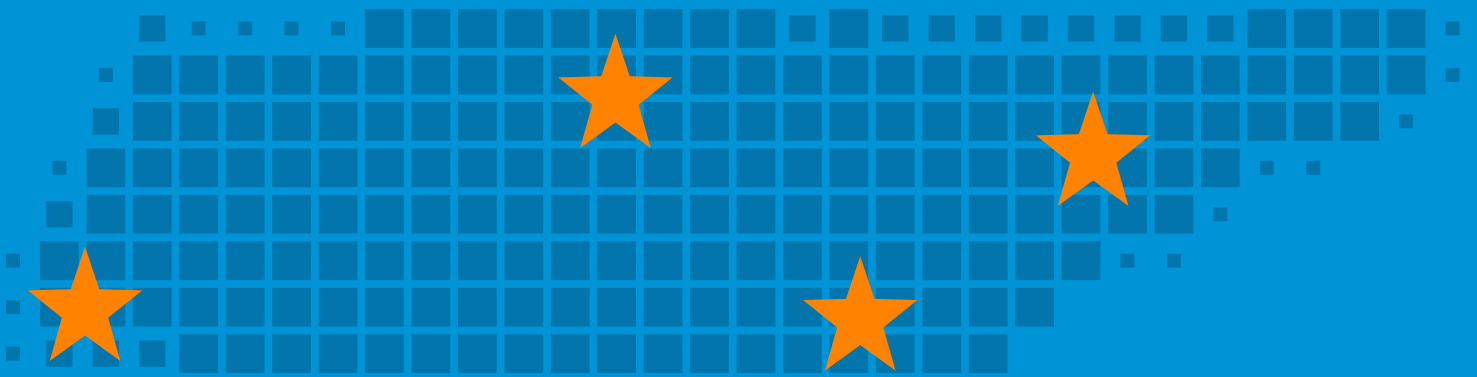


TENNESSEE TECH CENSUS 2018

GRIT & GROWTH

CHATTANOOGA | KNOXVILLE | MEMPHIS | NASHVILLE



On August 7th, 2018, the Powderkeg national innovation network launched a data initiative called The Tennessee Tech Census. Nearly 200 tech **founders, employees, investors,** and other tech leaders from Chattanooga, Knoxville, Memphis, and Nashville weighed in on the growing tech communities they call home. **#WhyTennessee**



DEDICATION

This project is dedicated to the statewide Tennessee tech community, and in particular the individual tech communities of Nashville, Memphis, Chattanooga, and Knoxville. The Tennessee Tech Census could not have happened without enthusiastic collaboration between members of these tech communities and our contributing partners. We deeply appreciate this support.

Community members, thank you for the hours you've spent completing the survey and sharing your honest feedback. To see how unique Tennessee's tech ecosystem is compared to other communities surveyed by the U.S. Tech Census project is both thrilling and humbling. In Tennessee, the data reveals a gritty, innovative tech community that pulls together and collaborates to create exceptional startup growth with the resources they share.

This report is presented with little editorializing or commentary from Powderkeg. Rather, it largely consists of intriguing data and opinions straight from the Tennessee tech community on what makes it special.

We hope the data presented here inspires a broader conversation about tech in Tennessee, and what we're capable of building together locally and nationally as united tech communities.



—The Powderkeg Team



CORPORATE AND LOCAL PARTNERS



STEEL BARREL BREWING



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SURVEY PARTICIPANTS

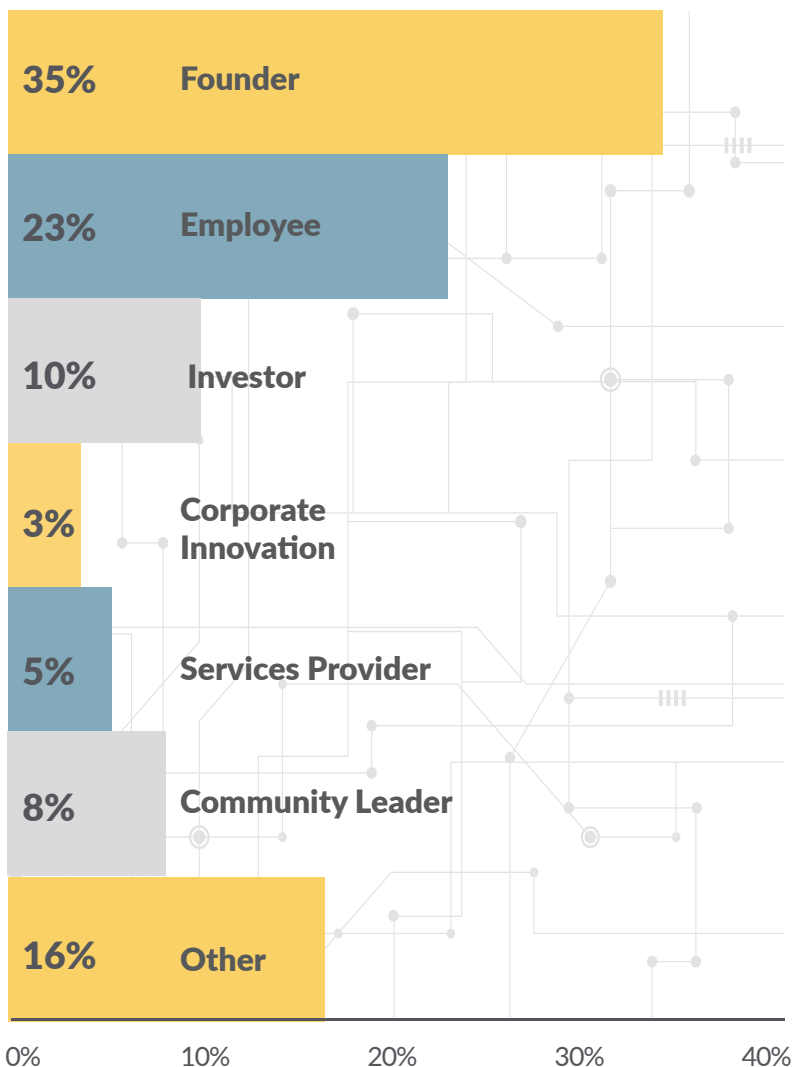
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RESPONDENT TECH ROLES

PERCENTAGE OF RESPONDENTS




RESPONDENT DEMOGRAPHICS

 **MEN**
79%

WOMEN 
21%

11% Ethnic
Minority

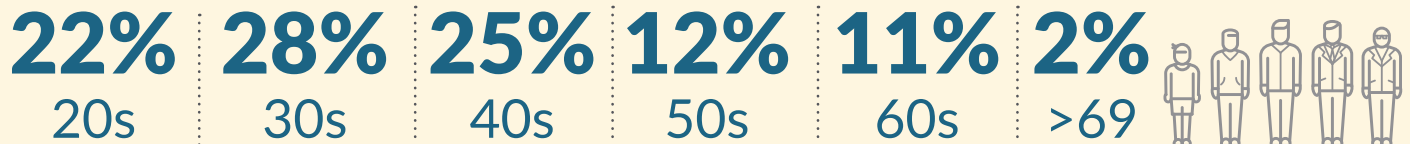


 **2%
LGBT**
30% Identified
as LGBT Allies



RESPONDENT AGES & COMPANY PARTICIPANTS

RESPONDENT AGES



TECH STARTUPS REPRESENTED NUMBER OF COMPANIES

Health Tech	19	
Information Technology (IT)	16	
Marketing & Sales Tech (martech)	14	
Finance Tech (fintech)	8	
Entertainment & Sports Tech	7	
Retail & Ecommerce	5	
Biotech	4	
HR Tech	4	
Sensors (IoT)	4	
Insurance Tech (insurtech)	2	
Supply Chain & Logistics	2	
Other	4	

TOP 3 STARTUP INDUSTRIES

CHATTANOOGA:

Sensors
Martech
Insurtech

NASHVILLE:

Health Tech
IT
Martech

KNOXVILLE:

IT
Martech
Health Tech

MEMPHIS:

Health Tech
Fintech
Advanced Manufacturing

ARR DISTRIBUTION

44%
<\$300K

22%
\$1.5M - \$6M

19%
\$300K - \$1.5M

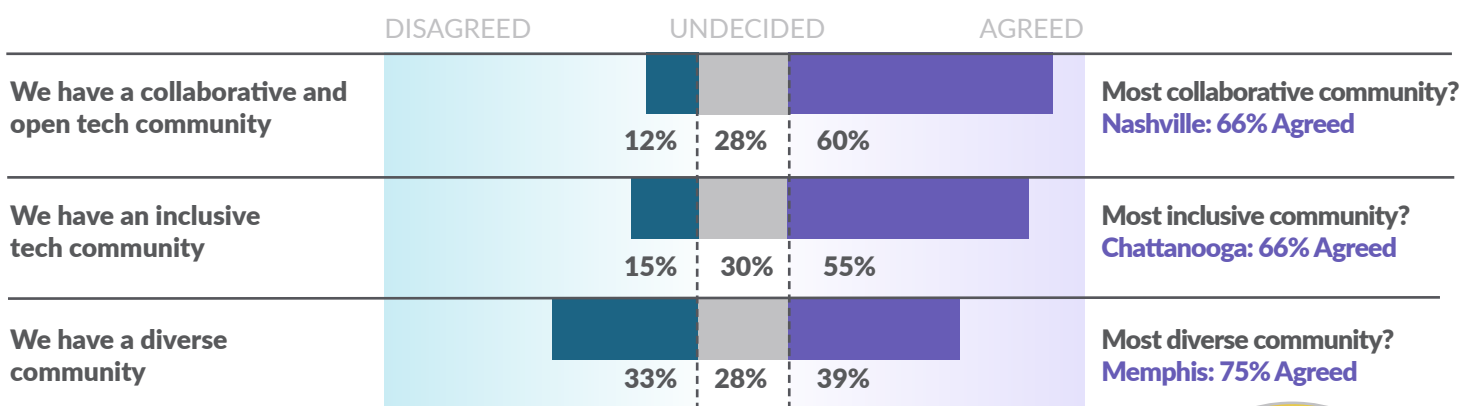
15%
>\$6M

Knoxville had the highest number of start-up respondents in Tennessee with ARR over \$6M.



DIVERSITY & INCLUSION

HOW MUCH DO YOU AGREE WITH THE FOLLOWING STATEMENTS?

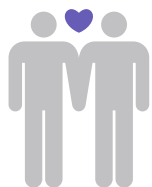


*Data represents all Tennessee Tech Communities Surveyed



21%

of Tennessee respondents identified as female



30%

of Tennessee respondents identified as LGBT allies.



11%

of Tennessee respondents identified as being part of an ethnic minority



In Memphis, we're intentional about cultivating entrepreneurs in a way that reflects the rich diversity of people who live in the region. We're fortunate to see successes from both women founders and founders of color on the rise.

—LOUISA SHEPHERD
Director, Collective Impact at Epicenter Memphis

TWEET THIS QUOTE



Statistics show that less than 1% of black and brown founders receive the funding or the resources to scale their companies in the tech industry. I foresee Nashville making a positive change towards these statistics. We are a city that welcomes all ages, backgrounds, ethnicities, races, and sexual orientations.

—COURTNEY "COKO" EASON, CEO, Milk The Moment, Inc.

TWEET THIS QUOTE



SOCIAL RESPONSIBILITY

WHICH SOCIAL ISSUE WOULD YOU LIKE TO SEE YOUR TECH COMMUNITY MOST IMPACT OVER THE NEXT FIVE YEARS?

Nashville Respondents' Top Priority



20%

Health & Well-Being

Knoxville Respondents' Top Priority



18%

Quality Education



16%

Diversity & Equality

Chattanooga Respondents' Top Priority



13%

Affordable & Renewable Energy



10%

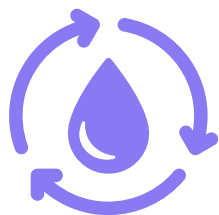
Safety & Reduced Violence

Memphis Respondents' Top Priority



9%

Poverty & Hunger



7%

Clean Air & Water



6%

Recycling & Waste Management



1%

Other

**Data represents all Tennessee Tech Communities Surveyed*



“Having social good behind what I’m doing has opened tons of doors for me. It’s given me a great feeling in my heart, and it’s changed a lot of lives.”

—LEE FARABAUGH
Co-Founder,
StartupNinja



TWEET THIS QUOTE



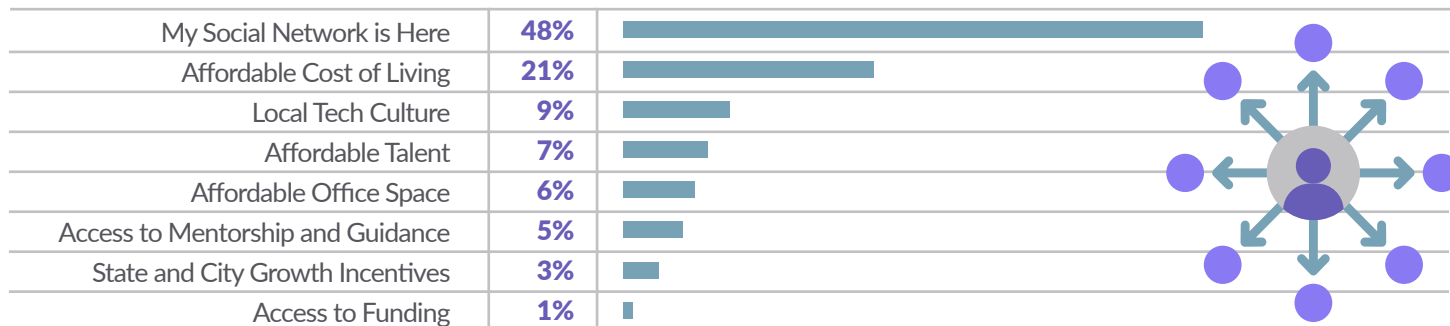
CLICK TO TWEET:

Tennessee tech communities are ready to impact social issues, including health and well being, quality education, and diversity and equality. See Grit & Growth: Tennessee Tech Census 2018 by @powderkegco [#WhyTennessee](#)



WHY FOUND HERE? #WHYTENNESSEE

FOR WHAT REASON DID YOU CHOOSE TO LOCATE YOUR TECH COMPANY IN YOUR REGION?



Chattanooga

- #1 Affordable Cost of Living
- #2 My Social Network is here
- #3 Access to Mentorship

Knoxville

- #1 My Social Network is Here
- #2 Affordable Cost of Living
- #3 Affordable Office Space

Memphis

- #1 My Social Network is Here
- #2 Affordable Cost of Living
- #3 Affordable Talent

Nashville

- #1 My Social Network is Here
- #2 Affordable Cost of Living
- #3 Affordable Talent



If you want to grow your company or career in a city that's affordable, with a great quality of life, and the opportunity to plug into a creative ecosystem that's second to none in the country, then Nashville is where you want to be. Your team will be better because they're here.

—BRIAN MOYER
President & CEO, Greater Nashville Technology Council



TWEET THIS QUOTE



STARTUP RESOURCES



“

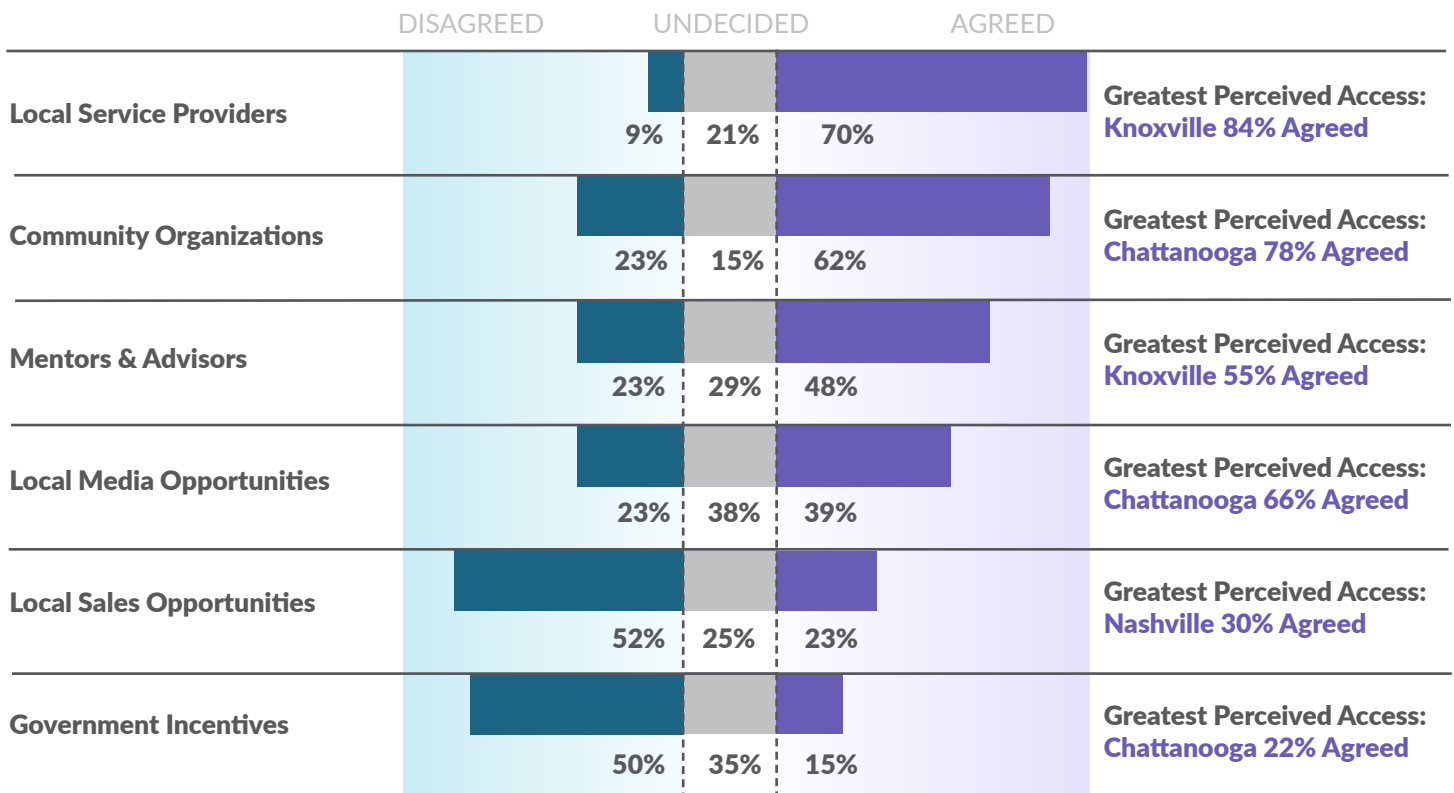
If we can create a state-wide network where an entrepreneur anywhere in Tennessee can stay wherever he or she is, build their business, and have access to resources from across the state, that's a winning formula.

—CHARLIE BROCK
Former CEO, Launch Tennessee



TWEET THIS QUOTE

IS THERE ADEQUATE ACCESS TO LOCAL STARTUP SUPPORT RESOURCES IN YOUR TECH COMMUNITY?



*Answered by 66 Tennessee technology founders.



SECTION 3

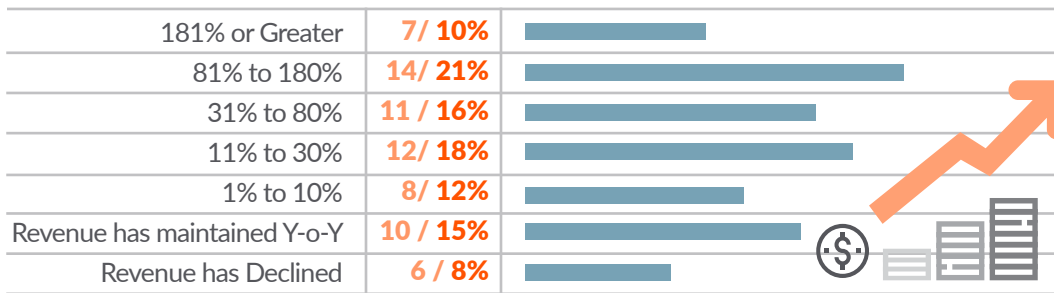
STARTUP PERFORMANCE

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Outsourced accounting and CFO services for busy, scaling tech companies. maccounting.com

FOUNDER OR EXECUTIVE, WHAT WAS YOUR ESTIMATED COMPANY'S YEAR-OVER-YEAR REVENUE GROWTH IN 2017?



**Data represents all Tennessee Tech Communities Surveyed*



CLICK TO TWEET:

High performance startup growth in Tennessee. Greater than thirty percent of Tennessee start-up respondents surged revenue more than 80% in 2017, out-pacing several other major tech hubs. See Grit & Growth: Tennessee Tech Census 2018 by [@powderkegco](https://twitter.com/powderkegco) [#WhyTennessee](https://twitter.com/WhyTennessee)



CLICK TO TWEET: Chattanooga Tennessee startups are thriving. 55% of startup respondents grew revenue more than eighty percent in 2017. See Grit & Growth: Tennessee Tech Census 2018 by [@powderkegco](https://twitter.com/powderkegco) [#WhyChattanooga](https://twitter.com/WhyChattanooga)

Chattanooga

55% of startup respondents grew revenue more than eighty percent in 2017.

Knoxville

22% of startup respondents grew revenue more than eighty percent in 2017.

Memphis

25% of startup respondents grew revenue more than eighty percent in 2017.

Nashville

24% of startup respondents grew revenue more than eighty percent in 2017.



When you come visit Chattanooga, you'll feel that energy that there's a collective effort to help founders succeed. That's really important in the early days.

—SANTOSH SANKAR
Co-Founder, Dynamo Venture Capital

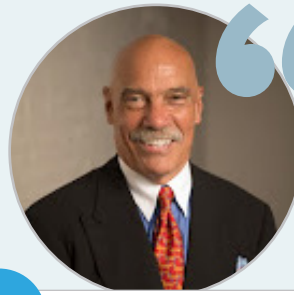
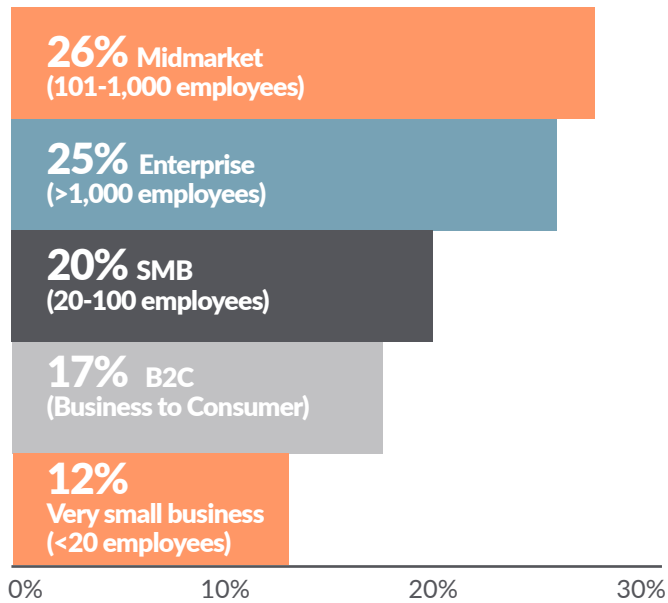


TWEET THIS QUOTE



STARTUP CUSTOMERS

WHAT TYPE OF CUSTOMERS DO YOU SERVE?



Nashville is southern hospitality at its finest for entrepreneurs, and as Music City, it's a little bit country and a little bit rock n' roll.

—STRYKER WARREN
Healthcare Executive



TWEET THIS QUOTE



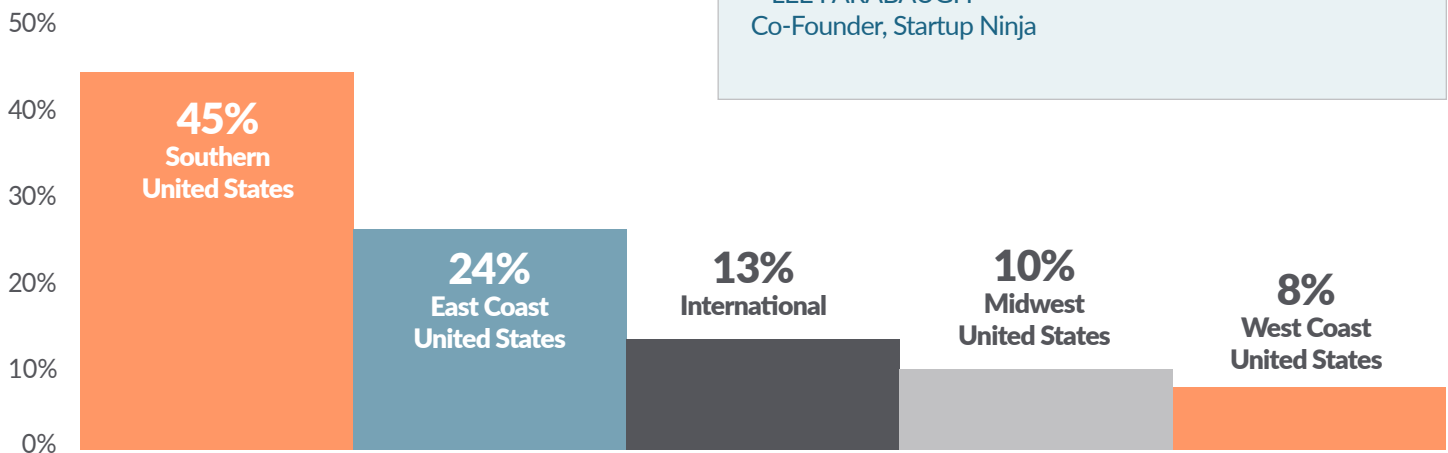
TWEET THIS QUOTE

The environment here in Tennessee is very collaborative. Our customers are winning, our employees are winning, and therefore we're winning. When you create that sort of environment, no one says "no" when you bring new ideas, because everyone wants to win.

—LEE FARABAUGH
Co-Founder, Startup Ninja



WHERE ARE THE MAJORITY OF YOUR CUSTOMERS LOCATED?



SECTION 4

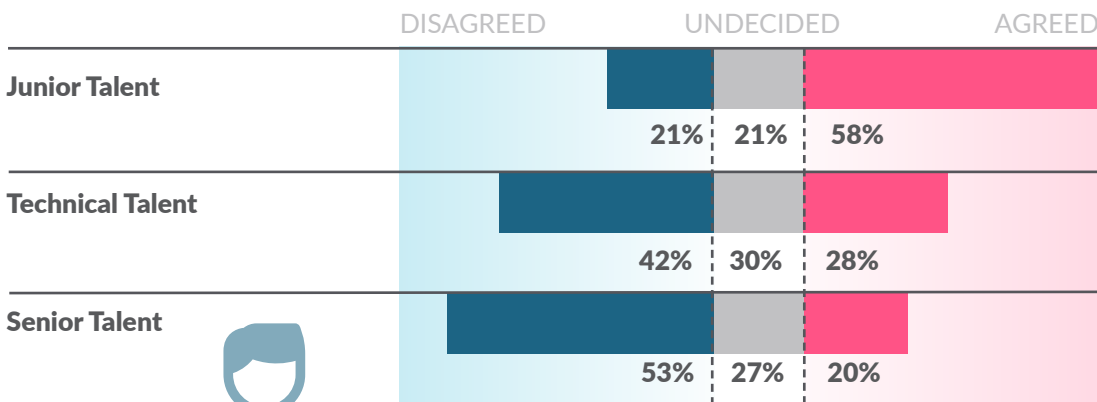
TECH STARTUP TALENT

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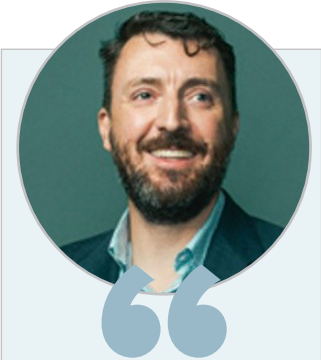
IS THERE ADEQUATE ACCESS TO STARTUP TALENT IN TENNESSEE?



*Answered by 66 Tennessee technology founders.



**Are you an engineer or senior leader
with startup experience?** Tennessee has
a great job for you.



**The tech talent
scene in is growing.
The cool thing about
what's happening in
Nashville is that the
city itself is a draw,
it's an attractive
place to live.**

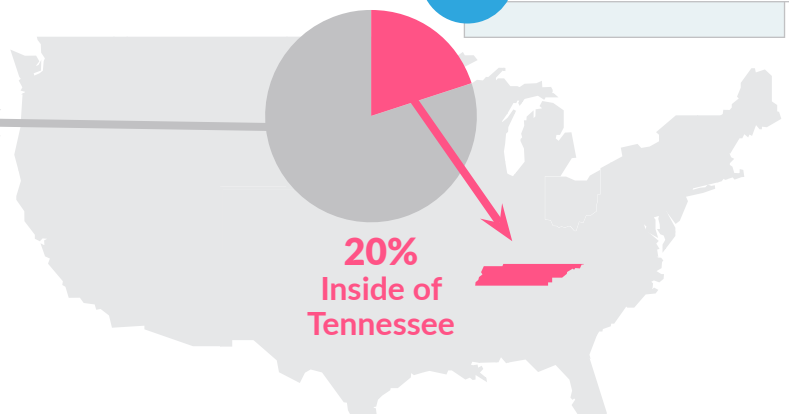
—GILES WARD
COO, Hashed Health

FUN FACT

Tennessee was nick-named The Volunteer State during the War of 1812, in which the volunteer soldiers from Tennessee displayed marked valor.

GEOGRAPHICALLY, WHERE DID YOU GO TO COLLEGE?

80%
Outside of
Tennessee



TWEET THIS QUOTE



CLICK TO TWEET: Tennessee is rapidly drawing in tech talent from around the country. Of those surveyed, 80% of tech employees went to college outside of Tennessee. See Grit & Growth: Tennessee Tech Census 2018 by @powderkegco #WhyTennessee



SALARIES & HOUSEHOLD EXPENSES

TECH STARTUP EMPLOYEE RESPONDENT STATISTICS

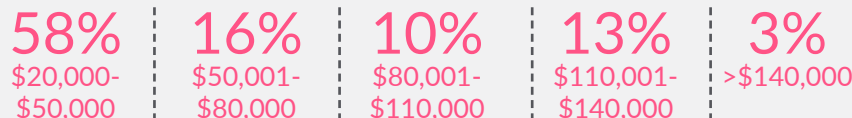
WHAT IS YOUR APPROXIMATE ANNUAL SALARY (INCLUDING DISTRIBUTIONS AND BONUSES)?



FUN FACT

On a clear day seven states are visible from Look-out Mountain near Chattanooga.

WHAT ARE YOUR APPROXIMATE ANNUAL HOUSEHOLD EXPENSES?



CLICK TO TWEET:

Tech employees in Tennessee value company culture, their company's product, and the quality of their leadership team more than compensation and benefits. See Grit & Growth: Tennessee Tech Census 2018 by [@powderkegco](#) [#WhyTennessee](#)

CLICK TO TWEET: Tennessee provides an affordable quality of life for tech talent. 58% of tech employees surveyed have annual household expenses under \$50k, a higher percentage than any other tech region surveyed to date. See Grit & Growth: Tennessee Tech Census 2018 by [@powderkegco](#) [#WhyTennessee](#)

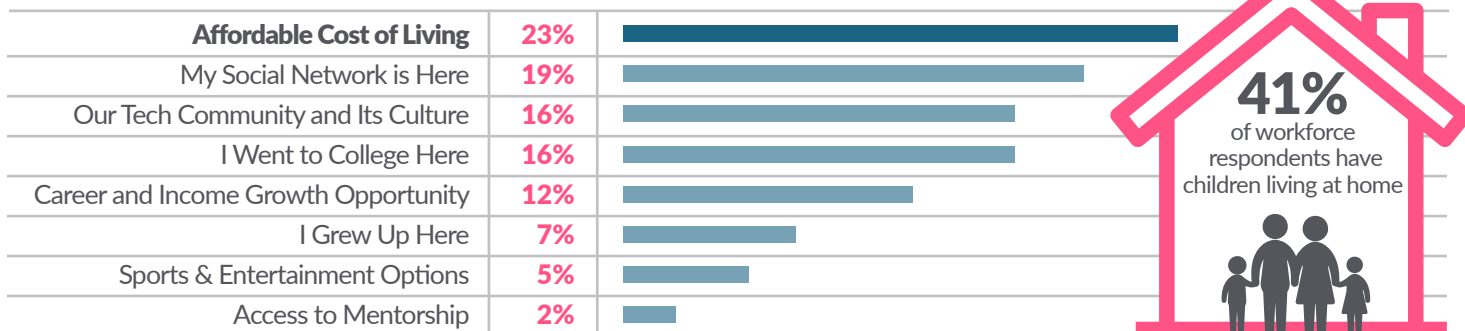
WHY DO YOU CHOOSE TO WORK AT YOUR CURRENT EMPLOYER?

Company Culture	40%	
Passion for the Product or Service	18%	
The Leadership Team	16%	
Competitive Compensation	10%	
Competitive Benefits	5%	
My Friend(s) Work Here	3%	
Other	8%	



WHY WORK HERE? #WHYTENNESSEE

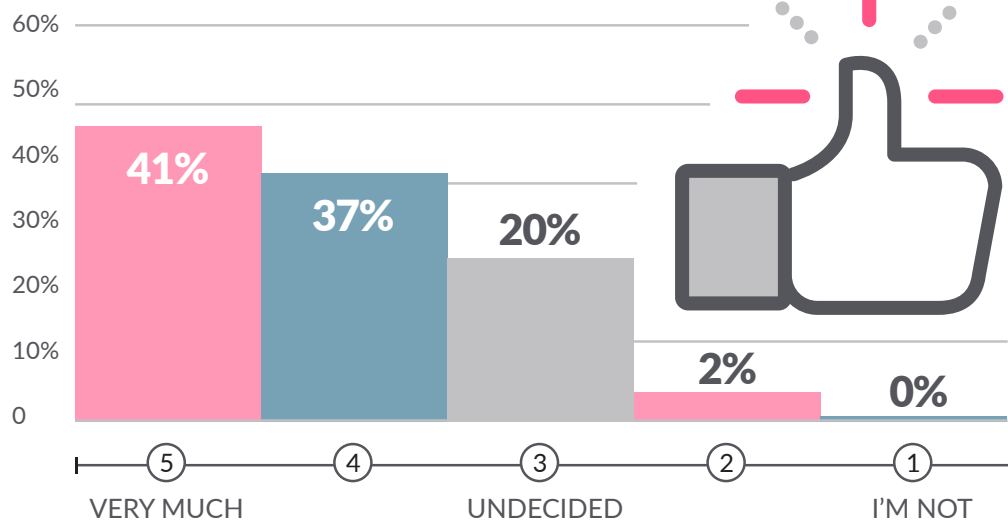
WHY DO YOU CHOOSE TO WORK IN TENNESSEE?



“Do we have the talent here in Nashville? Yes, absolutely. They’re not just talented though. We have great people.”

—MEL TAYLOR
President & CEO,
splitsecnd

HOW MUCH ARE YOU ENJOYING YOUR JOURNEY AS A TECH PROFESSIONAL IN YOUR REGION?



CLICK TO TWEET: Tennessee tech founders, take note. Your employees value company culture more than any other tech community we’ve surveyed to date. See Grit & Growth: Tennessee Tech Census 2018 by @powderkegco #WhyTennessee



SECTION 5

TECH STARTUP FUNDRAISING

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TO YOU BY



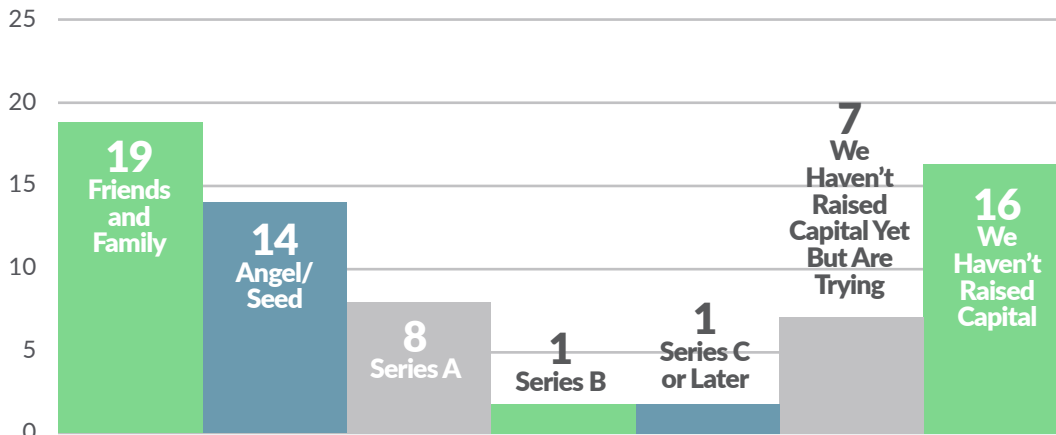
Connecting entrepreneurs to the critical resources
needed to create, launch, or grow a business. www.ec.co

FOUNDER, APPROXIMATELY HOW MUCH EQUITY CAPITAL HAS YOUR COMPANY RAISED TO DATE?

\$6,300,001 - \$12,700,000	2 / 4%	
\$3,100,001 - \$6,300,000	7 / 14%	
\$1,500,001 - \$3,100,000	3 / 6%	
\$700,001 - \$1,500,000	5 / 10%	
\$300,001 - \$700,000	9 / 18%	
\$100,001 - \$300,000	7 / 14%	
\$0 - \$100,000	17 / 34%	

WHAT SERIES WAS YOUR LAST FUNDING ROUND?

NUMBER OF COMPANIES



*Data represents all Tennessee Tech Communities Surveyed



I find that people
in the state of
Tennessee, the
South, and in the
Midwest make
for better entrepre-
neurs. I think
people who lack
hubris make for
great entrepreneurs.

—ANDREW GOLDNER
Co-founder, GrowthX



TWEET THIS QUOTE



CLICK TO TWEET: 65% of startup founders surveyed in Tennessee have raised capital, the highest percent-
age of any tech region surveyed by Techcensus.org to date. See Grit & Growth: Tennessee Tech Census
2018 by [@powderkegco](https://twitter.com/powderkegco) [#WhyTennessee](https://twitter.com/WhyTennessee)



STARTUP GROWTH RESOURCES

ACCESS TO CAPITAL IS A NATIONAL ISSUE

PERCENTAGE OF SURVEYED TECH FOUNDERS WHO RAISED CAPITAL BY REGION:

65%
Tennessee

57%
Greater Cincinnati

46%
Central Indiana

60%
Denver/Boulder



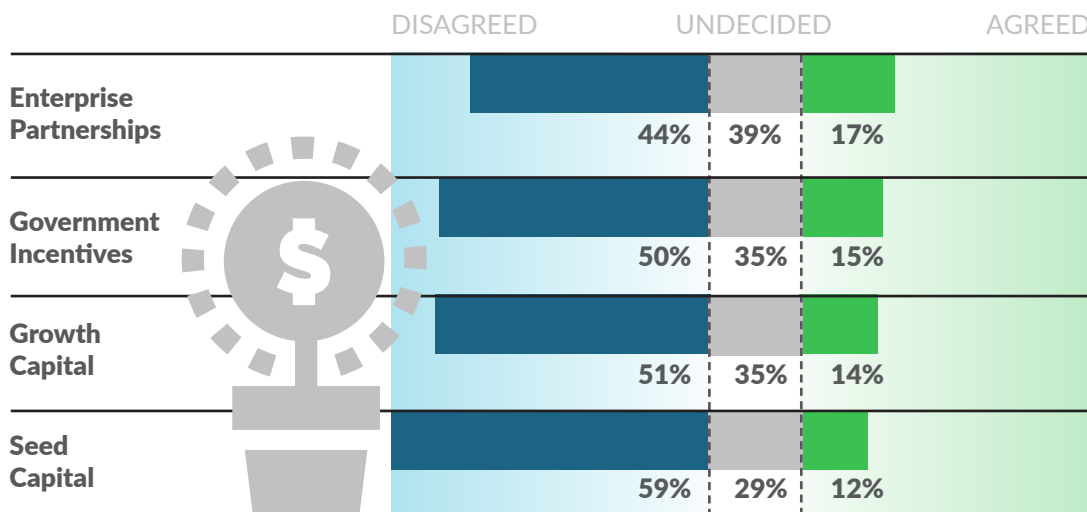
“We’ve worked hard at Launch Tennessee to help plug the gap with early stage capital. We’ve added significant tools to our kit, including the Angel Tax Credit, SBIR Matching Fund, and our own Impact Fund. We’ve also increased national and regional investments through our 36|86 Entrepreneurship Festival.

—CHARLIE BROCK
Former CEO,
Launch Tennessee



TWEET THIS QUOTE

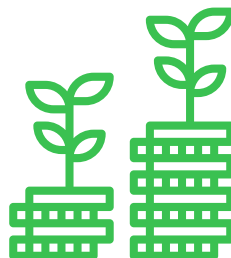
IS THERE ADEQUATE ACCESS TO INVESTMENT CAPITAL, PARTNERSHIPS, AND GOVERNMENT INCENTIVES IN YOUR REGION?



*Answered by 66 Tennessee technology founders.

14%

of surveyed founders
have state or local
growth incentives



73%

of surveyed founders
struggled to raise
capital in Tennessee

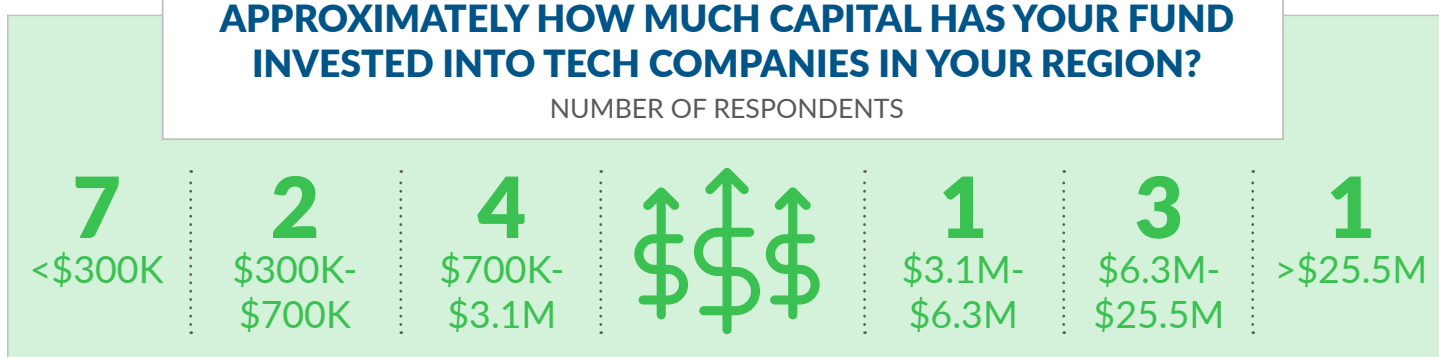


INVESTMENT FUND STATS

TENNESSEE FUND MANAGER & ANGEL RESPONDENTS

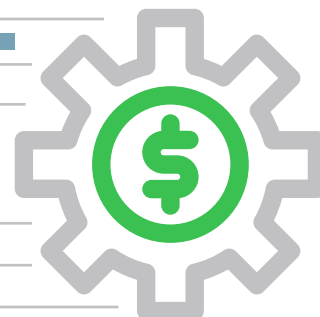
APPROXIMATELY HOW MUCH CAPITAL HAS YOUR FUND INVESTED INTO TECH COMPANIES IN YOUR REGION?

NUMBER OF RESPONDENTS



WHICH OF THE BELOW COMPANY CATEGORIES DOES YOUR FUND HAVE THE MOST INVESTMENTS IN? NUMBER OF RESPONDENTS

IT & Infrastructure	4	
Health Tech	3	
Supply Chain & Logistics Tech	2	
Agriculture (agtech)	1	
Biotech	1	
Sports & Entertainment Tech	1	
Law Tech	1	



FUN FACT

Tennessee has more than 3,800 documented caves.



TWEET THIS QUOTE



The tech funding scene in Tennessee depends on what type of tech you have. For example, if you're a software company and you're building an innovative healthcare solution with a good team, you'll have a pretty good shot at getting seed money here.

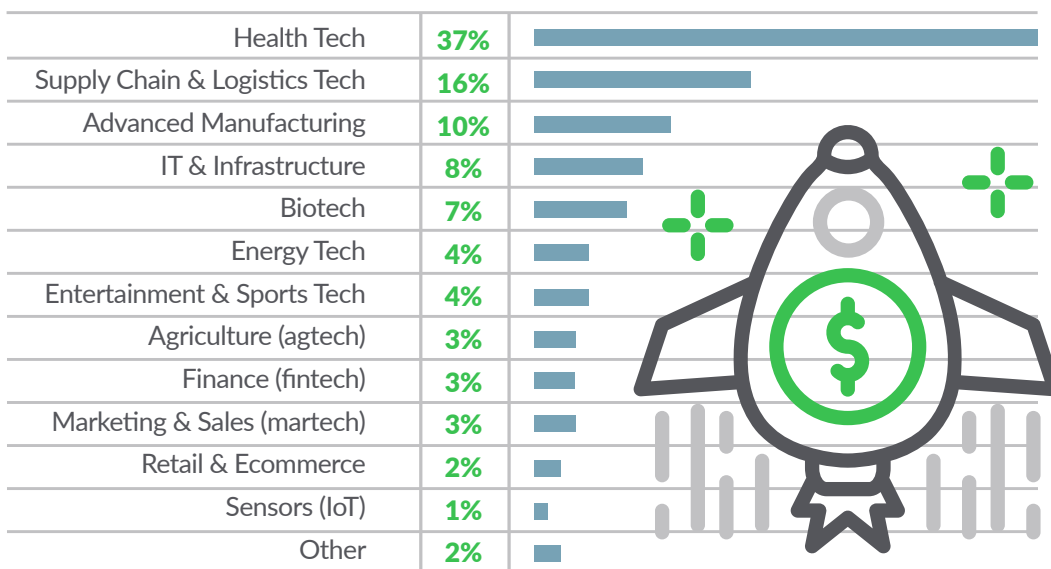
—ROBERT WYNKOOP, Founder, Patriot Technology



GROWING TECH INDUSTRIES

ALL TENNESSEE RESPONDENTS

WHAT INDUSTRY DO YOU SEE GROWING THE MOST IN YOUR REGION OVER THE NEXT 5 YEARS?



Nashville early on was pretty much known as a health-care town. Now you're seeing a lot of startups in areas other than healthcare. Diversity is starting.

—TOM WHITE
CEO, iQuantifi



CLICK TO TWEET: Calling the nation's healthcare technology professionals. Tennessee is quickly becoming the health tech capital of the country. Find a great tech job and a high quality of life. See Grit & Growth: Tennessee Tech Census 2018 by @powderkegco #WhyTennessee



TWEET THIS QUOTE

Chattanooga

- #1 Supply Chain & Logistics Tech
- #2 Advanced Manufacturing
- #3 Health Tech

Knoxville

- #1 Advanced Manufacturing
- #2 Energy Tech
- #3 Health Tech

Memphis

- #1 Biotech
- #2 Health Tech
- #3 Supply Chain & Logistics Tech

Nashville

- #1 Health Tech
- #2 Biotech
- #3 IT & Infrastructure













TECH COMPANIES TO WATCH

CHATTANOOGA

STARTUP: BEST CULTURE

BY POPULAR VOTE OF SURVEY PARTICIPANTS

1		Bellhops
2		Skuid
3		Branch Technology
4		Collider
5		RootsRated
6		Ambition
7		Carbon Five
8		FreightWaves
9		Motivo
10		VeryPossible

ENTERPRISE: MOST INNOVATIVE*

BY POPULAR VOTE OF SURVEY PARTICIPANTS

*Award does not require primary headquarters within region.




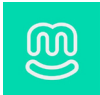




1		EPB
2		Volkswagen
3		Sanofi
4		Erlanger Hospital
5		Kenco
6		Amazon
7		Reliance Partners
8		Steam Logistics
9		U.S. Xpress
10		Covenant Transport



KNOXVILLE

STARTUP: BEST CULTURE

BY POPULAR VOTE OF SURVEY PARTICIPANTS

1		Cirrus Insight
2		StoragePug
3		PerfectServe
4		Vortext Analytics
5		mobius
6		EventBooking
7		MomSource
8		Red Stag Fulfillment
9		RDI Technologies
10		Vendor Registry

ENTERPRISE: MOST INNOVATIVE*

BY POPULAR VOTE OF SURVEY PARTICIPANTS

*Award does not require primary headquarters within region.











1		Discovery
2		Radio Systems
3		Oak Ridge Lab
4		The Tombras Group
5		Clayton Homes
6		TeamHealth
7		Provision Healthcare
8		DENSO
9		Sword & Shield
10		JTV



MEMPHIS

STARTUP: BEST CULTURE











BY POPULAR VOTE OF SURVEY PARTICIPANTS

1		SOMAVAC Medical
2		SweetBio
3		DEVCON
4		Soundways
5		HelloHome
6		Simple Focus
7		Graph Story
8		Preteckt
9		Tech901
10		Ibtechnology inc.

ENTERPRISE: MOST INNOVATIVE*

BY POPULAR VOTE OF SURVEY PARTICIPANTS

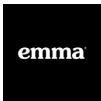



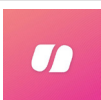





*Award does not require primary headquarters within region.

1		FedEx
2		ServiceMaster
3		Smith & Nephew
4		St. Jude Children's Research Hospital
5		GTx
6		Methodist Le Bonheur Healthcare
7		Wright Medical
8		Pfizer
9		AutoZone
10		International Paper

NASHVILLE

STARTUP: BEST CULTURE









BY POPULAR VOTE OF SURVEY PARTICIPANTS

1		emma
2		LeanKit (Plainview)
3		Digital Reasoning
4		Hashed Health
5		Soundstripe
6		FoxFuel Creative
7		GoCheck Kids
8		Mixtroz
9		Jammer
10		Initial State

ENTERPRISE: MOST INNOVATIVE*

BY POPULAR VOTE OF SURVEY PARTICIPANTS

*Award does not require primary headquarters within region.

1		Asurion
2		HCA Healthcare
3		Nissan
4		Change Healthcare
5		HealthStream
6		Ingram Content Group
7		LifePoint Health
8		Vanderbilt Medical Center
9		WeWork
10		Dell



CONCLUSION

"The best way to predict the future is to create it."

- ABRAHAM LINCOLN

Technology is integral to how humans shape the future. Moore's Law supports the concept that technology is accelerating at an exponential rate. Therefore, technologists are shaping the future at an unprecedented pace.

The state of Tennessee and its burgeoning number of tech entrepreneurs have earned as much right as anyone else to shape the future of humanity. Tennessee has a fascinating culture, one where individual ruggedness greets a spirit of volunteerism, where industrious and creative energies swirl together. With qualities like those, Tennessee's culture is a natural fit for entrepreneurs looking for a place to found innovative companies.

Moreover, the established industries within Tennessee amplify the opportunities for tech entrepreneurs. Mature sectors such as healthcare, music, and evangelical publishing, for example, do more than create economic stability. Each one emphasizes connecting with, understanding, and serving an audience. For entrepreneurs who must win through building tech products that authentically serve their customers, they could find few better environments than Tennessee.

The Powderkeg network looks forward to working with Tennessee's statewide tech community, and its individual tech communities of Nashville, Memphis, Chattanooga, and Knoxville. We want to ensure that all Tennessee startups have the resources needed to fulfill their visions. We all can amplify that effort by helping tech professionals and investors around the country (and world) see insights from this report.

Please take a moment to share this report on social media.

Thank you!

#WHYTENNESSEE #UNVALLEY

#WHYNASHVILLE #WHYMEMPHIS



#WHYCHATTANOOGA



#WHYKNOXVILLE

