Startup Trend Report 2019

Opensurvey   **STARTUP ALLIANCE**
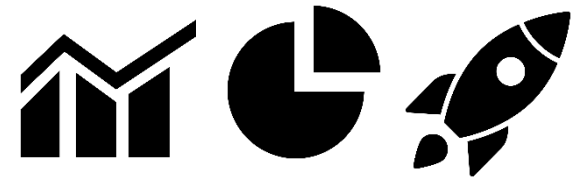
This report is co-published by Opensurvey, a mobile research platform, and Startup Alliance, a startup supporting network.
The scope of work covered by this report is as follows.

✓ Opensurvey : Project design, analysis and report drafting
✓ Startup Alliance : Survey supervision, founder survey, final report review

A. Survey Abstract

Title	Startup Trend Report 2019
Purpose	To understand the perception and reality of those participating in South Korea's startup scene, with a focus on the IT/knowledge service industry.

Survey Subjects	1) 149 Founders
	
	  - Industry : Information Technology, Knowledge Service
	
	  - Subjects : Founders/Co-Founders
	
	  - Experience Level : 20 founders within a year of starting business, 56 within 1-3 years, 73 with over 3 years of running startups
	
	2) 250 Employees at IT/Knowledge Service Startups
	
	  - Subjects : Current Employees
	
	3) 500 Employees of Large Corporation
	
	  - Affiliation : Employees of Top 10 Large Corporations (Samsung, Hyundai Motors, SK, LG, Lotte, Hyundai Heavy Industries, GS, Hanjin, Hanwha,POSCO)
	
	  - Subjects : Employees to Executives
	
	3) 200 College Seniors (Prospective Graduates/Job Seekers) Total 1,099

Survey Period	September 17 – 25, 2019

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B. Summary of Results

(Unit: Points)

■ 2017
■ 2018
■ 2019

**Overall Atmosphere
in Startup Environment
(N=149, Founders)**

63.9 68.0 **73.4**

**Government's
Role/Contribution
(N=149, Founders)**

56.4 58.6 **65.9**
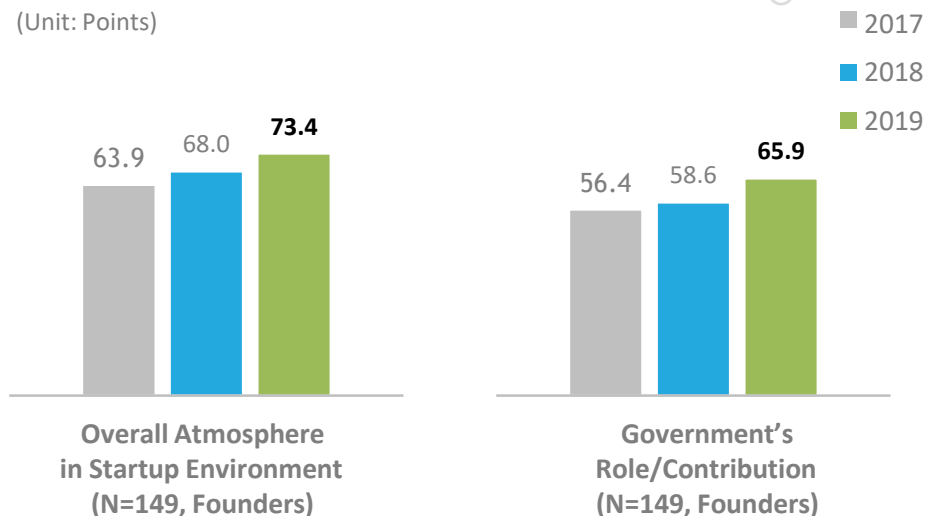
Urgent Improvements in Startups (N=149, Founders)

2017	2018	2019
1st	Deregulation (43.1%)	Deregulation (53.5%)	Obtain initial capital/ increase investment (41.6%)
2nd	Obtain initial capital/ increase investment (42.2%)	Obtain initial capital/ increase investment (34.2%)	Deregulation (39.6%)
3rd	Encourage M&A/IPOs (32.8%)	Secure talents (28.9%)	Encourage M&A/IPOs (32.9%)

Preferred Organizations for Support/Investment (N=149, Founders)

	Office Space/Support	Early-Stage Investment	VC Investment
1st	• **MARU 180** (Asan-Nanum Foundation) • **Google Startup Campus**	• **Primer**	• **Altos Ventures**
2nd	• **D-Camp** (Banking Foundation for Young Entrepreneurs)	• **BonAngels Venture Partners**	• **Softbank Ventures**
3rd		• **MashUp Angels**	• **Korea Investment Partners**

Preferred Countries for Expansion (N=78, Founders)

2017	2018	2019
1st	SE Asia	U.S.	SE Asia
2nd	U.S.	SE Asia	U.S.
3rd	China	China, Japan	Japan

B. Summary of Results

Organization Size

	Founders	Startup Employees	Corporation Employees
Over 300 Employees	1.3	6.4	100.0
50-300 Employees	7.4	18.0	
5-50 Employees	62.4	60.0	
Under 5 Employees	28.9	15.6	

Working Hours

- Founders (N=149)
- Startup Employees (N=250)
- Corporation Employees (N=500)

	Startup Employees	Corporation Employees
Under 8hrs	9.6	3.2
8-10hrs	74.4	81.0
10-12hrs	11.2	12.6
Over 12hrs	4.8	3.2
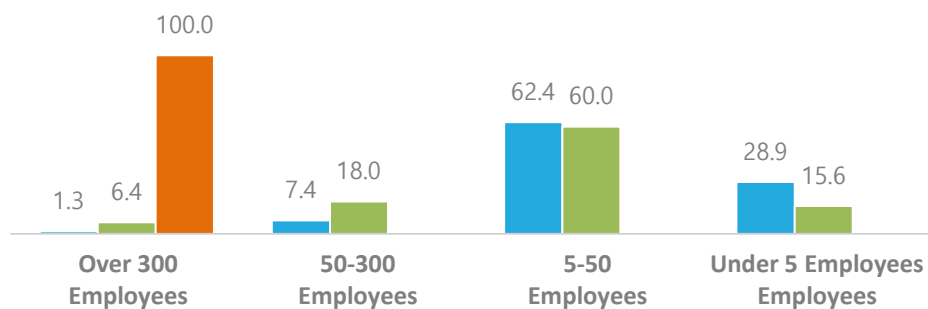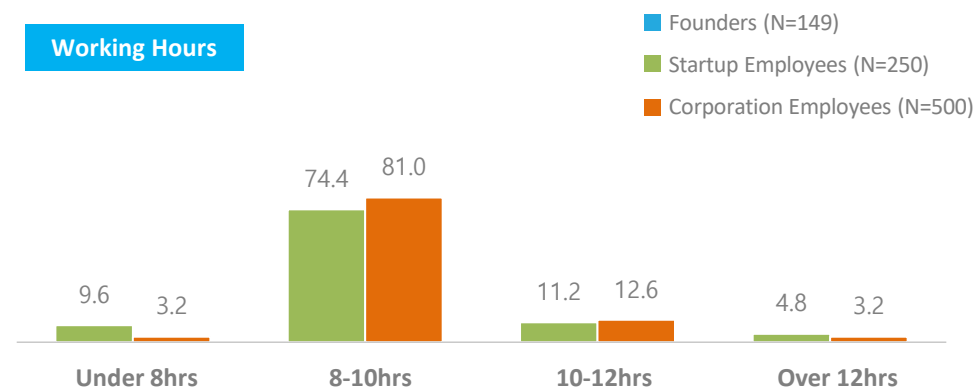
Perception on 52-hour Workweek*

	Founders	Startup Employees	Corporation Employees
Work Satisfaction	29.3	42.7	57.6
Work Efficiency	12.9	39.3	48.8
Wage Change	10.2	15.0	11.0
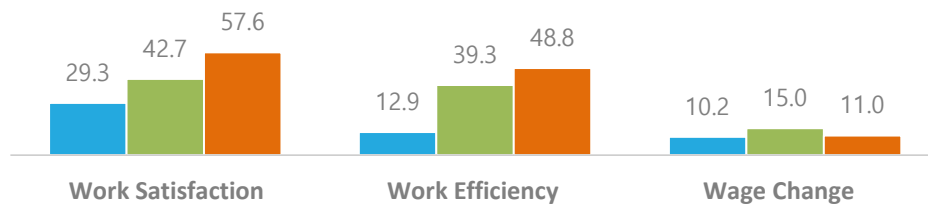
Positive Recognition of 52-hour Workweek

Startup Founders	Startup Employees	Corporation Employees
34.2	46.0	66.0
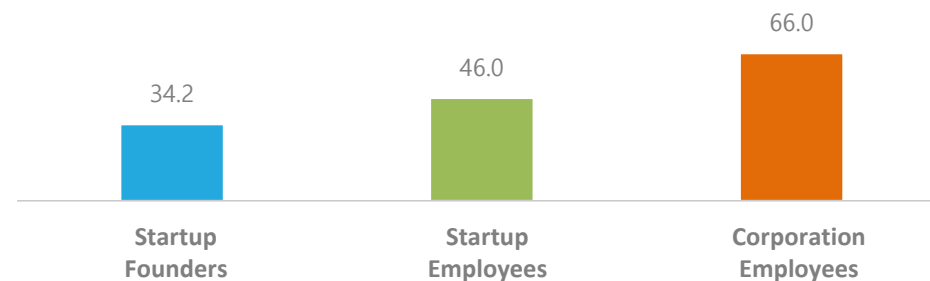
* For the perception of 52-hour workweek, 'predicted change' data was inputted for founders/startup employees as most of them work in businesses with under 300 employees, and 'experienced change' data was inputted for corporation employees as all of them work in businesses with over 300 employees.

B. Summary of Results

Expected Competencies from Founders

	Founders (N=149)	Startup Employees (N=250)	Corporation Employees (N=500)	College Seniors (N=200)
1	Initiative	Professionalism	Creativity	Determination
2	Endurance	Determination Initiative	Initiative	Creativity
3	Determination	Creativity	Professionalism	Trendy

Startup Images

	Corporation Employees (N=500)	College Seniors (N=200)
1	Innovative/Creative	Innovative/Creative
2	Young/Fresh	Young/Fresh
3	Lively/Energetic	Unstable/Uncertain

Fastest-Growing Startups

	Founders (N=149)	Startup Employees (N=250)	Corporation Employees (N=500)	College Seniors (N=200)
1	Viva Republica (Toss)	Viva Republica (Toss)	Woowa Brothers (Baedal Minjok)	Woowa Brothers (Baedal Minjok)
2	Woowa Brothers (Baedal Minjok)	Kakao	Coupang	Kakao
3	Coupang	Woowa Brothers (Baedal Minjok)	Viva Republica (Toss)	Coupang

Interested Startups on Ways of Working

|	Founders (N=149)	Startup Employees (N=250)	Corporation Employees (N=500)	College Seniors (N=200)
1	Viva Republica (Toss)	Kakao	Woowa Brothers (Baedal Minjok)	Woowa Brothers (Baedal Minjok)
2	Woowa Brothers (Baedal Minjok)	Woowa Brothers (Baedal Minjok)	Kakao	Kakao
3	Coupang	Viva Republica (Toss)	Coupang	Coupang

B. Summary of Results

Founders' Thoughts

Improved social recognition and venture capital support result in optimism.
Measures for securing initial capital and investment are urgently needed.
Difficulties exist regarding company valuation.
Opinions for and against the 52-hour workweek coexist.

✓ The overall atmosphere of the startup ecosystem improved compared to a year ago (68 points), scoring 73 points. Improved social recognition and active support from venture capitals have resulted in optimism, and approximately **55.7% of founders forecast a much-enhanced atmosphere for the upcoming year**, which is also a more favorable perception over last year.

✓ The evaluation of the government's role totaled 65.9 points; a 7-point increase compared to last year's score (58.6 points). Founders identify securing initial capital and investment as the most urgent matter and consider TIPS as the most useful policy from the current government. They believe that alleviating data use restrictions such as the Personal Information Protection Act and introducing a negative regulatory system will vitalize the industry.

✓ 36.2% of the total has already expanded overseas, and 82.1% of those with businesses solely in Korea are positively considering overseas expansion. Founders are highly responsive towards foreign markets, with a particular interest in entering SE Asia.

✓ Founders identify **Center for Creative Economy and Innovation** and **KISED** (Korea Institute of Startup & Entrepreneurship Development) among government agencies, and **Naver** and **Kakao** among companies as most supportive organizations in assisting domestic startups.

✓ The majority are at the **angel investment (34.2%)** or Series A funding (30.9%) stage and experience difficulties mostly in **'valuation'** and **'funding and condition agreement.'**

✓ The 52-hour workweek system has not yet caused a direct impact due to a limited number of businesses with over 300 employees, and 57.1% of the total are not preparing for the new policy. The rate of positively perceiving the system is similar to that of negatively perceiving it, and most of the positive and negative opinions are related to the underlying autonomy of the startup culture.

B. Summary of Results
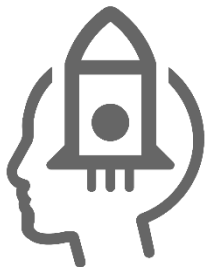
Organization culture and prompt and flexible decision makings are crucial.
Flexible work and a sense of accomplishment.
KakaoTalk and Slack turn into daily routines.
Optimistic about the 52-hour workweek.

Startup Employee's Thoughts

✓ 54.4% of total employees are satisfied with their startup life, with a 5.6% increase over last year. 'Organizational culture and prompt and flexible decision making' have a particularly positive influence on startup employees.

✓ Approximately 31.2% recommend startup jobs, particularly businesses in early-stage investment, and 32.4% of employees prefer recommending their current workplace to friends or acquaintances (similar to last year). They identified 'flexible work' and a 'sense of accomplishment' as reasons for the recommendation.

✓ Employees mainly associate startups with positive images such as 'start,' 'new,' potential,' 'ideas,' 'creative,' and 'challenge.'

✓ Among software/tools, KakaoTalk (62.0%) is most frequently used by startups, followed by Slack (16.0%). With the use of these tools, the work efficiency increased to approximately 47.1%, which is a high rise compared to last year (+14.7%).

✓ The 52-hour workweek system had no direct impact on startups, as most businesses have under 300 employees. However, it is possible to see that it influenced startup employees indirectly as they get to work rather late and finish earlier compared to last year. Also, the rate of positive perception(40.6%) for the 52-hour workweek system is higher than for negative perception(15.6%).

B. Summary of Results

Consider startup jobs to feel a sense of accomplishment from fast growth.
Innovative and creative startups.
Creativity and initiative are crucial qualities of founders.
High work satisfaction due to 52-hour workweek.

Large Corporation Employees' Thoughts

✓ The rate of positively considering starting a business (43.0%) and the rate of considering changing to a startup job(20.0%) slightly increased over last year.
A 'sense of accomplishment from fast growth' and 'expected profit such as stock options' influenced the increase in the rate of considering changing to a startup job.

✓ Corporation employees associate startups with positive images such as 'innovative/creative' and 'young/fresh' and seldom perceive them as 'unstable/uncertain' or 'reckless/risky.'

✓ Among founder competencies, corporation employees expect founders to equip with 'creativity' the most, followed by 'initiative.'

✓ Corporation employees currently experience the direct impact of the 52-hour workweek system, and compared to last year, they start working rather late and finish work earlier. Due to such factors, corporation employees positively evaluate work satisfaction and efficiency at a notable rate.

B. Summary of Results

Perceive startup jobs more positively than last year.
Contents/media industry preferred if starting a business.
Favor startups for prompt and flexible decision making and a sense of accomplishment.
Most expect determination and creativity from founders.

College Seniors' Thoughts

✓ College seniors positively consider starting business/startup jobs at a higher rate compared to last year. Such results are due to their expectation of 'prompt and flexible decision making' and a 'sense of accomplishment from fast growth.'

✓ While college seniors associate startups with positive images such as 'innovative/creative' and 'young/fresh,' they also perceive startups as 'unstable/uncertain' at a comparatively higher rate to corporation employees.

✓ Prospective college graduates who consider starting a business prefer contents/media (37.5%) the most, followed by manufacturing (16.7%), demonstrating that the contents/media industry is a general trend.

✓ College seniors believe that founders should equip with 'determination' and 'creativity' among all competencies.

1) Founders

- Survey Size: 149

- Industry: Information Technology, Knowledge Service

- Subjects: Founders/Co-Founders (CEO/Executive/Department Head or above)

- Experience Level: 20 founders within a year of starting business,
  56 within 1-3 years, 73 with over 3 years of running startups

C-1. Responses from Founders

The overall atmosphere of the ecosystem significantly improved over last year, and those 'under 1 year of founding' are most optimistic.

Total average score amounts to 73.4 points, which increased over last year's average of 68.0 points (Y/Y + 5.4).
Among different experience levels, those under 1 year of founding rated most positively (75.7) with a highest increase in the section (Y/Y+9.2).
No significant difference is identified between experience levels, and founders share a similar perception of the atmosphere.

**Total Average
: 73.4 points**

(2018 : 68.0)
(2017 : 63.9)

Under 1 yr of founding
(N=20*)

▲7.7   ▲9.2
         75.7
      66.4
58.7

1-3 yrs of founding
(N=56)

▲2.9   ▲4.8
         74.4
      69.6
66.7

Over 3 yrs of founding
(N=73)

▲4.2   ▲4.9
         72.1
      67.2
63.0

- 2017
- 2018
- 2019
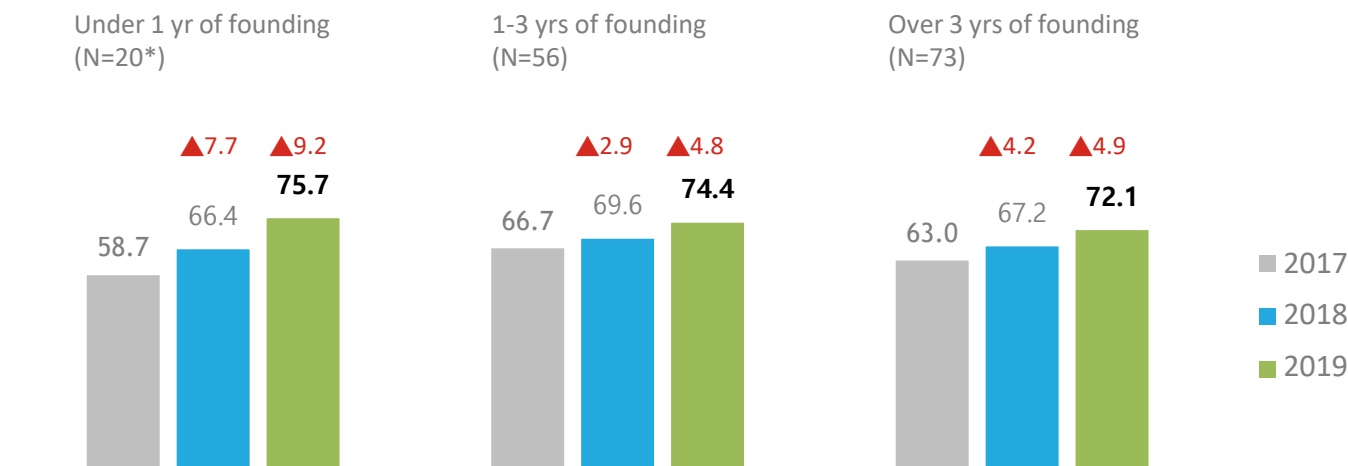
*Small base

Q. How would you rate the recent atmosphere of the startup ecosystem out of 100?

C-1. Responses from Founders

Improved social recognition is crucial in enhancing the ecosystem atmosphere.

A higher rate (56.4%) perceive improvement in the atmosphere, with a +8.7% increase over last year, and the trend continues since 2017. Founders identify 'improved social recognition' as a reason for positive perception and 'failures in government policies' as the most significant reason for negative perception.

Positive Recognition of Startup Ecosystem Atmosphere	2017 38.8%	▲8.9 →	2018 47.7%	▲8.7 →	2019 56.4%

Reasons for Positive Recognition (n=84) 1st	Reasons for Negative Recognition (n=18*) 1st
1st	Improved social recognition (33.3%)	Failures in government policies (38.9%)
2nd	Active support from venture capitals (25.0%)	Lack of founder's competence (27.8%)
3rd	Successful government policies (19.0%)	Lack of mergers and acquisitions/initial public offerings (16.7%)

*Small base

Q. Compared to a year ago, how has the overall atmosphere of the startup ecosystem changed?
Q. Why do you think positively/negatively about it? Please select the top three reasons for your view.

C-1. Responses from Founders

The rate of expecting an improved atmosphere the following year increased compared to last year.

The rate of forecasting a positive atmosphere (55.7%) also increased over the previous year (Y/Y +5.7%), possibly resulting in a positive ecosystem atmosphere in the future. Such optimism was influenced by 'improved social recognition' and 'active support from venture capitals.'

- Lack of Founder's Competence
"The industry will divide into two types: Silicon valley-like startups composed of Avengers and ordinary startups run for a living. I expect the overall atmosphere to be tough as teams that fail to reach a certain scale will die out."

- Economic Recession/Slump
"Many large corporates are minimizing investments due to an economic slump, which poses a negative impact on startups. Most startups I know lost sales compared to last year, and numerous are out of work."

Negative
12.8%

(2018) 11.4%

Positive
55.7%

(2018) 50.0%

45.0

31.5

11.4

10.7

1.3

| Highly negative | Negative | Similar to present | Positive | Highly positive |

- Improved Social Recognition
"It is reasonable to expect progress as diverse groups, including the country, citizens, and overseas countries, are interested in this ecosystem."

- Active Support from Venture Capitals
"The society is more interested in startups, and I expect abundant investment from existing VC, accelerators, and large corporations to startups."

Q. How do you think the atmosphere of the startup ecosystem will change a year from now?
Q. Why do you think positively/negatively about it? Please describe your reason in detail.

C-1. Responses from Founders

Significant growth is expected in AI/machine learning and contents/media.

Among all, AI and machine learning are particularly expected to grow the most.

38.3	16.8	9.4	8.7	7.4	4.0	3.4	3.4	2.0	2.0
AI, Machine Learning	Contents/ Media	Healthcare	Fintech	O2O	IoT	E-commerce	Social Ventures	Software Development	Manufacturing
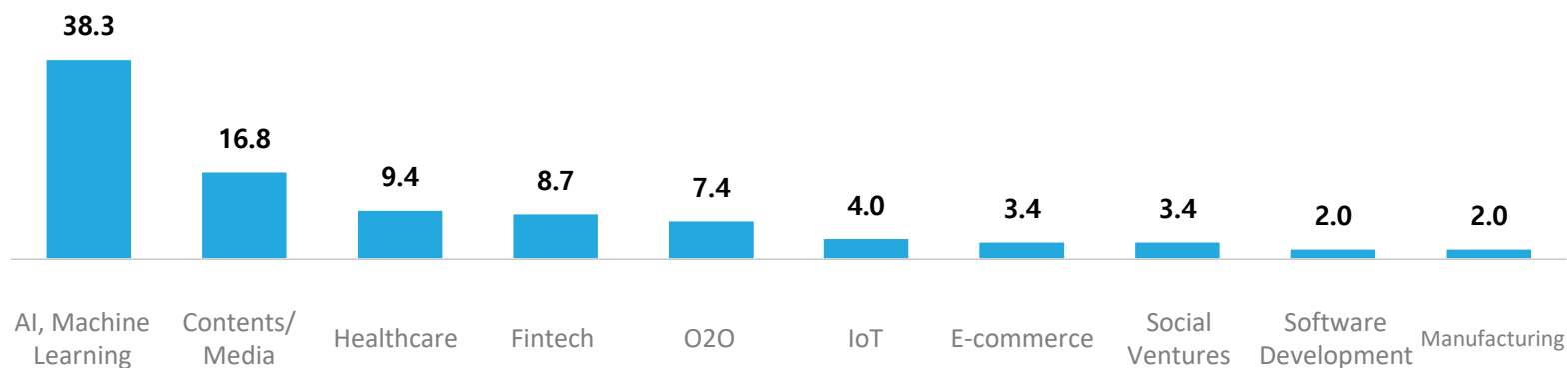
Q. Which industry do you expect to grow most rapidly for five years from now?

C-1. Responses from Founders

The government's role in vitalizing the startup ecosystem scores 65.9 points. (Y/Y +7.3)

Similarly to the overall atmosphere of startups, positive evaluation increased for government roles. (Y/Y +7.3) Furthermore, those under 1 year of founding are especially more positive towards government roles over last year. (Y/Y+12.0)

**Total Average
: 65.9 points**

(2018: 58.6)
(2017: 56.4)

Under 1 yr of founding
(N=20*)

1-3 yrs of founding
(N=56)

Over 3 yrs of founding
(N=73)

■ 2017
■ 2018
■ 2019

▲5.8 ▲12.0

71.6

53.7 59.5

▲1.0 ▲6.0

66.0

59.0 60.0

▲2.0 ▲7.5

64.2

54.8 56.7
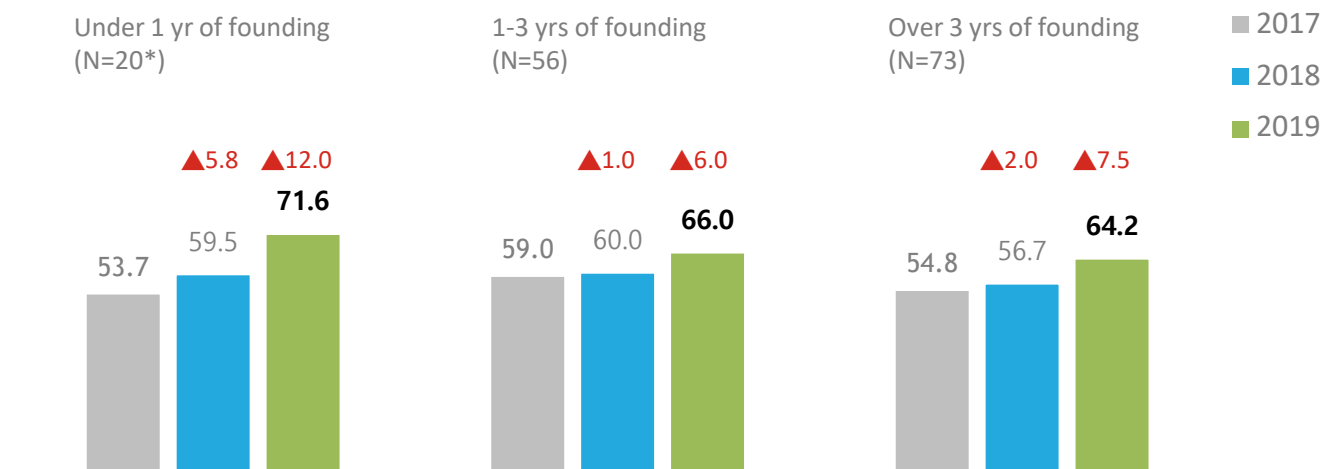
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Q. How would you rate the government's role in vitalizing the start-up ecosystem out of 100?

C-1. Responses from Founders

Founders feel an urgent need for funding and deregulation.

In 2019, founders wish to 'obtain initial capital/increase investment' and similarly to 2018, they consider 'deregulation' as one of the factors in need of improvement.

'Personal Information Protection Act and minimization and changes in regulations' were identified as areas requiring deregulation.

Urgent Improvements

2017 (N=116)		2018 (N=114)		2019 (N=149)	
1st	Deregulation (43.1%)	1st	Deregulation (53.5%)	1st	Obtain initial capital/ increase investment (41.6%)
2nd	Obtain initial capital/ increase investment (42.2%)	2nd	Obtain initial capital/ increase investment (34.2%)	2nd	Deregulation (39.6%)
3rd	Encourage M&A/IPOs (32.8%)	3rd	Secure talents (28.9%)	3rd	Encourage M&A/IPOs (32.9%)

Preferred Areas for Deregulation

- Personal Information Protection Act
"I hope for a widespread sharing of applicable guidelines for corporates (especially startups with limited funds) and exemplary/violation cases regarding personal information protection."

- Minimization and Changes in Regulations
"Rather than imposing limited regulations that disallow everything except the very law, I wish for an open regulation that induces a natural circulation within the ecosystem."
"You've probably read an article on how the top 100 global startups cannot provide their services in Korea due to regulations. Rather than blocking the service from the beginning, the regulations should be enhanced and strengthened for misconduct."

Q. What are the two elements that need an urgent reform to promote growth within the current startup ecosystem?
Q. Which part of the government regulation related to your business do you think should be mitigated?

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C-1. Responses from Founders

Founders perceive initial direct investment and provision of office spaces as the most helpful government assistance.

'Initial direct investment' and 'provision of office space' are identified as the most helpful government aids in vitalizing the startup ecosystem. Founders additionally wish for 'deregulation/improvement' and 'loans and policy fund support' from the government.

	Government Aids in Vitalizing Startup Ecosystem (1st)	Additional Government Assistance
1st	Initial direct investments (30.9%)	**- Deregulation** "I am hoping for an expansion of domains for regulation sandbox, opening markets for business targeting vested interest, and institutional supports (social insurance, bank loans) that stabilize startup employees' work environment." "They should be more actively engaged in deregulations even when TF teams are organized to pioneer new markets."
2nd	Provision of office space (22.1%)	
3rd	Wage subsidies (income tax exemption, etc.) (20.8%)	**- Loans and Policy Fund Support** "Startups past early-stages should also gain support. There is an overabundance of support for early-stage startups, and only a limited amount is provided for startups past these stages. If assistance is provided based on a strict assessment, mid-stage startups may be competing with large corporations and expand overseas. "Rather than investing cash, we would like the government to provide empowerment training and resources to expand to diverse marketing channels. Reckless funding from different agencies is not as useful to founders who are occupied with work."

Q. Which government policy do you think was most helpful in vitalizing the startup ecosystem?
Q. What additional roles should the government play to vitalize the startup ecosystem?

C-1. Responses from Founders

Among government policies related to the startup ecosystem, founders perceive 'Pre, Post-TIPS' most positively.

Among 'Second Venture Boom' policies presented by the government, founders perceive 'Pre, Post-TIPS' most positively, and especially those with 1-3 year experience of running the business find the policy most helpful.

	Total (N=149)	Under 1 yr of founding (N=20*)	1-3 yrs of founding (N=56)	Over 3 yrs of founding (N=73)
Pre, Post -TIPS : Extension of industry-led investment	59.1	50.0	71.4	52.1
Favorable/convenient investment environment for founders (dual class, conditional equity acquisition)	55.0	30.0	50.0	65.8
Regulatory sandbox: deregulation	51.7	35.0	55.4	53.4
Startup park, youth innovation town, Pangyo-2 Valley: vitalization of foundation bases	34.9	55.0	37.5	27.4
Pre-unicorn guarantees (Max 10B KRW) : Financing support through loans	29.5	15.0	32.1	31.5

Q. Which policy led by current government do you think is most helpful for the startup ecosystem?

C-1. Responses from Founders

The three most essential qualities for a successful business are identified as business planning/product development, domain expertise, and funding.

Regardless of experience level, the most important quality required for all founders is identified as business planning/product development.

Overall Criteria	Business Planning/Product Development 26.2%	>	Domain Expertise 20.1%	>	Funding 19.5%

	Under 1 year of founding (n=20*, 1st)	1-3 years of founding (n=56, 1st)	Over 3 years of founding (n=73, 1st)
1st	Business planning/Product development (35.0%)	Business planning/Product development (25.0%)	Business planning/Product development (24.7%)
2nd	Funding (30.0%)	Domain expertise (19.6%)	Domain expertise (21.9%)
3rd	Domain expertise (15.0%)	Experience on founding/exit (16.1%)	Funding (20.5%)

Q. What is the most important ability that determines an entrepreneur's success?
Select up to three abilities in order of importance.

C-1. Responses from Founders

'Initiative' and 'endurance' are expected from founders.

'Initiative' is a quality most expected from founders, followed by 'endurance.'
Those under 3 years of founding perceive 'creativity' and those over 3 years of founding perceive 'determination' as essential qualities.

Overall Criteria	Initiative 33.6%	>	Endurance 26.8%	>	Determination 10.1%

	Under 1 year of founding (n=20*, 1st)	**1-3 years of founding (n=56, 1st)**	**Over 3 years of founding (n=73, 1st)**
1st	Initiative (40.0%)	Initiative (41.1%)	Endurance (38.4%)
2nd	Endurance (20.0%)	Endurance (14.3%)	Initiative (26.0%)
3rd	Creativity (15.0%)	Creativity (10.7%)	Determination (11.0%)

Q. Which of the following competencies do you think is most important to founders?

C-1. Responses from Founders

36.2% of the total have expanded the business overseas, and 82.1% of those who have not, consider expansion positively.

36.2% run businesses overseas, and the rate of expansion increases as the years of experience increase.
82.1% of businesses solely in Korea positively consider expansion, hinting a continuous rise in the rate of entering foreign markets.

Overseas Expansion

	Total (N=149)	Under 1yr of founding (N=20*)	1-3yrs (N=56)	Over 3 yrs (N=73)
No Expansion	63.8	90.0	67.9	53.4
Overseas Expansion	36.2	10.0	32.1	46.6
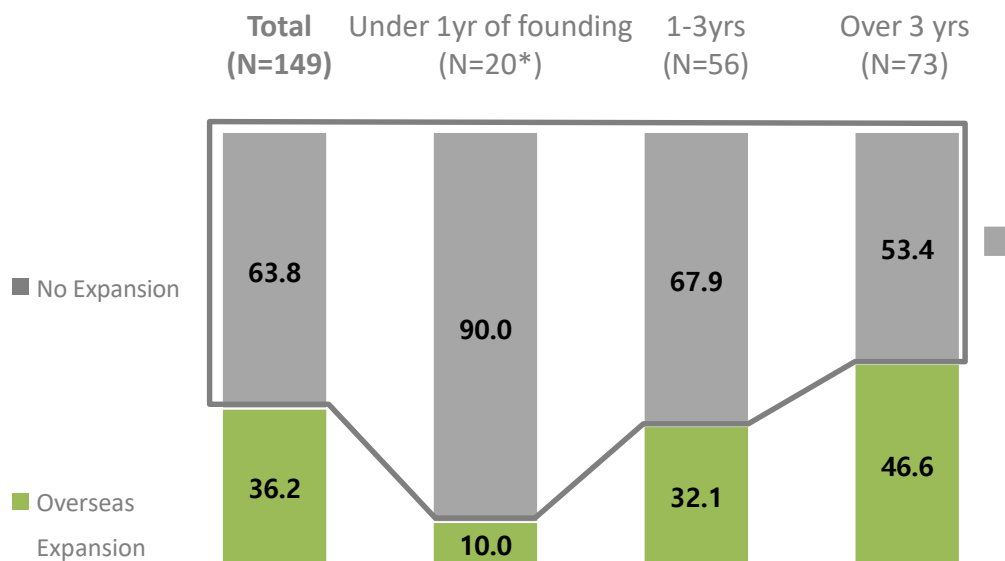
Overseas Expansion Preference (N=95)

Negative 7.4% (2018) 12.3%

Positive 82.1% (2018) 72.8%

Absolutely Not interested	Not interested	Not sure	Attempted expansion	Actively attempted expansion
2.1	5.3	10.5	26.3	55.8
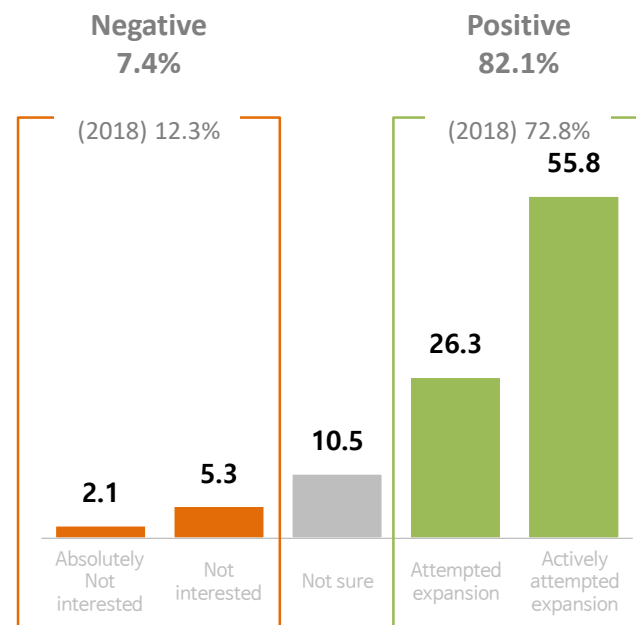
Q. Do you currently have a business running abroad?
Q. Are you currently considering overseas expansion?

C-1. Responses from Founders

Founders are especially interested in SE Asia and U.S. markets and feel the need for local market research and analysis.

In terms of regions, founders continuously demonstrate a high interest in SE Asia and U.S., and they feel the need to research and understand the local market.

Preferred Countries for Expansion/Expansion Requisites (N=78)

	2017	2018	2019
1st	SE Asia	U.S.	SE Asia
2nd	U.S.	SE Asia	U.S.
3rd	China	China, Japan	Japan

Local market research/analysis **32.1**

Manpower for localization **15.4**

Local networks **12.8**

Secure distribution networks **10.3**

Communication support **10.3**

Funding **9.0**
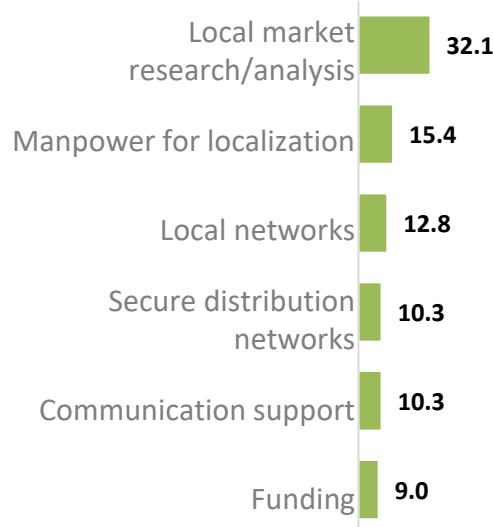
Reasons for Not Preferring Expansion (N=7*)

"As it is challenging (not necessary) to enter international markets with our current business."

"Overseas expansion does not benefit our current service's character. However, we are seeking to introduce our technology solution to foreign countries."

Q. Why or why not are you considering overseas expansion?
Q. If so, which region/country are you considering?
  If you are considering several regions, select the region that is the most central to your business plan.

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C-1. Responses from Founders

Center for Creative Economy and Innovation and KISED (Korea Institute of Startup & Entrepreneurship Development) were identified as most active government agencies.

Startup founders consider the Center for Creative Economy and Innovation and KISED as government agencies that are most actively involved in assisting startups, followed by SBA and NIPA. (Unaided awareness 1+2+3 ranking)

■ Aided Awareness (1+2+3 ranking)
■ Aided Awareness** (1st)
■ Unaided Awareness*

	Center for Creative Economy and Innovation	KISED	SBA (Seoul Business Agency)	NIPA (National IT Industry Promotion Agency)	KOCCA (Korea Creative Content Agency)	Born2Global
Aided Awareness (1+2+3 ranking)	59.7	49.7	47.0	32.9	29.5	12.8
Aided Awareness** (1st)	26.2	24.8	16.8	12.8	6.0	2.0
Unaided Awareness*	4.0	16.8	7.4	3.4	0.7	0.7
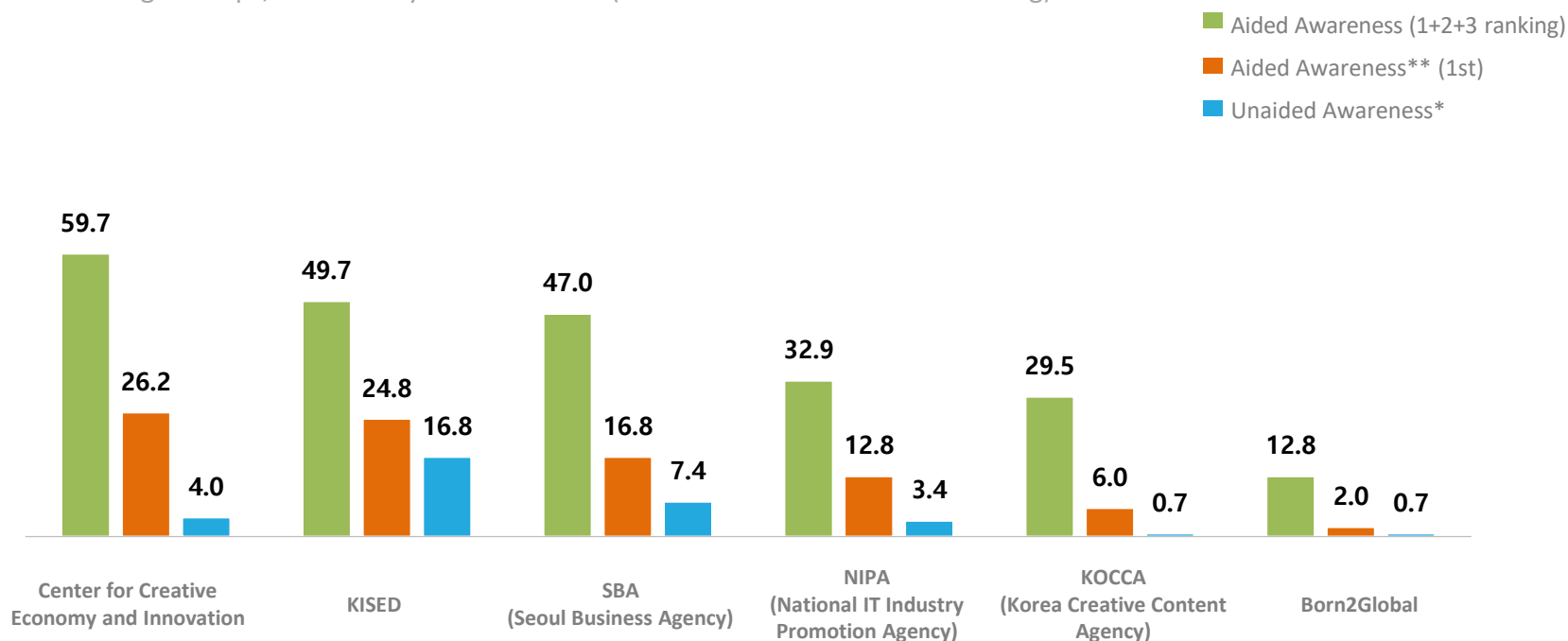
Q. Which government agency most actively supports domestic startup activities?

* Unaided Awareness – Subjective response w/o examples
** Aided Awareness - Multiple choice

C-1. Responses from Founders

Founders perceive Naver, Kakao, and Samsung as companies that are most active in providing startup assistance.

Naver was identified as the domestic company that most actively supports startup activities, followed by Kakao, Samsung, SK and Lotte, respectively.

■ Aided Awareness (1+2+3 ranking)
■ Aided Awareness** (1st)
■ Unaided Awareness*

	Naver	Kakao	Samsung	SK	Lotte	GS	Hanwha	Hyundai Motors	LG	KT	POSCO	CJ	Hyundai HI	NCSoft
Aided Awareness (1+2+3 ranking)	57.7	51.0	28.9	24.2	23.5	16.8	15.4	9.4	6.0	5.4	3.4	2.7	2.7	2.0
Aided Awareness** (1st)	24.8	17.4	12.8	7.4	9.4	6.0	4.0	3.4	0.7	2.0			1.3	0.7
Unaided Awareness*	12.1	3.4	4.7	6.7	8.7	1.3	3.4	1.3	0.7	0.7			0.7	

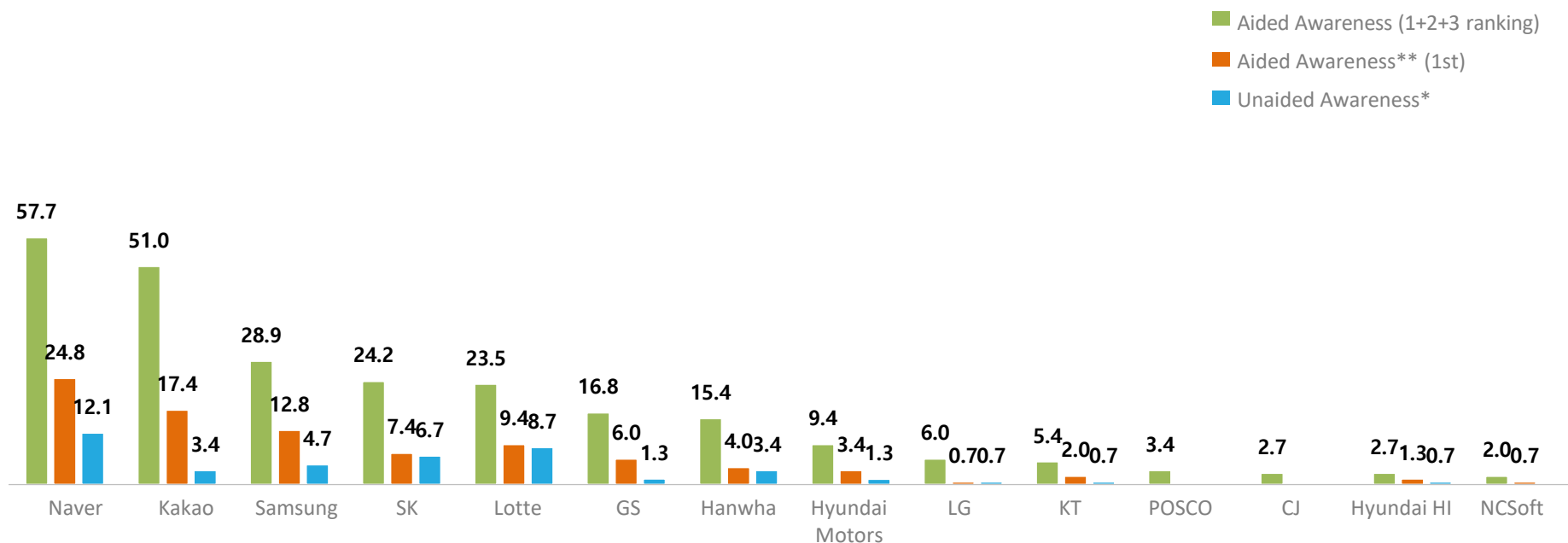Q. Which domestic company most actively supports startup activities?

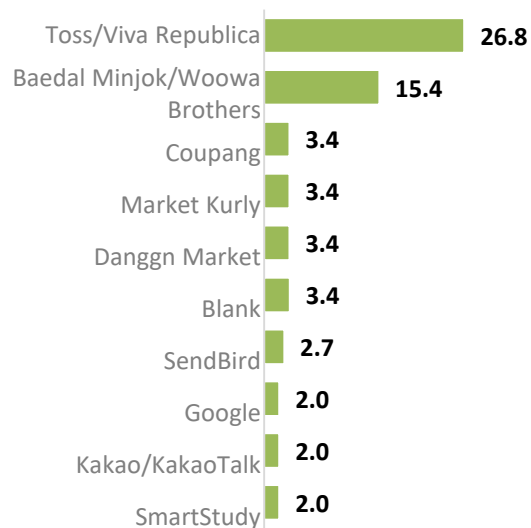* Unaided Awareness – Subjective response w/o examples
** Aided Awareness - Multiple choice
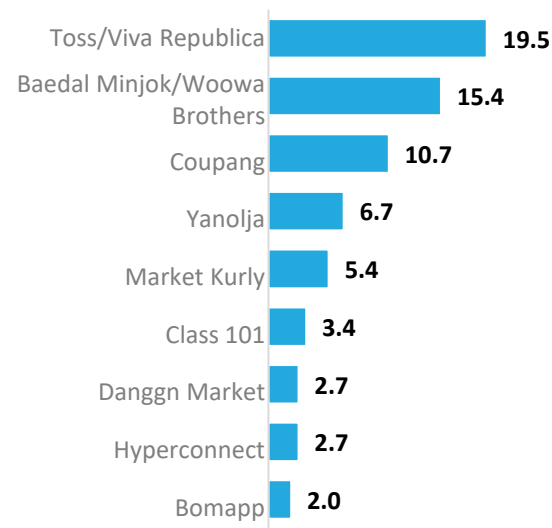
C-1. Responses from Founders

Founders are most interested in Viva Republica and Woowa Brothers' way of working and consider both as the fastest-growing domestic startups.

Both 'Viva Republica' and 'Woowa Brothers' were identified as the fastest-growing startups that founders are interested in the way they work, and the awareness of Viva Republica increased significantly.

Interested Startups on Ways of Working

Startup	Value
Toss/Viva Republica	26.8
Baedal Minjok/Woowa Brothers	15.4
Coupang	3.4
Market Kurly	3.4
Danggn Market	3.4
Blank	3.4
SendBird	2.7
Google	2.0
Kakao/KakaoTalk	2.0
SmartStudy	2.0

Fastest-Growing Startups

Startup	Value
Toss/Viva Republica	19.5
Baedal Minjok/Woowa Brothers	15.4
Coupang	10.7
Yanolja	6.7
Market Kurly	5.4
Class 101	3.4
Danggn Market	2.7
Hyperconnect	2.7
Bomapp	2.0

Q. Which startup are you most interested in the way they work?
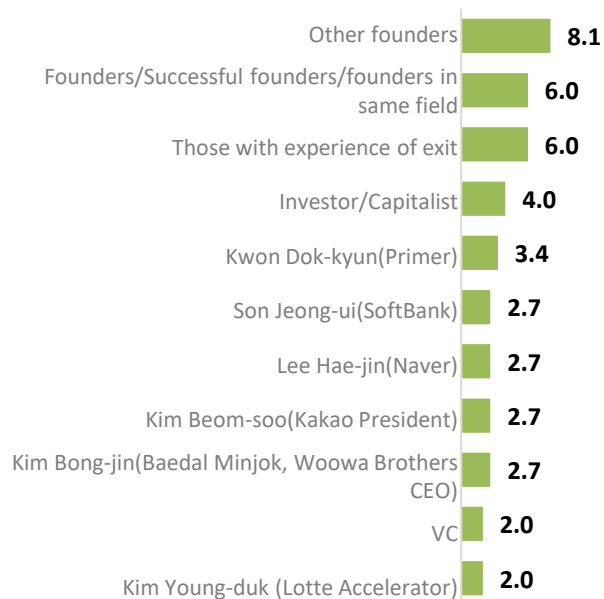Q. Which do you think is the fastest-growing startup in South Korea?

C-1. Responses from Founders

Most wish for advice on ways and experience of success from other founders/CEOs.

Founders feel the need for advice from 'other founders' 'successful founders' and 'those experience with exit' on 'ways of success/know-hows/experience.'

Preferred Advisors

Advisor	Value
Other founders	8.1
Founders/Successful founders/founders in same field	6.0
Those with experience of exit	6.0
Investor/Capitalist	4.0
Kwon Dok-kyun(Primer)	3.4
Son Jeong-ui(SoftBank)	2.7
Lee Hae-jin(Naver)	2.7
Kim Beom-soo(Kakao President)	2.7
Kim Bong-jin(Baedal Minjok, Woowa Brothers CEO)	2.7
VC	2.0
Kim Young-duk (Lotte Accelerator)	2.0

Advices

Advice	Value
Advices on overall business, organization, management	17.4
Personnel Management (organize manpower, recruiting, etc.)	8.1
Investment advices/ attracting investment	6.7
Global expansion/trial and errors	4.0
Decision making	4.0
Strategies by growth stage	4.0
Securing funds	3.4
Strategic road map	3.4
Organization management	3.4

"What should be considered and kept in mind in (specific) situations?"

"Strategies such as preparations and considerations by senior founders/growth stages and detailed action plans."

"I would like to seek advices on organization management and major decision makings."

"I would like to ask for advices on valuation, Investment amount and negotiation of conditions to whom Is well aware of the investment ecosystem."

Q. If you could freely ask someone for advice about your company's operations,
   1) who would you like to ask for 2) what advice would you like to seek?

C-1. Responses from Founders

Founders are most aware and prefer Altos Ventures and Softbank Ventures.

Awareness and preference is highest for 'Altos Ventures' and 'Softbank Ventures' each ranking 1st and 2nd.

	Unaided Awareness (N=73)	Aided Awareness (N=73)	Preferred Investments (N=73, 1st)
1st	Altos Ventures (26.0%)	Softbank Ventures (89.0%)	Altos Ventures (29.2%)
2nd	Softbank Ventures (13.7%)	Altos Ventures (84.9%)	Softbank Ventures (23.6%)
3rd	BonAngels (8.2%)	Kakao Ventures (83.6%)	Korea Investment (11.1%)

* Unaided Awareness – Subjective response w/o examples
** Aided Awareness - Multiple choice
*** Asked specifically to those with over 3-year-old business (N=73)

Q. Please write down one institution that first comes to mind when you think of venture capital.
Q. Please write down three venture capitals you would like to attract investment from in order of preference.

C-1. Responses from Founders

Investor reputation and investment amount are most important in funding.

Founders consider 'investor reputation,' 'investment amount,' and 'valuation' as most significant elements in funding. However, those over 1 year of founding consider 'investment amount' more importantly. Such rate demonstrates how they are more sensitive towards the actual amount than reputation or value as the business is in a relatively more crucial stage of development.

Overall Criteria	Investor Reputation 24.2%	>	Investment Amount 23.5%	>	Valuation 22.1%

|	**Under 1 year of founding (n=20*, 1st)**	**1-3 years of founding (n=56, 1st)**	**Over 3 years of founding (n=73, 1st)**
1st	Investor reputation (25.0%)	Valuation (28.6%)	Investment amount (27.4%)
2nd	Valuation (20.0%) Compatibility with VC associate(20.0%) Non-financial support (20.0%)	Compatibility with VC associate(23.2%) Investor reputation (23.2%)	Investor reputation (24.7%)
3rd		Investment amount (21.4%)	Compatibility with VC associate (19.2%)

Q. In selecting venture capital investors, what are the most important factors to consider?
   Select up to two factors in order of importance.

C-1. Responses from Founders

Most businesses are in the stage of angel investment and Series A funding, and founders experience most difficulties in valuation.

Most businesses are in the process of attracting angel investment (34.2%) and Series A funding (30.9%), and higher series investments were rare. 'Valuation' and 'funding and condition agreement' are identified as the biggest difficulties in funding.

Level of Funding

34.2	**30.9**	**6.0**	**2.0**
Angel Investment	Series A Funding	Series B Funding	Series C Funding
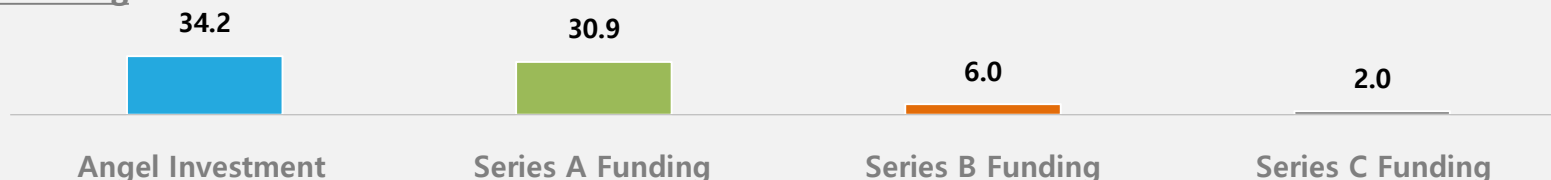
Difficulties in Angel Investment

- **(Accurate) valuation and recognition**
"An accurate valuation is difficult. The earlier stage a startup is, it is inevitable to be dependent on investors' opinions, and such contracts are not completely fair."

- **Funding and condition agreement**
"It is difficult to compare our investment agreement to others due to limited experience and personal connections when getting initial investments."

- **Convincing investors**
"Investors' indifferent and ignorant attitude towards technology fields in startups."

Difficulties in Series A Funding

- **Funding and condition agreement**
"Short-term investment, trend-sensitive investments, standards put upon startups over 3 years that rely on financial performance rather than market and vision."

- **(Accurate) valuation and recognition**
"It was difficult to enhance the share structure due to valuation problems in early-stage investments."

Difficulties in Series B/C Funding

- **(Accurate) valuation and recognition**
"As Series B funding is composed of numerous investors' funds, decision making is often swept away by a general mood rather than based on individual opinions from each investor."

"The investment assessment team is not highly aware of the mid-stage propositions and next-stage steps, which leads to inaccurate decisions and drawing investment assessment reports based on a misunderstanding."

Q. Which stage is your startup's investment currently at?
Q. Please explain in detail the challenge you faced when seeking financing.

C-1. Responses from Founders

Founders are most aware and prefer 'Primer' among all early-stage investors.

Awareness and preference is highest for 'Primer' and a positive preference is identified for BonAngels Venture Partners.

	Unaided Awareness (N=56)	Aided Awareness (N=56)	Preferred Investment (N=56, 1st)
1st	Primer (10.7%)	Primer (48.2%)	Primer (16.1%)
2nd	MashUp Angels(8.9%) Naver D2 (8.9%) Kakao Ventures (8.9%)	BonAngels Venture Partners (37.5%)	BonAngels Venture Partners (12.5%)
3rd	BonAngels Venture Partners (5.4%)	SparkLabs (25.0%)	MashUp Angels(8.9%)

* Unaided Awareness – Subjective response w/o examples
** Aided Awareness - Multiple choice
*** Asked specifically to those with 1 to 3-year-old business (N=56)

Q. Please write down one institution that first comes to mind when you think of an early-stage investment company.
Q. Select up to three early-stage investment companies you would like to attract investment from in order of preference.

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C-1. Responses from Founders

Founders thought of Center for Creative Economy and Innovation for startup assistance centers and MARU 180 and Google Startup Campus for centers they wish to move into.

While founders are most aware of Center for Creative Economy and Innovation, they prefer moving into MARU 180 and Google Startup Campus the most. (Be aware of small base results when interpreting.)

	Unaided Awareness (N=20*)	Aided Awareness (N=20*)	Preferred Office Space/Utility (N=20*, 1st)
1st	Center for Creative Economy and Innovation (40.0%)	Center for Creative Economy and Innovation (90.0%)	MARU 180 (Asan-Nanum Foundation) (25.0%) Google Startup Campus (25.0%)
2nd	Seoul Startup Hub (10.0%) KOSME(10.0%)	MARU 180 (Asan-Nanum Foundation) (80.0%)	D-Camp (Banking Foundation for Young Entrepreneurs) (15.0%)

* Unaided Awareness – Subjective response w/o examples
** Aided Awareness - Multiple choice
*** Asked specifically to those with under 1-year-old business (N=20*, Small base)

Q. Please write down one institution that first comes to mind when you think of a startup assistance center.
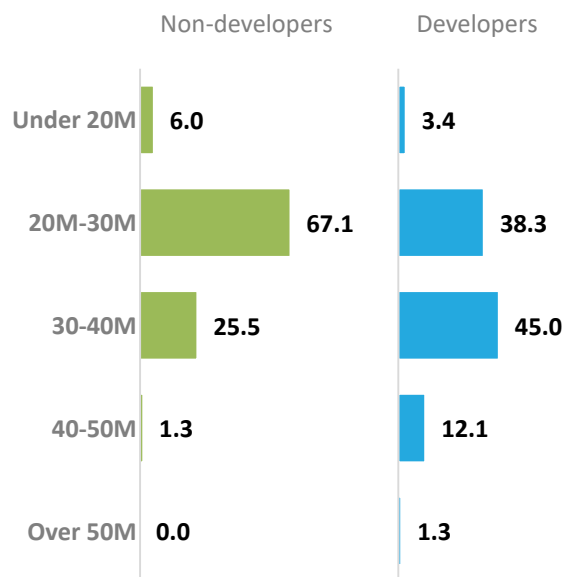Q. Select up to three startup assistance centers you would like to move into in order of preference.

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C-1. Responses from Founders

Entry-level developers receive an average of 30M KRW as a starting salary, and most businesses use an independent space within a building.

Starting salary in startups range from 20M to 40M KRW, where that of developers are higher than average.
Most businesses utilize independent spaces within a building, followed by co-working spaces and public office spaces.
The occupancy of co-working spaces increased significantly, from 13.8% (2017) to 25.5% (2019).

Entry-Level Starting Salary (KRW)

Office Types

	Non-developers	Developers
Under 20M	6.0	3.4
20M-30M	67.1	38.3
30-40M	25.5	45.0
40-50M	1.3	12.1
Over 50M	0.0	1.3

Office Type	Value
Independent space within a building	38.3
Co-working space (WeWork, Fast Five, Spark Plus, JustCo, etc.)	25.5
Public office space (by public institutions)	22.1
Private office space (by private accelerators)	7.4
Serviced office/business centers (networking, lounge, enclosed offices without hot-desking)	4.0
No fixed space (coffee shops, etc.)	2.7

Q. What is the starting salary of your company's entry level non-developers(college graduates)?
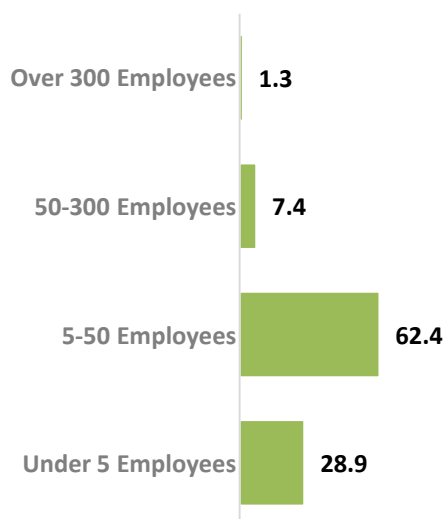Q. What is the starting salary of your company's entry level developers(college graduates)?
Q. Which type of office is your business using?

C-1. Responses from Founders

Most organizations have about 5-50 employees, and a low proportion is in use of the T&A system.

62.4% of the all businesses are composed of 5-50 employees, and due to small organization size, 75.8% of the total are currently not in use of the T&A system.
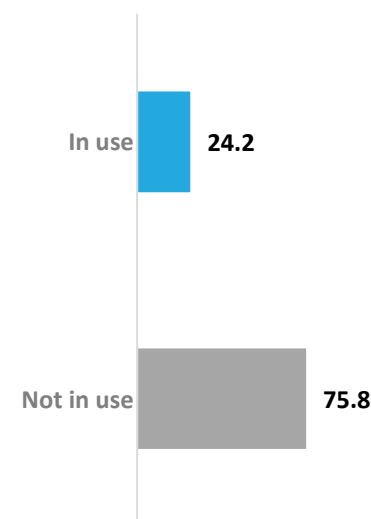
Organization Size

Over 300 Employees	**1.3**
50-300 Employees	**7.4**
5-50 Employees	**62.4**
Under 5 Employees	**28.9**

T&A System

In use	**24.2**
Not in use	**75.8**

Q. Please select the size of your organization.
Q. Do you have a T&A (Time & Assistance) system at your business?

C-1. Responses from Founders

Work satisfaction is expected to increase slightly with the introduction of the 52-hour workweek system.

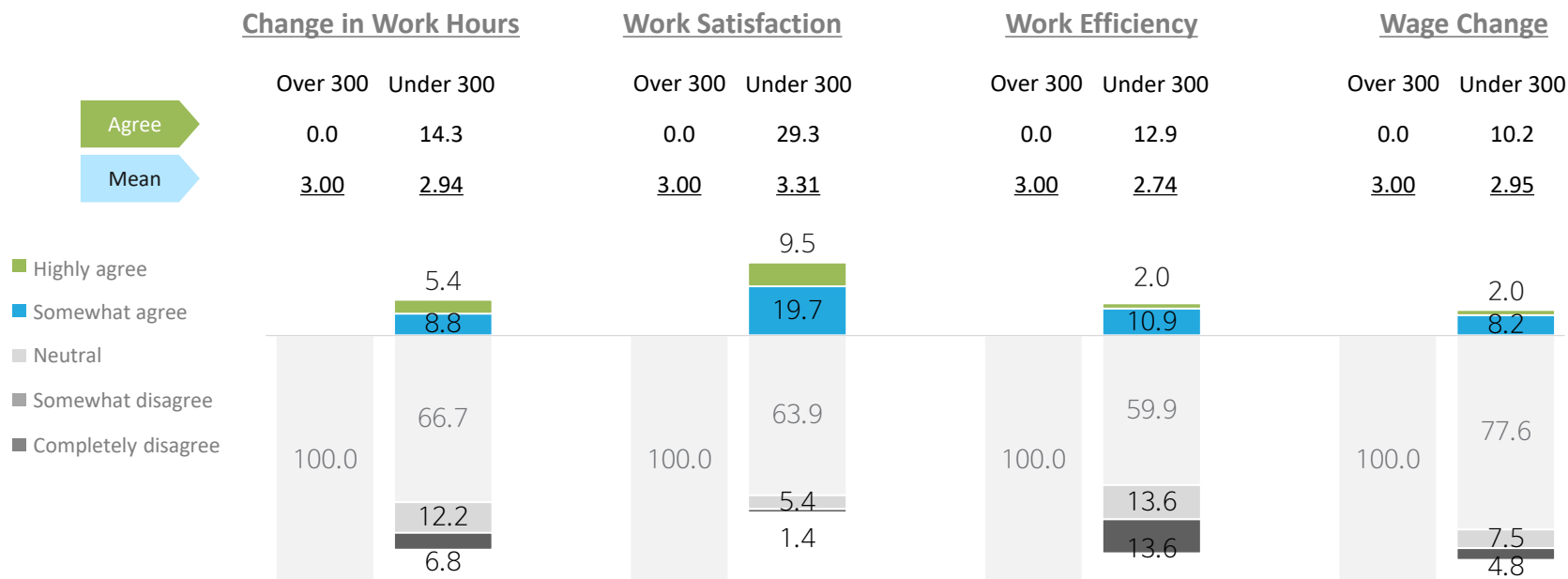An increase in work satisfaction is expected upon implementing the 52-hour workweek, and most founders do not expect changes in working hours/work efficiency and wage.

	Change in Work Hours		**Work Satisfaction**		**Work Efficiency**		**Wage Change**	
	Over 300	Under 300	Over 300	Under 300	Over 300	Under 300	Over 300	Under 300
Agree	0.0	14.3	0.0	29.3	0.0	12.9	0.0	10.2
Mean	3.00	2.94	3.00	3.31	3.00	2.74	3.00	2.95

- ■ Highly agree
- ■ Somewhat agree
- ▫ Neutral
- ■ Somewhat disagree
- ■ Completely disagree

Change in Work Hours
- Over 300: 100.0
- Under 300: 5.4 / 8.8 / 66.7 / 12.2 / 6.8

Work Satisfaction
- Over 300: 100.0
- Under 300: 9.5 / 19.7 / 63.9 / 5.4 / 1.4

Work Efficiency
- Over 300: 100.0
- Under 300: 2.0 / 10.9 / 59.9 / 13.6 / 13.6

Wage Change
- Over 300: 100.0
- Under 300: 2.0 / 8.2 / 77.6 / 7.5 / 4.8

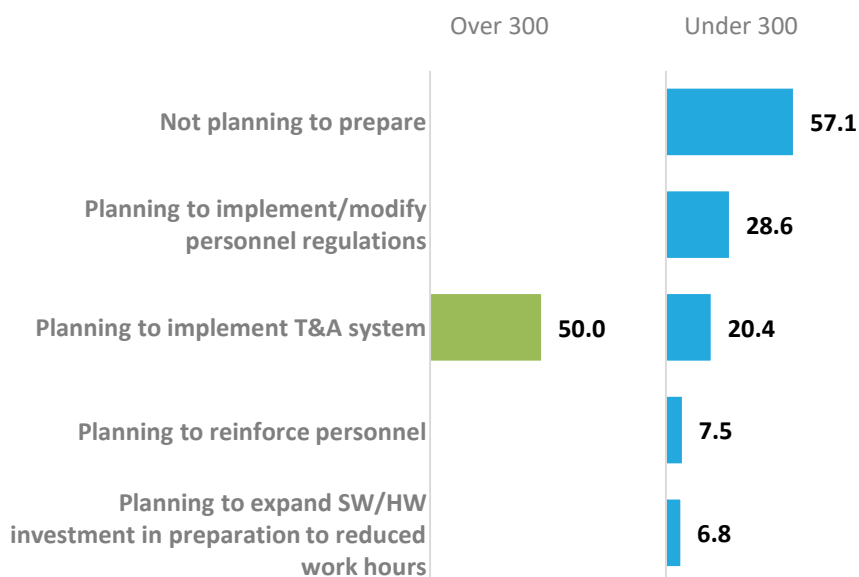* Over 300 employees (N=2*, Small base),
Under 300 employees(N=147)

Q. Has the 52-hour workweek system changed your employees' working hours? / Do you expect changes?
Q. Has the 52-hour workweek system changed your employees' satisfaction? / Do you expect changes?
Q. Has the 52-hour workweek system changed your employees' overall work efficiency within the business? / Do you expect changes?
Q. Has the 52-hour workweek system changed your employees' wage? / Do you expect changes?
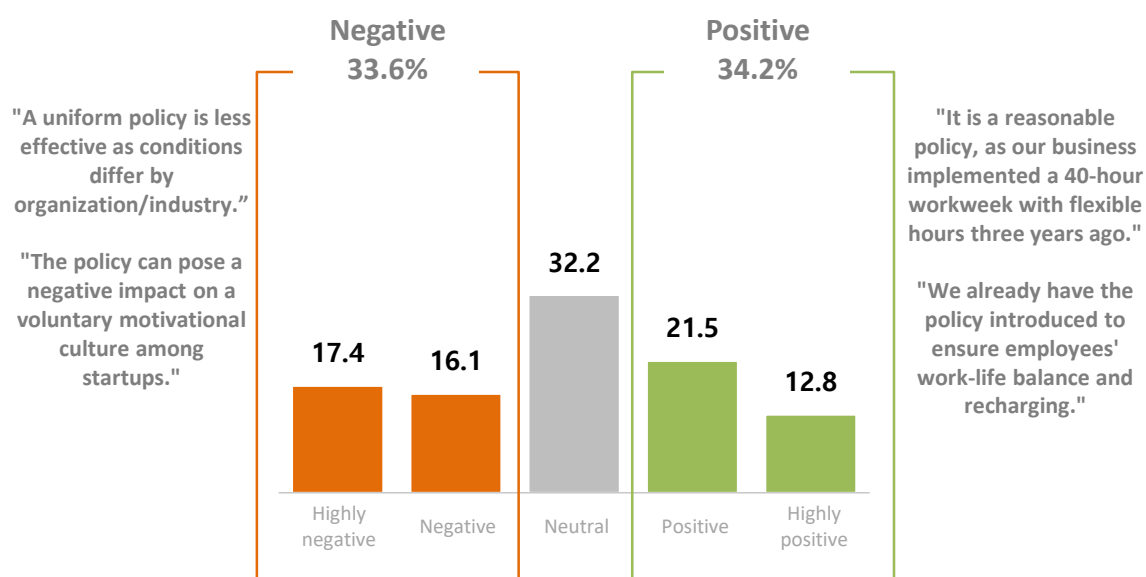
C-1. Responses from Founders

57.1% of the total are not preparing for the 52-hour workweek, and opinions for and against the system coexist.

Most are not preparing for the 52-hour workweek system. While founders who adopted a similar system to achieve employee welfare and work efficiency positively perceive the 52-hour workweek, those who negatively view the policy prefer a flexible implementation that respects the autonomy of businesses.

Preparatory Measures for 52-hour Workweek

Over 300   Under 300

	Under 300
Not planning to prepare	57.1
Planning to implement/modify personnel regulations	28.6
Planning to implement T&A system	20.4
Planning to reinforce personnel	7.5
Planning to expand SW/HW investment in preparation to reduced work hours	6.8

Planning to implement T&A system (Over 300): 50.0

Overall Evaluation on 52-hour Workweek

Negative 33.6%

"A uniform policy is less effective as conditions differ by organization/industry."

"The policy can pose a negative impact on a voluntary motivational culture among startups."

Highly negative	Negative	Neutral	Positive	Highly positive
17.4	16.1	32.2	21.5	12.8

Positive 34.2%

"It is a reasonable policy, as our business implemented a 40-hour workweek with flexible hours three years ago."

"We already have the policy introduced to ensure employees' work-life balance and recharging."
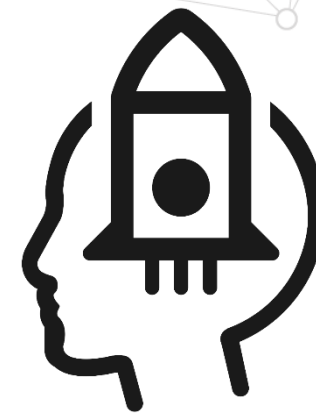
Q. What have you prepared for the 52-hour workweek system? / Do you plan to prepare?
Q. How would you rate the 52-hour workweek system overall? / What is the reason?

* Over 300 employees (N=2*, Small base), Under 300 employees(N=147)
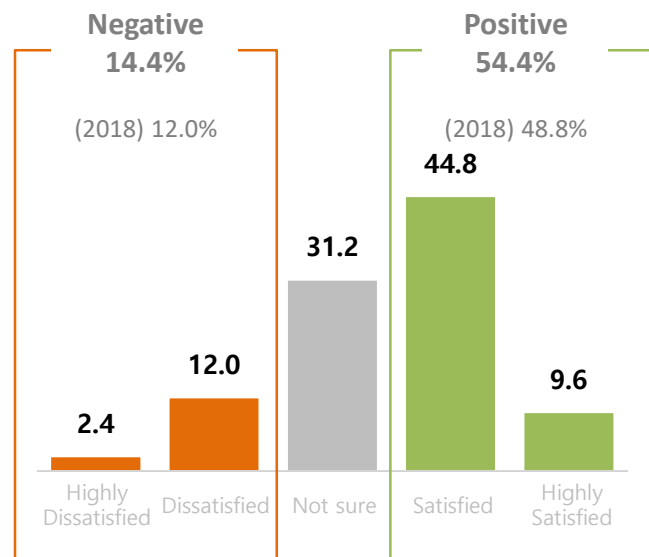
36

2) Startup Employees

- Survey Size: 250 (Male: 139 / Female: 111)
- Subjects: Current Startup Employees

C-2. Responses From Startup Employees

54.4% of startup employees are satisfied with their startup life, a significantly higher rate over last year. (Y/Y+5.6%)

The level of satisfaction increased compared to the previous year, where the proportion of satisfied employees (54.4%) is three times higher than dissatisfied (14.4%). (Y/Y +5.6%) 'Organization culture' and 'prompt/flexible decision making' led to higher satisfaction, whereas 'anxiety towards job instability' and 'lack of leaders/role models' are identified as dissatisfaction factors.

How satisfied are you with your startup life? (N=250)

	Negative 14.4% (2018) 12.0%			Positive 54.4% (2018) 48.8%	
	2.4	12.0	31.2	44.8	9.6
	Highly Dissatisfied	Dissatisfied	Not sure	Satisfied	Highly Satisfied

Satisfaction/Dissatisfaction Factors (N=250)

	Satisfaction	Dissatisfaction
1st	Organization culture (28.8%)	Anxiety towards job instability (27.6%)
2nd	Prompt/flexible decision making (23.2%)	Lack of leaders/role models (26.4%)
3rd	Sense of accomplishment from fast growth (22.0%)	Difficulties in career planning (22.0%)

Q. How satisfied are you with your startup life?
Q. What gives you the greatest satisfaction as a startup employee?

38

C-2. Responses From Startup Employees

Employees rated their CEO with an average of 6.7 points out of 10.
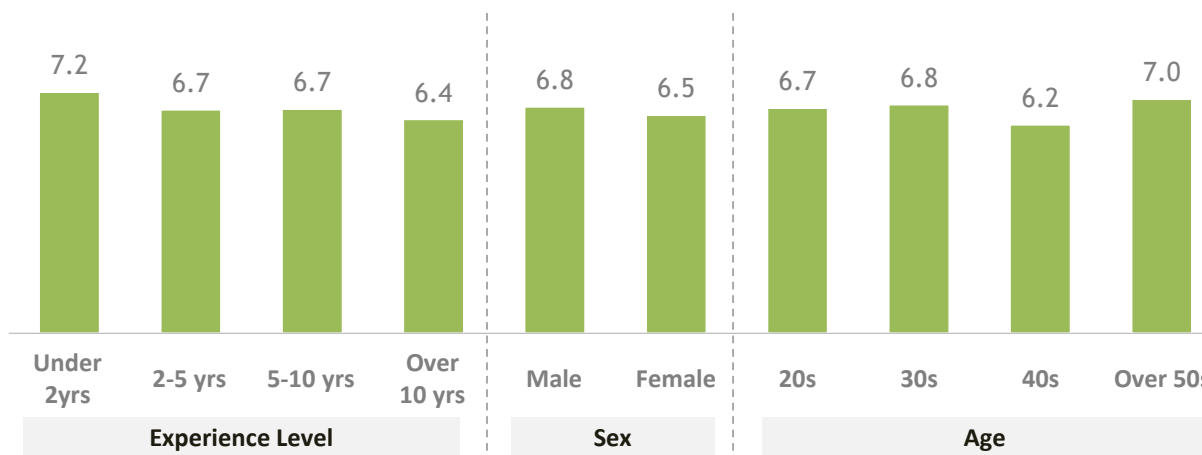
Startup employees rated their CEOs with an average of 6.7 points, a similar score compared to last year. Males in 50s with under 2 years of experience tend to rate their CEO with a higher score.

"Prompt and proper decision making. Smooth communication. Understands everyone's mind, rather than trying to meet conditions indifferently. He leads by example but never shows it off."

"The employees have difficulties following up as our leader overly focuses on details than managing the business."
"Our leader often forces some incomprehensible ideas and emphasizes the rules within corporate life too much."

Total Average: 6.7 points

(2018: 6.7)

Experience Level				Sex		Age			
Under 2yrs	2-5 yrs	5-10 yrs	Over 10 yrs	Male	Female	20s	30s	40s	Over 50s
7.2	6.7	6.7	6.4	6.8	6.5	6.7	6.8	6.2	7.0

Q. How would you rate your company's CEO, out of 10? (1: unqualified, 10: excellent)
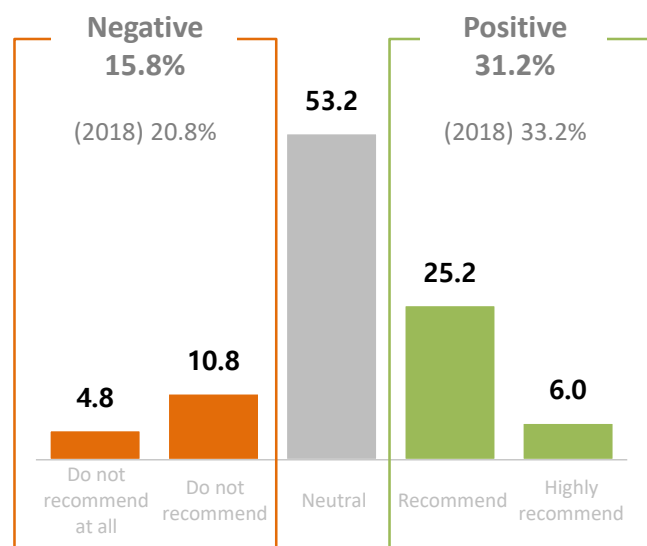Q. Why did you rate your CEO with #{Q4.Selected score}?
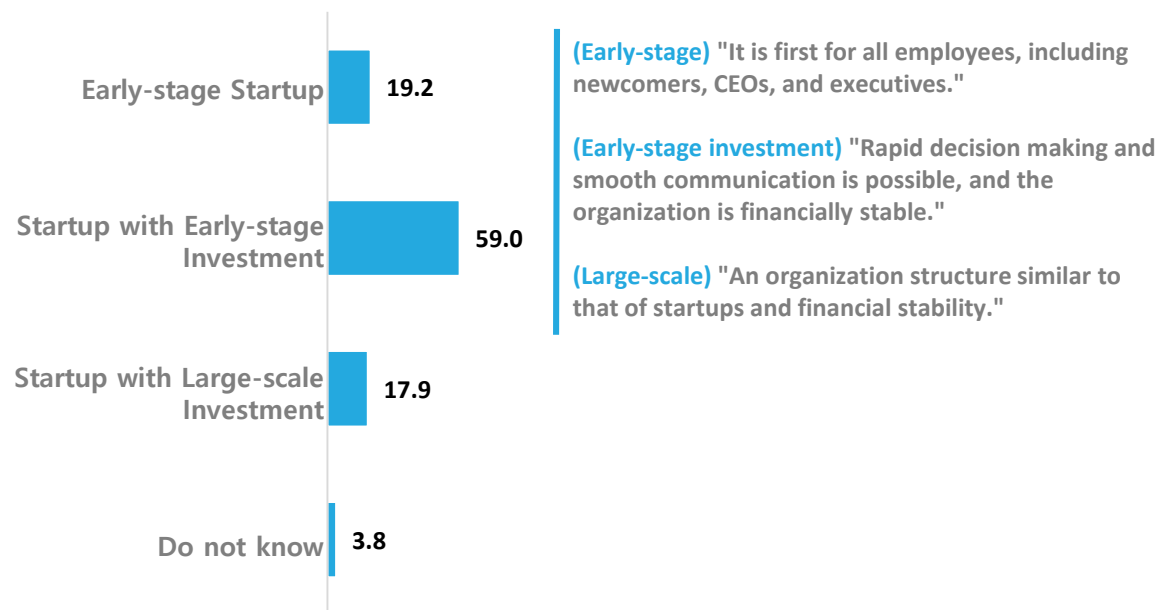
C-2. Responses From Startup Employees

31.2% of startup employees recommend startup jobs.

31.2% of startup employees recommend startup jobs. Compared to last year, both the rate of recommending and not recommending startup jobs decreased, resulting in an increase in the proportion of those who remain neutral. Most recommend taking a job at a startup in early-stage investment.

Recommending Startups

Negative 15.8%   **Positive 31.2%**

(2018) 20.8%   53.2   (2018) 33.2%

25.2

4.8   10.8   6.0

Do not recommend at all   Do not recommend   Neutral   Recommend   Highly recommend

Recommended Level of Startups (N=83)

Early-stage Startup   19.2

Startup with Early-stage Investment   59.0

Startup with Large-scale Investment   17.9

Do not know   3.8

(Early-stage) "It is first for all employees, including newcomers, CEOs, and executives."

(Early-stage investment) "Rapid decision making and smooth communication is possible, and the organization is financially stable."

(Large-scale) "An organization structure similar to that of startups and financial stability."

Q. Would you recommend startup jobs to others if you had the opportunity?
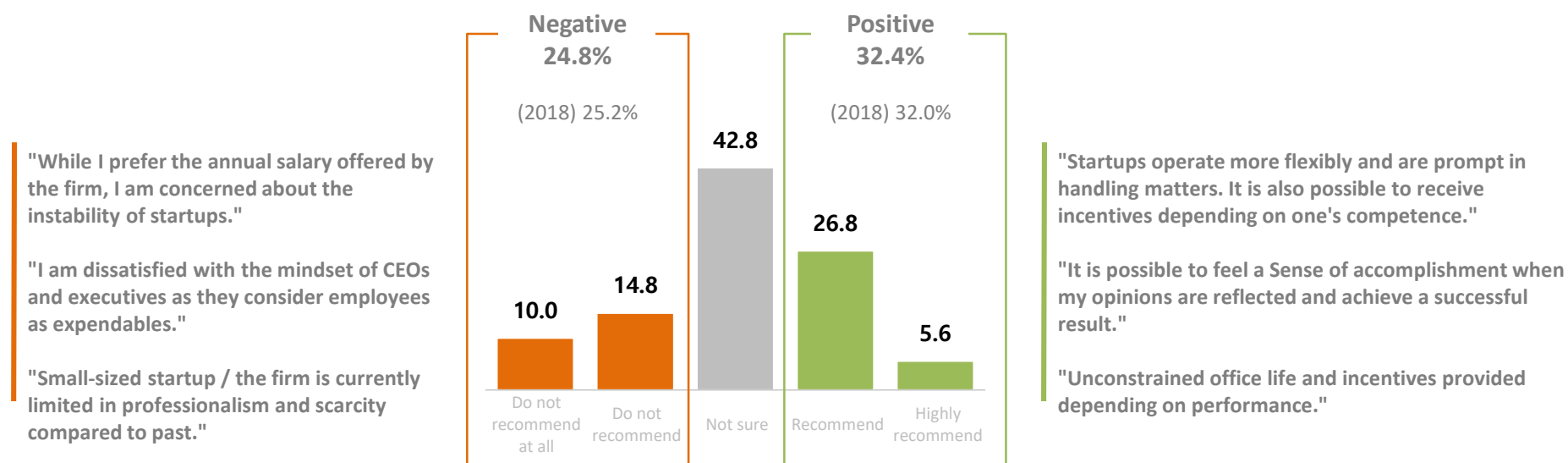Q. Which startup level would you recommend working?
Q. Why did you select #{Q7.ANSWERS}?

40

C-2. Responses From Startup Employees

32.4% of startup employees consider recommending their work to others.

Similarly to last year, 32.4% of startup employees consider recommending their work to others.
'Flexible work' and a 'sense of accomplishment' were identified as reasons for recommending.
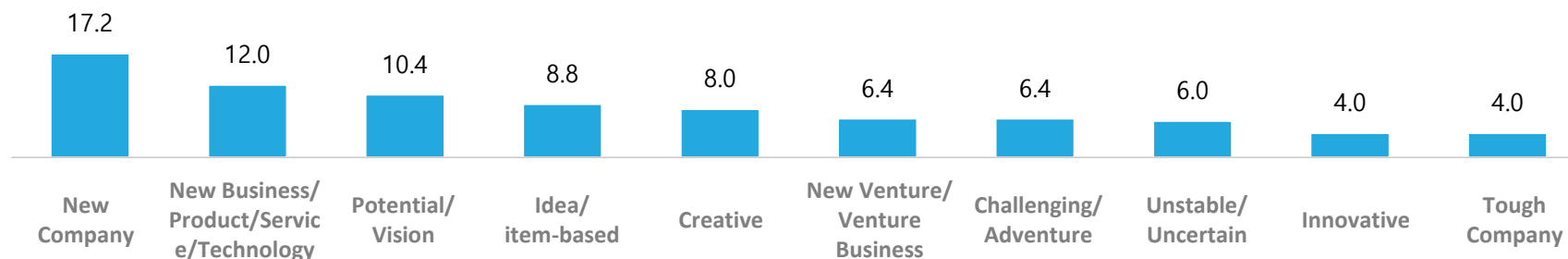
Negative 24.8% (2018) 25.2%

Positive 32.4% (2018) 32.0%

"While I prefer the annual salary offered by the firm, I am concerned about the instability of startups."

"I am dissatisfied with the mindset of CEOs and executives as they consider employees as expendables."

"Small-sized startup / the firm is currently limited in professionalism and scarcity compared to past."

10.0 — Do not recommend at all
14.8 — Do not recommend
42.8 — Not sure
26.8 — Recommend
5.6 — Highly recommend

"Startups operate more flexibly and are prompt in handling matters. It is also possible to receive incentives depending on one's competence."

"It is possible to feel a Sense of accomplishment when my opinions are reflected and achieve a successful result."

"Unconstrained office life and incentives provided depending on performance."

Q. Would you recommend your company to your acquaintances?
Q. What is the reason for your answer?

C-2. Responses From Startup Employees

Startup employees associate startups with images such as 'start,' 'new,' and 'potential.'

Startup employees define startups with positive images such as 'start,' 'new,' 'potential,' 'ideas,' 'creative,' and 'challenging.'
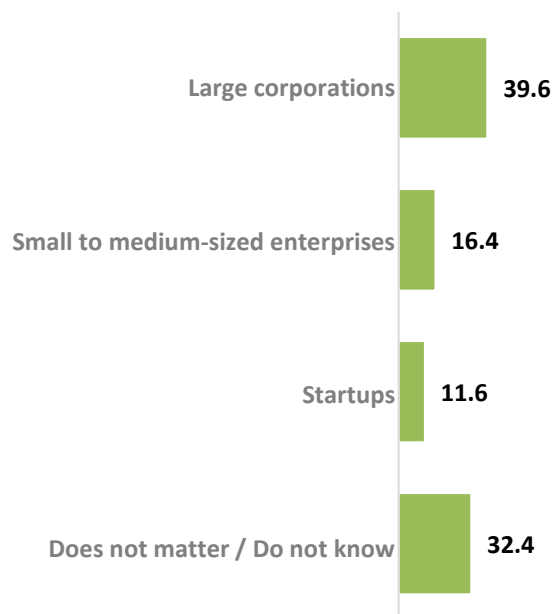
Category	Value
New Company	17.2
New Business/Product/Service/Technology	12.0
Potential/Vision	10.4
Idea/item-based	8.8
Creative	8.0
New Venture/Venture Business	6.4
Challenging/Adventure	6.4
Unstable/Uncertain	6.0
Innovative	4.0
Tough Company	4.0

Q. How do you define "startup"? If someone asks, how would you describe it?

C-2. Responses From Startup Employees

Startup employees prefer changing to a corporate job for 'stability' and 'system.'

While a high proportion considers changing to a corporate job, 32.4% of the total do not have a clear preference on industry type.

Preferred Industry Upon Changing Jobs

Large corporations **39.6**

Small to medium-sized enterprises **16.4**

Startups **11.6**

Does not matter / Do not know **32.4**

Reasons for Preference

(Large Corporations)"There is a system that facilitates procedural operations and ensures the division of works. Decisions are also made based on a system."

(Mid-size enterprises) "It is possible to learn the work more systematically than working at a large corporation, and the employment seems more stable than that of startups."

(Startups) "There is a higher chance that my decisions are reflected, and I can play a leading role in operations."

(Does not matter) "What matters is who you work with, not the organization structure."

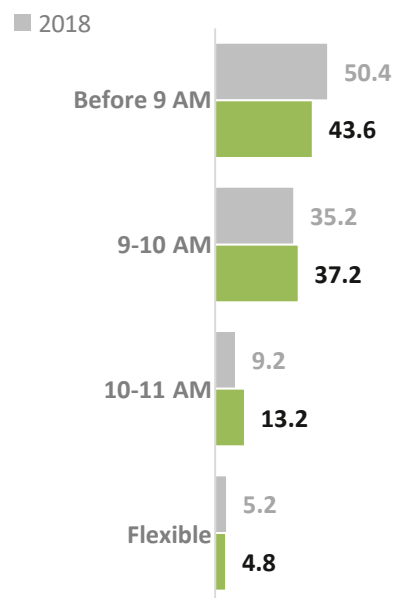Q. If you could change jobs, what type of organization would you like to move to?
Q. Please tell us the reason.

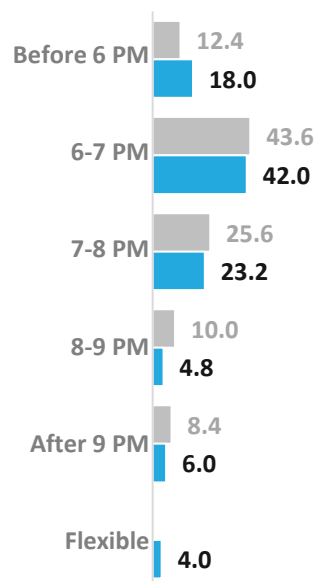43

C-2. Responses From Startup Employees

Startup employees work for an average of 8-10 hours, beginning work before 9 AM and leaving work between 6-7 PM.

43.6% of the total start work before 9 AM and 42.0% leave work between 6-7 PM. Compared to last year, employees begin work rather late and leave work earlier. Approximately 74.4% work for an average of 8-10 hours per day.
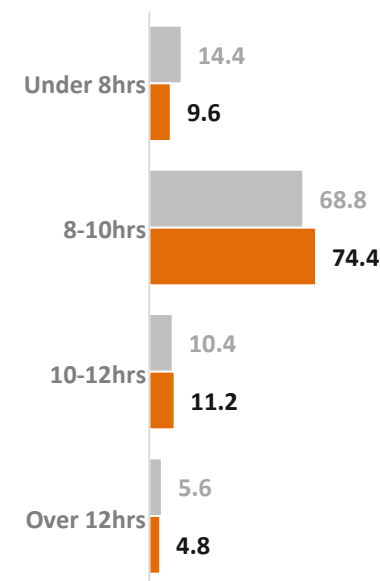
Start of Work

■ 2018

	2018	2019
Before 9 AM	50.4	43.6
9-10 AM	35.2	37.2
10-11 AM	9.2	13.2
Flexible	5.2	4.8

End of Work

	2018	2019
Before 6 PM	12.4	18.0
6-7 PM	43.6	42.0
7-8 PM	25.6	23.2
8-9 PM	10.0	4.8
After 9 PM	8.4	6.0
Flexible		4.0

Average Work Hours per Day

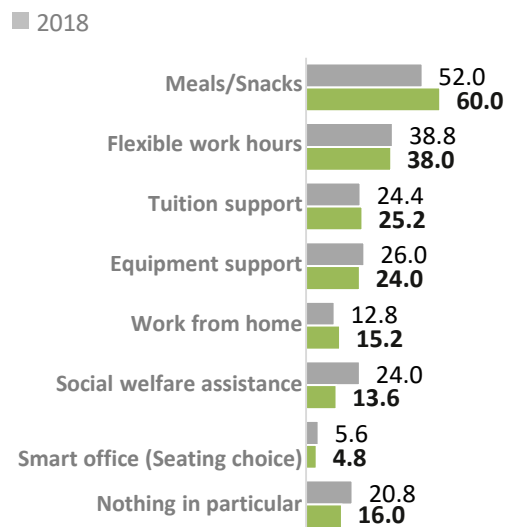|	2018	2019
Under 8hrs	14.4	9.6
8-10hrs	68.8	74.4
10-12hrs	10.4	11.2
Over 12hrs	5.6	4.8

Q. On average, what time do you go to work?
Q. On average, what time do you get off work?
Q. On average, how many hours do you work per day?

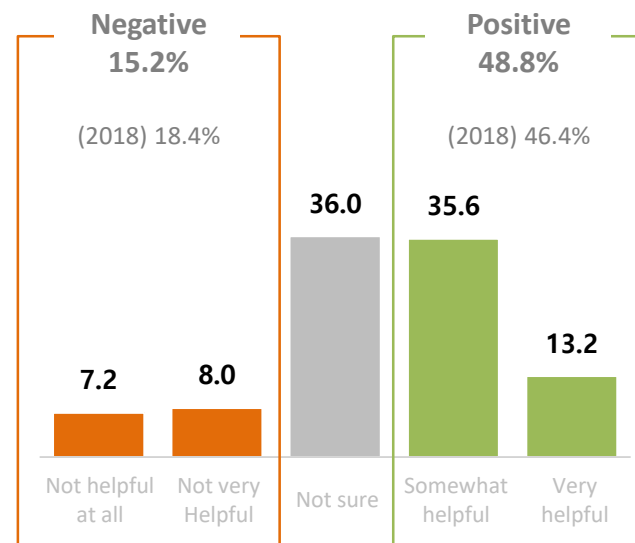## C-2. Responses From Startup Employees

The most commonly-provided welfare benefits from startups are meals/snacks and flexible work hours.

Among welfare benefits, startups provide 'meals/snacks' and 'flexible work hours' most commonly, and compared to last year, startup employees consider welfare benefits more positively as they help increase job performance. (Y/Y +2.4%)

Which welfare benefits are provided? (N=250)

■ 2018

	2018	2019
Meals/Snacks	52.0	**60.0**
Flexible work hours	38.8	**38.0**
Tuition support	24.4	**25.2**
Equipment support	26.0	**24.0**
Work from home	12.8	**15.2**
Social welfare assistance	24.0	**13.6**
Smart office (Seating choice)	5.6	**4.8**
Nothing in particular	20.8	**16.0**

How helpful are the benefits in enhancing job performance? (N=250)

Negative 15.2% (2018) 18.4%

Not helpful at all	Not very Helpful
7.2	8.0

Not sure: 36.0

Positive 48.8% (2018) 46.4%

Somewhat helpful	Very helpful
35.6	13.2

Q. Does your employer provide additional benefits for employee welfare?
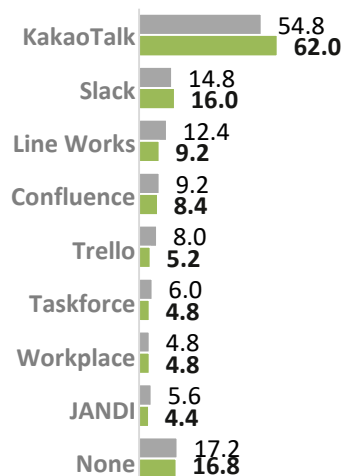Q. How helpful are the company's welfare benefits in enhancing job performance?

C-2. Responses From Startup Employees

Startup employees utilize 'KakaoTalk' and 'Slack' the most and believe that these tools contributed to an increase in work efficiency.

Among software/tools, startup employees utilize 'KakaoTalk' the most (62.0%), followed by 'Slack' (16.0%), and the frequency increased over last year. Compared to the previous year, a higher proportion (47.1%) identify a positive change in work efficiency by using the software.
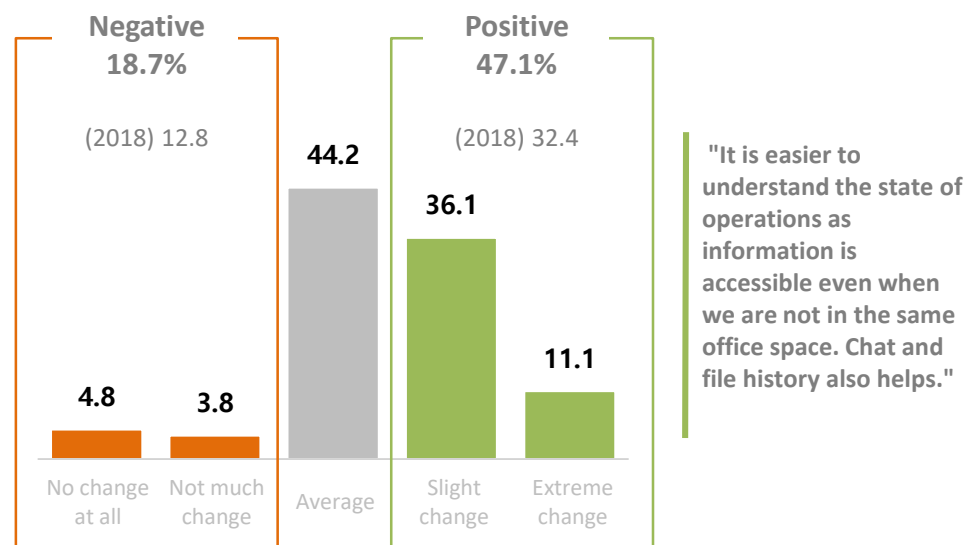
Software/Tools in Use (N=250, 1+2+3 ranking)

■ 2018

	2018	2019
KakaoTalk	54.8	**62.0**
Slack	14.8	**16.0**
Line Works	12.4	**9.2**
Confluence	9.2	**8.4**
Trello	8.0	**5.2**
Taskforce	6.0	**4.8**
Workplace	4.8	**4.8**
JANDI	5.6	**4.4**
None	17.2	**16.8**

Change in Work Efficiency Before & After Software/Tool Use (N=250)

Negative 18.7%

(2018) 12.8

Positive 47.1%

(2018) 32.4

No change at all	Not much change	Average	Slight change	Extreme change
4.8	3.8	44.2	36.1	11.1

"It is difficult to openly share what I wish to say in group chats, especially when disagreeing with someone's opinion."

"It is easier to understand the state of operations as information is accessible even when we are not in the same office space. Chat and file history also helps."

Q. Which software/tool are you using to collaborate with colleagues at your workplace?
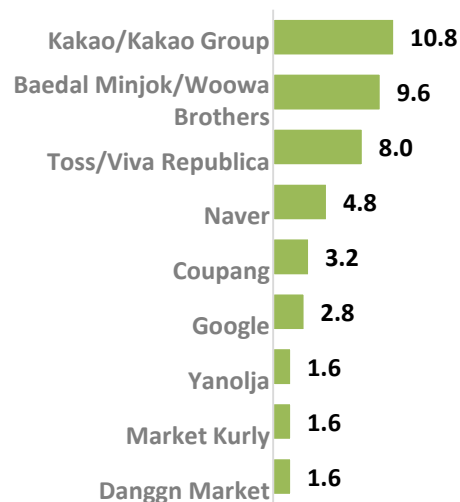Q. Has the use of #{Q26.ANSWERS} significantly affect work efficiency compared to before?
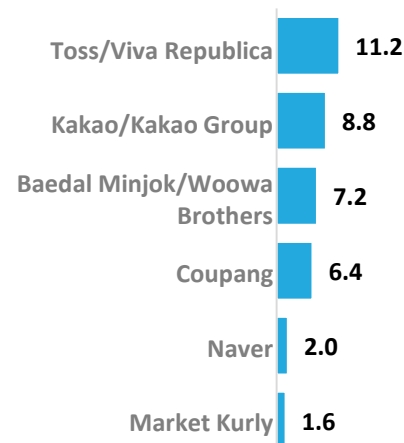
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C-2. Responses From Startup Employees

Most are interested in the way Kakao/Baedal Minjok/Toss employees work and consider them as the fastest-growing domestic startups.

'Kakao,' 'Baedal Minjok,' and 'Toss' were identified as the fastest-growing startups that startup employees are interested in the way they work.

Interested Startups on Ways of Working

Startup	Value
Kakao/Kakao Group	10.8
Baedal Minjok/Woowa Brothers	9.6
Toss/Viva Republica	8.0
Naver	4.8
Coupang	3.2
Google	2.8
Yanolja	1.6
Market Kurly	1.6
Danggn Market	1.6

Fastest-Growing Domestic Startup

Startup	Value
Toss/Viva Republica	11.2
Kakao/Kakao Group	8.8
Baedal Minjok/Woowa Brothers	7.2
Coupang	6.4
Naver	2.0
Market Kurly	1.6

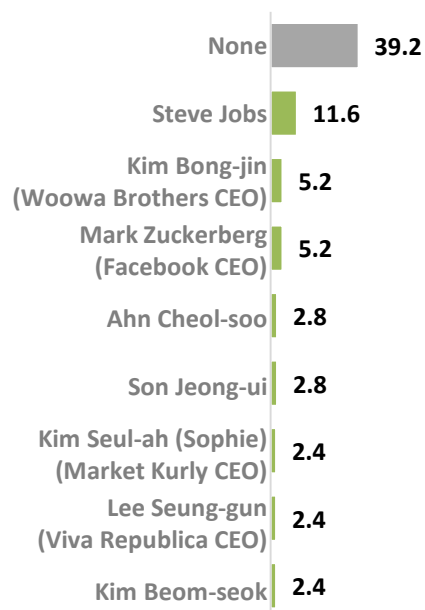Q. Which startup are you most interested in the way they work?
Q. Which do you think is the fastest-growing startup in South Korea?

C-2. Responses From Startup Employees

Most do not associate startups with a specific individual.

Even as a startup employee, most could not associate startups with a specific individual. Among domestic founders, CEO 'Kim Bong-jin' was mentioned most frequently.

Individual Associated with Startup

None	39.2
Steve Jobs	11.6
Kim Bong-jin (Woowa Brothers CEO)	5.2
Mark Zuckerberg (Facebook CEO)	5.2
Ahn Cheol-soo	2.8
Son Jeong-ui	2.8
Kim Seul-ah (Sophie) (Market Kurly CEO)	2.4
Lee Seung-gun (Viva Republica CEO)	2.4
Kim Beom-seok	2.4

Reasons for Association

"Kim Beom-seok, the CEO of Coupang comes to mind. He has successfully embedded 'fast delivery' into the brand image, which is one of the essential elements of a shopping mall."

"Blank - Gained success with a timely item at the most appropriate period."

"Baemin CEO - He has achieved the utmost performance among all startups regarding organization size and brand awareness."

"Kim Seul-ah – As she gained her fame through Market Kurly."

Q. Please write down one person that first comes to your mind when you think of the startup ecosystem, regardless of industry/scope of business. Who is this person and why did you select this individual?

C-2. Responses From Startup Employees

Startup employees prioritize 'professionalism,' 'determination,' and 'initiative' as essential qualities of founders.

'Professionalism' is most expected from a founder, followed by 'determination' and 'initiative.'
However, those with under 2 years of experience consider 'initiative' more significantly than 'professionalism.'

Overall Criteria	Professionalism 27.2%	>	Determination 15.2% Initiative 15.2%	>	Creativity 14.0%

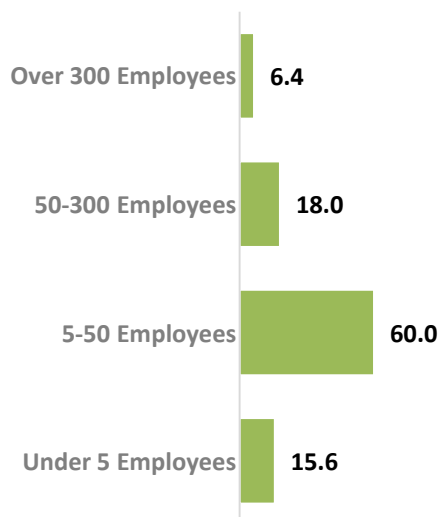|	Under 2 years of Experience (n=33, 1st)	2-5 years (n=60, 1st)	5-10 years (n=69, 1st)	Over 10 years (n=88, 1st)
1st	Initiative (24.2%)	Professionalism (31.7%)	Professionalism (30.4%)	Professionalism (26.1%)
2nd	Determination (18.2%)	Initiative (15.0%)	Determination (15.9%)	Initiative (18.2%)
3rd	Professionalism (15.2%)	Creativity (13.3%)	Creativity (14.5%)	Determination (15.9%)

Q. Which of the following competencies do you think is most important to founders?
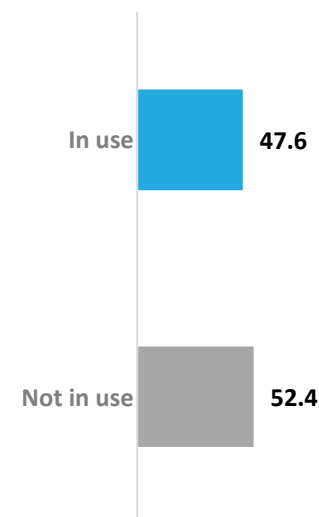
C-2. Responses From Startup Employees

60.0% of startup employees attend businesses with 5-50 employees, and only half of all firms are in use of the T&A system.

Most startups are small, and only 24.4% currently attend startups with over 50 employees.
47.6% of the total is in use of the T&A system.

Organization Size

Over 300 Employees	6.4
50-300 Employees	18.0
5-50 Employees	60.0
Under 5 Employees	15.6

T&A System

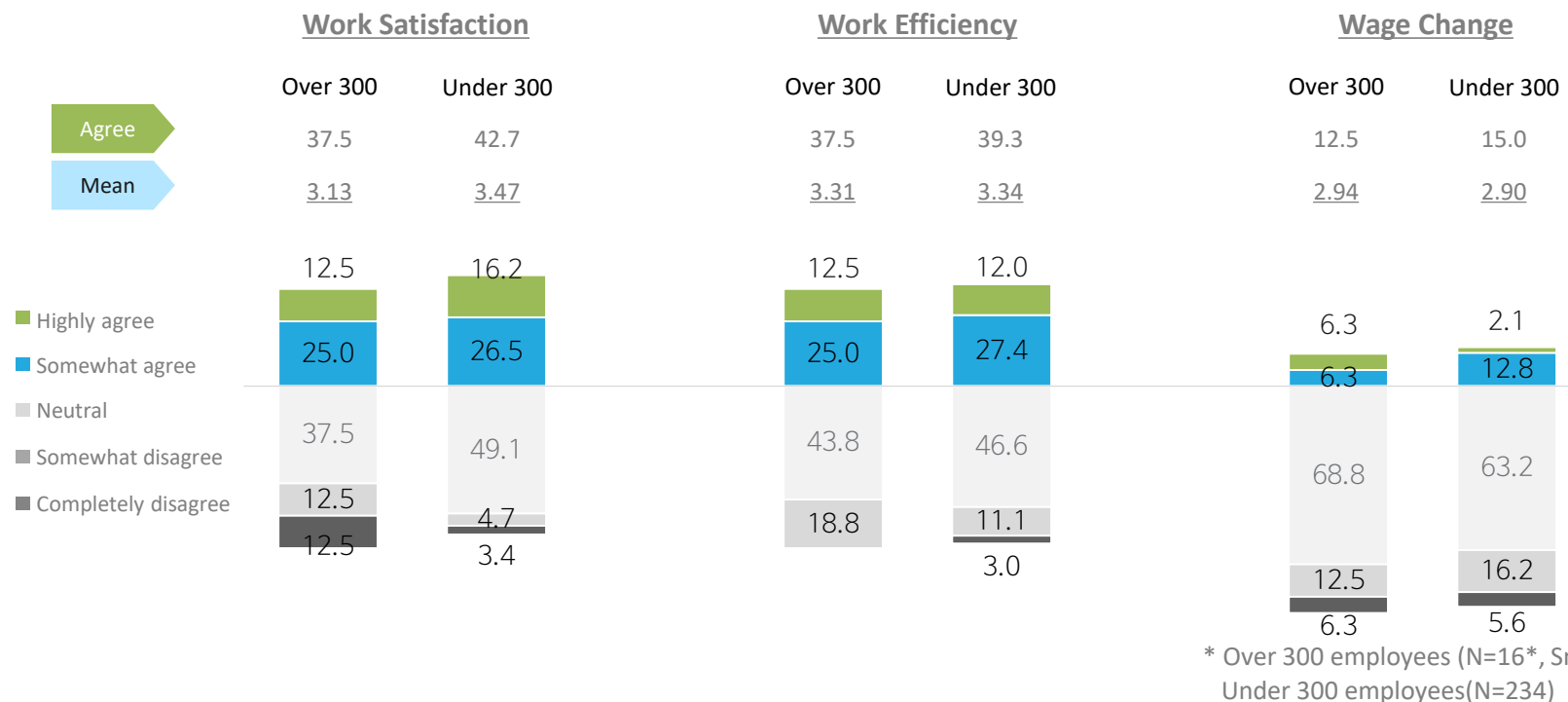|	
In use	47.6
Not in use	52.4

Q. Please select the size of your organization.
Q. Do you have a T&A (Time & Assistance) system at your business?

C-2. Responses From Startup Employees

Work satisfaction and efficiency are expected to increase significantly with the introduction of the 52-hour workweek system.

An increase in work satisfaction and efficiency are expected upon implementing the 52-hour workweek, and most startup employees do not expect sizable changes in wage.

	Work Satisfaction		Work Efficiency		Wage Change	
	Over 300	Under 300	Over 300	Under 300	Over 300	Under 300
Agree	37.5	42.7	37.5	39.3	12.5	15.0
Mean	3.13	3.47	3.31	3.34	2.94	2.90

Legend:
- Highly agree
- Somewhat agree
- Neutral
- Somewhat disagree
- Completely disagree

Work Satisfaction — Over 300: 12.5 / 25.0 / 37.5 / 12.5 / 12.5
Work Satisfaction — Under 300: 16.2 / 26.5 / 49.1 / 4.7 / 3.4
Work Efficiency — Over 300: 12.5 / 25.0 / 43.8 / 18.8
Work Efficiency — Under 300: 12.0 / 27.4 / 46.6 / 11.1 / 3.0
Wage Change — Over 300: 6.3 / 6.3 / 68.8 / 12.5 / 6.3
Wage Change — Under 300: 2.1 / 12.8 / 63.2 / 16.2 / 5.6

* Over 300 employees (N=16*, Small base),
Under 300 employees(N=234)

Q. Has the 52-hour workweek system changed your employees' satisfaction? / Do you expect changes?
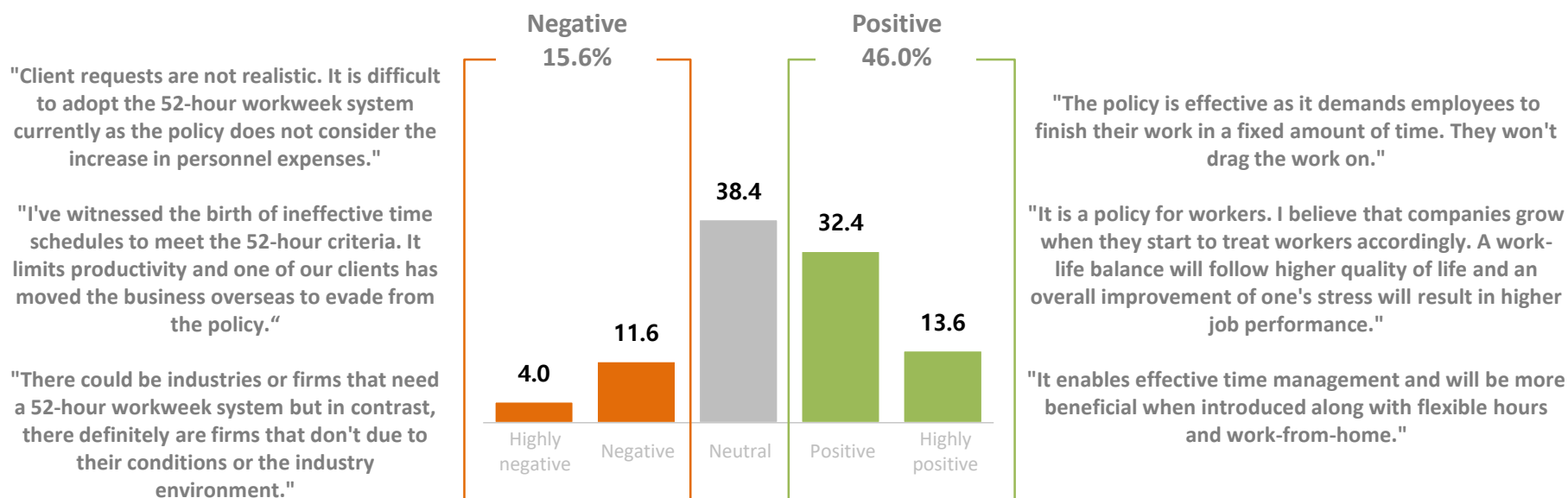Q. Has the 52-hour workweek system changed your employees' overall work efficiency within the business? / Do you expect changes?
Q. Has the 52-hour workweek system changed your employees' wage? / Do you expect changes?

51

C-2. Responses From Startup Employees

A higher proportion is positive (46.0%) towards the 52-hour workweek to those who are negative (15.6%).
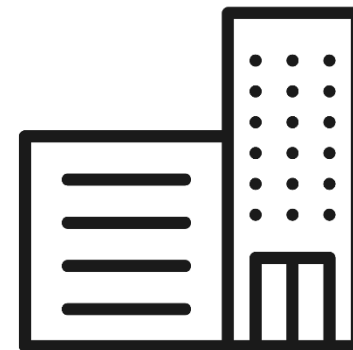
46.0% of the total perceive the 52-hour workweek system and associate the policy with images related to work efficiency, such as 'effective,' 'prompt operation,' and 'job performance.'

"Client requests are not realistic. It is difficult to adopt the 52-hour workweek system currently as the policy does not consider the increase in personnel expenses."

"I've witnessed the birth of ineffective time schedules to meet the 52-hour criteria. It limits productivity and one of our clients has moved the business overseas to evade from the policy."

"There could be industries or firms that need a 52-hour workweek system but in contrast, there definitely are firms that don't due to their conditions or the industry environment."

Negative 15.6%

Positive 46.0%

4.0 — Highly negative
11.6 — Negative
38.4 — Neutral
32.4 — Positive
13.6 — Highly positive

"The policy is effective as it demands employees to finish their work in a fixed amount of time. They won't drag the work on."

"It is a policy for workers. I believe that companies grow when they start to treat workers accordingly. A work-life balance will follow higher quality of life and an overall improvement of one's stress will result in higher job performance."

"It enables effective time management and will be more beneficial when introduced along with flexible hours and work-from-home."

Q. How would you rate the 52-hour workweek system overall? / What is the reason?

* Over 300 employees (N=16*, Small base), Under 300 employees (N=234)
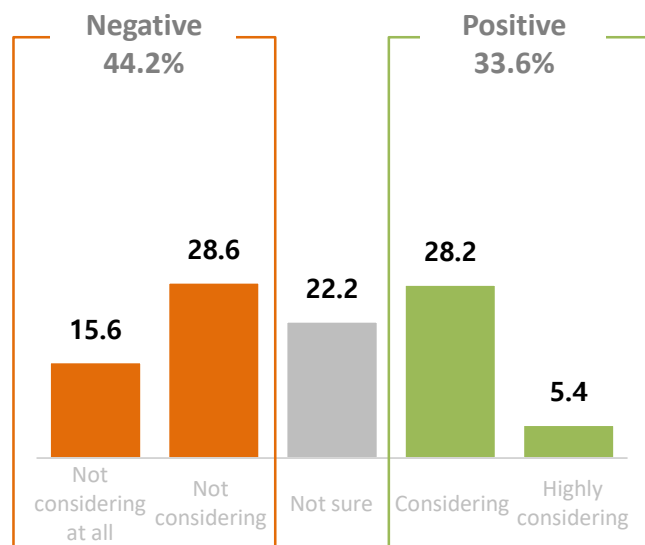
52

3) Corporation Employees

- Survey Size: 500 (Male: 317, Female: 183)
- Affiliation : Employees of Top 10 Large Corporations (Samsung, Hyundai Motors, SK, LG, Lotte, Hyundai Heavy Industries, GS, Hanjin, Hanwha, POSCO)
- Subjects : Employees to Executives

C-3. Responses from Corporation Employees

Corporation employees consider starting a business at a rate approximately 10% higher compared to 1 year ago.

43.0% of the total consider starting a business and compared to last year's 33.6%, the rate increased by approximately 9.4%. The rate of considering starting a business also increased slightly from last year's 41.4%.

Extent of Considering Starting Business : Past Year
(N=500)

Negative 44.2%

Positive 33.6%

- Not considering at all: 15.6
- Not considering: 28.6
- Not sure: 22.2
- Considering: 28.2
- Highly considering: 5.4

"Unstable future and unfavorable economic conditions domestically and internationally."

"Uncertain future."

Extent of Considering Starting Business : Present
(N=500)

Negative 31.6%
(2018) 43.0

Positive 43.0%
(2018) 41.4

- Not considering at all: 12.0
- Not considering: 19.6
- Not sure: 25.4
- Considering: 34.6
- Highly considering: 8.4
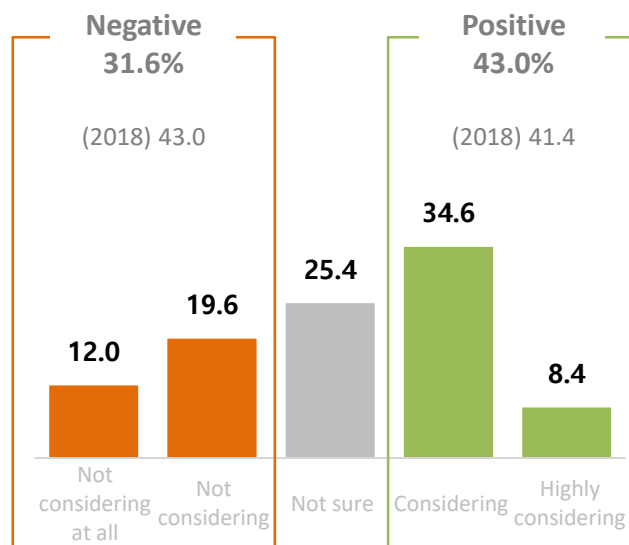
"I have friends who have started a business, and rather than finding it easy, I realized that establishing my own business could be one of the ways to do what I want."

"I am interested as the government provides active policy supports, and there is an increase in success cases."

Q. To what extent are you considering starting a business?
Q. How does this compare with your view last year?

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C-3. Responses from Corporation Employees

Among those considering starting a business, 18.6% prefer manufacturing.

Corporation employees considering starting a business are most interested in manufacturing (18.6%), followed by contents/media (16.3%) and E-commerce (8.8%).
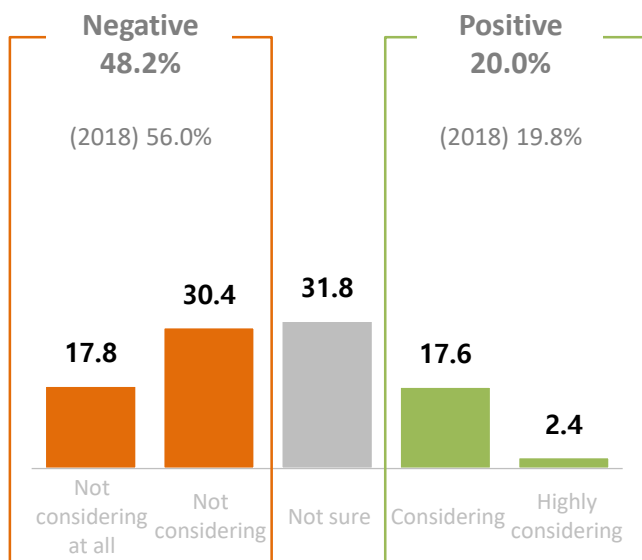

Bar chart:
- Manufacturing: 18.6
- Contents/Media: 16.3
- E-commerce: 8.8
- Healthcare: 6.5
- Software Development: 4.2
- Fintech: 3.7
- IoT: 3.3
- AI, Machine Learning: 3.3
- O2O: 2.3
- Game: 2.3
- Social Ventures: 2.3
- Others: 28.4
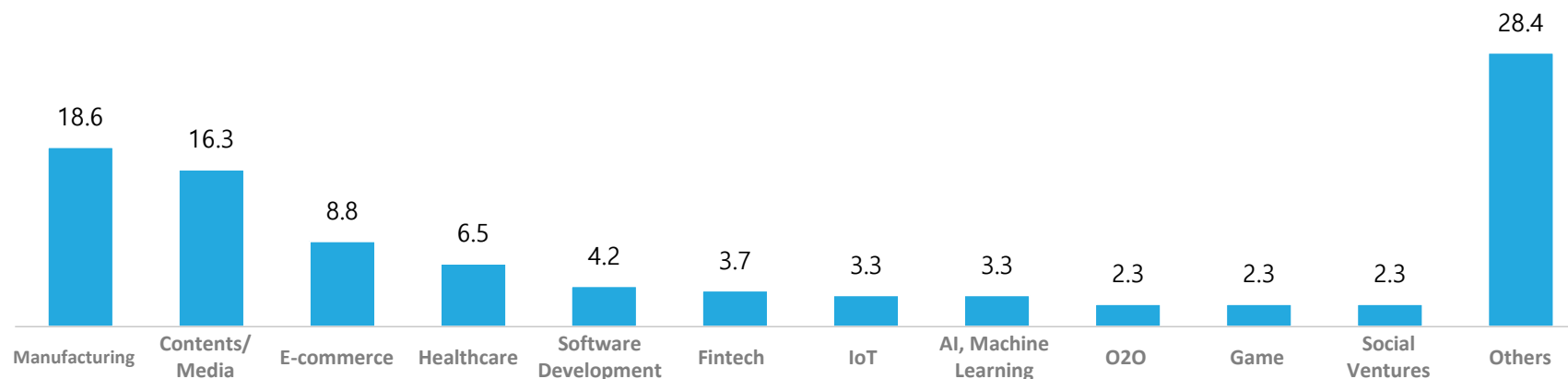
Q. If you are thinking about founding a startup, which industry do you have in mind?

C-3. Responses from Corporation Employees

Only a low proportion of corporation employees consider changing to a startup job, and most perceive it negatively.

The rate of considering changing to a startup job (20.0%) is lower than that of those not considering (48.2%). However, 53.0% of those who consider startup jobs grew more positive towards changing compared to last year.

Extent of Considering Changing Job to Startup (N=500)

Negative 48.2%
(2018) 56.0%

17.8 — Not considering at all
30.4 — Not considering

31.8 — Not sure

Positive 20.0%
(2018) 19.8%

17.6 — Considering
2.4 — Highly considering

Extent of Considering Changing Job: Present vs. 1 year ago (N=500)

- Extreme difference
- Neutral
- No difference

Not considering: 84.2 / 11.6 / 4.1
Neutral: 31.4 / 54.1 / 14.5
Positively considered: 18.0 / 29.0 / 53.0
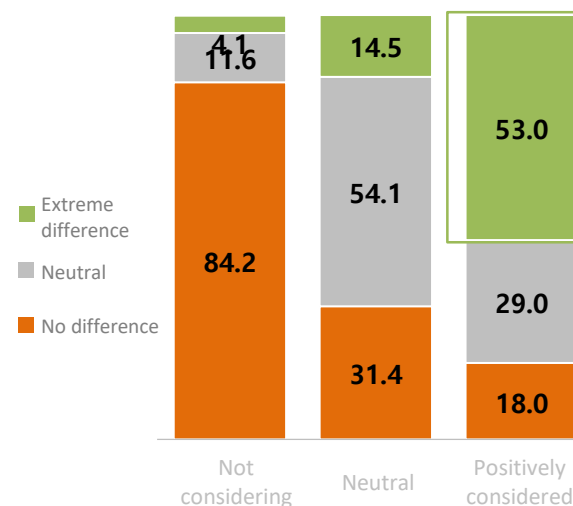
Q. To what extent are you considering changing to a startup job?
Q. How inclined are you to changing to a startup job compared to a year ago?

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C-3. Responses from Corporation Employees

Corporation employees positively consider startup jobs for a 'sense of accomplishment from fast growth.'

36.0% of corporation employees positively consider startup jobs for a 'sense of accomplishment from fast growth.' In contrast, those who are negative towards changing jobs are highly influenced by 'anxiety towards job instability' and 'concerns on reduced welfare benefits such as wage.'
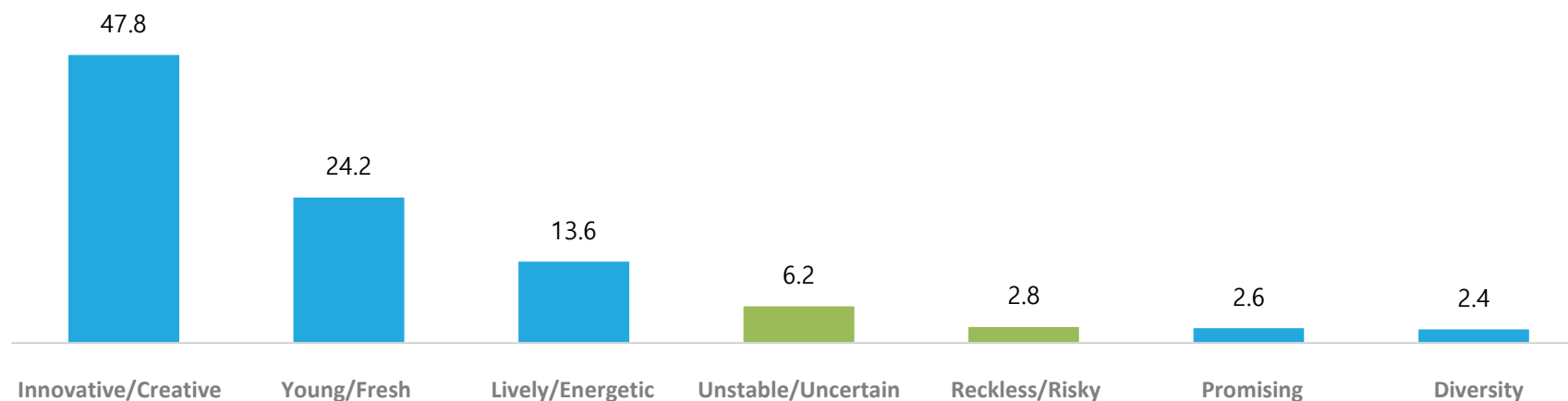
	Reasons for Considering (n=100)	Reasons for Not Considering (n=280)
1st	Sense of accomplishment from fast growth (36.0%)	Anxiety towards job instability (46.1%)
2nd	Expected profit (stock options, etc.) (27.0%)	Concerns on reduced welfare benefits such as wage (43.2%)
3rd	Prompt/flexible decision making (25.0%)	Lack of leaders/role models (3.3%)

Q. If you are considering/against taking up a job at a startup, please select the most significant reason.

C-3. Responses from Corporation Employees

Corporation employees associate startups with images such as 'innovative' and 'young.'

Startups are perceived as 'innovative/creative' and 'young/fresh.' and only a low proportion of associate startups with negative images such as 'unstable/uncertain' or 'reckless/risky.'
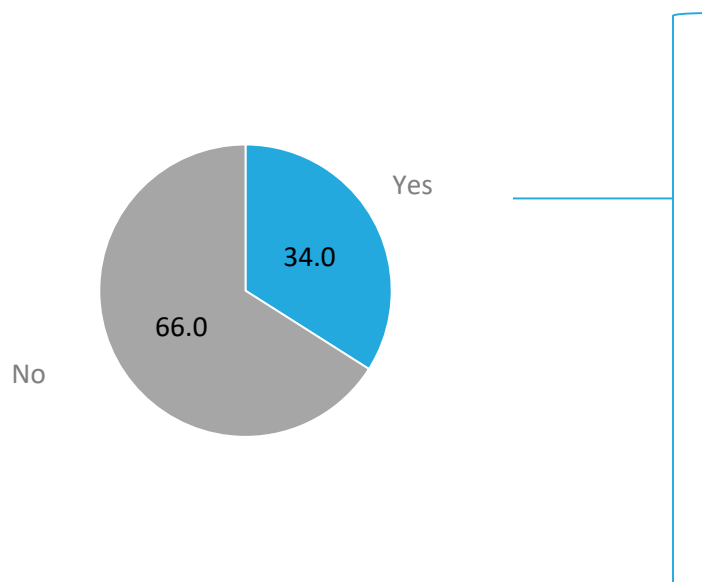

47.8	24.2	13.6	6.2	2.8	2.6	2.4
Innovative/Creative	Young/Fresh	Lively/Energetic	Unstable/Uncertain	Reckless/Risky	Promising	Diversity

Q. What first comes to your mind when you think of a startup?

C-3. Responses from Corporation Employees

34.0% of corporation employees pursue information on startups using online search.

Only 34.0% of corporation employees search for information on startups, and most refer to Naver/news articles via online searches.

Searched for Startup Information

Yes
34.0

No
66.0

Startup Information Search Channels (N=170)

Channel	Value
Online search	37.6
Naver	10.6
News/Articles	8.8
Portal sites	8.2
Google	6.5
SNS	4.7
YouTube	4.7
Newspapers	3.5
Rocket Punch	3.5
Online blogs	2.9
Platum	2.9

Q. Have you searched for information on startups?
Q. Where do you usually obtain information about startups?

59

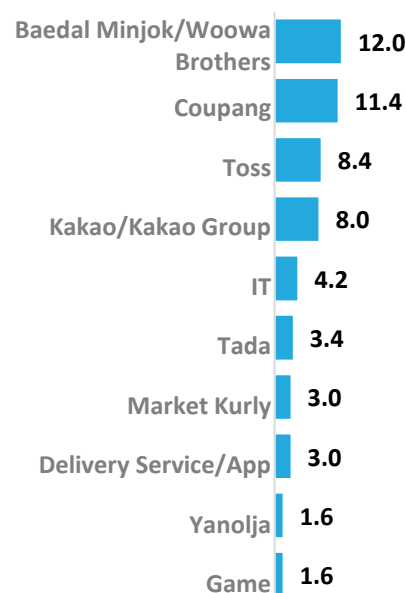## C-3. Responses from Corporation Employees

Corporation employees are most interested in the way Woowa Brothers/ Kakao/Coupang work and consider them as the fastest-growing domestic startups.

'Baedal Minjok,' 'Coupang,' and 'Kakao' were identified as the fastest-growing startups that corporation employees are interested in the way they work.
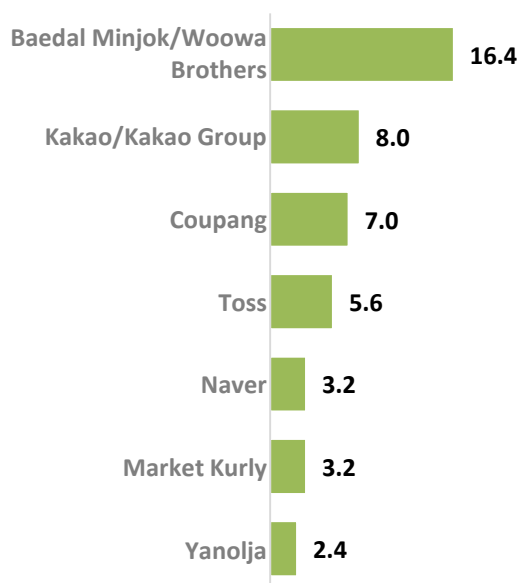
Interested Startups on Ways of Working

Startup	Value
Baedal Minjok/Woowa Brothers	16.4
Kakao/Kakao Group	8.0
Coupang	7.0
Toss	5.6
Naver	3.2
Market Kurly	3.2
Yanolja	2.4

Fastest-Growing Domestic Startup

Startup	Value
Baedal Minjok/Woowa Brothers	12.0
Coupang	11.4
Toss	8.4
Kakao/Kakao Group	8.0
IT	4.2
Tada	3.4
Market Kurly	3.0
Delivery Service/App	3.0
Yanolja	1.6
Game	1.6

Q. Which startup are you most interested in the way they work?
Q. Which do you think is the fastest-growing startup in South Korea?

C-3. Responses from Corporation Employees

Corporation employees consider Woowa Brothers and Coupang as major startups.

80 corporation employees thought of Woowa Brothers, and 56 thought of Coupang as an example of startups.

Major Startups

Woowa Brothers (80 respondents)

Coupang (56)

Toss (48)

Kakao/Kakao Group (37)

Tada (23)

Yanolja (12)

Q. Please write one company or service that comes to your mind as an example of startups.

C-3. Responses from Corporation Employees

Corporation employees perceive 'creativity,' 'initiative,' and 'professionalism' as essential qualities of founders.

'Creativity' is most expected from a founder, followed by 'initiative' and 'professionalism.' A relatively lower proportion considers 'leadership,' 'endurance,' and 'sociability' as important qualities.
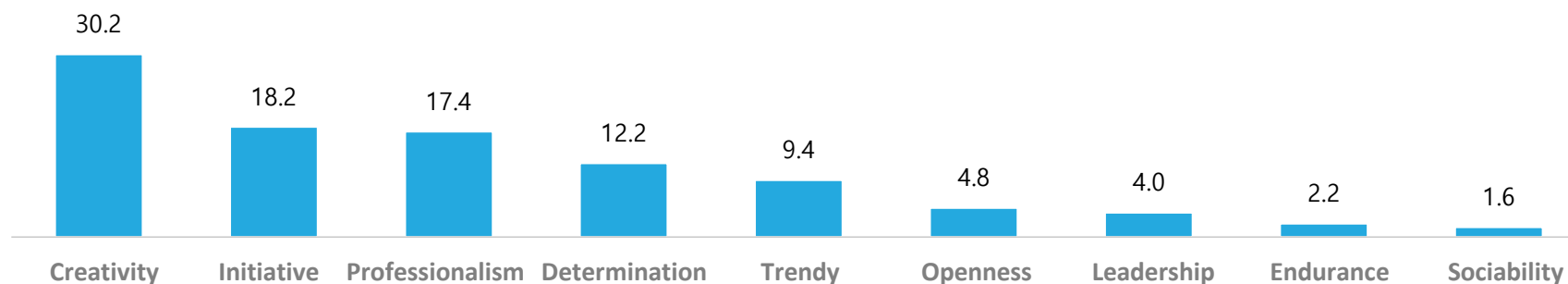

Q. Which of the following competencies do you think is most important to founders?

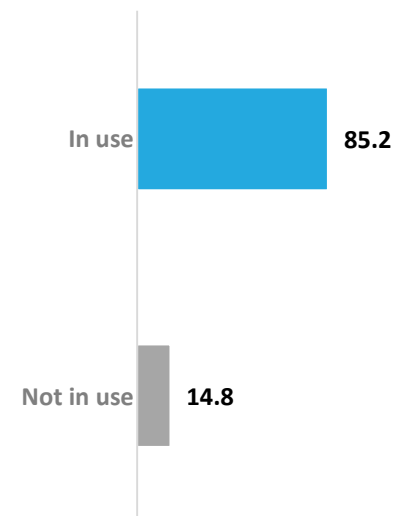## C-3. Responses from Corporation Employees

Entry-level corporation employees receive an average of 30-50M KRW as a starting salary, and 85.2% are in use of the T&A system.

In general, entry-level employees receive an average of 30-50M KRW as a starting salary, and 85.2% of the total are in use of the T&A system.

Entry-level Starting Salary

Under 20M	2.8
20-30M	17.4
30-40M	34.8
40-50M	35.4
Over 50M	9.6

T&A System

In use	85.2
Not in use	14.8
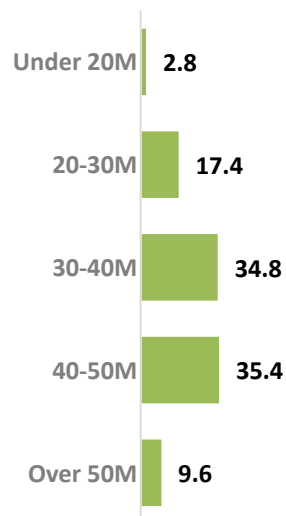
Q. What is the starting salary of your company's entry level employees(college graduates)?
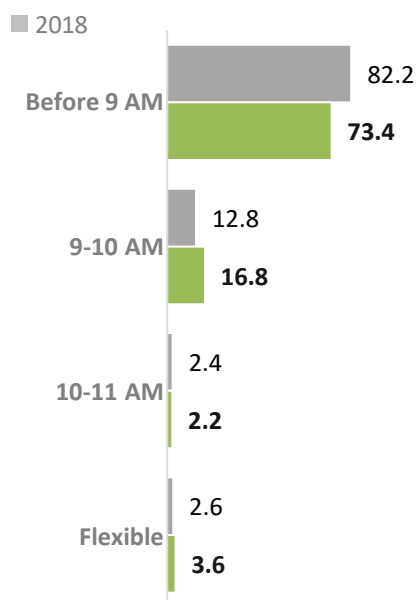Q. Do you have a T&A (Time & Assistance) system at your business?

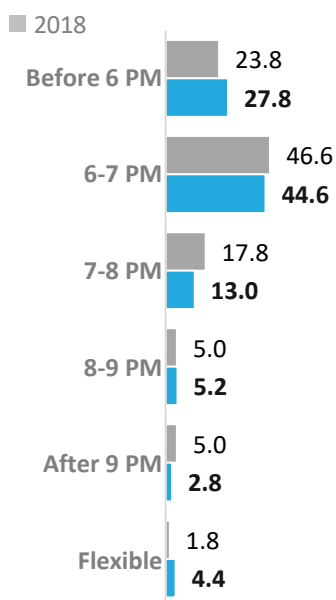## C-3. Responses from Corporation Employees

Corporation employees work for an average of 8-10 hours, beginning work before 9 AM and leaving work between 6-7 PM.

73.4% of the total start work before 9 AM and 46.6% leave work between 6-7 PM. Compared to last year, employees begin work rather late and leave work earlier. Approximately 81.0% work for an average of 8-10 hours per day, demonstrating a decrease in work hours with the implementation of the 52-hour workweek.
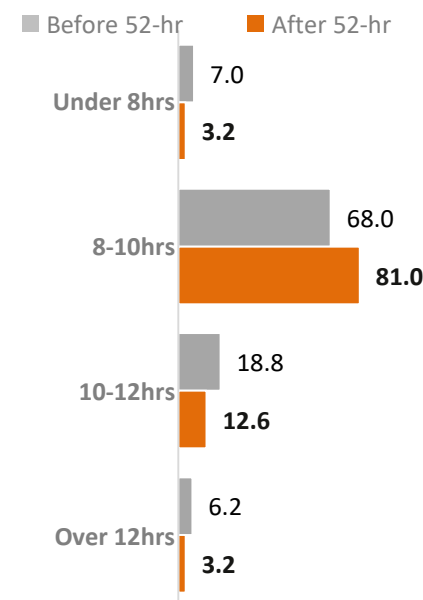
Start of Work

■ 2018

	2018	
Before 9 AM	82.2	**73.4**
9-10 AM	12.8	**16.8**
10-11 AM	2.4	**2.2**
Flexible	2.6	**3.6**

End of Work

■ 2018

	2018	
Before 6 PM	23.8	**27.8**
6-7 PM	46.6	**44.6**
7-8 PM	17.8	**13.0**
8-9 PM	5.0	**5.2**
After 9 PM	5.0	**2.8**
Flexible	1.8	**4.4**

Average Work Hours per Day

■ Before 52-hr   ■ After 52-hr

	Before 52-hr	After 52-hr
Under 8hrs	7.0	**3.2**
8-10hrs	68.0	**81.0**
10-12hrs	18.8	**12.6**
Over 12hrs	6.2	**3.2**

Q. On average, what time do you go to work?
Q. On average, what time do you get off work?
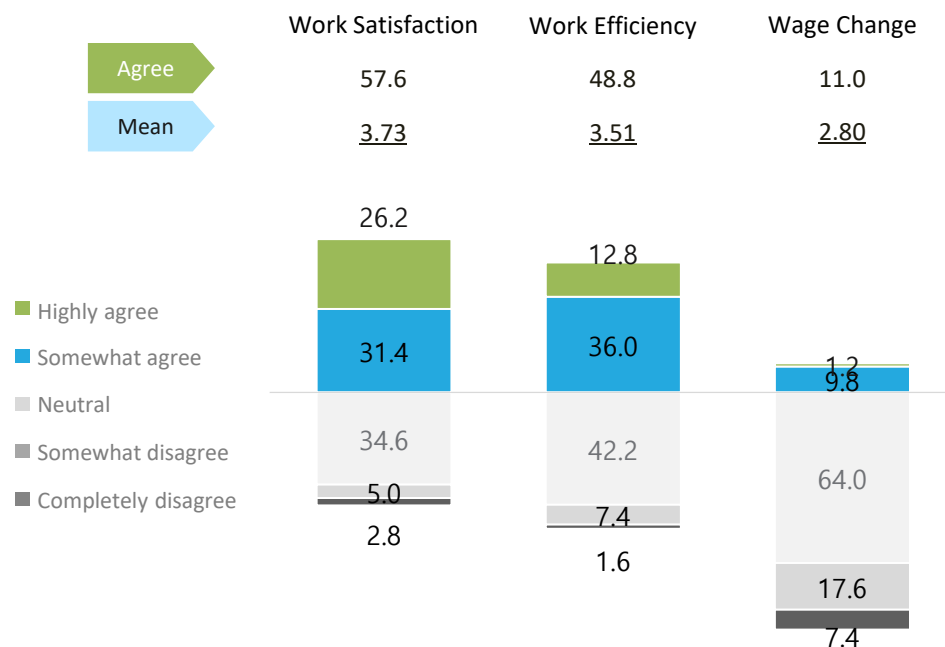Q. On average, how many hours do you work per day?
Q. On average, how many hours did you work per day before July 2018, when the 52-hour workweek was implemented?
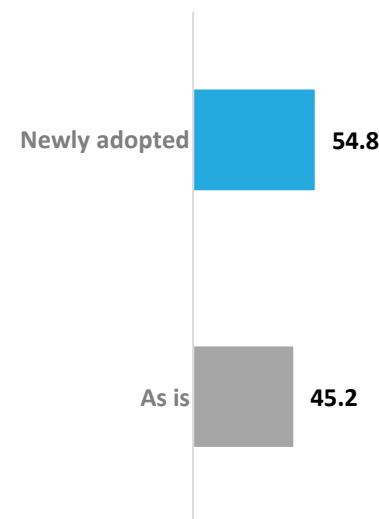
C-3. Responses from Corporation Employees

Work satisfaction and efficiency increased significantly with the introduction of the 52-hour workweek system.

57.6% of the total experienced an increase in overall work satisfaction with the introduction of a 52-hour workweek, as well as positive changes in work efficiency. Businesses are actively responding to the policy, as 54.8% witnessed newly adopted infra/systems.

Changes after Implementing 52-hour Workweek System

	Work Satisfaction	Work Efficiency	Wage Change
Agree	57.6	48.8	11.0
Mean	3.73	3.51	2.80

- Highly agree
- Somewhat agree
- Neutral
- Somewhat disagree
- Completely disagree

Work Satisfaction: 26.2 / 31.4 / 34.6 / 5.0 / 2.8
Work Efficiency: 12.8 / 36.0 / 42.2 / 7.4 / 1.6
Wage Change: 1.2 / 9.8 / 64.0 / 17.6 / 7.4

New Infra/Systems after Policy Implementation
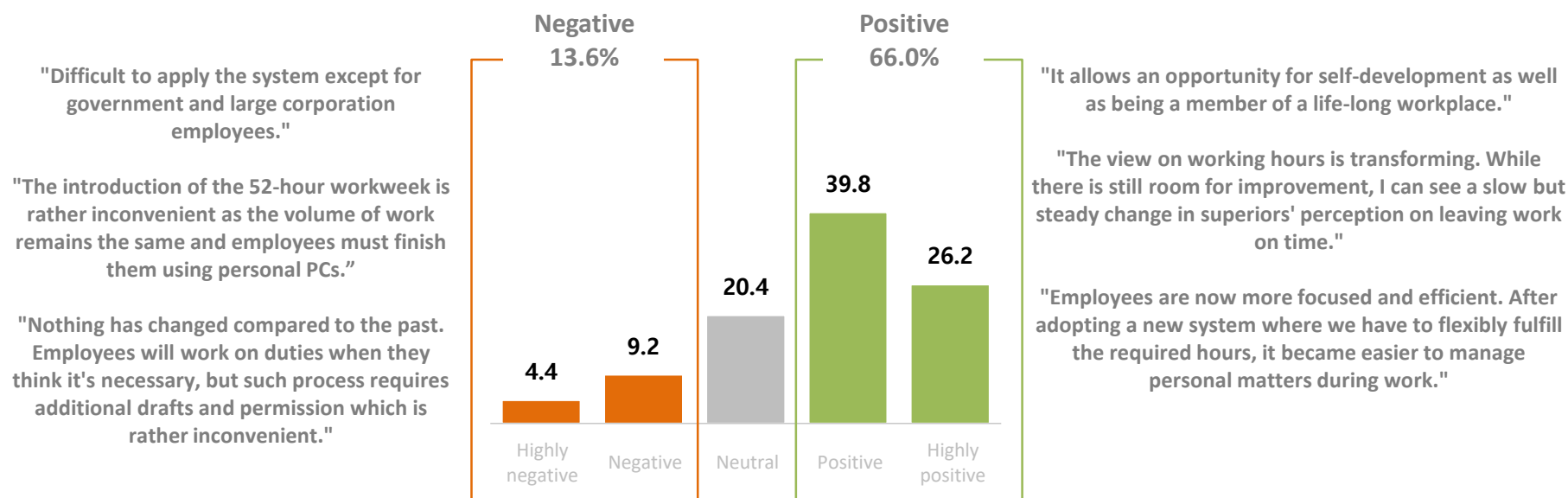
Newly adopted **54.8**

As is **45.2**

Q. Has the 52-hour workweek system changed your employees' satisfaction?
Q. Has the 52-hour workweek system changed your employees' overall work efficiency within the business?
Q. Has the 52-hour workweek system changed your employees' wage?
Q. Has the 52-hour workweek system resulted in new management infra/systems?

65

C-3. Responses from Corporation Employees

Corporation employees are highly favorable towards the 52-hour workweek system with a rate of 66.0%, and only 13.6% perceive the policy negatively.

66.0% of the total are favorable towards the 52-hour workweek system and positively evaluate the benefits of the policy, mostly due to 'work efficiency' and 'autonomy.'

"Difficult to apply the system except for government and large corporation employees."

"The introduction of the 52-hour workweek is rather inconvenient as the volume of work remains the same and employees must finish them using personal PCs."

"Nothing has changed compared to the past. Employees will work on duties when they think it's necessary, but such process requires additional drafts and permission which is rather inconvenient."

Negative
13.6%

Positive
66.0%

"It allows an opportunity for self-development as well as being a member of a life-long workplace."

"The view on working hours is transforming. While there is still room for improvement, I can see a slow but steady change in superiors' perception on leaving work on time."

"Employees are now more focused and efficient. After adopting a new system where we have to flexibly fulfill the required hours, it became easier to manage personal matters during work."

Highly negative	Negative	Neutral	Positive	Highly positive
4.4	9.2	20.4	39.8	26.2

Q. How would you rate the 52-hour workweek system overall? / What is the reason?
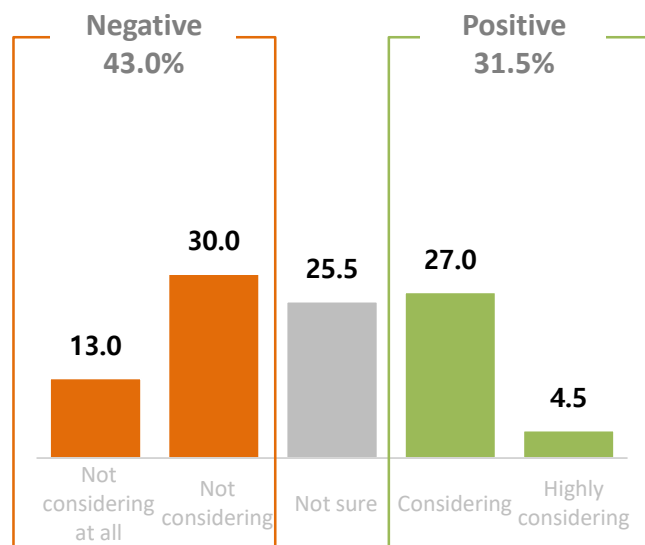
4) College Seniors

- Survey Size: 200 (Male :100 / Female: 100)
- Subjects: College Seniors / Prospective Graduates

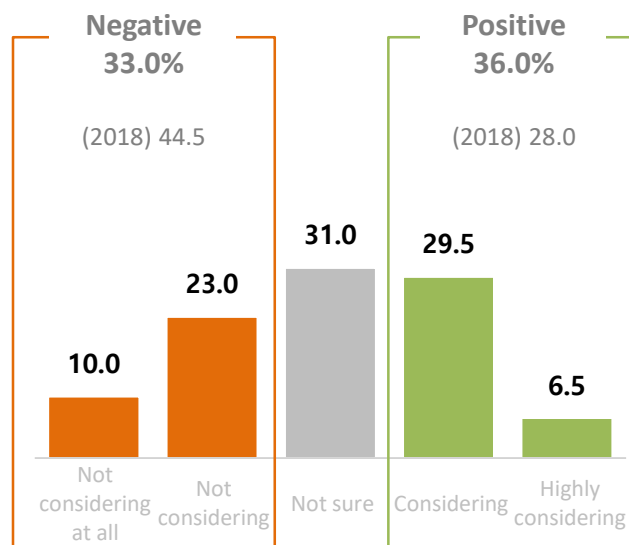## C-4. Responses from College Seniors

36.0% of college seniors positively consider starting a business.

While the rate of considering starting a business (36.0%) is lower than that of corporate employees, the level increased by 4.4% over last year and by 8% compared to the rate of considering starting a business.

Extent of Considering Starting Business : Past Year
(N=200)

Negative 43.0%			Positive 31.5%	
Not considering at all	Not considering	Not sure	Considering	Highly considering
13.0	30.0	25.5	27.0	4.5

Extent of Considering Starting Business : Present
(N=200)

Negative 33.0% (2018) 44.5			Positive 36.0% (2018) 28.0	
Not considering at all	Not considering	Not sure	Considering	Highly considering
10.0	23.0	31.0	29.5	6.5

"I am considering starting a business as I see people around me starting one and the trend is steadily featured on news outlets."

"My friends participating in a startup club would tell me things that led me thinking that it would be meaningful to start a business with mapped-out ideas, colleagues, and capital even if does not succeed."
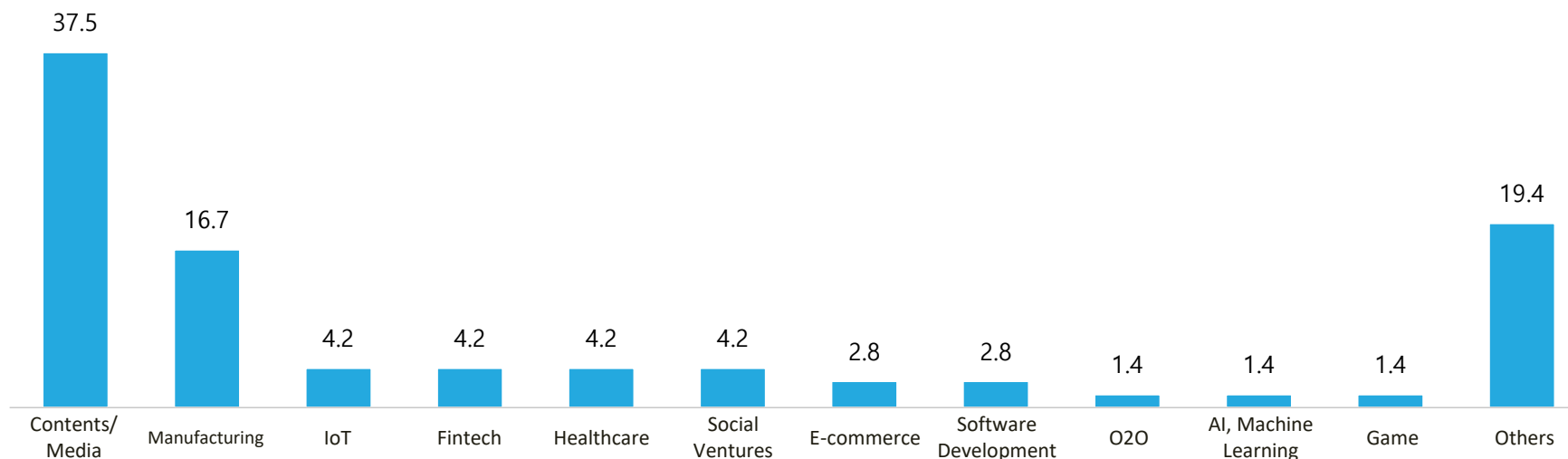
Q. To what extent are you considering starting a business?
Q. How does this compare with your view last year?

C-4. Responses from College Seniors

Among college seniors considering starting a business, 37.5% are interested in the contents/media industry.

Among industries, those considering starting a business are most interested in the contents/media (37.5%), followed by manufacturing (16.7%).
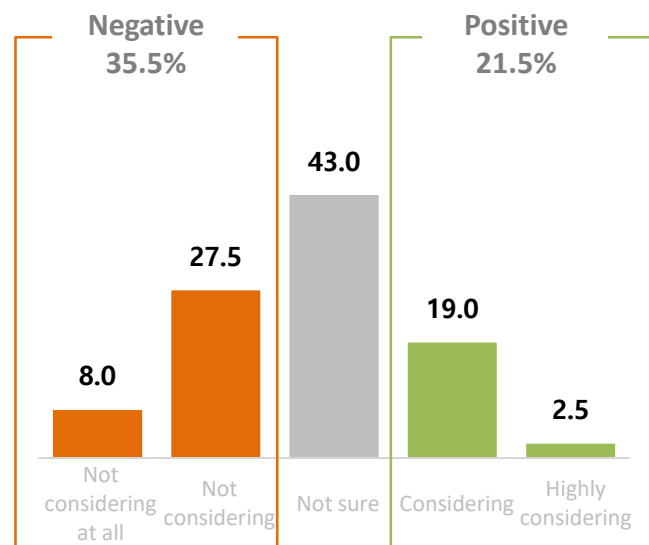

Q. If you are thinking about founding a startup, what industry do you have in mind?
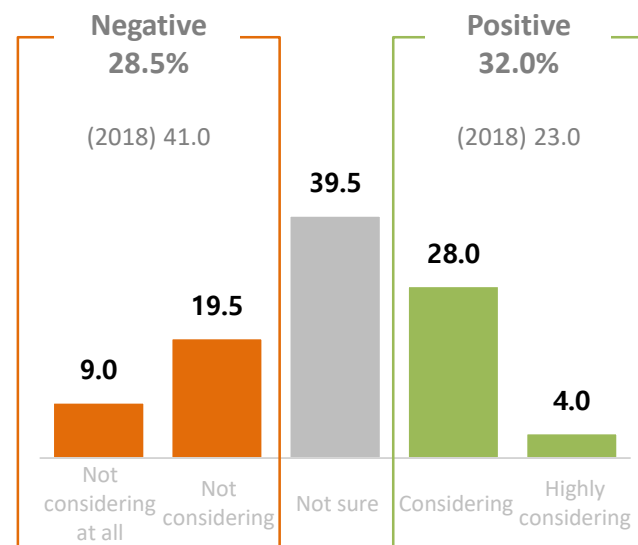
C-4. Responses from College Seniors

While only a low proportion considers getting startup jobs immediately, the rate increased over last year. (Y/Y +9.0%)

32.0% of college seniors positively consider taking a startup job, which increased by 9.0% over last year and by 10.5% compared to the previous year's perception.

Extent of Considering Seeking Startup Job: Past Year
(N=200)

Extent of Considering Seeking Startup Job: Present
(N=200)

Negative 35.5%
43.0
27.5
19.0
8.0
2.5

Not considering at all | Not considering | Not sure | Considering | Highly considering

Positive 21.5%

Negative 28.5%
(2018) 41.0
39.5
19.5
28.0
9.0
4.0

Not considering at all | Not considering | Not sure | Considering | Highly considering

Positive 32.0%
(2018) 23.0

Q. To what extent are you considering seeking a startup job?
Q. How does this compare with your view last year?

70

C-4. Responses from College Seniors

College seniors positively consider startup jobs due to 'prompt and flexible decision making.'

While college seniors positively consider startup jobs to enjoy a 'prompt and flexible decision making' and a 'sense of accomplishment from fast growth,' others perceive negatively due to 'anxiety towards job instability.'
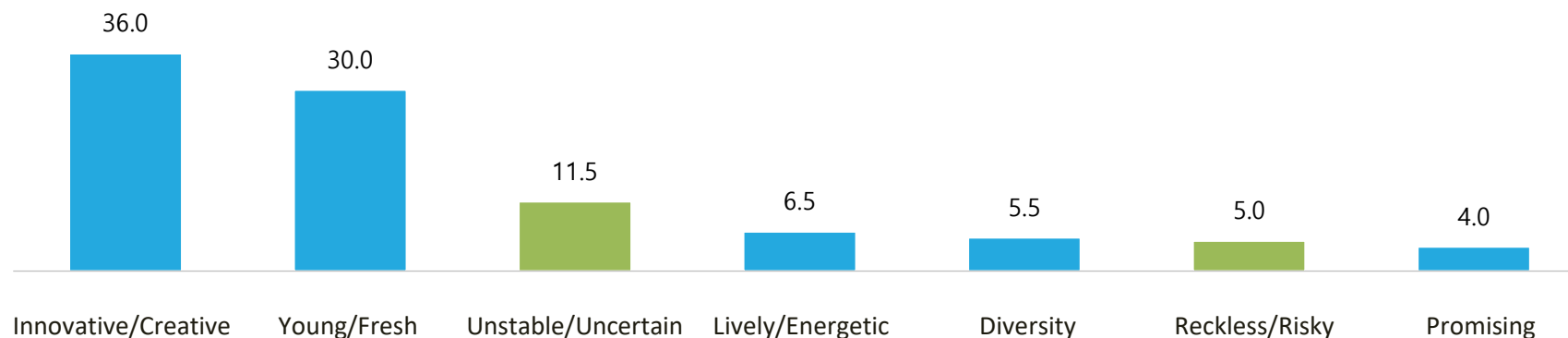
	Reasons for Considering (n=64)	Reasons for Not Considering (n=57)
1st	Prompt/flexible decision making (35.9%)	Anxiety towards job instability (64.9%)
2nd	Sense of accomplishment from fast growth (32.8%)	Concerns on reduced welfare benefits such as wage (17.5%)
3rd	Sense of mission in doing valuable work (20.3%)	Lack of leaders/role models (15.8%)

Q. If you are considering/against taking up a job at a startup, please select the most significant reason.

C-4. Responses from College Seniors

College seniors associate startups with images such as 'innovative/creative' and 'young/fresh.'

College seniors perceive startups as 'innovative/creative' and 'young/fresh' most frequently, followed by 'unstable/uncertain.'
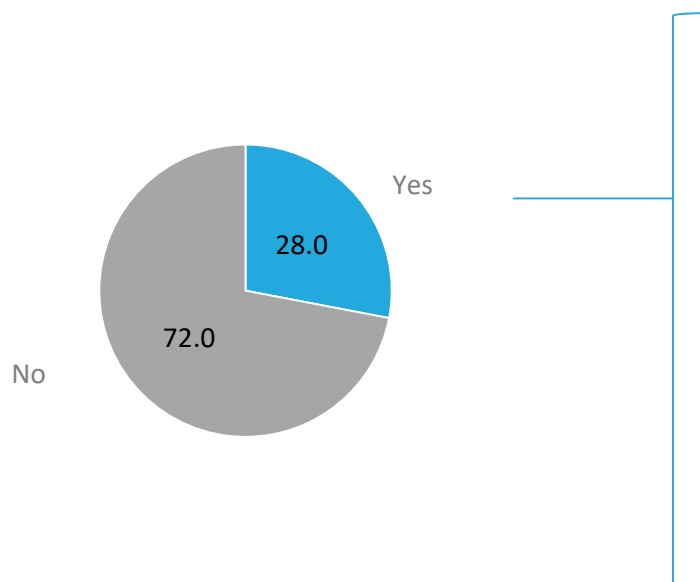

Innovative/Creative	Young/Fresh	Unstable/Uncertain	Lively/Energetic	Diversity	Reckless/Risky	Promising
36.0	30.0	11.5	6.5	5.5	5.0	4.0

Q. What comes to your mind first when you think of a startup?

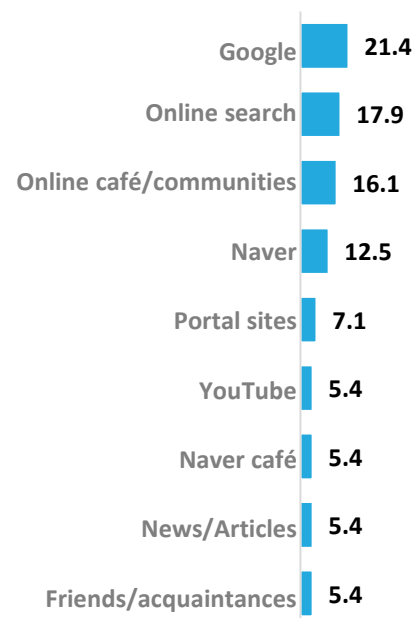## C-4. Responses from College Seniors

Approximately 28.0% of college seniors pursue information on startups using an online search.

College seniors are not actively pursuing information on startups, with only 28.0% rate of searching. Most refer to Google or online searches to obtain information.

Searched for Startup Information

Yes

28.0

No

72.0

Startup Information Search Channels (N=56)

Google	21.4
Online search	17.9
Online café/communities	16.1
Naver	12.5
Portal sites	7.1
YouTube	5.4
Naver café	5.4
News/Articles	5.4
Friends/acquaintances	5.4

Q. Have you searched for information on startups?
Q. Where do you usually obtain information about startups?

C-4. Responses from College Seniors

College seniors consider Woowa Brothers (Baedal Minjok) as a major startup.

When reminded of startups, 34 college seniors thought of Woowa Brothers, and 16 thought of Kakao. While most do not associate startups with a specific individual, CEO Kim Bong-jin was mentioned most frequently among domestic founders.
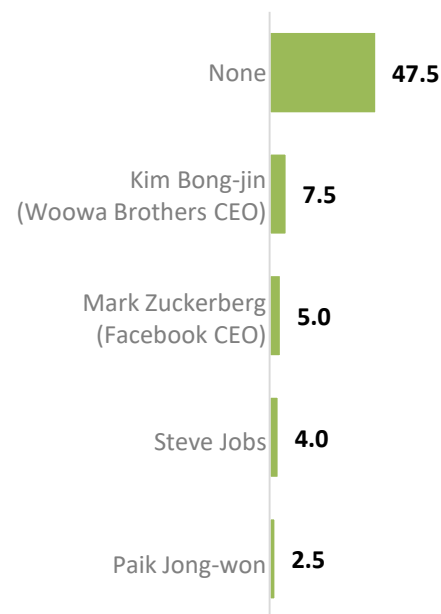
Major Startups

- Woowa Brothers (34 respondents)
- Kakao (16)
- Coupang (6)
- Toss (6)

Individual Associated with Startup

- None — 47.5
- Kim Bong-jin (Woowa Brothers CEO) — 7.5
- Mark Zuckerberg (Facebook CEO) — 5.0
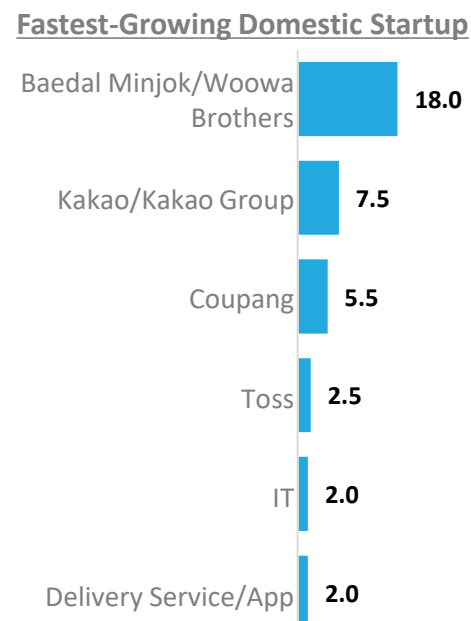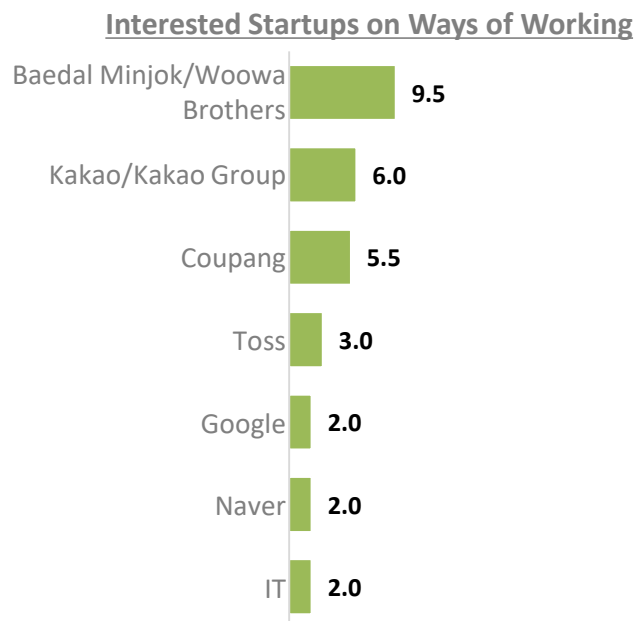- Steve Jobs — 4.0
- Paik Jong-won — 2.5

Q. Please write one company or service that comes to your mind as an example of startups.
Q. Please write down one person that first comes to your mind when you think of the startup ecosystem, regardless of industry/scope of business. Who is this person and why did you select this individual?

C-4. Responses from College Seniors

College seniors are most interested in Woowa Brothers/Kakao's way of working and consider both as the fastest-growing domestic startups.

Both Woowa Brothers and Kakao were identified as the fastest-growing startups that college seniors are interested in the way they work.
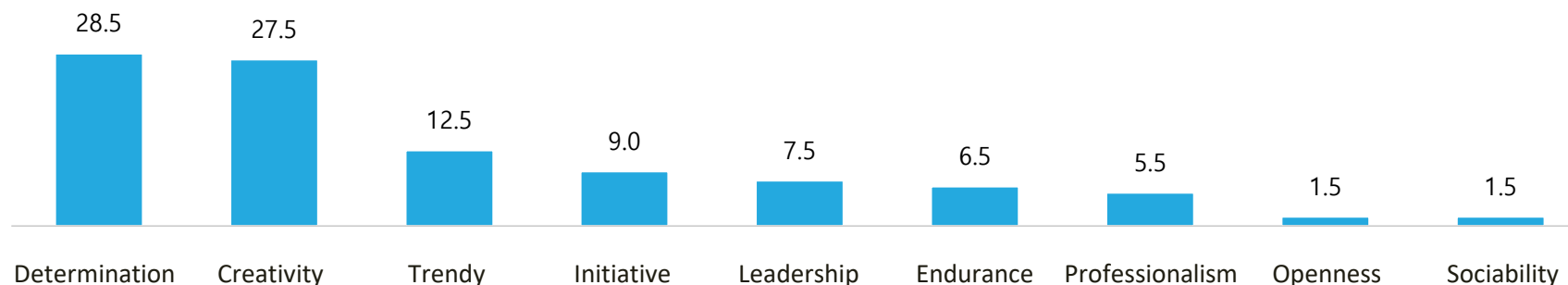
Interested Startups on Ways of Working

Baedal Minjok/Woowa Brothers	9.5
Kakao/Kakao Group	6.0
Coupang	5.5
Toss	3.0
Google	2.0
Naver	2.0
IT	2.0

Fastest-Growing Domestic Startup

Baedal Minjok/Woowa Brothers	18.0
Kakao/Kakao Group	7.5
Coupang	5.5
Toss	2.5
IT	2.0
Delivery Service/App	2.0

Q. Which startup are you most interested in the way they work?
Q. Which do you think is the fastest-growing startup in South Korea?

C-4. Responses from College Seniors

College seniors consider 'determination' and 'creativity' as essential qualities of founders.

College seniors expect 'determination' most frequently from founders, followed by 'creativity.' The importance of 'openness' and 'sociability' is relatively low.

Determination	Creativity	Trendy	Initiative	Leadership	Endurance	Professionalism	Openness	Sociability
28.5	27.5	12.5	9.0	7.5	6.5	5.5	1.5	1.5

Q. Which of the following competencies do you think is most important to founders?

Startup Trend Report 2019