

THE CØDEST
IN CODE WE TRUST

**FROM USA TO EUROPE:
WHY DO AMERICAN STARTUPS
DECIDE TO RELOCATE TO EUROPE?**

- 1. The State of Tech US startups**
- 2. Why do US tech startups open new offices in Europe and develop their products there?**
 - High English Proficiency
 - Affordable IT services
 - European IT Market Overview
 - High Quality of Developers
 - Talent Pool
 - Investments by industry
- 3. Example of transfer to Europe**
 - What they do?
 - Their European transfer details
- 4. Summary**
- 5. About The Codest**

The United States is a leading country when it comes to the number of startups. How's that possible? Perfect business infrastructure and accessible funding are just a few reasons why 80% of small enterprises are able to survive on the market longer than in other countries.

Which industries have the most startups? Definitely healthcare and financial technology. The ongoing demand on the market for those types of services creates a huge opportunity for many enterprises in the US. There are also other industries that make the American market flourish, such as E-commerce, AI/ML and SaaS development.

The newest forecast for US tech startups is very positive. The market needs for tech solutions are very much likely to increase, which will allow the enterprises to develop. What is also worth emphasizing is the growing meetup culture and the immense increase of tech conferences over the years. In the long term, those factors contribute to building a tech community and a new generation of young and fearless tech entrepreneurs.

40%

startups are able to become profitable via [First Site Guide](#)

6 days

this is how many days you need to start a business in United States via [Embroker](#)

10%

of startups fail within the first year via [Embroker](#)

66%

enterprises outsource services to other small businesses via [Embroker](#)

242

of so-called unicorns were in the USA ([Asia Nikkei](#))

61%

of startups were started by serial founders via [Embroker](#)

63,703

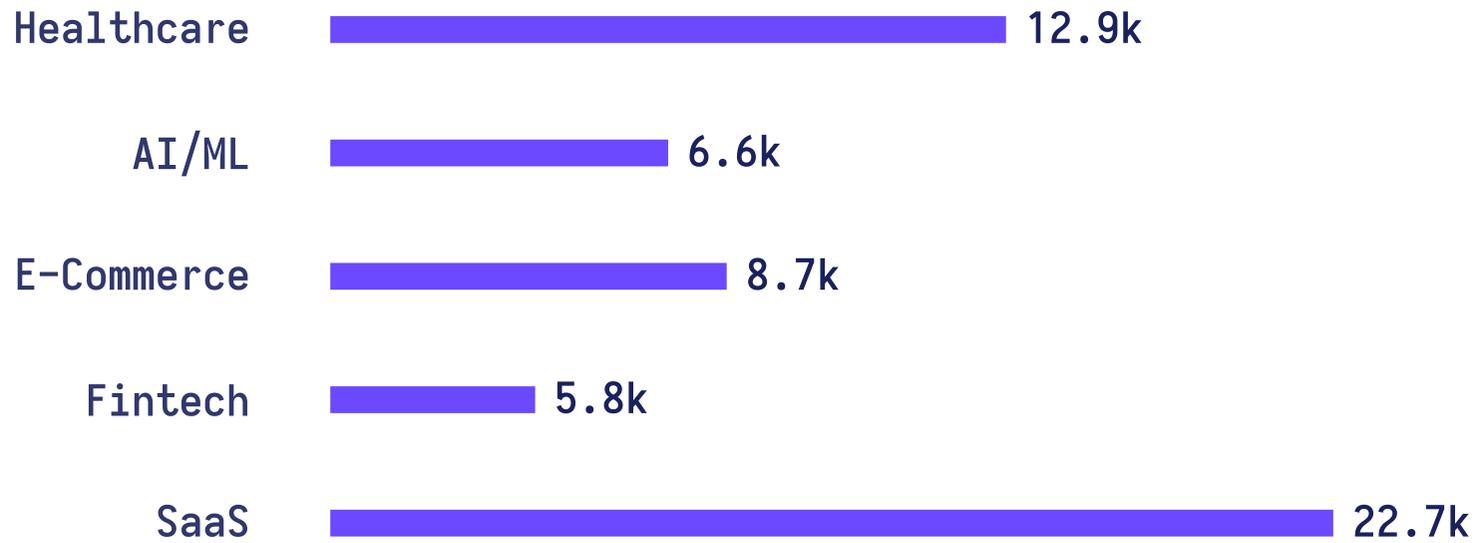
startups were registered in USA according from the latest report ([First Sited Guide](#))

1.6 trillion \$

this is how much the USA tech market was worth in 2019 via [Embroker](#)

155 billion \$

this is how much Venture Capital funding reached in I 2017 via [Embroker](#)



WHY DO US TECH STARTUPS OPEN NEW OFFICES IN EUROPE AND DEVELOP THEIR PRODUCTS THERE?

Startup founders have begun to gradually leave the Silicon Valley “Bubble” and transfer their offices to Europe. There are many reasons to explain the phenomenon of the European startup environment. Check out the following guidelines to see the differences between selected European markets and the USA.

High Proficiency in English

As we know, communication and professionalism are two main condiments of successful international cooperation. European countries represent a perfect English-skilled environment.

For instance, according to EF EPI index, Poles are 14th in Europe and 16th in the world when it comes to the English proficiency level in 2020. For that reason, Polish software developers are able to communicate and create projects in international surroundings.

Affordable IT services

IT services and the costs related to software development are relatively cheaper but still of a great quality. Let's take a closer look at the hourly rate between a selected European market (in our case, Poland) and the USA according to Clutch.co.

	Poland	USA
web & software development	25 - 99\$	50 - 149\$
mobile app development	25 - 99\$	50 - 149\$
web design	25 - 99\$	50 - 200\$
IT services	25 - 99\$	100 - 199\$

European IT Market Overview

According to Statista IT services market expects to reach US\$316,724m in 2021. As a continent with a huge tech talent pool supported by top universities this tendention creates a strong environment for tech industry and a bright future of IT development.

High Quality of Developers

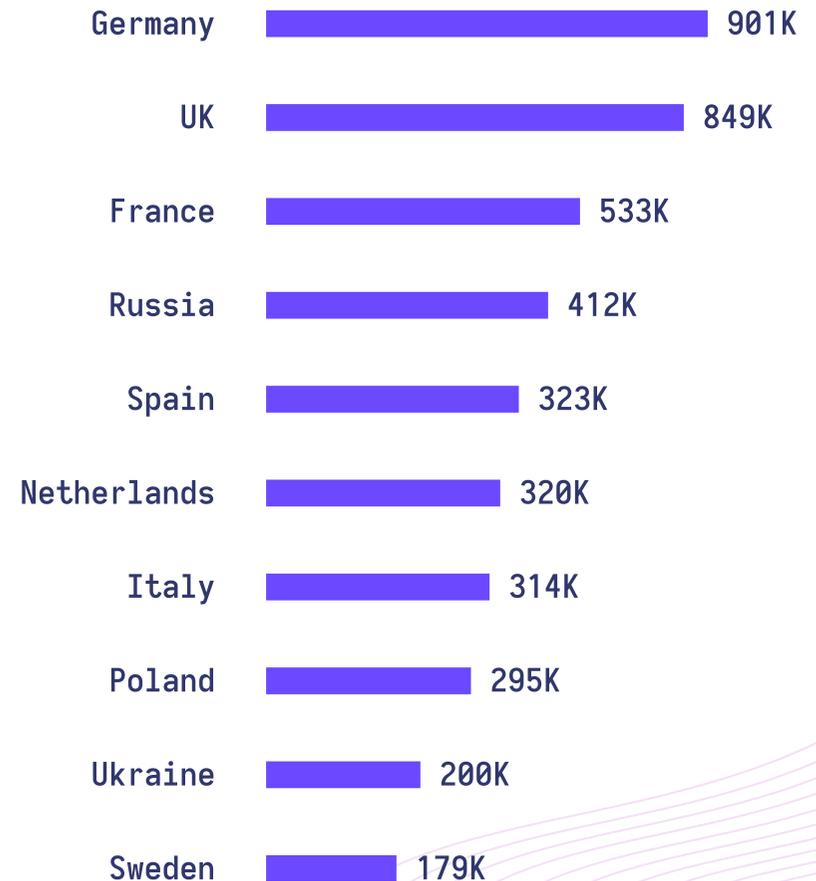
According to HackerRank's latest report which aimed at finding the countries with best developers worldwide, 7 out of 10 countries were European, while, surprisingly, the United States were on the 24th place.

WHY DO US TECH STARTUPS OPEN NEW OFFICES IN EUROPE AND DEVELOP THEIR PRODUCTS THERE?

Talent Pool

As Europe is home to about 50% of the world's top computer science universities, the European IT market is full of well-versed developers. Just in Poland, there are over 17 public technical universities with over 74 000 ICT students ([source](#)).

According to the Stack Overflow report in 2018, Europe had 5.5 million software developers. What's more, Germany, the UK and France are the top countries with the highest number of software developers. ([source](#))

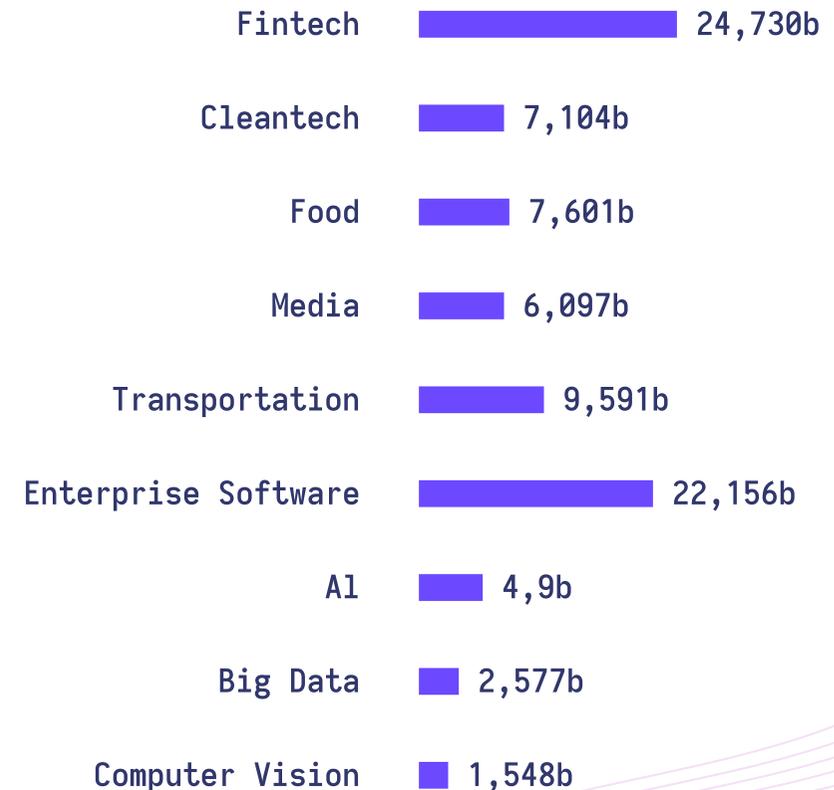


WHY DO US TECH STARTUPS OPEN NEW OFFICES IN EUROPE AND DEVELOP THEIR PRODUCTS THERE?

Investments by industry

The European funding system might seem more friendly to startups than the one in the US. Both government and private investments are easily accessible often without the request of equity in the startup. This is where European startups save up time – the search for investors is much less complicated ([source](#)).

Let's take a look at the most crucial industries in European tech and the total investments made in each category from 2015 to 2019 ([source](#)):



What Do They Do?

Instapage is a service that allows you to build landing pages for online marketing and promotion purposes.

What Do They Do?

This San Francisco-based tech startup moved to Poland. By inviting Polish programmers to collaborate, Tyson Page (CEO of Instapage) was able to rapidly develop his company. This co-partnership created two offices in Poland – Warsaw and Bialystok. Today, the startup has more than 200 employees. The whole tech engineering department is located in Poland as the CEO sees a huge potential in Polish programmers. ([source](#))

Since Europe is gradually becoming the second Silicon Valley. It's crucial to emphasize some key reasons to explain this phenomenon. There are three main advantages of transferring your startup to Europe:

- accessible funding,
- huge talent pool,
- affordable IT services.

This combination creates a perfect environment for startup development. As we may conclude from the data above, Europe has much more potential than ever before. Well-educated and young specialist along with friendly banking terms make this place a real startup heaven on Earth.

We deliver top-notch software development engineers

Struggling with software development? Say hello to The Codest - a team of well-qualified software engineers ready to extend your internal development team.

Our expertise

+10

experience in building
reliable software

+40

awesome devs at hand

+50

satisfied clients

How can we help you?

Empower your internal team by proven in battle software engineers..

Our developers can join your crew and help you with demanding challenges.

Thank you

In case of any questions reach out to us

contact@thecodest.co