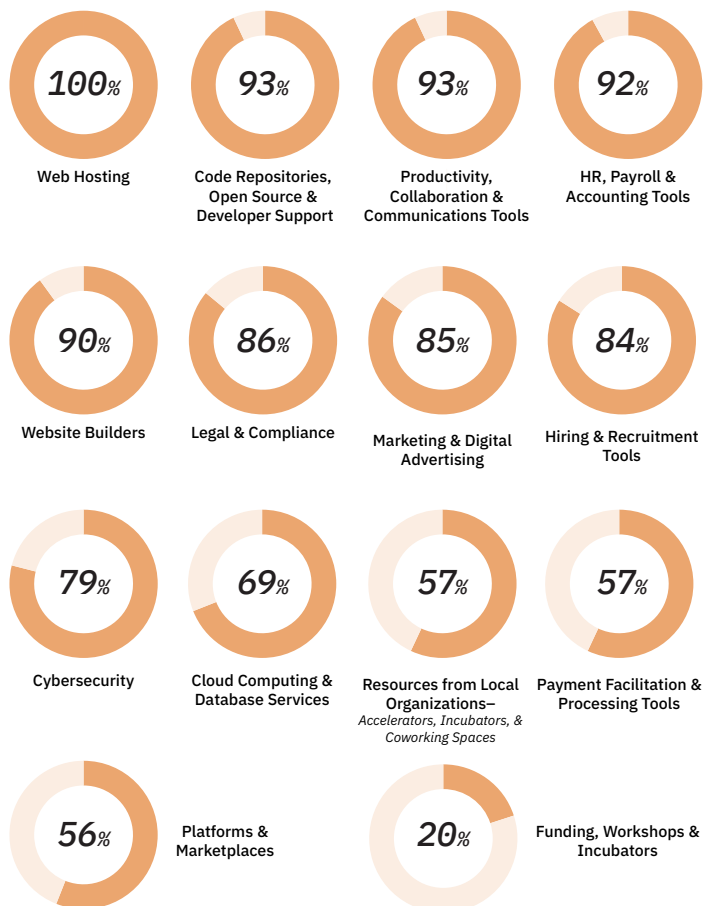


Startups Leverage Dozens of Technology Services and Tools To Drive Their Successes

New research from the CCIA Research Center and Engine shows that startups leverage dozens of technology services and tools like AWS, GitHub, Google Suite, Zoom, and Slack to build and run their companies—often for free or little cost. These findings suggest that aggressive cost-inducing regulations on the firms that provide these essential services could separate startups from the tools they need to compete.

Usage Stats:

What types of digital services are startups using to compete with established companies, and what percentage of startups rely on each?



Key Takeaways:

1 Innovations in the infrastructure to build companies has brought the cost of starting a company to below \$5,000, down from \$5 million in 2000.¹

2 100% of surveyed startups utilize three or more free or low-cost digital tools, while 98% of sampled startups use five or more.

3 Proposed legislation is predicted to increase costs for targeted companies, which could limit their ability to offer free and low-cost services to startups. Resulting costs to startups could amount to \$3,000 per employee per year.²

4 To avoid harmful unintended consequences as they legislate in the technology sector, policymakers must keep in mind the interconnected and interdependent nature of the startup ecosystem.

Taken from the report **Tools to Compete: Lower Costs, More Resources, and the Symbiosis of the Tech Ecosystem** by CCIA & Engine

Read the full report at: <https://research.ccia.net.org/tools-to-compete>

¹ See, e.g., Anand Sanwal, Startups and Accelerating Corporate Innovation, CB Insights (2015), <https://www.cbinsights.com/reports/corporate-innovation-theater.pdf>.

² Trevor Wagener, Key Services for Startups and Small Businesses Jeopardized by Antitrust Bills, Project DisCo (May 23, 2022), <https://www.project-disco.org/competition/052322-key-services-for-startups-and-small-businesses-jeopardized-by-antitrust-bills/>.