

Perception of the Tech Entrepreneurship Ecosystem in KSA

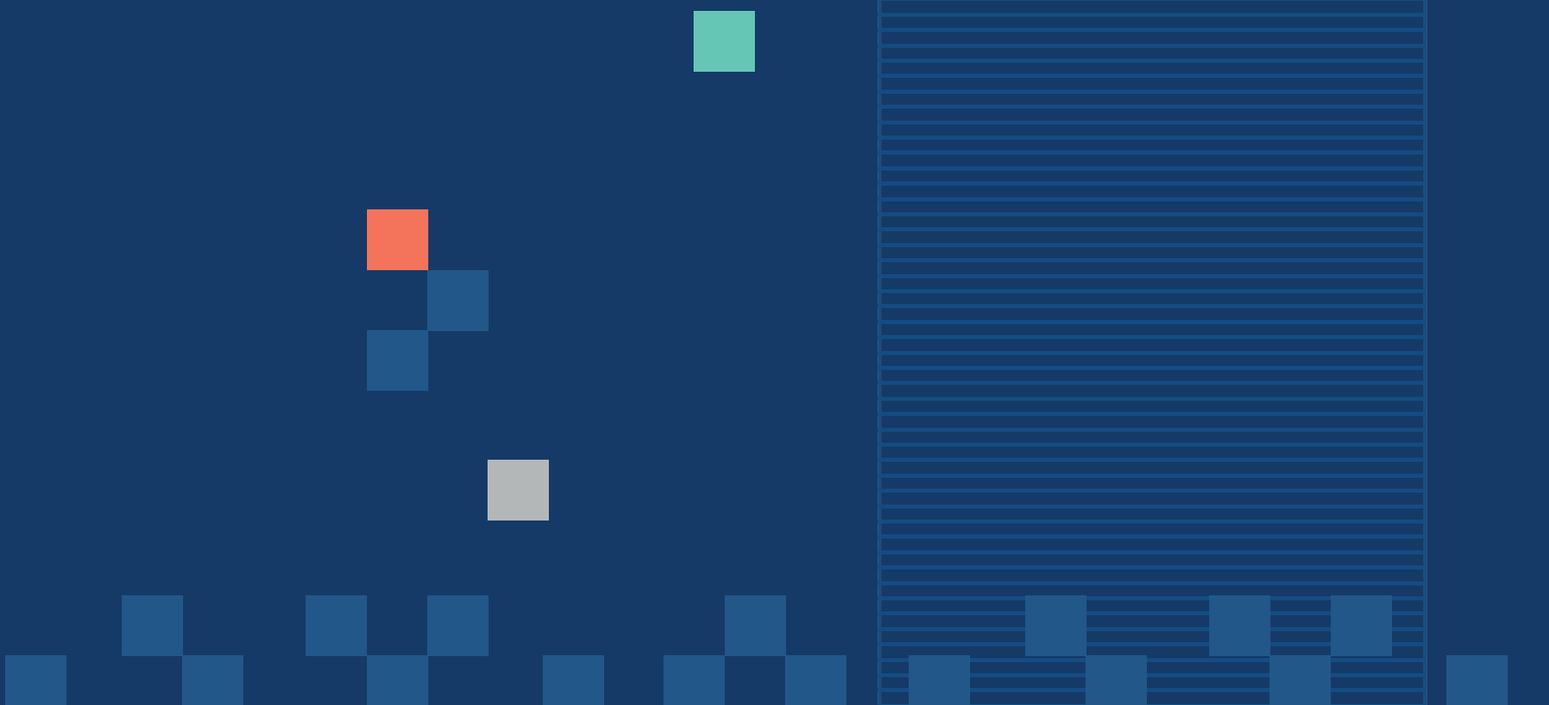
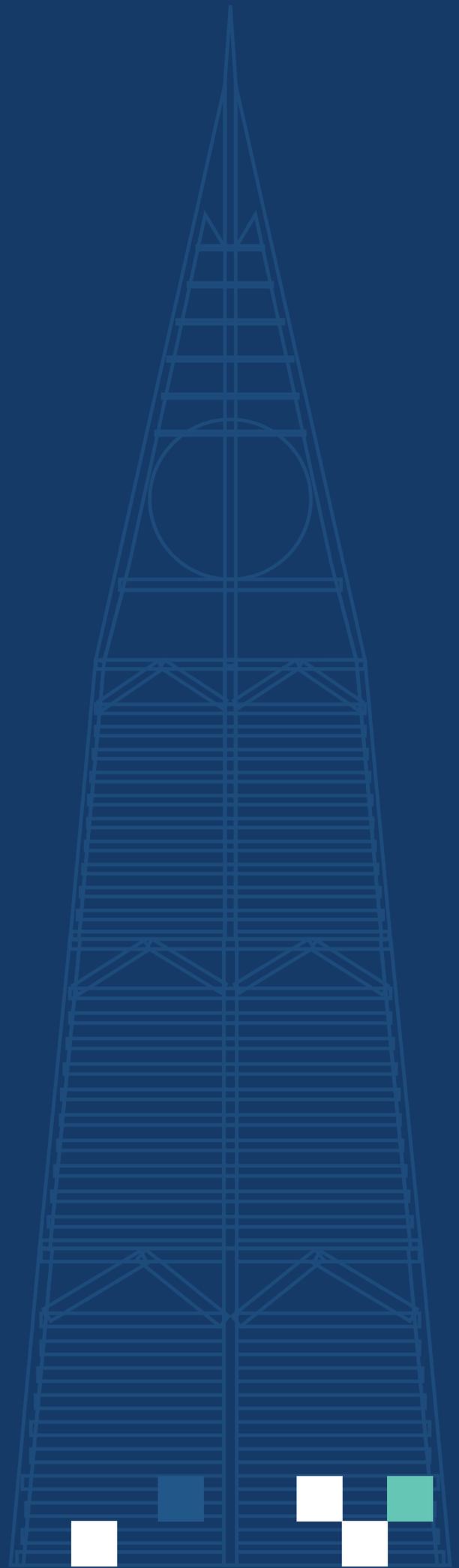


Table of content

3	Preface
3	Research Methodology
4	Basis of the Report
5	Participant Demographics
5	Perception & Rating of the Saudi Ecosystem
6	Ecosystem Strength Ratings
7	Perceived Gaps In The Ecosystem
8	Assessing Ecosystem Pillars
10	Expected Registration Time
11	Registration Portal & Accelerators
12	Job & Training Opportunities
13	Program Familiarity Levels
14	Assessing Tech Communities in KSA
15	Events, Summits & Hackathons
15	Country Benchmarking





Preface

The digital era has brought a fundamental shift in the global economy, pushing the limits of innovation and redefining the boundaries of global trade. Nations that nurture a digital - an innovation-based culture have pioneered the global shift towards knowledge-based industries and have enjoyed extraordinary wealth (and job creation), while transforming the way people live and do business. This shift is made possible by substantial tech entrepreneurship activity within a supportive environment that includes both government and private sector contributions. This report aims to assess the level of awareness of tech industry's stakeholders regarding the actions & impact that is being created in the Saudi Tech & Entrepreneurship Ecosystem with the aim of highlighting the current perception gaps, measuring awareness levels & assessing the overall strength of the ecosystem pillars. 100 industry contributors were surveyed and their answers are discussed within this report.

Research Methodology

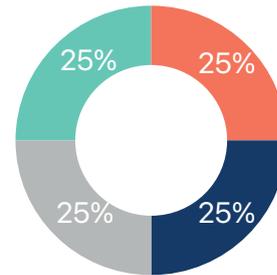
The logo for Intella, featuring the word "intella" in a lowercase, sans-serif font. The "i" is dark blue, and the "a" is orange.

This research has been conducted using Intella's digital portal, taking advantage of its advanced technology and quality control tools. The survey respondents are 100% screened & vetted, noting that best in class VCs, Entrepreneurs, Tech company execs & Industry experts have been selected for this project, including but limited to participants from Vision Ventures, Hala Ventures, Riyadh Angel Investors, Global Ventures, Shorooq partners, Talabat, Microsoft, SAP, & Property Finder among others. Quality control tools included tracking response time and eliminating any response that falls below the average response time average per question, tracking answer sequence and adding reverse questions, and vetting the respondent profiles by giving them specific access codes to the survey.

Basis of the Report

This report is the summary of the “Tech & entrepreneurship ecosystem in KSA” survey that has been conducted by Intella in December 2021. Each survey respondent was attributed to one of the following categories:

- Entrepreneur
- Investor (Angel/VC)
- Tech Company Exec
- Industry Expert



Entrepreneur

Founders of tech startup & scaleup companies

Investor (Angel/VC)

Refers to stakeholders in VCs & angel investors

Tech Company Exec

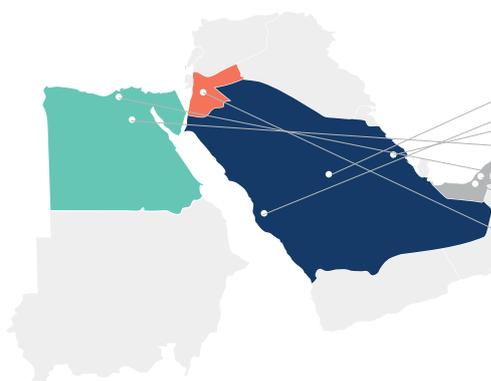
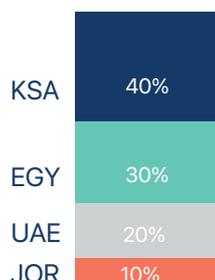
Employees or executives in large tech companies

Industry Expert

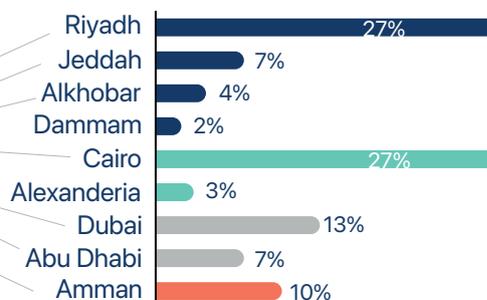
Tech speakers, experts, and industry enthusiasts

Participant Demographics

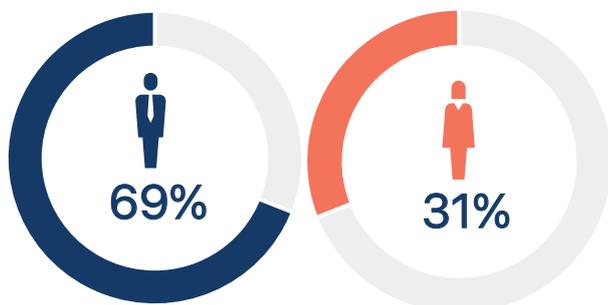
Country



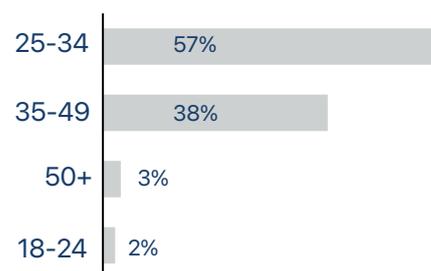
City



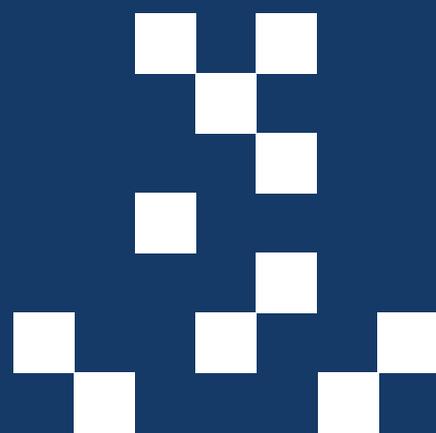
Gender



Age



Perception & Rating of the Saudi Ecosystem



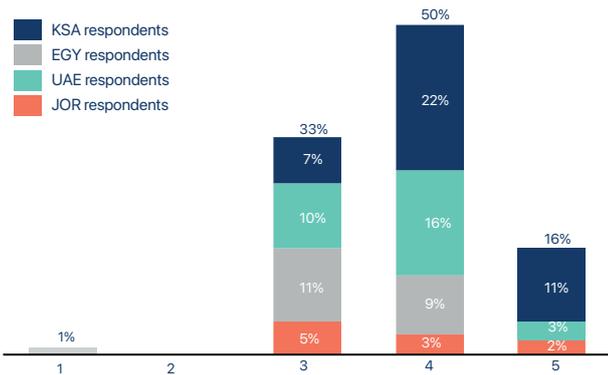


In this section of the report, we assess the perception of respondents in KSA, Egypt, UAE, & Jordan of the Saudi Technology & Entrepreneurship ecosystem. Respondents from the mentioned countries will be asked to share their answers & inputs relating to questions designed to assess different pillars of the Saudi ecosystem. The main objective is to compare the sentiment and awareness levels of those who are living inside Saudi Arabia compared to those who are living in other countries.

Ecosystem Strength Ratings

Results by country:

Q : How would you rate the strength of Saudi's tech ecosystem?
(1= Very weak, 5= Very strong)

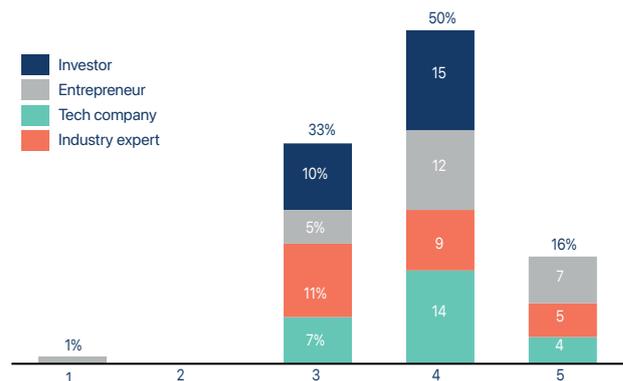


While 50% of the overall sample rated the Saudi ecosystem as "strong" with a 4/5 rating, it is apparent that it is perceived as stronger by respondents in KSA compared to those in other countries. 28% of those in KSA (11 respondents) gave it a 5 rating, compared to 0% in the UAE, 10% in EGY & 20% in JOR. Majority of respondents in UAE; 55% thought the strength is average giving it a rating of 3, while only 18% of KSA respondents gave it a 3 rating. Only 1% overall and 3% in EGY thought its very weak.

Results by respondent category:

Q : How would you rate the strength of Saudi's tech ecosystem?
(1= Very weak, 5= Very strong)

Across the 4 respondent categories, entrepreneurs rated the ecosystem as the strongest overall with 28% rating it as 5, noting that 50% of the those in KSA gave it a 5 rating with the remaining 50% rating it as 4. None of the investors in any country rated it as 5, however large majority; 60% rated it as 4 with 70% of investors in KSA rating it as such. Tech company employees gave the lowest rating overall with 44% rating it as 3 & 80% of UAE tech employees rating it as such. Majority of industry experts rated it as 4.



Those who rated the strength of the Saudi tech & entrepreneurship ecosystem as strong & very strong (66% of the total respondents) were asked what in their opinion is the biggest contributor to the strength of the ecosystem. Below are the most frequent words used in their answers, where its apparent that investment, funding, government support, & the country's vision are among the top contributors to the strength of the ecosystem.



On the contrary, those who rated the strength of the Saudi tech & entrepreneurship ecosystem as average and below (34% of the respondents) were asked what in their opinion needs to be improved to strengthen the ecosystem in Saudi. Below are the most frequent words used in their answers, highlighting that talent overall plays a biggest role whether it is local talent or attracting foreign talent. Other common answers included providing more information for foreign companies, having strong startups & improving regulations.

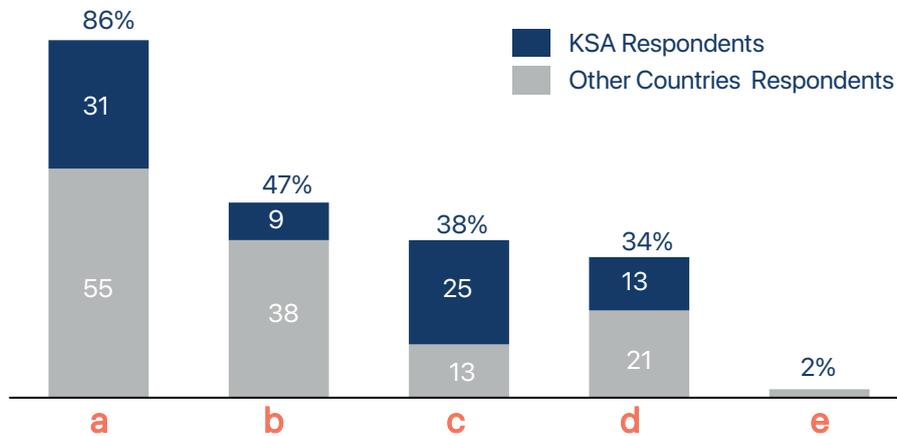


Perceived Gaps In The Ecosystem

Local talent seems to be the major perceived gap with a total of 78% of the respondents in KSA & 92% of the other countries selecting it. Although policies and regulations comes in 2nd with 47% overall average, 63% of respondents in other countries think it needs improvement, while only 23% of respondents in Saudi agree. On the other hand, the 2nd gap as highlighted by those in Saudi is the private & public sector collaboration which accounts for 63% of KSA's total

Q : Which of the below do you perceive to be the gaps in Saudi Arabia's tech ecosystem (You may select multiple answers) :

- a** Local Talent
- b** Policies & Regulation
- c** Private & public sector collaboration
- d** Accelerators & incubators
- e** Other



Assessing Ecosystem Pillars

Q : How supportive to tech companies & startups are the following 4 pillars:

- a** Gov programs & policies
- b** Tax incentive & incorporation cost
- c** ICT infrastructure
- d** Investment Funds

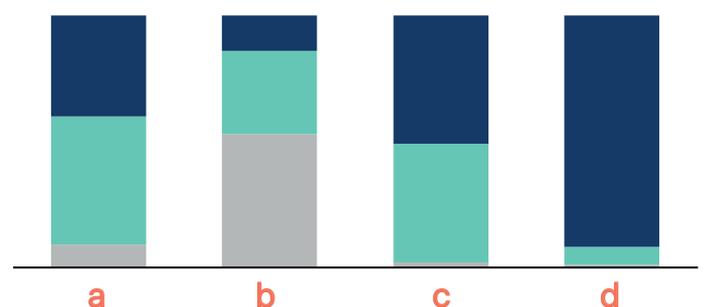
- Very
- Average
- Not at all

75%

Of respondents in KSA think tax incentives & incorporation costs aren't supportive at all compared to 38% in other countries

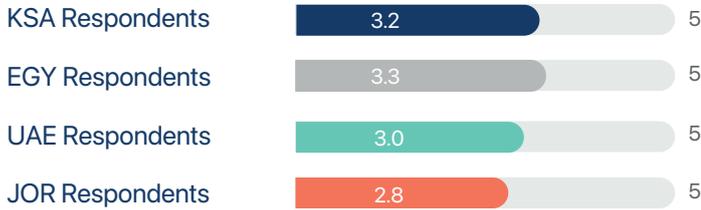
63%

Of respondents in KSA think government programs & policies are very supportive compared to 25% only in other countries



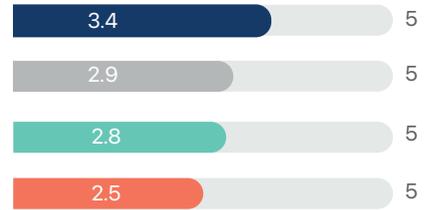
Q : From a scale of 1-5 please rate your agreeableness with the following:

The ecosystem offers a wide variety of incubation/acceleration opportunities for startups in KSA:



Respondents in All countries have similar average ratings emphasizing that KSA is coming across as average in terms of incubation and acceleration opportunities. Jordan has rated it the lowest with an average of 2.8 while Egypt rated highest with 3.3

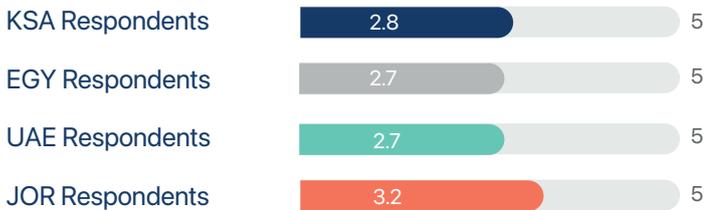
There are enough events, hackathons, and summits in KSA compared to other countries:



While respondents in KSA rated it as above average, all the other countries thought KSA lags behind in terms of events. Although in reality KSA has been hosting a lot of events, there seems to be a lack of awareness outside the kingdom

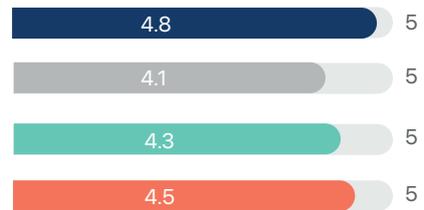
Q : From a scale of 1-5 please rate your agreeableness with the following:

The regulation in KSA is sufficient to protect the tech company and the investor



This is another area where Saudi is perceived to be falling below average, even when rated by people inside the Kingdom. Investors are the major group that are dissatisfied with an overall average rating of 2.6. Entrepreneurs on the other hand have an average of 3 overall.

It is easy to access finance/funding for startups & SMEs in KSA



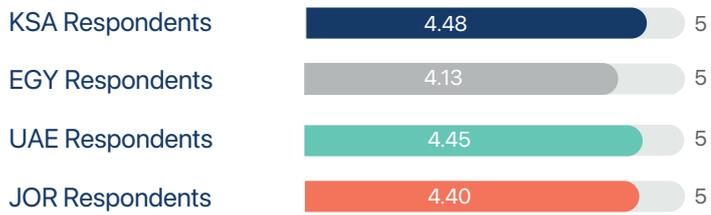
Consistent with previous findings, funding & access to finance seems to be a key perceived strength for Saudi Arabia. Although all countries have given it a high rating with an average of 4.4 overall, Saudis have given it a 4.8 rating. This is the highest rated pillar.

70%

Of the investors in KSA gave a 2/5 rating when it comes it to the regulations being sufficient enough to protect the tech company & investor

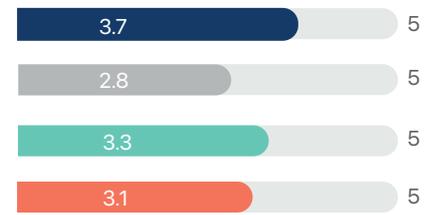
Q : How would you rate the following in Saudi Arabia from a scale of 1-5 with 5 being the easiest :

Startup/SME ease of access to funding:



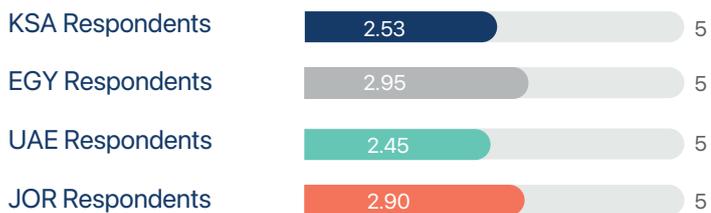
Respondents in all countries have rated access to funding as very easy averaging 4.35/5 Respondents in KSA think it's the easiest followed very closely by those in UAE then Jordan. Again, funding and investment are perceived as great enablers for the ecosystem.

Ease of doing business:



Ease of doing business didn't get as high of a rating compared to ease of funding. While respondents in Saudi rated it as 3.65 those in Egypt think it falls below average with a rating of 2.8/5

Creating opportunities for partnership with both private & public sectors:

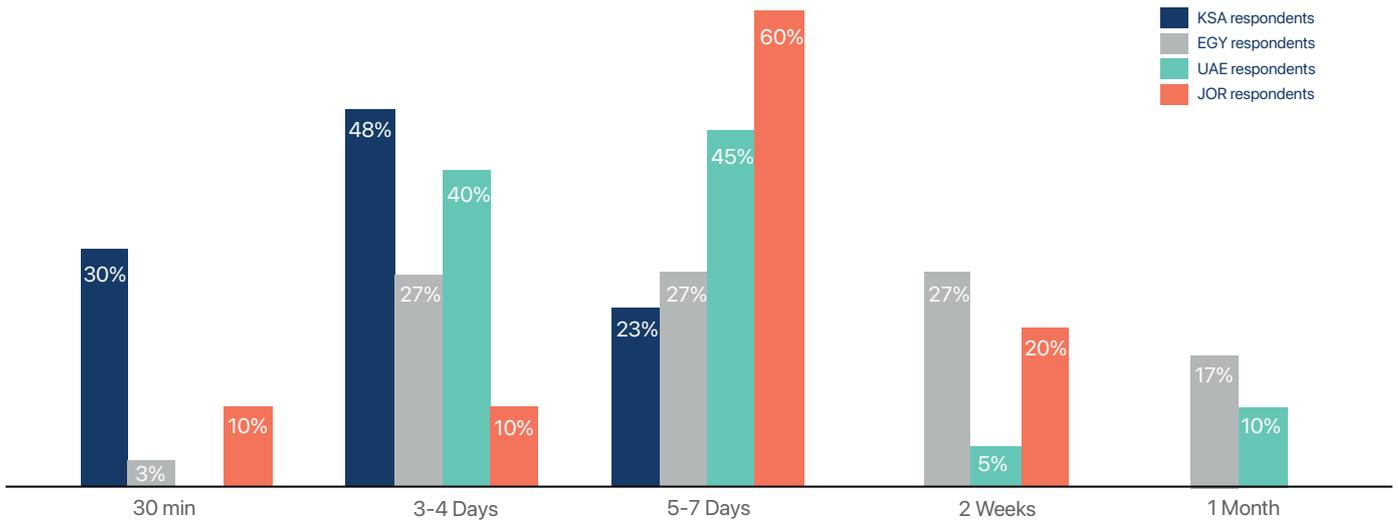


Unlike both figures above, respondents in Saudi actually rated cross-sector collaboration opportunities lower than both Jordan & Egypt with 2.53/5. All have rated it below average as well.



Expected Registration Time

Q : How long do you suspect it takes to register a business in Saudi Arabia:



There seems to be a huge lack of awareness when it comes to the take it takes to register a company in KSA which is advertised as 30 minutes. Only 14% overall have estimated the correct time with 30% of the respondents in KSA getting it correctly compared to 0% in the UAE, 3% in EGY & 10% in Jordan. Overall 36% estimated it takes 3-4 days followed by 32% estimating it takes 5-7 days. While none of the KSA respondents estimated that it takes over a week, 30% of other respondents estimated so.

Registration Portal & Accelerators

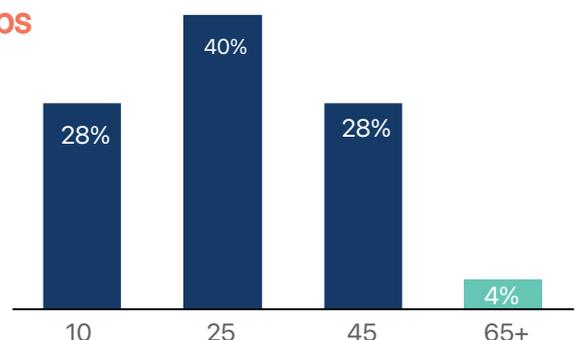
Q : Dose Saudi Arabia has a 1 stop shop portal for starting a business that includes all pre and post registration procedures?



Aren't aware of Saudi's 1 stop shop portal. Moreover, 60% of entrepreneurs aren't aware of it either along with 52% of investors.

Q : How many startup accelerator/incubator hubs do you believe there are in Saudi Arabia:

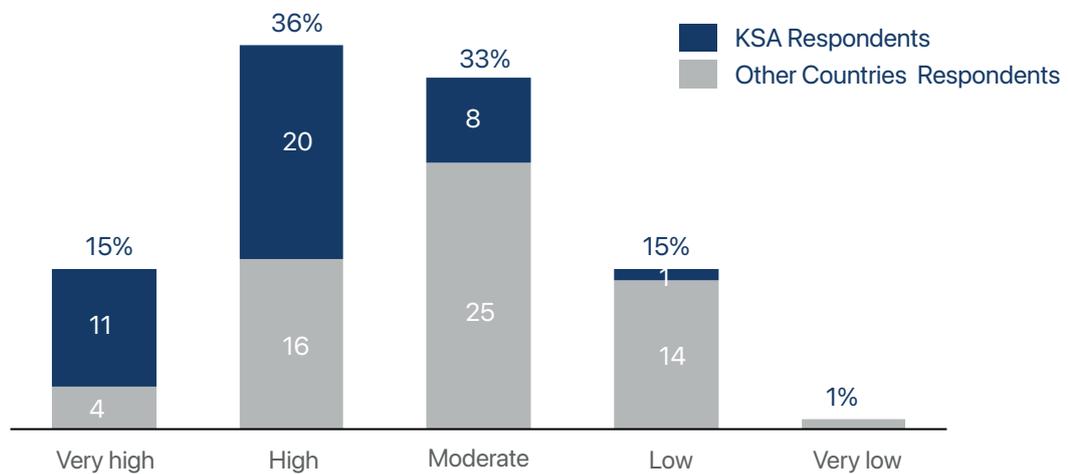
While there are 65 incubators & accelerator hubs in Saudi, only 4% of the overall respondents know that. Nonetheless, 68% of the respondents actually think its 25 & under



Job & Training Opportunities

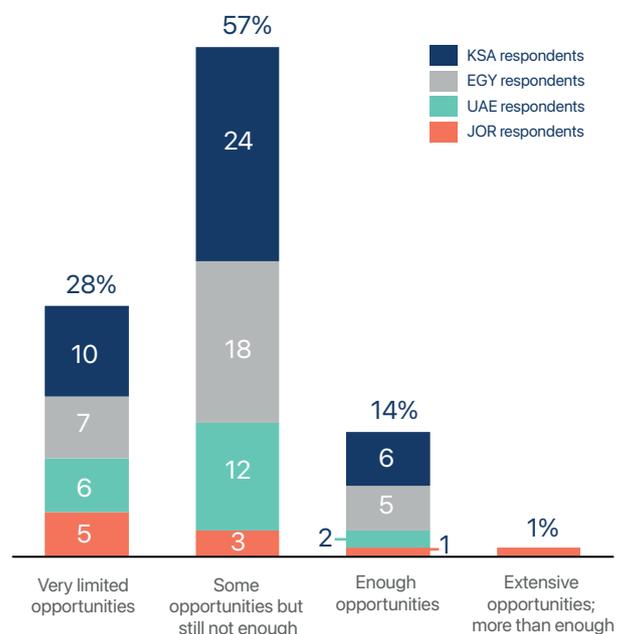
Again, there seems to be a discrepancy of the perception in KSA compared to the other countries. While 15% overall chose the answer "very high" and 36% "high" it is important to note that this number was mainly driven by respondents in Saudi. Where 78% of those in Saudi think its high & very high, positively aligning with the country's overall talent nationalization strategy.

Q : When it comes to the # of jobs in the Saudi technology sector, you think they are:

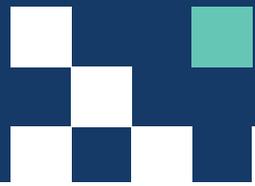


Q : In your opinion, which of the below best describes the opportunity for digital skills training available in Saudi Arabia:

28% overall think the digital skills training opportunities are very limited with 50% of respondents in JOR, 30% in UAE 25% in KSA & 23% in EGY rating it as such. Nonetheless majority has declared that there are some opportunities but still not enough, emphasizing that this is a perceived gap in the tech ecosystem. Only 14% think the opportunities are enough & 1% think its extensive. Government training programs need to focus more on creating & effectively publicizing training opportunities. This finding along with the insight relating to local talent being perceived as the main area that needs to be improved emphasizes that the ecosystem perceives this as a gap that needs to be addressed.

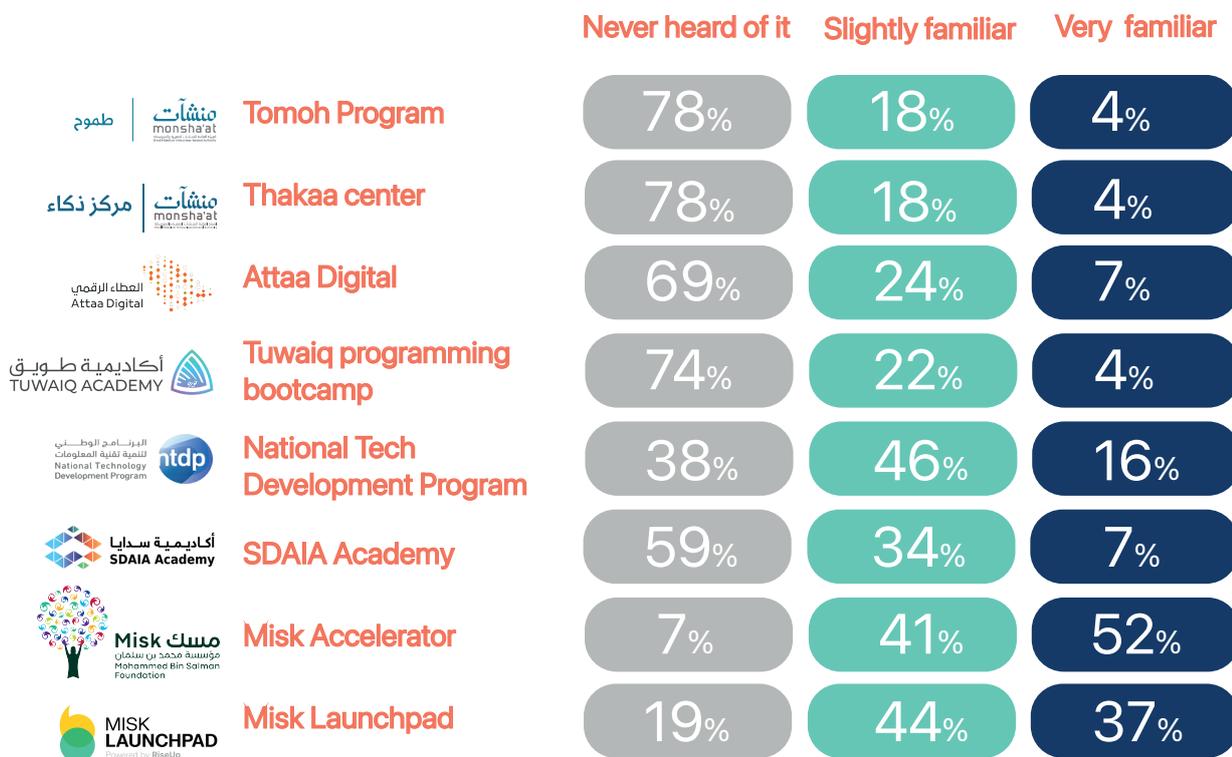


Program Familiarity Levels



The familiarity with programs overall seems to be very little across all industry stakeholders where the majority has never heard of 5/8 programs. Misk Accelerator seems to be the most familiar with only 7% never hearing of it.

Q : Please rate your familiarity with the programs below:



Q : Are you part of a tech community?



Q : For those who answer no in the question on the left, why? (Multiple select)

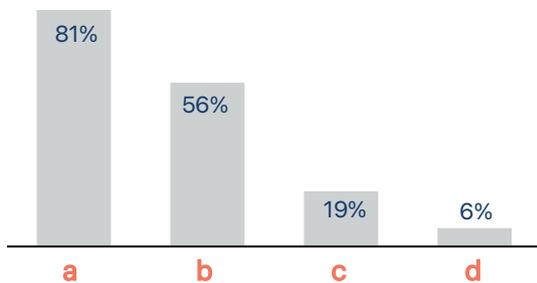


Figures above represent answers of respondents in KSA. 60% of them aren't part of tech communities and when asked why it became apparent that its highly driven by awareness & ease of access to communities where none of them stated the reason being not interested.

Assessing Tech Communities in Saudi Arabia

Q : For those who answer “Yes” to the question “are you part of a tech community”, what has motivated you to join a tech community? (Multiple select)

- a Networking opportunities
- b Knowledge sharing
- c Support & motivation
- d Seeking mentorship



Graph represents the answers of respondents in KSA. Main reason behind joining communities is networking followed by knowledge sharing. Seeking mentorship seems to be the least popular reason.

Q : Do you believe we have a sufficient number of tech communities?

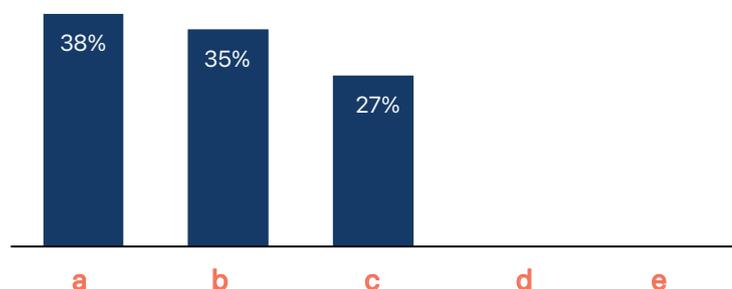
94% of the respondents in Saudi Arabia who are already part of tech communities think there aren't enough tech communities. This finding along with the fact that 60% of the respondents in Saudi aren't aware or cannot find tech communities show the need to strengthen the communication & awareness.



Graph represents the answers of respondents in KSA. Consistent with the previous findings & overall sentiment, there seems to be a gap in the communications & awareness relating to initiatives & events taking place in Saudi's tech ecosystem. None of the respondents thought its available and clear, whereas 66% are either not aware or not sure how to get access.

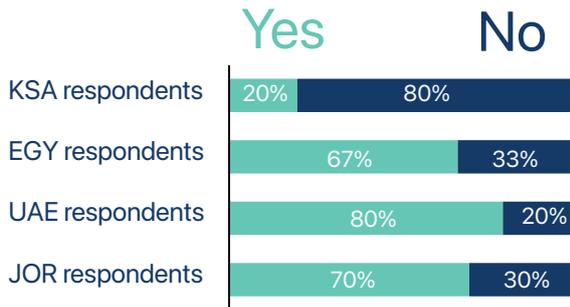
Q : Are you able to get access for the gov. & private initiatives for tech communities in Saudi Arabia?

- a No its not clear how to get access
- b Yes but only to some
- c No I'm not aware of such initiatives
- d No I'm not interested
- e Yes its available and clear



Events, Summits & Hackathons

Q : Have you ever participated in a tech event in KSA?

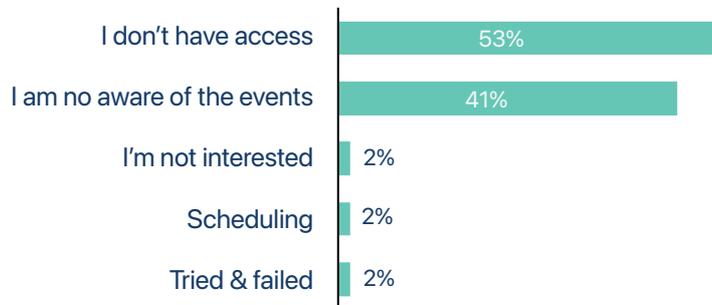


Saudi seems to have a very active events scene internally where 80% previously attended events. This figure although doesn't reflect on the respondents outside Saudi who are either not aware of the events taking place or they don't have access to them.

Q : To those who answered yes, do you believe there is sufficient awareness regarding the tech events?



Q : To those who answered no, why haven't you participated in tech events?



Country Benchmarking

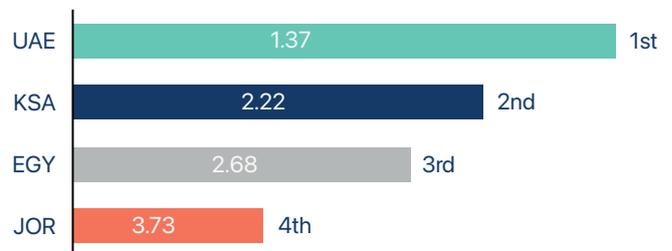
In this section of the report, we compare the ecosystem in KSA to other countries. It consists of 2 main parts, the first part ranking the countries in terms of ease doing business. Whereas the 2nd part is focused on comparing some pillars in KSA to the performance perception of the overall MENA region and determining whether it is average, below average, or above average accordingly.

Respondents were then asked to rate the performance of other countries as well, with the research objective of creating a comparison benchmark

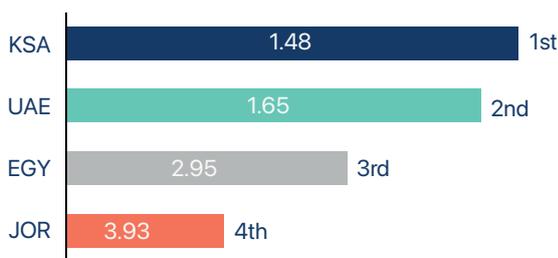
Q : Rank the countries below in terms of ease of doing business with 1 being the easiest

UAE is perceived as the easiest country to do business in overall and in all countries except for KSA as shown in the graphs below:

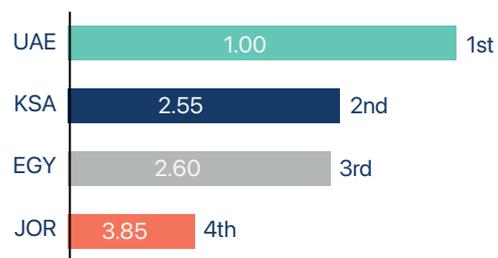
All Countries Overall



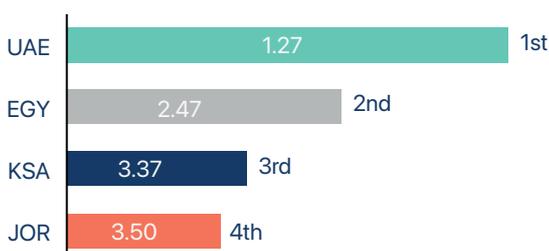
KSA Respondents Rating



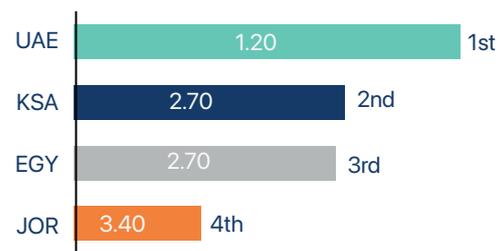
UAE Respondents Rating



EGY Respondents Rating



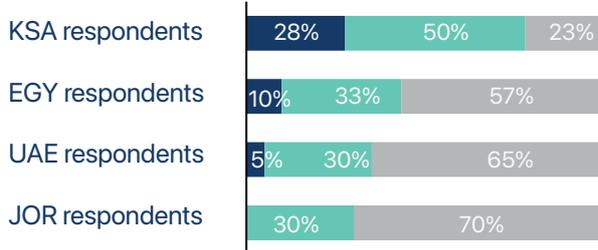
JOR Respondents Rating



Q : In comparison to the MENA region, How would you rate the following pillars in Saudi Arabia:

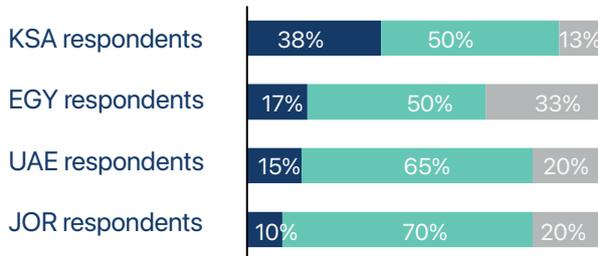
Below Avg. Average Above Avg.

Gender Diversity & Women empowerment initiatives:



Perception of respondents in Saudi contradicts with those in other countries. Large majority of other country respondents without any exception has rated gender diversity & women empowerment as below average.

Business Events, Hackathons, & Summits:



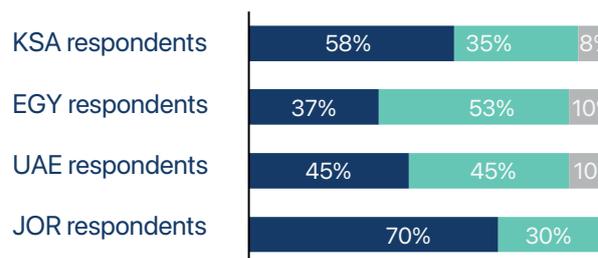
Perception of respondents in Saudi is more positive than others where 38% rated it as above average compared to 17%, 15% & 10% in EGY, UAE & JOR respectively.

Ease of Doing business



KSA seems to have a positive perception compared to other countries where 55% rated ease of doing business as above average, whereas only minority in other countries agrees with that.

Attracting Foreign investment



All countries seem to perceive attracting foreign investment in Saudi as above the region's average. This finding further emphasizes a previous finding in the report which states that funding & investment is perceived as a core strength for Saudi.



Thank You!



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