

Copenhagen Fintech Recommendations for Successful Cluster Development

January 2025



Davos: AI and Trump

Davos

AI

Geopolitics



Our Platform

Fintech

Partners

What we do?

Copenhagen Fintech is a non-profit association founded in 2016 with the goal of building a thriving fintech ecosystem.

SECTOR PARTNERSHIPS – 45+ Financial Institutions and Enterprises both in Nordics and globally

INVESTOR PARTNERSHIPS – 60+ institutional investors across investment stages and geographies

STARTUP PROGRAMS – 5 stage-specific programs across maturity stages in collaboration with relevant experts

COMMERCIAL EXPERTISE – Subject matter expertise with unique insights from both investor, startup, and corporate perspectives

GLOBAL NETWORK – Established global network relevant stakeholders and 30+ fintech hubs

^{1.6} **R&D & Talent** – Innovation cluster and university partnerships with 10+ universities



...with more than 300+ additional partners & members

Open and Closed Innovation

Innovation

Ideas

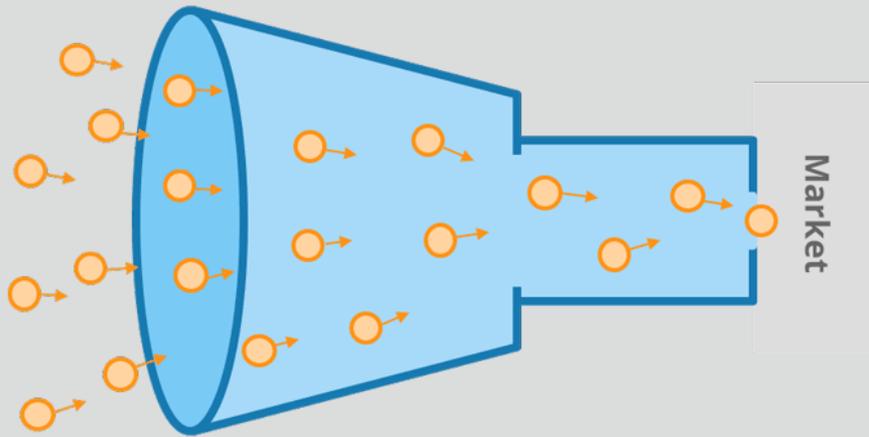
External

Internal

Closed Innovation

— Corporate limit

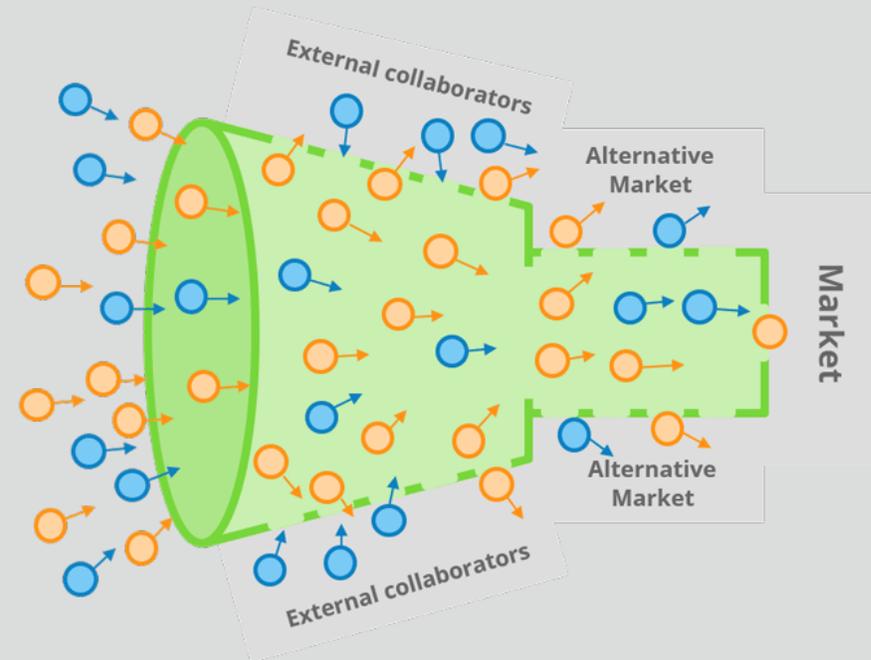
○ Internal idea



Open Innovation

- - - Corporate limit

○ Internal idea ○ External idea



The challenge



"Europe, we have a problem..." (Draghi report)

Trends

Regulation

EU

Technology

"Fragmentation of the Single Market" hinders innovative companies that reach the growth stage from scaling up in the EU, which in turn reduces demand for financing."

The future of European competitiveness

"Many EU companies with high growth-potential prefer to seek financing from US VCs and to **scale up in the US market where they can more easily** generate wide market reach and achieve profitability faster."

The future of European competitiveness

Public From-Scratch US and EU Companies Less than 50 Years Old with \$10B+ Market Cap

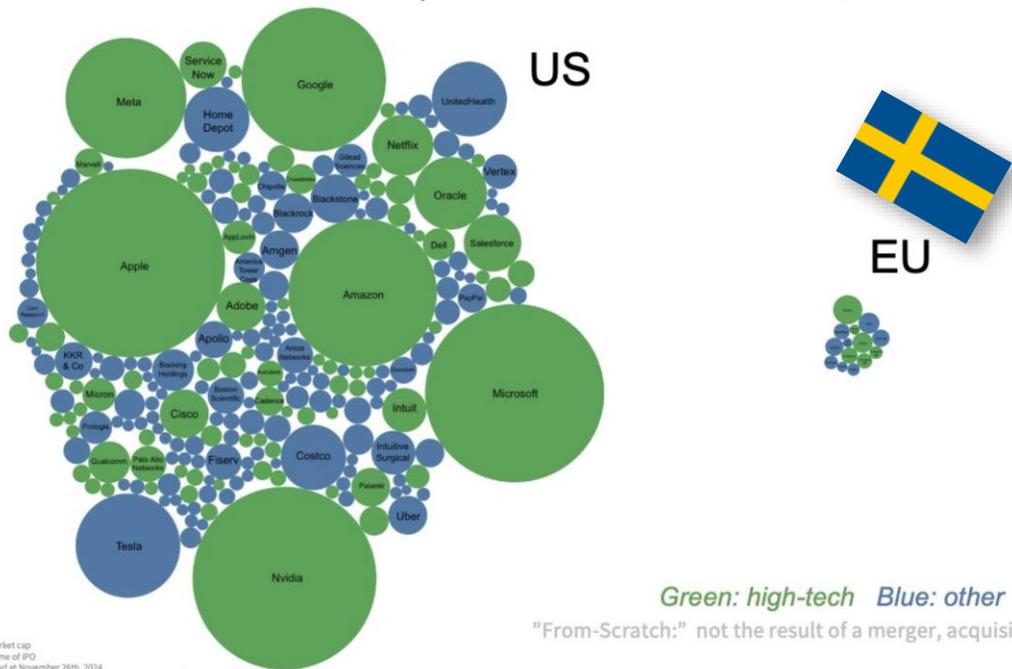
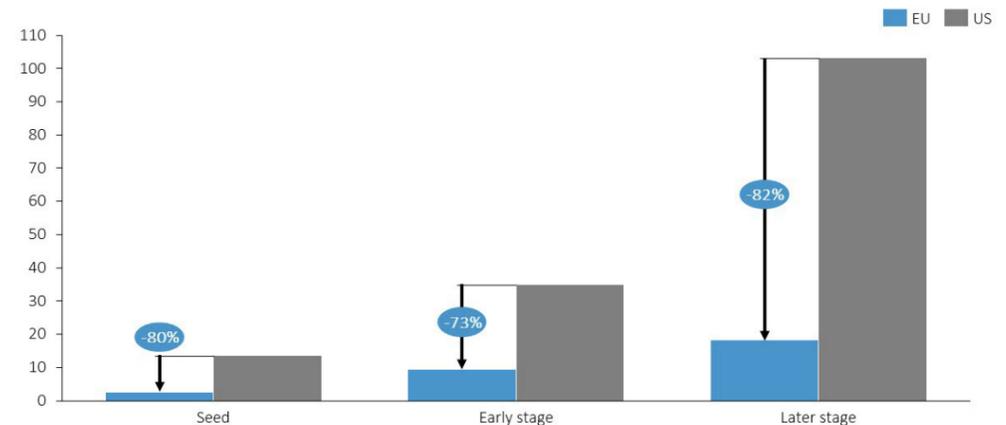


FIGURE 3
Venture capital investment by development stage
USD billion, 2023



Source: Pitchbook data. Accessed 20 November, 2023.

Andrew McAfee (@amcafee), MIT

Construction Industry

- **Fragmentation:** The construction industry has a fragmented value chain with many small and medium enterprises (SMEs) using diverse practices and methods.
- **Low Productivity:** Construction is one of the least productive industries globally.
- **Sustainability:** The industry contributes significantly to global CO2 emissions.
- **Digitalization:** Construction lags behind other industries in adopting digital technologies.



Potential for Innovation in the Construction Industry

- **Technology Adoption**
- **Collaboration (across the value chain) and Knowledge Sharing**
- **Sustainability Focus**
- **Data and Analytics**

Financial Industry

- **Shifting from a risk-averse to an innovation-embracing culture:** Financial institutions, by their nature, are risk-averse.
- **Bridging the gap between corporate structures and agile startups:** Large financial institutions often have complex organizational structures and established processes.
- **Attracting tech talent amidst competition:** The traditional image of the financial industry may not be as appealing to tech talent seeking dynamic and innovative environments.
- **Balancing innovation with regulatory compliance:** Financial services are heavily regulated, and any innovation must navigate complex legal and compliance requirements.
- **Scaling innovation within large organizations:** Successfully implementing and scaling innovative solutions across a large financial institution presents significant challenges.

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Let's be honest...
Innovation happened because
of regulation

What we did and have
learned...



Accelerating the vision

Report

Industriens F.

9 recommend.

Clusters



9 GUIDES



#1 Create a magnetic vision

finding a purpose to unite behind



#2 Define what makes a success

setting goals and taking action



#3 Become the natural epicenter

supplying what the ecosystem demands



#4 Get commitment through funding

co-financing to create engagement



#5 Become a mediator and broker

understanding needs to matchmake



#6 Build your community and followership

managing relationships with intimacy



#7 Build a versatile and small team

leveraging the team and community



#8 Make communication a strategic priority

becoming the authority



#9 Think and go global from the start

becoming the Nordic portal to the world



Vision and clear measurable KPIs

Recommendation 1: Create a magnetic vision - finding a purpose to unite behind.

- **Challenge:** The construction industry needs a shared vision for innovation and sustainability to bring different stakeholders together.
- **Learning:** Setting a clear vision to make construction more sustainable and efficient by engaging the entire value chain. Like Copenhagen Fintech, initiatives in construction should focus on creating a common purpose that resonates with all stakeholders.

Recommendation 2: Define what makes a success - setting goals and taking action.

- **Challenge:** Construction lacks clear industry-wide metrics what ever they might be?
- **Learning:** Copenhagen Fintech sets measurable goals and tracks their progress using key performance indicators (KPIs). The construction industry should define clear metrics for success, like reducing CO2 emissions, increasing productivity, or adopting digital solutions or...?

One initiative with private “skin in the game”

Recommendation 3: Become the natural epicenter - supplying what the ecosystem demands.

- **Challenge:** The construction industry is fragmented with multiple initiatives operating in silos.
- **Learning:** Copenhagen Fintech established itself as the central hub for fintech activities, attracting startups, corporations, and investors. The construction industry needs a central platform to connect stakeholders, facilitate collaboration, and provide resources and support.

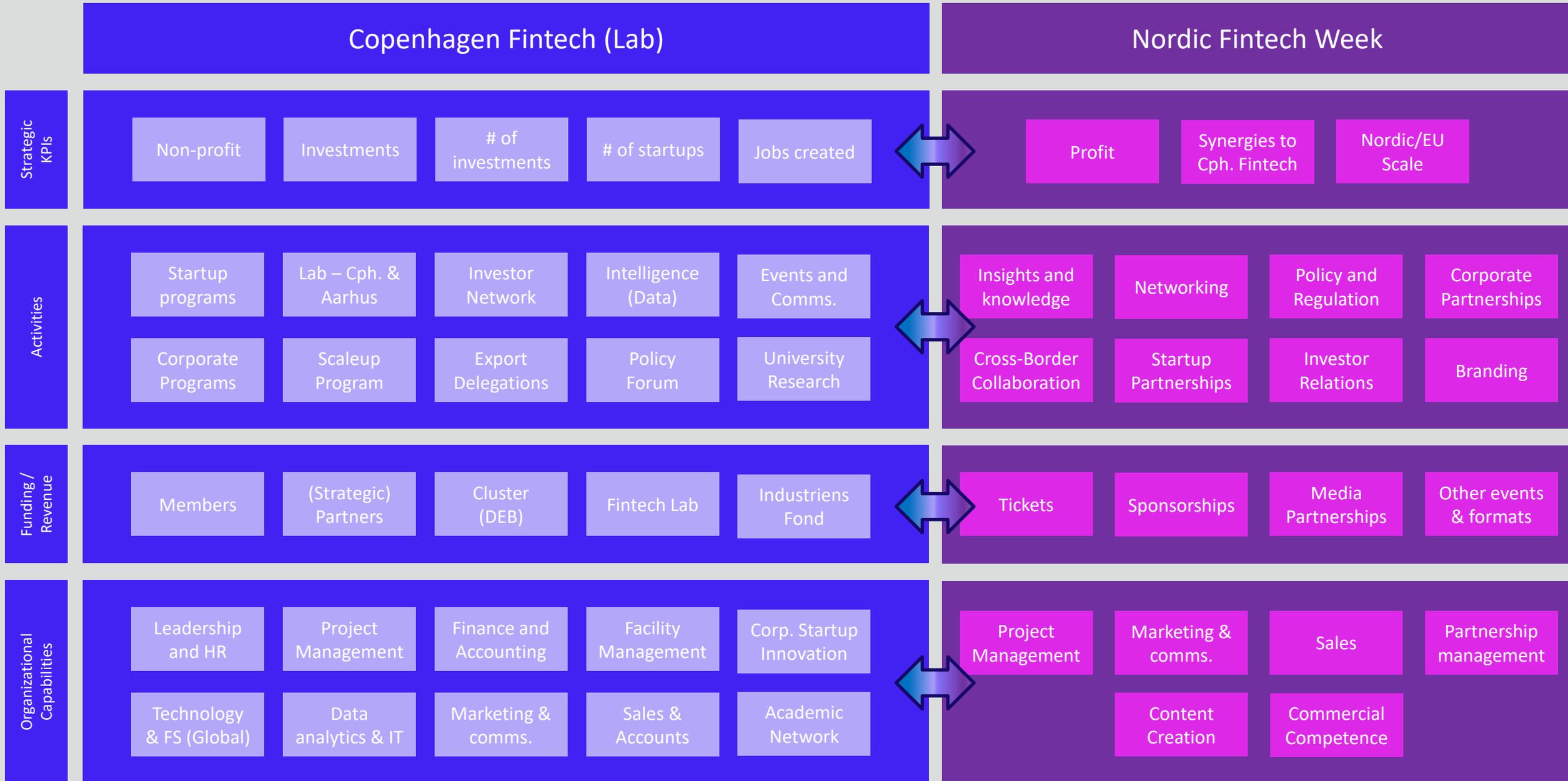
Recommendation 4: Get commitment through funding - co-financing to create engagement.

- **Challenge:** Getting the industry to contribute to creating a platform for innovation for the benefit of all stakeholders.
- **Learning:** Copenhagen Fintech secured funding from diverse sources, including corporations, public stakeholders, and philanthropic foundations. The construction industry should explore innovative funding models that encourage collaboration and long-term commitment from all.

The architecture of the platform – Copenhagen Fintech as an example...



Understanding the (complex) model...



Let's connect...

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Copenhagen
Fintech

