

PSL | **Philly Startup Leaders**

PSL Accelerator Impact Report

2014 - 2018

About Philly Startup Leaders

Philly Startup Leaders was created for those hoping to find a community (and success) around technology and entrepreneurship in Philadelphia.

Our mission is to help current and future founders succeed in Philadelphia and beyond. We envision Philadelphia to be a place where everyone can achieve their entrepreneurial potential as part of a collaborative and innovative startup community.

Philly Startup Leaders is a 501(c)(3) non-profit organization.

www.phillystartupleaders.org

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The PSL Accelerator

The PSL Accelerator is a 12-week education and development program that equips early-stage startup founders with the knowledge and tools needed to grow their businesses (including an experienced, dedicated mentor to help guide the way).

In December 2018, Philly Startup Leaders launched its first-ever PSL Accelerator Impact Survey to measure the changes that the 32 alumni companies (classes 2014 - 2018) have experienced since their participation in the program. 24 responded.

The information in this report reflects the responses from those 24 startups.

By April 2019, the PSL Accelerator will have helped 44 local tech startups establish themselves in Philadelphia. Philly Startup Leaders plans to administer the PSL Accelerator Impact Survey annually to continue to measure the growth of the alumni companies and their impact on Philadelphia's economy and the startup ecosystem as a whole.

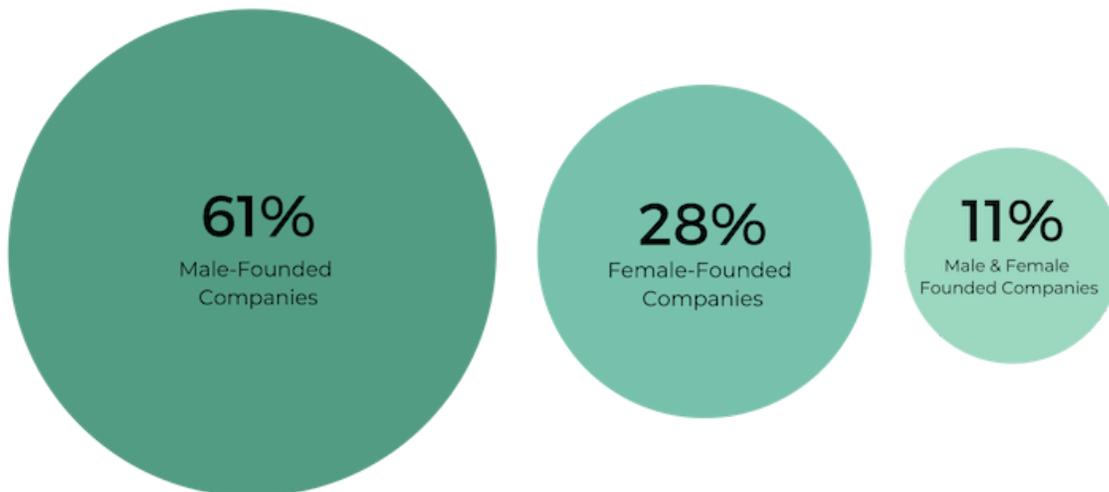
Table of Contents

Founder Demographics	page 4
Company Info	page 5
Job Growth.....	page 8
Revenue Growth.....	page 9
Investment & Funding.....	page 10
Other Impact.....	page 12
Where Are They Now?.....	page 13
Testimonials.....	page 14

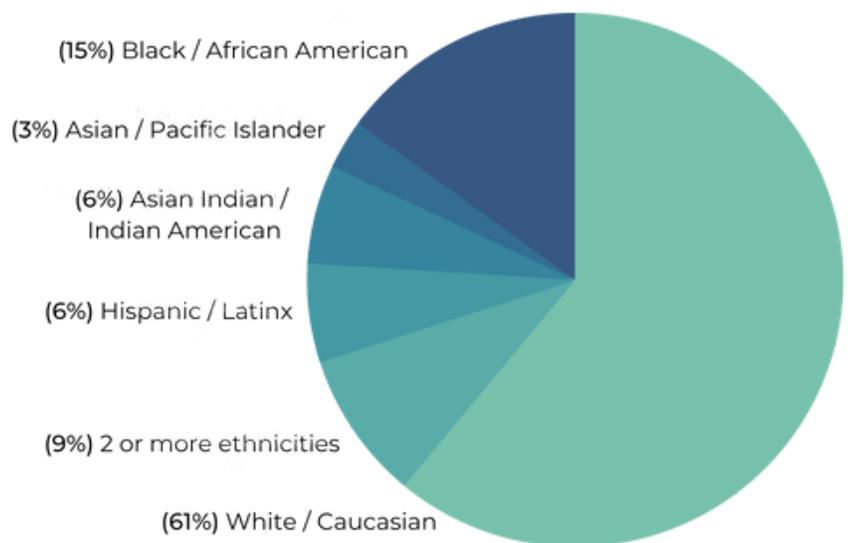
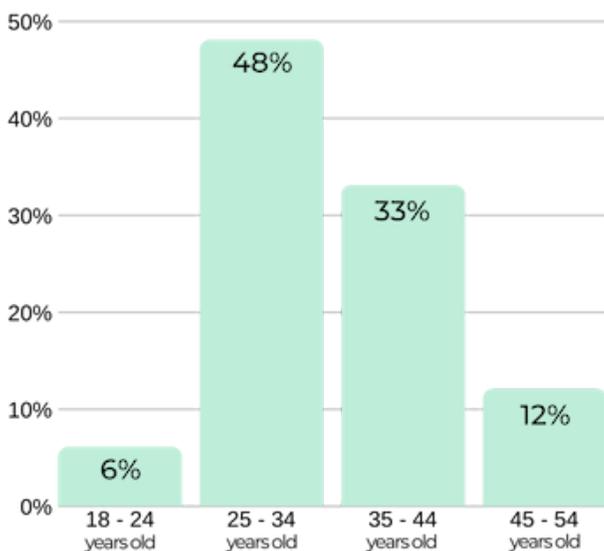
Founder Demographics

Of the alumni companies who responded to the Impact Survey, 75% volunteered their founders' demographic information. These insights allow us to identify areas for improvement, and we look forward to continuing to close the gaps and cultivate the most inclusive program possible for Philadelphia's startup founders.

The current gender ratio for the PSL Accelerator is 1 woman to every 2.4 men.



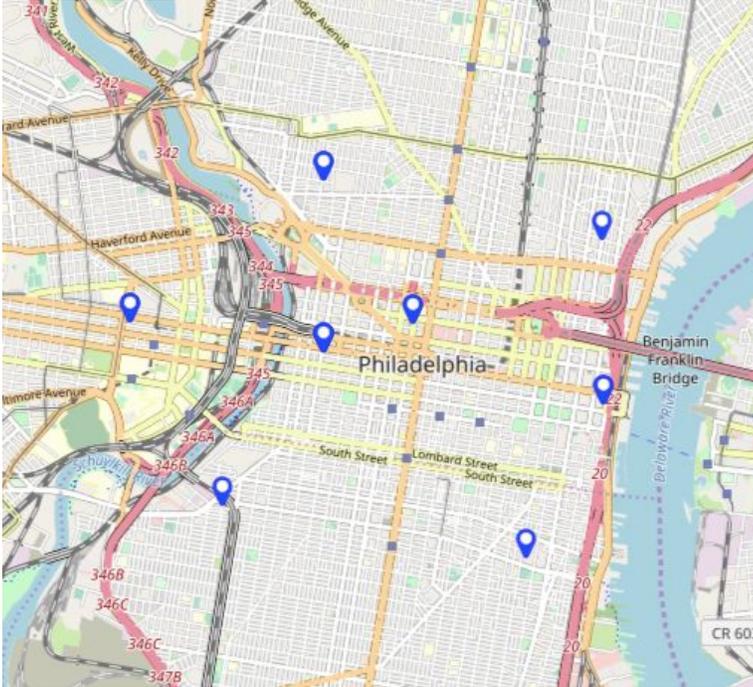
Almost half of the founders who participate in the PSL Accelerator are between 25 - 34 years old, and 39% of our current alumni are non-White / Caucasian.



11% of founders identified as LGBTQ, 17% as Veterans of the Armed Forces, and 6% as having come from a low-income background.

Company Info

Most commonly, the startups who participate in the PSL Accelerator are 0-2 years old with 2-3 full-time employees (including the founders themselves) and 1 or 2 part-time employees. The vast majority of startups participated with 2 founders, (though a few did have 3!).

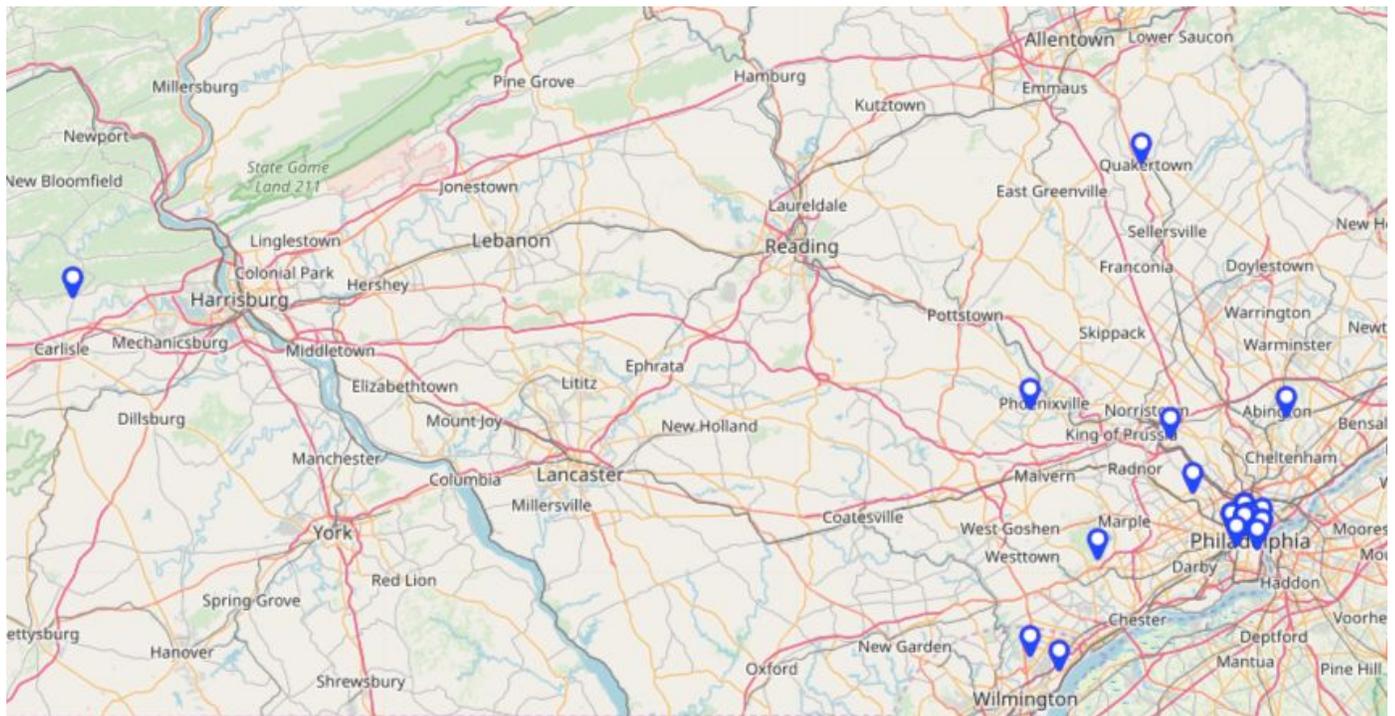


63% of alumni companies are headquartered in the City of Philadelphia.

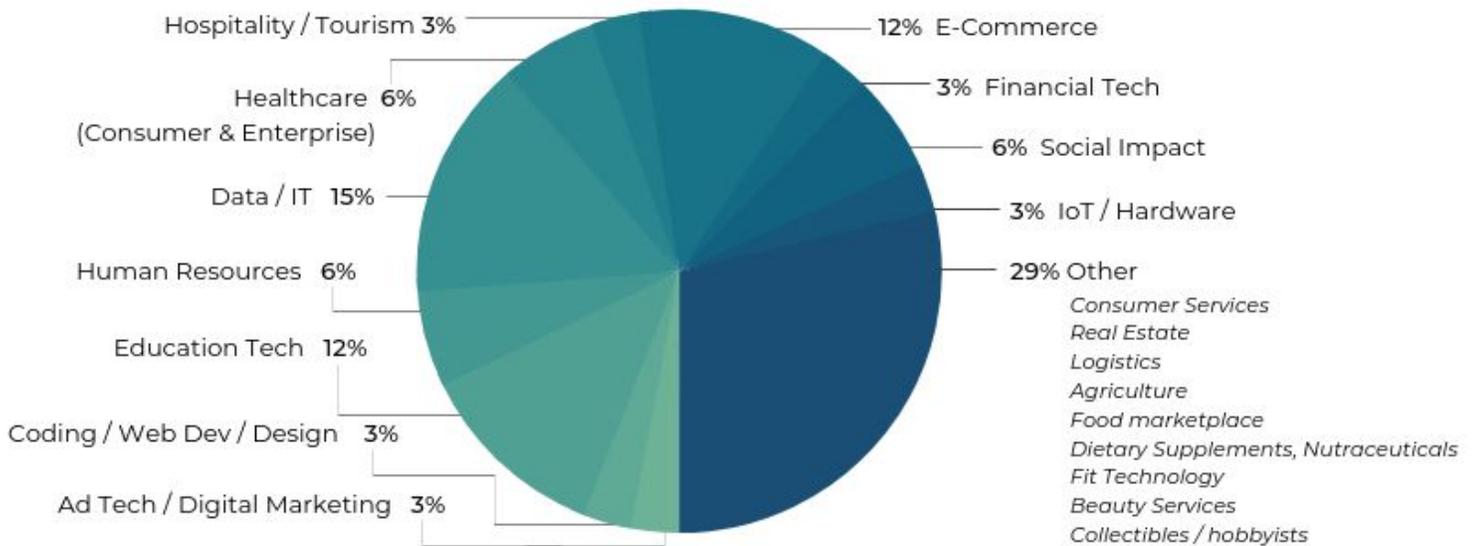
96% have their HQ within the Greater Philadelphia Area. Just 4% are based outside of the area.

Today, it is a requirement for accelerator companies to be based within the Greater Philadelphia Area to participate in the program.

Alumni companies are headquartered in these areas.



46% of alumni who responded identified their business as SaaS (Software as a Service) companies, though they work in various industries. Below are all of the industries our alumni companies operate in.



According to the [Startup Genome Project](#) (which studied the fail rate of 3,200+ high-growth technology startups) more than 90% of startups fail within their first 3 years. For PSL Accelerator alumni companies, the fail rate is just 33%.

But why did any of the alumni companies “fail”, at all?

For 2 of them, closing their companies was not a failure; in fact, these startups were acquired! The other 6 were not so fortunate. Each of them struggled with one or more common startup issues, which ultimately led them to close their doors.

Here are the top 3 reasons why they say this happened:

- 1) Not the right team.
- 2) Difficulty finding product/market fit.
- 3) Pivot Fail.

67% of alumni companies who responded are still in operation. They are:

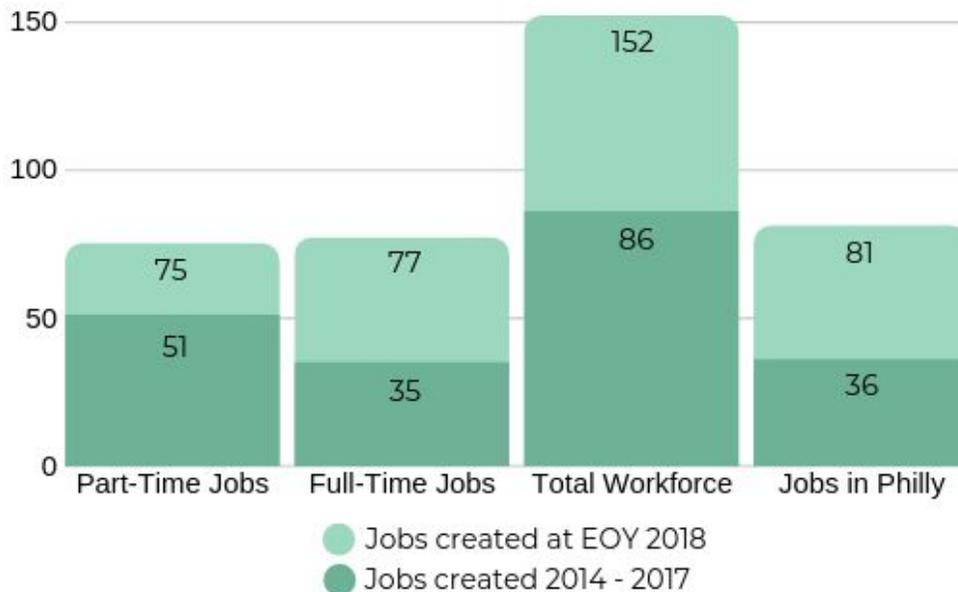
- Livegenic Inc www.livegenic.com
- Road2College www.road2college.com
- Rent Scene www.rentscene.com
- Fishbox www.getfishbox.com
- Orai www.oraiapp.com
- Saturn Care www.saturncare.com
- NativX www.nativx.com
- TresseNoire www.tressenoire.com
- ReturnLogic www.returnlogic.com
- Wearwell www.shopwearwell.com
- Funtober www.funtober.com
- Jenzy www.jenzy.com
- Canary Compliance www.cancomply.io
- Employee Cycle www.employeecycle.com
- RoundTrip www.rideroundtrip.com
- CampusESP www.CampusESP.com

The next 3 sections will provide growth insights for the 16 companies that were reported to still be in operation.

Job Growth

This section reflects the data provided by the 16 respondent companies still in operation as of December 2018.

Alumni companies have created 66 new full-time and part-time job opportunities across the nation (and around the world!) since their participation in the PSL Accelerator. 53% of those jobs are located right here in Philadelphia.



Since 2014, the collective workforce employed by PSL Accelerator alumni companies has increased by 77%, and they continue to show promise for future growth.

The number of jobs with alumni companies in Philadelphia has grown by 125%.

There has been a 120% increase in full-time jobs being offered, and part-time opportunities have risen 47%.

Other locations alumni companies have employees in:

- Conshohocken, PA
- Wilmington, DE
- Washington, DC
- New York City
- Fairfax, VA
- Richmond, VA
- Kansas
- Chicago, IL
- Miami, FL
- Dallas, TX
- Colorado Springs, CO
- Los Angeles, CA
- San Diego, CA
- Macedonia
- Greece
- Spain
- India
- South Korea

Revenue Growth

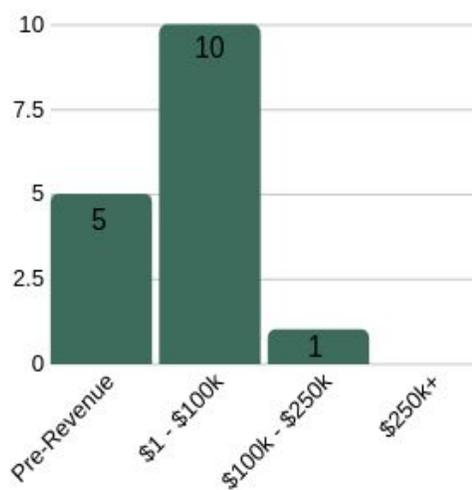
This section reflects the data provided by the 16 respondent companies still in operation as of December 2018.

Of the 16 respondent companies still in operation today, 5 of them were pre-revenue when they participated in the PSL Accelerator. 3 of them even went to market with their product *after* they participated in the program.

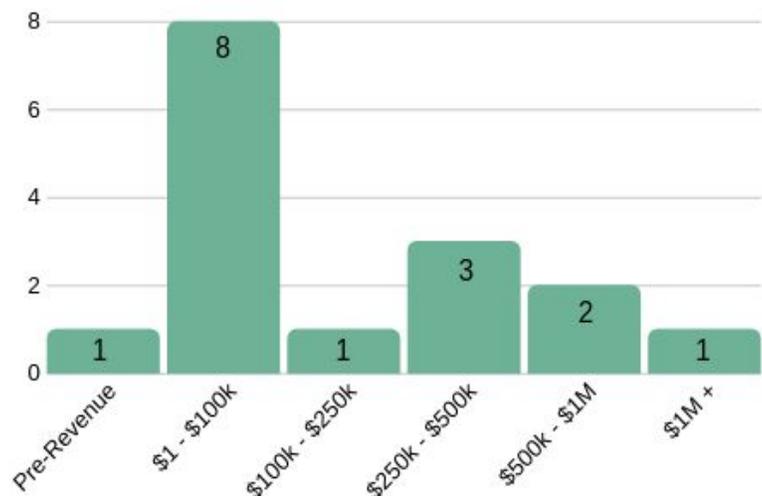
Other than one outlier company who had earned \$200k in revenue at the time of the accelerator, no accelerator company had reached more than \$75,000 in annual revenue before participating in the program.

Today, those same companies bring in upwards of \$500,000 in annual revenue, with one even surpassing the \$1 million milestone.

During the Accelerator



As of EOY 2018



Of the 5 companies that were pre-revenue when they participated...

- 1 is still pre-revenue (*launched within the last year!*)
- 1 is now earning \$1 - \$25k (*launched within the last year!*)
- 2 bring in \$25 - \$75k each year
- 1 has reached \$450 - \$500k in annual revenue

Investment & Funding

This section reflects the data provided by the 16 respondent companies still in operation as of December 2018.

Many startups see fundraising as a pathway to success. Of the 16 alumni companies still in operation today, 13 had originally planned to pursue outside funding and investment as a part of their core business strategy. **11 out of those 13 received it.**

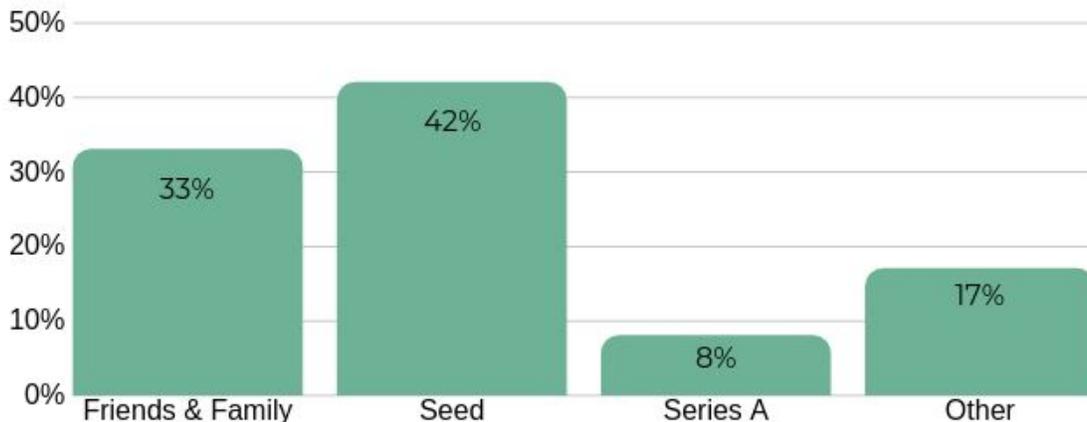
What about the two that did not? Well, one is currently in the process of securing their first million, and the other decided to bootstrap their business instead.

The average alumni company who sought investment secured it within 6 months of beginning their search. Here is the breakdown for the length of time it has taken alumni companies to secure investment.



Though some alumni companies have secured funding upwards of \$2M, the average amount raised is \$750,000. 4 companies have successfully raised more than 1 round, with their most recent rounds totaling \$4.85M.

Investment comes from...



Other = Private Fund / Family Practice, Angel Investors / Venture Capitalists

To date, PSL Accelerator Alumni companies have collectively raised \$9.875M. 38% of this (or, \$3.75M) comes from Philadelphia investors.

New York City is the second most popular source of funding for our alumni companies. 15% of their total investment (or roughly \$1.5M) comes from NYC.

Other locations that alumni companies have investors in:

- New York City
- Los Angeles
- San Diego
- San Francisco
- Portland, OR
- Montreal, CAN
- Washington, DC
- Richmond, VA
- Harrisburg, PA
- Pittsburgh, PA
- Greater Philadelphia Area
 - *(including Media, Allentown, Newark and Wilmington)*

Other Impact

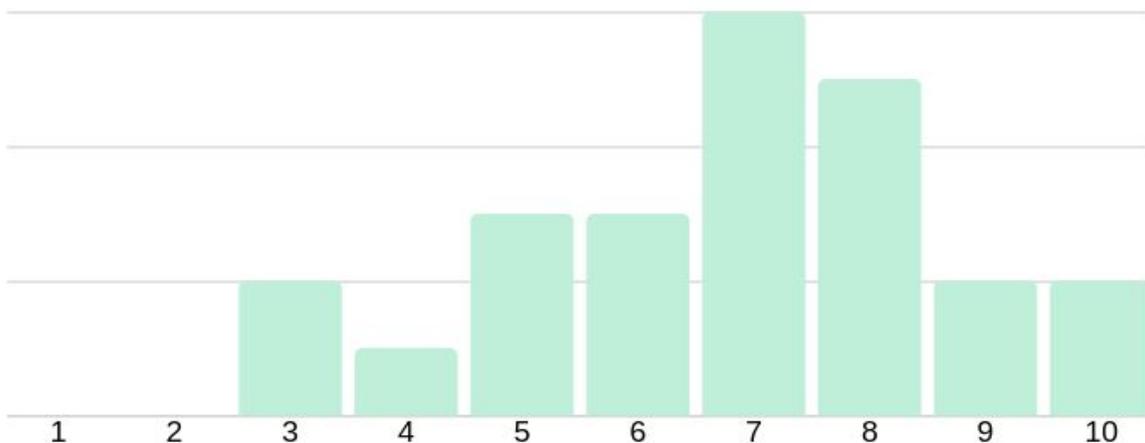
9 of the Accelerator Alumni companies went on to participate in other incubators and accelerator programs (which brought *additional* funding to 4 of them!). Other programs include:

- Y Combinator Fellowship
- MassChallenge (Boston)
- Dreamit (Philadelphia)
- TechStars (Philadelphia)
- Goldman Sachs 10k Small Businesses (Philadelphia)
- Bunker Labs (Philadelphia)
- Patriot Boot Camp (NYC)
- Johns Hopkins M-1 (Baltimore)
- Creative Destruction Lab (Toronto)
- Google for Entrepreneurs (Raleigh-Durham, NC)
- Lighthouse Labs (Richmond, VA)
- Scale Digital Health / Miami Startup Bootcamp
- Texas Medical Center TMCx

Our work with these early-stage startups helps to set a path for continued success in the greater startup ecosystem.

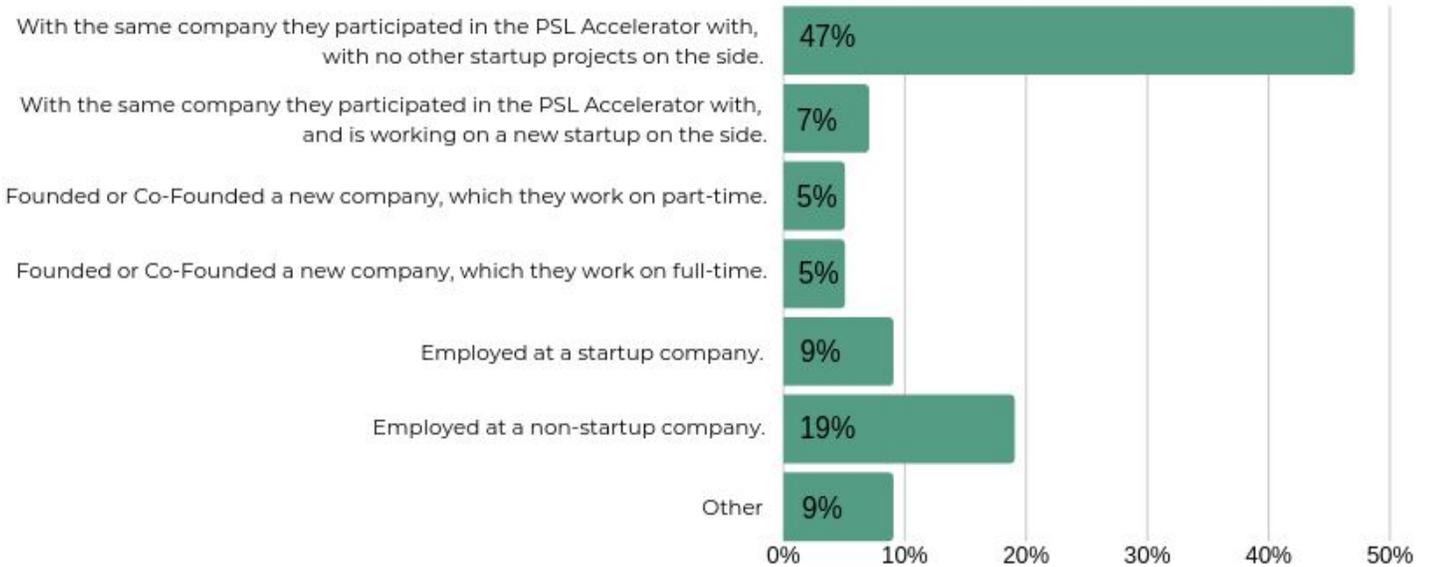
Some alumni companies have even received private and university grants to aid their business. To date, a collective \$120,000 in funding has been granted to PSL Accelerator alumni companies.

“On a scale of 1 to 10, how much do you think the PSL Accelerator impacted the trajectory of your startup?”



Where Are They Now?

Our goal with the PSL Accelerator is to help early-stage startups establish themselves in Philadelphia. Whether a startup lasts or not, every founder is important. That's why we took some time to ask all of our alumni founders what they've been up to since participating in the PSL Accelerator. We learned that...

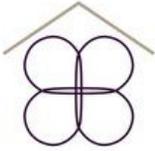


7 alumni founders have gone on to create new companies after their participation in the PSL Accelerator. 1 is in the City of Philadelphia and 3 stayed within the Greater Philadelphia Area. The other three are now established in Steamboat Springs, CO and Chicago, IL.

The promising news is that 80% of alumni founders still live and work in the Greater Philadelphia Area.... and 48% of them are right in the City of Philadelphia.

Testimonials

We are so grateful to all of the startups who have participated in the PSL Accelerator since it's launch in 2014 and are incredibly proud of their accomplishments. We also know that these founders tell it like it is... so we asked for some feedback! Check out what the alumni had to say about their experience with the PSL Accelerator.



PAD PORTER

"The PSL accelerator had tremendous programming with leaders who've experienced the good, the bad and the ugly of startup acceleration. All of the mentors, advisors and partners were incredibly accessible. I am really grateful for the PSL staff for providing so many resources to all of the accelerator participants."



Besto

"The PSL Accelerator was a defining period in our startup's life. I feel very fortunate to have received the mentorship and support from the Philadelphia Startup community."

ROAD2COLLEGE

"The PSL Accelerator helped me think through critical issues for my startup and how to use limited resources to test business model assumptions."



rentscene

"PSL was a great way of connecting with other entrepreneurs who we would have otherwise never run into (ie folks from different schools, areas of the city, etc). and to get exposure to what others were doing."

fishbox

"I really enjoyed being able to be "in the trenches" with others on the same journey as mine. Being able to help solve each other's problems and give candid feedback throughout the process gave me the tools I needed to grow."



"I found the PSL Accelerator to be an excellent vehicle to meet key leaders of our tech community and learn valuable content."



"The PSL accelerator was an amazing experience in taking our business to the next level. We wouldn't be on the same trajectory we are today if it wasn't for PSL."



"I had traveled to many investor and pitch meetings between Pittsburg, NYC, Philly, and DC. (our startup is based in Harrisburg). but my co-founder and I were blown away by the openness and welcoming of the Philly startup community. When the opportunity came up to participate in the PSL Accelerator, we jumped on it and have benefited greatly through networking opportunities and connecting with other founders."



"PSL has been invaluable to my sanity and building the badass entrepreneur that I am today. I can't think of a better program for a founding team in Philadelphia. The PSL Accelerator helped me become a better entrepreneur."



"PSL helped us sharpen our focus on our business model and build out our network in the Philly tech scene."



"Preparing for and speaking at the PSL Accelerator final event was great practice for pitching in front of investors. The feedback and support we got from others in our cohort was invaluable in getting ready for the difficult process of raising capital."