Fitness, fulfilment and foresight

Research into the wellbeing of startup founders and entrepreneurs

2019

KPMG.com/au/highgrowthventures
What is it that makes it possible for certain founders to build global companies like Atlassian, Canva and Airwallex, when so many fail? It’s the multi-billion dollar question facing every startup sector across the world.

As we identified in our inaugural Fitness, fulfilment and foresight report in 2018, a founder’s personal performance is the determining factor for the success of their business. This is even more relevant in the high intensity, high risk arena of high growth ventures.

This is why High Growth Ventures believes that more needs to be done to support Australia’s startup founders when it comes to mental and physical wellbeing.

This year, we’re taking it a step further in our research, and looking at the differences between startups at different funding stages, and whether female and male founders approach wellbeing in different ways.

We’re also considering what we can actually do to help. Who is responsible for supporting the wellbeing of founders? Should VCs or sponsors play more of a role? What can ecosystem advocates do to improve founder wellbeing? Are founders aware when they need help, and are they willing to accept it? What methods do they use to deal with the pressures of founding and running a company, and how confident are they about their own ability to deal with pressure.

All these questions are important when it comes to supporting innovation and high growth ventures, so that critical potential isn’t lost. Perhaps, most importantly, we need to ask if there is a better and more reliable way to build high performing businesses without sacrificing founder health and wellbeing. We believe there is.
Right now, the ecosystem is unbalanced. Much of the current support comes from accelerators, incubators and co-working spaces, but there’s very little out there for the founders of startups who have reached post series A or series B stage. Founders need support along the entire journey to success if Australia is going to build more globally successful startups.

As a community, we need to identify who is responsible for what, and how we can do more to support founders. We believe that all of us in Australia’s startup ecosystem have a role to play in building a healthy and balanced ecosystem of support – not just to build a standard baseline of founder wellbeing, but to create an environment that fosters excellence and breeds the high performance founders that Australia needs to compete on the global stage.

At High Growth Ventures, KPMG Australia’s dedicated startup team, we are committed to developing the support and knowledge to help create high performance startups, high performing teams and high performing founders. We hope this report can help create awareness across all sections of the Australian startup community, and especially founders, about the need for a stronger focus on wellbeing so we can encourage and help founders achieve sustained high performance.

Above all, it’s imperative we build awareness and keep the conversation going – which we hope this report will be an important step in doing.
Introduction

In a data poor environment, it is hard to make informed decisions. Without a benchmark, there can be no understanding of what good looks like. This report aims to uncover valuable insight that will help us provide founders with the support they need to become high-performance startup leaders, and in turn supercharge the Australian startup ecosystem.

Fitness, fulfilment and foresight was born in 2018 out of two key hypotheses:

1. A founder’s ability to lead their business is a critical success factor that determines the fate of their startup; and

2. A founder’s personal wellbeing, their physical and mental health, informs how they lead – everything from how they communicate, how they hire, to how they foster and build the culture necessary for a startup to succeed.

The 2019 Fitness, fulfilment and foresight report examines these hypotheses more closely.

Context – an evolving landscape

Over the past six years there have been significant efforts from many sides – governments, universities, investors and corporations – to fast-track Australia’s startup ecosystem. Tackling issues such as funding and skills are one aspect, but a more holistic approach is needed to help startups scale successfully. Mental and physical health are key drivers of economic participation and productivity in Australia, and physical ill-health and serious mental illness is estimated to cost the economy around 4 percent of GDP annually which equates to A$60 billion.
For startup founders, faced with the additional pressures of a high pressure environment that requires a wide range of skills, some of which they have no experience in, mental and physical wellbeing is particularly critical. Various research studies suggest that entrepreneurs are 50 percent more likely to report having a mental health condition, with some specific conditions being prevalent amongst founders.

Encouragingly, in Australia we are starting to see greater recognition of mental health issues by government and industry, and awareness of the impact of mental wellbeing on business performance. The Federal government is also carrying out a Productivity Commission Inquiry into Mental Health, to assess the economic benefits of investment in mental health reform, which is something we wholeheartedly support.

Globally, there’s also greater attention on the state of founders’ mental health and wellbeing. According to Dr Kari Sulenes, Founder & Executive Director of Project Atlas, a US venture capital firm “the research coming out of Silicon Valley is showing that interest in founder mental health is number one. Founders are asking their [investors] for support with their mental health which is showing that [a] shift has already happened.”

This has positive repercussions worldwide. Younger startup communities such as Australia’s can look to more mature ecosystems to gain insights and address issues more proactively.

But we also need our own data. This report aims to provide data around key issues facing Australian founders, as well as investigating how both founders and investors view wellbeing and business performance.
Methodology

This report is based on qualitative and quantitative research.

High Growth Ventures conducted a survey of 167 startup founders between 18 June and 11 July 2019. This was complemented by a survey of 35 venture capital (VC) investors. In addition, in-depth interviews were conducted with experts in founder health and wellbeing, who were also founders themselves, in July and August 2019. Input was also sought from high-profile Australian startup founders.

Input was also sought from high-profile Australian startup founders.

<table>
<thead>
<tr>
<th>Founders</th>
<th>Investors (VCs)</th>
</tr>
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<tbody>
<tr>
<td>167 founders surveyed</td>
<td>35 VC firm representatives surveyed</td>
</tr>
<tr>
<td><strong>Founder age</strong></td>
<td><strong>VC firm representatives</strong></td>
</tr>
<tr>
<td>18–24</td>
<td>2%</td>
</tr>
<tr>
<td>25–34</td>
<td>29%</td>
</tr>
<tr>
<td>35–44</td>
<td>37%</td>
</tr>
<tr>
<td>45–54</td>
<td>22%</td>
</tr>
<tr>
<td>55–64</td>
<td>8%</td>
</tr>
<tr>
<td>65–74</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Age of startup</strong></td>
<td><strong>had less than 10% of capital deployed overseas</strong></td>
</tr>
<tr>
<td>&lt;1</td>
<td>7%</td>
</tr>
<tr>
<td>1–2</td>
<td>20%</td>
</tr>
<tr>
<td>2–3</td>
<td>19%</td>
</tr>
<tr>
<td>3–4</td>
<td>16%</td>
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<tr>
<td>4–5</td>
<td>16%</td>
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<tr>
<td>5+</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Stage of funding</strong></td>
<td><strong>Half had 1-3 exits over last 12 months</strong></td>
</tr>
<tr>
<td>Series C</td>
<td>1%</td>
</tr>
<tr>
<td>Friends &amp; family</td>
<td>2%</td>
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<tr>
<td>Series B</td>
<td>9%</td>
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<tr>
<td>Pre Seed</td>
<td>15%</td>
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<tr>
<td>Post Seed</td>
<td>23%</td>
</tr>
<tr>
<td>Series A</td>
<td>23%</td>
</tr>
<tr>
<td>Bootstrapped</td>
<td>25%</td>
</tr>
<tr>
<td><strong>Almost half said that their portfolio consisted of primarily first-time founders</strong></td>
<td><strong>50%</strong></td>
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Interviews: specialists in the field of founder health and wellness and high performance

Dr. Andy Walsh
Partner,
Liminal Collective

Liminal Collective works to improve human performance in high pressure, risk, and skill environments

Mike Gibbs
Co-founder and COO,
OurPath/Second Nature

OurPath (soon to be Second Nature) is a lifestyle change program to transform health, fitness & mindset

Jane Martino
Co-founder,
Smiling Mind

Smiling Mind is a unique mindfulness tool developed by psychologists and educators

Cameron and Chris Grant
Founders,
Unyoked

Unyoked provides a wilderness experience as an antidote to modern life

Dr. Kari Sulenes
Executive Director,
Project Atlas

Project Atlas is a leadership development program focusing on early and mid-stage founders
Key findings

Founders prioritise their startup before their own wellbeing

Founders seem to accept that compromising their health and wellbeing is a part of the startup journey.

Although there were fairly strong levels of satisfaction among founders with the progress of their startup to date, there was much lower satisfaction with their personal health and wellness aspects. This suggests that founders place greater value on the performance of their startup than on themselves and the attributes that contribute to their overall mental and physical health and wellness.

“Founders often assume they need to trade off their physical and mental health, their friends and family relationships, and even their personal values, in order to be successful. It’s time to upend this assumption – it’s both unhealthy and unhelpful- because there are better ways to realise your potential and your ambitions.”

Craig Davis
Co-founder of Sendle
Despite the low satisfaction with stress, mental wellness reported by founders, in the past year only 30 percent of founders reported spending any money on their mental health, and only one in five reported seeing a councillor or therapist.

From personal experience, Jane Martino of Smiling Mind and Light Warrior says that it was through experimentation with her own entrepreneurial journey that she realised the importance of mental wellbeing.

“It can be interesting to draw a parallel between founders and athletes. If a professional sportsperson behaved this way, eschewing the professional support they need to achieve peak performance, you’d likely be seeing them falling through the rankings and out of contention.”

Andy Walshe
Performance Coach

“It certainly took me a long time to get there. But as soon as I got there, I was not only blown away by the impact it had on me and my relationships, but for me, it also meant better decision making skills and ability, a higher emotional intelligence and an ability to be more empathetic. All those things that help you greatly in business.”

Jane Martino
Executive Director, Light Warrior
Co-founder, Smiling Mind
Founders are desperate to get more exercise

One striking finding was that a lack of physical activity was the biggest cause of dissatisfaction for founders, with more than half (56 percent) reporting that this was the main reason for feeling overwhelmed. Most (56 percent) reported doing less than two hours of physical activity per week with close to a third (29 percent) doing less than an hour.

Given an additional hour a week, founders would rather spend the extra time on exercise than on seeing friends and family or doing more work.

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**Top reasons for feeling overwhelmed**

- Not exercising enough: 56%
- Too busy with work: 53%
- Not enough time to recover/switch off: 47%
- Not getting enough sleep: 45%
- Not enough time with family and friends: 38%
- Feeling you don’t have the expertise required/feeling out of your depth: 33%
- Not able to manage your time effectively: 30%
- Other family/personal commitments: 22%
- Other: 12%

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**How founders would use an additional hour from a genie**

- Physical fitness: 32%
- Spending time with family and friends: 25%
- Learning: 13%
- Work: 11%
- Spending time alone: 7%
- Mindfulness: 5%
- Mental fitness (for e.g. brain training apps): 0%
Founders aren’t satisfied with their work-life balance

Most founders are dissatisfied with their work-life balance with most working every day, in excess of healthy guidelines for working hours. This corresponds with other research into Australians failing to take adequate leave.

Only a quarter (26 percent) of the founders surveyed said they were satisfied with their work-life balance. They report working an average of 63 hours over the past seven days (down from 64 hours in 2018’s report) with 76 percent working seven days a week. Only 40 percent said they were happy with their current level of productivity, and 70 percent reported having more work to do than the capacity to handle it. This is despite research that working longer than 50 hours per week actually reduces productivity.

Additionally, one in five founders reported taking no annual leave in the last 12 months and 61 percent said they hadn’t taken at least one day of sick leave in the last 12 months. Comparatively, the Australian employee takes 9.5 days per year of sick leave, according to a 2016 DHS report.
Australia seems to have a culture of accepting that a limited work-life balance is the norm. A 2019 report by Expedia found the average Australian only takes 14 of their 20 days of annual leave each year, with six days left unused — a downward trend over the past 10 years. In fact, Australia has become the third worst country in the world for utilising annual leave — behind Japan and Italy.

This situation contradicts expert advice and research. Joanna Fishman, director of corporate psychology services provider Associated EAP says that “taking regular leave reduces stress, improves productivity and general wellbeing.”

But Mike Gibbs from OurPath observes that implementing rest and recovery into the startup journey is easier said than done:

“More hours worked doesn’t necessarily mean better outcomes. If you imagine that over 3-5 years of your startup you might have made 25,000-50,000+ micro decisions. So the more of them you can make correctly (especially the big ones), the more you’re setting yourself up to be in the best possible position to succeed.

“To do both of these well you have to take care of yourself: eating, exercise, sleep, stress management, holidays, and seeing friends. I would also recommend getting a good executive coach to help you talk through the pressing challenges that you are facing, and talking through ideas and strategies that you maybe haven’t thought about.”

Mike Gibbs
Co-founder and COO,
OurPath/Second Nature (UK)
Founders believe they are coping well with stress

Despite their dissatisfaction with work-life balance and the pressures they are under, founders overall felt that they were able to cope well with their stress. 81 percent of the founders surveyed claimed to deal “very well” or “somewhat well” with stress. Only a fraction (8 percent) reported a “somewhat poor” ability to cope with stress.

Although the majority of founders believe they cope well with stress, it could be that stress has become recognised as the status quo of entrepreneurial life. Has “being stressed” become so far ingrained in the startup journey that it’s an accepted part of life?

“A lot of stress comes out sideways as reactivity, criticism, and sarcasm, or ferments on the inside as cruel self-talk, any many of us don’t even notice when it’s happening. Developing self-awareness is like a superpower for founders.”

Craig Davis
Co-founder of Sendle
Jane Martino, Co-founder of Smiling Minds and Executive Director at Light Warrior, says that stress is an unavoidable part of the entrepreneurial journey. She believes it shouldn’t necessarily be shied away from, and that often it’s not the work, but the behaviours wrapped around the work, that can be unhealthy. Instead, stress can be used as a lever to help founders and entrepreneurs ultimately thrive in their professional and personal performance. Martino says the key is mindfulness and balance:

“It’s important not to be afraid to do multiple things or work hard. It’s just about finding balance between knowing yourself really well, putting in healthy boundaries and having a really great routine. And also not overthinking things so much so that the idea of stress is overbearing.”

Jane Martino
Executive Director, Light Warrior,
Co-founder, Smiling Mind

Conversely, Andy Walshe, human capital expert from Liminal Collective, thinks that in many cases founders simply don’t understand what stress looks like, or the levels of stress that they’re under:

“The metrics suggests that stress is manifesting itself in ways that are way beyond [founders] understanding. And unfortunately the thing with that whole framework of how stressful those pressures would have on you is that you can be trudging along pretty well in the red zone for a while. But once you go over the edge you’re gone and it’s much harder to get you back.”

Andy Walshe
Human Capital Expert,
Liminal Collective
Investors 100 percent support healthy founders

Despite the fear and stigma perceived by founders around accepting support, investors are in fact extremely supportive of founders and encourage them to seek out help where needed.

Most VCs (76 percent) recognised the extreme importance of the health and well-being of founders and 100 percent of VCs understood that there’s a link between healthy founders and the performance of their startups.

Furthermore, 100 percent said that they’d be comfortable knowing that investment money was being used for physical and mental health support for founders within their portfolios. Over a quarter went on to note that they’d expect founders to spend $200 or more on these efforts monthly.

While awareness of the issue is high and the intentions are clearly positive, a significant gap remains between people knowing the problem and them doing something about it. Self-care is potentially a whole new discipline for founders to master.

We believe that levers do exist to encourage a higher number of founders to accept support from their VCs. 35 percent of VCs reported that they do offer support services to their founders, such as professional development coaching, counselling and meditation. Additionally, 67 percent of founders said they would be willing accept support of this kind from their VCs.

However, of the VCs that offer support, only a fraction (12 percent) reported that their support services were taken advantage of by founders.

Dr. Sulenes believes that when it comes to making VC support for founders mainstream, it’s likely that most investors will offer or allocate some of their investment money for founders to use on their personal development – whether that’s in-house or outsourcing.

“Within probably five to 10 years, we’re going to see that it’s standard for venture capital firms to offer some sort of support whether it’s built in-house or if they’re offering money for [founders] to go outside. I don’t think that any venture firm is going to be able to ignore that trend.”

Dr. Kari Sulenes
Executive Director,
Project Atlas

Do you offer any support services to assist with the mental and physical health of the founders in your portfolio?

<table>
<thead>
<tr>
<th>Personal development</th>
<th>58%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Psychologist/counselling</td>
<td>59%</td>
</tr>
<tr>
<td>Meditation coaching</td>
<td>49%</td>
</tr>
<tr>
<td>Personal trainer/gym</td>
<td>51%</td>
</tr>
<tr>
<td>Time management training</td>
<td>55%</td>
</tr>
<tr>
<td>Dietitian</td>
<td>40%</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
</tr>
<tr>
<td>None</td>
<td>4%</td>
</tr>
</tbody>
</table>

63% of VC firms do not offer any assistance with founder health

Yes: 13
No: 22

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With regards to accountability, Andy Walshe of Liminal Collective believes that like in sport, it’s the investors’ responsibility to ensure the leaders of their businesses have every possible opportunity and tool to succeed. He says that accountability comes down to simply protecting investments and minimising the risk within these investments.

“It’s the people who are investing their money in that program [who] should be the ones that are making sure that their money’s backed.”

**Andy Walshe**
Human Capital Expert, Liminal Collective

Jane Martino believes that the accountability goes both ways and it’s important that founders and investors are culturally a good fit with aligned values. She also notes that it’s important that the VCs who support this phenomenon lead by example.

“The more transparent both parties can be in setting out things like values, how they operate, how they define culture etc., with clarity and conviction - the more powerful the match between the investment side and the entrepreneurial side will be.”

**Jane Martino**
Executive Director, Light Warrior, Co-founder, Smiling Mind
Founders don’t want to appear vulnerable

This year’s research suggests that there is still a strong stigma around seeming vulnerable in the eyes of investors and the wider startup community and seeking help, particularly around wellbeing support.

Encouragingly, over two thirds (67 percent) of founders reported they would accept support from investors regarding their physical and mental wellbeing if it was offered to them.

Women were more willing (76 percent) than men (64 percent) to accept such help. This aligns with Australian statistics that show women are more likely to have sought help for mental health issues than men.

But among those that wouldn’t accept support from investors, many were concerned about investors knowing they required this support. One founder noted that accepting support would be “showing a weakness [which could] potentially impact future opportunities and funding.”

These founders would prefer to keep these services separate from their investors, with responses including:

- “I don’t trust that it doesn’t impact relationships”
- “I do not want my investors to know if I require that support”
- “It’s not something I’d share with investors”

In light of the high failure rate of startups, Jane Martino of Smiling Minds says it’s important that founders are willing to experiment and try something new to optimise their leadership and personal and professional lives.

“I look for that within founders…to apply that curiosity and that willingness to experiment to their own personal health and well-being and balance.”

Jane Martino
Executive Director, Light Warrior,
Co-founder, Smiling Mind

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Responses from founders suggest that stress levels actually increase as startups progress through increased funding rather than alleviate. 60 percent of funded founders reported feeling the most stressed during Post Seed and Series A stages. Furthermore, of all of the founders surveyed, most reported feeling the same levels or increased stress in the past year.

Perhaps unsurprisingly, founders who have received funding were more satisfied with most aspects of startup life than those who have not received funding. Just over half (51 percent) of those with funding rated the stressfulness of their last week as 8-10, vs 34 percent for those without funding. Among founders who were funded, there was only a very slight uplift seen for overall satisfaction with levels of stress and mental health (23 percent vs 20 percent).

Interestingly, while being funded had an impact on founders’ perceptions of success in the next two years, it did not impact founders’ overall outlook (70% from both cohorts rated their “overall future outlook” positively).

### The stage of investment where founders felt most stressed

<table>
<thead>
<tr>
<th>Stage</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre seed</td>
<td>22%</td>
</tr>
<tr>
<td>Bootstrapped</td>
<td>8%</td>
</tr>
<tr>
<td>Friends and family</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>9%</td>
</tr>
<tr>
<td>Series A</td>
<td>26%</td>
</tr>
<tr>
<td>Series B</td>
<td>6%</td>
</tr>
<tr>
<td>Post seed</td>
<td>28%</td>
</tr>
<tr>
<td>Other</td>
<td>10%</td>
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### Levels of stress in the past year

<table>
<thead>
<tr>
<th>Change in Stress</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Considerable increase</td>
<td>29%</td>
</tr>
<tr>
<td>Slight increase</td>
<td>29%</td>
</tr>
<tr>
<td>About the same level</td>
<td>26%</td>
</tr>
<tr>
<td>Slight decrease</td>
<td>11%</td>
</tr>
<tr>
<td>Considerable decrease</td>
<td>5%</td>
</tr>
</tbody>
</table>
Funded vs. non-funded founders

65 hours

Funded founders reported working an average of 65 hours compared to 60 by non-funded founders.

95%

95 percent of funded founders reported working for the “last seven days” compared to 91 percent of non-funded founders.

74%

74 percent of funded founders reported working during time off compared to 66 percent of non-funded founders.

There are some differences in the main sources of stress between funded and non-funded founders. For non-funded founders, the top three sources of stress are:

- Business money (56%)
- Workload (51%)
- Difficult business decisions (56%)

Whereas for those with funding they are:

- Workload (55%)
- Difficult business decisions (52%)
- Difficult/underperforming staff (55%)

Source of stress

<table>
<thead>
<tr>
<th>Source of Stress</th>
<th>Funded</th>
<th>Unfunded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workload</td>
<td>40%</td>
<td>55%</td>
</tr>
<tr>
<td>Difficult decisions (business)</td>
<td>52%</td>
<td>56%</td>
</tr>
<tr>
<td>Difficult/underperforming employee</td>
<td>52%</td>
<td></td>
</tr>
<tr>
<td>Uncertainty (business)</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>Money (business)</td>
<td>45%</td>
<td>56%</td>
</tr>
<tr>
<td>Money (personal)</td>
<td>38%</td>
<td>51%</td>
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Talent acquisition remains the strongest barrier to founder success

For the second year in a row, hiring and talent acquisition was the top issue for founders of funded startups, with 61 percent of founders saying the ability to hire the right people was the greatest barrier to success over the next 12 months, ahead of access to funding (49 percent) and the ability to close sales.

Correspondingly 100 percent of VC’s recognising it as the number one business barrier for startups in their portfolio.

Even looking backwards at the key challenges of the past 12 months, the ability to engage talent was tagged as the biggest challenge among both funded and non-funded startups.

“Not only do Australian founders have to contend with the talent gap in Australia, they are more often than not also playing the role of HR Manager but with limited experience and understanding of the recruitment process which only causes more challenges down the line.”

Amanda Price
Head of High Growth Ventures, KPMG Australia
Startup challenges: the Male vs Female founder experience

The data suggests that men and women experience their entrepreneurial journeys differently. The research showed a far higher representation of male founders than female founders. 77 percent of our survey respondents were male, 22 percent were female and 1 percent were undisclosed. This mirrors recent research from Startup Muster that in 2018 which found “male founders represent 77.1 percent of Australia’s startup ecosystem, with female founders only making up 22.3 percent.”

There were some marked differences in responses. Female founders (27 percent) were less likely than male founders (44 percent) to rate their satisfaction with the progress of their startup 8 or higher on a scale out of 10. In addition, over a third (38 percent) of female founders reported earning less than $25,000 a year from their start up (compared to 23 percent of male founders). 40 percent of the male founders reported being the highest remunerated in their company compared to 30 percent of women, and 43 percent of women were dissatisfied with their remuneration compared to 31 percent of men.

“This mirrors the remuneration equality issues which are currently being reviewed and discussed on a global scale. The recent finding by the Australian Workplace Gender Equality Agency uncovered that females earn on average 14 percent (or $241.50 per week) less than males. This means that despite the startup industry and entrepreneurship being founded on ideas of innovation and forward thinking, it is still impacted by equality issues at large.

“As pointed out by Jess Ellerm, CEO of Zuper in a 2018 article, this also calls into question how many women may be pitching for funding versus men, compared with the relative proportion that then get funded. This is something we don’t currently have data on.

Our data showed that only 27 percent of female founders were highly satisfied with the progress of their startups, compared with 44 percent of male founders. In addition, 62 percent of female founders were highly dissatisfied with their current amount of physical activity compared to 48 percent of males. 40 percent of males were the highest remunerated in their company compared to 30 percent of females.

“The industry has an opportunity to rewrite the playbook when it comes to these issues so it’s important to keep this at the forefront of decision making.”

Amanda Price
Head of High Growth Ventures, KPMG Australia
Despite casting a wider net this year with our research and surveying twice as many founders as 2018, the themes remain common to last year where we found that the majority of founders accept that compromising their health and wellbeing is a part of the startup journey. The report reflects high levels of inadequate work-life balance, a lack of physical exercise, and overworking as strong, ongoing trends.

Most founders are dissatisfied with their work-life balance and most work every day in excess of healthy guidelines for working hours. In particular, a lack of physical activity is a major cause of dissatisfaction and stress, which suggests founders do understand the correlation between healthy practices and better performance. The high number of founders practicing meditation (43 percent) also indicates this. However, the lack of money or time being spent on these practices, or on mental health support in the form of a counsellor, suggests a low prioritisation.

The challenges faced by funded and unfunded startups are different and not how you might expect. Startup challenges are also different across gender lines: male and female founders have different challenges, needs and priorities. The support for each of these groups needs to be tailored.

Founders acknowledge that they need to do more to address and prioritise their health and wellbeing. They cite a lack of time, money and support as key blockers. The stigma around mental health issues and a fear of being perceived as not a high performer, still pervade the ecosystem.

At High Growth Ventures, we believe that we must start with a better understanding and that data must be used to inform our decisions in this space. We will continue to expand and share our data set in the area of startups and proactively build solutions that provide the real support founders need to build high-performance startups.

If we want to supercharge Australia’s startup ecosystem, we need to deeply understand the challenges founders face across the various stages of growth. This is a shared responsibly for all of us with a stake in the success of Australian startups – including investors, founders, industry and government.

Conclusion

"Part of my vision is that all of the venture partners also are doing this kind of work. Because when they’re well cared for and they place a value around this kind of work, then they’ll pass that expectation on to the founders. The founders will then have permission to pass it on into their companies and support it financially all the way down through all the employees. I think founder focus is a good place to start, but [all areas] have to be supported. Founders have to be supported, the executive teams have to be supported and ultimately the entire company has to be supported in the way of seeing this as a value in the [wider] culture.”

Dr. Kari Sulenes
Executive Director,
Project Atlas

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KPMG High Growth Ventures is a high performance advisory practice for founders. We enhance founder potential through our focus on the individual, team and business. Our approach is unique and will help founders hack creativity, enhance team work and improve business performance under pressure.

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