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Strand Partners

AWS GLOBAL STARTUP TRENDS REPORT

Engines of Growth

AI-native startups are moving faster than ever, becoming billion-dollar companies in half the time, and with half the resources, compared to the pre–generative AI era

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What we found

This is an independent, global study of **3,413 startup founders and senior leaders across 20 countries globally**.[1] For country breakdowns, please see the methodology on the final page of this report.

The report focuses on **AI-native startups:** companies under five years old that use AI in its most advanced forms,[2] are ready for the next generation of the technology (such as agentic AI), and have built products and services as AI first. Unless stated otherwise, comparisons are between AI-native startups, startups overall, and large enterprises globally. Three findings stand out:

01

The fastest companies ever built. AI-native startups are reaching billion-dollar valuations in around **3.5 years – half the time** it took before generative AI launched on the scene in late 2022.

02

Growth with much smaller headcount. They report **156% average annual revenue growth,** against 65% for startups overall, and **55% generate more than $400,000 in revenue per employee** – these are companies scaling output with around half the staff.

03

The disruptors aren't where you'd expect. AI-native startups aren't concentrated in pure tech. They cluster in **financial services, healthcare and life sciences, and even energy** – industry specialists using AI to transform established sectors.

The stakes reach beyond the companies themselves. Because these businesses apply AI inside legacy industries, they have a ripple effect on the rest of the economy. As they scale, they promise to lift productivity and innovation far beyond their own walls.

For two decades, building a unicorn company followed a familiar script: a workforce in the hundreds or thousands, and around seven years to reach a $1 billion valuation. AI has torn that script up. This study shows **that AI-native startups are hitting the same milestone in just three and a half years, cutting the timeline in half compared to pre–generative AI benchmarks.**

The compressed timeline is striking, but it is a symptom of a larger shift. The same forces that accelerate how fast startups scale are changing who can build one. AI and cloud have dramatically lowered the barriers to building companies, empowering more founders than ever to tackle bigger problems and bring solutions to market at unprecedented speed. Technology is redefining who can build, what they can achieve, and how quickly they can do it.

This research explains how and why. Drawing on the survey of 3,413 startup founders and senior leaders across 20 countries, it identifies the group of companies out in front – AI-native startups – and shows why startups that put AI at the heart of the business are outpacing both large businesses tied to older systems and the startups that treat AI as just another tool.

Throughout this report, a **"startup"** is defined as a business founded within the last five years that offers a new product, service, or innovation and is aiming for rapid growth. Within this group of businesses, the report focuses on a subset of startups that are at the forefront of their industries and innovation. We call these "AI-native startups". Three things characterize **AI-native startups** at their core:

- **They use AI in its most advanced forms, such as building custom models or deploying agentic systems.**
- **They are ready for the next wave of the technology, from edge AI to physical AI and robotics.**
- **They have launched, or are about to launch, a product or service built around AI**.

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1. Latin America (Argentina, Brazil, Chile, Colombia and Mexico), North America (Canada, USA), Europe (France, Germany and the United Kingdom), Asia-Pacific (Australia, India, Indonesia, Japan, Malaysia, Singapore, South Korea and Vietnam) and the Middle East (Israel, Saudi Arabia). These businesses are representative of the overall global startup population and use a range of cloud computing services – being an AWS customer was not a prerequisite for participation in this survey.

2. When businesses are integrating the most advanced use cases of AI, combining multiple models, developing custom AI solutions, or using agentic and autonomous AI. At this stage, businesses are rapidly innovating with AI and, in turn, disrupting their industry.

Startups lead the economy on AI and AI-natives lead the startups

Startups are well ahead of the wider economy on AI. Just **34%** remain at the most basic stage of adoption (off-the-shelf tools for isolated tasks) compared with 62% of large businesses and 59% of small and medium-sized businesses (SMBs). Asked about agentic systems and robotics, **78% of startups say they feel ready to adopt these technologies, against 19% of businesses overall.** And because the technology keeps advancing, the lead compounds: the companies ahead today are building the products and services that will define their markets tomorrow.

As well as with the wider economy, the more revealing contest is inside the startup world itself, between AI-native startups and the rest.

The difference is not whether startups use AI; it is how. Most companies, including many startups, bolt AI onto processes that already exist. An AI-native company starts from what AI can do and builds outward. Customer service shows the contrast: a traditional business adds an assistant to the system it already runs, while an AI-native startup builds the entire service around that assistant from day one, with no legacy process in the way.

What are AI-native startups achieving?

A rare combination sets them apart: very fast growth, scarce AI talent, and unusual efficiency. The numbers put significant distance between AI-native startups and startups as a whole.

156%

Average annual revenue growth for AI-native startups vs 65% for startups globally and 12% for large enterprises

5.2x

More likely to earn $1m+ revenue a year than startups globally

55%

Earn $400k+ revenue per employee vs 34% of startups globally and 23% of large enterprises

46%

Rise in AI spend on the previous year vs 35% for startups globally and 28% for large enterprises

96%

Expect AI to drive revenue growth vs 90% of startups globally and 81% of large enterprises

98%

Employ dedicated AI talent vs 88% of startups globally and 70% of large enterprises

Faster growth pays for deeper investment in skills, security, and new products and that investment produces faster growth again. Each turn of the wheel widens the gap between these companies and everyone else.

What are they doing differently?

The survey points to a consistent set of habits. AI-native startups do not bolt AI onto how they already work; they organize the business around it.

01

They build around AI, not on top of it. Where most businesses buy ready-made tools for isolated tasks, AI-native startups put AI inside the product itself: **72%** have built proprietary AI capabilities such as their own models, against 30% of startups globally and 12% of large enterprises. And they point AI at the product rather than the back office. **100% are building new products and services based on AI,** compared with 62% of startups globally and 35% of large enterprises.

02

They treat AI as a strategic partner, not a tool. 62% use AI to support decisions, against 35% of startups globally and 11% of large enterprises. They are further ahead on the harder applications too: tailoring customer experiences (**61%** AI-natives vs 45% startups globally vs 19% large enterprises), research and development (**52%** AI-natives vs 37% startups globally vs 14% large enterprises), and AI-driven simulations or digital twins (**30%** AI-natives vs 21% startups globally vs 7% large enterprises).

03

They set a deliberate AI strategy. Adoption is planned, not improvised: **68%** have a formal, comprehensive AI strategy in place, compared with 45% of startups globally, and 29% of large enterprises.

04

They build AI capability in-house. Rather than relying on vendors alone, these businesses hire the talent to build: **98%** employ dedicated, in-house AI talent, against **88%** of startups globally, and 70% of large enterprises.

These habits compound. A clear strategy attracts AI talent; that talent builds on modern, pay-as-you-go infrastructure; and that infrastructure makes each iteration faster – which is why the gap between AI-native startups and the rest keeps widening.

CASE STUDY

Voxelis AI (Canada): Giving wildfire crews the eyes they need to save lives

More than 8,000 wildfires burn an average of 2.1 million hectares across Canada each year, and climate change is making them larger, faster-moving, and more unpredictable, stretching traditional firefighting systems beyond what they were designed to handle. Vancouver-founded Voxelis built its product around AI from day one: VoxVision, a helicopter-mounted system that captures thermal and environmental data mid-flight and processes it in real time using AI and edge computing on AWS. The platform transforms complex operational data into actionable intelligence, allowing incident commanders to see where fire intensity is shifting, where air drops land best, and where ground crews face rising risk – situational intelligence no manual process could deliver in time.

The team believes every aircraft can become a piece of a national airborne geospatial intelligence system, helping society respond to other large-scale emergencies when every second counts: from search and rescue operations to disaster assessment to critical infrastructure monitoring.

What does this mean for growth and scaling?

AI has reset the clock and not just on valuations. The journey to scale that once took a decade now compresses into a few years. Across the main studies, AI companies are reaching billion-dollar valuations in roughly three to five years, against seven to ten for other companies. Our survey points the same way: a business earning $1 million today and growing at the cohort's 156% a year would pass $27 million within three and a half years, enough to support a billion-dollar valuation at the multiples leading AI startups now command (around 37.5× revenue; PitchBook/Carta, 2025).

This is a modeled estimate, and it varies company by company. But the direction is consistent across every source: AI-native startups are reaching unicorn scale far faster than the old seven-year norm.

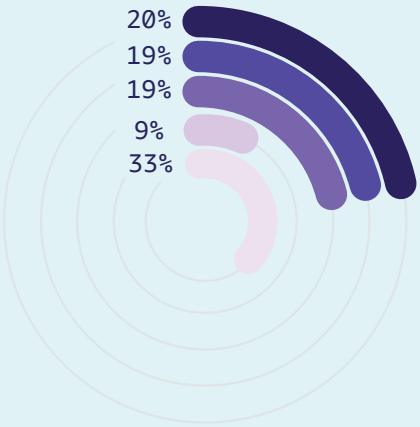
The disruptors aren't where you'd expect

The most surprising finding is where these companies operate. The businesses using AI most ambitiously are not concentrated in the pure technology sector. Many are industry specialists, companies offering AI-built solutions tailored to fields such as financial services and healthcare and life sciences.

In fact, the most advanced users of AI are increasingly the businesses that understand an industry deeply, such as financial services, healthcare and life sciences, technology, energy, and that use AI to do that work far better. They are not just the companies that build the AI itself.

Figure 1 · The sectors where AI-native startups are concentrated

Chart: share of AI-native startups by sector



CASE STUDY

Chai Discovery (United States): AI-native antibody design for better medicines

San Francisco-based Chai Discovery built its product around AI from day one, using generative models to design antibodies from scratch – the targeted proteins our immune systems use to fight disease, and an increasingly important tool against cancer and autoimmune conditions. Designing a new antibody normally means months to years of slow trial-and-error testing in the lab; Chai's models simulate molecular interactions on the computer to avoid the need for high-throughput testing in the lab, and can discover antibodies in less than 24 hours.

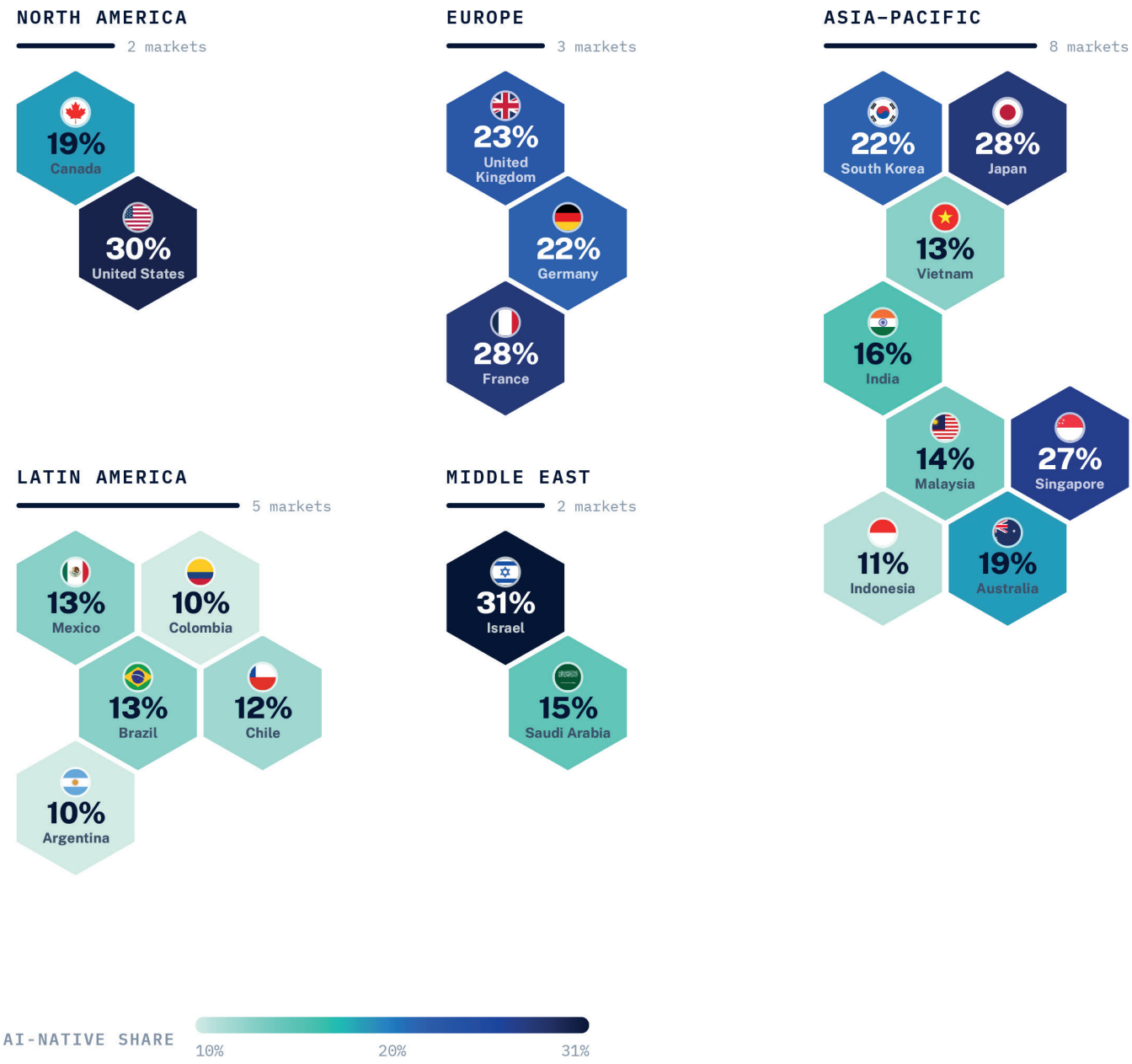
Rather than develop its own drugs, Chai sells access to its technology and has already signed major partnerships with pharmaceutical giants Eli Lilly and Pfizer, with a growing pipeline of additional companies in discussions. A participant in AWS's 2025 Generative AI Accelerator (a program backing startups pushing the boundaries of technology, with up to $1 million in AWS credits, mentorship, and a curated support network) Chai is helping to raise the bar for the medicines that reach patients.

Where are AI-native startups being built?

The map looks different from the old one. For most of the past two decades, reaching this level of growth meant being in a small number of places, with Silicon Valley far ahead. AI-native startups are now emerging across all 20 markets in this study, because the infrastructure that makes them possible is the same wherever a founder happens to be. The four leading countries with the highest percentage of AI-native startups are Israel (31%), the United States (30%), France (28%), and Japan (28%).

SHARE OF STARTUPS THAT QUALIFY AS AI-NATIVE

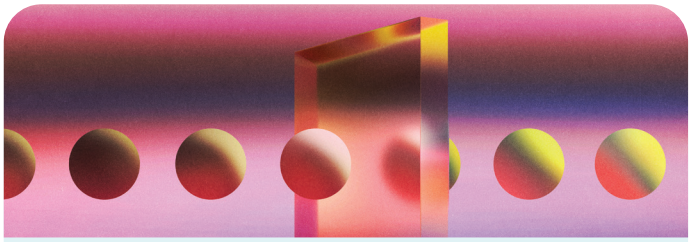
Each market is a single tile, grouped by region. The darker the tile, the larger the share of startups that are 'AI-native' — companies under five years old built around the most advanced forms of AI.



Why can these companies punch above their weight?

These companies punch above their weight because the cost of building has decreased. Work that previously needed dozens of engineers, years of funding, and infrastructure spread around the world can now be assembled in weeks by a small team. This shows in the impact today's AI-native startups are having on their industries.

Two forces explain it: The first is the natural advantage of being small. A tight team, short lines of communication, and few layers of approval let a startup decide quickly and commit fully to demanding tools like agentic and edge AI. Large enterprises mostly add AI on top of how they already work rather than redesigning around it. Only about one in five has reorganized any workflow to exploit the technology fully. It is the modern version of Clayton Christensen's innovator's dilemma: the very assets that make a large enterprise strong also make it slow to change. The survey shows the same from the other side: 95% of AI-native startups report a faster pace of innovation, against 76% of AI-adopting businesses of all sizes, globally. Among those startups innovating faster, 89% say they are already more productive.



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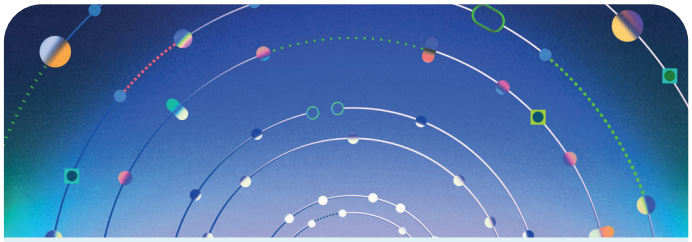


89%

say they are already more productive.

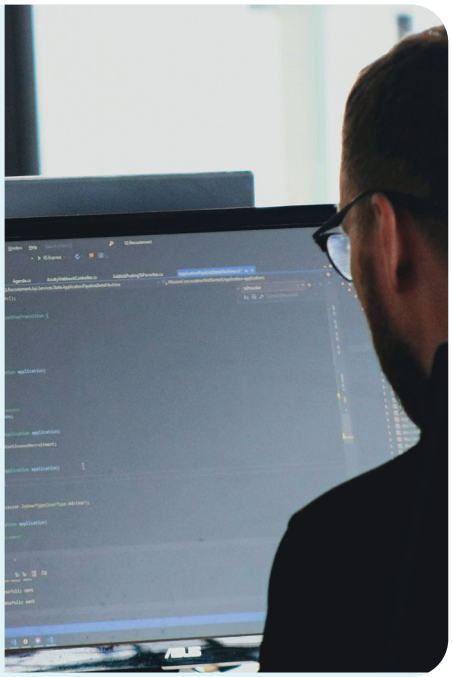
The second force is AI infrastructure on demand. AI-native startups still need the talent, strategy and ambition to build differentiated products, but cloud infrastructure, frontier models and ready-made AI services dramatically increase what a small team can achieve. Rather than spending years building foundational capabilities from scratch, founders can focus their efforts on creating new products, refining models and solving industry-specific problems. This is accelerating a trend that cloud computing has enabled for years: giving young companies access to world-class technology without the upfront cost of building it themselves. Economists have measured the effect, finding that cloud computing improves the performance and survival of young businesses by reducing barriers to entry and helping them scale faster. Today, the rapid pace of AI innovation is amplifying that advantage, allowing startups to experiment, iterate and compete at a speed that would have been impossible even a few years ago.

CASE STUDY

Mindflow (France): a 40-person AI-native team serving 100 enterprises

Paris-based Mindflow builds AI-driven automation for IT, cybersecurity, and cloud operations. Built on AWS, its team of 40 serves around 100 major enterprises (among them LVMH, Hermès, Thales, Bouygues, and Uniqlo) and has saved them more than 316,000 hours of work, freeing their teams for higher-value, strategic work. The company estimates that 20 to 40% of corporate tasks can be automated, positioning AI as a tool to enhance productivity and decision-making. Looking ahead, Mindflow sees AI as a catalyst for democratizing technical capabilities, allowing non-developers to build complex automation and take on more strategic roles.

Mindflow's goal remains human-centric: giving people back time by transforming how organizations operate and enabling closer collaboration between humans and AI systems.



What could hold AI-native startups back?

For all the innovation AI-native startups are currently driving and the still untapped potential they hold, they can still hit limits on how far and how fast they can grow:

01

Capital is the most common challenge. 75% of AI-native founders name access to capital as their biggest constraint, and it varies widely by market.

02

Talent comes next. 56% struggle to hire the AI skills they need close to home, pushing more teams to recruit across borders.

03

Regulation holds others back. Nearly half (49%) cite regulatory complexity as the primary constraint on AI adoption, a challenge made more acute by their concentration in highly regulated sectors such as financial services and healthcare.

Why these startups matter

The importance of these companies reaches well beyond their own results. Startups already punch far above their weight on the outcomes that matter most: while they represent just 15% of total employment across advanced economies, they generate nearly half of all new jobs. Most of that comes from a small number of fast-growing companies, so when their growth accelerates, it uplifts whole economies. The deeper issue is productivity. Growth has slowed across advanced economies for two decades, and beneath that average sits a widening split: a small group of what economists call "frontier" businesses keeps pulling away while the rest stall. Between 2003 and 2020, frontier productivity rose by more than half in manufacturing and over two-thirds in services, while the businesses behind gained less than 5%. The problem is diffusion. New technology reaches the rest of the economy too slowly.

This is where AI-native startups matter most. Because so many apply AI inside older industries like finance, healthcare, and energy, they are both frontier companies in their own right, and the carriers bringing the technology to the businesses left behind, driving adoption across entire industries, not just their own. They draw in investment, talent, and suppliers, and they push progress in areas governments prioritize – climate, healthcare, advanced manufacturing – building the kind of dense innovation hubs that take other places decades to create.

That makes them worth supporting. Keeping the engine running takes practical steps: stronger incentives to adopt AI, clear and sensible rules, better routes to funding, and real cooperation between government and business on digital skills. This needs to sit alongside a deliberate effort to widen access beyond today's leading hubs, and continued investment in the cloud and AI infrastructure that lets the smallest teams compete with the largest.

This report finds that the time and money needed to build a highly innovative, highly impactful company have fallen sharply and that a small group of startups has learned to make the most of it. The question now is how many others can follow, and how widely the benefits will be shared.

About this research

Strand Partners' research team undertook the fieldwork for this study on behalf of Amazon Web Services (AWS). The research follows the professional standards and guidance set out by the UK Market Research Society (MRS) and ESOMAR.

AWS Startups empowers founders to build and scale their startup on AWS by providing business and technology expertise, strategic go-to-market support, credits to offset costs, and programs tailored to accelerate customer success at any stage of growth.

For more information about how AWS supports startups globally, visit startups.aws.

This report draws on a survey of 3,413 startup founders, co-founders, and senior leaders across 20 markets in North and South America, Europe, the Middle East, and Asia-Pacific. Respondents are founders, co-founders, CEOs, members of the C-suite, or other senior business leaders involved in technology and strategic decision-making within startup organizations. A startup is defined as a business founded within the last five years that provides a new product, service, or innovation and is aiming for rapid growth in employees and turnover.

This research was conducted independently: participants were not recruited as AWS customers, were not asked which cloud provider they use, and their AWS-customer status was neither targeted nor recorded. While some respondents may be AWS customers, the findings are not an analysis of AWS's customer base. All responses were collected anonymously and confidentially; no individual respondents or organizations are identifiable in any reporting, and all findings are analyzed and presented on an aggregated basis only.

To access the country-level data sheets for the 20 countries included in this study, scan the QR code.

For the full methodology and the sourced time-to-unicorn comparison table, scan the QR code or contact polling@strandpartners.com.