

Gritd.

Scaling or failing?

How insufficient market validation
hinders Dutch start-up growth.

START-UP DEVELOPMENT REPORT
2022





Start-up Development Report

Help start-ups to become Scale-ups.

We present data insights of almost 400 Dutch start-ups that we analysed from March until October 2022. The lessons of courageous and innovative start-ups in the Netherlands are shared. We see novel technologies and new business opportunities developing at high speed. Sectors like energy, health and food are in desperate need of change. start-ups are key in the transitions. Over the last few years, Dutch start-ups have received record investments.

The potential is high, and the ambition even higher. To get there, we must remove all barriers that hinders start-ups in their growth. Our research shows that market validation is often insufficient. Still, with the right focus and support, start-ups scale up faster. We believe that through successful start-ups, a more sustainable environment can be realized. We hope you will enjoy reading this report.

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Key insights and recommendations.

Key insights for the ecosystem

01.

Dutch start-ups are potential growth engines for the economy. They have an average yearly revenue growth of 39%, employee growth of 20% and funding growth of 36%.

02.

Start-ups fail to achieve their high ambitions. Expectations of 250% revenue growth per year are 7 times higher than usually achieved.

03.

The key blocker for growth is product market fit (milestone 4). Market validation through all stages must be improved.

04.

An average start-up needs 4.5 years and € 1.0 million euro investment to earn over € 100k revenue. They believe they need an additional € 2.5 million euro to finance further growth.

Recommendations for start-ups

1. Triple the number of interactions with potential customers before entering the market.
2. Measure your product market fit. Use customer retention, referral and product usage as key indicators.

3. Focus on the right milestones to grow consistent. Consistently executing start-ups that have reached product market fit are 21% younger and so need less time to scale up.
4. Add experienced entrepreneurs to your team. They achieve 50% higher revenue and raise 20% more funding.

Contents of this report

The path to product market fit is not easily discovered. Because of this, start-ups focus on activities that do not lead to growth. In this report, we explain, with data, how milestones are being used to navigate to product market fit. We see how successful choices and consistency can help start-ups to grow faster.

- **Section 1: Thinking bigger in the start-up ecosystem.** The first part is about the ecosystem of start-ups. Their ambition and the potential of their market. How does this compare? How ambitious is a start-up? We also look at their expected turnover and how much investment they have raised so far.
- **Section 2: The milestones that help start-ups through product market fit.** We zoom in to the key milestones of start-up growth. The milestones are based on the lessons from Silicon Valley. They describe the ideal path to growth. We find key challenges for Dutch start-ups, most noticeably: the quest for product market fit.
- **Section 3: Consistent start-ups grow faster.** The majority of Dutch start-ups do not grow consistent. This means that there is still a lot possible for start-ups to improve. How can start-ups use the available resources – time and money – more effectively and increase productivity?
- **Section 4: From ambitions to market transitions.** Start-up growth is not only about increasing productivity, but eventually, how it contributes to a positive impact on our life's. To make this tangible, we present the growth journeys of several start-ups that have the ambition to make a difference in their sector.



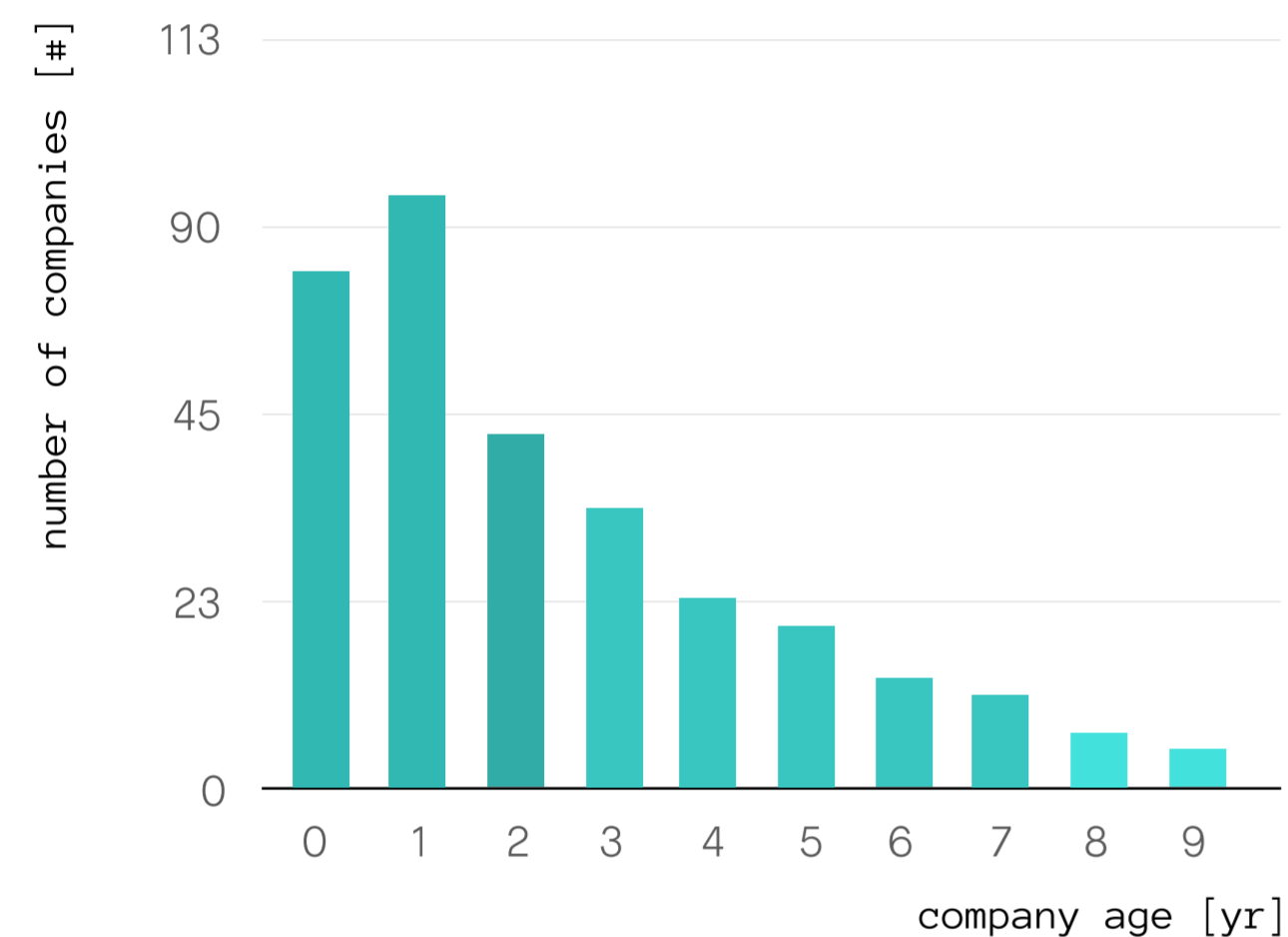
1. Thinking bigger in the start-up ecosystem.

Startups are valuable companies for the Dutch economy. Still, it is vital that startups also grow into scaleups. The ambitions to grow are present in the Dutch startup ecosystem. Our data shows that entrepreneurs are even more ambitious. We zoom in on ecosystem metrics to build a deep understanding for all key partners in the ecosystem.

Start-ups in our data are young companies.

They enable innovative products and services in a variety of sectors.

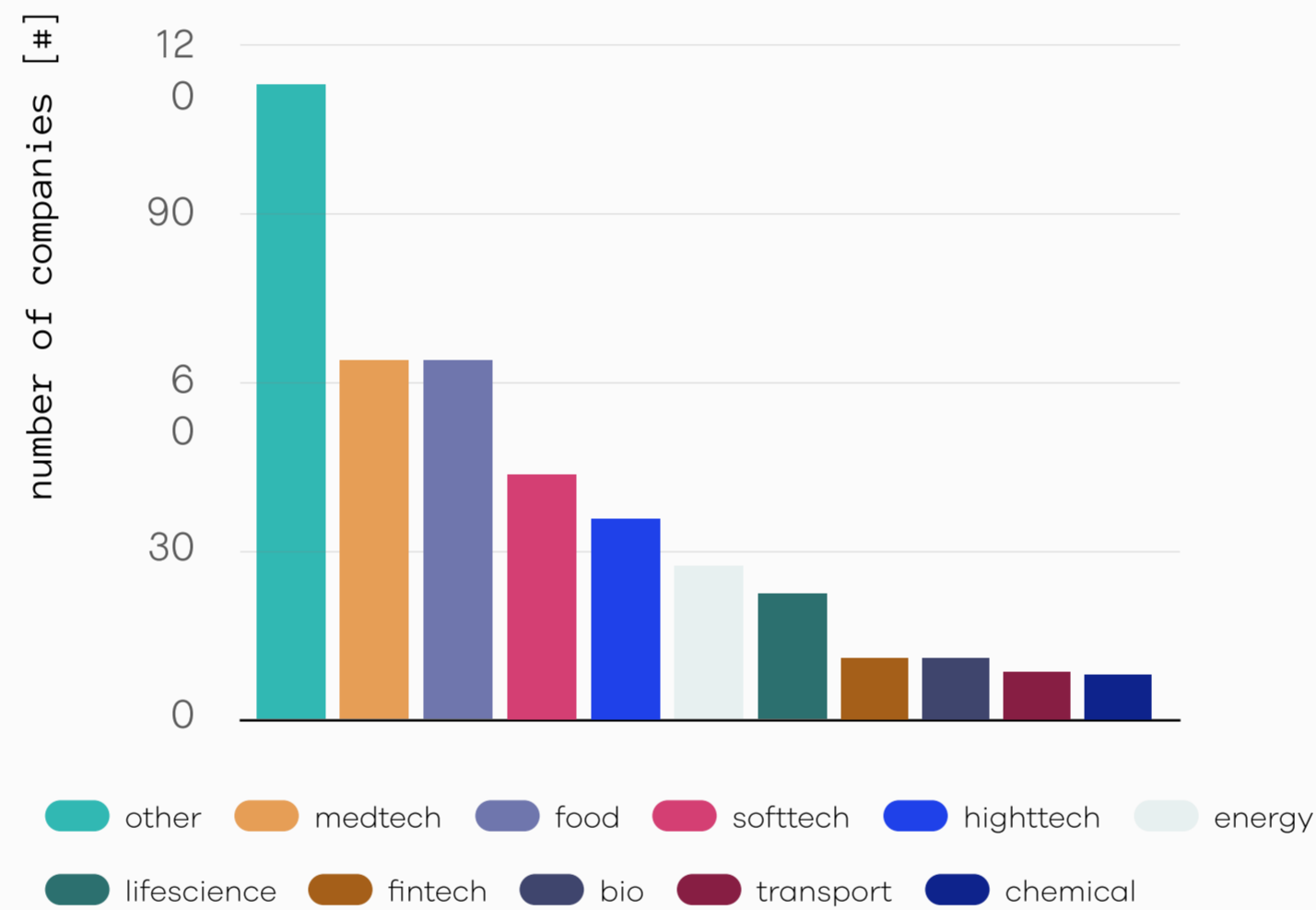
01. Company age



Start-ups are young

The majority of start-ups included in this research are less than 3 years old. Older start-ups appear less often in our data. Note that selection bias may apply to our dataset.

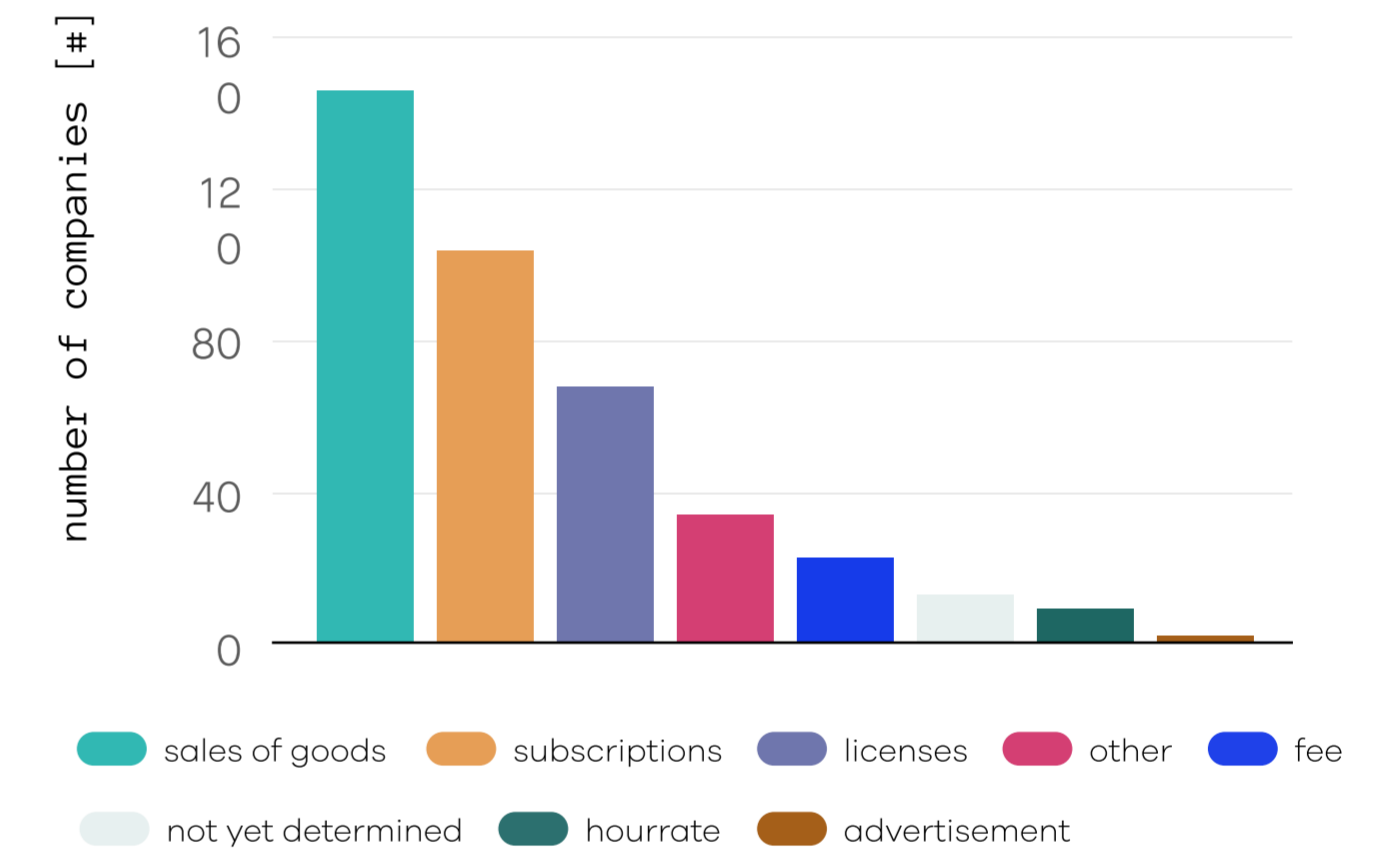
02. Sector



Innovations happens in traditional, as well as in new sectors

Our data sample focusses on young innovative start-ups. They are active in sectors with a lot of deeptech, such as medtech and food. Most start-ups are active in other sectors that are different from traditional sectors. This means that they are active in new, emerging, markets.

03. Revenue model



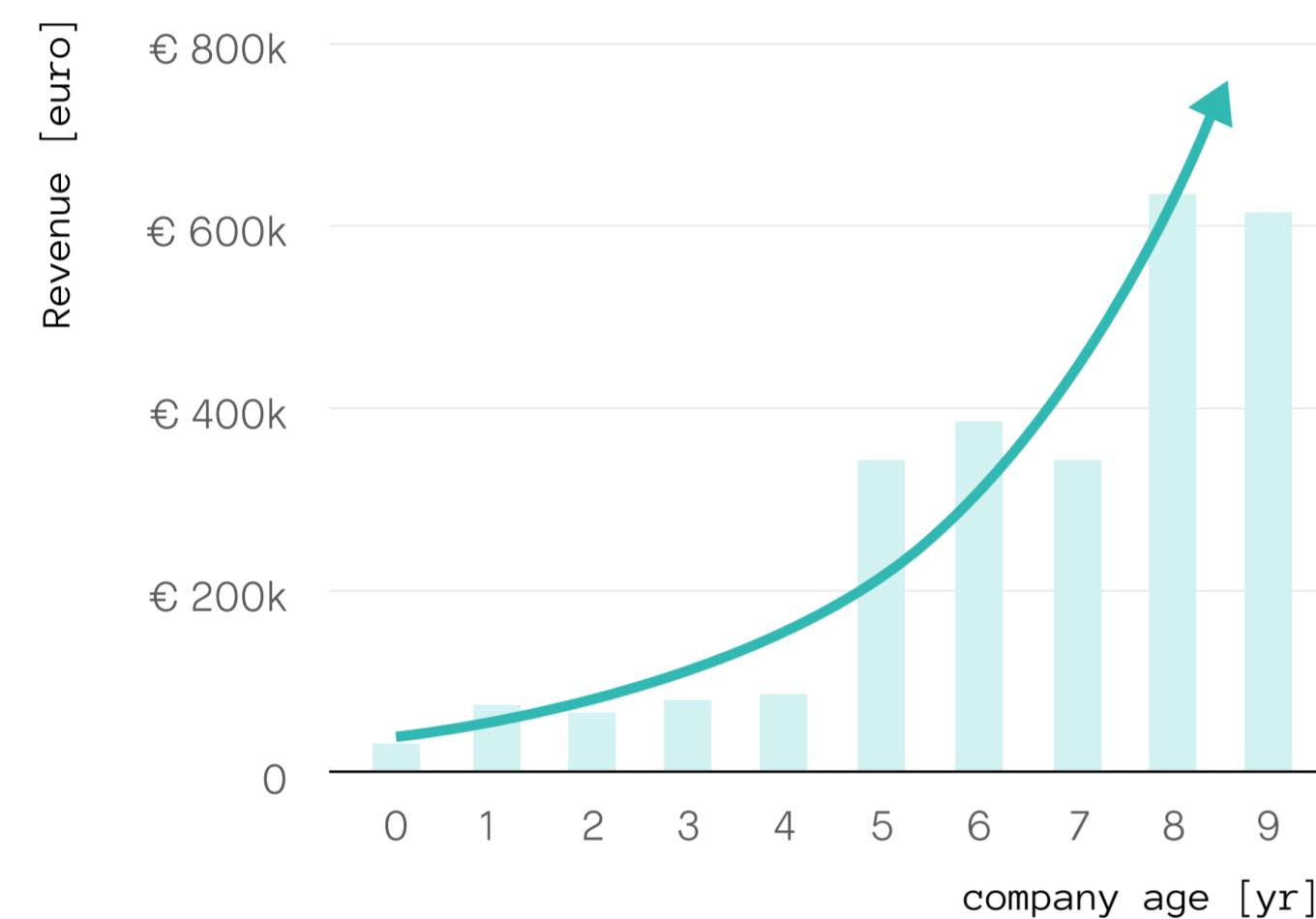
Finding the best revenue model is a challenge

Most start-ups sell goods as their primary revenue model. Subscriptions and licenses are the other most popular revenue models. We see in our data that often multiple models are used. Discovering the best sales and business model strategy is part of the startup journey.

Start-ups are potential growth engines for the economy

with an average yearly revenue growth of 39%, employee growth of 18% and funding growth of 36%.

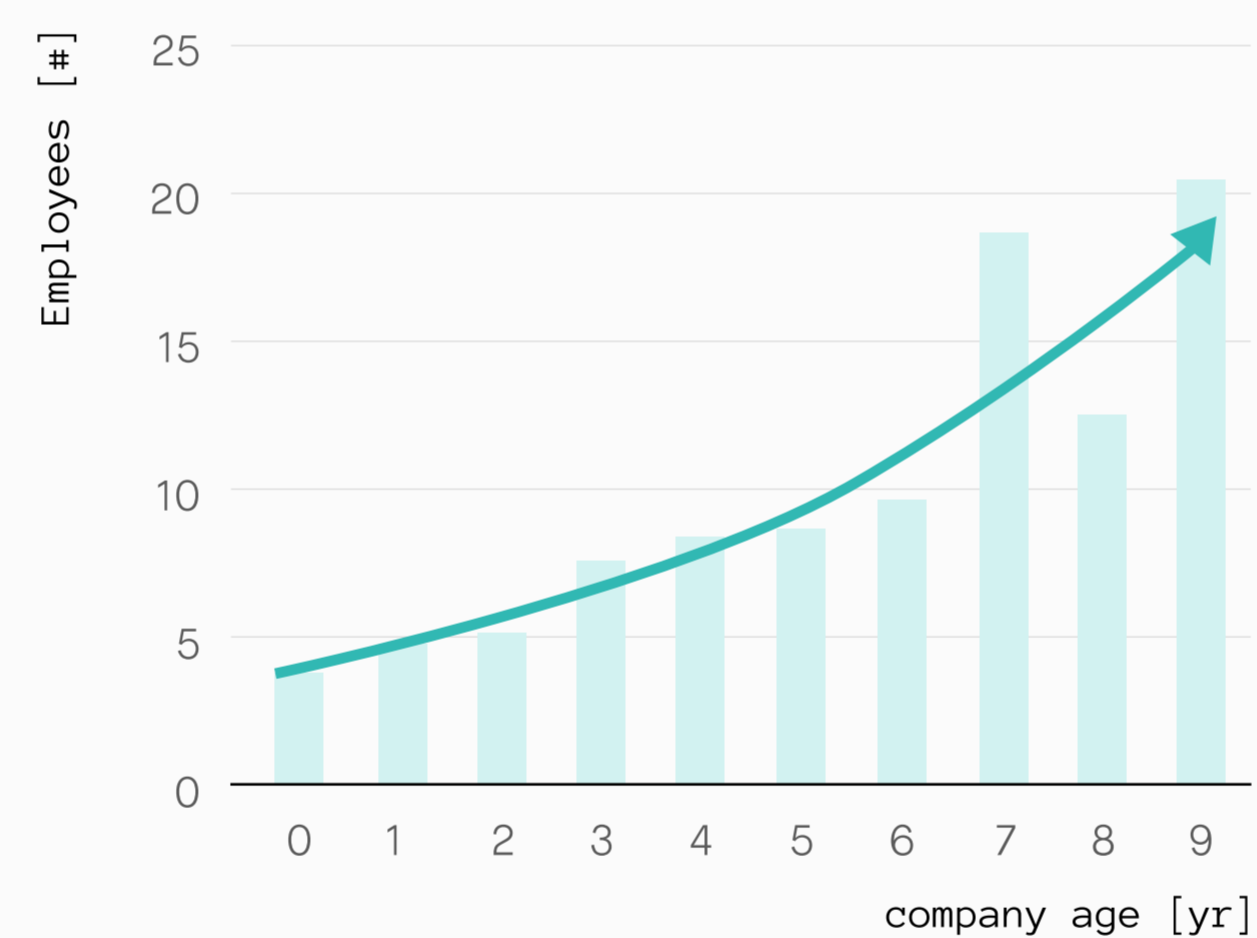
01. Revenue growth vs. age (yearly growth 39%)



start-ups create productivity growth

The averaged achieved yearly revenue growth of start-ups is 39%. In our data we see a hockey stick pattern. In the first few years, start-ups make little to no money. Followed by a fast growth after 5 years. This growth pattern is indicative of sales growth in a new markets.

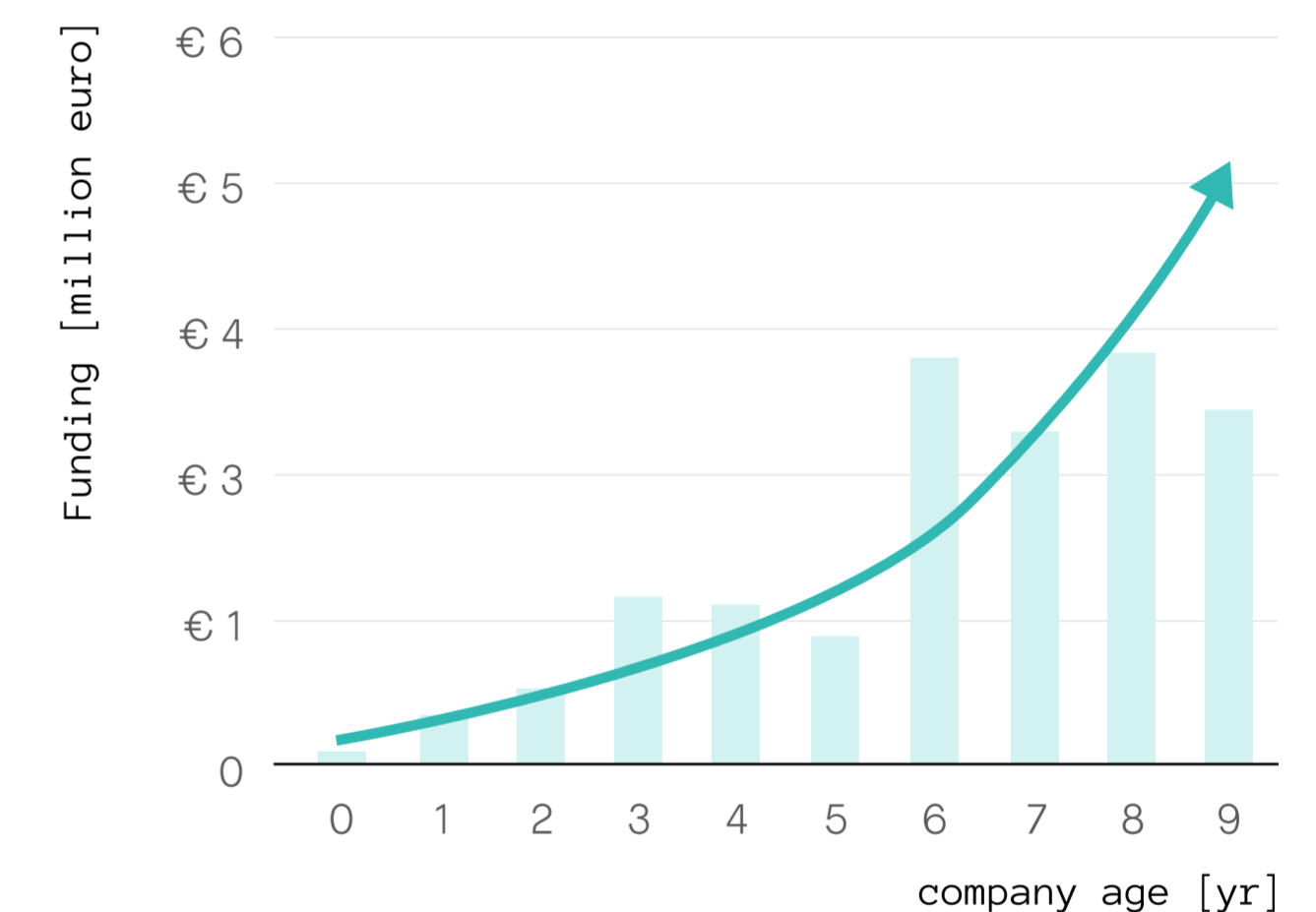
02. Average number of employees per company age (yearly growth 20%)



Creating new jobs

Start-ups represent a sector in which many new jobs are being created. This growth is shown by the number of employees in a company for each age. The number of employees grows on average by 18% per year.

03. Total funding vs. age (yearly growth 36%)



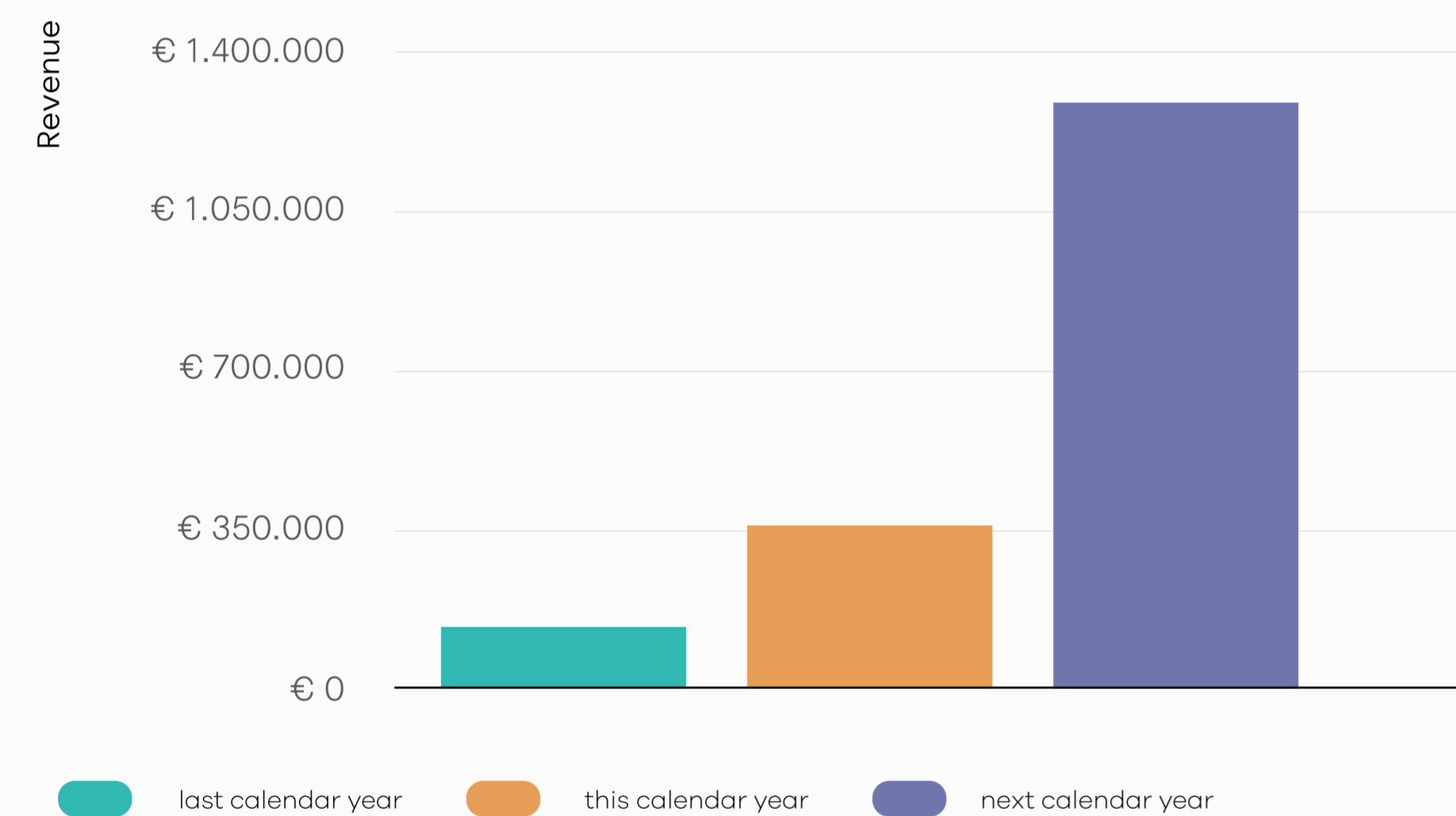
Investments

The average YoY growth of total funding is 36%. This is very similar to the 39% yearly revenue growth. Deeper analysis of funding patterns do not show evidence of a causal relationship to revenue growth. In contrast, capital growth has a high risk to induce inconsistent behaviour that does not lead to growth.

The ambition of start-ups is 7 times higher than usually realised.

They find it hard to achieve their growth expectations.

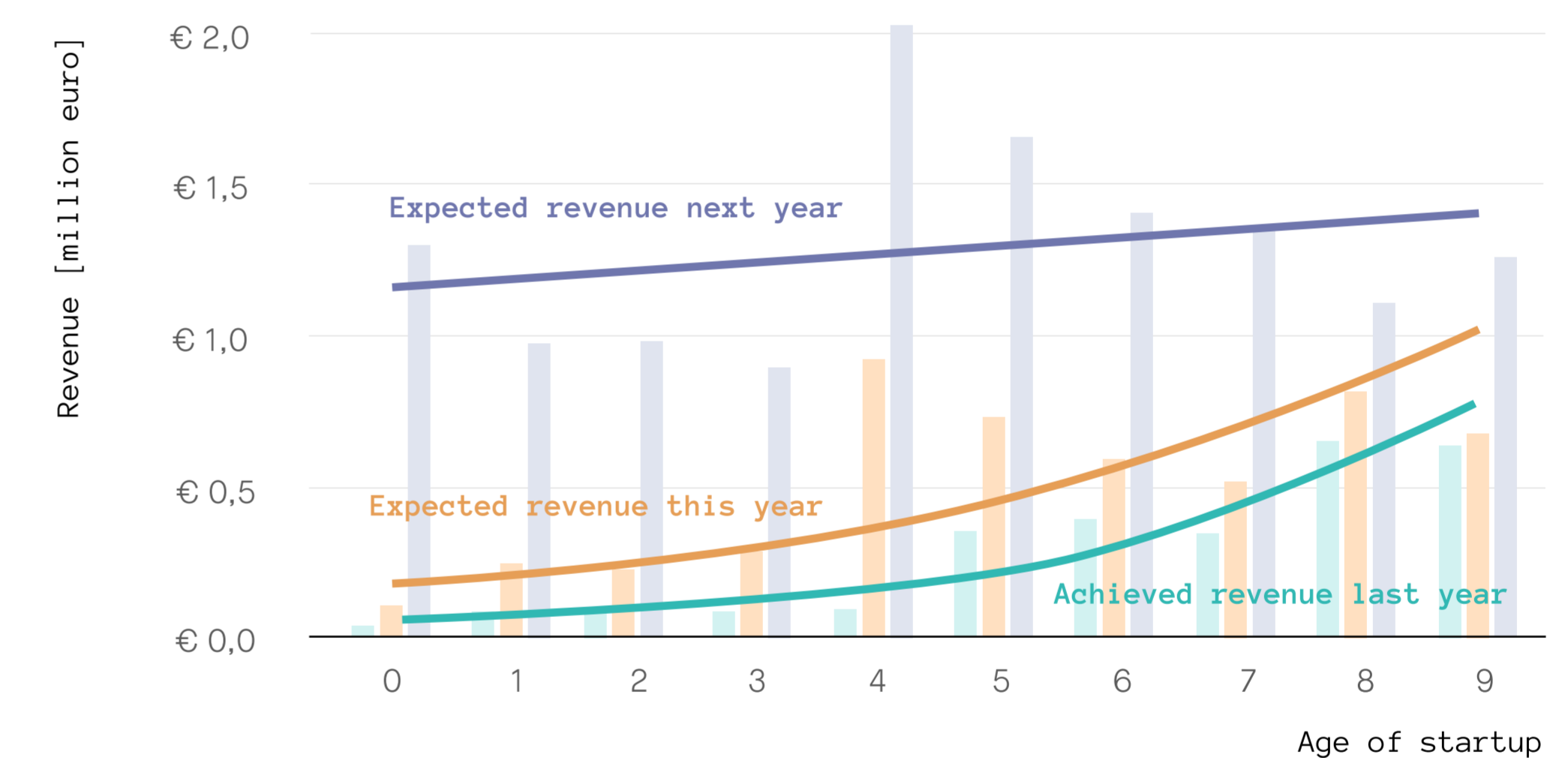
01. Average (expected) revenue per start-up



Start-ups have very high growth ambitions

Start-ups expect to earn this year 2.3 times more revenue than they achieved last year. For next year earnings they expect to earn 3.6 times more revenue than for the current calendar year.

02. Revenue projection versus age of company



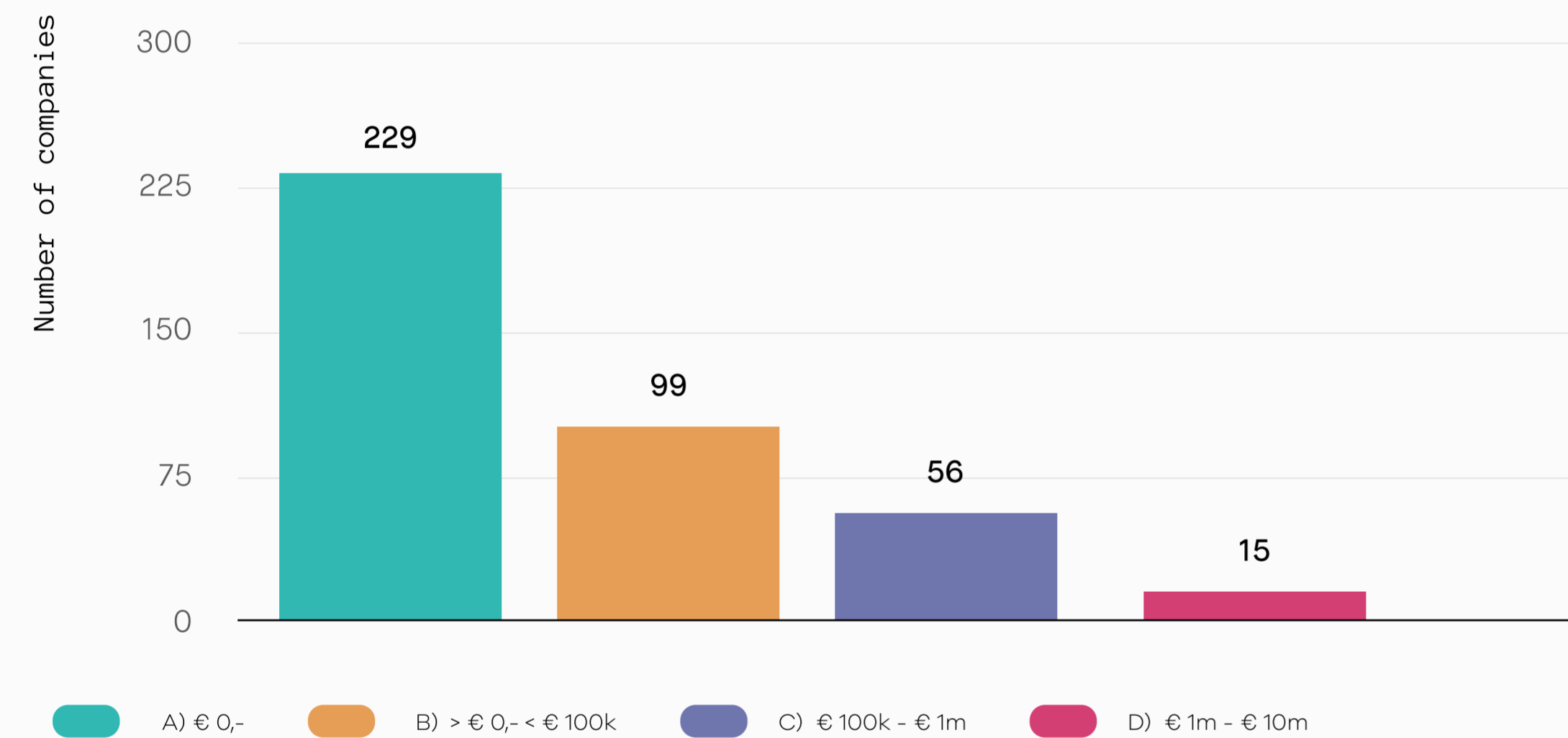
The challenge is to full fill those ambitions

Data shows that start-ups are too optimistic on their growth. The typically achieved revenue is 7 times lower than the expected revenue for next year. Start-ups have the challenge to full fill their ambition. In the remainder of this report we zoom in to the different challenges that start-ups limit their growth.

The majority of start-ups received funding, but do not yet have revenue.

Finding the right customers is the key challenge.

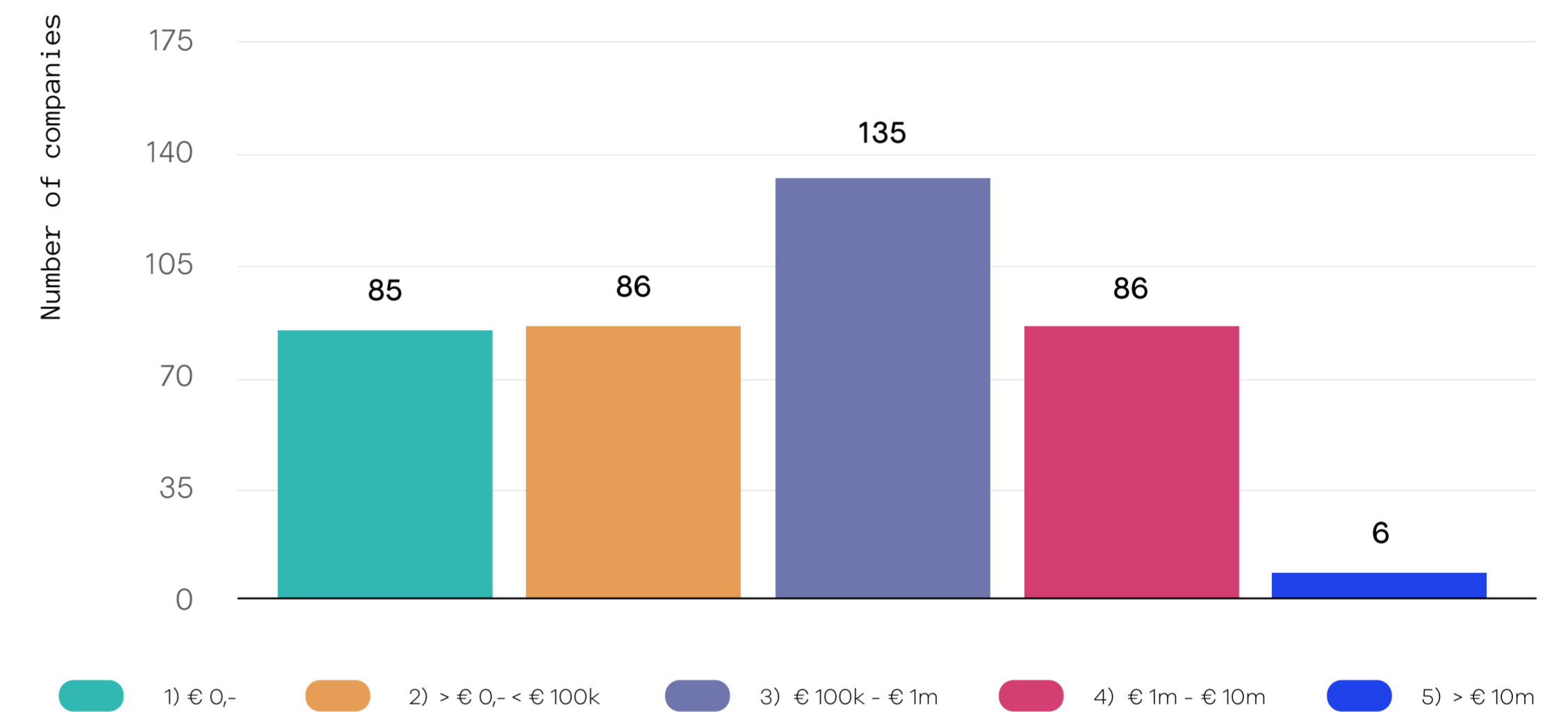
01. Number of companies in revenue category



The income distribution of start-ups

The majority of the start-ups are still in the pre-market phase. This means that they have achieved no revenue over their last year. 42% of the start-ups have entered the market and are generating revenue.

02. Number of companies per funding category



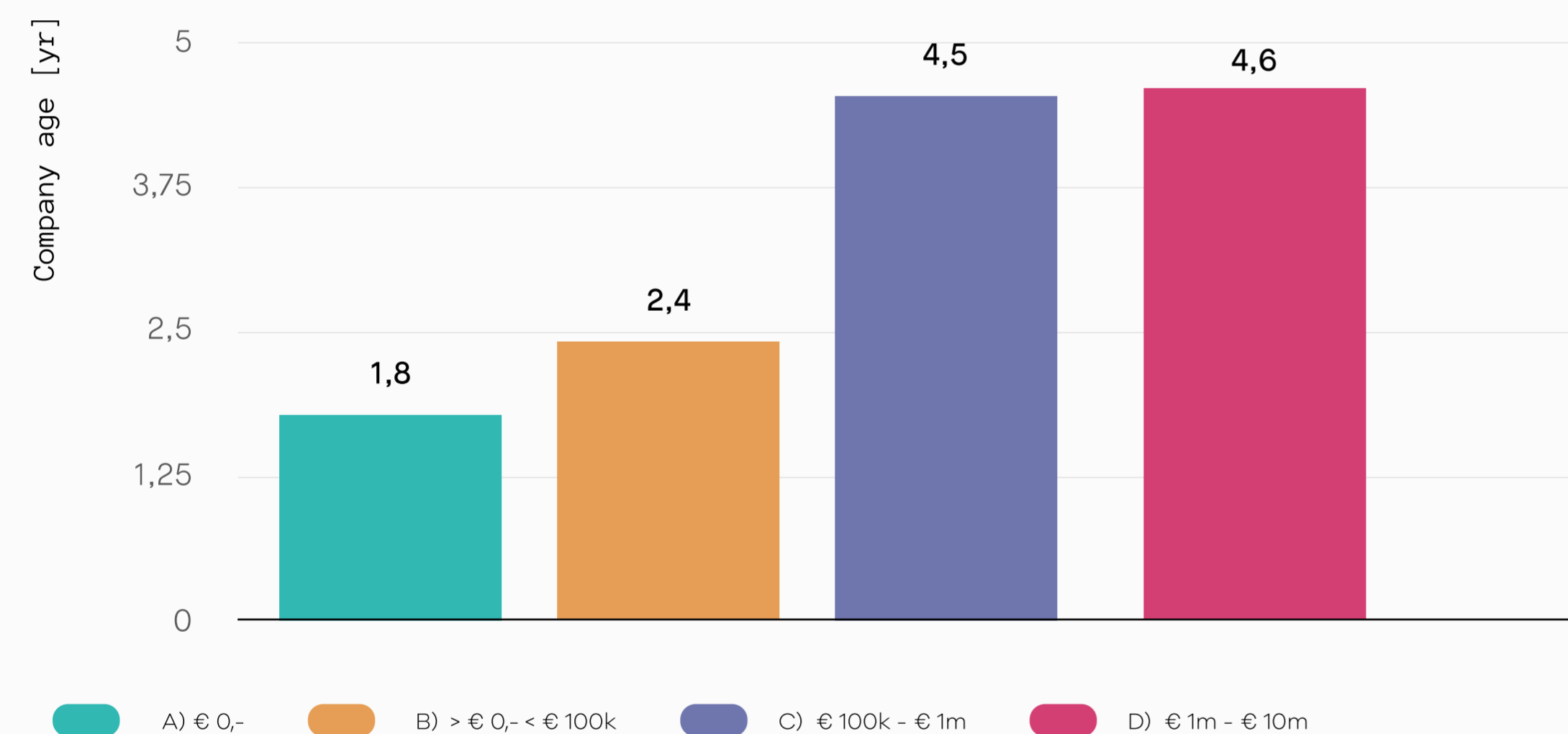
Most start-ups have raised funding

The majority (68%) of start-ups have raised capital. Funding between €100k and €1m is the most common funding amount.

An average start-up needs 4.5 years and € 1.0 million euro investment to earn over € 100k revenue.

To finance further growth, they believe they need an additional € 2.5 million euro extra funding in the next funding round.

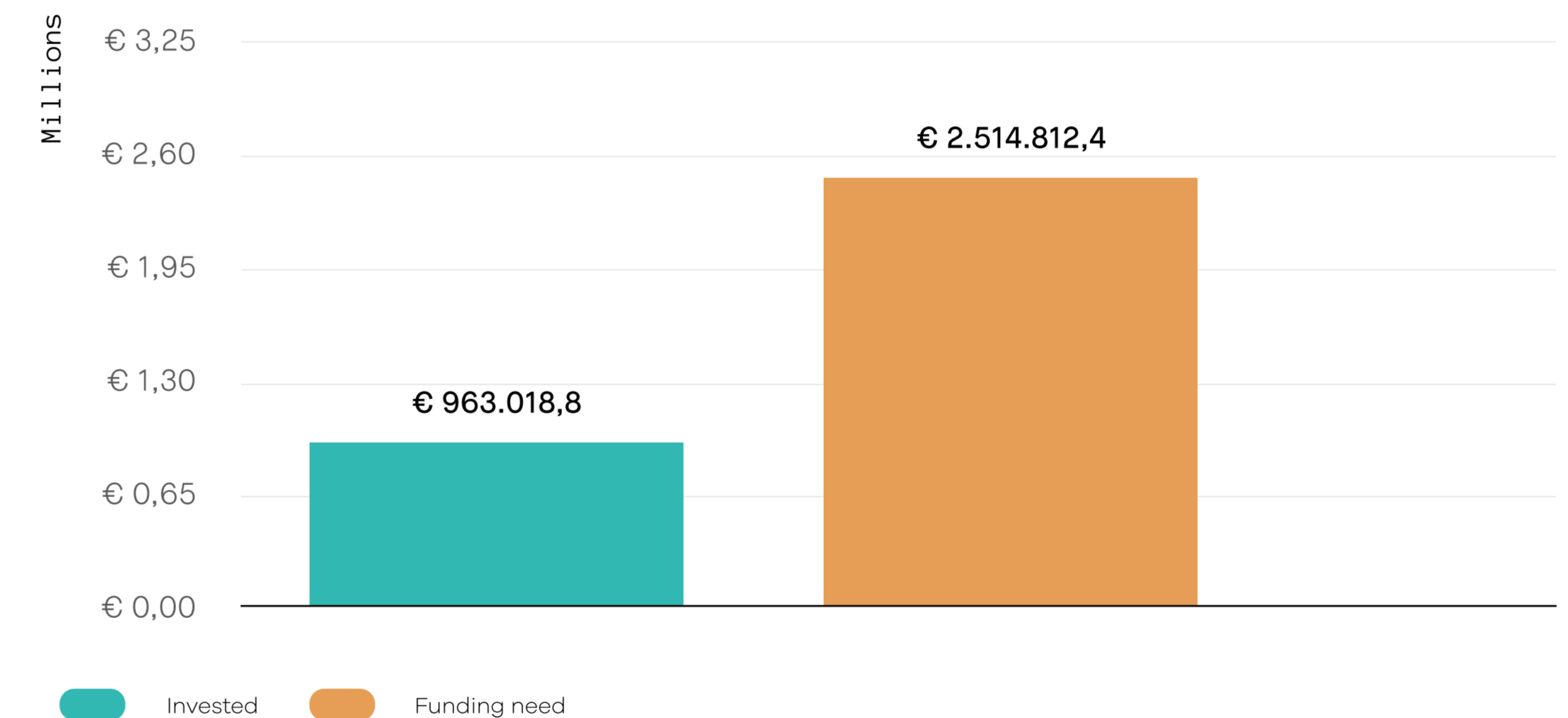
01. Average age of each revenue category



Average age at which start-ups earn money

On average, revenue grows as start-ups get older. Usually it takes 4 to 5 years to generate over € 100k euro revenue. Take into account that there is a large spread in turnovers. Especially in deeptech sectors, the time to market may be long.

02. Average funding versus average funding need



The average amount of funding

The average start-up has €1.0 million euro investment. If we extrapolate this numbers, then, for a hypothetical population of 1000 average start-ups, the desired funding would be 2.5 billion euro. This is half the total amount of VC funding in the Netherlands in 2021.

2. The milestones that help start-ups to become scale-ups.

Describing the growth of a start-up is not an exact science. Though, Silicon Valley taught us that the majority of start-ups follow the same growth path. We have implemented these lessons in a milestone roadmap. The quantitative metrics are used to gauge the growth stage of a company. We observe that Dutch start-ups have a lot of potential to improve.

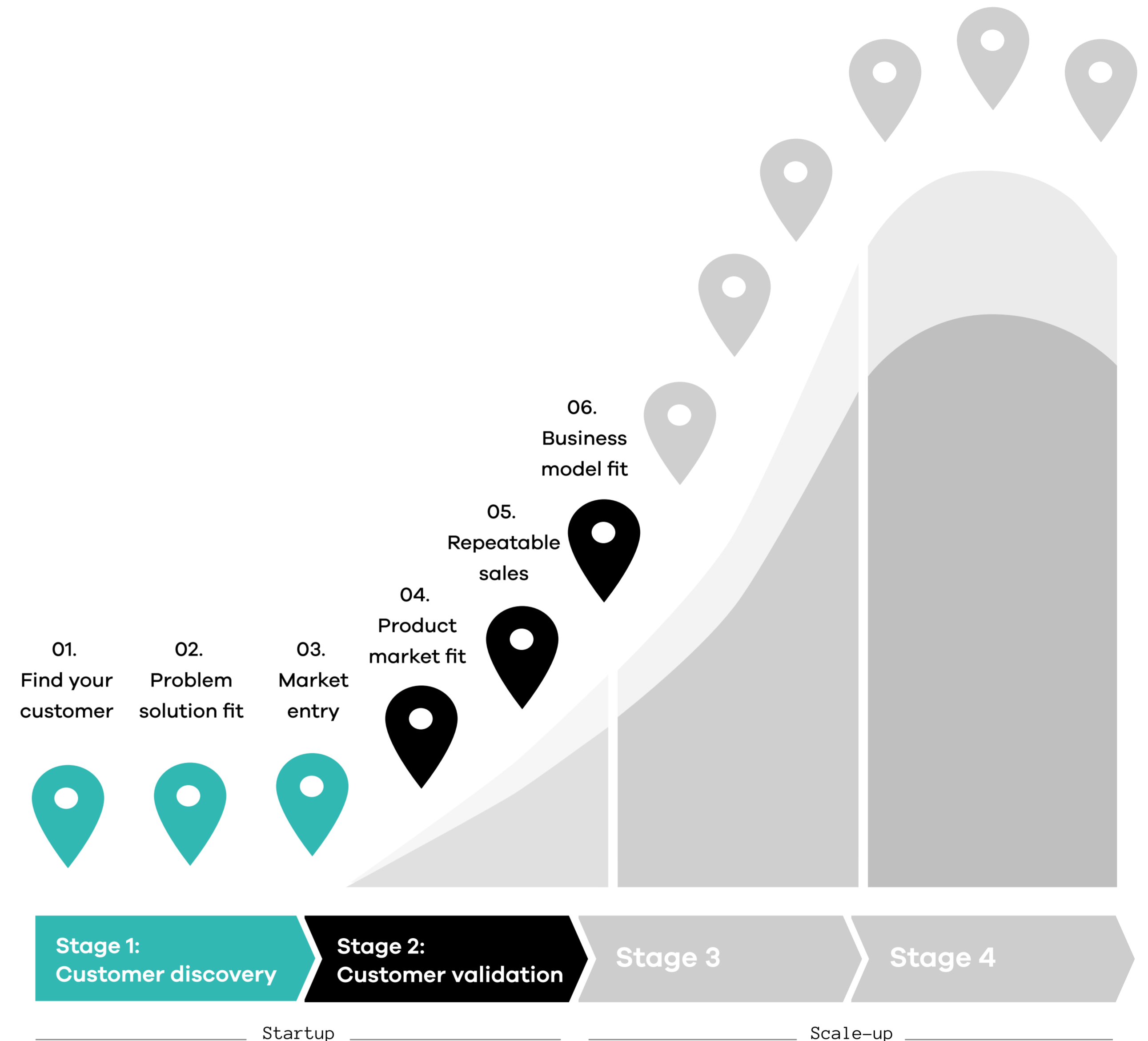


Scope: the first six milestones on the growth roadmap

Measuring the growth of a company via milestones

We measure the growth of a company via milestones. The first 3 milestones belong to the customer discovery phase, which we call stage 1. The challenges is first to find your customer(s). Second, to find a problem solution fit, and third, enter the market with customer commitment. From milestone 4 until milestone 6, the targets are focussed on customer validation.

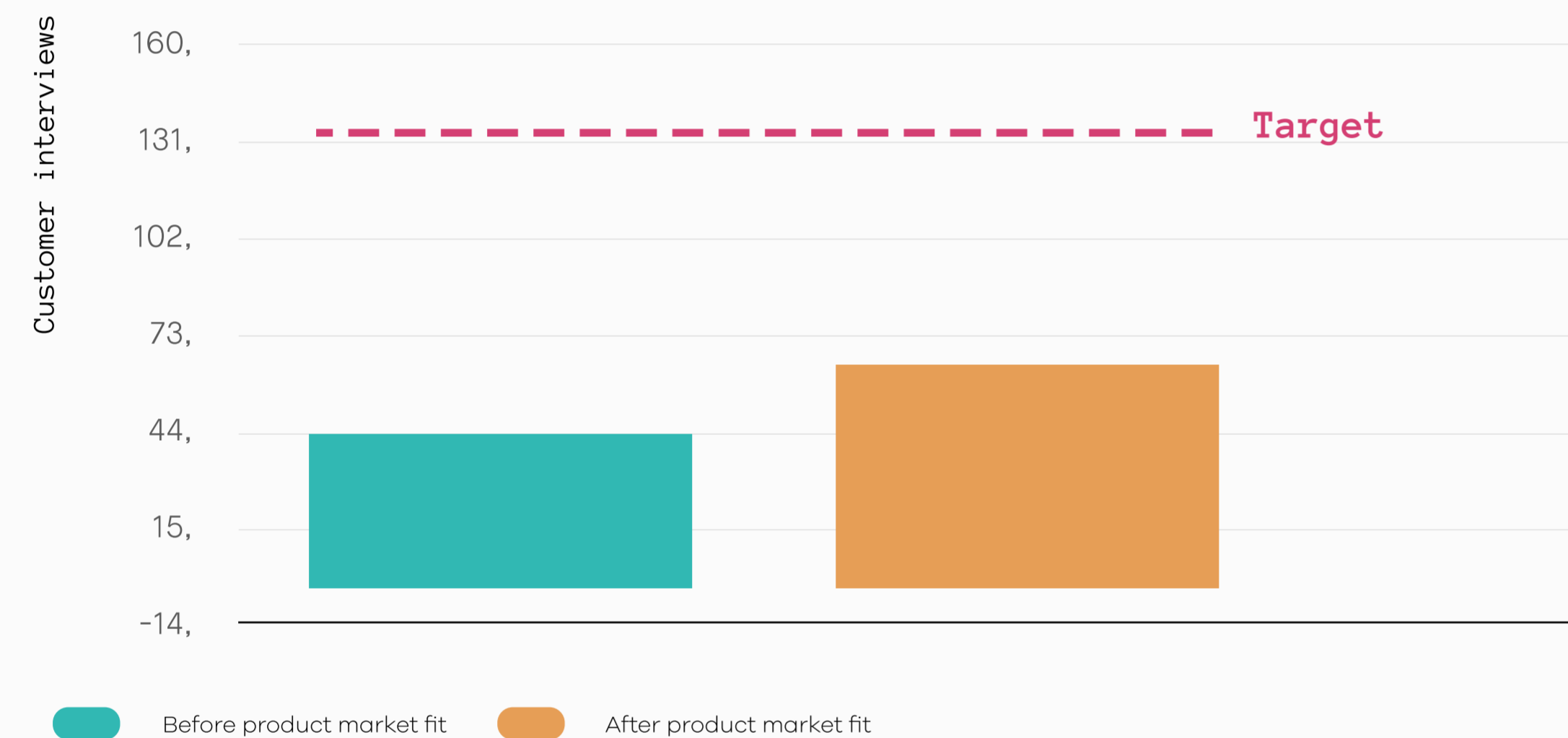
We call this stage 2. In this phase, product market fit is first validated in milestone 4. That is the most challenging milestone. The remaining customer validation milestones 5 and 6 are repeatable sales and finding a business model fit. In stages 3 and 4, customer creation and company building takes place. In these stages, the start-up transforms into a scale-up. These stages are out of scope for this research.



Start-ups need to triple their effort into finding the first customers

01. Find your customer

Number of customer interviews before and after product market fit



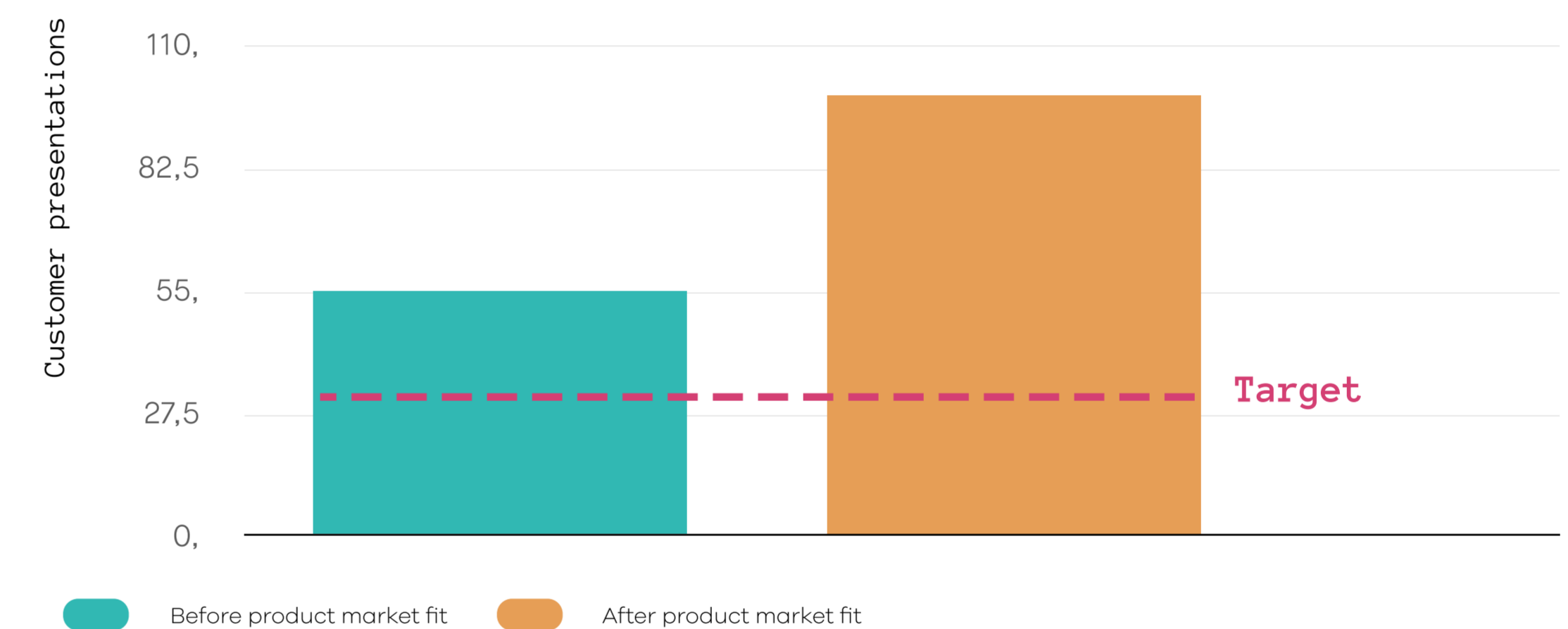
Find your first customer through customer interviews

Start-ups that have product market fit, have 30% more interviews with potential customers. Start-ups that are still pre-market, should aim for 150 interviews to understand their customer. We observe that start-ups in the pre-market phase do not hold enough interviews with customers. The interviews are used to validate the customer problem. On average, start-ups find that 81% of the customers validate the problem in the interview.

Start-ups that achieve product market fit, validate their product with twice the number of customers.

02. Problem solution fit

Number of customer presentations before and after product market fit



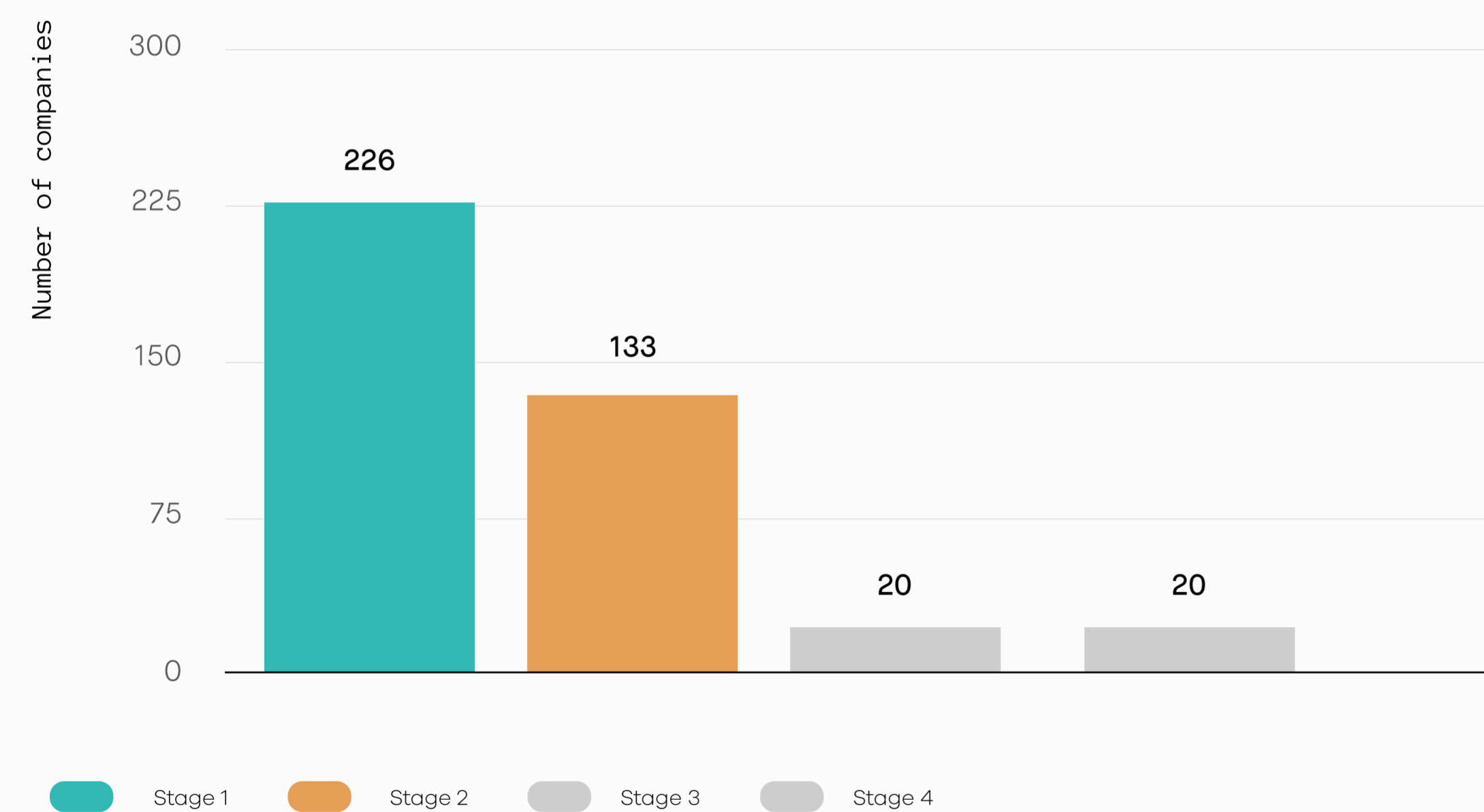
Discover if you have build the best solution for the customer problem

Start-ups must discover if they have the best solution for the customer problem. This is done through product presentations. Start-ups that do not have product market fit yet, should aim for at least 50 presentations to know whether they have a problem solution fit. We find that after product market fit, start-ups held almost 2 times more product presentations. On average 67% of the customers validate the solution after a product presentation.

Customers that pay the commercial selling price are key validators for market demand

03. Market entry

Number of companies per actual stage



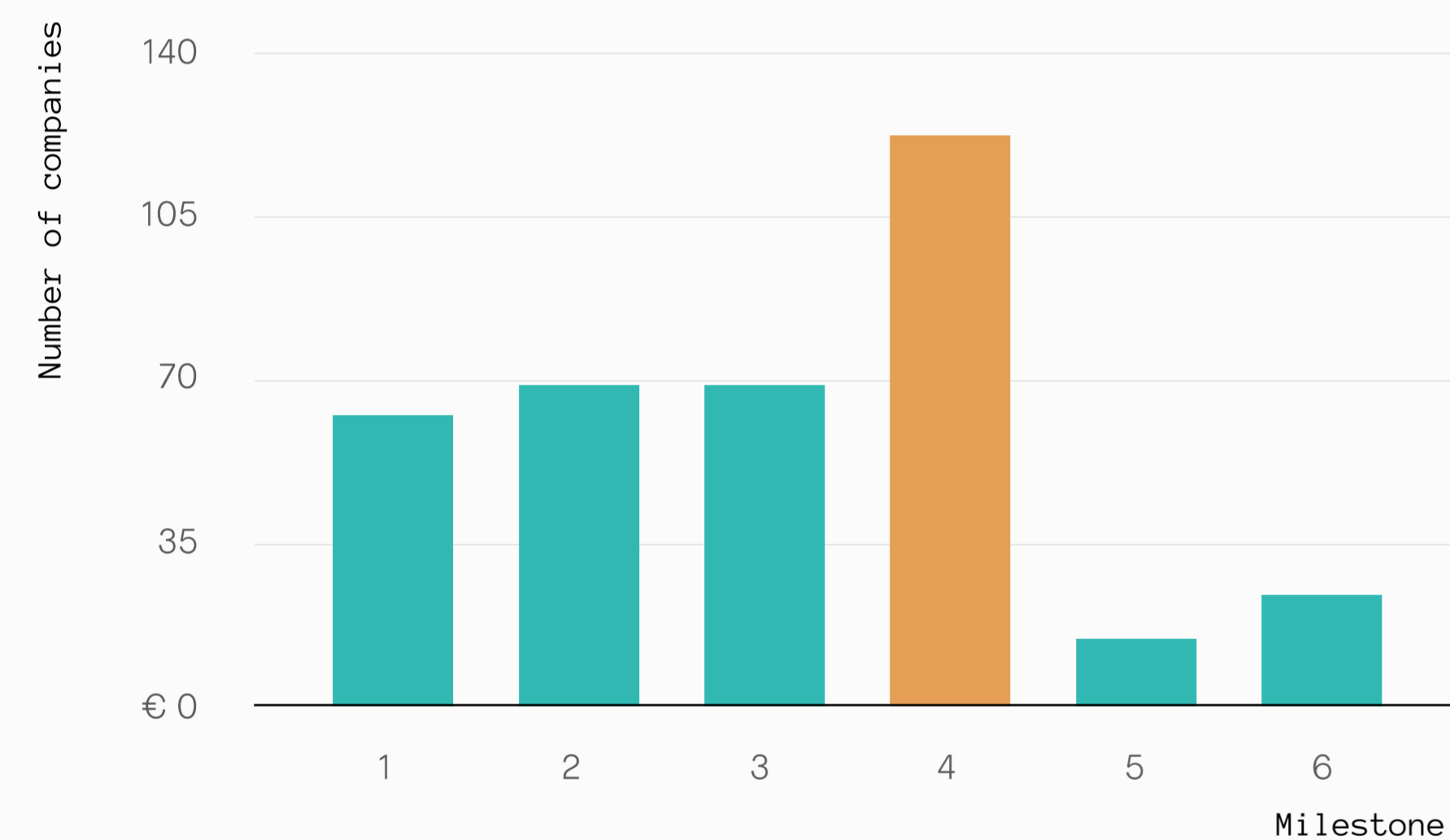
If a startup acquires customers that are willing to pay the commercial selling price, then it transitions from the customer discovery phase (stage 1) to the customer development phase (stage 2).

Milestone 3 is achieved once start-ups acquire commercial customers. These are customers that buy the solution and pay the commercial selling price. Further growth of these customers may prove whether there is a positive product market fit. In our data, about half of the start-ups have commercial customers. At this milestone, start-ups leave the customer discovery phase (stage 1) and enter the customer development phase (stage 2). We measure the current life stage of a company through a combination of the market share and the achievement of the milestones.

The key blocker for growth is product market fit

04. Product market fit

01. Average (expected) revenue per start-up



Validating product market fit is a key challenge

We identify which milestone is next on the growth roadmap of a start-up. When looking at the milestone that appears most frequently in the data, we find that most start-ups are at milestone 4. Which means that start-ups need to focus on getting product market fit. Validation of customers on product market fit is important for further growth.

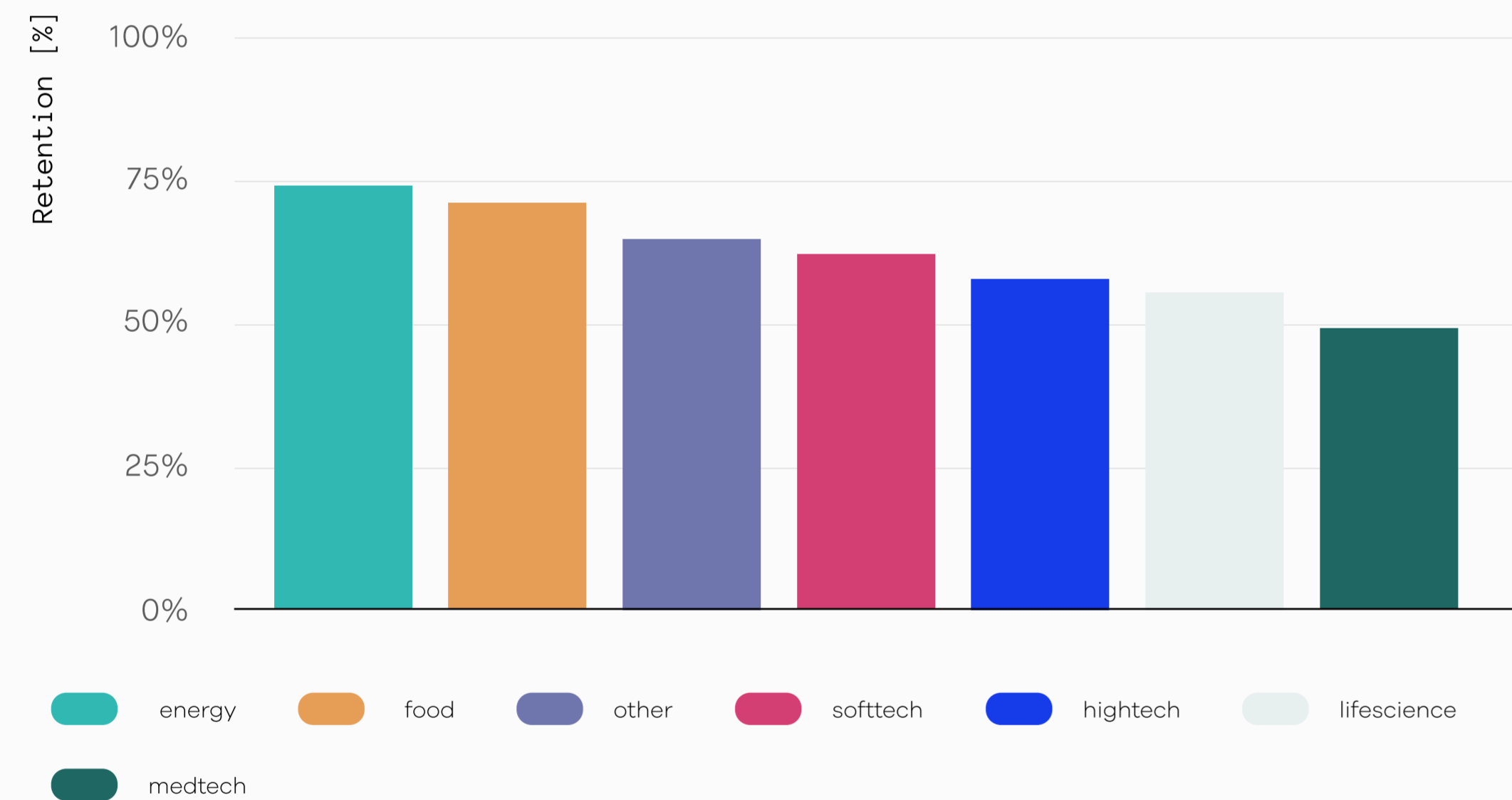
What is product market fit?

Product market fit is the evidence that you deliver value to your customer. This can be measured by user retention, referral and usage. Though, there is no uniform quantitative definition of product market fit. In our approach we use a combination of the metrics above that correlate with productivity growth. We have been using the description of Marc Andreessen as a guidance for our interpretation of product market fit: "Conventionally, product-market fit comes down to early signals that the market has voted your product as the best solution to its problem. In the enterprise, undeniable evidence of product-market fit shows up when an early cohort of evangelical customers are ready to pay more, new prospects are banging down the door to get access, and market demand far exceeds your ability to satisfy it." Marc Andreessen in June 2007.

Product market fit can be measured by a combination of retention, referral and product usage as key indicators.

04. Product market fit

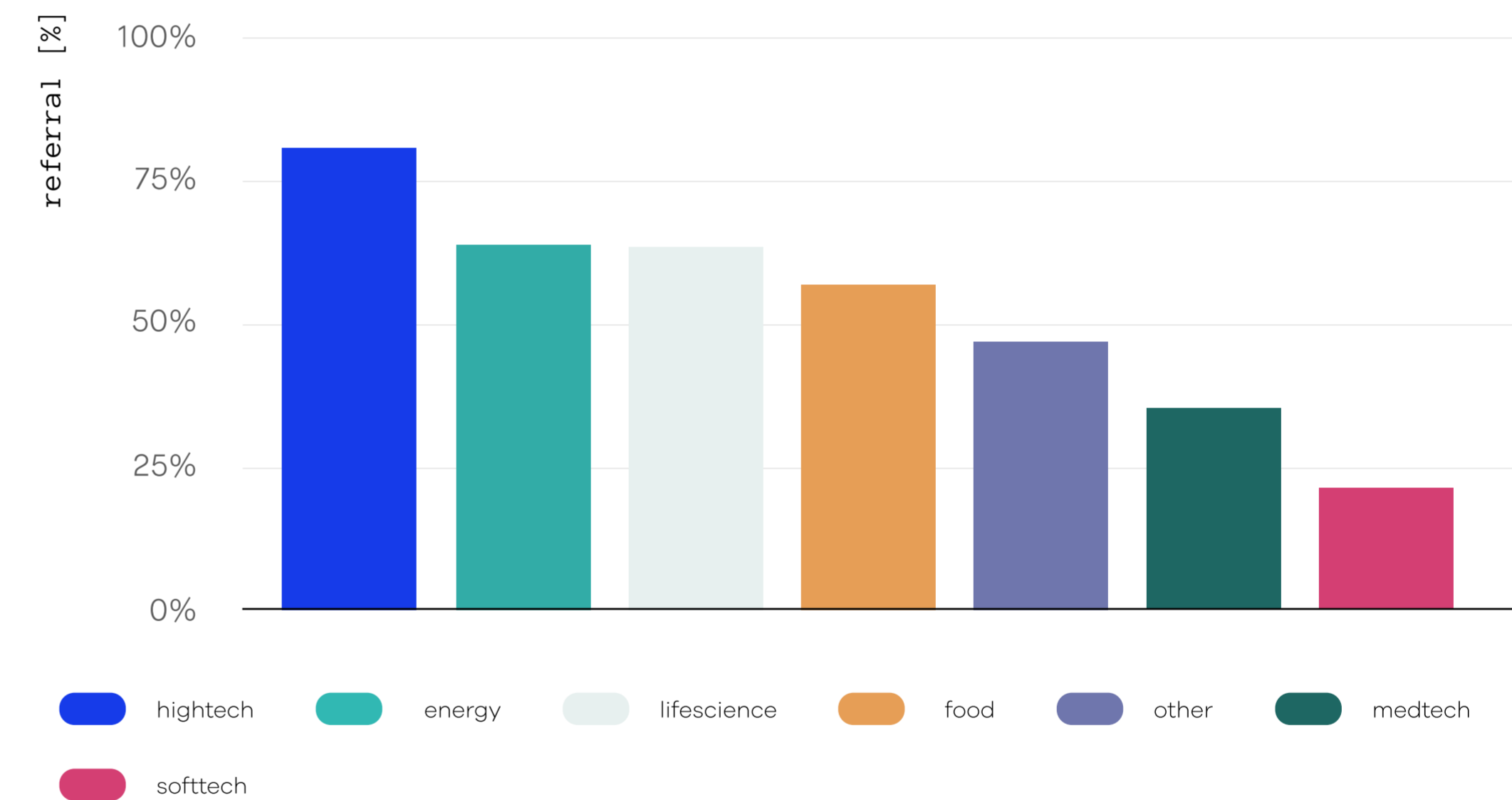
01. Average retention per sector



The average retention of start-ups is 62%.

Retention measures the number of customers that return for another purchase. Above figure shows the differences over several sectors.

02. Average referral per sector



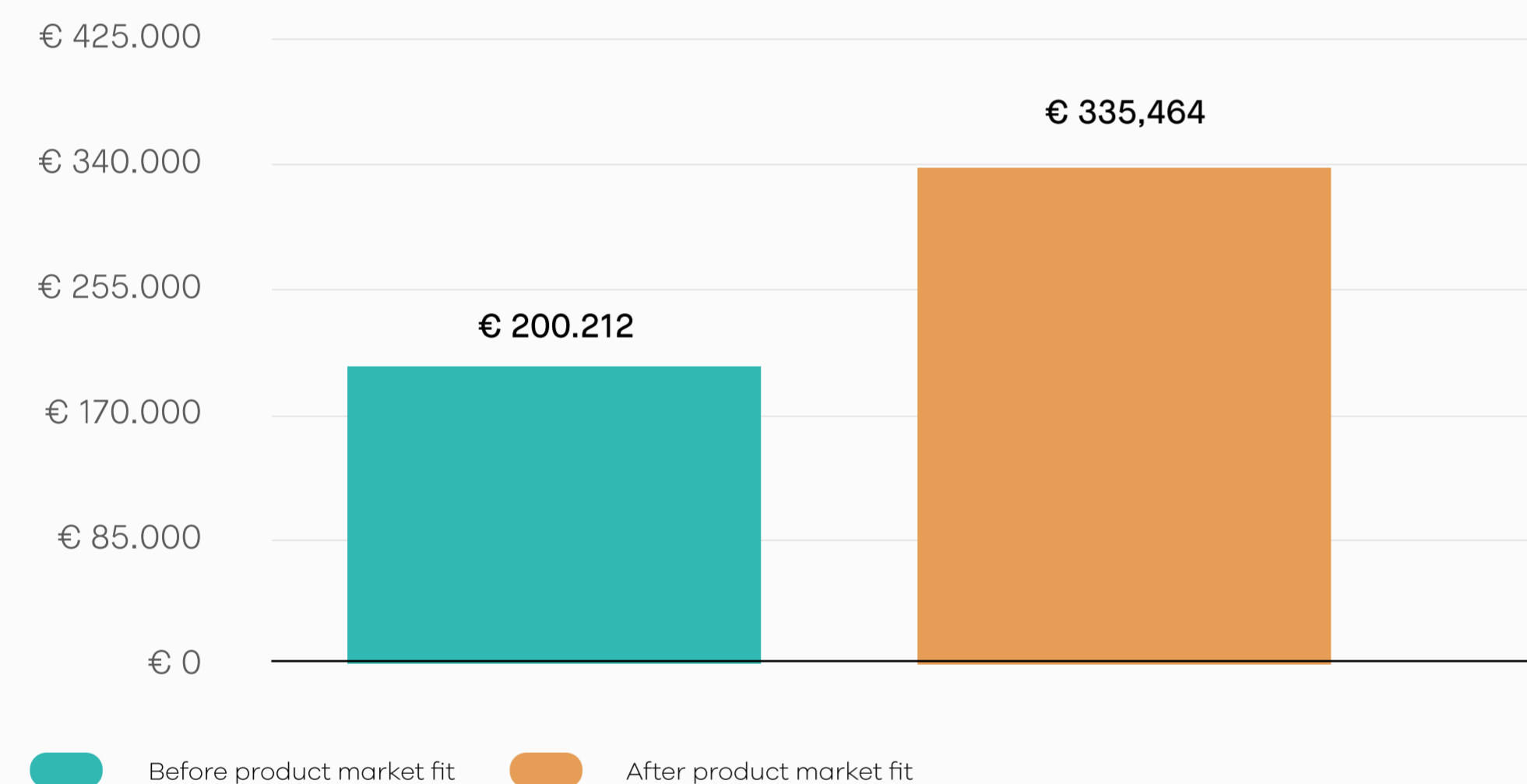
On average 48% of customers are acquired via other customers.

Referral measures the number of customers that have been acquired through positive promotion of other customers.

Once product market fit is found, revenue grows fast.

04. Product market fit

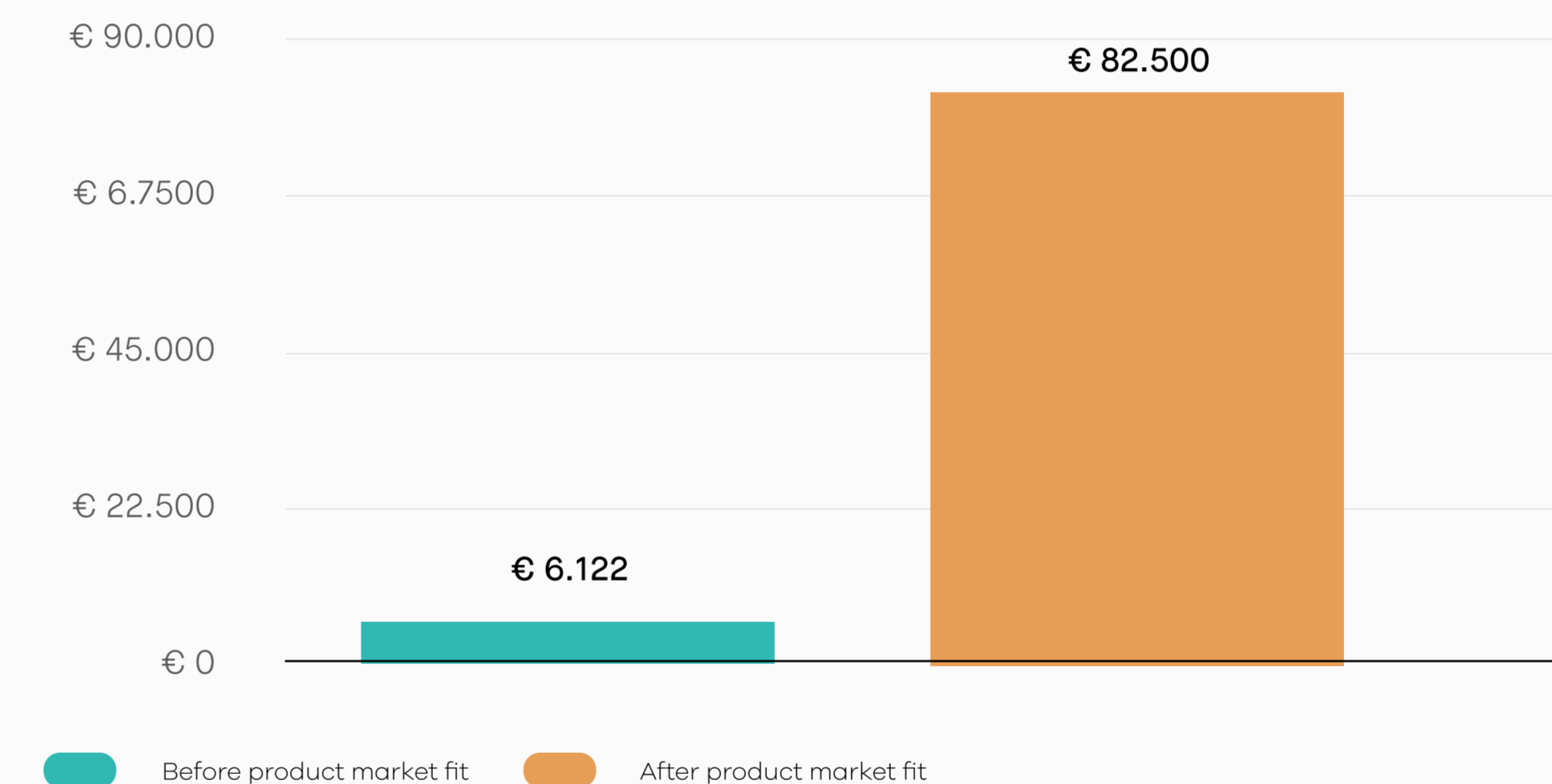
01. Average revenue before and after achieving milestone 4 (product market fit)



Start-ups that reach product market earn more money

We find that start-ups that successfully achieve product market fit, have a much higher turnover. We find that start-ups have almost twice as much revenue (as measured by the average value). This shows the importance of achieving milestone 4. When we look at the median value, the revenue is almost 20 times higher.

02. Median revenue before and after achieving milestone 4 (product market fit)



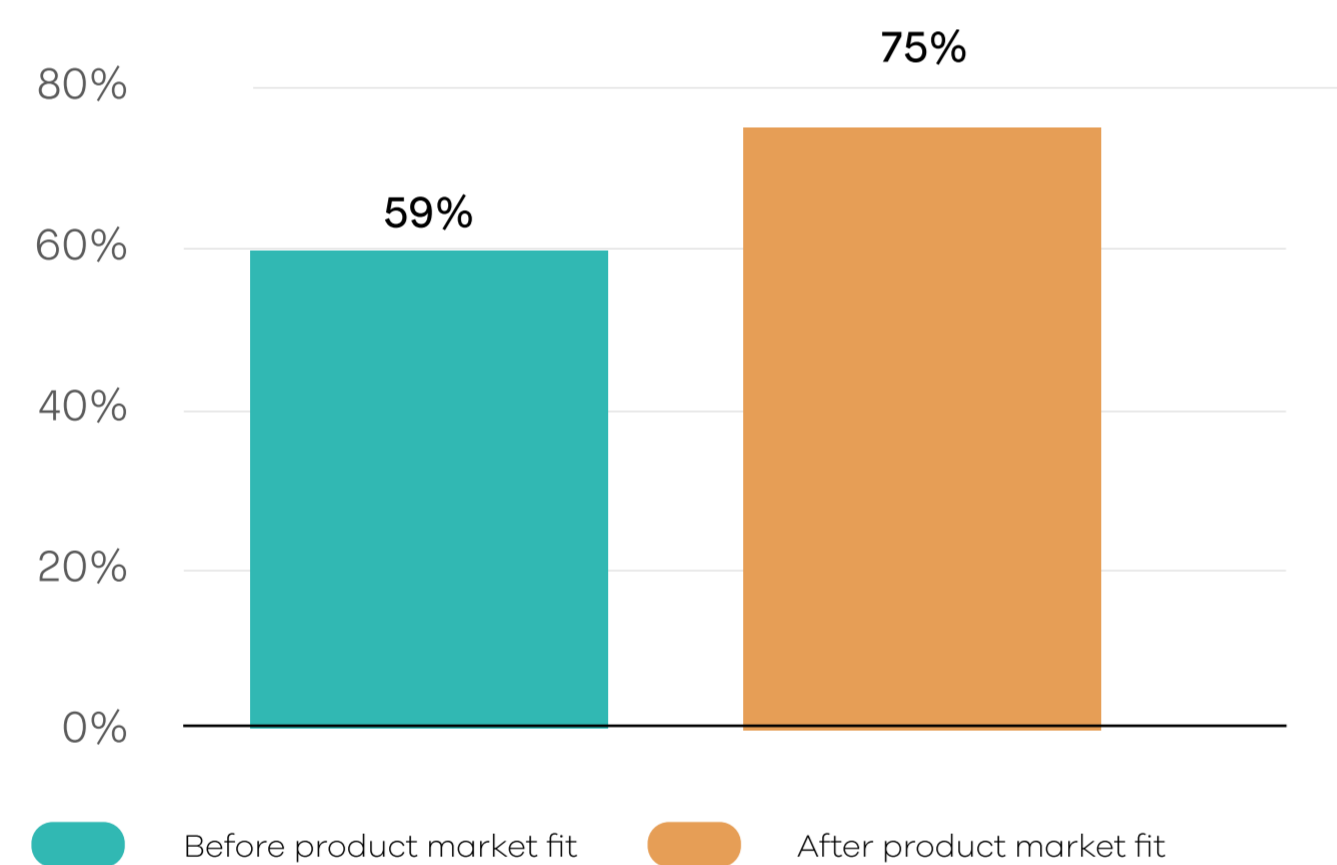
The median is a better representation for comparing the revenues for the large majority of the population of start-ups. Note that the numbers reported here are the achieved revenues of last year. For companies that have reached product market fit, the actual incomes are likely higher due to rapid growth.

Improving customer acquisition is key for repeatable sales and finding a business model fit

05. Repeatable sales

06. Business model fit

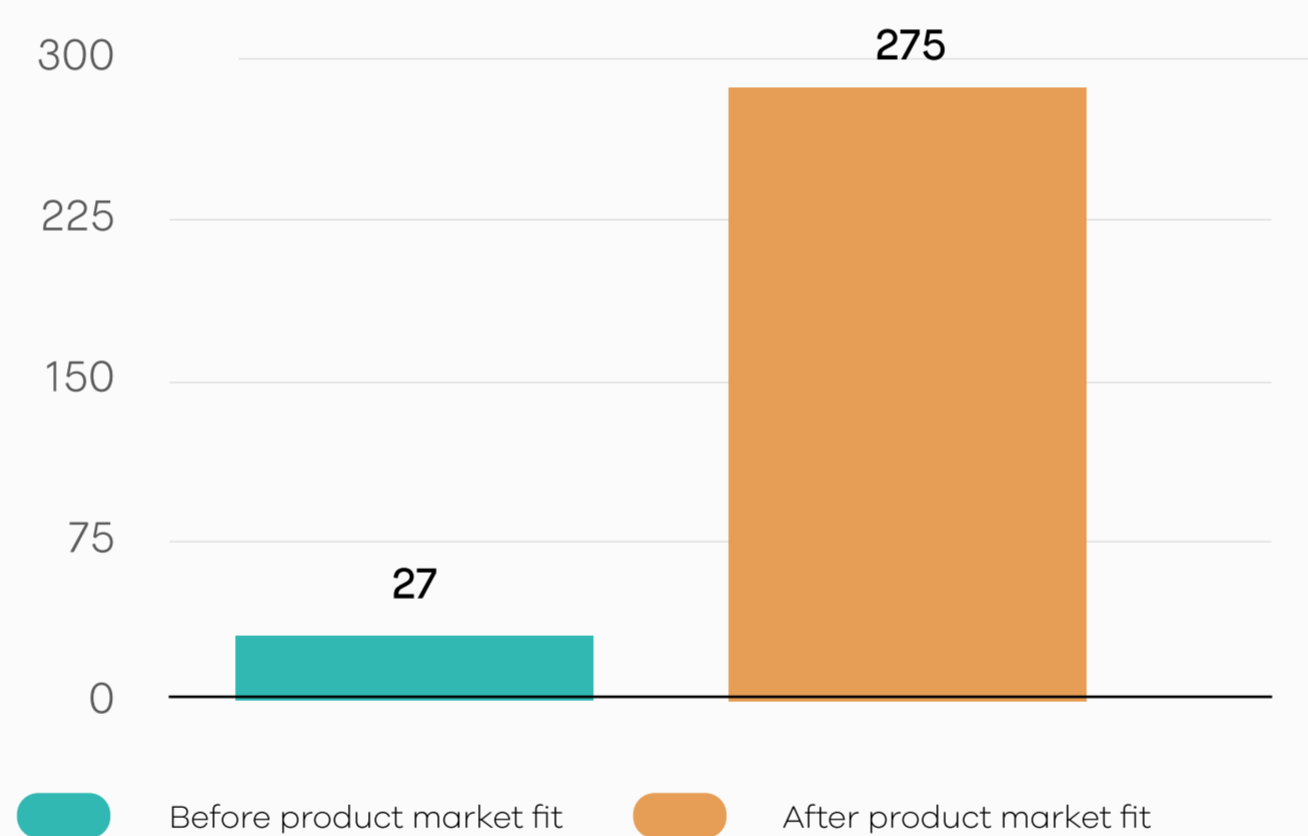
01. Customer conversion (for start-ups with paying customers)



Customer conversion success is an indicator for product market fit.

Conversion is the number of acquired customers divided by the customers approached. Customer conversion is important to lower the acquisition cost.

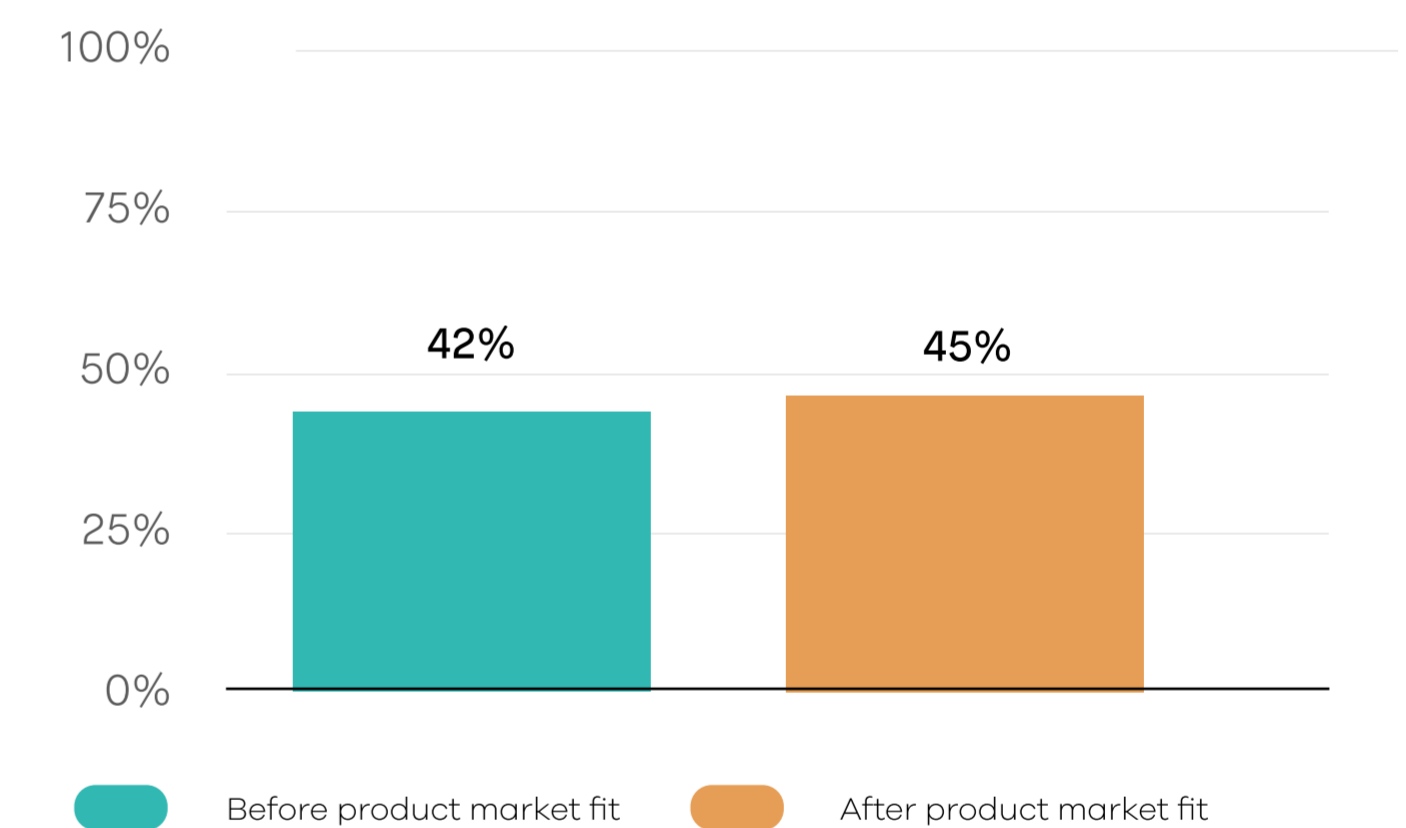
02. Gross margin / acquisition cost



The amount of money earned divided by the acquisition cost per customer increases after product market fit.

The customer value is measured by the earnings divided by the costs per customer. We find that after product market fit, the earnings get significantly higher. Both for the average and median values of the distribution we find a positive trend.

03. For how much percent of your customers can predict the acquisition costs?

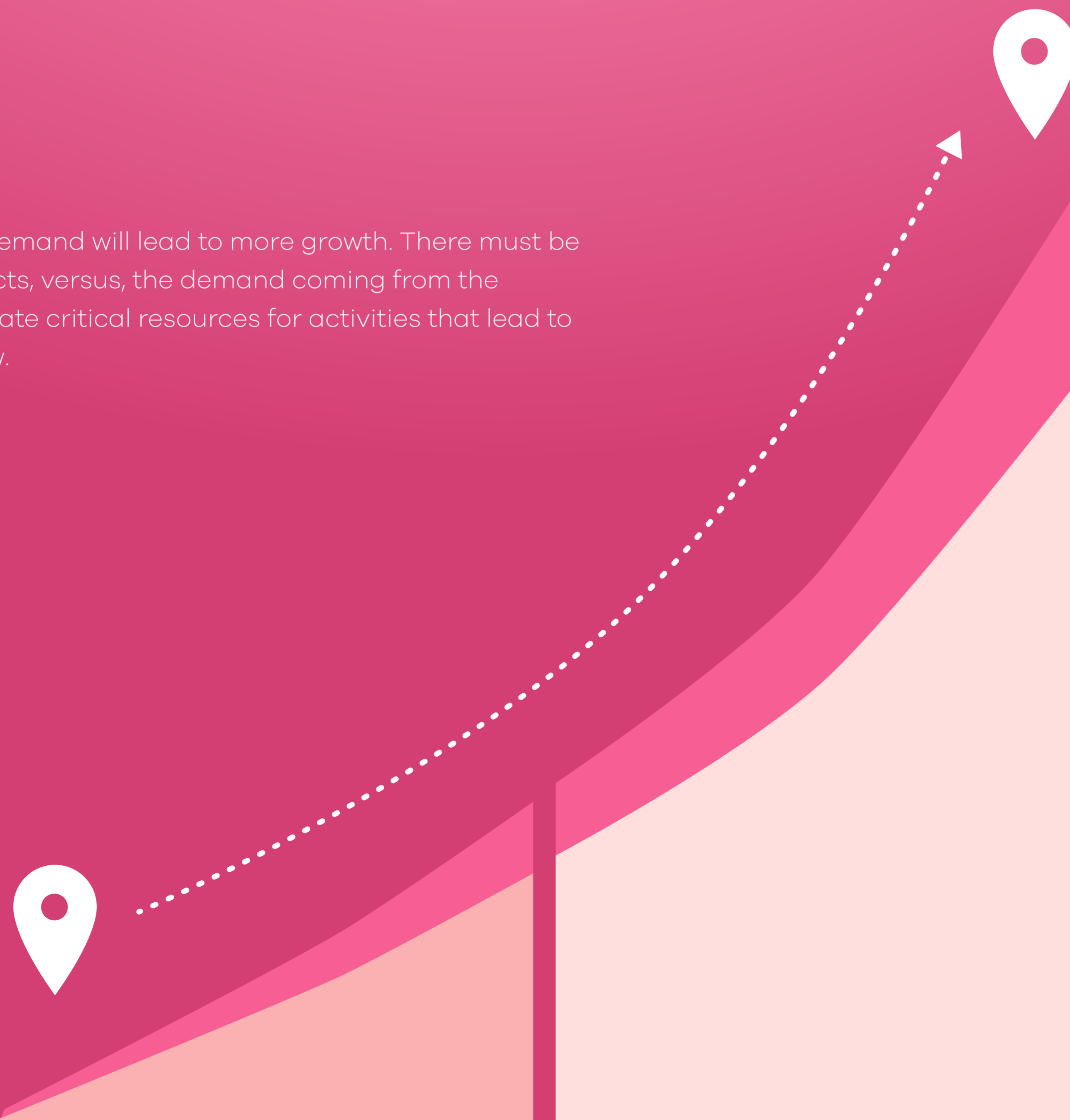


Start-ups find it difficult to predict the acquisition costs.

We see that after product market fit, it does not become easier to predict the customer acquisition costs. This shows that the next challenge comes into play: knowing the return on every euro invested in acquisition.

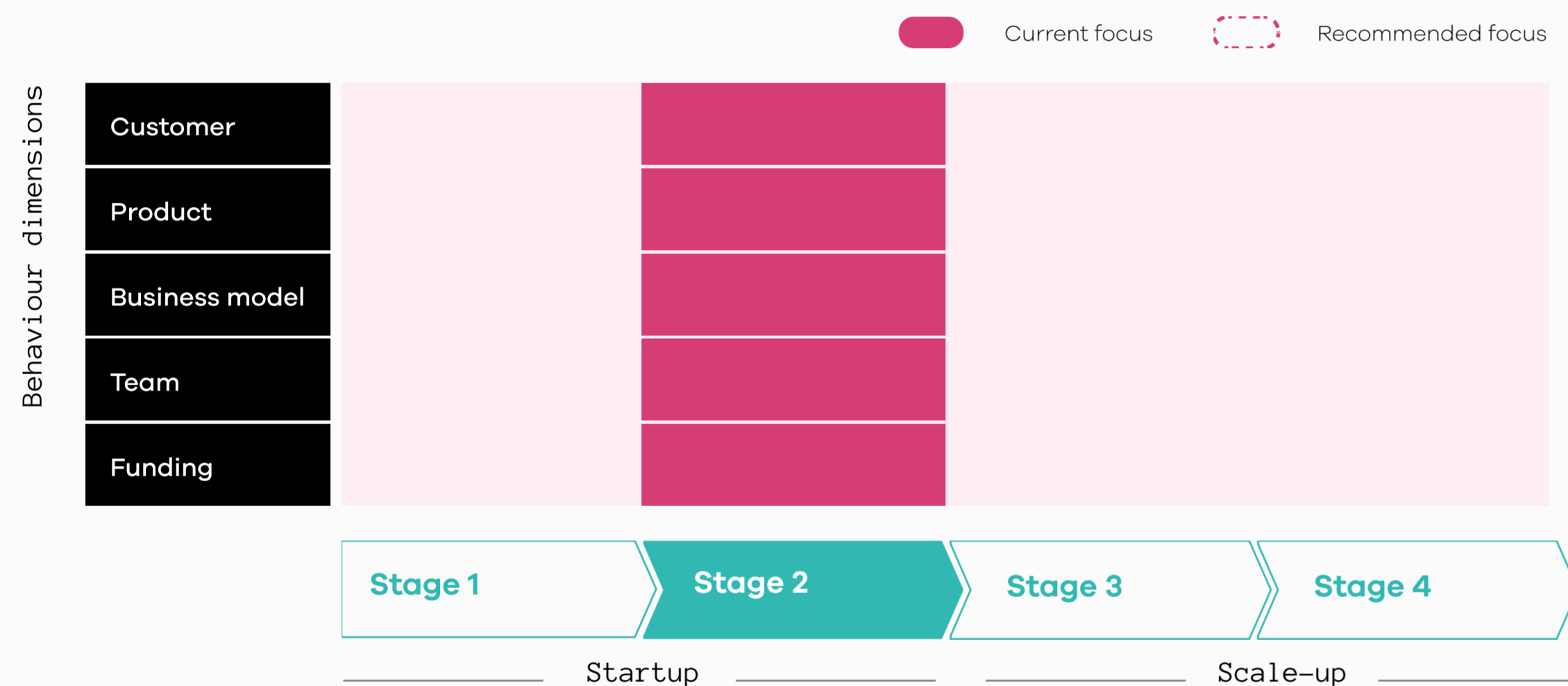
3. Consistent start-ups grow faster.

A better match between supply and demand will lead to more growth. There must be balance between the supply of products, versus, the demand coming from the market. The more a start-up can allocate critical resources for activities that lead to market demand, the faster it can grow.



Consistent behaviour: activities that focus on achieving the right milestones

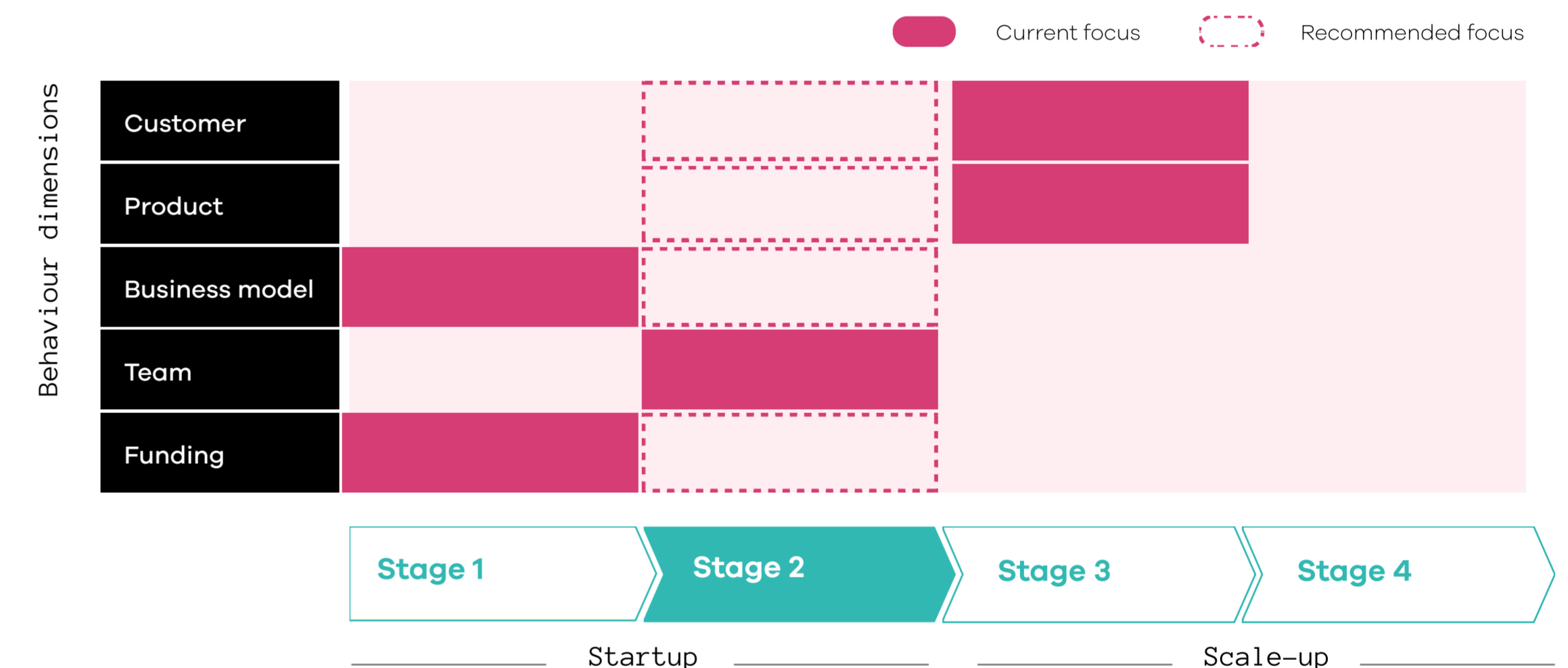
01. Consistent behaviour



Consistent behaviour

Focus is measured through the behaviour in 5 dimensions
consistent behaviour means that the current activities of a company is aligned with the stage and targets of the current milestone.

02. Premature scaling

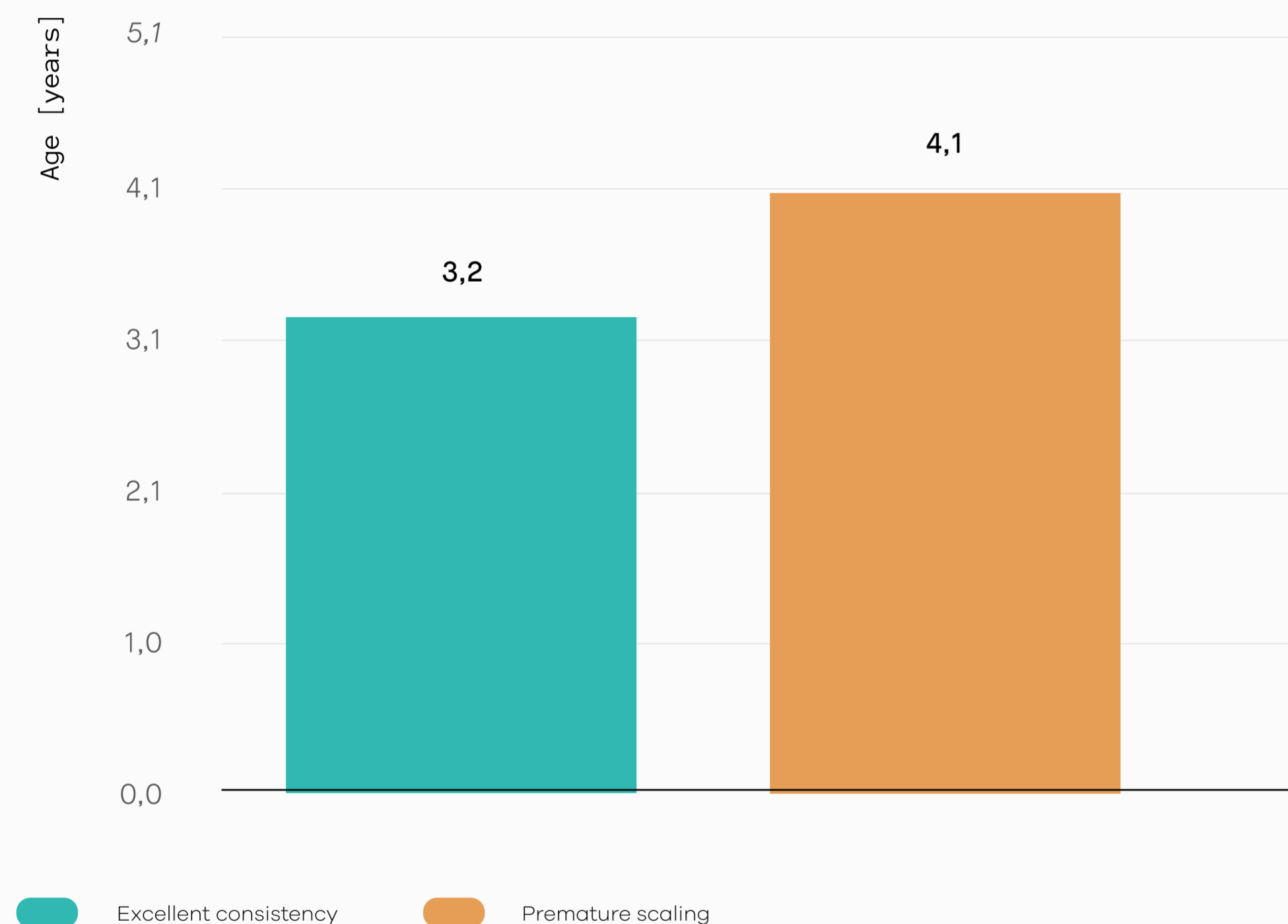


Premature scaling

If the focus of a start-up is given to activities that are not aligned with the current stage and milestone targets, then the start-up is scaling prematurely.

Consistent start-ups need 21% less time to reach product market fit.

Average age of companies that have achieved product market fit



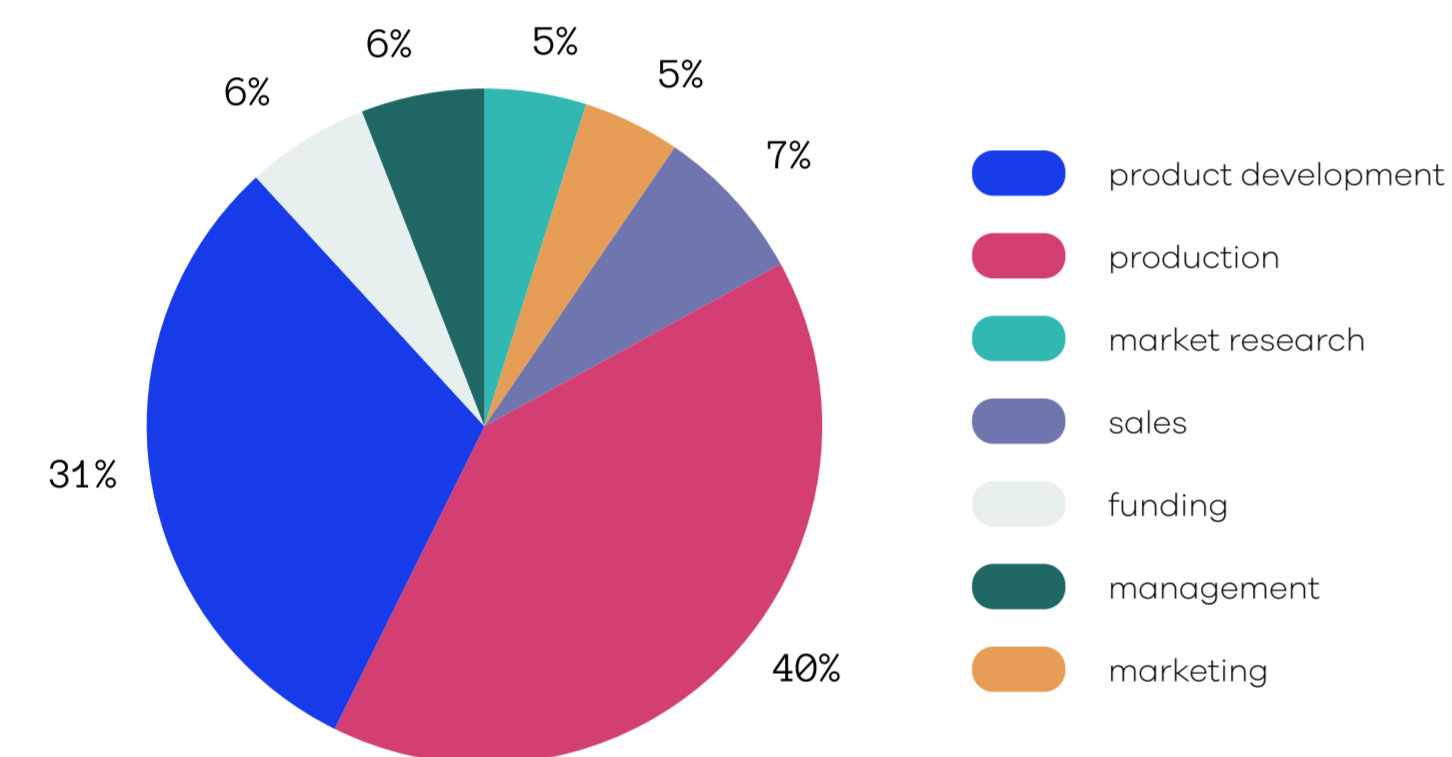
Grow consistent, grow faster

The start-ups that focus consistently on the right milestones are 21% younger. This implies that out of all the start-ups that have reached product market fit, the consistently behaving start-ups need less time to grow. This means that they move quicker from milestone to milestone.

Resources are spend mostly on internal operations.

Product development and production. Market research is underspend.

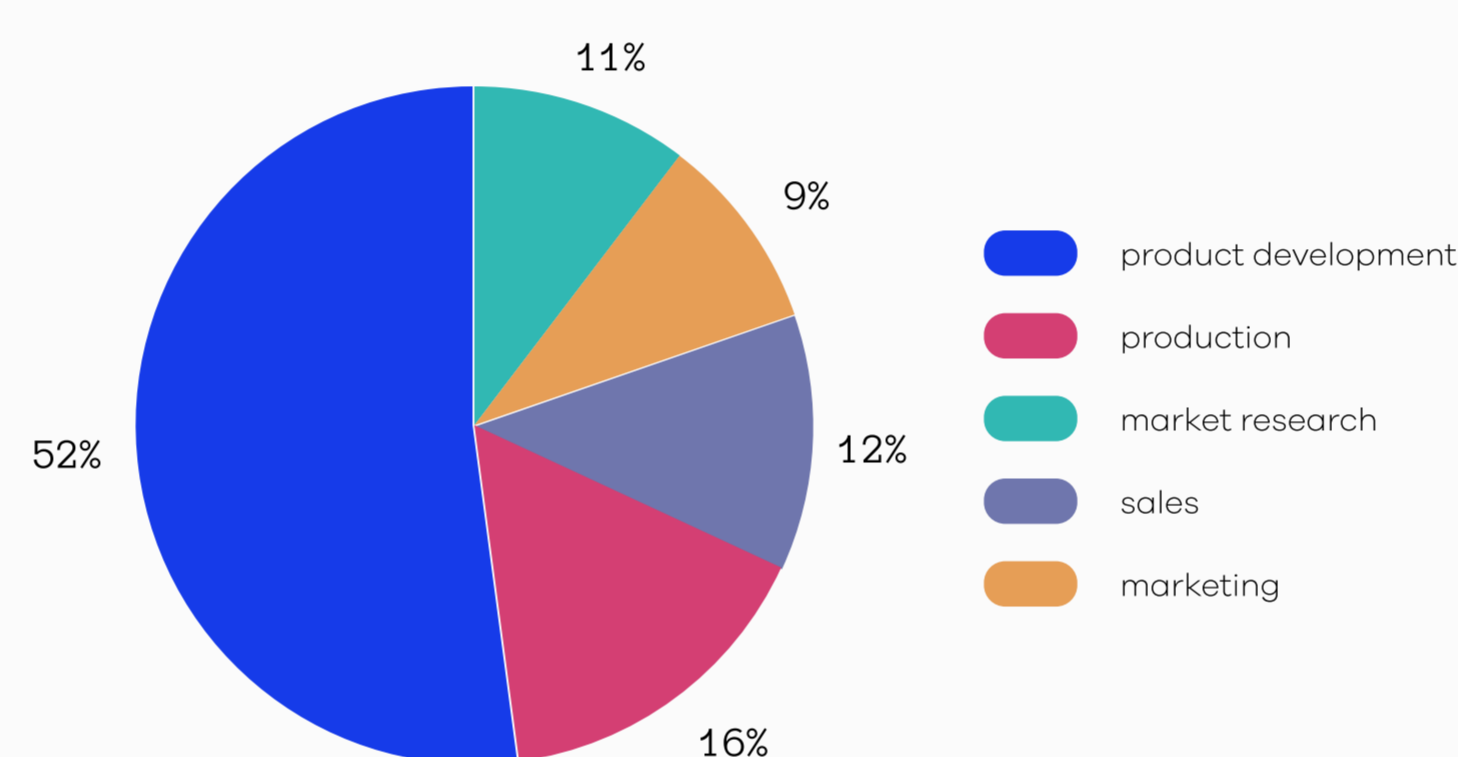
01. How is time distributed?



Time spending is too heavily focused on product development and production.

Pre-market start-ups tend to focus mostly on product development. After they enter the market, about 20% of their time shifts to production. Overall, start-ups underspend time on market research and activities. These activities are essential for the customer discovery to validate the market for product market fit.

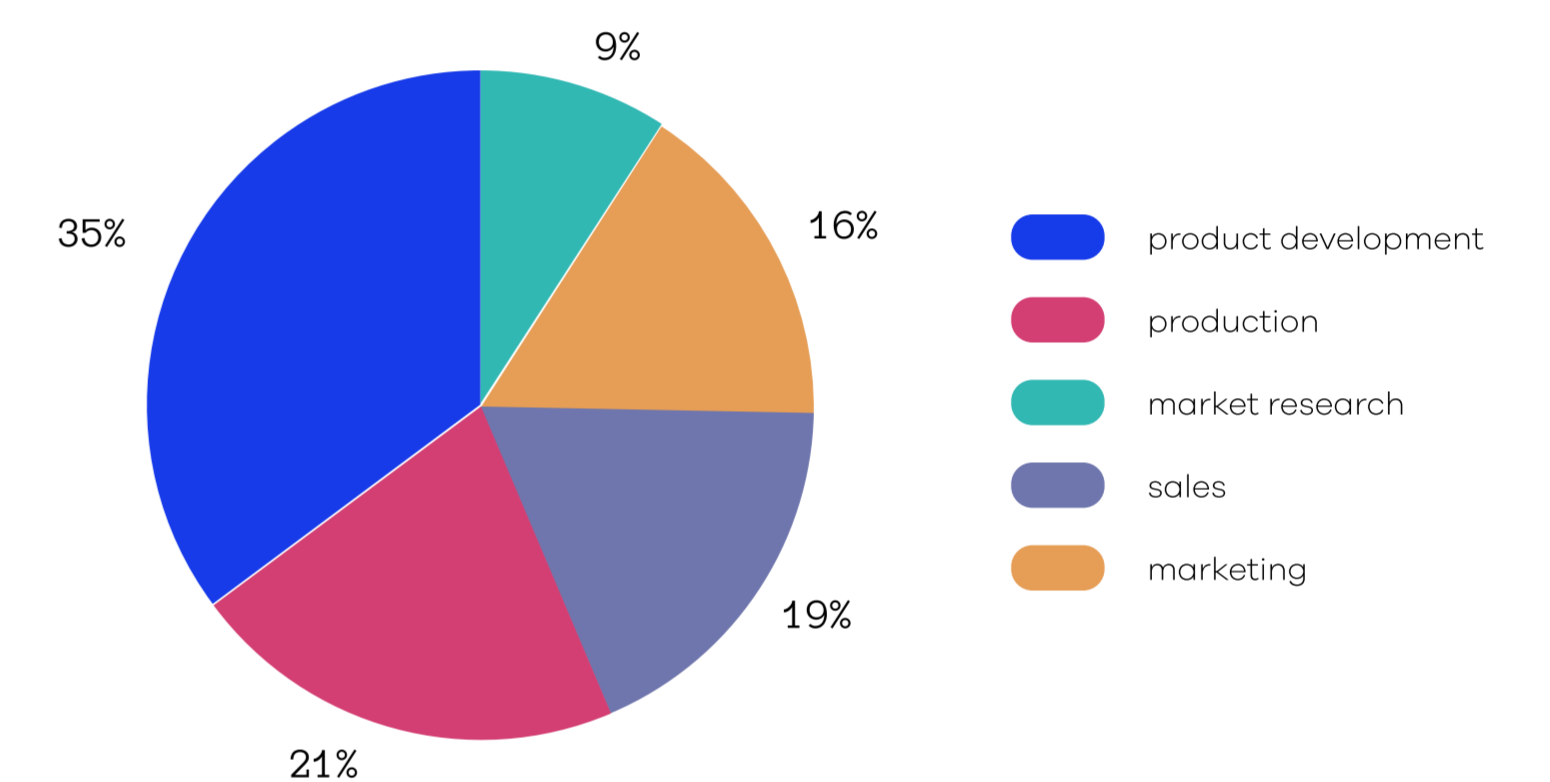
02. How capital has been spend



Capital is mostly spend on product development

Start-ups overspend most of their investment capital on product development. This is not a surprise because a lot of start-ups in our data are technology companies that develop products with high CapEx. Since our research shows that market validation is insufficient, more capital must be spend to market activities.

03. How new funding will be spend

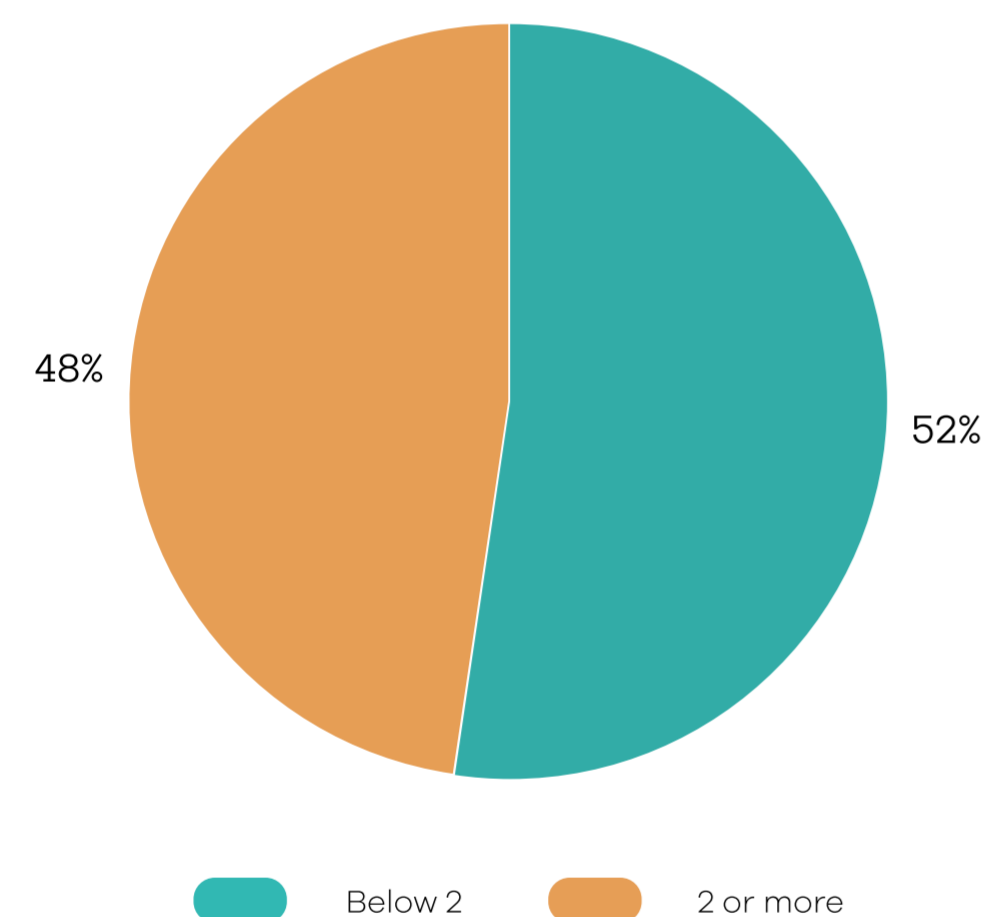


Start-ups intend to spend more on marketing and sales with future raised capital.

The challenge for start-ups is to allocate their costs so that it leads to more customers. Fortunately we see that the spending of newly raised capital is planned to be allocated more to market research, marketing and sales.

Experienced entrepreneurs bring focus. They achieve 50% higher revenue and raise 20% more funding.

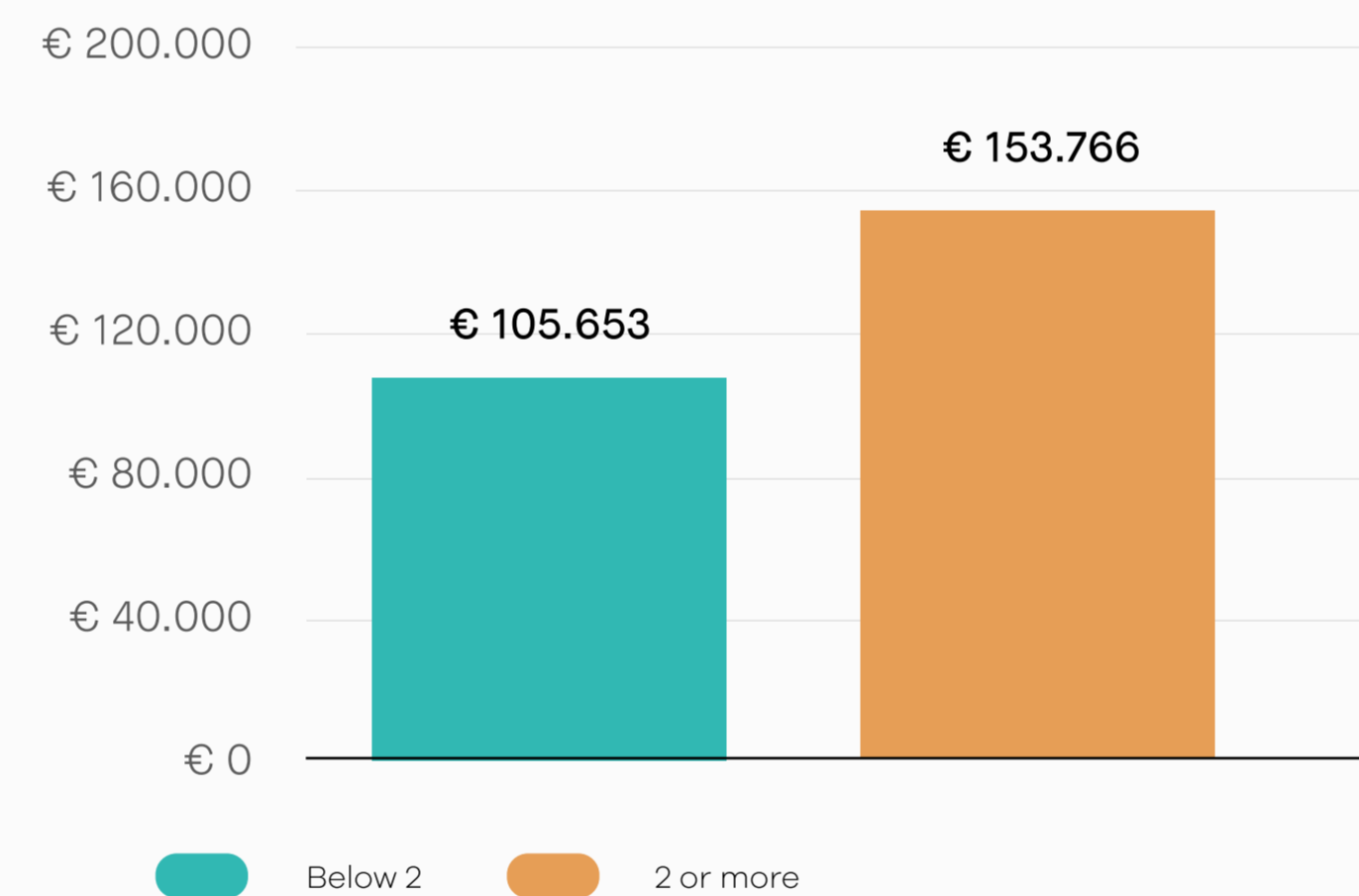
01. Experienced vs. less experienced founders



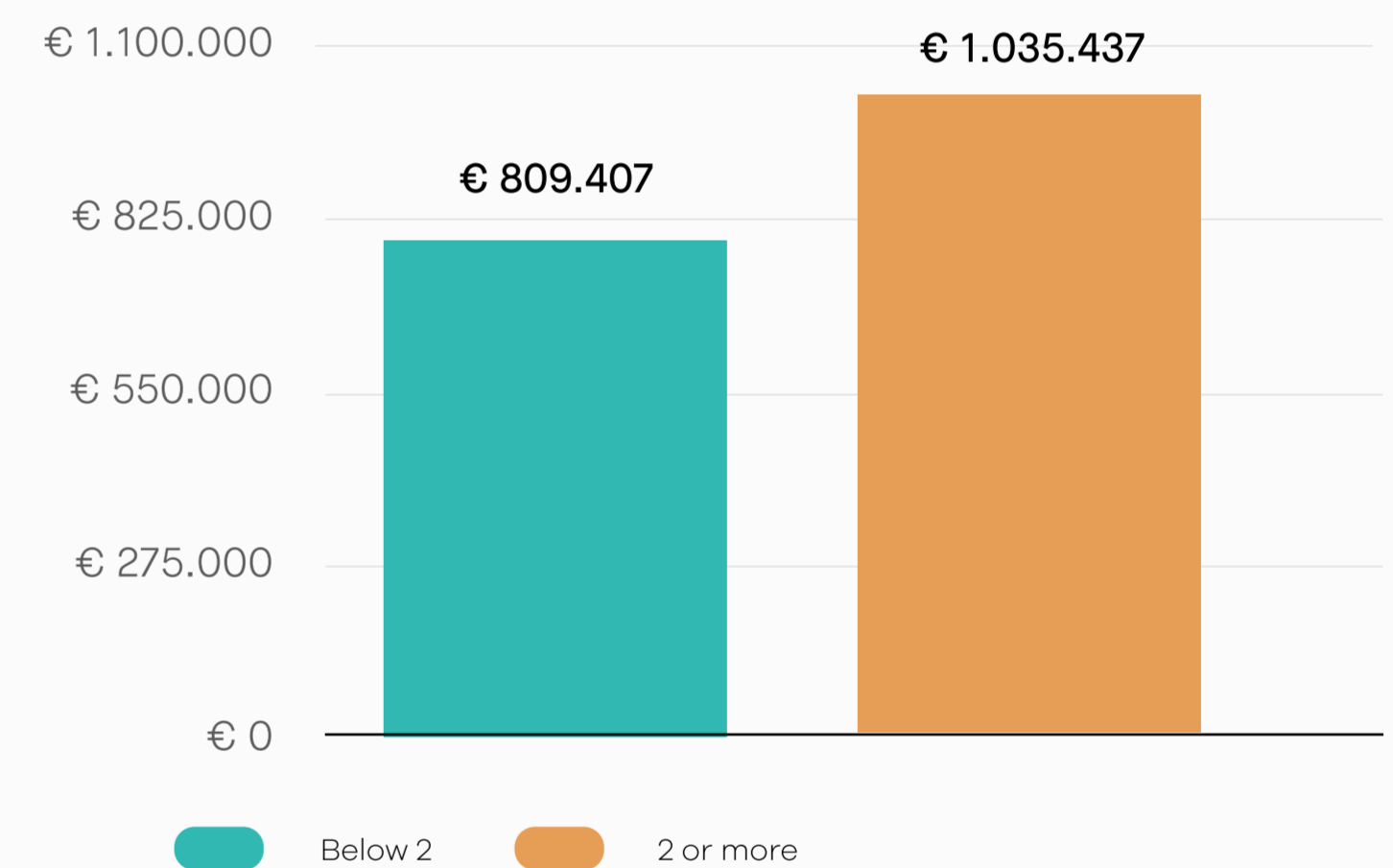
About half of the founders have started a company before

53% of start-ups have a team of (co-)founders that have founded 2 or more companies before. 47% of start-ups have only 1 or none previous founder experience.

02. Average revenue



03. Average investment



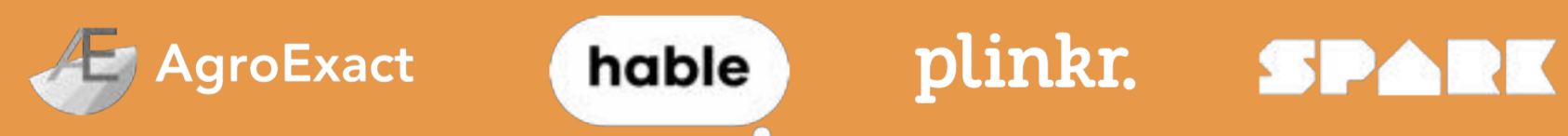
Serial founders have a positive effect on performance when they are part of a team

We see a correlation between serial founders and start-up performance. The average revenue and average investment are higher for more experienced serial founders. We recommend new founders to add experienced founders to their team as much as possible.

4. From ambitions to market transitions:

how market validation helps founders to make positive impact.

Having impact is not only about higher productivity, but even more, how it can bring a positive change in our life's. To make this tangible we present the growth journeys of several start-ups that have the ambition to make a difference in their sectors, such as to increase environmental sustainability, improve wellbeing and increase equality. Although the products and services can be very different, the market validation journeys are remarkably similar. We zoom into the market validation activities along the different milestones.



Bluetick provides software that makes it easier for lawyers to find relevant content for legal research.



Ambition: "That every European lawyer can find all relevant content without actively searching for it."

Name: **Bluetick**

Founded: **november 2019**

Sector: **Softtech**

Website: <https://www.bluetick.nl/>

Read the full start-up story at:

<https://gritd.nl/interview-bluetick/>

Milestone 1 market validation:

While studying Data Science & Entrepreneurship, we were tasked with coming up with a data-driven solution. A friend of us is a lawyer and raised a problem: While preparing a case, it takes a lot of time to find relevant case law and literature to support her position. To make sure she is not the only lawyer with this problem, we talked to more than a hundred lawyers about their work process. Over 70% experienced the problem and were actively seeking a solution. It surprised us because the legal industry is not known for their openness to change.

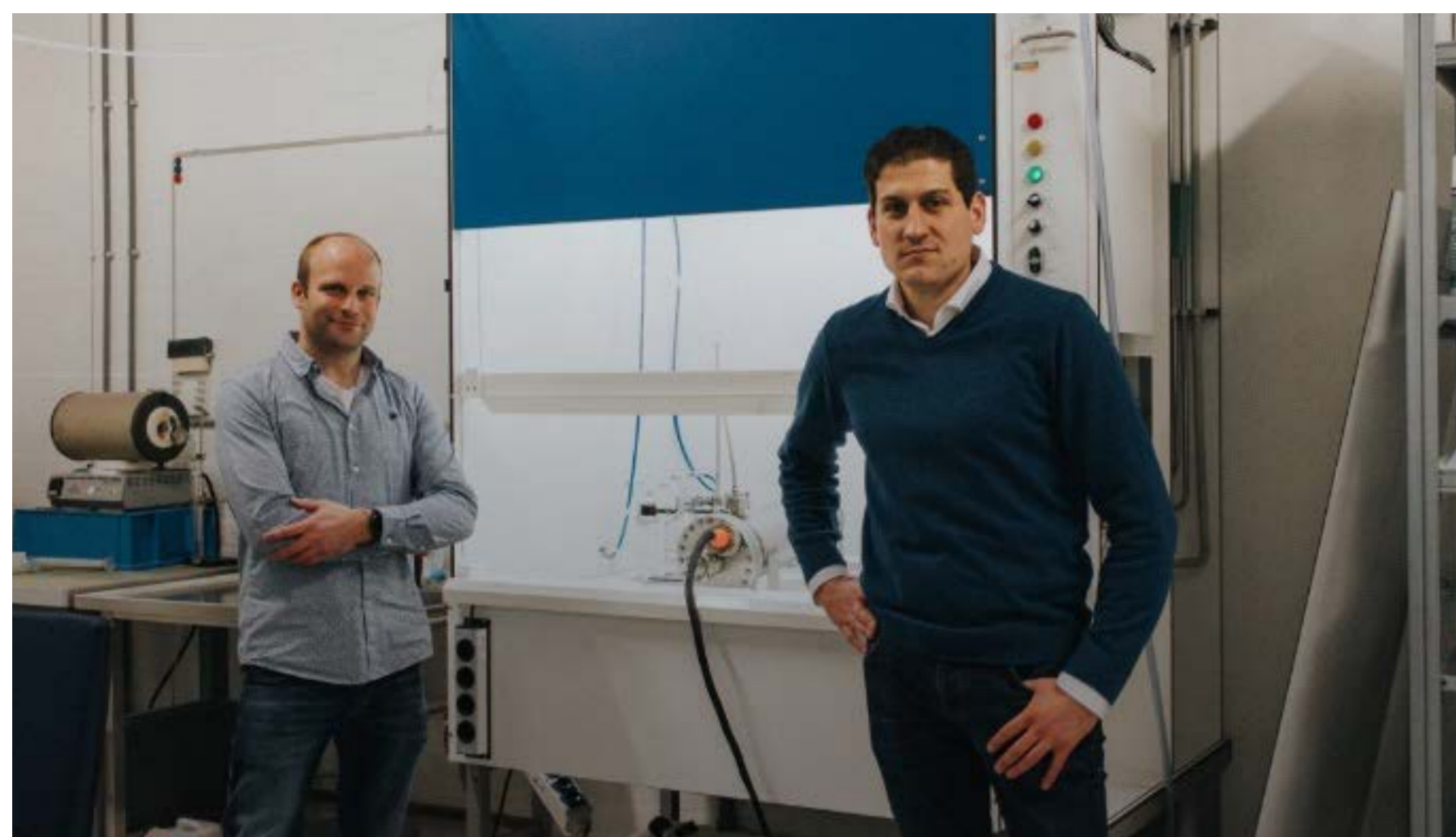
An essential part of our validation process was to keep asking questions during the interviews. That's how we found out that the real problem lies deeper: lawyers have a fear of missing things. The fear that an opposing party has found a ruling you don't know is big enough to invest in a solution.

Our validation process has been a solid foundation for our business ever since. We managed to partner with law firms early on because we understood their problem better than they did themselves. The first version was limited because our search engine was limited to case law. We then partnered with Sdu - one of the publishers of legal search engines. Our technology is now available in their digital products, increasing our impact on the market.

Next steps:

We started by making case law more searchable. Publisher content has been added since last year. The next step is to make internal legal team opinions searchable so they don't have to reinvent the wheel.

AddCat's printed 3D filters make the air 95% cleaner.



Ambition: "Clean air for everyone."

Name: **Addcat**

Founded: **december 2019**

Sector: **Hightech**

Website: <https://www.addcat.eu/>

Read the full start-up story at:

<https://gritd.nl/interview-addcat/>

Milestone 1 market validation:

"We are now mainly involved in agrifood," says Gerald van Santen, CEO of AddCat, a company that makes 'clean air filters' with a 3D printer. "In that sector, we see a lot of potential for improving air quality."

Manure processors also face emissions and demand for clean air. "Processing manure releases ammonia and odor. Our filters make the air 95% cleaner."

Actually, with AddCat we offer a 'license to operate' for agrifood, but we are also in talks with biogas plants that may have emissions of methane and ammonia during the production process."

Next steps:

We are looking for commitment and visiting companies in agrifood, working with Wageningen University and sitting around the table with biogas plants." Starting with the ideal customer and making sure it is technically feasible.

AgroExact's weather stations and soil moisture sensors help farmers get optimal irrigation.



Ambition: "To contribute to a farmer's operation that delivers sufficient margin and remains fun."

Name: **AgroExact**

Founded: **februari 2017**

Sector: **Food**

Website: <https://www.agroexact.com/>

Read the full start-up story at:

<https://gritd.nl/interview-agroexact/>

Milestone 2 market validation:

Important gain for farmers is the time they save. "If farmers want to check what can be done on the land, they are just spending a couple of hours inspecting different plots." "Meanwhile, we see more and more farmers following suit. They see a neighbor's weather station and want 'it' too."

"Luck plays a role in entrepreneurship, but we didn't want the success of AgroExact to depend too much on that. We talked a lot with potential customers to find out the real problem and whether most potential customers are experiencing the same problem."

Next steps:

"To achieve a good margin, we help increase efficiency and provide a low barrier to entry. With our approach, not every farmer has to buy their own weather station." "Make sure you are 100% sure you offer the best alternative to the problem: a problem-solution/fit. And develop a repeat, -and scalable sales model."

HableOne builds a physical keyboard so visually impaired people can use a smartphone.



Ambition: "Scaling up in the accessibility market."

Name: **HableOne**

Founded: **januari 2019**

Sector: **Medtech**

Website: <https://www.iamhable.com/>

Read the full start-up story at:

<https://gritd.nl/interview-hableone-ayushman-talwar/>

Milestone 3 market validation:

We started talking to an existing community for visually impaired people in the Netherlands and Belgium. Crucial, because they are the end users. Actually, HableOne is a co-creation between us and the community.

Eventually we developed a prototype together that we sold during the Oogcongres in the Jaarbeurs in Utrecht. This is important, because it proves that you offer a solution that early evangelists are willing to pay for.

After all, you may think you have a brilliant idea, but you yourself are always more convinced than the customer. And then there is also the question of which market that particular customer is in. You can try to serve multiple markets, but then you quickly find out that you don't have a distinctive position in any one market."

Next steps:

Become better known to the target market. This is tricky, because visually impaired people prefer not to have the stamp. Logical, but this makes it tricky for us to scale in the accessibility market, to make sure we are "Venture Capital Ready."

Plinkr connects social workers with clients and helps to regain control of home administration together.



Ambition: "Everyone in the Netherlands financially savvy"

Name: **Plinkr**

Founded: **Februari 2019**

Sector: **Fintech**

Website: <https://plinkr.nl>

Milestone 3 market validation:

Financial assistance has challenges at different levels: residents, social workers, social organizations and municipalities. From the start, Plinkr has worked to support the first two parties in particular. However, with time also came the experience that a solution at the level of individual residents is not enough to address the growing problem of subsistence security.

"The issue turned out to be more complex than we initially thought. It was not, 'What all should a social worker be able to do and do,' but, 'Which social worker should be able to do what, and at what time.' So when we understood that the challenges cut across organizations and even municipalities, we started talking extensively with policymakers from over 50 municipalities. We learned an awful lot about the connection between the challenges in the 'system world' and the 'living world.'"

After this validation study, Plinkr received commitment from the first three municipalities to start working on the solution. With the insights from the research and practice, they are now building an ecosystem together, providing value at all four levels.

Next steps:

Plinkr aims to make maximum impact on livelihoods in the Netherlands. The ecosystem, which is a mix of working agreements, methodology and technology, connects more and more relevant parties. In this way, Plinkr is working step by step on a scalable solution that can be deployed throughout the Netherlands to make and keep residents financially savvy.

Off-grid solar systems provide energy to homes and villages. Modular, expandable and future proof.



Ambition: "A global energy network for everyone."

Name: **Spark**

Founded: **februari 2013**

Sector: **Energy**

Website: <https://sparkenergy.io/>

Read the full start-up story at:

<https://gritd.nl/interview-spark/>

Milestone 4 market validation:

Evan and Marcel develop a first Minimum Viable Product in 2013 - a usable basic product: "After months of research, we built our first MVP aimed at renting out lamps. With this package, an Indian could charge 16 lamps, sharing and renting energy. Later we added battery packs to it."

"In the Netherlands, we still know the fixed line and have to deal with the 'law of the delaying lead.' There is little room for innovation. In India (and Africa) they skip that step and go from practically nothing to cell phones and televisions."

"Not the natives, but the distributors are the people who know the culture and show products at road shows," he said. "To expand, we look at countries with few distributors. If competitors from another country want to make that move, they also have to open an office in that country."

Next steps:

"On the one hand, we are sticking to the mission of creating more energy networks worldwide. At the same time, we are focusing on the commercial side, looking for partners who wanted to invest. We want a large operational machine that makes an impact on a large scale. The second is a creative innovation team that quickly develops iterative designs."

Jobmatix: The programmatic job marketing tool to automatically post and advertise jobs on more than 30 job boards



Ambition: "To be the largest in Europe within 3 years."

Name: **Jobmatix**

Founded: **juni 2016**

Sector: **Softtech**

Website: <https://www.jobmatix.com/>

Read the full startup story:

<https://gritd.nl/de-ambities-van-jobmatix-binnen-3-jaar-de-grootste-in-europa/>

Milestone 5 and 6 market validation:

"We have pivoted our revenue model 2 times. Testing whether it is repeatable and scalable. Now that we are about to cast off the mooring lines we are still fine-tuning."

When asked what Wiebe would have done differently, he is adamant: "Asking for more investment. We already had commitment, existing. With more capital, we wouldn't have had to come up with as many tricks that created sales."

"Hocus pocus, keep your focus. As a start-up entrepreneur, you want to play chess on 7 boards. At the beginning you're an entrepreneur, a specialist and the plumber fixing a leaky gutter."

Next steps:

An ambitious goal changes the mindset. Work smarter instead of harder. Another challenge is the 'curse of knowledge': "In our niche, we are top 3 in the world, a place we have secured because of our expertise. Only sometimes it is difficult to build a 'Knowledge Bridge'. In short; keep it simple."



Carbyon delivers direct air capture of CO2 to clean up our atmosphere



Ambition: "Want to become a major producer and make steps toward mass production a goal set for 2024."

Name: **Carbyon**

Founded: **Augustus 2019**

Sector: **Energy**

Website: <https://carbyon.com>

Read the full start-up story at:

<https://gritd.nl/carbyon-zuivert-de-ozonlaag-en-zorgt-voor-hernieuwbare-energiecarbyon/>

From ambition to transition:

It presents opportunities for companies like Shell that need to drastically reduce their emissions. "That is also Carbyon's target market," says Hans, Lastly, Hans adds cement producers, "The production of cement emits a lot of CO2, there is a lot to be gained there."

It are the Shells of this world that are probably the most interested. "They are already operational when it comes to CO2 reduction. Who offer with Carbyon a new solution to reduce CO2 emissions."

Next steps:

The technology needs to be better and cheaper. Carbyon is still in Research & Development phase. "Instead of colossal structures, Carbyon provides smaller units. On a site of 500 by 500 meters, we can place 10 units. One unit 'captures' 100,000 tons of CO2. Place 10 and you get 1,000,000 tons of CO2 out of the air on 500m2. It's the solar panels - made on a large scale - to filter CO2."

The New Dairy Farmer: plant-based dairy substitutes made in Dutch soy.



Ambition: A locally plant-based chain.

Name: **De Nieuwe Melkboer**

Founded: **december 2018**

Sector: **Food**

Website: <https://nieuwemelkboer.nl/>

Read the full start-up story at:

<https://gritd.nl/interview-de-nieuwe-melkboer/>

From ambition to transition:

We grew up in the yard of a dairy farmer, studied in Wageningen and lived in the Randstad. That background gave us the idea for the New Milk Farmer. We saw a trend that people like plant-based dairy, but raw materials are mostly imported from faraway countries. With the New Milk Farmer we shorten that chain and the raw materials simply come from the Netherlands.

In terms of product development, there was already interest when we developed a prototype. This confirmed that we offer a solution that people pay for. Furthermore, we are working on several dairy substitutes, such as soy yogurt and oat milk. "

Next steps:

Stimulate Dutch people's willingness to pay a little more for local, plant-based (dairy) products. This starts with validating the products. Are people willing to pay? Does the product have a right to exist at all? Finally, outsourcing things you can't do yourself. You want to get on with it, but then you find out that more and more things are left unfinished.

Gritd.

Thank you for reading the report.

Acknowledgements In this report we have presented insights and recommendations of our most recent collected data. It consists of data almost 400 start-ups with an exponential business model that has been collected from March until November 2022. We thank the many founders and ecosystem specialists that have been helping us so far. We are very grateful that we have been receiving so many experiences from the start-up ecosystem. This has helped to further improve our data collection, algorithm and acceleration programs. In total, we have now analysed >1600 start-ups and accumulated over 110k datapoints.

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