LAND IN THE BAY
The Australian entrepreneur's guide to the San Francisco Bay Area
INTRODUCTION

The San Francisco Bay Area is widely recognised as the epicentre of global technology innovation and disruptive business. The area offers a singular concentration of cross-sector industry leaders, investors and academics, and is fertile ground for Australian entrepreneurs looking to scale their ventures globally.

This guide provides practical information that Australian entrepreneurs should consider before and after entering the Bay Area market. It outlines top business and personal considerations and provides a roadmap for entering and succeeding in the market. Some of the advice is specific to the Bay Area, but much of it is also applicable to entrepreneurs looking to enter other US markets.

‘The biggest positive was the opportunity to arrive into a new country with a support network already in place. Without the Landing Pad, we possibly may have delayed moving international as quickly as we had. The office environment was motivating, being around founders in the same boat, particularly Australians expanding into the US market, and it was helpful to take workshops on the operational aspects involved in launching a business into the USA.’

Bennett Merriman, Co-Founder, Event Workforce Group as published in Startup Daily.

AUSTRALIAN LANDING PAD

As part of the Australian Government’s National Innovation and Science Agenda, Austrade has established Landing Pads in five global tech hubs across the world, including San Francisco, Tel Aviv, Shanghai, Berlin and Singapore. Landing Pads assist market-ready Australian startups and scaleups access some of the world’s most renowned innovation and startup ecosystems.

SAN FRANCISCO LANDING PAD

NINETY-DAY RESIDENCIES
An operational base at a leading technology campus. This immersive environment provides market-ready startups and scaleups, with potential for rapid growth.

BUSINESS DEVELOPMENT ASSISTANCE
Referrals to service providers who are best equipped to support Australian scaleups entering the US market.

ACCESS TO AUSTRADE’S INTERNATIONAL BUSINESS NETWORK
Austrade will draw upon the combined strength of over 80 offices in 48 markets to help startups and scaleups to go global. Landing Pad participants can tap into Austrade’s business and investor networks.

AFTER-PROGRAM SUPPORT
Austrade will continue to work with Landing Pad participants and help them determine the next steps. Landing Pad alumni will be introduced to a network of service providers, corporates, programs and other government agencies that can provide assistance.

Visit australiaunlimited.com/landing-pads for more information.

FOLLOW THE LANDING PADS

@AustradeUSA
@LandingPadsAu
AustralianLandingPads
@Austradeofficial
Australian Trade and Investment Commission
California is rich with opportunities for Australian entrepreneurs. The state is home to over 100 technology companies that are collectively worth more than US$2 trillion and accounts for approximately six per cent of all corporate America’s profits.¹

In 2018, US Venture Capital (VC) investment hit a record high of US$132.1 billion invested, with about 65 per cent went into larger and late-stage deals.²

In 2017, the Bay Area alone accounted for more than one quarter of all global VC investment³ and currently hosts nine of the top 10 venture capitalists in the world.⁴

There are over 18,000 Australians working in the Bay Area, most at large companies including Google, Facebook and Apple. There are also many working on their own startups.⁴

---

**THERE ARE 126 UNICORNS* IN CALIFORNIA⁵**

**BAY AREA UNICORNS INCLUDE:**

- CRUISE
- AIRBNB
- OPENDOOR
- SPACEX
- STRIPE

**COLLECTIVELY ALL 126 COMPANIES ARE WORTH OVER**

**US$1.14 TRILLION⁸**

---

*A unicorn is a private company valued at over US$1 billion.*
Austrade has produced reports profiling industry opportunities in the US, providing insights for Australians seeking to bring their ventures into the market. Before entering the San Francisco market, it may be valuable for Australian entrepreneurs to review emerging trends across the following strategic sectors.

- Advanced materials manufacturing
- Agritech
- Cyber security
- Digital technology
- Fintech
- Medtech
- Resources and energy
- Renewable energy
- Defence


**THERE ARE OVER 80 AUSTRADE OFFICES GLOBALLY AND 6 AUSTRADE OFFICES IN THE US**

**WORKING ACROSS 48 MARKETS**

*Land in the Bay: The Australian entrepreneur’s guide to the San Francisco Bay Area*
TOP FACTORS TO CONSIDER

Australian entrepreneurs should consider a number of factors when making the decision to enter the Bay Area market.

Pre-arrival

Visas

Visas should be top of mind for Australian entrepreneurs considering an expansion into the US market. Austrade cannot provide direct advice on visa selection, so entrepreneurs should consider options well before arriving in the Bay Area.

There are nearly 60 different types of temporary US visas, as well as a variety of ways to become a permanent resident. It is important to seek legal advice and counsel well in advance of any market visits to ensure all appropriate documentation is filed prior to departure.

Generally a citizen of a foreign country that wishes to enter the US must first obtain either a non-immigrant visa for a temporary stay or an immigrant visa for permanent residence. For Australian entrepreneurs beginning this process, the first step is to visit the US Department of State website to research obtaining the correct visa class. Engaging an accredited visa or immigration specialist and visiting the American Immigration Council website may also be beneficial.

For more information, visit the following:
› travel.state.gov/content/travel/en/us-visas.html
› americanimmigrationcouncil.org
› advance.org/visas/usa

Housing and cost of living

Entrepreneurs should thoughtfully consider their budget before making the decision to enter the expensive Bay Area market.

San Francisco is one of the least affordable cities in the world and the second most expensive city in the US, with an estimated monthly cost of living 96.3 per cent higher than the US average.

Given the high cost of housing in San Francisco, it is important to plan ahead and review roommate and neighbourhood resources before arriving.

Cost of living

There are a variety of cost-of-living tools that can assist with the development of a budget. These tools are often crowd-sourced from user inputs and are subject to change.

Examples can be found at numbeo.com/cost-of-living/in/San-Francisco and expatistan.com/cost-of-living/san-francisco.
Neighbourhood guides

San Francisco is a city of diverse neighbourhoods. It is recommended that neighbourhood guides be reviewed before any final selections are made.

The following websites might be of use:

› thrillist.com/lifestyle/san-francisco/which-sf-neighborhood-should-you-move-to
› airbnb.com/locations/san-francisco

Apartment listings

There are a variety of websites and applications that provide housing options. Often the accommodation options listed are shared living arrangements and require signing a sub-lease contract. Australian entrepreneurs should review these listings and begin to make enquiries before arriving in the Bay Area. The following list provides a sample of apartment search websites.

› sfbay.craigslist.org
› airbnb.com/locations/san-francisco
› padmapper.com
› zumper.com
› hotpads.com
› roomiapp.com
› zillow.com
› rentler.com
› rentsfnow.com

Joining Facebook groups is also a useful way to find local accommodation. The following list is of popular groups in the Bay Area.

› Bay Area Housing
› San Francisco Bay Area – Roommates, Rooms, Apartments
› San Francisco Roommates

‘Finding housing was a big thing, it was so hard to find something affordable.’

Jess Ruhsfus, Founder, Collabosaurus.

THE ESTIMATED MONTHLY COST OF LIVING IN THE BAY AREA IS 96.3 PER CENT HIGHER THAN THE US AVERAGE

VISA CATEGORIES

E-3
Skilled professionals from Australia who hold a degree or equivalent of a degree in a specific field. For more US Department of State information visit ustraveldocs.com/au/au-niv-typee3.asp.

J-1
Exchange visitors such as au pairs, camp counsellors, physicians, research scholars, trainees, students and recent graduates.

L-1
Employees transferring to the US office of the company they have been working for abroad for more than one year.

O-1
Individuals with extraordinary ability in the arts, science, business, education or athletics.

H1B
Professionals with immigrant intent who hold a Bachelor’s degree or equivalent of a Bachelor’s degree.

B-1
Professionals visiting for one to six months to conduct business activities.

E1/E2
Treaty Traders setting up a company in the US that trades with Australia (E-1 visa) or Treaty Investors who invest in a company in the US (E-2 visa).
A social security number is used for taxation and identification purposes in the US. Individuals with a social security number may receive certain government services and social security benefits. A social security number can also ease the process of opening a US bank account, although it is not a requirement.

Australian entrepreneurs should begin the social security number application process before arriving in the US.

Before applying

For non-US citizens intending to work in the US, a Department of Homeland Security (DHS) authorisation to work must be issued before an application can be made for a social security number. Australians can apply for a DHS authorisation through the US Citizenship and Immigration Services (USCIS) website. Their working status will also need to be verified electronically.

Visit uscis.gov/e-verify for more information.

How to apply for a social security number as a non-citizen

Australian entrepreneurs can apply for a social security number before coming to the US as part of the immigration process. When applying for an immigrant visa with the US Department of State, applicants can apply for a social security card at the same time and avoid an in-person trip to a Social Security Office.

Alternatively, applicants can apply for a social security number once in the US by visiting a Social Security Office.

Documents needed if applying through a Social Security Office

1. A current foreign passport.
2. A current US immigration document that proves the work-authorised immigration status.

Acceptable immigration documents include:
- Form I-551 (Permanent Resident Card, includes machine-readable immigrant visa)
- Admission stamp showing a class of admission permitting work
- Form I-94 (Arrival/Departure Record)
- Form I-766 (Employment Authorization Document, or EAD).

Other helpful information

For more information on social security numbers for non-citizens, visit the following websites:
- ssa.gov/pubs/EN-05-10096.pdf
- socialsecurity.gov (official Social Security website).

‘If you’re planning on coming here make sure that you’ve done all the admin side of the business. Getting the bank account set up, getting the company and insurance set up. It takes a lot of time. If I were to do it all again I would have done it in Australia before coming.’

Caroline Lepron, Co-founder, Cookitoo.
Arrival

Banking

Determining which financial institution to choose depends on the nature and requirements of both the business venture and personal considerations.

According to the United States Consumer Finance Protection Bureau, a social security number is not required to open a checking or savings account.

‘To open a checking or savings account, the bank or credit union will need to verify your name, date of birth, address and identification (ID) number. An ID number can be a social security number or an Individual Taxpayer Identification Number (ITIN). To get an ITIN, you will need to fill out a form with the Internal Revenue Service (IRS).’

Visit [irs.gov](http://irs.gov) for more information.

The following information from Entrepreneur Media illustrates the advantages of community, regional and national banks.

<table>
<thead>
<tr>
<th>Good for...</th>
<th>Community Banks</th>
<th>Regional Banks</th>
<th>National Banks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Small to medium size-businesses.</td>
<td>Small to medium size-businesses with aggressive growth strategies.</td>
<td>Medium to large businesses with multistate operations.</td>
</tr>
<tr>
<td>Service</td>
<td>Very responsive. Decisions are usually made by bank/branch staff. It’s possible you’ll interact with the same banker for years.</td>
<td>Small enough to care about and deliver personalised service.</td>
<td>Impersonal. A high turnover among staff makes it hard to maintain a personal relationship and most decisions aren’t made at the branch level.</td>
</tr>
<tr>
<td>Fees</td>
<td>Can be around the highest.</td>
<td>In the middle.</td>
<td>Lowest, thanks to economies of scale.</td>
</tr>
<tr>
<td>Technology</td>
<td>Behind the curve.</td>
<td>You’ll get the basics, but nothing fancy.</td>
<td>On the cutting edge. Can handle much, if not most, of banking online.</td>
</tr>
<tr>
<td>Ease of Credit</td>
<td>Loans are made with more weight given to your character and history and an understanding of the local market.</td>
<td>Regional banks will give you more weight to local market conditions than national banks will.</td>
<td>Loans are issued strictly by the numbers, with no flexibility.</td>
</tr>
<tr>
<td>Intangibles</td>
<td>Community banks partner with national banks to provide credit cards and international services.</td>
<td>Many regional banks are made up of independently run community banks and offer the best of both worlds.</td>
<td>Experts in international banking and services.</td>
</tr>
</tbody>
</table>

Taxation

Many US states impose a sales tax at the point of sale, with rates varying between the different states and counties. Income and corporate tax laws apply. Advice from taxation professionals is suggested for Australians establishing a business presence in the US. There are various relevant publications available from the private sector, including The Inbound Guide to US Corporate Tax – an Ernst and Young publication that provides overviews of the US tax systems. Other accounting firms, such as Deloitte, provide similar publications.

Advice on tax liability situations should be obtained from professional tax advisors, accountants or lawyers. The Internal Revenue Service (IRS) (irs.gov) can provide advice and the Australian Taxation Office (ato.gov.au) can advise on Australian tax implications.


Fundraising

The Bay Area is known as an international hub of venture capital. The processes for fundraising, especially for startup companies, are quite similar in the US compared to Australia. Standard processes could involve:

- a tailored pitch to angel investors or venture capital firms
- agreement on the term sheet
- third-party due diligence process
- execution on the final documents.

Founders should research capital networks before arriving in San Francisco. Helpful resources include:

- The National Venture Capital Association (NVCA) 2019 Yearbook: This annual publication documents trends and analysis of venture capital activity in the US. Visit nvca.org/research/research-resources/ for more information.13
- Silicon Valley angel investors on AngelList at angel.co/silicon-valley/investors
- Entrepreneur Media’s VC 100 list of top early-stage investors at entrepreneur.com/article/242702.
- Global venture capitalist list at signal.nfx.com

IN 2018

US$132 BILLION

IN VENTURE CAPITAL WAS INVESTED IN THE UNITED STATES14

61.7% OF VC WAS INVESTED WITHIN THE WEST/NORTHWEST REGION OF THE US15

THE BAY AREA ACCOUNTS FOR 1/4 OF ALL GLOBAL VC INVESTMENT AND HOSTS 9 OUT OF 10 TOP VC FIRMS

Land in the Bay: The Australian entrepreneur’s guide to the San Francisco Bay Area
In 2018, US$132.1 billion in VC was invested in the US. Close to 60 per cent of deals were for over US$50 million.

Seventy-five per cent of US VC went to four regions in three states: New York, Boston, Los Angeles and the San Francisco Bay Area, which also hosts nine out of the 10 top VC firms.
A snapshot of the US venture capital market in 2018:

- **427** VC firms managed US$25m or less, while
- **83** firms managed US$1b or more
- **256** funds raised $55.5 billion to deploy into startups
- **8948** VC-backed companies received $130.9 billion in the highest annual total since the Dot-Com era
- **US$55.5 billion** raised across 256 funds throughout 2018
- **61.9%** of total capital invested stemmed from deals sized $50 million or larger

**States that saw an increase in VC fundraising year-over-year:**

- Washington
- Tennessee
- North Carolina
- New York
- New Mexico
- New Jersey
- Nevada
- Massachusetts
- Iowa
- Illinois
- Georgia
- Florida
- District of Columbia
- California

Data provided by Pitchbook

**VC funding was deployed to startups in all 50 states and D.C., reaching:**

- **213** metropolitan statistical areas and **336 congressional districts**
HOW THE AUSTRALIAN GOVERNMENT CAN ASSIST

The Australian Trade and Investment Commission (Austrade) helps Australian businesses to develop international markets by providing advice and a variety of services, including market briefings, referrals, ecosystem information and grant programs.

As part of the Australian Government’s National Innovation and Science Agenda, Austrade has established Landing Pads in global tech hubs, including San Francisco. Landing Pads assist market-ready Australian startups to access some of the world’s most renowned innovation and startup ecosystems.

San Francisco Landing Pad

› Ninety-day residencies at leading technology campuses. This immersive environment provides market-ready scaleups with a cost effective option to land and expand into major global innovation hubs around the world.
› Business development assistance – referrals to service providers who are best equipped to support Australian scaleups entering the US market.
› Access to Austrade’s international business network – Austrade will draw upon the combined strength of more than 80 offices in 48 markets to help Australian startups go global. Landing Pad participants can tap into Austrade’s business and investor networks to meet potential customers (including multinationals), investors and strategic partners.
› After-program support – Austrade will continue to work with Landing Pad participants and help them determine the next steps. Landing Pad alumni will be introduced to a network of service providers, corporates, programs and other government agencies that can provide assistance.

Grants and incentives

In addition to the Landing Pad, Australian entrepreneurs should consider the following grant and tax incentive programs before entering the US market. This list is not comprehensive and entrepreneurs should conduct their own research into available grants and support programs including at state and local government levels.

› Export Market Development Grants (EMDG)
  EMDG encourage small- and medium-sized Australian businesses to develop export markets. The grants reimburse up to 50 per cent of eligible export promotion expenses above A$5,000 provided the total expenses are at least A$15,000. Up to eight grants are available to each eligible applicant.
  For more information on EMDG, visit austrade.gov.au/Australian/Export/Export-Grants.

› Research and Development (R&D) Tax Incentive
  The R&D Tax Incentive is broad-based, market-driven assistance for all industries. It provides a targeted tax offset to encourage more companies to engage in R&D in Australia. The incentive assists eligible companies to create new or improved products, processes and services by reducing their tax.
  For more information, visit business.gov.au/assistance/research-and-development-tax-incentive.

Visit australiaunlimited.com/landing-pads for more details.
The Entrepreneurs’ Programme

The Entrepreneurs’ Programme is the Australian Government’s flagship initiative for business competitiveness and productivity. Delivered by the Department of Industry, Innovation and Science, the programme forms part of the Australian Government’s National Innovation and Science Agenda. The programme offers support to businesses through four elements:


— **Business management** – experienced business advisers and facilitators review business operations including business direction, strategy, growth opportunities and supply chains. They provide a report with strategies for improvement and work with the business to implement these strategies.

— **Incubator support** – assists new and existing incubators to improve the prospects of Australian startups achieving commercial success in international markets by helping them to develop their business capabilities. Visit [business.gov.au/Assistance/Incubator-Support](https://business.gov.au/Assistance/Incubator-Support) for more information.


CSIRO Innovation Connections Program

CSIRO’s Innovation Connections Program offers eligible Australian small-to-medium enterprises (SMEs) an opportunity to improve their competitiveness by building relationships with Australian research organisations. Innovation Connections grants worth up to A$50,000 are available to support projects involving:

— engagement of a publicly funded research organisation to undertake research activities

— placement of a researcher in the business to develop and implement a new idea with commercial potential

— access to research infrastructure

— access to other forms of research capability, as determined by a business research needs assessment.


Austrade International Readiness Indicator

Austrade’s International Readiness Indicator is an online tool for new exporters. It is designed to help Australian businesses determine whether their product is ready for entry into a new global market.

The Indicator draws on Austrade’s experience in assisting Australian firms to enter international markets. It focuses on the key aspects needed to be export-ready and compete successfully in overseas markets, such as the US.

Before scaling a venture into the US market, it is worthwhile for Australian entrepreneurs to review this tool.


‘There is just no way a small startup company should be renting an office place on their own. It’s such a liability...we like the co-working space because it gives you that flexibility.’

Kristy Bayley, Director of Operations, Switch Automation.
Networking resources

The Bay Area has a mature ecosystem of networks that connects, educates and supports all stakeholders within the startup community. With a strong emphasis on networking, a large aspect of the Bay Area business culture consists of events and communities. The following are core groups that are recommended specifically for Australian entrepreneurs.

'It’s all about networking. Networking is a San Francisco thing...the Australian startup ecosystem is tiny...it’s not even comparable to San Francisco.’

Simon Murphy, Founder, RefLIVE.

‘You really need to prove yourself in the American market by networking or by having great business fundamentals to show investors.’

Bart Macdonald, Founder, Sapling.

Australian networks and news

› The Aussie Founders Network (AFN) is a member-driven community of Australian founders, investors and industry advisors with a mission to support, build and elevate the role and impact of the Australian tech community globally. Visit aussiefounders.org for more information.

› Australian American Chamber of Commerce (SF Aussies) Established in 1981, the Australian American Chamber of Commerce exists to embody, promote and advance the uniquely Australian way to work and play. It means advancing the spirit of Australia and sense of fairness, fun and adventure that Australians share with like-minded people in the US and throughout the world. There are a myriad of benefits, including discounts, updates, newsletters and the general camaraderie and tight connections of the Australian-American community in the Bay Area. Visit sfaussies.com for more information.

› G’day SF is a summary of everything going on and coming up in San Francisco with an Australian twist. Visit gdaysf.com for more information.

› Australians in San Francisco Bay Area is a public Facebook group providing a networking platform for all Australians visiting or living in the Bay Area. The group is not dedicated to founders or entrepreneurs but provides widely relevant content for Australian expatriates. Visit facebook.com/groups/1399551966968123 for more information.

Startup networks

› Hackers/Founders (H/F) is a network of meetups for startup communities around the world and can be found in 128 cities in 47 countries. In addition to meetups, H/F also hosts educational classes, tech talks and other events. There are over 10 chapters in California. Visit hf.cx/chapters for more information.

› Silicon Valley Entrepreneurs (SVE) is the largest grassroots movement of founders and developers in the Bay Area since 2007. With 25,000-plus members, SVE has events every week, including pitch events, co-founder matching nights and panel discussions. Visit meetup.com/sventrepreneurs for more information.

› Silicon Valley New Tech The 13,000-plus member SVNewTech Meetup started in January 2006. Entrepreneurs, investors, bloggers and tech enthusiasts come together to network and watch demonstrations of hot new technologies. SVNewTech meets once a month; the first hour is company demonstrations, the second hour is networking. Food, wine and beer are provided. Visit meetup.com/svnewtech for more information.

› Tech in Motion aims to be interactive and allow technology enthusiasts to learn from other professionals, have questions answered in real time, discover new tech and hear stories that inspire. This group is a place for technology professionals who wouldn’t normally cross paths to meet, collaborate and learn about what their peers are doing across the city. Visit meetup.com/TechinMotionSF for more information.

› Igniters is an active community of more than 500 Stanford entrepreneurs and Bay Area founders, Igniters brings in influential speakers to discuss various topics related to startups. Past topics have included growth hacking, product building, pitching, legal, finance, community building, networking, innovation, UX, UI, design, marketing, sales and public relations. Visit ignitersv.com for more information.

For a comprehensive list of startup meetup groups in the Bay Area, visit meetup.com. These include technology-specific groups, such as SF Data Mining, as well as more general meetup groups like Startup Grind.
Events and conferences in San Francisco

› **Australians in Tech** is a weekly, casual networking event for Australians who work in tech in the Bay Area. It is for locals and visitors. Visit meetup.com/Aussie-Tech for more information.

› **LAUNCH Festival** is an annual event focused on helping founders build, scale and fund the next generation of outstanding companies. It has approximately 15,000 attendees, four stages and 250 speakers. Visit launchfestival.com for more information.

› **Lean Startup Week** gathers thousands of thought leaders for a week of keynote talks, interactive workshops, speed mentoring, industry dinners, bootcamps and startup tours. The conference unites intrapreneurs and entrepreneurs from government agencies, international conglomerates, bootstrapped startups and civic organisations in their mission to create radical change in their industries. Visit leanstartup.co for more information.

› **Silicon Valley Forum – World Cup Tech Challenge** combines global technology innovation with a touch of friendly competition, the World Cup Tech Challenge is a dynamic way for startups from around the world to launch their products in Silicon Valley. Additional Silicon Valley Forum events can be found at siliconvalleyforum.com/attend/conferences.

› **TechCrunch** hosts startup events around the world, including Disrupt in San Francisco. Disrupt gathers the best and brightest entrepreneurs, investors, hackers and tech fans for on-stage interviews, the Startup Battlefield competition, a 24-hour Hackathon, Startup Alley, Hardware Alley and after-parties. Visit techcrunch.com/events for more information.

› **Hackathons** are a regular Bay Area occurrence. Visit meetup.com/topics/hacking/us/ca/san_francisco for more information.

› **Silicon Valley/San Francisco startup events calendar** is a variety of calendars that exist for startup events in the area. For more information, visit startupdigest.com/digests/silicon-valley and lanyrd.com/places/silicon-valley.

‘Having a strong connection to the technology capital of the world is critical if you’re going to build a globally significant tech company. Moving to the Bay Area helped me become a much better entrepreneur.’

Geoff McQueen, Founder and CEO, Accelo.
Registering on online databases

Registering a startup on prominent online databases can help raise Australian startups’ profiles among potential investors, customers and the wider startup community, in San Francisco and other US markets. The following is a sampling of these databases:

› **F6S** is home to 1.5 million tech founders, 600,000 startups and more than 12,000 startup programs globally. F6S delivers founders more than US$1 billion per year in opportunities, funding, grants and services. F6S founders apply to accelerators, pitch investment funds and post or apply for jobs. Visit [f6s.com/f6s](http://f6s.com/f6s) for more information.

› **Crunchbase** is the premier destination for discovering industry trends, investments and news about hundreds of thousands of companies globally. From startups to Fortune 500 companies, CrunchBase is recognised as the primary source of company intelligence by millions of users globally. Visit [crunchbase.com](http://crunchbase.com) for more information.

› **AngelList** is a community of startups and investors who make fundraising efficient. According to the online platform, in 2015 it raised US$163 million on behalf of 441 companies. Visit [angel.co](http://angel.co) for more information.

› **Pitchmantra** has created a list of startup databases, which is available at [medium.com/@PitchMantra/100-best-places-to-promote-your-startup-6ad7a52d79c0](http://medium.com/@PitchMantra/100-best-places-to-promote-your-startup-6ad7a52d79c0).

‘By spending time in the Bay Area, I have been able to network and learn from some of the best people in the startup tech industry. It is an incredible place where everyone is willing to help and no-one shuts down your idea. Rather, they question you to make you think even bigger. I recommend spending time in San Francisco to anyone who is building a tech company.’

Holly Cardew, Founder, [pixc.com](http://pixc.com).

---

Image: San Francisco cityscape at dusk, featuring iconic Victorian houses.
‘As CSIRO expands its presence in the US, we’re thrilled to have the support of the Aussie Founders Network (AFN). Its grassroots creation reminds me of the early days of tech and networks created by veterans of the Aussie expat community in the Valley.’

Dr Larry Marshall, Chief Executive, CSIRO.

**Co-working locations**

Average office rent in San Francisco in 2018 was US$72.29 per square foot. Standard monthly rent for a single desk in a co-working space ranges from around US$500 to over US$1,000. Many startups have turned to various co-working spaces around the Bay Area instead. This provides flexibility as co-working spaces do not bind customers for a specific period, while a lease on an office is usually between five and 10 years. This suits the nature of startups since the company could expand or terminate operations within just a few months.

A sampling of Bay Area co-working spaces includes:

- **RocketSpace**
- **WeWork**
- **Galvanize**
- **Plug and Play**
- **Bespoke**

**Finding your community**

‘Once the novelty wears off of being in a new city and country, it’s important to find your ‘tribe’; a group of people that share your passions and journey. The San Francisco Bay Area, for the Aussie tech startup community, is a deeply rich community of passionate, determined and visionary entrepreneurs who have sacrificed a lot to pursue their dreams. I always feel my heart and soul warmed and inspired after spending a few hours with our fellow Australians, and it’s great to get a dose of home.’

Maria Sipka, Co-Founder and Chief Evangelist, Linqia.
RESOURCES

News

There are a variety of print and online publications that provide local and regional news. These include:

› San Francisco Chronicle: sfchronicle.com
› SF Gate: sfgate.com
› Hoodline: hoodline.com
› SF Weekly: sfweekly.com
› SF Examiner: sfexaminer.com

The outlets provide technology-specific news and can be valuable resources for entrepreneurs exploring the local innovation ecosystem.

› TechCrunch: techcrunch.com
› SiliconBeat: siliconbeat.com
› VentureBeat: venturebeat.com

Public transport

San Francisco has a variety of public transportation systems including Bay Area Rapid Transit (BART), the Municipal Transportation Agency (Muni Transit) and Caltrain. Visitors can read more about these systems online:

› Muni Transit: sfmta.com
› BART: bart.gov
› Caltrain: caltrain.com
› List of transit services by county: bart.gov/guide/transit

Things to do

San Francisco offers a wide variety of events including live music, exhibitions and festivals. These sites provide listings of events in the Bay Area:

› TimeOut San Francisco: timeout.com/san-francisco
› 7x7: 7x7.com
› SF Eater: sf.eater.com
› DoTheBay: dothebay.com

The following Instagram accounts are other useful sources for finding things to do:

› @onlyinsf
› @sfbucketlist

‘Anything is possible...it’s really a nice place to be when you are a startup staring a very big mountain and thinking ‘how am I going to climb this?’

Ash Shilkin, Founder, ChimpChange.
Members of the 2018 Landing Pad program were interviewed and shared the following insights.

**What inspired you to join the Landing Pad program?**

“We have had a business development resource in the Bay Area for over a year and had missed out on a couple of larger opportunities where it was clear from the clients’ feedback that we weren’t really committed. Rather than flying in and out we decided to commit some real time here so we can have multiple face-to-face meetings in the area.”

Todd Wheatland, JARO.

**What part of the program has been impactful for your business?**

“Getting plugged in the Australian founders and Austrade community here, was what we wanted to get out of it. The introductions that were made and the full integration with not just what’s happening in the Landing Pad but with the broader Austrade Community and Aussie Founders Network – those organisations that are not directly linked to Austrade but all operate together. That’s been really great as it required zero effort from our part, rather it was just being a member of the Landing Pad Program.”

Danielle Wuchenich, Liquid Instruments.

**Networking in the Bay Area**

“When you reach out, don’t make it a long email. Have a specific reason on why you want to catch up. If you said, “Hi I’m in SF, I read your article on X, I’d love to meet with you and ask you about Y. Being specific shows that you’ve done your homework.”

“Australians love the underdog, it’s the tall poppy syndrome, we don’t like talking up what we’re doing. But you have got to nip that in the bud a little bit and not be afraid to justify that you’re awesome.”

‘Go to events. Before you come, start mapping out 25 people you want to meet through LinkedIn, events they might be attending and getting the warm introduction.’

‘It seems cliché, but in any program, don’t come in thinking oh great now I’ve achieved that. It’s given you the right to put the effort in, but you’re only going to get what you throw into it.’

Jess Ruhfus, Collabosaurus.

**Other tips and information**

‘I distinctly remember hearing when we came into interview that: if you’re here 24/7, you’re not doing it right. The point of the Landing Pad is to have the meetings. You should be out there meeting clients and hustling, meeting investors. That was my expectation, that there wasn’t going to be 10 startups in the co-working space eight hours a day.’

Danielle Wuchenich, Liquid Instruments.

‘If I’d gone out here on my own, I would’ve just had a co-working space and probably not met that many people. Whereas arriving into the Landing Pad, the other founders in our cohort have been some of the most powerful connections we’ve made. We’re like a family now, we’re so supportive of each other, it’s fantastic! Coming to work with six other founders that are equally as ambitious and trying to grow their businesses as well, but also at very different stages, was incredible.’

Jess Ruhfus, Collabosaurus.
Comparing the Australian and US VC Markets

Vast differences exist between the Australian and US VC markets. Australia’s VC market has grown significantly in the last five years. VC investments in Australia reached A$3.1 billion across 161 deals during the 2018 calendar year, with an average deal size of A$20 million. This is more than double the value of VC investment in 2017 of A$1.4 billion across 183 deals, with an average deal size of A$7.5 million. This is still significantly lower than the US$130.93 billion invested in US startups in 2018.

The growth in the VC market has been mirrored in the rise in importance of technology companies in public markets, where Apple, Amazon, Alphabet (Google), Microsoft, Facebook, Alibaba and Tencent Holdings are seven of the top 10 companies globally by market capitalisation. Ten years ago, only Google made it to a similar list.

By contrast, in Australia the top 10 companies in 2018 were dominated by the big banks and Macquarie, BHP, Telstra, Wesfarmers and Woolworths. For Australian investors this likely results in a more pressing case for diversification into technology innovation exposure.

Australian VC market

In Australia, there are over 50 VC firms, managing between A$4-5 billion in early- and late-stage strategies. Approximately 10 of these firms have substantial funds under management (>A$200M). As the current crop of VC funds, which have generally been investing for less than five years, begin to generate realised returns (current performance is often based on unrealised mark-to-market) there may be further growth in both institutional and retail interest in the asset class.

Interest in Australian startups is also on the rise following the successful Initial Public Offerings (IPOs) of companies such as software maker Atlassian, which launched a A$462 million IPO in 2015, according to KPMG Enterprise and KPMG’s Global Network for Innovative Startups.

US VC market

The size of the US venture industry has steadily increased over the past decade. In 2018 VC investors deployed nearly US$131 billion in the US, an all-time high and the most since 2000, the only other year to break the US$100-billion mark. At the end of 2018, there were 1,047 venture firms, defined as a rolling count of firms that have raised a fund in the last eight years. These firms managed 1,884 venture funds, had approximately US$403 billion in US VC assets under management (AUM) and US$100 billion in dry powder at the end of 2018.

The most popular headquarter state for investors to close deals during 2018 was in California with 1,384 followed by New York with 461. Six of the 10 largest US VC funds in 2018 were in California, and all were in the Bay Area. The six consisted of:
- Sequoia Capital Global Growth
- Norwest Venture Partners
- GGV Capital
- Newview Capital
- Lightspeed Venture Partners
- Index Ventures (UK)
Top five states by assets under management in 2018 (US$B)

<table>
<thead>
<tr>
<th>State</th>
<th>Number of funds</th>
<th>Capital US$(M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>135</td>
<td>$33,611.18</td>
</tr>
<tr>
<td>New York</td>
<td>53</td>
<td>$9,539.37</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>23</td>
<td>$7,233.86</td>
</tr>
</tbody>
</table>

**TOTAL 356.99**

Top states by VC capital raised (2018)

<table>
<thead>
<tr>
<th>State</th>
<th>Number of funds</th>
<th>Capital US$(M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>135</td>
<td>$33,611.18</td>
</tr>
<tr>
<td>New York</td>
<td>53</td>
<td>$9,539.37</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>23</td>
<td>$7,233.86</td>
</tr>
</tbody>
</table>

**TOTAL 356.99**
ABOUT AUSTRADE

The Australian Trade and Investment Commission – Austrade – contributes to Australia’s economic prosperity by helping Australian businesses, education institutions, tourism operators, governments and citizens as they:

› develop international markets
› win productive foreign direct investment
› promote international education
› strengthen Australia’s tourism industry
› seek consular and passport services.

Austrade provides information and advice that can help you reduce the time, cost and risk of developing international markets. We also administer the Export Market Development Grants scheme and offer a range of services to Australian exporters in growth and emerging markets. We do this by generating and providing market information and insights, promoting Australian capability, and facilitating connections through our extensive global network.

W  austrade.gov.au
    australiaunlimited.com/landing-pads
E  info@austrade.gov.au
   @AustradeUSA
   @LandingPadsAu
   AustralianLandingPads

Land in the Bay: The Australian entrepreneur’s guide to the San Francisco Bay Area
References

1. Podcast series StartupUSA Podcast
2. Legal factsheets AustradeUSA
6. startupsusa.org/global-startup-cities/#, accessed 2 July 2019
8. PitchBook Data, search-results/s6778453/companies, accessed 2 July 2019
17. National Venture Capital Association resources, nvca.org/research/research-resources/, accessed 2 July 2019
23. As above
34. As above.