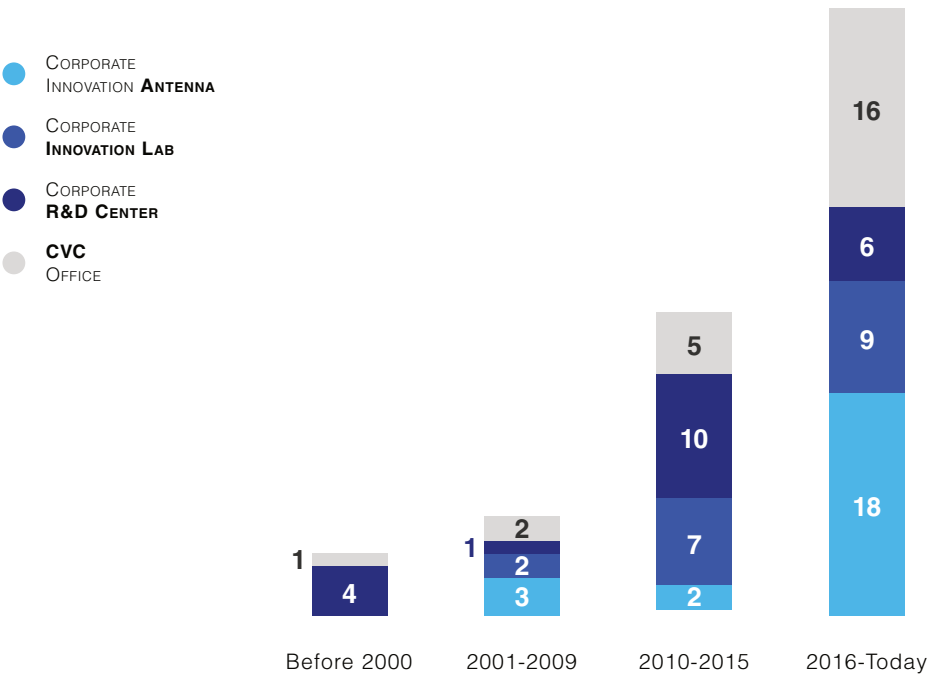
EU Corporate Innovation presence in Silicon Valley appears to be a relatively **recent - and on the rise - phenomenon.**

Before 2010, only a handful of pioneering EU corporates had established a structured presence in the Bay Area. As of the end of 2009, our records indicate that only 13 outposts (15% of total) were established, most of them as structured R&D Centers.

In the following 5-year period, 24 new outposts were established, representing an 85% increase since the previous periods combined.

Since then, we observed a **radical increase in EU corporate innovation presence in Silicon Valley**, driven mostly by an exceptional amount of new Innovation Antennas (18 since 2016) and CVC Offices (16 since 2016).

FIGURE 9
EUROPEAN CORPORATE INNOVATION OUTPOSTS IN SILICON VALLEY IN TIME
Source: Mind the Bridge



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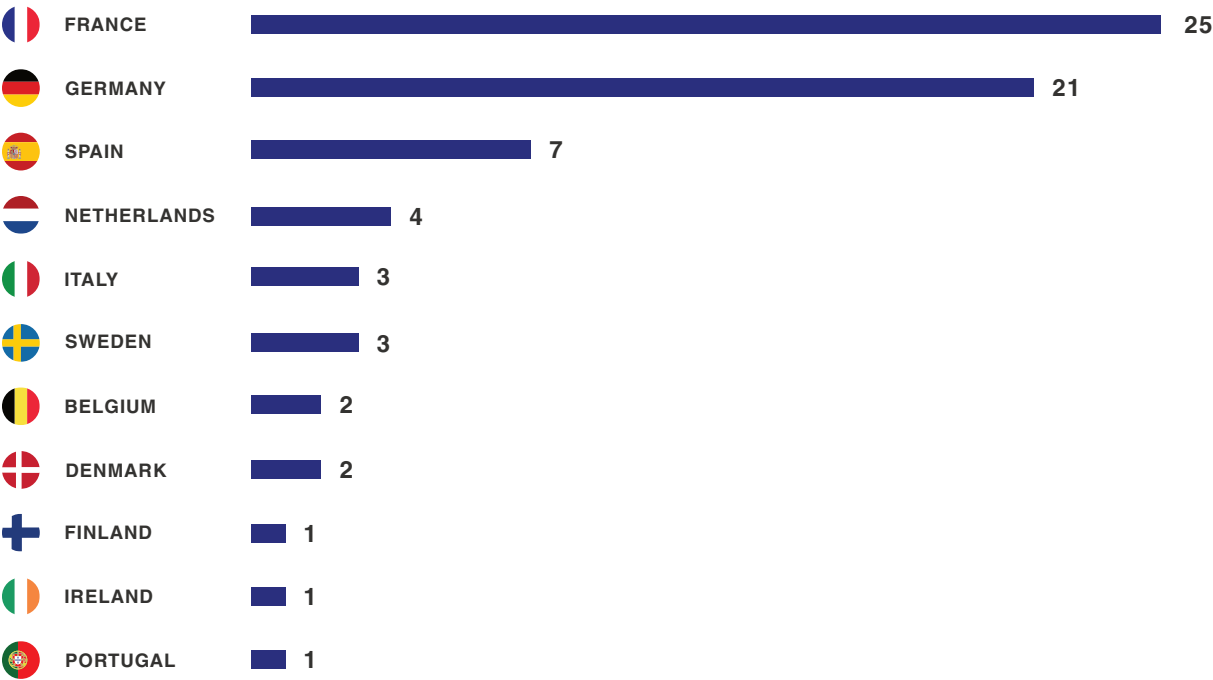
Corporates from 11 EU member states have a structured innovation presence in the Bay Area.

France is the most represented country with 25 corporates (more than one third of the total), followed by Germany (21 corporates, 30%).

The largest Southern EU startup ecosystems, Spain and Italy, are also well-represented by respectively 7 and 3 corporates (10% and 4% of total).

The Netherlands, Sweden, Denmark, and Belgium are all represented by multiple corporates (between 2 and 4), while Finland, Ireland, and Portugal follow a relatively exploratory approach, with one company each.

FIGURE 10
EUROPEAN CORPORATES IN SILICON VALLEY BY COUNTRY OF ORIGIN
Source: Mind the Bridge



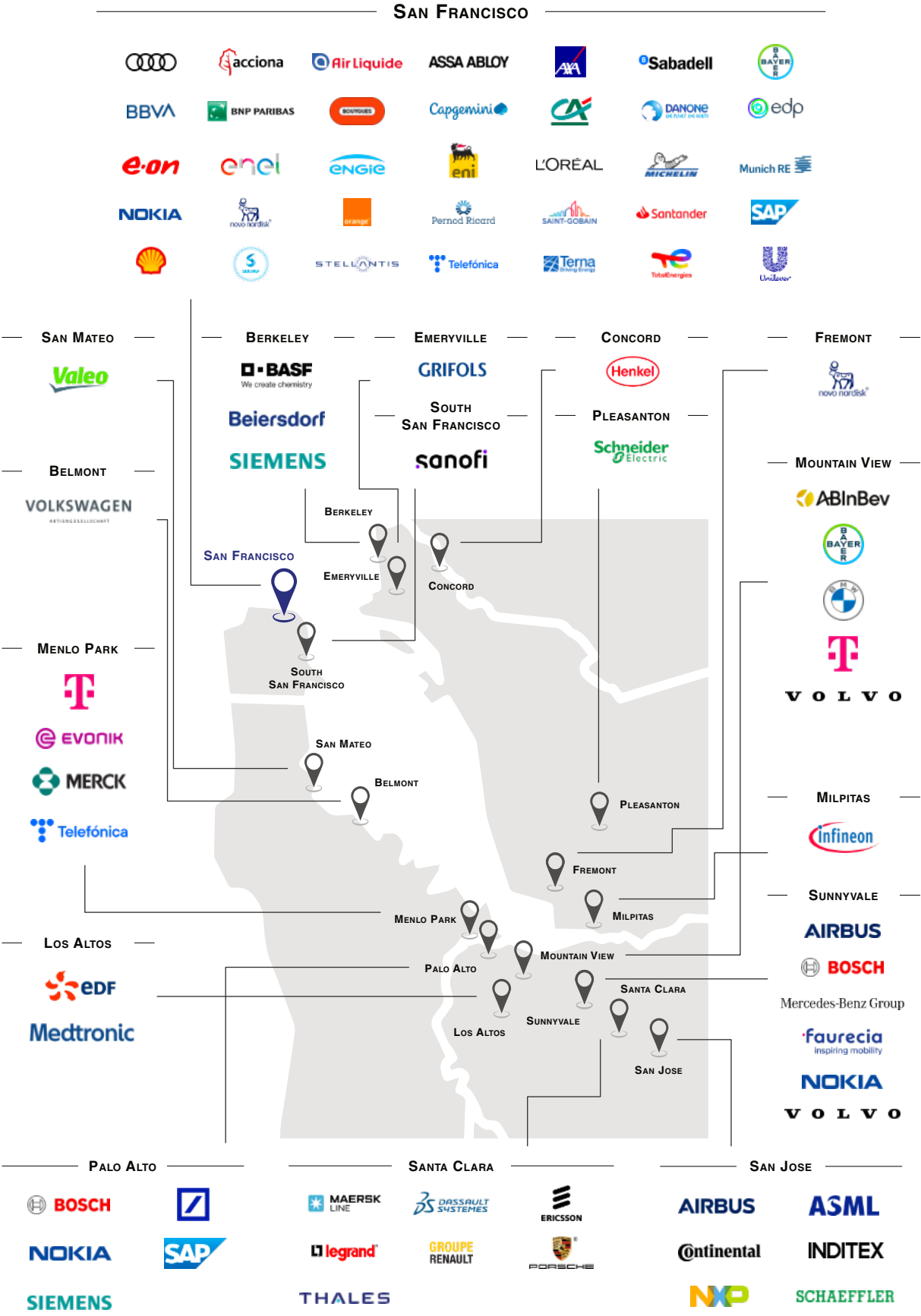
As shown in Figure 11⁷, San Francisco remains the most attractive hub of Silicon Valley for EU Corporates - 35 out of 70 have set an outpost there.

We do observe a relatively widespread presence of EU Corporates down the Valley as well. Other attractive centers of innovation include Santa Clara (7 EU Corps with an outpost there), San Jose and Sunnyvale (6 each), Mountain View and Palo Alto (5

each), and Menlo Park (4). Another 5 corporates chose to establish an outpost on the opposite side of the Bay Bridge, in one of the municipalities of Berkeley, Emeryville, and Concord.

7 - Duplicate corporate logos between different locations indicate that the corporate under analysis has established different outposts in multiple locations in Silicon Valley, often with unique specializations.

FIGURE 11
EUROPEAN CORPORATE INNOVATION OUTPOSTS IN SILICON VALLEY
Source: Mind the Bridge



EUROPEAN ECOSYSTEM PARTNERS IN SILICON VALLEY

Government presence in Silicon Valley supporting innovation is a global phenomenon attracting representative institutions from countries, regions, and supranational entities such as the EU. In our latest report, we recorded 63 active Government Institutions with an “outpost” in Silicon Valley.

In this report, we analyzed in depth the presence of EU Ecosystem Partners in Silicon Valley, focusing our analysis on public and private **EU Trade and Bridge Organizations** (including **Chambers of Commerce**), and **EU Consulates Generals/Honorary Consulates**.

We considered all institutions that have **dedicated personnel** located on the ground, with or without a structured physical office.

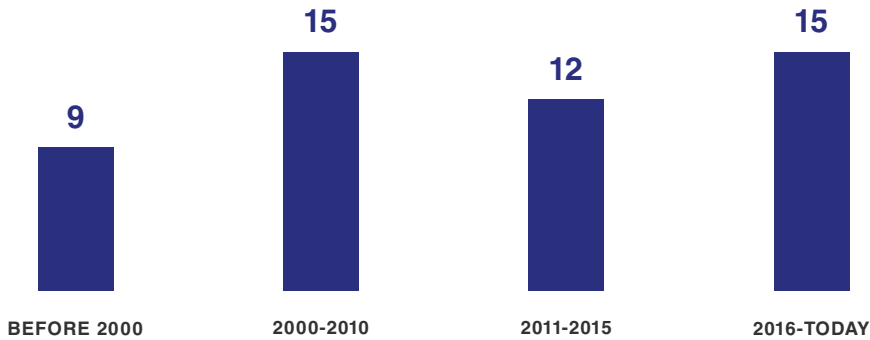
- The main focus of these organizations may be related to any of the following areas:
- **Trendspotting and benchmarking** to identify technology/business trends
 - **Fostering entrepreneurship, investments, and business opportunities** for their home countries’ startup ecosystems
 - **Increasing awareness 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

TRADE AND BRIDGE ORGANIZATIONS

Due to the historical ties between Europe and the US, the trend of EU institutional presence in Silicon Valley is well-established, yet consistently growing -

as 27 institutions (53% of total) set foot in the Bay Area after 2010.

FIGURE 12
EUROPEAN TRADE AND BRIDGE ORGANIZATIONS IN SILICON VALLEY BY YEAR OF ESTABLISHMENT
Source: Mind the Bridge



As of March 2023, we recorded **51 public and private Trade and Bridge Organizations** - including 7 Chambers of Commerce - from 20 EU Member States, plus 2 pan-European organizations - including the recently established (2022) Delegation of the European Union to the United States in Silicon Valley.

The most represented country is Germany with 7 organizations, followed by Belgium (6), and Italy (5). We report 4 organizations each from France and Sweden, and 3 each from Ireland and Spain. Austria, Denmark, the Netherlands, and Portugal are also represented by multiple organizations.

Bulgaria, Czech Republic, Estonia, Finland, Greece, Latvia, Luxembourg, Poland, and Romania are all represented by one organization each.

Moreover, as of March 2023, **24 out of 27 EU Member States have a Consulate General** (or Honorary Consulate) in the San Francisco Bay Area, often fostering connections and networking opportunities between the country of origin and the Silicon Valley innovation ecosystem.

FIGURE 13
EUROPEAN TRADE AND BRIDGE ORGANIZATIONS IN SILICON VALLEY BY COUNTRY OF ORIGIN
Source: Mind the Bridge

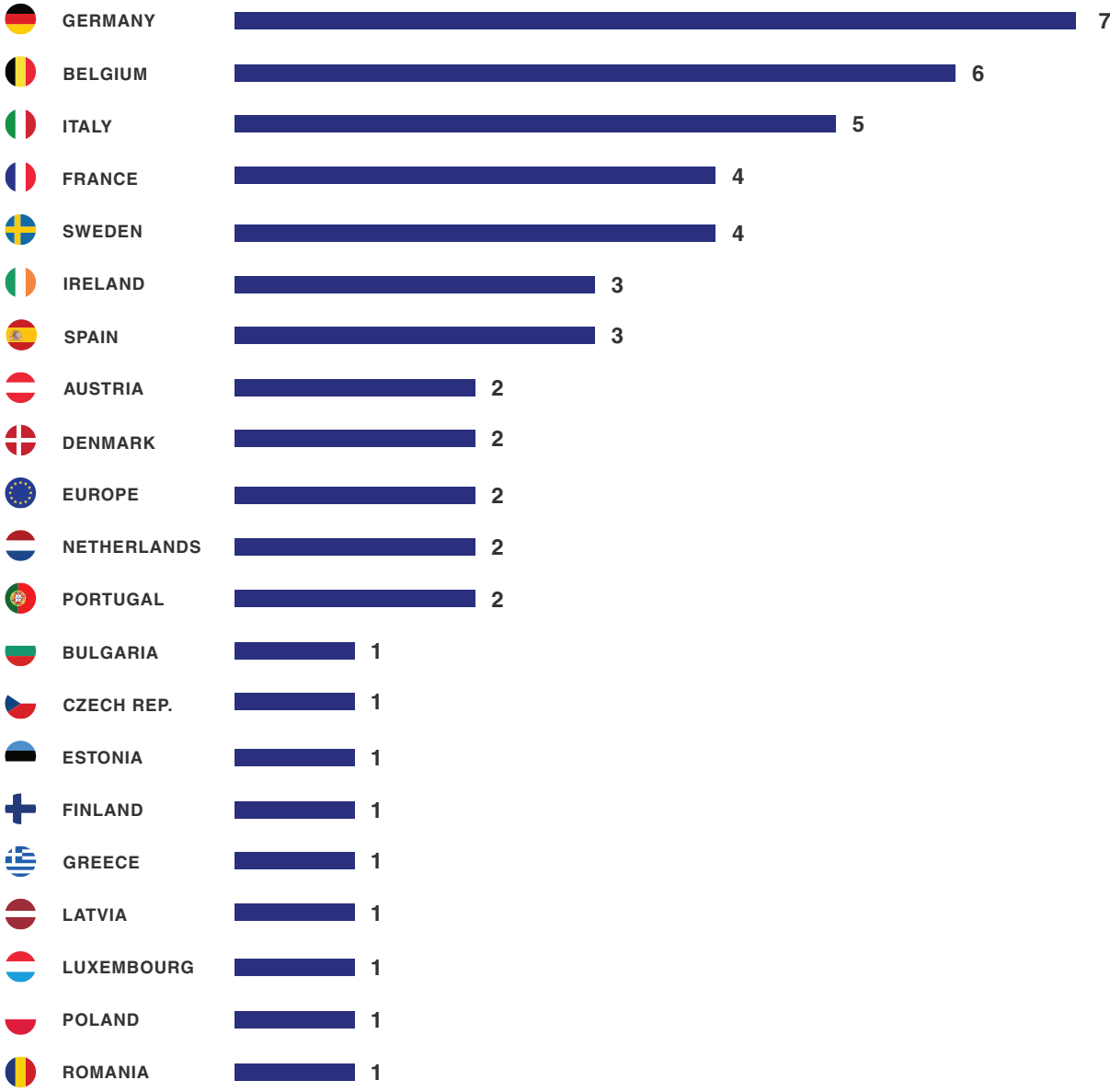


FIGURE 14
EUROPEAN PRIVATE AND PUBLIC TRADE & BRIDGE ORGANIZATIONS IN SILICON VALLEY
Source: Mind the Bridge



BROWSE OUR DATA
ONLINE DIRECTORIES

CORPORATE
INNOVATION OUTPOSTS
IN SILICON VALLEY
ONLINE DIRECTORY



TRADE AND BRIDGE
ORGANIZATIONS
IN SILICON VALLEY
ONLINE DIRECTORY



EUROPEAN
CONSULATES
IN SILICON VALLEY
ONLINE DIRECTORY





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](#)