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Silicon Valley Bank

Startup Outlook 2013

Hardware

Innovating to Create and Process Big Data

After a transitional year in 2012, hardware is on the upswing. While classic technologies such as PCs are stalling, innovation is moving to mobile, cloud computing and big data. Enterprise software and software services continue to aggressively migrate into the cloud. Mobile devices and the Internet of Things are generating massive amounts of information that require new methods of processing and storage in cloud environments.

Hardware survey respondents were the most likely to describe current business conditions as better than last year, and were far more likely to say that conditions will improve. Hardware companies are hiring, but are the most challenged industry when it comes to finding employees with technical (STEM) skills. A majority of hardware companies that manufacture will do at least some of that work in the US.

OPPORTUNITIES

Our opportunity: "the emergence of MEMS in consumer electronics."

"We're capitalizing on the rapid deployment of 4G wireless technology."

CHALLENGES

It's a challenge "competing against potential entrants from larger players such as Facebook and Google."

"The general business climate has delayed customer commitments for months."

"We're trying to balance customer development needs with capital funding."

HIRING

90% Plan to hire this year,

BUT

88% Say finding skilled employees is challenging

67% Say STEM skills are most critical

17% Have women on founding team

54% Have foreign-born on founding team

THINGS ARE LOOKING UP?

68% Say 2012 conditions better than 2011

AND

85% Say 2013 promises to be better than 2012

REVENUE AND PROFITS

70% Generate revenue

BUT

20% Are profitable

MANUFACTURING

69% Currently or plan to manufacture

AND

58% Will do at least some manufacturing in US

See all survey reports: svb.com/startup-outlook-report/

Methodology: The survey was completed between December 4 and 20, 2012 among a national sample of 758 executives of innovation companies with up to $100 million in annual revenues and 500 employees. Over 60% of respondents are President/CEO, 18% CFOs and 19% all other executive titles.