Press Release

Use of virtual data rooms in start-up companies

netfiles presents results of the Trend Study 2019

Burghausen, December 3, 2019 – netfiles GmbH, one of the leading providers of virtual data rooms in Germany, has published the results of its commissioned trend study „Use of virtual data rooms for the collaboration between start-up companies and investors". The objective of the trend study was to find out, to what extent startup companies use virtual data rooms for collaboration with investors, in which areas virtual data rooms are used and which alternative IT tools and platforms are used for data exchange with investors.

The results of the survey, which involved just over a hundred professional and managerial staff from startup companies in Germany, can now be found and downloaded at www.netfiles.com/trendstudie2019.pdf.

Thomas Krempl, founder and managing director of netfiles GmbH, explained at the presentation of the survey results: "Even in the early 2000s, the use of a virtual data room for investor pitching and later collaboration with investors was a invaluable help for me - both in terms of efficiency in providing all important information and in terms of a professional appearance towards investors. Among our customers are now some startups that can not do without the use of a virtual data room. Against this background it was interesting, to find out how widespread the use of virtual data rooms is in collaboration with investors in start-up companies today and what experience they have with it."

netfiles Trend Study 2019: The big surprise

Unexpected result of the study: Only 16 % of the surveyed start-up companies use for the collaboration with investors a virtual data room. This result is even more surprising when viewed in the context of the industry affiliation of the companies surveyed. Over 60% of the companies surveyed come from the IT/Internet industry. This would have raised the expectation that these companies would rely on a common IT tool such as the virtual data room for the collaboration with investors.

Thomas Krempl comments: "On the one hand, the result is certainly a surprise, since the advantages of using a virtual data room are actually significant and clear. On the other hand, it is no surprise, since I know that a start-up company must deal with a variety of other topics in the first years so that the use of efficient tools is unfortunately often postponed or even forgotten."

netfiles Trend Study 2019: The big misunderstanding

Of the companies that use a virtual data room, 63% said that they use Google Drive. However, this solution is not a virtual data room solution, but a classic cloud storage or file hosting service. However, such offers are neither functional nor in terms of security standards comparable with a virtual data room.

"I can understand it in terms of its quick and easy usability, but due to the lack of data protection and the lack of control functions, I do not consider it as a suitable solution for professional collaboration. A real virtual data room offers secure encryption of data both during transmission and storage and protects companies from industrial espionage," explains Thomas Krempl. "Especially sensitive documents can be protected with a watermark and against printing. In addition, I have extensive control and analysis functions at my disposal to better assess the access and interest of potential investors. Furthermore, it makes a completely different impression on investors, whether I use a free cloud storage from an American company or a professional virtual data room from a European provider, whose use most investors already know and appreciate from their daily work."

The results of the netfiles Trend Study 2019 "Use of virtual data rooms in the collaboration between start-up companies and investors" are now available at www.netfiles.com/trendstudie2019.pdf for download.

About netfiles GmbH

netfiles GmbH was one of the first German providers of virtual data rooms. Over 15 years of experience have established the company as a leading player in this field. netfiles enables businesses to securely share and exchange files and provides a central online document management facility secured by detailed access rights while allowing mobile access. In this cloud-based solution, data can be shared easily and securely within a company, a project team or with customers and suppliers. Secure data rooms can also be set up for applications such as M&A projects, due diligence audits, asset transactions, board communication, property management and contract management.

Businesses can test the netfiles data room free of charge and without obligation for 14 days:

https://www.netfiles.com/en/free-trial/

Press contact

netfiles GmbH
Reinhardt Altmann
Marktler Strasse 2b
84489 Burghausen
Germany
Phone: +49 8677 91596-14
Fax: +49 8677 91596-99
press@netfiles.com