The next frontier

Exploring the evolution of work in startups and corporates

accenture

STARTUP VERBAND

Overview

How will we be working in the future?

Introduction & Executive Summary

Introduction

The topic of "New Work", an umbrella term for far-reaching changes in the world of working in a society characterized by digitalization and globalization, has become widely discussed and gained momentum since the pandemic. With demographic shifts and technological advancements underway, the transformation around the way we work has only just begun.

This report explores two ecosystems at the forefront of the developments to uncover what the future of work may hold:

German startups and corporate Innovation Ecosystem Units

In a collaborative effort, Accenture, Founders Intelligence, and the German Startups Association have analyzed diverse perspectives and data from the world of startups and corporates to explore the following questions:

o How have German startups and corporates developed and what kind of talent are they attracting?
o What is "New Work" and how is it being embodied in the talent pool? What motivates this new cohort of workers?
o When startups grow and scale, what happens to their way of working? What kind of leadership is needed to support the transition?
o How can startups and corporates learn from each other to improve their ways of working and successfully collaborate?
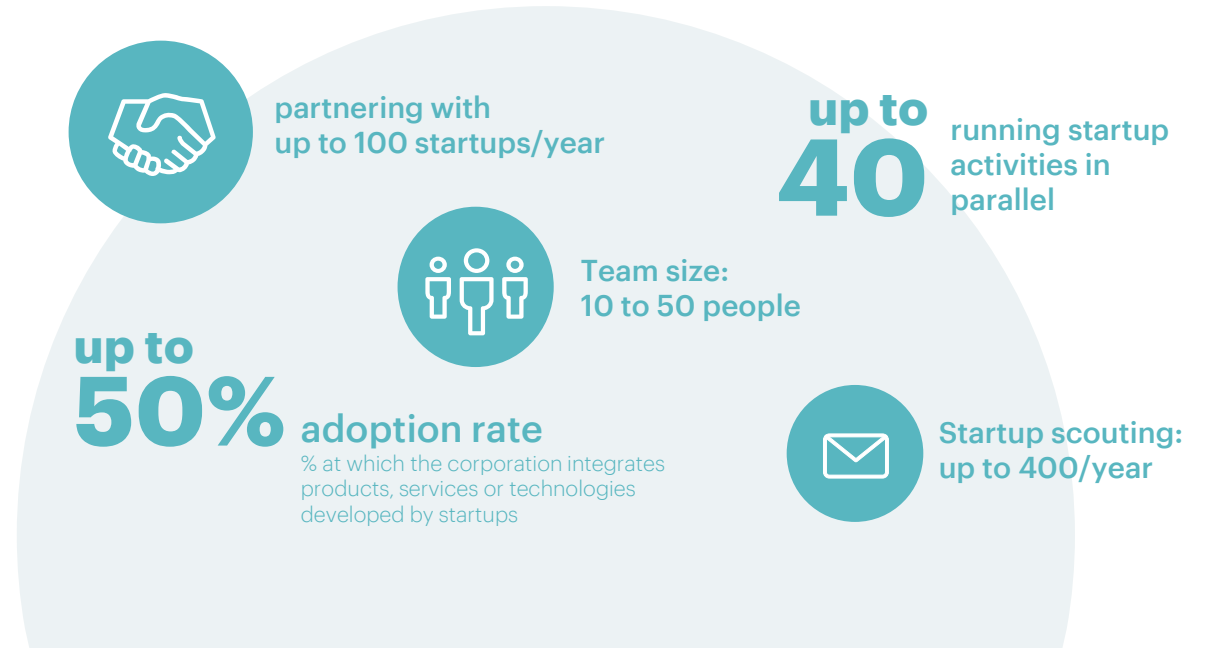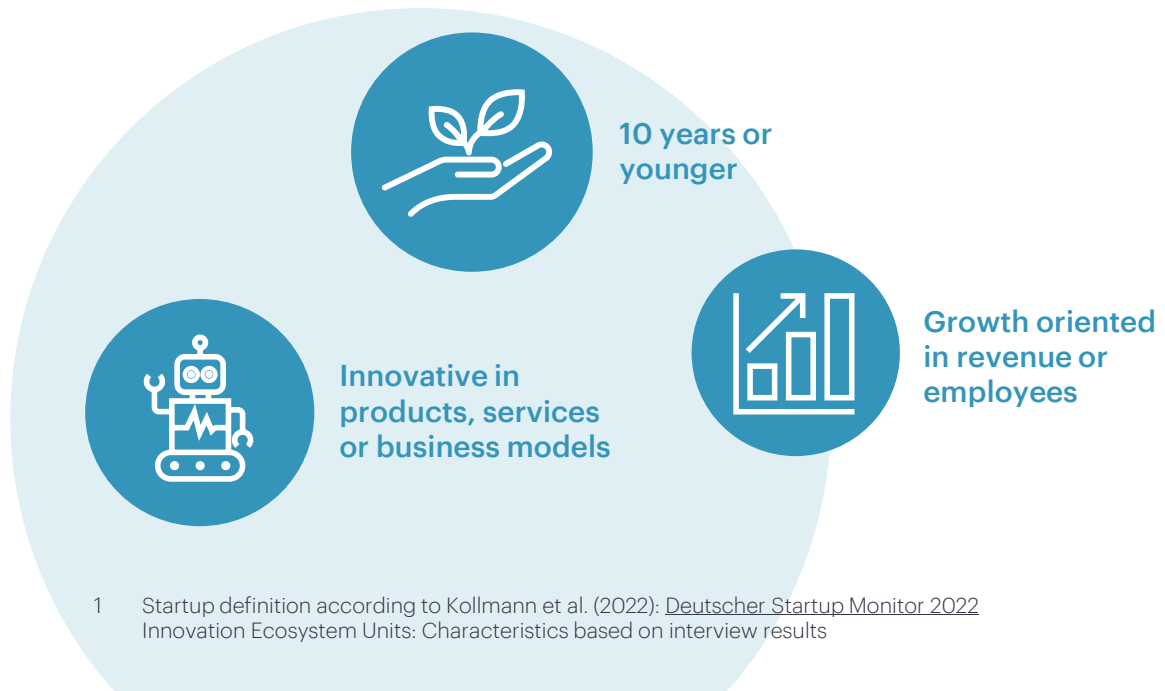
Drawing on insights from a comprehensive survey of over 800 German startup employees and founders as well as on 15 in-depth interviews with corporate innovation professionals, this report offers a rich perspective on the future of work, looking at those who shape tomorrow's economy.

Characteristics of startups and corporate Innovation Ecosystem Units

Startups are key to shaping future economies and inventing new ways of working. When we talk about startups, we refer to companies that are ten years or younger, pursue an innovative business model, and are distinctly growth-oriented.[1] Their working culture is driven by change and therefore greatly impacts the future of work not just in the startup ecosystem, but across the entire economy.

Innovation Ecosystem Units: An increasing number of corporates have set up specialized units to co-create, co-develop, and partner with startups. These units act as interfaces between the corporate and the startup world and vary in terms of structure (e.g., Innovation Labs, Accelerator Programs, Corporate Venture Capital, Venture Clienting, Incubators, etc.). For the sake of simplicity, we will refer to them in this report as 'Innovation Ecosystem Units.'

10 years or younger

Innovative in products, services or business models

Growth oriented in revenue or employees

partnering with up to 100 startups/year

up to 40 running startup activities in parallel

Team size: 10 to 50 people

up to 50% adoption rate
% at which the corporation integrates products, services or technologies developed by startups

Startup scouting: up to 400/year

1   Startup definition according to Kollmann et al. (2022): Deutscher Startup Monitor 2022
     Innovation Ecosystem Units: Characteristics based on interview results

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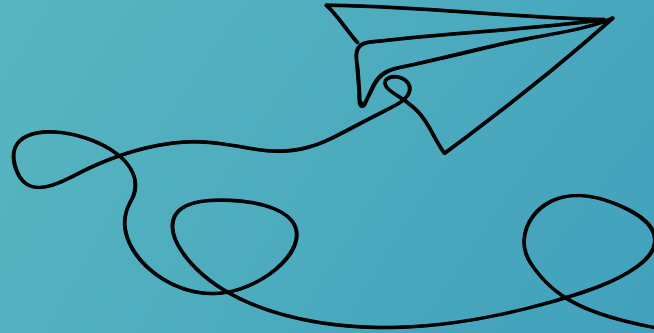
To contribute to the discussion around "New Work", this report takes a practical approach by focusing on two spaces at the forefront of the transformation of work—German startups and corporate Innovation Ecosystem Units. Drawing on insights from a survey of over 800 participants from German Startups and 15 interviews with corporate innovation professionals, this report provides a perspective on what the future of work may hold.

Key findings:

The Innovation Ecosystem continues to grow

The German startup sector has witnessed substantial growth in the last 15 years and is successfully attracting young and highly educated people. The average age of startup employees is 32 with 86% holding a university degree. Similarly, the number of Innovation Ecosystem Units and their strategic relevance within the corporate world has increased. They have professionalized their funding and structures and are sought-after places to work, attracting external talent as well as offering a new path for internal corporate talent.

The talent that drives New Work

In Germany, startup employees are more likely to state that they are very satisfied with their job (32%) compared to employees in established companies (22%). They prioritize flexibility and growth opportunities over job security and income. In addition, a shared sense of community serves as a key motivator. In Innovation Ecosystem Units, employees demonstrate a startup-like mindset and are attracted by a workplace that represents a space between big and small organizations offering aspects of both worlds. Central to the way they work is the creation and development of networks within and beyond the corporate world.

Culture and community are precious

The startup work culture is rather informal and primarily defined by social proximity as well as daily shared experiences. During phases of rapid growth, the sense of community—which is core to the concept of New Work – weakens. It is at this point that new structures come into play: in startups with 50+ people, almost half of employees think of the company as hierarchical. This also poses challenges for leadership especially concerning the relationship with employees and decision-making. In contrast, corporates have more formalized work culture principles that rely less on social proximity. Also, as it is challenging to have a unified identity, corporates tend to see a multitude of micro-communities.

Embracing mutual learnings

Over the past 15 years, intense collaboration between corporates and startups has taken place. A matured ecosystem with dedicated vehicles such as incubators, accelerators, and networks is helping overcome the challenges of the interplay between small and big. Both sides benefit immensely from the collaboration. Innovation Ecosystem Units serve as a catalyst, introducing entrepreneurial mindsets and agile approaches of startups to the corporate working culture. On the other hand, startup leadership can learn to avoid pitfalls around maintaining a dynamic company culture at scale, redesigning structures, and defining offers around professional development or work-life-balance.

Conclusion: The innovation ecosystem is still growing and providing a snapshot of how we'll work in the future while accelerating change. In this new context, talent is working differently from the traditional workforce—prioritizing flexibility, personal growth, and community. They also demonstrate a strong "network mindset", in which they leverage collaboration to approach challenges and find solutions.

When startups scale, they reach a turning point where cultural challenges tend to emerge. What used to "just happen" (i.e., motivational drivers, community) will need to be formalized to some extend. Corporates, on the other hand, often have a hard time to integrate new ways of working within existing structures.

Chapter 1

The innovation ecosystem continues to rise

The innovation ecosystem— a cradle for New Work

The current economic climate has undoubtedly had an impact on startups in Germany. In 2022, there was a decline in the number of new startups and investments came down from previous record levels.[1] Yet, a longer-term perspective reveals that the innovation ecosystem has experienced remarkable growth, with investments and company valuations soaring. This has enabled new paths for economic development and advances in digitization.

A similar long-term trend can be observed in the corporate landscape where more Innovation Ecosystem Units have emerged and their strategic relevance within the organization has substantially increased.

Not only is this ecosystem growing and facilitating innovation, but it is also driving change in the ways we work. Taking a closer look at this cradle for New Work gives us clues on what will be different and what challenges and opportunities lie ahead.

**How has the innovation ecosystem developed and what kind of talent is it attracting?**

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1   Number of newly funded Startups: German Startups Association (2023): Next Generation – Startup-Gründungen in Deutschland Januar 2023

The innovation ecosystem keeps growing

The German startup ecosystem has gained tremendous momentum in recent years, evolving through multiple stages of development. Startup investments have increased 12-fold between 2012 and 2022, and despite recent economic challenges, company valuations hit an all-time high of 168 billion Euros in 2022.[1]

This expansion did not go unnoticed by corporates who have become important investors and customers to startups, utilizing their new technologies and services. A model that has proven successful for corporates to connect with startups has been the creation of dedicated Innovation Ecosystem Units which act as a bridge between the two worlds.

Valuations of German startups in billion Euros[1]

x6,2

27	44	54	117	168
2018	2019	2020	2021	2022
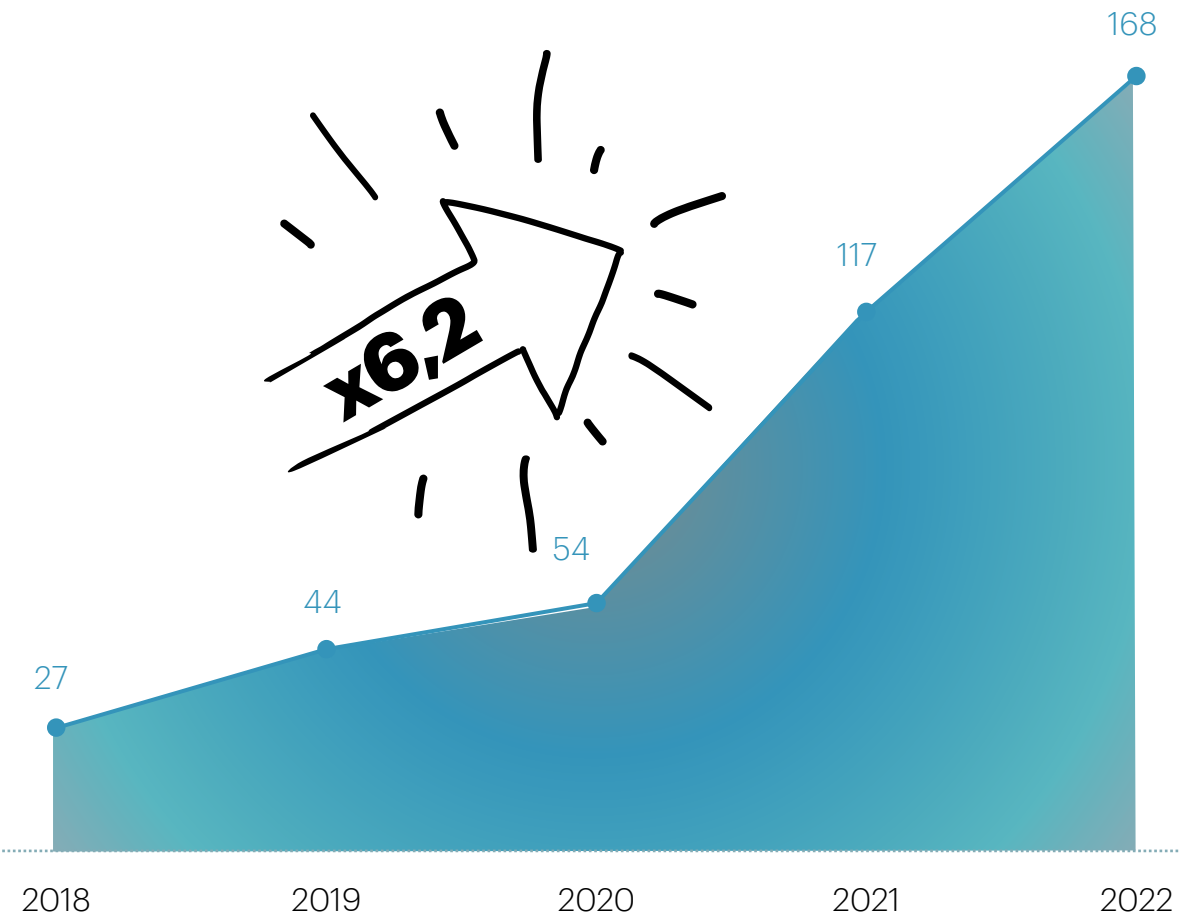
A significant shift in strategic relevance of Innovation Ecosystem Units in corporates

Not only is the startup ecosystem on the rise, also the corporate landscape has seen growth. Despite higher budget pressures in the current market environment, corporations have continued investing in the development of Innovation Ecosystem Units, emphasizing their understanding that future challenges demand a distinct set of skills and talent, and that innovation activities must be orchestrated on a strategic level to stay competitive.

In the past, innovation units were often viewed as mere "experimentation vehicles". Nowadays, they are considered a strategic endeavor to propel future growth. Companies know that they cannot only rely on their internal "innovation-power" and need the ecosystem to stay competitive. The teams maintain proximity to the board and operate with established processes and KPIs.

"Successfully collaborating with startups has become an integral part of our innovation and growth strategy—and we feel the support and continued commitment from our leadership."
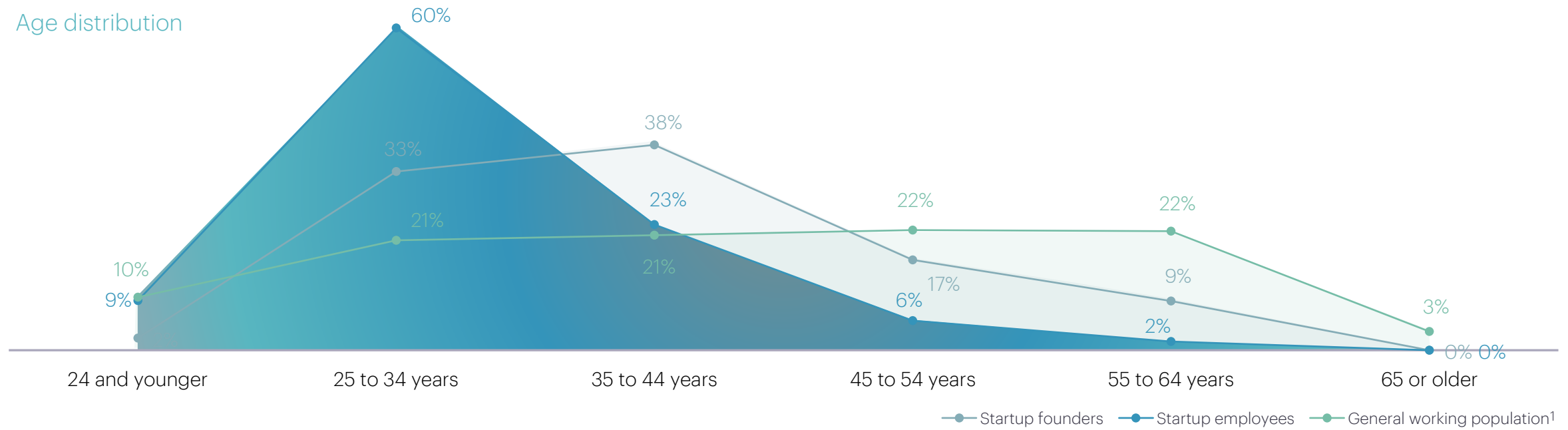—Interviewee, Global Industrial Corporation

83%

of German companies say they are now exposed to higher speed technological change than ever before.[1]

Startups attract a new generation of talent

The average age of startup employees is significantly lower than that in the general working population in Germany, at just 32 vis a vis 43[1]. The age distribution also differs immensely, with 69% of startup employees under 35, compared to only 31% in the working population overall.

Gen-Z (approx. 27 years or younger) is therefore already widely represented in the startup ecosystem, making up 28% of employees, vs 13% among the general working population[1]. Most founders as well as employees, however, are Millennials (approx. 28 to 41 years of age).

Age distribution

	24 and younger	25 to 34 years	35 to 44 years	45 to 54 years	55 to 64 years	65 or older
Startup founders	10%	33%	38%	17%	9%	0%
Startup employees	9%	60%	23%	6%	2%	0%
General working population[1]	9%	21%	21%	22%	22%	3%

Startup founders · Startup employees · General working population[1]

Startups are a magnet for highly educated talent

The most striking characteristic of startup employees is the high proportion of university graduates, substantially surpassing the average within the general working population in Germany. Another attribute is the lower share of startup employees with children — 28% vs. 39%, primarily due to the lower average age.

The high share of academics among startup employees demonstrates the need for teams with a background in higher education, especially when it comes to tech or businesses skills. At the same time, it is a result of the attractiveness of the sector for well-educated talent.

Startup employees   General working population

Share of academics

86%   **24%**[1]

Share with children

28%   **39%**[2]
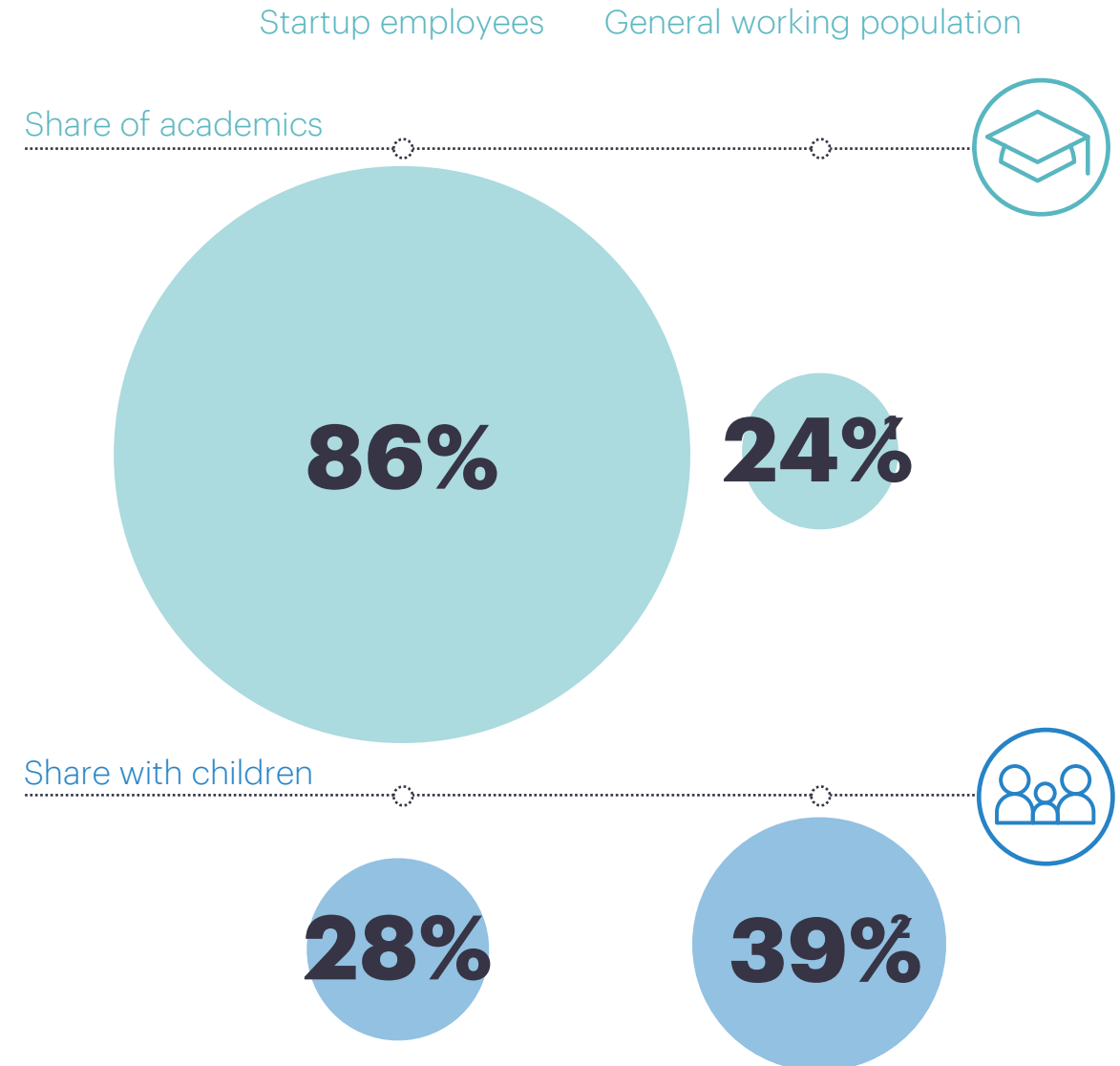
1   Federal Statistical Office of Germany, Microcensus 2022
2   Federal Statistical Office of Germany, analysis upon request of Microcensus 2022

Working in a startup is not a one-off

The appeal of startups to highly educated individuals is not only temporary as more than a third of current startup employees would want to work for another startup in the future – 23% see themselves moving to a small or medium sized company. This illustrates that the startup environment has a lasting appeal and is more than a first career step.

Being exposed to the founder's entrepreneurial spirit also has an impact on future ambitions: 12% of employees express interest in founding a company or becoming self-employed. Considering the large and growing number of jobs in the startup sector, this talent pool will be a key resource in strengthening entrepreneurship in Germany. Only 13% would prefer moving to a large corporate as a next step, despite benefits that might include job security, higher income or steady career opportunities.

Where would you prefer to work next?

- 35%
- 23%
- 13%
- 6%
- 6%
- 17%
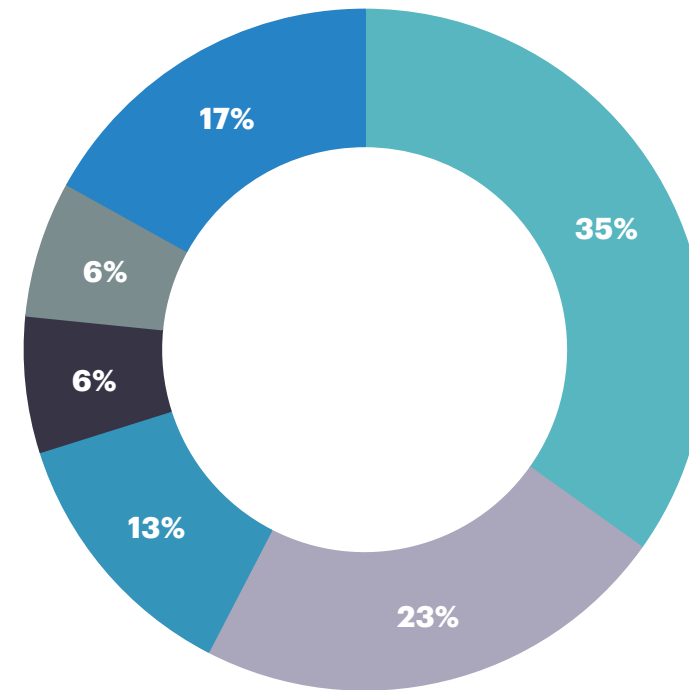
- At a startup/scaleup
- At an SME
- At a large corporate
- Found a company
- Self-employed or as a freelancer
- Something else / don´t know

Innovation Ecosystem Units have adapted their recruitment strategy to focus on internal talent

Where do corporates source their talent for Innovation Ecosystem Units? In corporates these units play an important role in attracting new talent and in providing additional career opportunities within the organization. The emergence of these Units over the past decade has been accompanied by a shift in recruiting strategies, transitioning away from strong external recruitment to a more balanced approach. This approach recognizes the criticality of the corporate network in driving innovation effectively and growing internal talent.

By tapping into the knowledge, experience, and relationships within the organization, these units can capitalize on existing resources and achieve greater alignment between innovative endeavors and organizational goals.

"We started out setting up our unit mainly with talent from the outside. Then we realized that it was difficult to drive internal innovation effort, due to the lack of internal networks and knowledge regarding our corporate structure. Now we grow organically and promote internal career programs."

—Interviewee, Global Telecommunication Corporate

Chapter 2

The talent that drives New Work

Growth needs talent— talent needs room to grow

The concept of 'New Work' has become popularized in recent years and encapsulates an important ongoing change. The transformation is not only driven by digital technologies but also reflects social and cultural changes among a generation with different values and expectations towards work and employers. Startups are at the forefront of this development due to their young age, small size, and focus on innovative technologies.

Corporates experiment with new ways of working to maintain and attract talent. In order to understand where and how to reskill, what type of leadership is needed, or what motivates talent, corporates are looking to startups for insights. Hence, corporate Innovation Ecosystem Units do not only serve technological or revenue purposes but play an integral role in understanding and implementing New Work.

What are the key motivators for the talent that drives New Work?

High job satisfaction among startups

32% of startup employees are very satisfied with their job—
a significantly higher share than among employees of established
businesses in Germany[1]. This is particularly interesting since the
results on income satisfaction point in the opposite direction.

Nevertheless, income remains an influential factor: Startup
employees who are very satisfied with their income experience a
significant increase in overall job satisfaction (56% vs 32%). This
points to the untapped potential and blind spots when talking about
New Work in the startup sector.

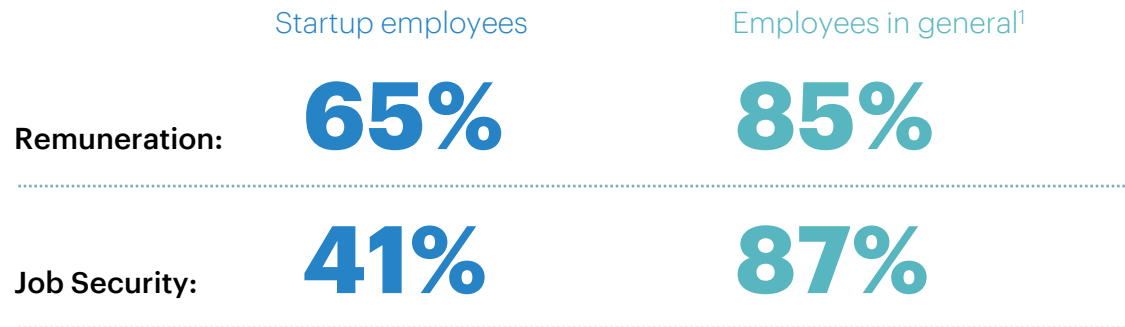### Share of employees that are "very satisfied" (Score 9 or 10 out of 10)

	Startups	Established businesses[1]
Overall job satisfaction	**32%**	**22%**
Income satisfaction	**16%**	**23%**

1 Institute for Employment Research, Linked Personnel Panel 2022 (Representative survey of employees
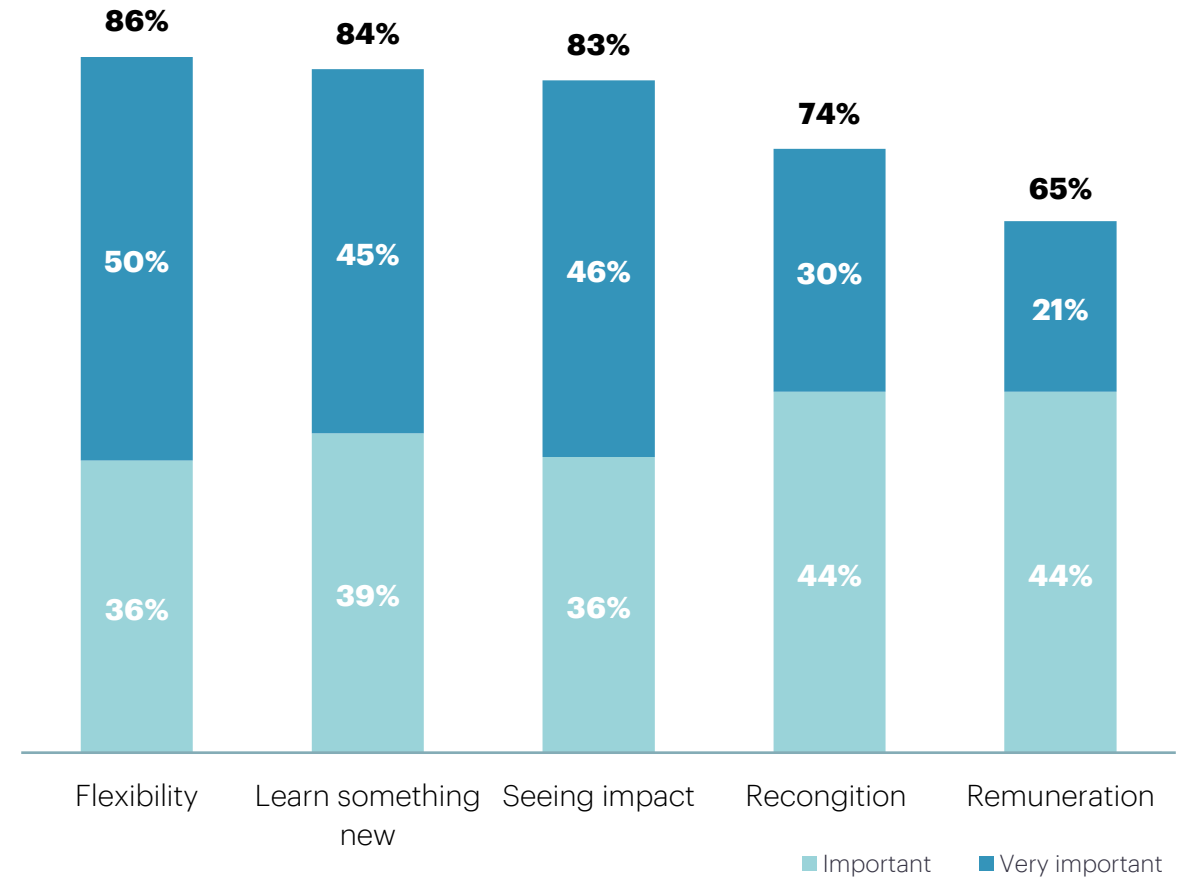of companies with 50 employees or more in Germany)

Above all—new workers want flexibility

Startup employees strongly prioritize flexibility around workplace and time over more traditional aspects like job security and income. Other factors such as learning new things and seeing their impact point to vast opportunities for personal growth in the startup sector.

In contrast, comparable data among the general workforce lists remuneration and job security as the most relevant job attributes. This illustrates differences in priorities that relate to specific traits of startup employees, notably their younger age and their focus on personal growth.

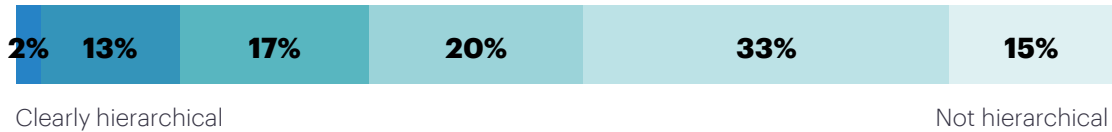|	Startup employees	Employees in general[1]
Remuneration:	**65%**	**85%**
Job Security:	**41%**	**87%**

Top 5 factors in job motivation for startup employees

Flexibility	Learn something new	Seeing impact	Recognition	Remuneration
86%	84%	83%	74%	65%
50%	45%	46%	30%	21%
36%	39%	36%	44%	44%

■ Important ■ Very important

Community is key

Besides the previously described factors for motivation, there is an element which is hard to measure but at the core of New Work - the sense of community. Due to the small company size, founders and employees have a close and oftentimes strong connection. Hierarchies are flat and cross-team collaboration is intensive. This fosters a sense of community which employees and founders highly appreciate.

Startup employees' assessment regarding...

...company structure

2%	13%	17%	20%	33%	15%

Clearly hierarchical   Not hierarchical

...collaboration

1%	8%	11%	24%	34%	22%

Strongly in silos   Strongly cross-team

84%
of startup employees state that they know the first names of all their colleagues.

95%
of startup employees state that they can directly talk to the CEO.

Talents demonstrate a "network mindset" to approach and solve challenges

The race for great talent persists in Innovation Ecosystem Units which is why it is important that they understand the previously described motivators. On the other hand, what contributions do talented New Work individuals offer their employers?
A highly valuable part is their network. When fostering innovation, both their external startup contacts and internal professional relationships become crucial. Together, these networks are key to driving successful innovation efforts from proof of concept to scale.

The "network mindset" characterizes how New Work talent approaches challenges, enhancing adaptability, agility, and problem-solving capabilities. This enables organizations to find solutions in a complex and interconnected business landscape.

> **"The challenges we will face in the future are complex and require a network of people to work together and to think interdisciplinary. For this reason, we increasingly see that 'network beats experience' in the hiring process."**
> —Interviewee, Global Industrial Corporate

Talent is attracted to Innovation Ecosystem Units as they merge two compelling worlds

Startups and large corporations are often seen as opposites in terms of what attracts talents to them. So, what do Innovation Ecosystem Units offer that motivates New Work talent? The Units represent a 'space in-between' – a place where talent that demonstrates a startup-like mindset, as well as talent that does not see a desired growth path in the larger organization, can benefit from an environment that offers the best of both worlds: flexibility and stability at the same time. This interplay between the external ecosystem and inner corporate dynamics is considered inspiring and challenging for the employees who act as "translators" in-between the two entities.

"We have a reputation as a sought-after division, offering greater freedom to explore ideas and engage in cutting-edge market advancements."
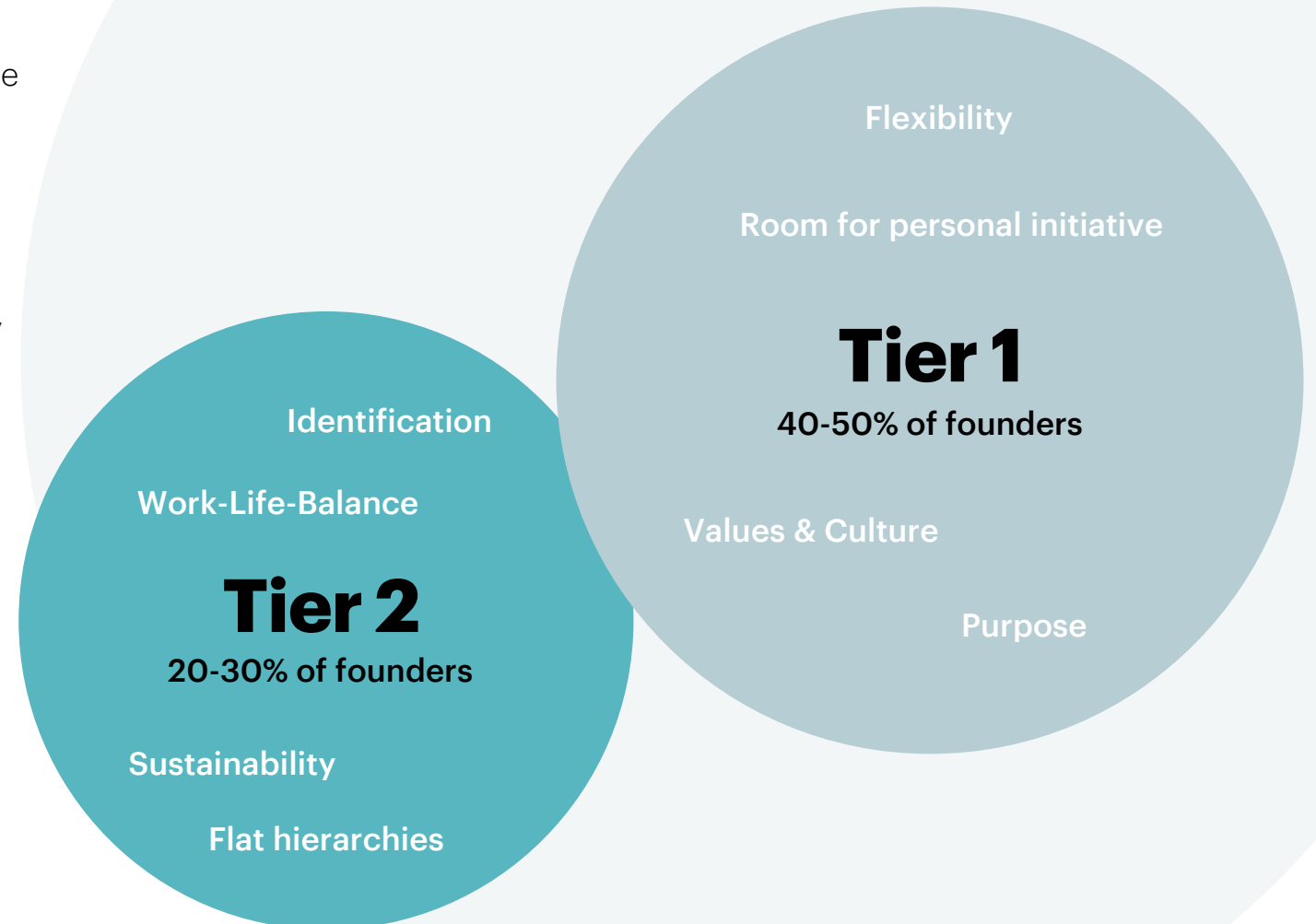
—Interviewee, Global Mobility Corporate

Startup founders embrace New Work as a USP

When asked about key factors in their recruitment strategy, 73% of startup founders consider New Work to be (very) important, whereas income is cited considerably less (45%).

Many startup founders have a good idea of what attracts and motivates talent in their sector. Just like startup employees, they see flexibility and personal growth as key aspects. Additionally, values, culture, and purpose play a significant role, as they contribute to the strong sense of community that is at the heart of startup culture.

Most named topics among founders in positioning in the "War for Talents"

Flexibility

Room for personal initiative

Tier 1
40-50% of founders

Identification

Work-Life-Balance

Values & Culture

Tier 2
20-30% of founders

Purpose

Sustainability

Flat hierarchies

Chapter 3

Culture and community are precious

Culture and community constantly evolve

An organization's sense of community is often characterized by its shared values, communication, social activities, mutual recognition and appreciation. An appealing work culture is key to attracting new talent and fostering collaboration. This is why it is crucial to preserve and continually develop it as a core asset.

When startups scale, they reach a critical point where challenges tend to surface around community and culture. For leadership, this results in the need to address changes in the social setting of the company to not lose startup culture during growth.

How do culture and community differ by company size and phases of growth?

Shared experience shapes the culture in startups

Startup employees' perception is strongly shaped by aspects of a "living" culture. In this context, good teamwork and feeling part of a group with a common vision of the company take center stage and are the most important factors in daily work.

Clear and defined values are less relevant in small community-based companies where culture emerges more naturally through shared experience. As will be illustrated, aspects of a "formulaic" culture become more relevant when startups grow into scaleups.

Employees' assessment of company culture in their startup
(share that (strongly) agrees)

"Living" culture

"Formulaic" culture

73%
"Good teamwork is a key factor in our company."

57%
"As a team, we are involved in creating company values."

61%
"I see myself as beeing part of a common vision of the company."

50%
"Clear values form the basis of our work."

With growth, the sense of community weakens

The strong sense of community and shared vision in startups is enhanced by close social interaction: 84% of startup employees know the names of all their colleagues. This social cohesion naturally weakens with a growing organizational size.

This highlights the challenge of maintaining the feeling of belonging that is strong in smaller companies and critical to many startup employees. These organizations need to adapt to a new reality and must find ways to facilitate other forms of culture and community.

Employees know first names of all colleagues
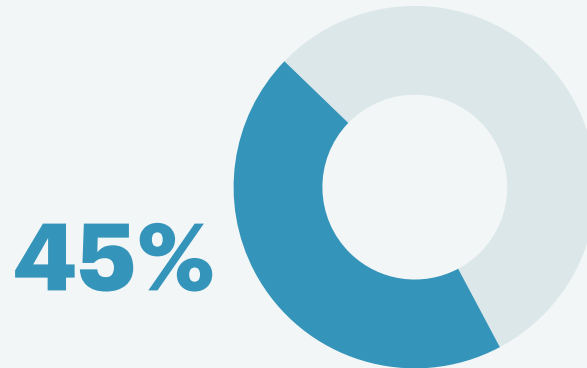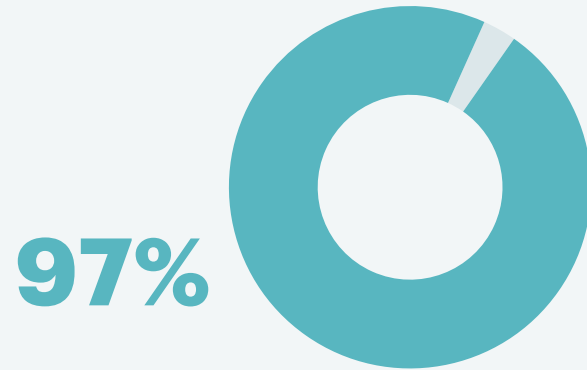
Founders know first names of all employees

97%

98%

45%

63%

● Startups with less than 50 employees
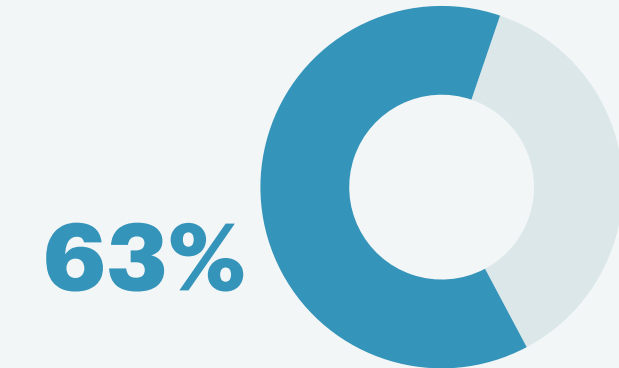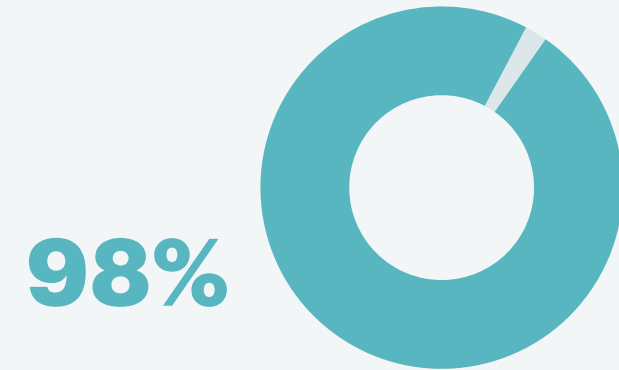
● Startups with 50 employees or more

Scaleups work on balancing their founding identity with emerging structure

As startups grow, they increasingly come to rely on establishing hierarchies. A similar transition happens in organizational structure, which becomes progressively siloed into separate business units, decreasing cross-team collaboration.

Even though flat hierarchies and agile ways of collaboration remain strong traits, startups find themselves bound to implementing more complex workflows on the journey to becoming a full-grown company. This move towards formalized structure raises questions around how ways of working are affected—particularly with respect to New Work.

Startup employees' assessment on structure and collaboration changes with growth[1]

Hierarchical company structure

27%

47%

Cross-team collaboration

83%

69%

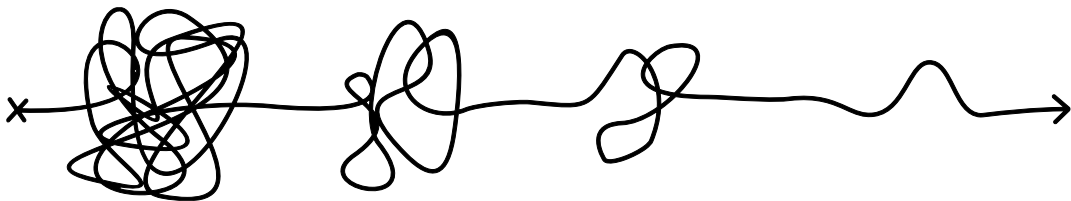● Startups with less than 50 employees

● Startups with 50 employees or more

1 Employees were asked to position themselves between two opposites, regarding hierarchies and collaboration; presented is the share that (rather to strongly) agree to the respective expression.
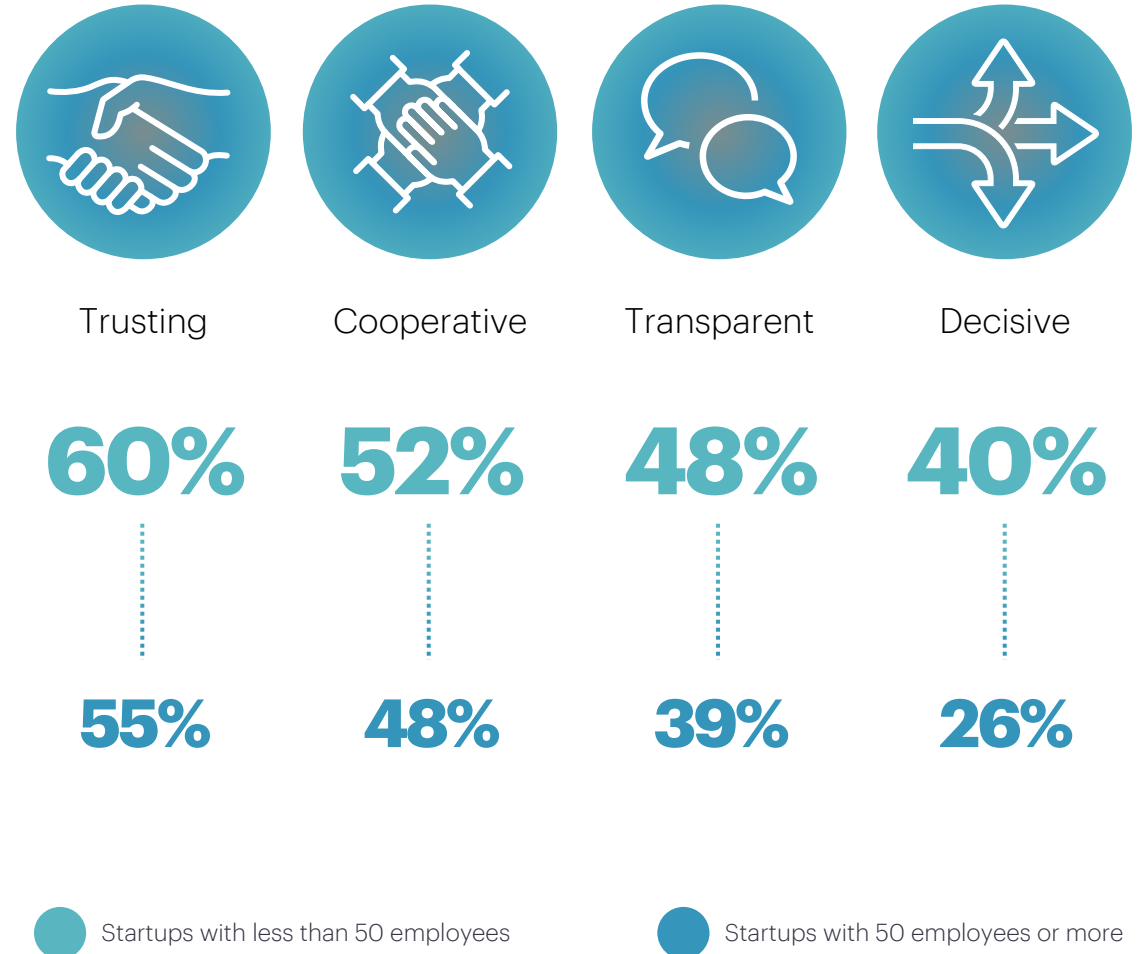
With growth, employees' trust in leadership is challenged

When startups turn into scaleups, the connection between leadership and employees becomes weaker—transparency and decisiveness suffer in the employees' assessment on key attributes of leadership.

This finding points to crucial changes in the way larger companies operate. As companies grow, decision-making processes become more complex, and "soft powers" of leadership tend to decrease. This can create friction between leadership and employees, negatively impacting company culture.

Leadership attributes most frequently mentioned by startup employees

Trusting	Cooperative	Transparent	Decisive
60%	**52%**	**48%**	**40%**
55%	**48%**	**39%**	**26%**

Startups with less than 50 employees

Startups with 50 employees or more

Micro-communities emerge and create cohesion within larger organizations

How can community at scale look like? Due to the size of corporates, micro-communities with different working cultures naturally tend to emerge. They develop based on geography, shared interests, project collaboration, organizational alignment, etc. Ultimately, they provide employees with a sense of belonging, foster collaboration and knowledge sharing, enhance employee engagement, and contribute to a more diverse workplace culture. Due to these micro-communities, the working culture inside large corporates is often more heterogenous than expected.

"From the outside you might think as a corporate we would have a unified company culture, but there is diversity within smaller groups of people who share similar interests, live in the same city, are aligned to the same business unit, etc."

—Interviewee, Global Telecommunication Corporate

Mismatched cultures pose a collaboration challenge

When collaboration between unlike cultures and communities take place, it can lead to a cultural clash due to differences in organizational structure, appetite for risk, speed of decision-making, and approaches to flexibility and innovation, etc. Corporates with steep hierarchy clash with startups' flat structures, leading to conflicts in leadership. Risk-averse corporate environments contrast with startups' risk-taking nature, causing disagreements when assessing opportunities. The bureaucratic processes of corporations hinder the agility and speed of startups, while startups' focus on flexibility and innovation challenges the stability and traditional practices of corporations.

Bridging these cultural gaps requires open communication, shared goals, and the formation of cross-functional teams to leverage the strengths from both corporate and startup cultures.

"As interesting and important it is to reach into the startup ecosystem, it is also challenging to collaborate successfully in these two very different worlds – both in terms of structures and working culture."

—Interviewee, Global Insurance Corporate

Chapter 4

Embracing mutual learnings

In the interplay between big and small, valuable learnings emerge

As a consequence of the evolution of the startup ecosystem in Germany, there are many founders today that can draw on a considerable range of experiences as well as effective networks. The success of high-profile startups, visibility of business incubators across the country, and the prominence of entrepreneurship in university studies have all made starting your own company an attractive prospect.

Similarly, corporates have undergone a shift in perspective on innovation, learning to become more agile, responding quickly to rapidly-changing customer needs and technological developments.

The collaboration has been a two-way learning experience and both sides have matured. Ultimately, the increased collaboration between startups and corporates has resulted in a more professional innovation ecosystem which offers new spaces for collaboration, helping overcome cultural barriers and establish effective partnerships.

How do startups and Innovation Ecosystem Units learn from each other about their ways of working?

The ecosystem has professionalized by establishing platforms for collaboration and nurturing networks

The innovation ecosystem has continually matured and established a range of collaboration platforms – such as Incubators and Accelerators – and joint approaches like Venture Clienting and others, which help navigate challenges and foster mutual learning. Beyond these platforms, there are many formal cooperation entities that connect a growing variety of stakeholders including startups, corporates, investors, academic institutions, and government agencies. Active collaboration through joint ventures or strategic partnerships has become a preferred option for many.

In general, both startups and corporates have developed a better sense on who they want to collaborate and partner with. For instance, corporates tend to prefer a partner which is in a more mature financing state, typically series A and beyond. On the other hand, startups want to work with organizations which meet them on eye level.

> **"We are not a school for startups - nowadays, there are many professionally organized incubators, accelerators, etc., which help us speak the same language, explore futures, and make plans."**
>
> —Interviewee, Global Telecommunication Corporate

> **"Corporations define hard KPIs like business value impact, achieved revenues after launch or number of pilots. However, soft KPIs are equally important indicators when we collaborate as they speak about long-term partnerships that ultimately contribute to lasting success."**
>
> —Interviewee, Global Consumer Goods Corporate

Collaborating with startups can serve as a catalyst for change in corporate work culture

When Innovation Ecosystem Units engage with startups, they not only become an entry point for new ideas, but also for new approaches to working models and culture. Collaborating with startups helps foster an environment of creativity, entrepreneurial mindset, speed and agility within the unit and beyond.

Actively experiencing how other organizations work changes the internal perspective and helps prove that New Work matters. Collaboration enables large corporations to experiment and test new ways of working as well as facilitating culture change.

> "We are learning a lot from each other on new products and business models but also on how we work and think. We are pushing to increase the entrepreneurial spirit internally and find a good balance between the corporate world and the startup ecosystem."
>
> —Interviewee, Global Consumer Goods Corporate

Corporates have dedicated roles to bridge the culture gap

Corporates recognize the importance and influence of organizational culture on people and their motivation to collaborate. For instance, when partnerships and acquisition take place, some corporates create dedicated roles to facilitate the collaborative initiative. They support this process by addressing challenges around the difference in work culture such as entrepreneurial spirit, agility, communication and leverage their network to connect the right people.

"Having a dedicated person who leads two companies and cultures to find their joint way of creating synergies and working together has proven to be a success factor –each organization is unique, so the process requires someone who listens, shares, mitigates and connects the right people."

—Interviewee, Global Mobility Corporate

Assessment of company culture
Share of employees that (strongly) agree

"Good teamwork is a key factor in our company"
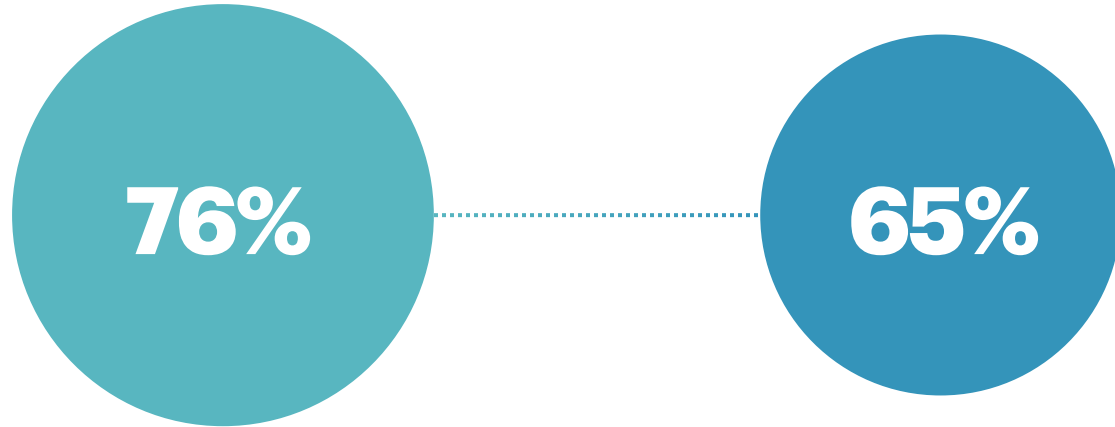
76%   **65%**

"Clear values form the basis of our work"

50%   **50%**

● Startups with less than 50 employees   ● Startups with 50 employees or more

Effectively shaping company culture becomes a key task for scaleups

Startups can also come to experience a cultural gap within their company. For example, as they grow, company culture, sense of community and the notion of good teamwork, essential to startups, suffer to some extend. In this phase, the formulation of clear values becomes more and more relevant for the company.

This task falls to leadership, that must find new ways to maintain the startup spirit, while also creating general values that enable employees to continue to identify with the startup.
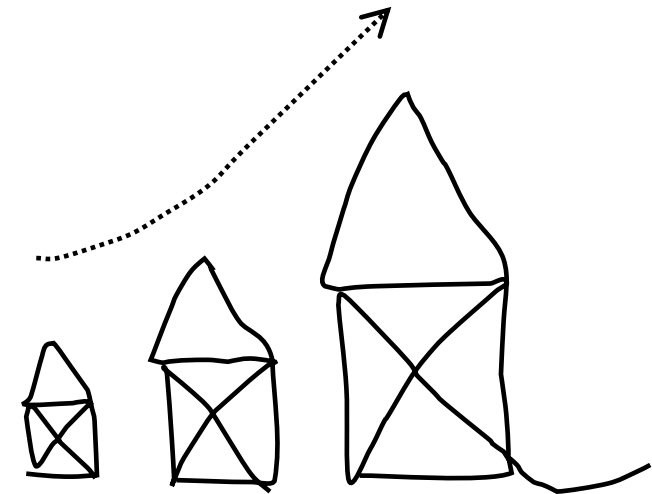
Formal opportunities for personal development indicate startup maturation

When rapid growth takes place, it is not only important to actively shape company culture at scale but also to talk about talent development. While there are vast opportunities for professional growth in startups, it primarily takes place on the job. As the company grows and becomes more mature, additional budget and time are allocated towards comprehensive offers for professional development.

Interesting enough, we also see that possibilities for further training on the job are increasing with company size. This points to important opportunities for startups to keep their employees motivated and engaged during the growth process by addressing one of the key aspects of New Work.

Professional development in Startups
Share of employees that (rather-strongly) agree

"In our company there are comprehensive offers for professional development"

37%   **52%**
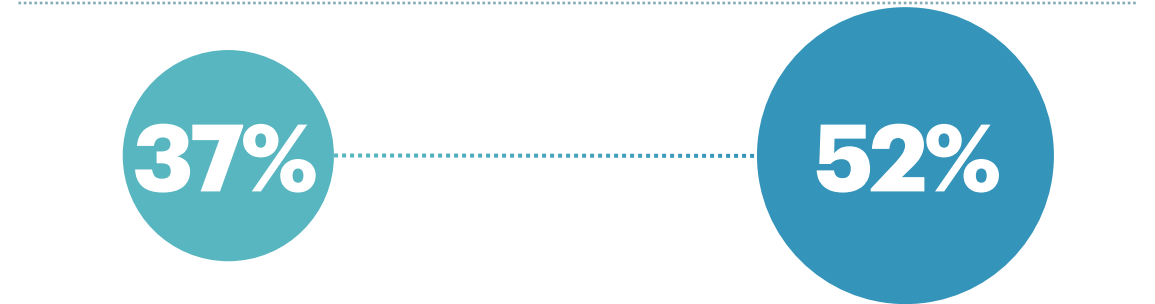
"Professional development primarily happens on-the-job"

76%   **82%**
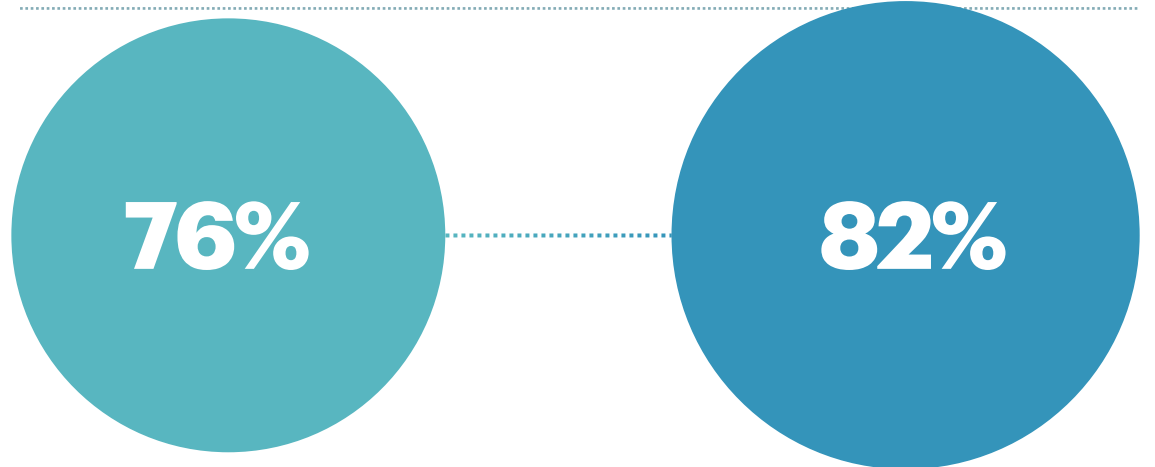
● Startups with less than 50 employees   ● Startups with 50 employees or more

Opinion of startup employees on offers regarding…
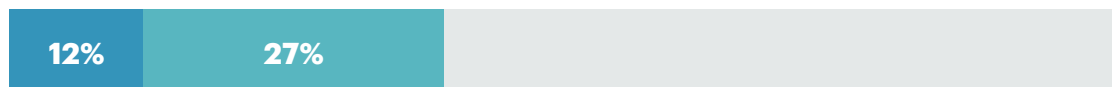
Flexibility with place of work

| 57% | 28% |

Flexibility in working hours

| 51% | 28% |

Part-time

| 26% | 29% |

Physical health

| 17% | 30% |

Stress and mental health

| 12% | 27% |

■ Very good ■ good

Providing more services around health is the next step regarding work-life balance

Besides company culture and professional development there is also another crucial element to having a thriving New-Work-force at scale: Work-life balance. Among startups, flexibility in workplace and time as well as part-time arrangements have been widely implemented. However, professional services regarding mental and physical health are still limited.

Startups need to address these aspects more comprehensively since reducing stress and improving work-life balance are key to having employees engaged with the company and provide a solid foundation for culture and community.

Outlook

Further areas to explore

The insights presented shed light on the evolving dynamics of New Work in German startups and corporates.

We have observed shifts in many areas, including the large number of individuals embracing New Work practices, the evolving priorities and motivators that drive them, the emergence of new and relevant skill sets, and the maturation of collaboration between corporates and startups.

Based on the insights from this report, we believe there is value in further exploring the following areas:

Positioning in the intensifying war for talent: How can organizations navigate the competition for talent and develop strategies to attract and retain diverse and skilled individuals?

Sustaining motivated talent through startup growth: How can organizations retain their talent as they transition from startups to large-scale enterprises?
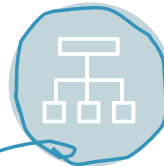
Fostering adaptive leadership to manage the interplay between small/large & fast/slow: How can organizations develop leadership capabilities to navigate the interplay between startups and corporates and startups that scale?
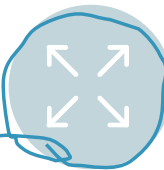
Maximizing the impact of collaboration structures in the innovation ecosystem: To leverage this ecosystem effectively, what avenues can be explored to further develop its structures and the positive impact they have?

Research Design & Contributors

Research Design

To explore New Work in the Innovation Ecosystem in Germany from different angles, this report draws on insights from two research methods:

Quantitative data:
A comprehensive survey of German Startups

The quantitative insights of the study are based on an online-survey of 288 founders as well as 524 startup employees, carried-out between Q4 2022 and Q1 2023. Through a nationwide network and targeted group-specific communication, submissions were received from startups in a wide range of industries regions and company sizes. This has provided a comprehensive picture and enabled us to draw meaningful conclusions.

Qualitative insights:
A deep-dive into corporate Innovation Ecosystems

For the qualitative part, we conducted 15 in-depth interviews with leaders of Innovation Ecosystem Units of established corporates from a variety of industries active in Germany. As these Units are key in the companies' innovation strategies, they represent an important link into the startup sector and the topic of New Work. The interviewee selection was determined through the Accenture and German Startup Association networks to reflect a broad spectrum of corporate players.

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We would like to sincerely thank the survey and interview participants and our sponsors Franziska Teubert (Lead German Startup Association), Sigrid Stinnes (Accenture Innovation & Design Lead DACH), Sandra Steving (Partner Founders Intelligence) for making this report possible.

We also extend our appreciation to our colleagues Jürgen Steudtner, Loris Peduzzi, Livia Solustri, Oskar Martinsons, and Xuanzi Zhang for their support in activities of analysis, proofreading, design, and more.

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