

Series A Investment Location Problem

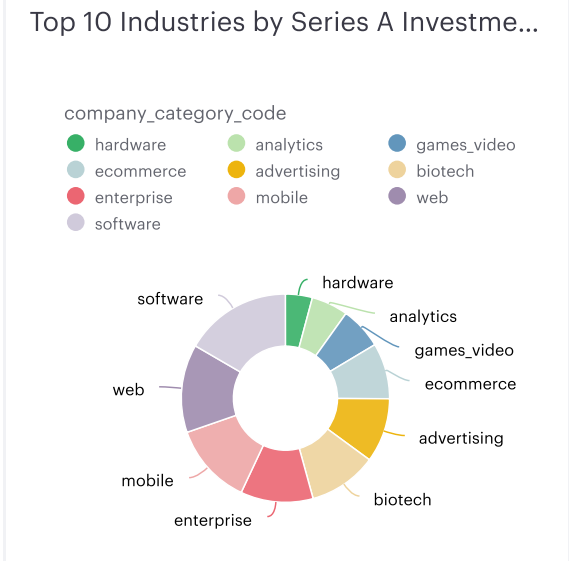
Report detailing best locations for Startup Software Companies looking for a Series A Investment

<div>Total Investments</div> <div>SERIES - A INVESTMENTS</div> <div>21,113</div>	<div>% of Investments - Software</div> <div>SERIES - A INVESTMENTS</div> <div>11.33%</div>	<div>Company - Investor Same .</div> <div>SERIES - A INVESTMENTS</div> <div>29.88%</div>
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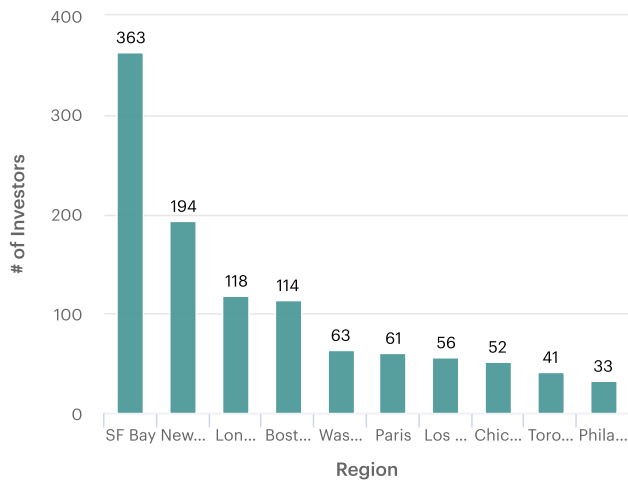
Series - A investments at a glance: Based on the investment information from our crunchbase_investments dataset, we can see that there are a total of 21,113 Series A investments given out. The software sector is the leading sector in receiving Series -A funding, with software companies holding 11.33% of all Series A investments (as seen above). By having more Series - A investments in the industry, software companies hold an advantage of reduced uncertainty. As more and more investors look to get into the software space, this could potentially drive up the the amount investors are willing to pay. This could present itself as an indicator to locate closer to regions and areas with high populations of similar companies in order to potentially receive more significant initial investments.

Additionally, approximately 30% of Series-A investments have both the investor and the company located in the same region.

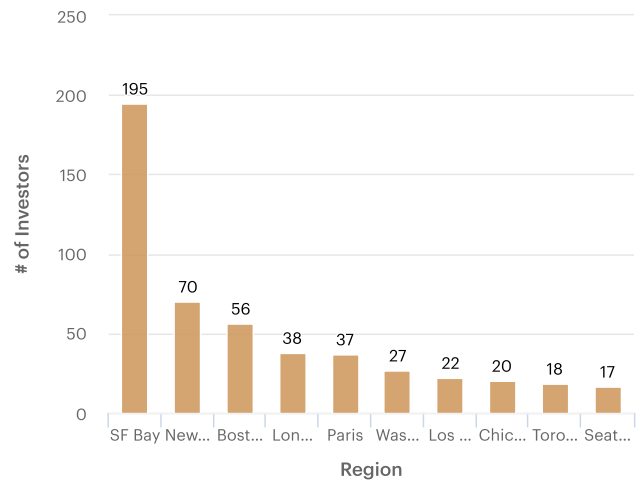
Historical investors of software companies: By Being closer to investors who traditionally invest in similar spaces and industries, new startups and companies would have easier access to stronger strategic partnerships. Access to these investors would go beyond just the dollar amount received, as these companies would also benefit from previous experience, connections, and infrastructure these investors hold in the industry space. The San Francisco Bay Area, New York, London, and Boston are the four regions where investors of software companies are located. Additionally, these same four regions are also have the most investors who provide Series-A funding to software companies. These areas should be strongly considered when locating a software company in order to take advantage of the high density of software investors, their capital, and their knowledge in helping a software company grow and be profitable.



Investors of Software Companies By Region



Series A Investors of Software Companies by Re...

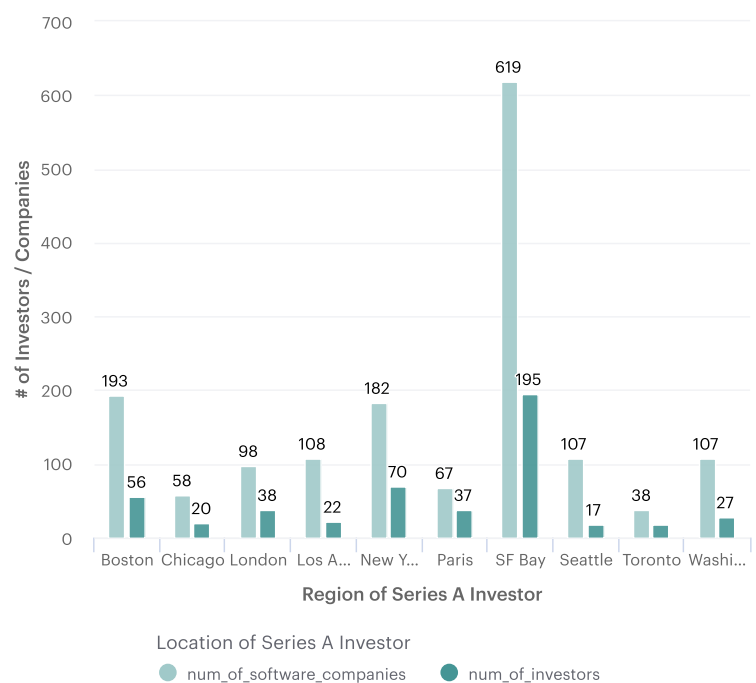


Access to Investors: Software companies have been following in line with the aforementioned note of locating closer to investors who have invested in software companies before. San Francisco, Boston, London, and New York are among the regions which have the highest counts of currently operating software companies (450, 141, 86 and 156 respectively). Looking at the grouped bar chart below, these same regions also have high concentrations of Series-A software company investors (stated previously as well). These visualizations and findings act as a preliminary validation for our assertion that locating closer to investors who invest in the same space is key to obtaining Series-A funding and the added benefits that these investors bring.

Top 15 Software Company Status by Re...

region	status			
	acquired	closed	ipo	operating
Atlanta	4	2	2	52
Austin	10	5	3	57
Boston	36	11	5	141
Chicago	8	2	1	47
Dallas	2	3	3	48
Denver	7	5		69
London	6	6		86
Los Angeles	9	13	2	84
New York	17	8	1	156
Paris	6	5		56
SF Bay	119	45	5	450
San Diego	4	3	1	38
Seattle	14	12	2	79
Toronto	3	2		33
Washington DC	12	6	2	87
Totals	257	128	27	1483

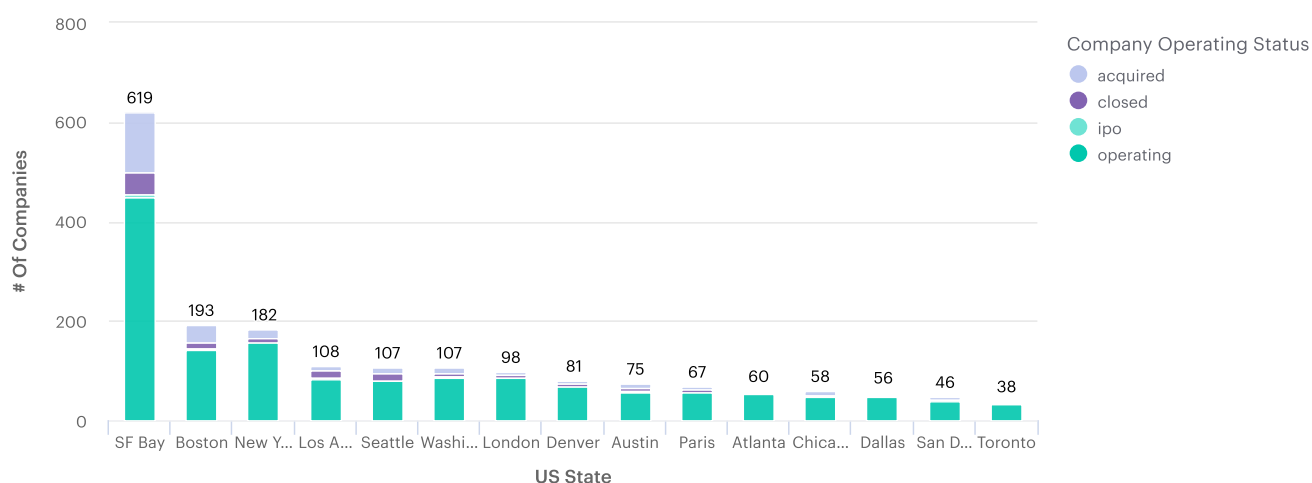
Top 10 Software Series A Investors and Software Compa...



Being near similar companies: A key strategy for startups is to be located in an ecosystem where other similar companies are located. One straightforward reason is that it is easier for startups in an ecosystem of similar companies / industry to recruit top talent. This is in contrast to locating in areas where there is a lack of an existing ecosystem and human capital; These areas would have a harder time drawing in higher level talent needed for starting a business.

Below is a glimpse of the top 15 regions with the most software companies from our database, which highlights the San Francisco Bay Area, Boston, New York, Los Angeles, Seattle and Washington DC as some of the existing hotbeds for software companies. While this may not directly relate to obtaining Series A funding, locating in already established areas would help in building a strong partner network and would allow the startup company to take advantage of the existing infrastructure that is suited towards their business needs.

Top 15 Regions by # of Software Companies



Average capital raised in Series-A: The average capital raised for Series-A investments also align with the number of investments a region is receiving. Regions such as San Francisco, New York, and Boston are regions which have a relatively higher average amount of money (\$, USD) raised per investment. Again, while the competition might be a bit higher in these regions, locating in these regions tend to not only bring in higher amounts of funding capital, but can also lead to finding a higher abundance of software oriented investors. Thus locating a software company in either the San Francisco Bay Area, New York, or Boston would potentially generate a higher volume of Series-A investments, as well as more money being raised during Series-A funding on average.

Average \$ Raised in Series A Investment Round by Region

