

# Scaling Enterprise FinTech

*in Europe & Beyond*

FinTech Forum



David Putts,  
Billon



Bernd Richter,  
FIS Impact Ventures



Viktor Stensson,  
Bokio



May Wang,  
FinVC



Teo Blidarus,  
FintechOS



Virginia Bassano,  
Eight Roads



James Varga,  
DirectID



Semih Kacan,  
Swisscom Ventures



Oliver Werneyer,  
IMburse AG



Nicolaas Botha,  
AG Ventures

## Scaling Enterprise FinTech | The Handbook: Sep. 2021

In partnership with:



## FinTech Forum



[FinTech Forum](#), founded 2013 in Frankfurt am Main, offers insights and connections into European FinTech startups, investors and financial institutions via tailored research, advisory and events. Now a network of 15000 and growing, FinTech Forum was named to the WSJ/ Financial News FinTech40 [„40 Innovators Shaping the Future of Finance”](#) in 2014.



[SixThirty Ventures](#) is an early-stage venture capital fund that invests in enterprise technology companies globally building FinTech, InsurTech, CyberSecurity, or Digital Health solutions for incumbents. Portfolio companies of SixThirty gain access to the Fund's Go-to-Market program, which entails curated meetings with corporate partners, mentorship on B2B sales and go-to-market strategy, and networking opportunities with industry incumbents.



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# Introduction

There is no dearth of news, advice or hype about B2C players “disrupting” financial services. *Scaling Enterprise FinTech*, launched in partnership with SixThirty Ventures, focuses on startups building B2B or B2B2C solutions for financial institutions.

We came up with the idea for this Handbook back in June 2020 - just as the first lockdowns were being relaxed in most of Europe. The idea was simple: showcase the journey to scale of Enterprise FinTech scale-ups, as well as the investors backing them, and share the insights and lessons with the rest of the ecosystem.

What we asked the founders and CEO’s at scaleups was not easy (and certainly not on their priority list in times of turmoil): share insights about their journey to scale with Europe’s rather hidden, understated and disconnected Enterprise FinTech ecosystem.

However, as it became clear from the [first edition](#) of this Handbook, leaders at some of Europe’s most promising Enterprise FinTech scaleups as well as investors took the time to do just that.

SEF brings together insights and lessons from the journey to scale- from the founders, investors and financial institutions behind Europe’s leading Enterprise FinTech scaleups:

- *Mapping Europe’s Enterprise FinTech Scene* summarizes the key results from SixThirty Ventures’s research of selected Enterprise FinTech funding rounds in Europe
- *Journeys to Scale* is the heart of the Handbook, featuring insights and lessons learnt from the leaders and investors behind leading Scaleups and Investors.

# Foreword

Back in 2013 when I dived into the early stage FinTech scene, the term was almost synonymous with “disruptive”, direct-to-consumer financial services. Over the last few years, the lines have blurred as several “disruptive” B2C FinTech players moved to (or

added) B2B or B2B2C models, SaaS offerings to packaged B2C trends for incumbents (the “Enterprisisation of Consumer”?), financial institutions spun off or acquired FinTech players, while Big Tech, Super-apps, Retailers, Telcos etc. launched embedded finance offerings.

In this changing landscape of startups in the financial sector, we define Enterprise FinTech as Enterprise Technology / SaaS that mainly sell to or monetise via financial institutions. We use the term FinTech broadly - to include startups building FinTech, InsurTech, Digital Health or Cybersecurity solutions targeting incumbents.

Enterprise FinTech or financial software is not new, but the last decade has broadened their target market and monetisation approaches. As B2C innovations got road-tested, more and more B2C startups partnered with or white-labeled their offerings for incumbents in the race to scale, distribution and profitability.

Most Enterprise FinTech founders bring deep domain and technology knowhow to create the right products, but scaling up sales and (international) go-to-market is a different ballgame. With (almost) no “freemium”, complex sales of up to 24-36 months, a longer journey to Series A, and the pressure to expand into the US (particularly for Europe or Asia-based startups), there is not a single boring moment here! While there is no dearth of news and hype about B2C startups or (horizontal) SaaS “Made in Europe”, building and scaling an Enterprise FinTech firm is nothing short of wizardry- especially in the post-COVID era.

We are proud to partner with FinTech Forum for another edition of this Handbook. Whether you are a founder with an idea, an early stage startup looking for inspiration and learnings, or an investor or financial institution looking to understand the difficult but rewarding journey to building a world-class Enterprise FinTech, we hope *The Handbook* - thanks to the contributors who took the time to share their valuable insights - will become your go-to resource.

Happy Scaling!

[Samarth Shekhar](#) | Regional Manager EMEA, [SixThirty Ventures](#)

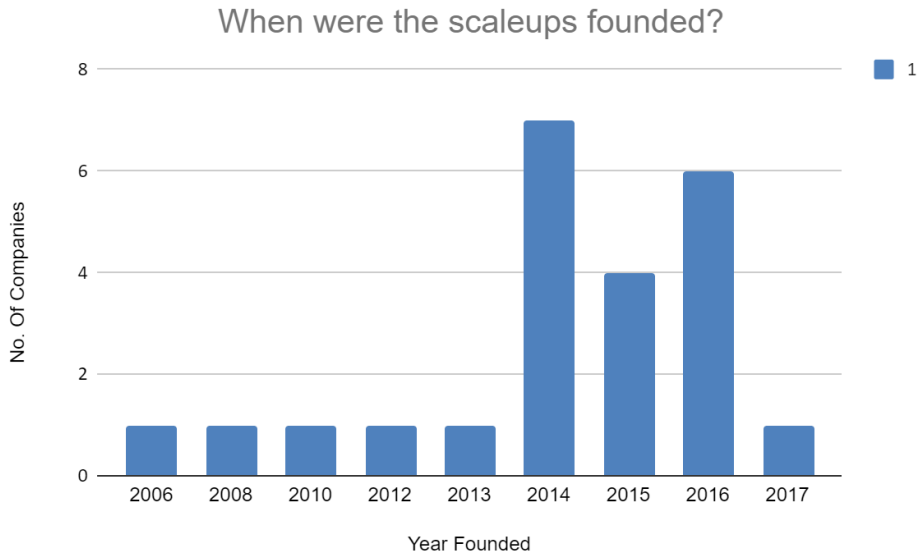
# 1. Mapping Europe's Enterprise FinTech Scene

*Disclaimer: The analysis presented in this section is based on external information and publicly available data, for the purpose of providing a general overview rather than a comprehensive research. We are not liable for any errors. For any questions, comments or feedback, please contact Samarth Shekhar on [samarth@sixthirty.co](mailto:samarth@sixthirty.co)*

To analyse the landscape of European firms building B2B or B2B2C FinTech solutions, we started with Series A or B rounds raised between June 2020 and August 2021. We then narrowed the list to ca. 23 companies with B2B or B2B2C models, mainly monetising via financial institutions.

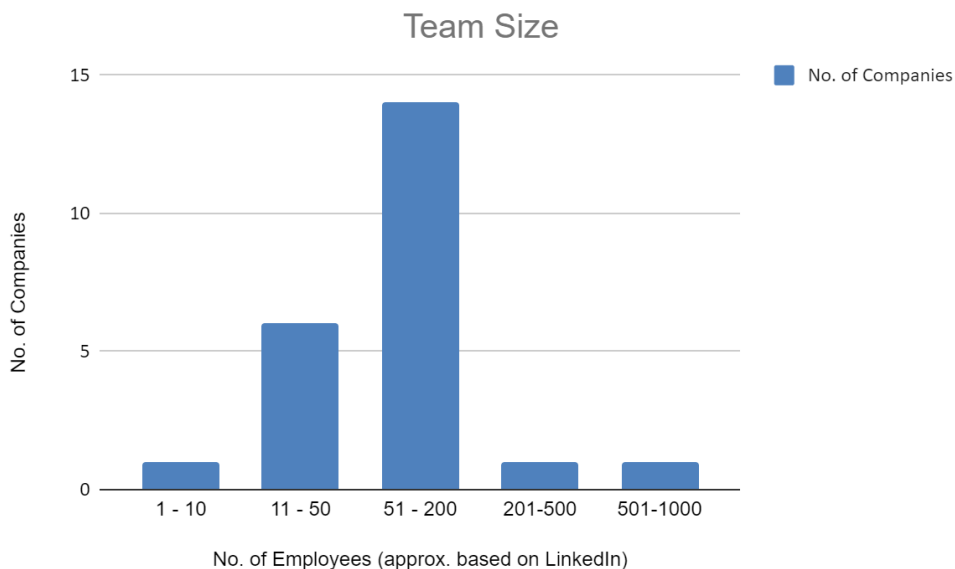


17 out of the 23 scaleups we analyzed were founded between 2014-2016.

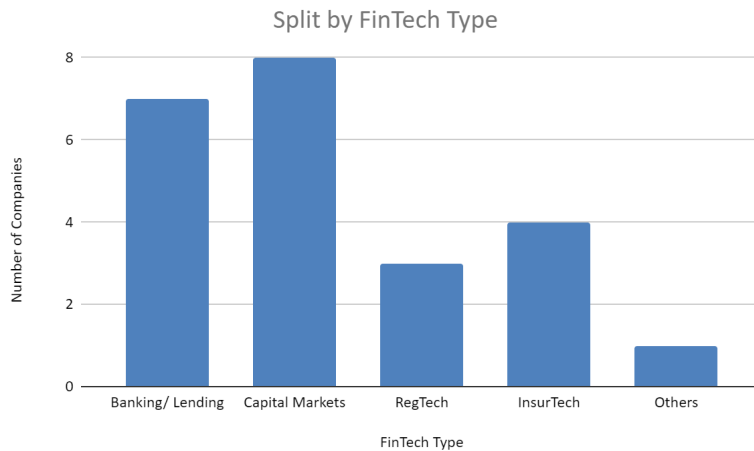


11 of the 23 scaleups were located in London, with Paris, Berlin and Brussels among other cities that were home to the 23 scaleups.

The majority of the companies we analysed had between 51-200 employees (approximations based on LinkedIn data), followed by 6 scaleups who had 11-50 employees.

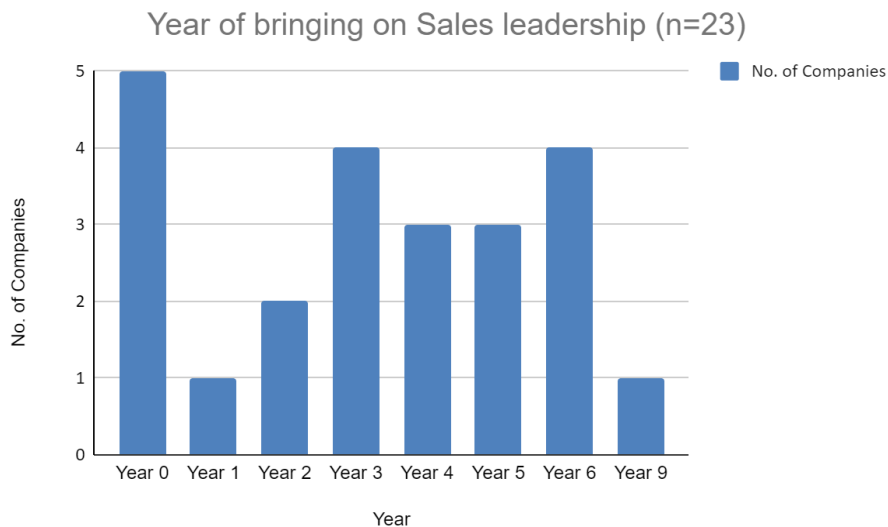


Scaleups building Capital Markets solutions dominate the landscape, followed by those in the Banking/Lending and InsurTech space.

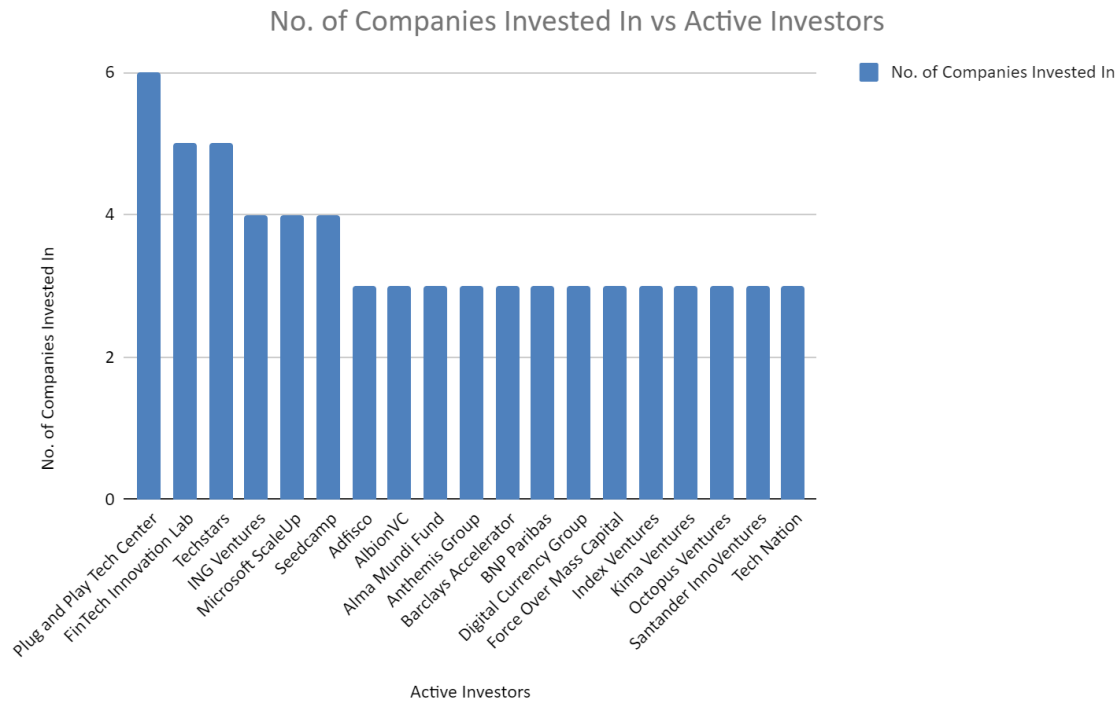


Of the 23 companies, 8 had brought on dedicated sales leadership- typically between Year 3-6 since founding - while 5 had it from day one (includes sales-focused co-founders).

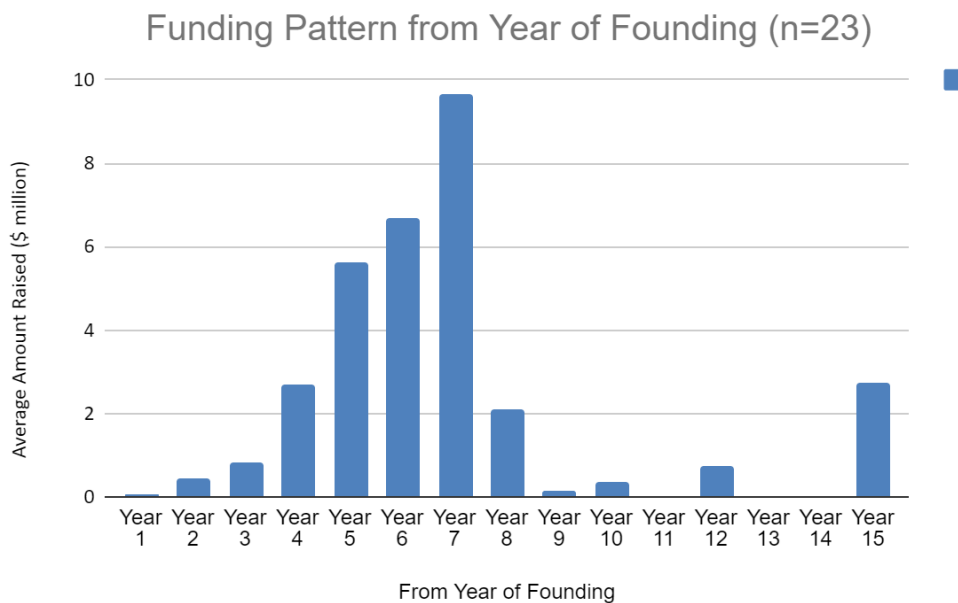
Based on LinkedIn listing of staff based in the US, 7 of the 23 companies we analysed have a presence in the US market. The majority of these companies set up shop in New York (given their focus on selling into financial institutions).



The most active accelerators and investors behind the scaleups are shown below.



Based on Crunchbase.com funding data on the 23 firms, we saw average funding going from ca. \$0.08M in Year-1 to peak at ca. \$10M in Year-7, dropping off thereafter.





Altogether, the 23 startups we reviewed had amassed a total of ca. \$740m in funding as of end-August 2021, raising an average of ca. \$32m as they got to a Series A or B.

Year Founded	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
2014					24,45		125	
2006								
2017			5,4	13	50,03			
2014		1,43		0,23			1,6	2,89
2016		1,2	3,105	10	37	68,6		
2014						5,78		24
2010				0,532			0,029	
2015		0,058	0,173	0,8		0,577	2,85	
2015				3,5			8	
2014			8,09				5,3	12,71
2016	1,73	6,35		9,24		25		
2016		0,747	1,36	2,72		9,51		
2016				11,55		8,09		
2015				3	1,8		45	
2016						10		
2015				5,2			11	
2014			1,16		3	5,08		8,67
2016				2,04		18,34		
2014					1,51		5,6	
2012						1,5		
2014					10		15	
2013					1,36	1,36	2,99	
2008								
<b>Total</b>	<b>1,73</b>	<b>9,785</b>	<b>19,288</b>	<b>61,812</b>	<b>129,15</b>	<b>153,837</b>	<b>222,369</b>	<b>48,27</b>
<b>Average</b>	<b>0,08</b>	<b>0,43</b>	<b>0,84</b>	<b>2,69</b>	<b>5,62</b>	<b>6,69</b>	<b>9,67</b>	<b>2,10</b>

## 2. Journeys to Scale

In the following pages, join us as we talk to founders and leaders at Enterprise FinTech scaleups in Europe, as well as investors investing in this space- with a spotlight on sales, go-to-market, international market expansion and financing growth.

## David Putts, Billon



### **1. Tell us a bit about yourself and your company.**

I am the Chief Growth Officer of Billon - the fintech scaleup which created the Unified Enterprise DLT System. What makes Billon special is that it saw weaknesses in the ability for blockchain protocols to handle the complexity of compliance. For this reason, Billon creates a new, eco-friendly layer 1 protocol which unifies fiat digital cash, documents and non-cash tokens into a single, high-performance distributed ledger (DLT). The system, designed for maximum throughput and low cost of maintenance, meets regulatory requirements and solves challenges for the wide adoption of blockchain technologies. As a result of this innovation, we are now moving past the early commercialisation stage, and we have over 20 clients.

Before joining Billon I was a challenger bank leader. I founded or ran two challenger banks, building them from scratch - Inteligo in Poland and Equa in Czechia - and I also became a payment expert with several years of experience in both Barclays and HSBC. The passion for challenging the status quo has always been in my blood, even during my early

years as a consultant at McKinsey, so you could say that I have been fighting for change during my entire 30-year career

**2. Give us the backstory- how did you get the founding idea, and how did the first sale come about?**

Billon's founder, Andrzej Horoszczak, provides the deep tech inspiration and vision for a new blockchain. Early in 2010, after leaving his banking security career to be the CEO of a health & wellness portal offering health news and articles, he faced the problem that while he could turn eyeballs into income, he couldn't monetize individual articles. The cost of processing a bank transfer was simply higher than the size of a small payment for an article itself. It was early days for bitcoin and many promised this as a micropayment solution. But when Andrzej looked more closely, his technical background led him to drill into the code base with an expertise that few possessed. He realized even then that while a distributed architecture would be revolutionary, the underlying power consumption and the lack of regulatory controls - problems which are widely known right now - would always frustrate adoption. So he quit his job, and decided to fix those problems.

Andrzej assembled a team of experts and scientists, and consulted with former regulators. After completing the invention of a set of new basic principles for distributed ledger technology, he was ready to start the company. Together with the cofounder Robert Kałuża, head of strategic analysis at Orange bureau in Warsaw, they started to build the technology.

After years of work as an R&D project, Billon Group was incorporated in December 2015 in London to commercialise the technology. The remainder of the board joined soon after, including myself who led the effort to move the HQ to London and to secure fundraising and international partnerships. Jacek Figula from Cisco joined a couple of years later to drive commercialisation. And in January 2019, Wojtek Kostrzewa, a seasoned C-level executive with almost 30 years of experience in leading banks and media, joined as CEO to allow Andrzej to focus fully on the technology as CTO and Chief Visionary Officer. Today, the company is based in London, but retains its Polish roots as the majority of the staff work in the R&D center in Poland.

Our first sale was to Philip Morris International which was looking for a streamlined business solution for the merchandising reward program to independent retailers. Billon provided PMI with an end-to-end direct payout system using digital cash which brought 25% cost savings and reduced unspent benefits by 80% through digital engagement of retailers.

**3. Could you summarize your journey to scale from a sales, go-to-market and business development perspective, perhaps split into 2-3 key phases?**

Bruce Tuckman in 1965 authored the concept that every company has to go through the 4 stages of forming, storming, norming, and performing. For Billon as a deep tech company with dozens of programmers, the first two stages take longer than they might for a company who is, for example, selling face masks.

Just recently we completed the major milestone of a full integration of code bases which were developed for fiat cash and for document management. The regulatory challenges of managing identity and privacy are more complex than most people realize, as the cryptocurrency world can obviously ignore such regulations. So in my mind, this is the milestone that signals the end of the storming phase, and we are now entering the norming phase, with a strong set of investors and over 20+ clients.

#### **4. Which was the most challenging phase, and what would you have done differently?**

Our main challenge was that the 1st world-wide use case for blockchain was cryptocurrency. It was nearly impossible to separate blockchain technology from crypto due to the buzz and hype linking the two. So many companies jumped into blockchain to do crypto that it was nearly impossible at that time to point to use cases where the technology could be deployed without it. So how to argue that the world also needs blockchain without crypto, when bitcoin prices were soaring?

I have to note that Billon did not pursue the “easy” money available by issuing a crypto coin, as we were in the application process for payment licenses. We could not argue that we were committed to be compliant if we had pursued an ICO. Also, during this time, we won several Polish and EU grants, which kept our focus on R&D rather than commercialisation. And then there was the pandemic, when companies slowed spend on technology.

All of which brings us to today. However, with the insights I have now, if I jumped into a time machine with the ability to do things differently, I would not change much. We see now that the market has changed. Regulators want digital national currency and blockchain, and we made the right decision to pursue this path and wait for the market to be ready for us.

#### **5. When did you decide to expand to the international/ US market, and how?**

International expansion was our focus from day 1. Any solution which would improve the global infrastructure for payments and data exchange must be global in its scope as well. To help the expansion we established our HQ in London, as it is a global fintech centre. We also recruited an international Advisory Council, with senior figures from world’s top commercial hubs, like New York and Shanghai.

In 2018, we won entry into FIS's Venture Center accelerator program, and with both their assistance as the global banking IT firm and investment we are always looking into the US (and other markets) for opportunities.

**6. When did you first decide to raise venture capital, and what has been your approach to financing growth over the years?**

We started raising capital almost immediately, with a number of micro-funds and FIS/Worldpay's investment joining in our seed round(s) of just over \$2M raised through 2018. When our new CEO, Wojtek Kostrzewa, joined in early 2019, he and our strong base of angel and small fund investors made an early commitment to drive the financing round, followed by a number of reputable international private investors. The round was complemented by FIS as Billon serves them as a client and we maintained a relationship with FIS following graduation from the Venture Center acceleration program. We concluded Series A with a \$6M result in March 2020 - a remarkable achievement given the COVID-19 pandemic shock.

**7. How is building an Enterprise FinTech firm different from a "regular" SaaS / Enterprise Tech company, and what three things should founders get right?**

An enterprise fintech firm provides a platform that supports tailored solutions for individual clients more often than a ready product. This is in contrast to a SaaS company which more often provides the same product to many customers, and services its few products for many. So it makes sense for blockchain companies to more often focus on enterprise solutions, as the maturity of products and use cases are still evolving.

What founders of enterprise technology need to get right is to understand the difference between "consultative" solutions and a product. In short, a consultative solution involves solving a client's problem in a collaborative manner where the client is covering the cost of development with paid fees. On the other hand, a product doesn't generate revenues until it is finished. So a product requires upfront investment.

These two approaches - a consultative solutions approach, and product-oriented approach - dictate differences in required skill sets, team structures, and even sales (as selling to client needs is different than selling from a product battlecard).

All the other points about what a founder should get right are universal for most start-ups. If you hire great people and remain focused on delivering a compelling value proposition to clients, it is far easier to raise money.

**8. What's on the priority list for you and your team for the next year?**

As a Unified platform, which unifies national currency and documents, we have initiatives in both categories. For regulated digital cash, we are launching a showroom environment which would allow anyone to experience one of the possible use cases of the system, i.e. business to consumer incentive payouts as well as the use of regulated digital cash for merchant services payments. With regards to documents and non-cash assets, we are participating in developing EBSI, the EU-sponsored European Blockchain Services Infrastructure.

Our long term goal is opening the platform to third parties (fintechs, software companies, consultancies, consortiums, etc.), by providing necessary tools (API, SDK, code documentation) to create independent solutions. The Unified Enterprise DLT can then become the backbone for all kinds of enterprise applications and unleash the transformational capabilities of blockchain in the paperless and tokenized economy.

**9. Where is the financial services sector headed in the next 12-18 months, and what should we be watching out for?**

Digital national currency applications - both regulated and unregulated - will continue to reshape the underlying premise of how financial services and payments can be conducted. We should watch out for central banks running advanced pilot projects of CBDC (central bank digital currency) and discussing the feasibility of its full-scale implementation. At the same time other players - fintechs, commercial banks and other financial institutions - will explore the use of digital currencies under current regulations, not waiting for the great CBDC reveal, but also looking to overcome crypto limitations.

**10. Your favorite place(s) for a meal, coffee or drink (pre-/ post-COVID19)?**

I love many restaurants in the UK, though I would say that when I am in Canary Wharf, I tend to frequent [Rocket](#). When I visit Money 20/20 in Amsterdam, [Supperclub](#) is often my choice for the evening.

## **Bernd Richter, FIS Impact Ventures**



**1. Please tell us a bit about yourself, both at work and leisure.**

Family man and proud member of the venture building team at FIS to create new compelling businesses that improve our customers way to transact, pay and invest in the merchant, corporate and financial institution space across the globe

**2. What are your focus areas, overall and within the (B2B) FinTech / InsurTech space?**

B2X, G2X and C2X Money Movement and Infrastructure

**3. Any recent deals that you would like to share with us, and why you invested or partnered?**

FIS invested into Modulr Financial

**4. What does it take to get to Series A today?**

A desirable MVP with pilot customers with a subsequent roadmap for growth to scale

**5. Which are the trends to watch out for in Europe/ EMEA in the next 6-18 months?**

Consumer-focused DeFi with a compelling UX,  
Pre-CBDC commercial cash on ledger solutions under EMD2,  
Democratization of real-time payments through on-us networks

**6. What should startups expect or plan for in the coming months?**

More consolidation activities on domestic & regional level,  
Geo entries/expansions from global plays

**7. Your favorite place for a coffee and/ or a drink?**

Sunrise at the Baltic sea (where I live), with a hot Americano



## Viktor Stensson, Bokio



### **1. Tell us a bit about yourself and your company.**

In 2015 me, Mikael Eliasson, Emma Rozada and Joel Rozada founded Bokio. Since then, our AI-powered bookkeeping and accounting software has grown rapidly. We've expanded to the UK and our user base is growing at an incredible pace. We have 100 employees and serve over 60,000 monthly active users in the UK and our native country Sweden.

### **2. Give us the backstory- how did you get the founding idea, and how did the first sale come about?**

I met my co-founder Mikael Eliasson doing competitive orienteering whilst at university. At the time Mikael was working as a freelance engineer and one day asked for help with some accounting tasks. We quickly realised how incredibly difficult the tax filing system is to understand and that the available tools at our disposal weren't

good enough. We saw a great opportunity to modernize the entire industry by automating the process. This was the seed that eventually grew to become Bokio.

**3. Could you summarize your journey to scale from a sales, go-to-market and business development perspective, perhaps split into 2-3 key phases?**

We have always been very product and customer focused and used that as a growth factor. The world is getting smaller and smaller and great products with roaring fans is a great way to grow. We have just recently started to add traditional sales & marketing and it will be a great learning experience to see that evolve.

**4. Which was the most challenging phase, and what would you have done differently?**

Right now is always the most challenging phase, if that is not the case you either have too low ambitions or you are not pushing yourself hard enough. It is always great to take time to reflect on your historical mistakes and learn from them to avoid making the same one again but it is inevitable to make mistakes and you simply have to embrace them

**5. When did you decide to expand to the international/ US market, and how?**

Once we reached a large number of clients in our first market we wanted to make sure the technical solution was strong enough to handle several markets from a regulatory perspective going forward and we then decided to make a light launch in a new market to verify. We have been running everything from our home office and hence had a slim cost profile to ensure we run a lean ship also in overseas markets without losing control of culture etc.

**6. When did you first decide to raise venture capital, and what has been your approach to financing growth over the years?**

We did the first round when we felt ready for higher paced acceleration and already had a product and clients on board and was starting to understand the market

dynamics. I think it's important to not raise too early and to spend money in a good way.

**7. How is building an Enterprise FinTech firm different from a “regular” SaaS / Enterprise Tech company, and what three things should founders get right?**

At the end of the day the customer is the important one independent of type of business. We still have to be extremely customer focused and create proper customer value to stay relevant. Then you have a regulatory layer you have to respect but at the end of the day there is only really one thing to get right and that is the customers experience and happiness.

**8. What's on the priority list for you and your team for the next year?**

Continue to grow and build even stronger relationships with our clients in existing geographies.

**9. Where is the financial services sector headed in the next 12-18 months, and what should we be watching out for?**

I'd say automation is still the key factor in disrupting big industries, both now and in the future. Users and customers expect automation today, especially in bookkeeping and accounting. This will require us as well as incumbents to invest heavily to remain competitive as the customer expects this experience to follow what is happening in the B2C space. I think there will be some interesting unholy alliances coming up from players who need to make bold moves to not fall behind

**10. Your favorite place(s) for a meal, coffee or drink (pre-/ post-COVID19)?**

I really enjoy cooking at home with some friends over a good bottle of wine. Work can be quite intense and it is good to have some time off at home with your friends to recover.

## May Wang, FinVC



### **1. Please tell us a bit about yourself, both at work and leisure.**

I'm an investor at Fin VC, a B2B Fintech/Insurtech focused global venture capital, based out of San Francisco. Fin VC is a team of FinTech nerds with capital, based in SF/NYC and focus on FinTech SaaS in the US and EU/UK. We deploy out of 3 strategies: Regatta (pre-seed, checks of \$100K-\$1M), Flagship (Early Stage - Seed->B, checks of \$1-10M) and Horizons (Growth - C+, checks of \$25-50M+, primary/secondary) and have an operating value playbook focused on global BD, corp dev, capital formation, product/GTM, key talent sourcing, and board leadership.

Personally, I'm an avid traveler and a global citizen who has lived in 4 countries across 3 continents. When not at work, you'll find me hiking/surfing in the summer and skiing in the winter. I'm also mentoring students from underrepresented communities, and an advisor at a Uganda-based NGO.

### **2. What are your focus areas, overall and within the FinTech space?**

Given our Enterprise SaaS focus, I focus on 6 verticals within fintech that we identify as key priorities for our investing/BD opportunities - Embedded finance, asset management/capital markets, CFO tech stack, Insurtech, Blockchain enterprise application, Enabling tech (regtech/core infrastructure/AI-ML etc).

### **3. Any recent deals that you would like to share with us, and why you invested?**

We've made 10+ investments from our early-stage strategies recently and continue to be active in the US/European markets. For example, we invested in the seed round of citizen payment, an UK-based online payment platform that has developed an automated method for bank transfer acceptance. We believe that with PSD2 regulation, mandating that retail banks open up their APIs to Account Information and Payment Initiation Service Providers (AISPs and PISPs), has created a wave of innovation in the European fintech industry, especially for the regulated services payment space given the particular challenges of reconciliation and security. We believe Citizen is at the right position and has the right team to disrupt the bank transfer space for online merchants in the highly regulated services.

### **4. Which are the trends to watch out for in the next 6-18 months?**

We are excited about the opportunities brought to both fintechs and traditional financial institutions by open banking, and the further evolution from open banking to open finance - faster and more customized financial services based on the open banking infrastructure. As an UN PRI signatory and ESG compliant VC firm, we also believe Europe is the leading market at the intersection of sustainability/ESG and financial services, and actively looking to partner with innovative companies solving the pain points in the financial industry.

### **5. Your advice to European founders looking to scale up and raise funds?**

Global expansion is a key theme as well as challenge for most Europe-based startups. I recommend founders to think early at the org/product development cycle and incorporate the future scaling/expansion into the roadmap - For example building a flexible infrastructure with a translation engine on top that allows another language and local services to be added easily. Also when entering another market, make sure you understand the customer demand and localization needs thoroughly, without falling into the trap of reusing the existing playbook that made you successful in the original market.

### **6. What's on your bookshelf/ reading list?**

I recently finished reading *Bad Blood* - a thrilling real-life story about the scams and frauds behind a once \$10-billion-dollar startup. It deepened my thinking on a lot of topics including leadership, corporate culture, human relationships, ethics, and how to avoid blind spots as an investor. The next book on my list is *The Ride of a Lifetime* by former Disney CEO Robert Iger.

#### **7. Your favorite place for a coffee and/ or a drink?**

When I go back to New York I always check out Ad-hoc (<https://www.adhoccollective.com/>) in West Village, Manhattan.

## Teo Blidarus, FintechOS



### **1. Tell us a bit about yourself and your company.**

I am Teo Blidarus, CEO and co-founder of FintechOS. We allow banks and insurers to create customer-centric digital financial products and services using our digital on top and lean core solutions. Many financial institutions who want to innovate quickly are underserved or ill-served by current vendors. Our low-code, modular approach augments legacy systems and allows institutions to build, test and scale new digital products and services in weeks, rather than months.

### **2. Give us the backstory- how did you get the founding idea, and how did the first sale come about?**

I've been an entrepreneur for two decades and founded FintechOS in 2017. We saw that digital transformation at banks and insurers projects were often lengthy, complex and expensive, so developed FintechOS to make building digital products fast and easy for our customers. We wanted to help create solutions that use data as the core, fit market reality and are adaptable to our customers' needs.

**3. Could you summarize your journey to scale from a sales, go-to-market and business development perspective, perhaps split into 2-3 key phases?**

We have enjoyed several major funding rounds, starting in 2019 when we raised more than one million euros from regional VCs and LAUNCHub Ventures before closing a €12.6M round led by Earlybird's Digital East Fund and OTB Ventures. Then in 2021, we raised \$60 million (€51 million) in Series B funding in a round led by Draper Esprit.

We're now focusing on global expansion and have added 120 new staff - a 40% increase in headcount - and are now working towards setting up new offices in the USA, Dubai, Singapore, and other locations.

**4. Which was the most challenging phase, and what would you have done differently?**

The most challenging phase is happening right now. We're expanding fast and growing our headcount, which means focusing on everything from developing our internal culture to deciding how a FintechOS office should look and feel. We're focused on growth and things are happening fast, so the time to look back is a few years away.

**5. When did you decide to expand to the international/ US market, and how?**

There are more than 320 million bank customers in the US, who are now expecting digital services. Market penetration of digital banking will increase from 75.4% of all US bank users to 80.4% by 2022. The expansion to the US makes sense.

We launched in the US in 2021 and are forging links with American credit unions and traditional banks with a view to removing common obstacles to digitalization. We've appointed a new Senior Vice President to drive our expansion in the US and our customizable technology will allow institutions to start small, think big and scale fast.

**6. When did you first decide to raise venture capital, and what has been your approach to financing growth over the years?**

We're delighted that the market has shown confidence in us during several major funding rounds. As well as funding rounds, we also won \$10 million of investment from IFC – a member of the World Bank Group. We're pleased that that market has shown faith and trust in us, with Series A and B funding helping to catapult us to where we are right now.

**7. How is building an Enterprise FinTech firm different from a “regular” SaaS / Enterprise Tech company, and what three things should founders get right?**



The financial sector is highly regulated, has its roots in analog, non-digital services and has only adopted direct to consumer models relatively recently. Digital-first players like neo banks have focused on making products that are simple, friendly, innovative, and can be brought to market very fast. All three are hard for incumbent banks due to their size and history - even though they know what good looks like.

In the enterprise space there is always a battle between innovation and manageability. Due to their size and history, it is very hard for old players to innovate at the speed of their digital native counterparts. Banks need to strike a balance between the dreamers and the actual day-to-day management of the bank's operations. The fintech revolution can be a headache for established incumbent financial institutions.

For an enterprise fintech to be successful, it must remember three key points.

- Firstly, it should showcase tangible benefits that can be achieved. It's no good making pie in the sky promises and failing to deliver.
- Secondly, a fintech should talk the language of its customers. If you're working with banks - you should be speaking like the people who work inside that bank and recognize that tech team innovators might not talk the same language as business leaders. It's your job to crack the code and start communicating with the right people.
- Lastly, an enterprise fintech needs to have a product or platform which makes practical innovation faster and easier. It's difficult and time-consuming to devise new ideas, solve problems and design products - but innovation is non-optional. Founders should seek to give businesses tools and platforms which grant them the ability to innovate at speed and bring new solutions to market quickly, because those are powerful abilities in an era of rapid digital change.

## **8. What's on the priority list for you and your team for the next year?**

We're now focused on US growth and winning big name clients across the world. FintechOS believes in collaborating, so we have forged strong partnerships including Microsoft, Deloitte, Persistent and Capgemini and collaborations with US category leaders, analysts, consultancy firms and investors.

We hope to have 15 new US bank and credit union partners by the end of 2022 as well as making 100 new US hires across product management, sales, marketing and customer success. By the end of 2022, our total global workforce will total more than 400.

**9. Where is the financial services sector headed in the next 12-18 months, and what should we be watching out for?**

Not all financial markets were at the same stage of their digital transformation when COVID-19 changed the world. For more advanced markets we will see established banks, credit unions and new entrants in the fintech space rapidly launch digital-only customer products to meet growing demand. In more traditional markets where financial institutions had to digitize quickly to survive, we will see them in many cases accelerate their digital transformations using technology that is available and accessible to all institutions. This will allow them to easily vault challenges which more advanced banks had to painstakingly work over.

Customer experience will only continue to grow in importance to become the key battleground on which financial players will compete. It is a time of change, and the banking sector will look very different in a few years' time.

**10. Your favorite place(s) for a meal, coffee or drink (pre-/ post-COVID19)?**

Before the pandemic, my favorite place to eat was Stadio Park, in Bucharest. That's where we used to head after work to watch the football, have a few drinks and get a meal.

As the pandemic travel restrictions lift, we'll be drinking and eating at restaurants around the world due to the international expansion of FintechOS. But I'm looking forward to getting back to Stadio Park.

## Virginia Bassano, Eight Roads



### **1. Please tell us a bit about yourself, both at work and leisure.**

I am Italian, I studied in a French Business School and I live in London since 2017. I was previously working in Investment Banking at Citi covering the FinTech sector. I co-founded an HR tech startup named DailyInternship, a talent recruiting platform with over 100k students subscribed. That experience led me very close to the Venture Capital world.. so close that I ended up in VC myself! At Eight Roads I focus on investments in Southern Europe, Nordics, and more broadly speaking in FinTech investments all across Europe. I am passionate about travels, motorbike, photography and all type of animals. A funny fact about me is that by the age of 22 I had already visited all the European capitals in motorbike.

### **2. What are your focus areas, overall and within the (B2B) FinTech / InsurTech space?**

I focus on investments on Southern and Northern Europe mostly in the enterprise, fintech and healthtech space. Amongst Fintech, areas we currently look into include, but are not

limited to, B2B Payments, Banking as a Service, B2B BNPL, B2B infrastructure, finance tools for SMEs, payment orchestration platforms and InsurTech.

### **3. Any recent deals that you would like to share with us, and why you invested or partnered?**

We invested in Spendesk last year as we believe that one of the most exciting segments of this modern finance stack is the spend management category. Spend management platforms have the ambition to radically simplify the way employees make payments and provide real-time visibility for finance teams over all company expenses. Traditionally, companies have used shared company credit cards or bank wires with no visibility into spend until after it has happened. In contrast, spend management platforms help companies spend money and track that spend in real-time in one single tool, removing the need for multiple different applications. Longer term, we believe that spend management platforms will become end-to-end tools capturing most of an SMB operational spend excluding payroll. As a consequence they are very sticky, but also particularly well placed to add additional services over time, such as lending, insurance, suppliers marketplace, etc. Going after this attractive market and building the category of spend management was the main reason we got excited about Spendesk.

### **4. What does it take to get to Series A today?**

With rounds of increasing size, it's less and less a matter of "how big you are now" but more of "how successful can you become". Following their seed round, startups will need to prove to have a practical solution to solve a real issue, while addressing a sizeable market. As series B investor, we typically invest in scale up stage startups: companies that have built a product, found a product market fit and are now looking to scale. To get to series A, startups should already have in mind their objective for the long term, creating a vision and strategy for where they would like to be. The best way to do it is with an experienced and credible team, a successful product solving the need of a large market and a well-played execution on the strategy.

### **5. Which are the trends to watch out for in Europe/ EMEA in the next 6-18 months?**

As the customer base for the banking industry becomes more tech-savvy and more environmentally friendly by the day, digital-only banks have amplified in popularity and this trend is not going to stop. We are also seeing a "second wave" of neobanks: lighter, more sustainable and environmentally friendly.

Open Banking has promised to provide more competitive financial services that are personalised to the needs of individual or business.

Buy Now Pay Later solutions are spreading across EMEA both on the B2C and B2B side. Embedded Finance and BaaS will become more and more relevant with API-based embedded payments (and, over time, other banking products) facilitating new business models. BaaS unlocks the promise of embedded finance: it enables nonbanks to offer financial services by integrating banks' services via APIs, and building products on top of the traditional banking infrastructure. The next 6-18 months will be crucial to see how non-fintech companies will adapt to this shift. According to FinTech magazine, 41% of UK SMEs have now incorporated Fintech into their business. In Europe, I am expecting that more and more SMEs will continue to adopt Fintech (from new lending products to utilising open banking data) to improve their efficiency and offer better services to maintain a competitive edge.

#### **6. What should startups expect or plan for in the coming months?**

The past 18 months had a lot of uncertainty, but the financial technology boom powered by the pandemic was very clear.

Startups should plan ahead and be smart: create a set of leading indicators (could be linked to ARR, growth, #sales, pipeline, number of clients, monthly burn, etc) to guide them through their growth and plans and adjust the future roadmap accordingly.

Additionally, startups should make sure to closely monitor the market they play in: it's easy to see increasing competition from players that address a similar problem in a different or more creative way.

#### **7. Your favorite place for a coffee and/ or a drink?**

As an Italian, this is an easy one: anywhere I can take the perfect Espresso macchiato.

## James Varga, DirectID



### **1. Tell us a bit about yourself and your company.**

I founded DirectID (formerly The ID Co.) in 2011 with a mission to leverage the identity and data users have with their bank accounts, giving them access to products and services conveniently - to let them prove their identity, financial health and credit risk in seconds. At it's core this is Open Banking data.

DirectID is a global credit risk platform that is redefining the industry for both lenders and their consumers.

By leveraging Open Finance and bank statement data, DirectID help lenders understand their customers throughout the credit risk lifecycle, from onboarding through to collections & recoveries.

Today DirectID powers some of the world's biggest brands from banking, consumer and SME lending through to the gig economy, gambling and others.

DirectID's platform provides global access to bank data through over 13,000+ connections across 65 countries supporting access to over 1.5bn people through one simple integration.

The insights provide solutions to common lending questions such as affordability, income verification, expense categorisation, cash flow, emerging financial distress, and more, and are all available directly or through the platform itself.

The business is authorised by the FCA to provide AISP (Account Information Service Provider) services within the UK market.

Visit [direct.id](https://direct.id) for more information.

## **2. Give us the backstory- how did you get the founding idea, and how did the first sale come about?**

Before this project I was working with a personal finance management app called Money Dashboard as COO - one of the first such apps in the UK. During that time I realized that much of what we do online, especially in financial services, is limited by a lack of both trust and data. At the same time I realized there was a global trust network in that same financial services ecosystem that we could leverage to address these issues and in 2009 started talking about what we refer to today as Open Banking. This was the start of an amazing journey that first started out as a B2C proposition, a self-sovereign digital identity passport, and later pivoted to a B2B platform that increasingly focused on what we do today - providing a global credit risk platform.

## **3. Could you summarize your journey to scale from a sales, go-to-market and business development perspective, perhaps split into 2-3 key phases?**

As with any new proposition, finding that product market fit was the first challenge. Which we did only to struggle with the second, scaling the business. We realized along the way that in a pre-GDPR and pre-Open Banking world that we were just too early for the market in that form and that consumers owning their own data and managing their own identity was still a very new concept for the 'big companies' to buy into. Once we understood the market and how these businesses buy services like ours we pivoted to a B2B proposition - and with that came the scale we were looking for. Now in a growth phase, we are helping some of the biggest brands in the world and creating huge value for both the end consumer and the businesses they are engaging with. It hasn't been easy - selling into financial services is challenging and we have had to build credibility, capability and confidence along the way.

## **4. Which was the most challenging phase, and what would you have done differently?**

The most challenging phase was starting to scale. Building a product is relatively easy but selling into a market like financial services, especially for a young company, is not. We



have had to learn not only how to sell and promote our platform to the market but what it takes for these businesses to trust in someone like us. This was further complicated with being early on the Open Banking trend and subsequently having to help build an industry around what we were doing first before getting the scale we need. I'm hugely proud of what we have done in the UK around Open Banking and excited to see it squarely positioned as a global trend. Hindsight is always 20/20 but if I had known we were that early for the market I would have waited until there was more momentum around bank data globally.

**5. When did you decide to expand to the international/ US market, and how?**

The vision from the start was to be a global platform as the problem statement that we are addressing is a truly global one. This brought us early in our journey to the US and abroad and today we support over 45 countries and some of the biggest global brands. It was never an if or when - it was embedded in our approach right from the beginning.

**6. When did you first decide to raise venture capital, and what has been your approach to financing growth over the years?**

Given the global opportunity we decided to raise capital at the start. We raised our seed round in 6 weeks and have raised money, as required, since. While we have looked to work with advisors at different points we have continued to drive the efforts ourselves. Now as we enter some rapid growth we continue to do this to effectively finance the business.

**7. How is building an Enterprise FinTech firm different from a “regular” SaaS / Enterprise Tech company, and what three things should founders get right?**

In my experience it is both the same and different, but much of this depends on the proposition and business model. DirectID is not a pure SaaS model as we focus on creating value, impact and ROI for our customers offering a number of complimentary services (advice, support, etc) which is beyond a typical pure-SaaS model. The biggest differences for us is the FinTech nature of the business which requires:

- A good understanding of enterprise b2b sales and how to engage and sell to complex organizations like tier 1 banks and large multi-nationals. This includes getting your approach right as quickly as possible and leading the business with sales activities to validate the product market fit.
- An understanding of regulation both nationally and internationally is key as well as the understanding of procurement practices, processes and requirements.



- Even in our world of credit risk there is a lot of detail captured in the use cases and implementation of the service. Driving the product through these interactions with customers and their use cases is critical

#### **8. What's on the priority list for you and your team for the next year?**

I'm hugely proud to say that DirectID is the fastest growing global credit risk platform in the market. We have seen huge growth on the back of the pandemic and are keen to continue that trend - solving a broken model that in order to get credit you have to have had credit. Our focus is growing the business globally, expanding the team and creating real value and impact for both consumers and businesses. This includes a range of new services, partnerships and engagements that we will be able to talk about more over the next year!

#### **9. Where is the financial services sector headed in the next 12-18 months, and what should we be watching out for?**

We are seeing an explosion of activity globally around Open Banking on the back of the pandemic, the need to digitize processes and the drive for businesses to make better lending decisions globally. Open Banking will continue as a global trend with more and more connections, countries and use cases coming on board, while starting to expand beyond payment accounts into Open Finance and eventually Open Life Data.

#### **10. Your favorite place(s) for a meal, coffee or drink (pre-/ post-COVID19)?**

As a foodie this is a great question for me and one almost impossible to answer - it all depends on the city! As someone that has travelled a lot I've been very fortunate to have some great experiences. My favorites are those little gems that have great food, a good atmosphere and fantastic friendly service. You don't have to pay a lot for it - testament to keeping it simple is a key to success!

## Semih Kacan, Swisscom Ventures



### **1. Please tell us a bit about yourself, both at work and leisure**

My name is Semih Kacan, and I am Investment Manager at Swisscom Ventures. I've joined Swisscom Ventures at the beginning of 2021 to strengthen the Fintech and Blockchain allocation in the portfolio. Prior to Swisscom Ventures I spent over 10 years in Strategy Consulting, Corporate Strategy, Business Development and Asset Management at Credit Suisse, BearingPoint and Haspa before I co-founded and successfully exited my venture in Zurich. I hold a Master Degree in Corporate Finance from Henley Business School.

I enjoy the time with friends and family and a cup of coffee on sunny days at the beautiful Zurich Lake but also like reading books and watching videos to educate myself about upcoming trends/technologies.

### **2. What are your focus areas, overall and within the FinTech space?**

Primarily I'm focused on Fintech, Video-Gaming and Sports. In the FinTech space I'm looking for B2B Enterprise SaaS models in Digital Assets Infrastructure, Embedded Finance, Banking as a Service, WealthTech as well as Gaming (incl. DeFi, Web 3.0).

**3. Any recent deals that you would like to share with us, and why you invested?**

There are a couple of deals in the blockchain/crypto space that we are currently working on which I can share now. A recent deal that I've worked on and that is already public is our follow-on investment in Fireblocks - the leading digital custody tech-provider - who has recently raised its Series D and is now valued at \$2.2bn.

**4. Which are the key trends to watch out for in the next 6-18 months?**

The crypto space will remain hot - especially driven by the increasing institutional adoption and their need for infrastructure solutions. Also, DeFi at the intersection to NFT and Gaming are worth watching out for. 2<sup>nd</sup> Layer solutions will continue to drive volumes in DeFi as they will lower transaction fees and support the ease of use (via Apps).

**5. Your advice to European founders looking to scale up and raise funds?**

Plan, execute and listen to your customers. Be driven and obsessed with your product/solution. For SaaS companies its important to be on top of their key metrics and unit economics.

Otherwise, just get in touch with me and my colleagues. We are always interested in disruptive start-ups and genius founders.

**6. What's on your bookshelf/ reading list?**

Increasing returns to scale by Brian Arthur  
7 Powers by Hamilton Helmer

**7. Your favorite place for a coffee and/ or a drink?**

If you ever visit Hamburg, I can recommend to you the Bar called "Strandperle" located directly opposite of the port at the beach "Elbstrand". You can enjoy your cold beer while watching huge container ships passing by just 20 Meter away from you.

**[Oliver Werneyer, IMburse AG](#)**



**1. Tell us a bit about yourself and your company.**

I was born and grew up in South Africa to a German household. I started my first company when I was 16, selling computer hardware, and went on to study Actuarial Science in South Africa. I began my career in the insurance industry and spent over 13 years in various roles across South Africa, UK and Switzerland before founding Imburse. Headquartered in Zurich, with offices London and Lisbon, Imburse is a modular middleware that enables insurers and other enterprises to connect more easily to the global payment ecosystem. By connecting to us, our clients can quickly deploy any payment provider or solution, in any market, for collection or payout with no IT project or resources required. We are a technology partner that allows companies to transform, digitalise and modernise more efficiently and more quickly.

**2. Give us the backstory- how did you get the founding idea, and how did the first sale come about?**

We are quite a traditional startup story in that we are a pivot. We started as one of the first flight tracking apps (Flynrates) on the Appstore in 2015. As a way of evolving and commercializing our app, we looked to deploy the early versions of flight delay insurance. There was a great demand for clients who do not want to queue for vouchers when flights get delayed or cancelled. The global insurance partner we worked with was not able to support real-time payments (only bulk files to banks) and clients were not willing to wait 2

to 10 days to get their payout. That insurer said that bringing in real-time payments, while of great interest, is a 18 month, \$ 1 mil IT project with no definitive start date.

As there was also no internal payments expertise, they said that if we wanted real-time payout capabilities, we would need to find a way to bring that technology to them without touching their core IT system. We spent 3 months building an alternative solution (which we thought would be temporary) and when we presented this to the insurer, they were very keen to buy the technology service from us. That is when we realized there is a much bigger market to solve the integration problem into the payment world, and made the pivot. We raised angel funding to build the first enterprise-ready version of our product and started selling officially in 2019. Since then we have been growing strongly and successfully fundraising to invest into the growth of the product and the business.

**3. Could you summarize your journey to scale from a sales, go-to-market and business development perspective, perhaps split into 2-3 key phases?**

As we are in the enterprise space, our sales cycles tend to be longer. A lot of our focus to scale has been on how we can reduce the amount of work needed to connect to Imburse, how can we reach more leads in addition to our own sales team and how do we source new leads. This has lead us to have a well-tweaked GMT that targets insurers across Europea, UK and Switzerland, through core-system and SI partners, with a land-and-grow strategy. This allowed us to shorten sales cycles, deploy faster, grow our existing contracts and significantly scale our pipeline.

**4. Which was the most challenging phase, and what would you have done differently?**

The most challenging days were the early days, right after raising the angel round. We raised some money to start building but in hindsight, we did not raise enough. We should have raised more, built a bigger team from the start, and evolved the product and sales capabilities faster. This, I think, is still a European startup problem. Compared to the US and UK startups, not enough capital is made available early on for startups to develop ideas. I would have more quickly raised funds from investors from outside Europe or leverage them to connect with the right investors in Europe who have a more growth investment mindset.

**5. When did you decide to expand to the international/ US market, and how?**

We have not yet decided to do this. This is on our roadmap for 2022 but we still have a massive market to grow into in Europe and we are working with US clients from Europe. The operationalization for startups in the US and other markets is incredibly expensive and

needs to be taken very seriously. The best approach is to do that with a more mature product than what we currently have and significantly more money. Then we can really attack those markets properly and set ourselves up for success rather than hope for client meetings.

**6. When did you first decide to raise venture capital, and what has been your approach to financing growth over the years?**

We actually did not have a moment where we said, “now we need VC money”. Through our network and activities, we got connected to VCs who started to find us and with whom we had constructive conversations about our future and opportunities. This way, we were able to meet more and more like-minded people on the VC side who liked and understood what we were doing. From there it was a more natural progression from one VC to the next, culminating in us now having some of the biggest names in the US and Europe onboard. We see our solution to be globally applicable, across multiple industry verticals. Thus, for a solution like ours, a higher upfront investment to develop enterprise products and services, plus growing into many markets with distribution partners, is more suited to growth financing and enables us to deploy the capital to create continued growth and return.

**7. What’s on the priority list for you and your team for the next year?**

We need to scale the team now while maintaining the culture we have built, keep the product quality at the high levels we have achieved and build our distribution partnerships to grow into new markets. To continue on our path of rapid growth we have to deliver a more mature product, ensure more output capability and grow our revenue.

**8. Where is the financial services sector headed in the next 12-18 months, and what should we be watching out for?**

The financial services sector will still experience immense pressure to modernise and transform their base IT capabilities and architecture to cope with new customer demands and business needs. We have seen an exceptional amount of focus from financial services companies on modernising the operational and backend systems after several years of putting the customer in the center, only to realise they struggle to deliver what is needed to engage the customer.

I think we will see much bigger IT project transformation announcements, more team ups and partnership, and an increased amount of M&A in order to consolidate IP and capabilities in a stressed market.

**9. Your favorite place(s) for a meal, coffee or drink (pre-/ post-COVID19)?**

My favourite place to go is on the ferry on Lake Zurich, be it for a meal, coffee or drink. Out on the water, surrounded by majestic mountains and landscapes makes for an incredibly serene and inspiring place to hang out.

## Nicolaas Botha, AG Ventures



### **1. Please tell us a bit about yourself, both at work and leisure.**

I am from South Africa, currently based in Cape Town. I have been serving founders in some shape/form for the last c. 8 years. I have been part of the ventures team at Allan Gray and E-Squared for the last c. 4 years looking to support founders from Seed and beyond. Work is a big part of my life - I really love my job (I would probably do it for free). I am married (she is a gem) and enjoy the outdoors, wine and food Cape Town and the surrounds have to offer.

### **2. Is this is a good time to be building or scaling an Enterprise FinTech (/ InsurTech) firm in Europe / EMEA?**

I can only speak for Africa in general and South Africa in specific, but yes. There is now more funding available and liquidity for talent. Enterprises are also realising they can't build everything internally and are more willing to partner/buy from vendors. More larger, new businesses also create new product categories/markets.

### **3. What's working and what's not in B2B / Enterprise sales in the current environment?**



It's getting easier to buy new SaaS products and buyers are overwhelmed with variety/choice. Companies are having to win over buyers before the first sales meeting. We are seeing partnerships, embedded and bottom-up sales tactics working for earlier stage companies. We are seeing compressed, live demos (earlier on) working for larger/more complex sales. Founders deploying traditional (3, 2, 1) sales are struggling.

#### **4. In terms of investment focus: what's in and what's out for you?**

We are actively looking for founders building next generation marketplaces/platforms in Africa. We don't have specific exclusions apart from products/categories that are bad for society or the environment. We are generally pretty open minded and look at things from first principles as opposed to categorically.

#### **5. What does it take to get to Series A today?**

Fund sizes and their minimum investments are getting bigger/at historical highs. Rounds are larger and companies more mature. Generally speaking, we are seeing "fully baked" monoline businesses with at least 1 - 3 validated growth engines (new products/markets/channels etc.) at Series A. SaaS businesses are having to prove this with revenue traction, platforms with users metrics and sales velocity, and marketplaces with demand/supply side liquidity if monetisation is lagging.

#### **6. What should startups expect or plan for in the coming months?**

Predictions are hard. Generally, I think founders should expect to have to "up their game". Availability of funding will mean more competition for customers, clients and talent.

#### **7. Your favorite place for a coffee and/ or a drink?**

Coffee - Origin Coffee, De Waterkant (Cape Town). Drink - Dark Horse, City Bowl (Cape Town).

Contact: [contact@fintechforum.de](mailto:contact@fintechforum.de)