

Ecosystem Deep Dive

Phoenix USA

New Member

Located in the American Sunbelt, Phoenix, Arizona is in an ecosystem with growing momentum. Developments in the ecosystem include about \$300 million in VC investments in 2016, startup collectives like #yesphx, and PHX Startup Week.

In addition to a lot of bottom-up activity, Arizona has a local government supportive to startups. For example, there is state level legislation being proposed to create a “sandbox” environment for Fintech and Blockchain companies. Similarly, Arizona has promised to keep the autonomous vehicle industry free of regulations, attracting companies like Uber, Lyft, and Waymo.

Sub-Sector Strengths

 **Cybersecurity.** There are over 10,700 people employed in Cybersecurity in the Phoenix metro area, and 5,000 more open jobs. The ecosystem has had major wins with companies like LifeLock, which IPO'd in 2012 and was acquired by Symantec for \$2.3 billion in 2017; and Trusona, the Cybersecurity startup deploying no-password authentication, which raised a \$10 million round in 2017 from top VC investors like Kleiner Perkins Caufield & Byers.

 **Edtech.** The Phoenix Edtech community counts with Arizona State University (ASU), the most innovative school in the country.¹ ASU plays some key roles in the ecosystem. One, it provides major talent inflow, being one of the largest universities in the world with 82,000 students. Two, it has entrepreneurship support as one of its key priorities, with programs like ASU SkySong. Three, ASU has specifically focused on Edtech, partnering with prominent venture capitalist Tim Draper to create the ASU-Draper-GSV EdTech Accelerator, dedicated to developing and testing new tech in higher ed. Notable funding rounds in Phoenix include CampusLogic, the cloud-based student engagement platform for financial aid which raised \$10 million in 2017.

 **Health and Life Sciences.** Healthcare is a major industry in Phoenix, providing 60,000 jobs and contributing \$8 billion to the Greater Phoenix economy. Success stories include companies like Symphony Health Solutions, the pharma data company acquired in 2017 for \$530 million by PRA Health Sciences, and sizable funding rounds like the \$18 million raised by Solera, the digital health company serving employers and health insurance plans. In addition, on the funder side, AZBio, the Arizona Bioindustry Association, launched an effort to raise \$200 million in 2018 to support life science innovations of researchers and entrepreneurs in the state.

“Phoenix has a real opportunity to become one of the most generous communities for entrepreneurs, where founders can quickly access the people they need to grow and give back.”

Brandon Clarke

Co-Founder of StartupAZ Foundation

Startup Genome Members

StartupAZ inspires connectivity and generosity among Arizona's most innovative young companies.

The Arizona Commerce Authority (ACA) is the state's leading economic development organization.

The Arizona Technology Council works to make AZ the fastest growing tech hub in the nation.

Entrepreneurship + Innovation at Arizona State University helps students turn ideas into reality.

Invest Southwest is the connective tissue between investors and startups in the region.

The Partnership for Economic Innovation is dedicated to fulfilling the economic opportunities of Greater Phoenix.

Ecosystem Partners

AZ Founders Fund, Canal Partners, Center for Entrepreneurial Innovation, Coplex, Co+Hoots, Flinn Foundation, Galvanize Phoenix, Greg Head/Scaling Point, Moonshot, MRTNZ Ventures, Seed Spot Phoenix, Tallwave Capital

“Often for sectors to develop, you need some early successes that build up, scale, and attract talent and entrepreneurs, and then those people go off and start other companies. We’re seeing that today with Edtech in Arizona.”

Matthew Pittinsky
CEO of Parchment

“The startup and software economy in Phoenix has grown significantly in the last few years, but it is yet not overheated like other tech centers. Talent, support and funding are readily available for savvy early stage ventures.”

Greg Head
Founder/CEO - Scaling Point

“Phoenix is the only metropolitan in America without natural disasters, making it perfect for data centers that are fighting cybercrime. This region is rapidly growing and the perfect location for cybersecurity companies to prosper.”

Ori Eisen
Founder & CEO, Trusona

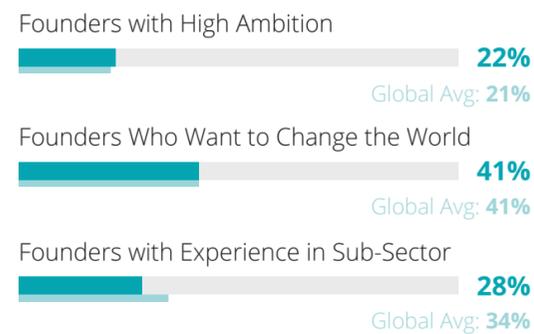
Founder Mindset



Local Connectedness



Founder DNA



Founder Know-How



Ecosystem Demographics

