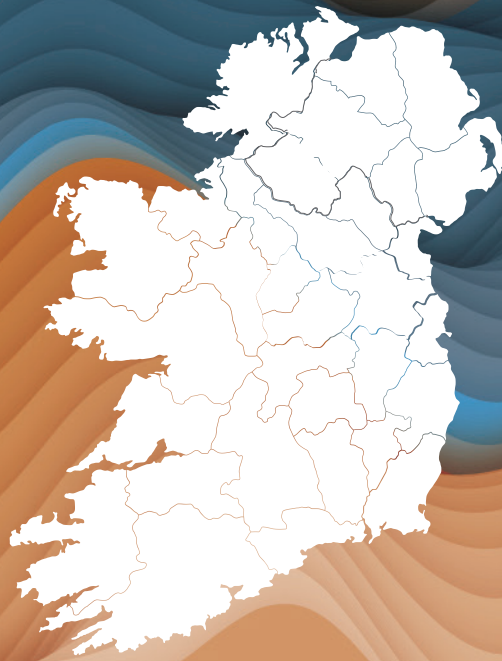


# TECHIRELAND

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## INNOVATION ISLAND PULSE 2024



IN ASSOCIATION WITH

Google

# INNOVATION ISLAND PULSE 2024

This is the third TechIreland report on the mood of Irish startups. Heading into 2024 we surveyed the opinions of over one hundred Irish tech startups and the results are somewhat mixed;

- While most believe Ireland is a better place to start a business than 5 years ago, there is less confidence that it has improved over more recent times.
- There is a strong feeling that valuations are down and fundraising is more challenging than a year ago. However, despite that, there is confidence that companies will hire talent in 2024 and increase their revenues.
- State support (Enterprise Ireland etc.) is still seen as most important source of funding and non-financial support.
- 38% of companies have at least one female founder/co-founder (i.e. 62% are all-male founder teams).
- 20% have at least one founder who identifies as “new Irish” or “immigrant entrepreneur”
- 40% will look new hires in AI and machine learning in 2024 – clearly that’s a sector that is hotting up
- OpenAI’s ChatGPT and Dall-E are the most used GenAI platforms in Irish tech businesses
- Slack is still the favourite collaboration tool, Zoom seems to be losing out to Teams and Google Meet for meetings, Stripe is on top for payments, Hubspot for CRM.
- There is increasing interest in cross-border commercial opportunities.

Many thanks to the many companies that completed the survey and to Google, our sponsor for this Pulse survey.

Further information or ideas for future Pulse surveys, contact [sree@techireland.org](mailto:sree@techireland.org)



John O'Dea,  
CEO TechIreland

# TIMES OF GENERATIONAL CHANGES IN TECHNOLOGY

Paddy Flynn,  
Google



Google continues as a staunch supporter of the Irish tech ecosystem. This is TechIreland's third Pulse report on the mood of the startup community. We have seen the trends of last year continue through geopolitical and macroeconomic challenges. These remain times of generational changes in technology. AI and Generative AI have continued to be centre stage throughout 2023. The TechIreland summit on AI showed huge interest in this area as Irish startups and businesses in general figure out how to apply these capabilities to their businesses and products.

The survey contains many interesting observations such as funding and inflationary challenges for the startup community, but positively, most hope to grow their teams in 2024 despite these headwinds. The key findings under "Digitisation & Useful Tools" is an interesting read with use of productivity and AI tools now being front and centre for many startups. This will be a key trend for the future success of the Irish ecosystem.

Google hopes to continue its support of the local startup ecosystem with our friends and partners - Enterprise Ireland, IDA Ireland, TechIreland, Scale Ireland, Dogpatch Labs and most importantly our community of startups. Together we look forward to embracing new innovations and overcoming the challenges and headwinds.

# LOOK TO 2024 WITH A DEGREE OF HOPE

Brian Caulfield,  
Chair of Scale Ireland



It is less than a year since I wrote about the collapse of Silicon Valley Bank, their role in some great Irish success stories, and the potential impact on the Irish startup ecosystem. It feels like a long year. Most commentators are now saying that the past 18 months has been the most significant disruption to the startup funding ecosystem since the “nuclear winter” that followed the dotcom crash of 2000. Many commentators, including myself, felt that the market had bottomed in Q1 of 2023 when Q2 showed a small uplift in global venture capital investment quarter-on-quarter. Our optimism was misplaced. Q3 turned down again and I suspect that Q4 will not have seen much forward momentum. As ever, macro-economic and political events play a huge role in damaging confidence that was already at a low base.

Nonetheless, I am more positive about 2024. The interest cycle is, probably, at the top. While it may take some time, the next movement in interest rates is likely to be down. Surveys indicate that 42% of limited partner (LP) investors plan to increase their commitments to venture capital in 2024. That will take time to feed through to additional capital in the market but is a positive sign. Many expect the M&A market to come back to life in 2024 - initially with bargain hunters, but they will be followed by strategic buyers.

On a domestic level, the partial exit of Cubic Telecom has demonstrated what can be achieved by a company with a strong business model and impressive growth even in a difficult market. Changes in the last budget will hopefully make angel investment a more attractive alternative to other asset classes and reflects a developing understanding by government of the importance of the sector. It isn't all positive, new European Union GBER rules, coupled with our high levels of CGT are likely to make EIS investment materially less attractive but, on balance, I believe that startup and scaleup companies can look to 2024 with a degree of hope.

KEY FINDINGS:

# STARTUP ENVIRONMENT & OUTLOOK



YES  
40%

NO  
32%

DON'T KNOW  
28%

**40%** believe  
Ireland is now a  
better place  
to start a  
tech business  
than a year ago



**64%** believe  
Ireland is a  
better place  
to start a  
business now  
than 5 years ago

2022



**36%** believe  
Ireland is now a  
better place  
to start a  
tech business  
than a year ago

2023

A key strength of the Irish ecosystem is our ability to create progressive futures, helping organisations transform at scale and individuals develop an edge, through the power of learning. For Startups, 2024 will be the year to unleash their brilliant unstoppable potential.



Dave Feenan, ICT Skillnet

KEY FINDINGS:

# STARTUP ENVIRONMENT & OUTLOOK



Are there **good fundraising** opportunities for tech companies **in 2024**?

YES  
41%

NO  
27%

DON'T KNOW  
32%



56% of companies feel **there are good fundraising opportunities** here.

This feedback is significant as **50% of those who say 'NO' have raised external capital**, mostly from international investors.

2022

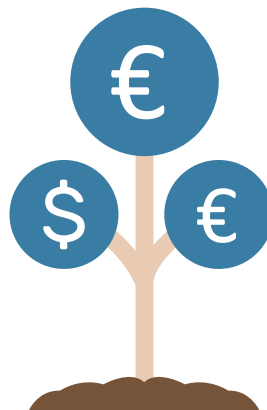
YES 57% NO 27% DON'T KNOW/CAN'T SAY 17%

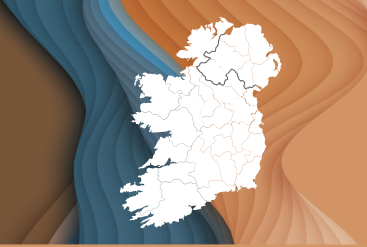


Is **fundraising** in Ireland **more challenging** now than a year ago?

2023

YES 57% NO 27% DON'T KNOW/CAN'T SAY 17%





KEY FINDINGS:

# STARTUP ENVIRONMENT & OUTLOOK

In your view, **tech companies valuations** have...



DECREASED **79%**

REMAINED LARGELY UNCHANGED **18%**

INCREASED **3%**

Founders have become realistic about valuations recently and that has brought about more of a focus on sustainable growth and profitability rather than top-line growth. While there are challenges in the broader economy, it's great to see founders being optimistic about the year ahead with many companies planning to increase headcount during 2024.



Paul Swift, Bank of Ireland



KEY FINDINGS:

# STARTUP ENVIRONMENT & OUTLOOK

Potential **challenges** to the Irish startup ecosystem in 2024

**1.** *Funding* environment & Lower valuations

**2.** Global Recession & Inflation

**3.** Availability of Tech Talent

**4.** Disruptive Tech such as Generative AI

The fundraising environment was undoubtedly tough in 2023, but with markets increasingly accustomed to the new macro-backdrop, activity should increase over the course of the year barring other risks on the horizon materialising.



Peter Bennett, Chyron Capital





KEY FINDINGS:  
**YOUR COMPANY  
OUTLOOK FOR 2024**

2022

Riding on their revenue optimism, **67% of companies say they are HIRING in 2022.**

Few companies fear they might have to downsize their teams this year.



INCREASE **67%** STABLE **23%** CAN'T SAY **5%** DECREASE **5%**

You project your **team size** in 2024 to...

2023

**Growth** in your company's **team size** in 2023



INCREASE **73%** STABLE **19%** CAN'T SAY **5%** DECREASE **3%**



INCREASE **81%**  
STABLE **15%**  
CAN'T SAY **2%**  
DECREASE **2%**



Irish companies are incredibly resilient and adaptive, and it is encouraging to see positive sentiment around hiring and revenue projections this year. At Huckletree we see first hand the importance of community and network in challenging times. Asking for support and feedback is important - no mind is an island!



Aislinn Mahon, Huckletree

KEY FINDINGS:

# YOUR COMPANY OUTLOOK FOR 2024



You project your  
**revenue in 2023** to



**Strong positive REVENUE  
OUTLOOK** among Irish  
businesses in 2022. **85%**  
of companies expect an  
increase in their revenues  
or foresee stable revenue.  
**4%** companies foresee a  
decrease in revenue.

2022

INCREASE **80%** STABLE **10%** CAN'T SAY **6%** DECREASE **4%**



Your company's  
**revenue projection**  
in 2023

2023

INCREASE **72%** STABLE **18%** CAN'T SAY **3%** DECREASE **3%**

INCREASE **89%** CAN'T SAY **8%**  
STABLE **3%** DECREASE **0%**



KEY FINDINGS:

# COMPANY OUTLOOK FOR THE COMING YEAR

Your  
**TOP PRIORITIES**  
in 2024

**TOP PRIORITIES** are **customer acquisition** and **new product development**. While **hiring** is seen as more important than **fundraising**. **Workforce development** and **sustainability** are lower priorities.

2022

**TOP PRIORITIES** are **sales** and **fundrasing**. While **new product development** is seen as more important than **Extend runway / cost control**. **Training & workforce development**, **Digitising operations** and **sustainability & Climate Goals** are lower priorities.

2023

Whilst still lower on the priority list, environmental, social and governance (ESG) objectives are becoming more important to Irish tech. That's a good sign in light of the upcoming CSRD compliance and an economic climate that values sustainability more than a couple of years ago.



Philipp Maucher, SaaS Network Ireland



KEY FINDINGS:

# COMPANY OUTLOOK FOR THE COMING YEAR

2022

**Preferred FUNDRAISING VEHICLES.**

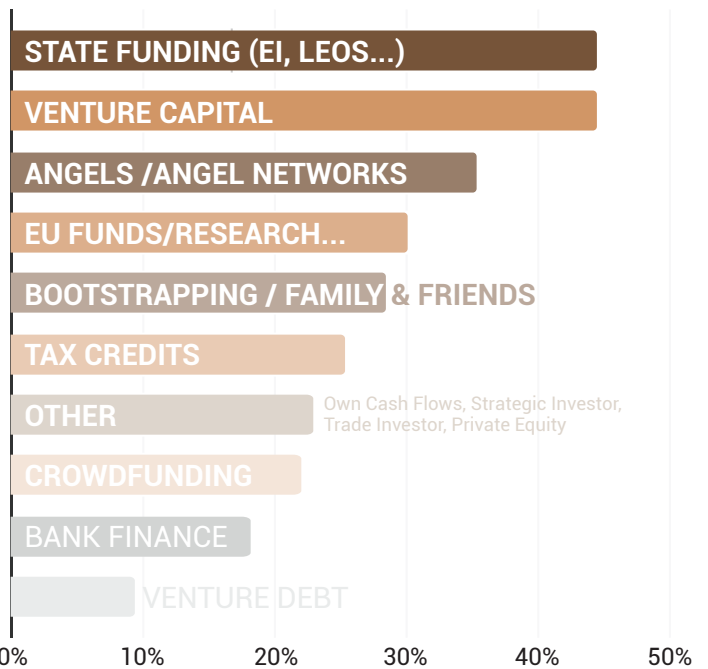
**State Supports** and **grants** are a key focus, while **Angel investments** are ranked higher than venture capital. Bootstrapping family and friends are important for early stage businesses. Bank finance and Crowdfunding are becoming significant funding sources.

2023

**Preferred FUNDRAISING VEHICLES.**

**State Supports** and **grants** are a key focus, while **Angel investments** are ranked higher than venture capital. Bootstrapping family and friends are important for early stage businesses. Bank finance and Crowdfunding are becoming significant funding sources.

Despite the challenges from 2023, which will persist into this year, I have cautious optimism for the startup ecosystem in 2024. Late stage funding will continue to be difficult and there will be more companies who fail after raising at the top of the market in 2021. My optimism is at the early stage where I can see some green shoots of recovery. The interest in AI is percolating across sectors and in the past 3 months we have seen an uptick in the number of pre-seed and seed investments in our portfolio. There are also an increasing number of high quality founders emerging and at NDRC we are focused on providing these entrepreneurs with the support they need to break through in 2024. So my hope is that we have hit or are close to the bottom - this means it is a very good time to start a new technology company.

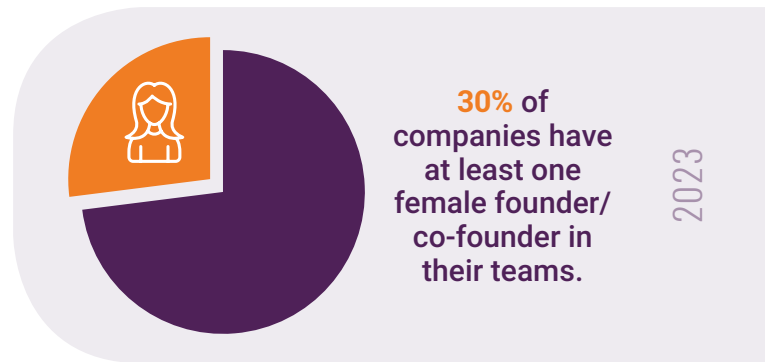
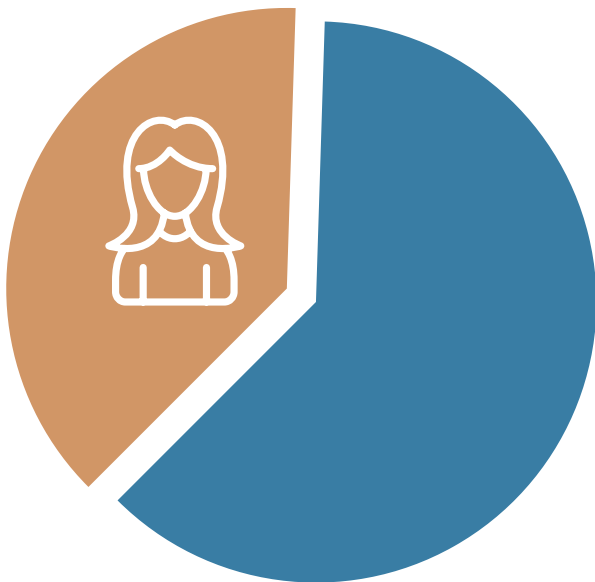


Likely **sources of funding** for your company in 2024?



Ian Browne, NDRC

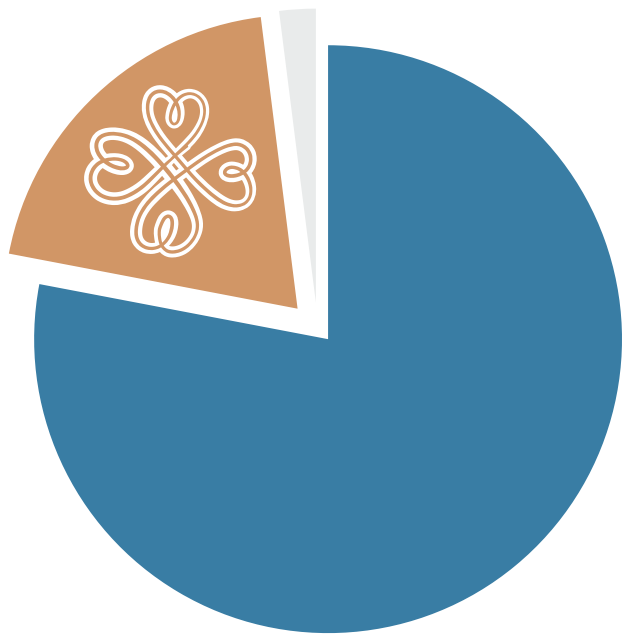
KEY FINDINGS:  
PEOPLE  
& DIVERSITY



**38%**  
of companies  
have **at least one  
female founder/  
co-founder in  
their teams.**



KEY FINDINGS:  
PEOPLE  
& DIVERSITY



Does any of your **founding team/senior management** identify themselves as a **“New Irish”, “Immigrant”** entrepreneur

NO **78%**

YES **20%**

DON'T KNOW **2%**



KEY FINDINGS:

PEOPLE  
& DIVERSITY

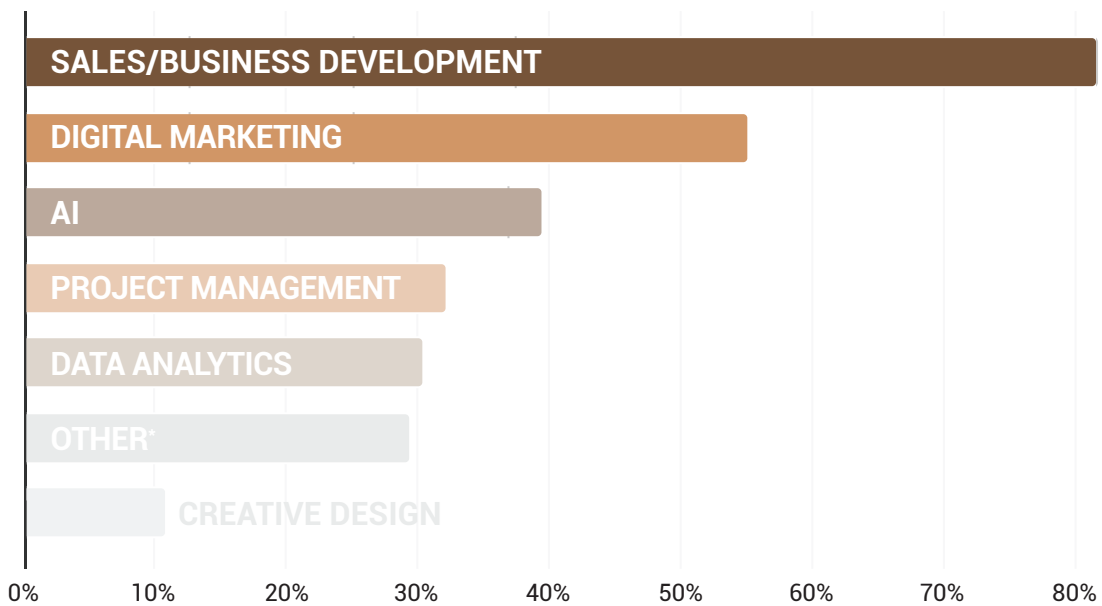
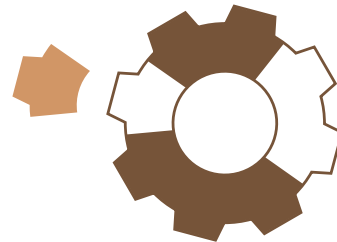
2022

**Sales & Business Development** roles are most in demand, followed by **Software development** and **digital marketing**.

In 2024, what **roles** are you looking to hire for?

2023

Again, **Sales & Business Development** roles are most in demand, followed by **Software development** but on the third place are **other roles (Compliance, AI, R&D, Customer Support)** and then **digital marketing**.



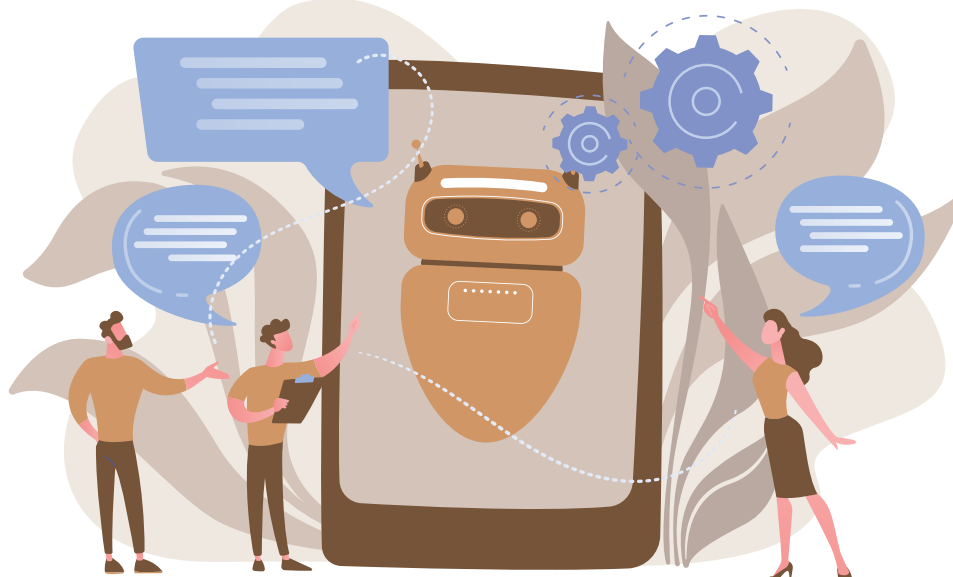
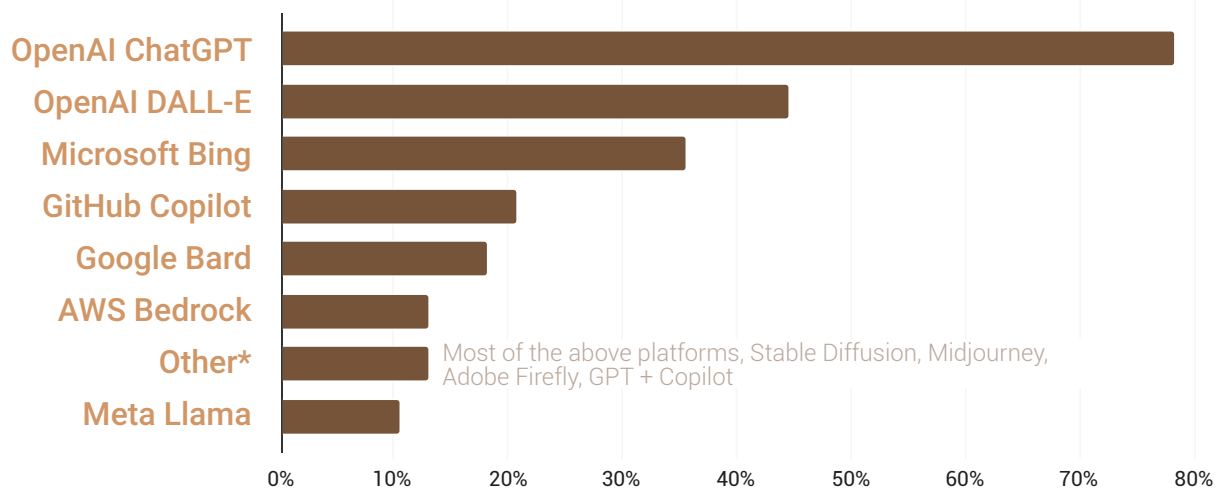
\* Customer Success, GenAI Trainer, Full Stack Developer, Creative Developer



KEY FINDINGS:  
**DIGITISATION  
& USEFUL TOOLS**

What's Irish Tech's favourite...

**GENERATIVE AI PLATFORMS**



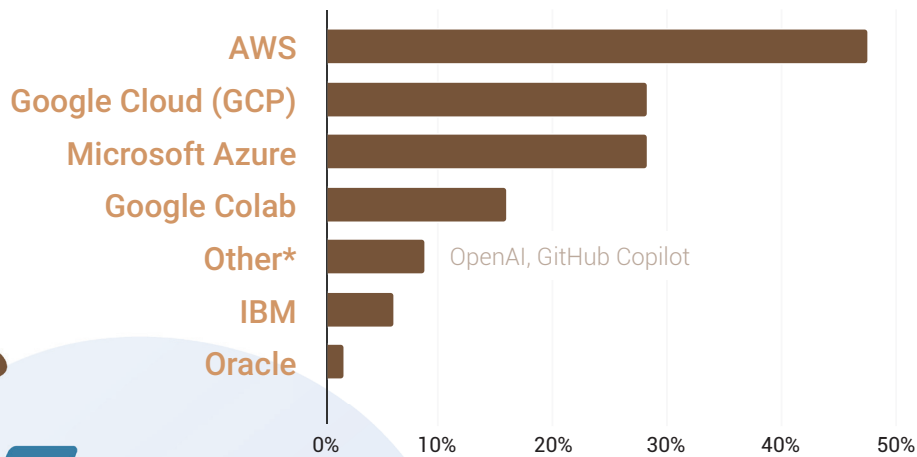


KEY FINDINGS:

# DIGITISATION & USEFUL TOOLS

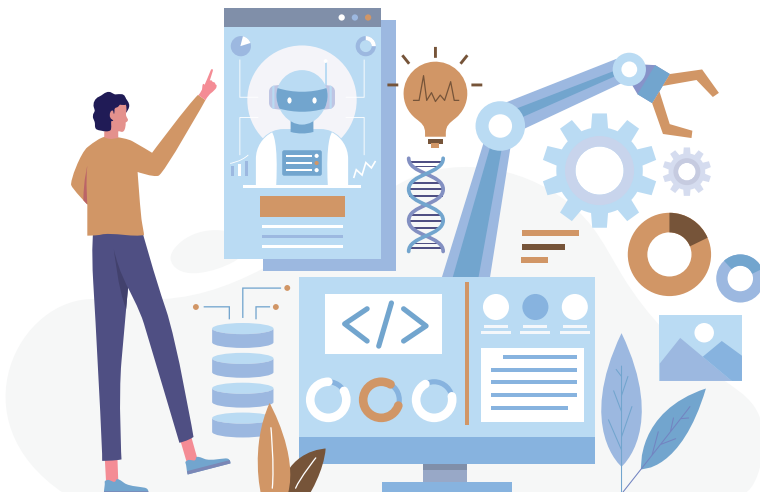
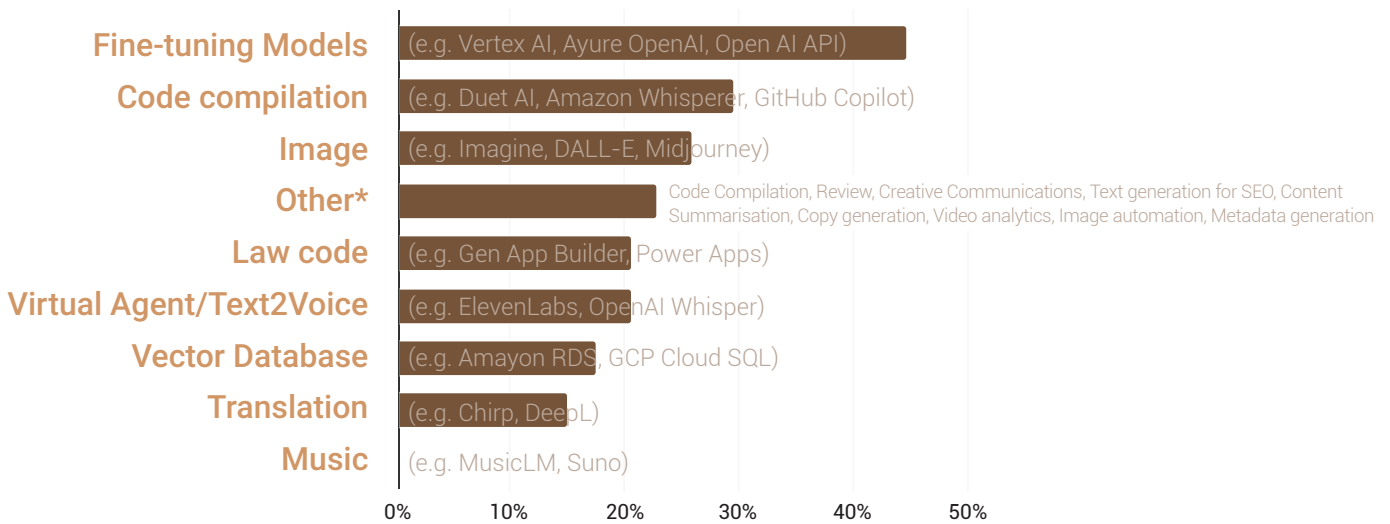
What's Irish Tech's favourite...

## RESOURCES for GenAI (in-cloud or Local)



KEY FINDINGS:  
DIGITISATION  
& USEFUL TOOLS

Your teams are **using GenAI tools** for...



The fundraising environment was undoubtedly tough in 2023, but with markets increasingly accustomed to the new macro-backdrop, activity should increase over the course of the year barring other risks on the horizon materialising.

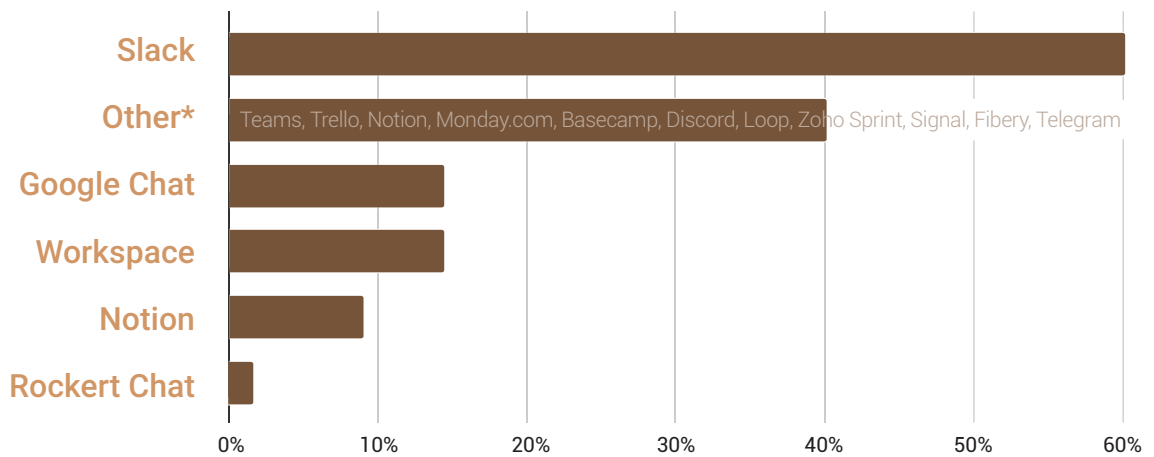


Peter Bennett, Chyron Capital

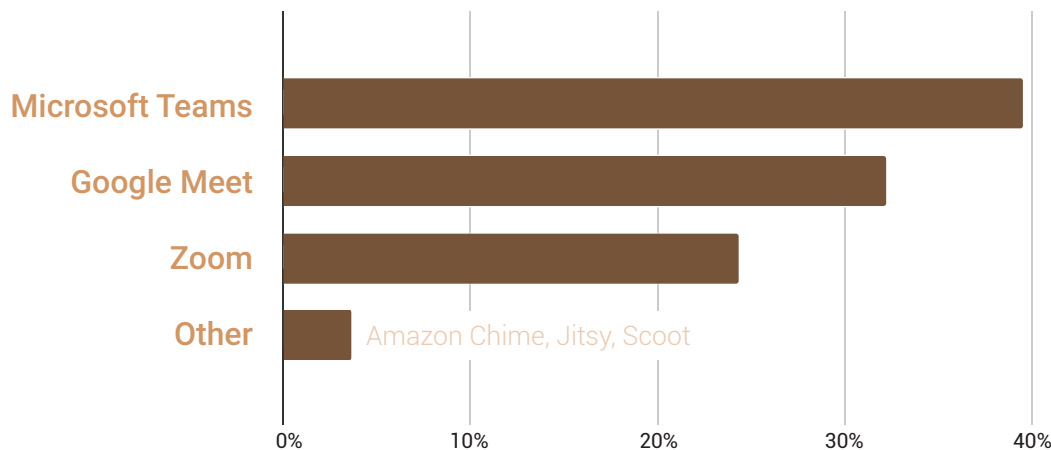
KEY FINDINGS:  
DIGITISATION  
& USEFUL TOOLS

What's Irish Tech's favourite...

COLLABORATION TOOLS



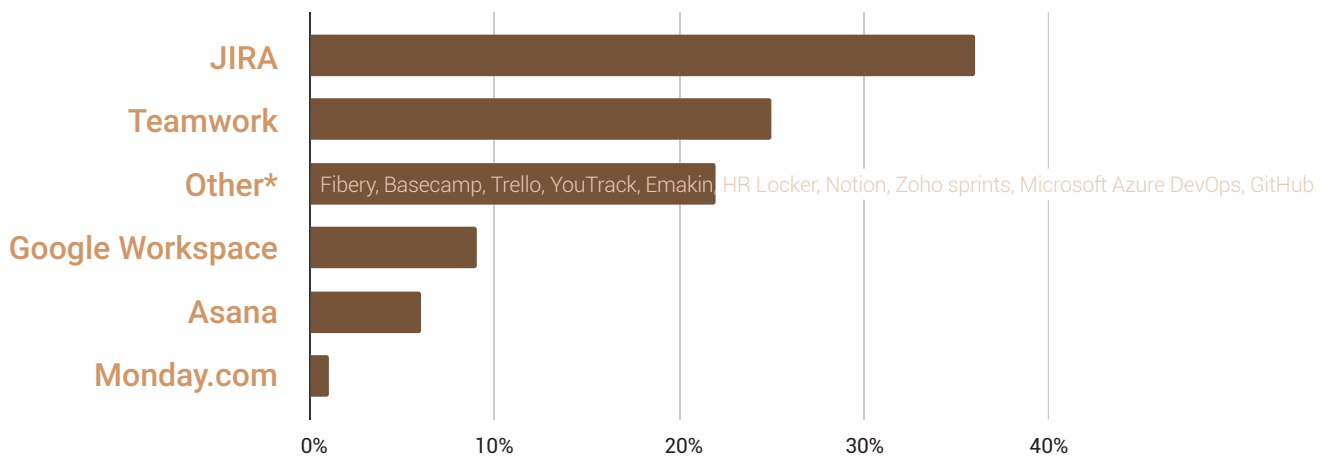
ONLINE MEETING PLATFORM



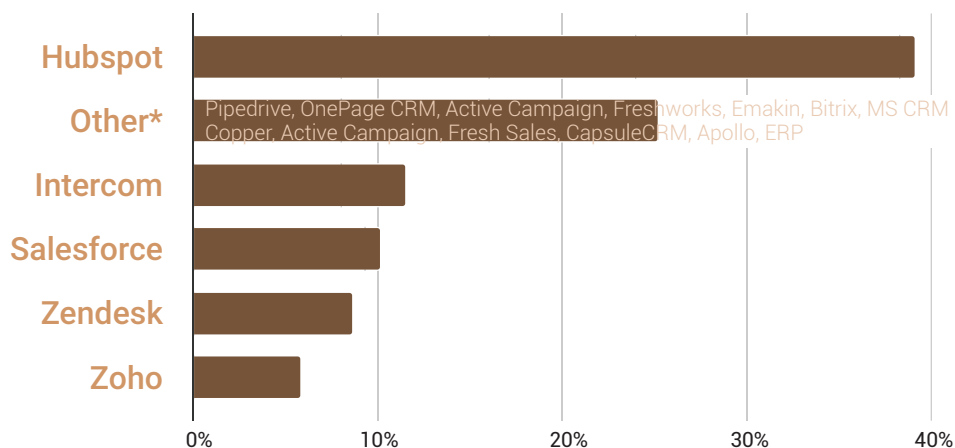
KEY FINDINGS:  
**DIGITISATION  
& USEFUL TOOLS**

What's Irish Tech's favourite...

**PROJECT MANAGEMENT SOFTWARE**



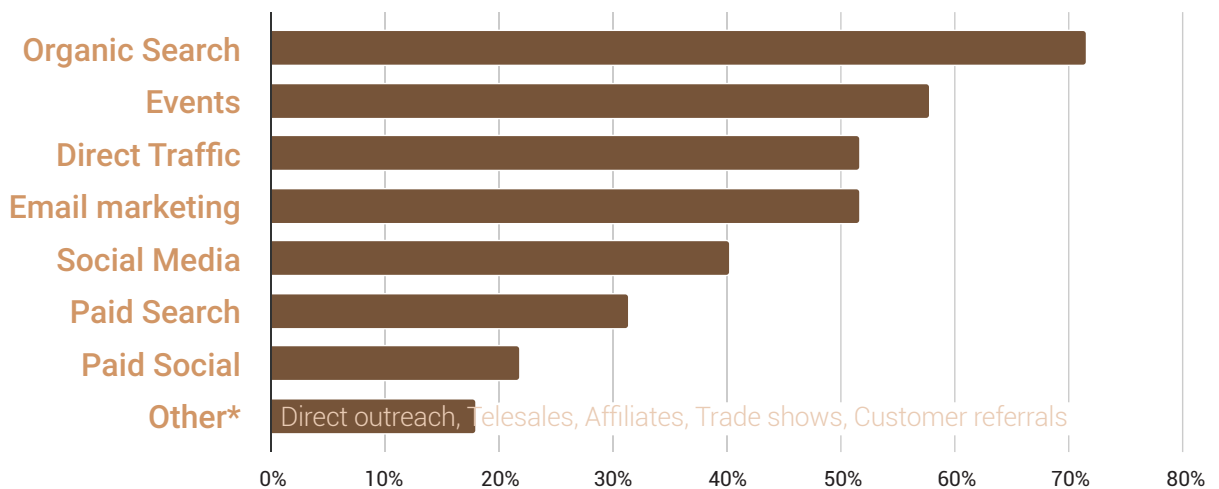
**CRM PLATFORMS**



KEY FINDINGS:  
DIGITISATION  
& USEFUL TOOLS

What's Irish Tech's favourite...

CUSTOMER ACQUISITION CHANNELS



2022

Organic online customer acquisition channels appear significantly more popular than events, and paid ads. **70% of companies prefer organic search**, following by social media (60%) for lead generation. 40% said events are their preferred channel, while online direct traffic ranked higher with 54% companies relying on online traffic. 20 companies selected paid search and paid social as channels for customer acquisition.

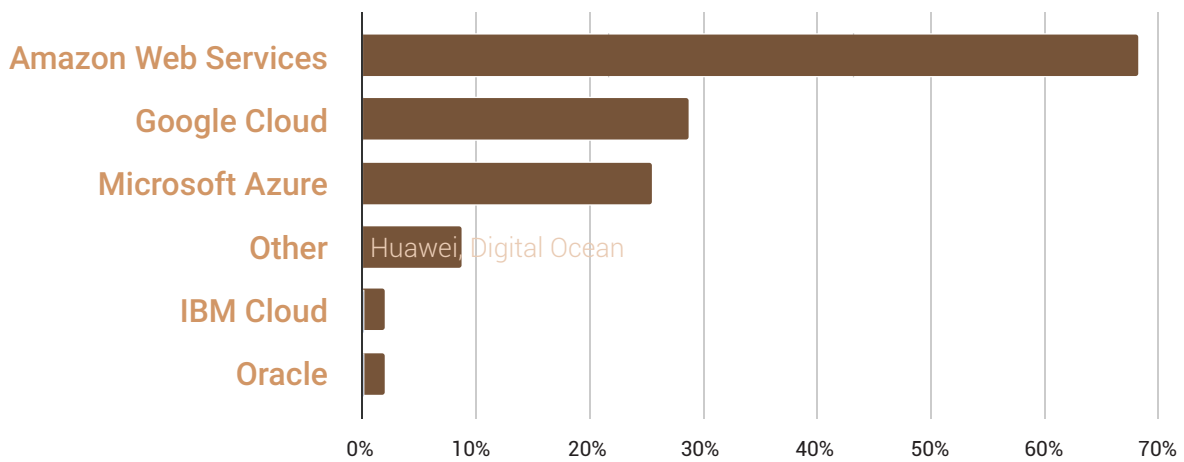
2023

In the last two years, organic **online customer acquisition channels** were more popular for sales and outreach. In 2023, startups report **other forms of in-person outreach** as more preferable. We see greater interest in **direct sales** and **word of mouth**. While **online ads and events** continue to be popular, **social media marketing** seems to have overtaken **email marketing** in the latest survey.

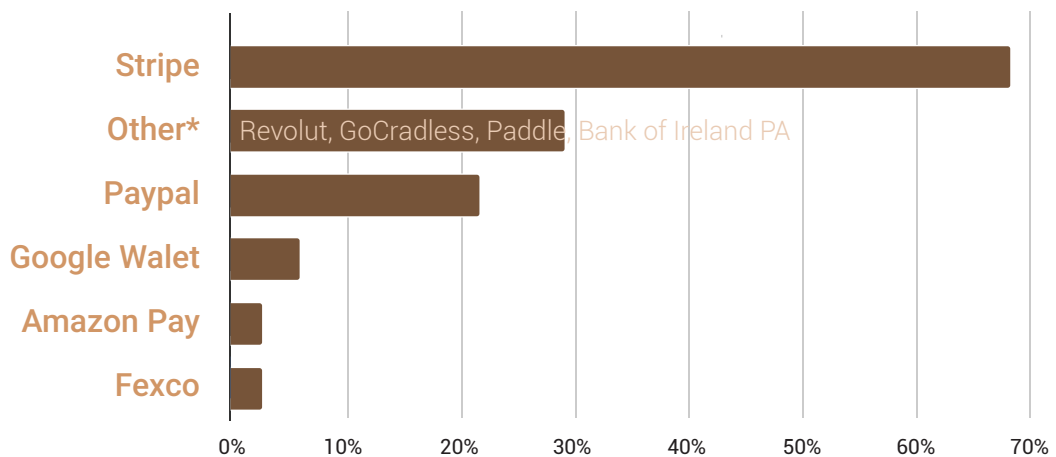
KEY FINDINGS:  
DIGITISATION  
& USEFUL TOOLS

What's Irish Tech's favourite...

CLOUD



PAYMENTS

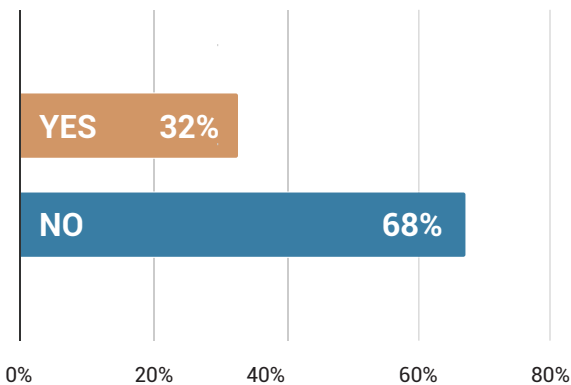




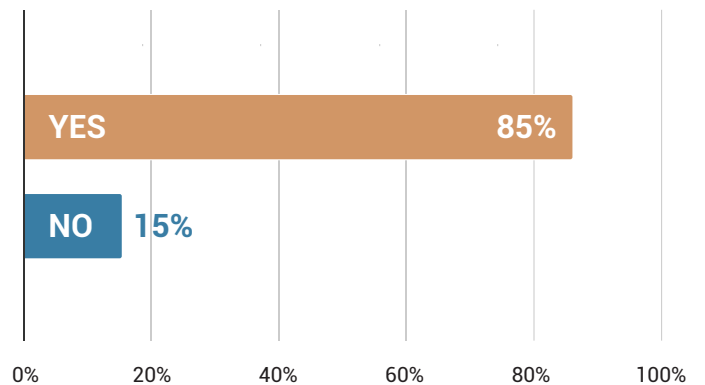
KEY FINDINGS:

# ALL-ISLAND ECONOMY

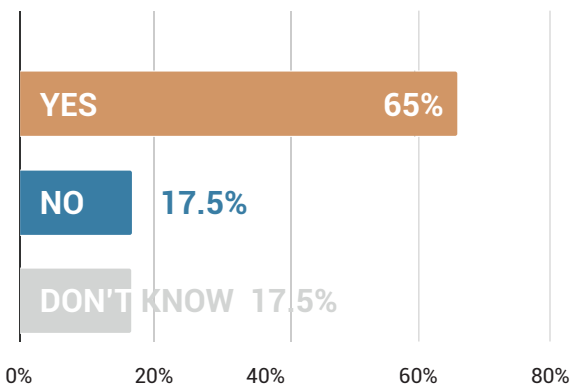
Did you **do business** with **Northern Ireland** based companies in 2023?



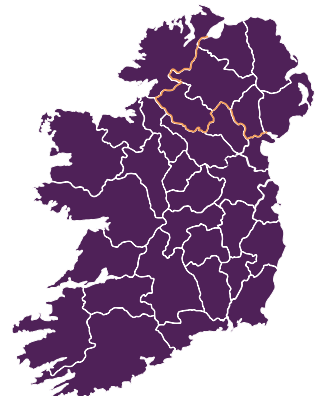
Would you like to be invited to **All-Island business networking events** by *TechIreland*, in 2024?

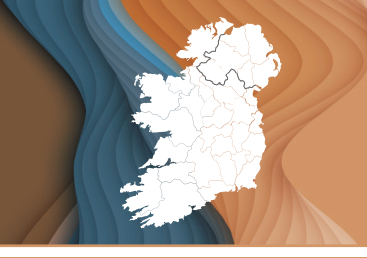


Do you foresee **doing business** with **Northern Ireland** in 2024 or ahead?



Supported by  
*InterTradelreland's Synergy Programme*

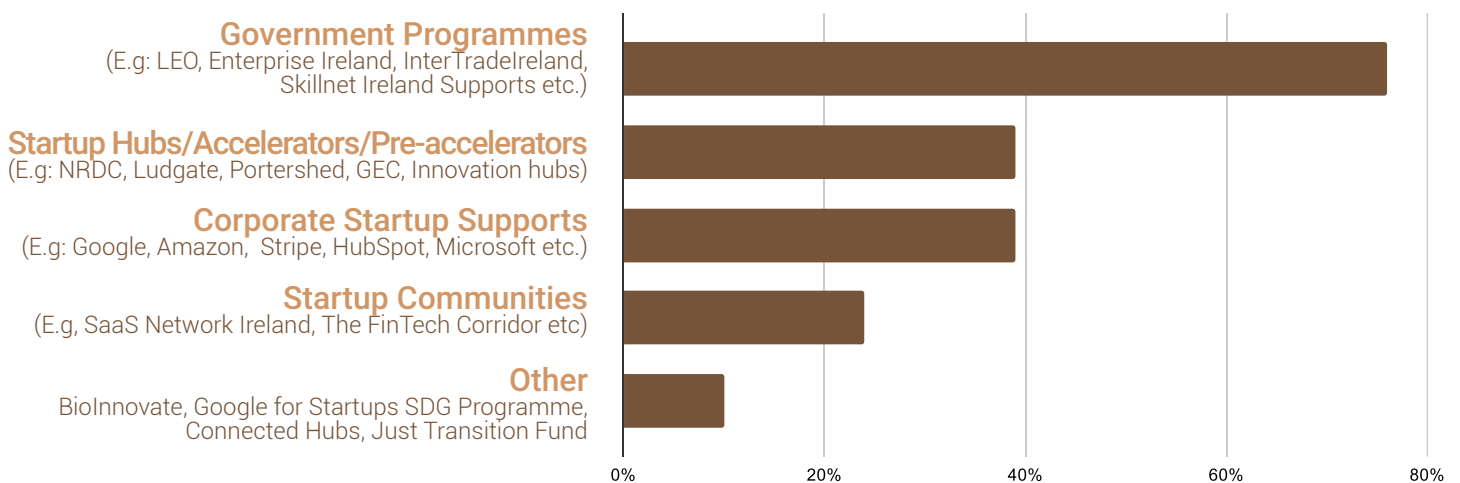




KEY FINDINGS:

# SUPPORTS & INTERVENTIONS

Did you avail of any of the following **NON-FINANCIAL supports** (mentoring, advisory etc.) in the past year?



# EXPECTATIONS AND SUGGESTIONS FROM STARTUPS

Revenue is the best form of capital.

More revenue-based startup supports (e.g. zero-rated VAT on start-up sales)

*Gareth Hickere4ery, CEO, Noa News Ltd*

2024 will be a year of AI-driven creative destruction.

Investment funds will continue to reorient and double down on AI.

Capital will flow to businesses that embrace the power of AI to transform industries

*Niall Larkin, Senior Programmes Manager, RDI Hub*

Access to growth capital remains the key intervention. Extending runways for startups, particularly in tough market conditions, trumps everything else.

*Alan Gleeson, CEO, Contento Ltd*

Government support is too focussed on VC prospects. Potential SMEs also need early-stage support.

*Jer Ryan, VIRTUAL OFFICE SOFTWARE LIMITED (VOSOFT)*

We need access to working capital. Banks are useless, we need help.

*Geoff Allen, Director, Mersus Technologies*

Irish tech will continue to punch above its weight in 2024 by thinking global, thinking big and leveraging the world-class support it has here in Ireland.

*Peter Bennett, Founder & CEO, Chyron Capital*

Social enterprise also needs support to build sustainable profitable businesses.

*Peter Fearon, CEO, Bomad Ltd*

Tech startups get huge support from state agencies but private investors don't have enough incentive, despite the EIS changes.

If we really want a Silicon Valley environment in Ireland we need silicon valley investment incentives.

*Gokul Gurijala, CEO, Co.Founder, Green Till*

Ireland's tech world looks really promising, with good supports and a strong tech community.

Investing more in young tech businesses will cultivate a new generation of Irish entrepreneurs.

We have all the ingredients to succeed: top-notch universities, smart talents, developed infrastructure, and an ideal geopolitical location.

*Iman Zolanvari, CEO and Founder, Jarvic.ai*

# MORE COMMENTS

A lot done but more needed from government to get funding to the sector.

More needed to simplify getting highly skilled workers to locate to Ireland

Get out of Ireland if you have a breakthrough idea/business

The public sector should buy Irish. Customer reference is hugely important for startups.

More funding to be allocated by Enterprise Ireland backed VCs

Enterprise Ireland is incredibly helpful and supportive. From early stage backing to inviting us into their internationalisation programmes.

Time to take action - some really fantastic opportunities are coming!

SaaS companies focused on achieving the magic number (40) will have a high growth, profitable business.

With higher interest rates, it's not growth at all costs.

As a MedTech founder, I hope for a 2024 where innovation thrives with government supports, and where our products improve the lives of millions across the globe.

Ireland has some great founders but a poor funding environment.

We have an amazing network of seasoned entrepreneurs who are sharing knowledge, and supporting each other.

Startups need more support at the development stage.

The environment is challenging and 2024 seems uncertain, but I am optimistic about Irish startups. The cohesion of funding bodies is still imperfect

Founders need more than money - they need advice and mentoring to grow and scale

More private investors must be incentivised to fund early-stage tech businesses.

EIIS gets less than €60M per year, Government can solve this, there are huge funds on deposit and in private pensions, and €90M tax revenue.

Look from a different perspective to find new opportunities.

Help synergistic businesses to collaborate more

Irish corporates and MNCs should be incentivised to innovate at home with local startups.

Outlook for Irish tech is positive. Getting support to match EIC funding would be very helpful.

Fundraising for pre-revenue companies is difficult in the present environment.

Without more VC funding, there won't be a healthy startup ecosystem in Ireland

More networking events needed to turn prospects into 2024 sales.

Relax some criteria for EI Supports and De Minimis Aid. Tax benefits for sustainable transport, similar to the Netherlands.

Tech Innovations are great but adoption by the Enterprises are slow

Empower startups further with mentoring, fostering cross-industry collaborations, and streamlining regulatory processes to catalyse growth.

# TECHIRELAND

## Upcoming Projects:

- Female Founder Funding Review 2024 Edition
- Women Founders & Investors Breakfast Networking on International Women's Day, 8th March at AWS
- Startup Funding Review 2024 Edition
- AI Tech Skills Forum at Irish Manufacturing Research, Mullingar, Sponsored by Code Institute
- Startup Cities Benchmarking Report 2024
- Innovation Island Connect at Dublin Tech Summit
- **AND MORE...**

## Collaborate & support TechIreland's work

TechIreland is a unique resource, producing data driven insights, introducing the drivers of Irish innovation and connecting the tech community across the island.

More than 11k users access TechIreland's FREE-TO-USE DATABASE OF IRISH TECH companies, investors, innovation hubs, corporates and professional services.

**TechIreland is now integrating with Dealroom - the global startup database, enabling us to promote Irish innovation globally, highlight our startups among international investors and track sectors and technologies. We can benchmark our ecosystem internationally and users can mark favorites, get latest updates and generate insights.**

The information is absolutely free to view and to edit profiles. TechIreland will be adding latest information into the new platform over the coming months. We encourage companies to review their profiles so we're telling a strong story about Irish innovation.

Email [sree@techireland.org](mailto:sree@techireland.org) who will set you up with free access. Follow us on LinkedIn and Twitter for more updates.



## FOUNDATION PARTNERS



THANKS TO OUR

## COMMUNITY OF SUPPORTERS

