



# Copenhagen Fintech

## Successful cluster development

Practical inspiration  
to start-up driven  
cluster development

**2021**

A publication commissioned  
by The Danish Industry  
Foundation. Authored by EY

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## PREFACE

The global competition for entrepreneurs and tech talent is fierce. It requires unique ecosystems to attract, retain and accelerate the next generation of groundbreaking ideas, if new start-ups are to grow and mature in Denmark.

In just a few years, Copenhagen Fintech has become one of Europe's leading clusters and incubation environments for FinTech start-ups. The ecosystem and the many FinTech start-ups create jobs and value in the financial sector while also contributing to the digitalization of the Danish business environment in general.

The recipe for creating successful ecosystems is not clear-cut. This is also the case for Copenhagen Fintech. A strong and ambitious vision, commitment from multiple stakeholders and a lot of hard work from passionate people have been required to make Copenhagen Fintech a national business success. Ultimately creating the international attention and acknowledgement, which the FinTech Hub enjoys today.

With experience comes new learnings and insights. For this reason, The Danish Industry Foundation has asked EY to examine Copenhagen Fintech's development since its foundation back in 2016. The aim is to outline the fundamentals, which must be present to create a strong cluster, and to derive a set of normative guidelines. These are meant to serve as inspiration on to how build successful ecosystems and future national strongholds.

It is our hope that this publication and the set of recommendations will inspire the development of new generations of tech leaders in Denmark, and thereby help strengthen the competitiveness of the Danish industry and business environment.

**Thomas Hofman-Bang**

The Danish Industry Foundation

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### Methodological considerations

This publication and its findings are based on a single case study – the journey and experiences of Copenhagen Fintech from start to present day. The objective has been to explore and identify the key factors that have collectively contributed to the successful development of a start-up driven FinTech cluster in Denmark. The recommendations set forth in this publication serve as inspiration for others to consider.

EY has been responsible for the initial research and the end-to-end write-up of the publication. EY has engaged with the Copenhagen Fintech leadership team in several indepth interviews throughout the research process to capture the important dynamics of the case from their perspective. These dialogues have been complemented by more than 20 interviews with stakeholders who are or have been close to Copenhagen Fintech, including the current Board of Directors. See the full overview of contributors above.

Additionally, EY has analyzed data shared by Copenhagen Fintech and others to generate insights with help from EY's FinTech subject matter experts, who have provided perspectives on what it takes to build thriving and effective fintech ecosystems.



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## INTRODUCTION

Start-up driven clusters help to enable more open innovation, create jobs, build spheres of interests, increase inflow of investments in specific sub-sectors, and support the overall development of healthy businesses – small and large.

**Copenhagen Fintech** serves as the case-in-point for this publication and EY has been commissioned to draw learnings from their journey and experiences, for the readers to take inspiration from.

Aiming to inspire readers based on Copenhagen Fintech's practical learnings, this publication will set forth a set of recommendations on how to develop start-up driven clusters in a Danish context, fast.

While the Copenhagen Fintech team has covered a lot of ground over a relatively short period of time, there is still potential to create an even stronger cluster. Consequently, this publication will also investigate what it could take for Copenhagen Fintech to become an even more significant FinTech Hub on the global FinTech scene in the future.

# OVERVIEW OF COPENHAGEN FINTECH'S GLOBAL CLUSTER RELATIONS

Non-exhaustive  
overview



- 1 **Singapore:** Partnership with Singapore Fintech Association – already in 2017
- 2 **Nordics:** Nordic FinTech Alliance created by FinTech associations in Norway, Sweden, Finland, Iceland and Denmark in 2019
- 3 **London:** Local investor matchmaking engagements with Nordic FinTechs and 12 UK partner VCs and CVCs
- 4 **UK:** Partnership with Innovate Finance and ongoing relationship building to banks, investors and the wider UK FinTech ecosystem
- 5 **Israel/Middle East:** Delegations to Tel Aviv and Ramallah and close ties and agreements with local FinTech associations and hubs, investors, universities, and a Corporate FS partner in Jordan
- 6 **Europe:** Several incoming and outgoing delegations to Polen, BeNeLux, Spain, French, Spain, and more. Partnerships with central Corporate FS stakeholders and part of the Talent Route
- 7 **Russia:** Ongoing collaboration with the Russian Embassy on delegation planning and bridgebuilding Europe-Russia fintech connection
- 8 **China:** Several delegations and inbound visits in Copenhagen, and agreements with TUS Holding, Tsinghua University Holdings, and friendship agreement with Zhejiang Hangzhou Future Sci-Tech City
- 9 **Japan:** Several delegations to Japan and strong partnership with Japan FinTech Association, as well as collaboration with Japanese corporates
- 10 **Canada:** Partnership with the Government of Ontario and later also partnership agreement with Corporate FS partner
- 11 **India:** Several delegations to India and Sri Lanka official alliance with the government and Corporate FS stakeholders
- 12 **LATAM and Mexico:** Collaboration with Digital Bank LATAM, visits to Mexico, LATAM-stakeholders part of Global Advisory Board, and First Brazil Delegation expected in Q1 2021
- 13 **Africa:** Several visits from Central Bank of Kenya and an intend to join the Impact Accelerator delegation planned for 2021
- 14 **New York:** Several delegations to New York and Boston and long-standing relationships with key stakeholders in the ecosystem
- 15 **Silicon Valley:** Several delegations and long-standing relationships with key stakeholders in the ecosystem
- 16 **Philippines:** Partnership with the Fintech Philippines Association, in addition to Union Bank of Philippines joining the Global Advisory Board and the Global Partnership Program

# COPENHAGEN FINTECH'S GLOBAL ADVISORY BOARD

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Copenhagen Fintech has appointed a Global Advisory Board consisting of 20-30 key stakeholders (above titles reflect when members joined the Board) from large corporates, start-ups, and important organizations. Once a year, the Board meets up in Copenhagen to maintain close relations. The Board also joins forces to run digital workshops focusing on themes relevant to Copenhagen Fintech and the community.





# CHAPTER 1

## CASE-IN-POINT: COPENHAGEN FINTECH





## THE FINTECH JOURNEY

The initial chapter of the publication is dedicated to Copenhagen Fintech's journey, from the beginning to the present day.

The objective is to describe Copenhagen Fintech's development into a start-up driven cluster that supports tech-led innovations within the financial services sector. Moreover, this chapter serves as a steppingstone for readers to understand what happens behind the scenes in a vibrant FinTech cluster. Hopefully, this chapter will allow readers to draw learnings and inspiration from Copenhagen Fintech's experiences.

To set the scene, we will address the opportunity space Copenhagen Fintech initially identified and acted on. We will also outline why Copenhagen Fintech is a best-practice case. Next, we will turn to Copenhagen Fintech and examine their formula for value creation, their success by the numbers, and their timeline of milestone events. Lastly, we will consider the importance of building and developing start-up driven clusters.

# THE UNTAPPED POTENTIAL THAT COPENHAGEN FINTECH ADDRESSED

## The study

In 2015, the City of Copenhagen, the Financial Services Union Denmark (Finansforbundet), the Danish Bankers Association (Finansrådet), Nets, Saxo Bank, the Association of Danish Lawyers and Economists (DJØF), BEC, TRYG and CFIR (Copenhagen Fintech Innovation & Research) commissioned a study to investigate Copenhagen's potential for becoming a strong Nordic FinTech Hub. The study concluded that Copenhagen held the potential to become a leading FinTech Hub and that "the emergence of FinTech represents a great growth opportunity and potential for Copenhagen and Denmark". It also found that "innovation and job creation in FinTech were to a high degree driven by start-ups and young companies". Rainmaking Innovation and Oxford Research were responsible for conducting the research and developing the study.

## The barriers

The study also found a set of barriers – some small and others quite substantial. The existing network of FinTechs in Denmark were relatively scattered, the established players in the financial services sector did not invest enough in major innovation programs, the (few) FinTechs had a distant relationship to the regulatory bodies, and businesses political commitment to the 'FinTech agenda' were limited. It also noted that the race to become the Nordic FinTech Hub was on and that Copenhagen and Denmark needed to take action, fast, in order not to miss the FinTech train for good.

## The enablers

Lastly, the study identified six enablers for establishing Copenhagen as a Nordic FinTech Hub – all characteristics that have helped shape Copenhagen Fintech as we know it today: 1) a vibrant FinTech community, 2) active established players, 3) access to risk capital, 4) political support and a friendly regulatory environment, 5) access to talent, and 6) brand as a FinTech Hub (CPH FinTech Hub Study, 2015).

It is evident that Copenhagen Fintech was established in response to finding an untapped potential. In the words of Kent Petersen (Chairman, Financial Services Union Denmark) and part of the founding coalition of Copenhagen Fintech: "Instead of focusing on what was disappearing in terms of jobs and growth, we decided to focus wholeheartedly on building the long-term framework conditions for a strong FinTech Hub in Denmark".



Click to go to read the full report that marked the start for Copenhagen Fintech



# LEARNINGS FROM A PIONEER

## Why is Copenhagen Fintech an interesting story?

The Danish Industry Foundation is looking to Copenhagen Fintech as a best practice example on how to develop a start-up driven cluster with limited public investment and high engagement from both start-ups and corporates.

### Growing out of - almost - nothing

Copenhagen Fintech has grown considerably since its foundation in 2016 and now assumes a recognized position as the focal point for tech-led and start-up driven innovation within the financial services sector in Denmark. From the beginning, Copenhagen Fintech has piloted and tested a broad range of concepts and ideas to rethink start-up driven cluster development. As there were no previous recipe to follow, Copenhagen Fintech focused relentlessly on supplying what the stakeholders in the cluster demanded. Many programs and activities have survived and stood the test of time, while others have been tested and later binned. Copenhagen Fintech has essentially evolved through the start-up funnel – from an early idea into a test pilot, and, now a strong association that is ready to tackle-and-solve the often difficult growth stage.

### A national position of strength

In March, 2020, the Ministry of Industry, Business and Financial Affairs and Denmark's Board for Business Promotion (Danmarks Erhvervsfremmebestyrrelse) announced a new strategy to accelerate the promotion of Danish businesses towards 2023. FinTechs, together with financial services, were identified as one of ten strongholds which deserved special attention to support and accelerate growth.

### Inflow of investments

The inflow of venture capital into FinTech start-ups and scale-ups has increased since Copenhagen Fintech was established. Looking at the Top-100 venture capital investments into Danish start-ups and scale-ups over a 10-year period, FinTech comes close to Life Science. This makes the FinTech domain the third most funded domain in terms of venture capital. Moreover, FinTech is the domain displaying the highest growth (EY report on 'Venture Capital and start-ups in Denmark', March, 2020). This significant inflow of investments pays tribute to the efforts of Copenhagen Fintech and the collective Danish FinTech community.



Click here to read the strategy from the Ministry of Industry, Business and Financial Affairs (in Danish)



Click here to read EY's report on Venture Capital and start-ups in Denmark from March, 2020

## A 'NEW NORDIC' APPROACH?

Uniting and balancing public and private stakeholder needs

### The Danish context

Historically in Denmark, there has been a strong link between the government, public institutions, unions, and the industry. 'The Danish Model' is considered truly unique in the way the labor market is structured and functions and has been a key factor in securing widespread buy-in and commitment from public institutions, the municipality of Copenhagen, the established financial sector, relevant employers' associations, philanthropic contributors, and entrepreneurs working with FinTech. Essentially, Copenhagen Fintech's success is rooted in a strong understanding of what it takes to make a positive impact on employment and economic growth in the unique context of the Danish labor market.

### A new way

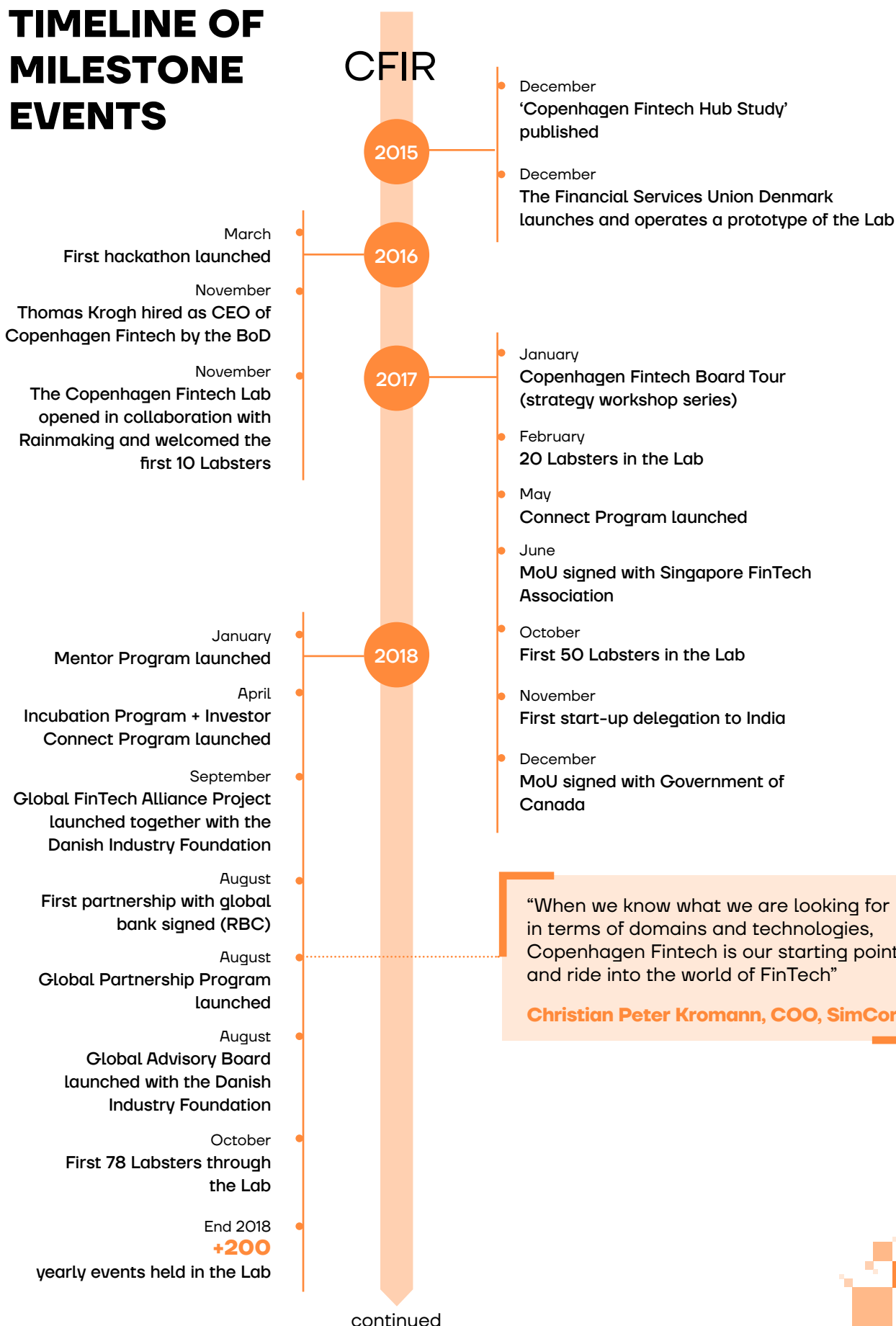
An early objective for Copenhagen Fintech was to unite the interests of a broad range of stakeholders across the private and public sector, unions, and associations. In order to do so, Copenhagen Fintech ensured early on to have representation from each sphere in the Board of Directors, while also diligently considering a mixed source of funding from paying members, corporate sponsors, public stakeholders, and philanthropic foundations. Throughout, it has been essential to strike the right balance between private, public and philanthropic funding. Too much public funding might lead to lower levels of commitment from corporates in the established sector and start-ups, while centralized private funding, i.e. from few, large corporate sponsors, would likely lead to a sense of exclusivity, start-up cherry picking, and a profound focus on return on investment.

This approach has allowed Copenhagen Fintech to pave the way for a new type of structure in a Danish context, and highlighted some key ingredients to succeed in building a strategically designed start-up driven cluster.



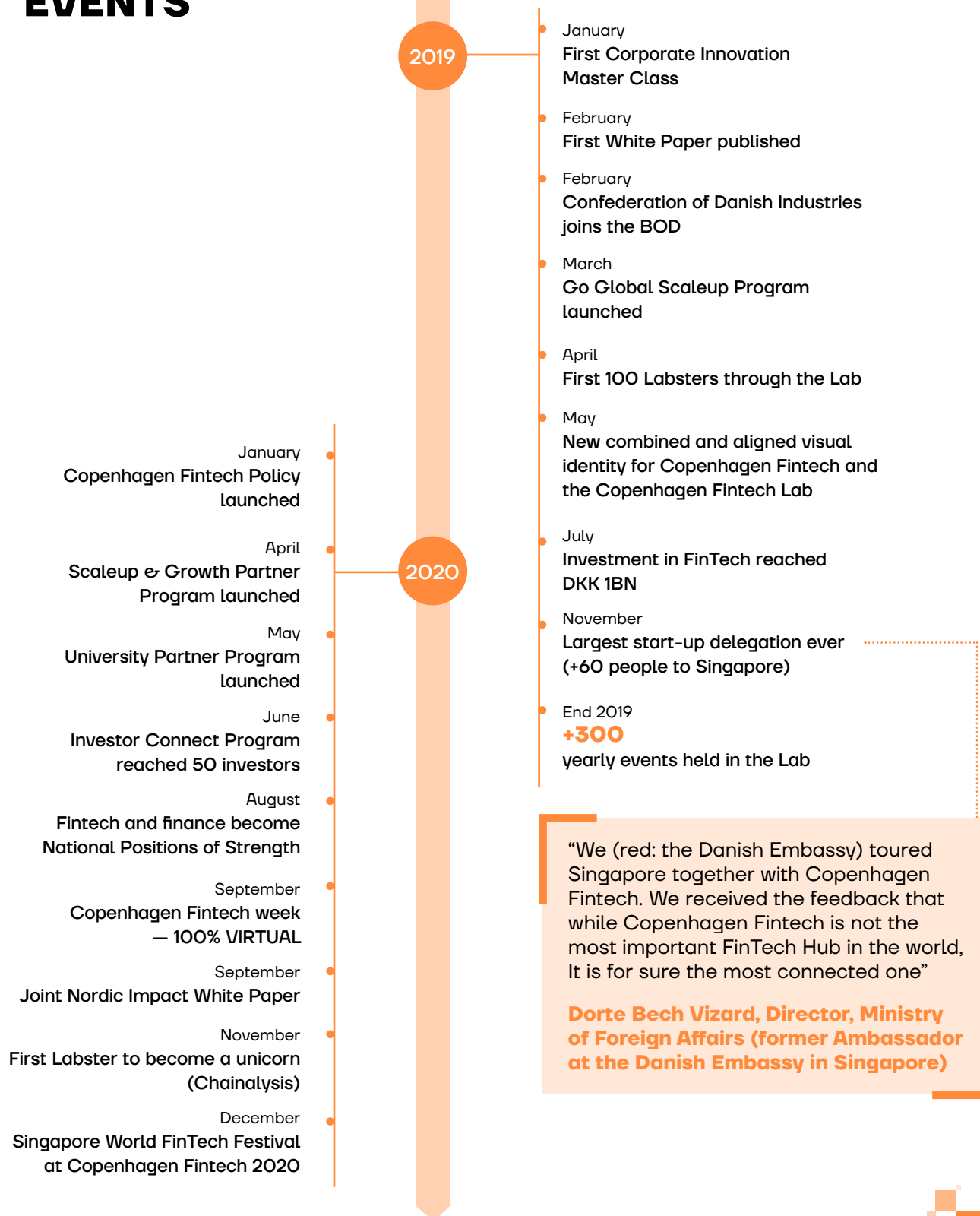


# TIMELINE OF MILESTONE EVENTS





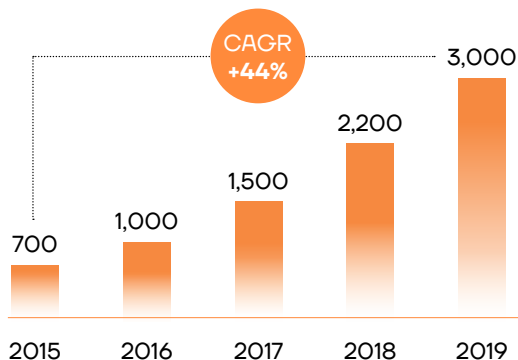
## TIMELINE OF MILESTONE EVENTS



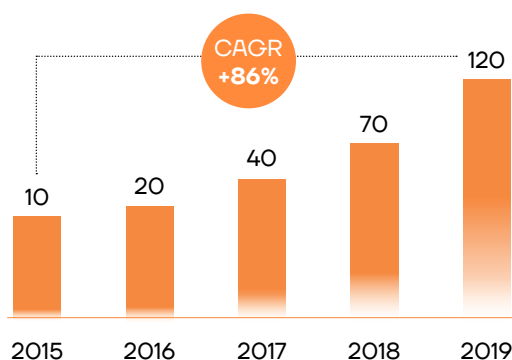


## COPENHAGEN FINTECH BY THE NUMBERS

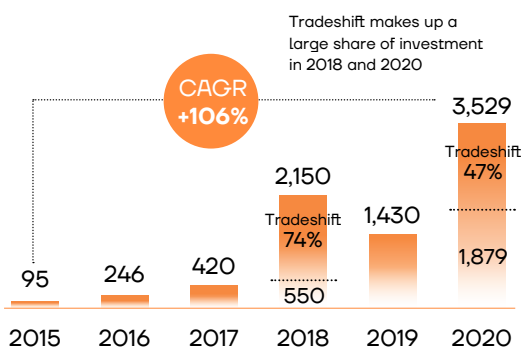
**Development in number of jobs created through FinTech in Denmark (2015-2019),**  
accumulated year-on-year



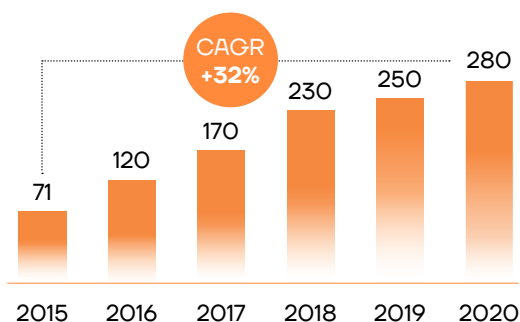
**Development in number of Fintech—Corporate Partnerships (2015-2019),**  
accumulated year-on-year



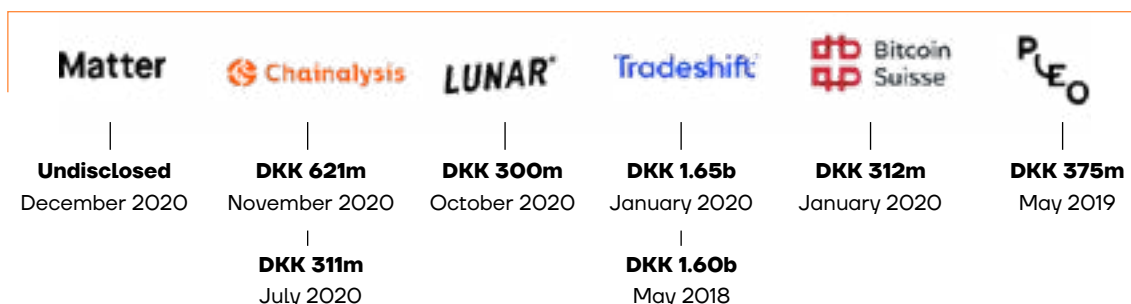
**Development in investment volume in Danish Fintechs (2015-2020),**  
accumulated year-on-year, DKKm



**Development in number of Fintechs and SMEs in Denmark (2015-2020),**  
accumulated year-on-year



### Danish FinTech Investment Milestones



Source: Copenhagen Fintech

# COPENHAGEN FINTECH IN A NUTSHELL

Creating value for customers, start-ups, corporates and society

What is today known as Copenhagen Fintech initially started out in 2009 as 'Copenhagen Fintech Innovation & Research' ('CFIR'). Apart from uniting the interests of a broad range of stakeholders, the project's prime objective was to strengthen collaboration between universities, research institutions, and the established financial sector.

## Situation in 2015

In late 2015, tech-led innovations were shifting jobs away from the traditional financial services into FinTech. It looked as if jobs would transition out of Denmark, as few FinTech companies were based in Denmark at the time. Also, the FinTech scene saw exponential growth with proliferating investments.

## Uniting broad stakeholder groups

The early efforts in Copenhagen Fintech were mainly driven by Finance Denmark (Finans Danmark), the Financial Services Union (Finansforbundet), and the City of Copenhagen (Københavns Kommune). Subsequently, several corporates from the financial services sector and technology companies followed. One of the unique traits of Copenhagen Fintech is its consortium of founding entities that span broad stakeholder groups and interests.

## Funding the cluster development

Copenhagen Fintech has from the outset secured funding from different sources with the purpose of building commitment while remaining independent from commercial interests. This has ensured that Copenhagen Fintech has been able to execute on a broad range of activities and programs. Today, Copenhagen Fintech has more than 200 paying member organizations.

Apart from securing funding from private and public sources, Copenhagen Fintech has also received funding from philanthropic stakeholders such as The Danish Industry Foundation. Such funding has proved essential to execute on activities that are not necessarily fundable by private sponsors, membership fees and public funding allocations. Philanthropic allocations essentially ensure funding of add-on activities that are not possible or hard to fund through public and/or private sources alone. These funds are typically strategic and help fund specific activities. For example, helping increase export and growth or internalization of the Danish Ecosystem.

"FinTech solutions often address fundamental data, process and business problems that could likely benefit corporates operating in sectors outside financial services"

**Katrine Winding, Director, the Danish Business Authority**

### Unity rather than division

At the advent of FinTech, many perceived the start-ups as challengers and in opposition to the established financial services sector. Ulrik Nødgaard (CEO, Finance Denmark and Chairman of Copenhagen Fintech's Board of Directors) notes that while there are many perspectives on start-up driven disruption, the mindset behind Copenhagen Fintech was different and gravitating towards a symbiotic relationship between start-ups and the established sector: "Our mindset was and still is that we – as in start-ups and the established financial services sector – are stronger together and most capable of developing value adding solutions to customers when we join forces". This is echoed by Jesper Nielsen (CEO, BEC), who has been close to Copenhagen Fintech over the years while also serving as a Mentor for a set of FinTech start-ups that are part of the cluster. He notes: "Copenhagen Fintech contributed to a sober tone and they quickly developed an agenda that focused on unity rather than division – with corporate-start-up partnerships at the center".

### The Lab – a safe innovation space

The key to success were and still are the ability to support and catalyze the next era of tech-led corporates and start-ups by elevating Nordic innovation. The starting point was the Copenhagen Fintech Lab – a co-working space for early-staged start-ups focused on tech-driven innovation in the financial services sector – and the Innovation Network. Today, ~60 start-ups (i.e. ~160 people) occupy the Copenhagen Fintech Lab.

"Both Thomas and Simon (red: CEO and CIO of Copenhagen Fintech) try to stay close to the action while always keeping their door open and showing a genuine interest in my project and business"

**Anders Hartmann, CEO, NORD Investment**

### Start-ups at the center

Copenhagen Fintech is to this day a non-profit association charged with the mission to make Copenhagen – and essentially Denmark – into one of the leading FinTech Hubs in the global financial services sector. It has from the start evolved around start-ups, with an ambition to create a safe space for creative and open innovation in the financial services sector. Copenhagen Fintech deliberately puts start-ups at the center of their activities, with everything revolving around supporting incubation and scaling.

**+75%**

of start-ups responded that Copenhagen Fintech has had a positive impact on the development of their business in the latest 'Corporate & Start-up Survey' from 2020

"It is really easy for start-ups to waste precious time working with the wrong partners. Copenhagen Fintech helped us allocate time and attention to the valuable partnerships"

**Emil Fuglsang, COO, Matter**

# START-UP DRIVEN CLUSTERS

## Do they really make a difference?

Collectives of economic activity, i.e. clusters, have risen, matured and vanished throughout the time of human history. While they most often occur naturally due to comparative advantages of specific centers of activity or locations, clusters can also be intentionally fostered and brought to life by design. Most often, the purpose of intentionally designing a cluster is to improve the competitiveness of the members in the cluster, which in turn funnels back into societal value. Copenhagen Fintech is an example of a 'cluster-by-design' – a cluster that has been carefully developed to form a center of economic activity with the intention of creating a competitive advantage for its members.

### Business enabling catalysts

According to Ifor Ffowcs-Williams, a thought leader on cluster development, designclusters serve as “catalysts, connectors and conveners to support groups of companies, as they engage in new areas: entering new markets, developing new products and processes and engaging with new technologies” (Cluster Development Handbook, 2016). Essentially, clusters enable businesses, researchers, public servants, employees, unions, and investors to set goals and reach targets that they could not reach by themselves in isolation.

A start-up driven cluster, such as Copenhagen Fintech, is one of multiple variations of clusters. Start-up driven clusters place start-ups at the center of activity and strive to create value in the intersection between established sectors and start-ups. This variation of clusters create value when employment and economic growth is expected to come from open and tech-led innovation. In this context, we define a FinTech Hub as a FinTech cluster characterized by a vibrantly growing start-up scene with strong connection to the wider global FinTech ecosystem.

### Examples of different start-up driven activities

#### ACCELERATOR

A program focused on supporting early-stage start-ups grow and mature. The programs typically include upskilling, dedication and real-world mentoring. Accelerators are time framed and often include a group of start-ups. Financing is often part of the scope.

#### INCUBATOR

A dedicated time framed program to help founders go from the initial idea stage towards establishing an actual start-up. The founders entering incubation programs are often unfunded, i.e. bootstrapped.

#### LAB

A co-working space that hosts a collective of start-ups – often earlystage. Solving practical matters, networking and knowledge sharing are key objectives for labs. Often combined with incubation activities.

#### CLUSTER

A dedicated group of affiliated individuals and businesses geographically anchored in a city or region working to create and seize opportunities to benefit themselves and the cluster. Societal value creation has been a historic output from clusters.



# CHAPTER 2

## 9 GUIDES TO DEVELOP START-UP DRIVEN CLUSTERS



## A NORMATIVE PLAYBOOK

Copenhagen Fintech started as a well-thought strategic undertaking founded by a consortium of visionary parties, who all eyed the opportunity to develop a strong FinTech Hub with its base in Denmark and with start-ups as the center of attention and activity.

This chapter is dedicated to normative perspectives. We will set forth a collection of guiding recommendations on how to start, develop and evolve start-up driven clusters in a Danish context. These recommendations to consider are referred to as 'Guides' and are intended to collectively serve as a normative and suggestive playbook for others, who are keen to pursue a similar undertaking in other sectors.

All 'Guides' are based on the experiences of Copenhagen Fintech and their journey to build a strong FinTech Hub in Denmark and a truly engaged community with global ties.



We offer 9 guiding perspectives on how Copenhagen Fintech has succeeded in building a start-up driven FinTech cluster in Copenhagen. The cluster has already proved able and capable of creating jobs, attracting national and international investments, and supporting international scaling of locally spawned FinTech start-ups. There is no silver bullet or short-cut to build a thriving start-up driven cluster with a highly engaged and globally connected community. The uniting purpose, a supportive and trusting Board of Directors and a global outlook have been critical success factors, but execution, tenacity and widespread commitment from the full community have also been keys to success. In the words of Thomas Krogh (CEO of Copenhagen Fintech): “It is a 1000 things, a 1000 times”.

## 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

# Guide 01

## Create a magnetic vision finding a purpose to unite behind

### A uniting purpose

Copenhagen Fintech secured broad and early involvement with the objective to shape a purpose for all stakeholders to unite behind. All stakeholders involved acknowledged that entrepreneurs are key drivers of economic and social progress, in addition to the fact that rapidly growing entrepreneurial businesses are important sources of innovation, productivity growth and future employment for the financial services sector. From the outset it was considered important to bridge the continuum of public and commercial stakeholder interests. It was critical to find the common ground, fast. The Copenhagen Fintech team and the Board of Directors went on an inspirational tour to visit one of the world's leading FinTech Hubs, London, and got inspired on what good looks like. Early on, the Board of Directors and the leadership team signed-off and committed themselves to a bold vision.

### Local vs. global ambitions

Copenhagen Fintech's vision was to position Copenhagen as one of the leading FinTech Hubs in the global financial services sector by supporting and catalyzing the next era of technology-led corporate and start-up innovation. The aim was to become the most inclusive and expansive financial ecosystem by connecting FinTechs and corporates with superior research and consumer need insights – and scaling the resultant solutions internationally. Essentially, becoming top-of-mind, locally and globally. Copenhagen Fintech acknowledged that the competition between cities, financial epicenters and emerging FinTech Hubs was rapidly intensifying. Against this backdrop, Copenhagen Fintech implicitly shaped a set of core beliefs: non-exclusivity, openness, local embeddedness, and global connectivity. As mentioned by Thomas Krogh (CEO, Copenhagen Fintech): "Our vision was rooted in a belief that we, as a Hub based in the Nordics, was racing to become the most connected Hub globally. Our ability to reach our ambition depended on it".

### Case for change

In late 2015, tech-led innovations were moving jobs away from the traditional financial services into FinTech. Early projections suggested that the jobs would most likely move out of Denmark and into FinTech Hubs, such as London, Stockholm, Berlin, etc. Jobs were at risk and the growth in financial services was predominantly led by FinTech. The case for change was clear; do nothing and jobs disappear and growth flatlines, or do something and the number of jobs and economic growth might increase. Copenhagen Fintech aggregated the targets to a level where it was difficult for anyone to disagree with them – essentially, few had no interest in job creation and a growing financial services sector.

## Recommendations to consider

1

### Gather the unusual suspects

Involve a broad coalition of private, public and union stakeholders and secure early commitment to a uniting purpose

2

### Try to win the race for connectivity

Make the vision locally embedded and globally relevant, and strive to become the most globally connected cluster

3

### Make the status quo unattractive

Articulate clearly the burning platform and build a solid case for change with aggregated targets that are difficult to disagree with

“

The Copenhagen Fintech Board of Directors and leadership team managed to create wide-spread commitment to the project from a broad range of stakeholders. It was a collective effort from the outset. Something I recall as remarkable and quite unique”

**Lars Frelle-Petersen, Director, Confederation of Danish Industry, and Member of Copenhagen Fintech’s Board of Directors**

## Re-writing the future from the start



The Board of Directors and leadership team wrote “The Copenhagen Moment” – a news article in the fictitious newspaper “FinTech Times”. It served as an important strategic exercise to ensure that all decision-makers shared a long-term strategic perspective – 8 years into the future.

Click here to see the agenda for the Board Tour, 2017



Click here to see read ‘The Copenhagen Moment’ from 2017 in full.



# Guide 02



## Define what makes a success

### setting goals and taking action

#### Targets and tracking

From the start, Copenhagen Fintech aspired to make a significant impact on employment and economic growth. This is reflected in their targets, which have been tracked meticulously year-on-year against the zero point baseline from 2016. The purpose has been to track and quantify the collective impact of the cluster's activities. Copenhagen Fintech has from 2016–2020 measured and tracked their success on four KPIs:

1. Development in job creation through FinTechs
2. Development in the number of FinTech–Corporate Partnerships
3. Development in the number of FinTechs and SMEs
4. Development in investment volume in FinTech start-ups

In addition, Copenhagen Fintech is also carefully monitoring international milestones and expansions and the degree of global positioning of the Danish FinTech scene. According to Simon Schou (CIO, Copenhagen Fintech): “It will be a significant milestone if the major international banks, such as Barclays and Citibank, established an innovation center or a satellite in Denmark to be close to the Danish FinTech action or if a major non-European FinTech would choose Denmark as their launch pad for European scaling”.

#### Endorsement to act

The Board of Directors appointed Thomas Krogh as the CEO in November 2016 and has since then placed strong confidence in him and his ability to lead and develop Copenhagen Fintech. Make no mistake: Thomas was put in charge of producing results, fast. He also got the mandate and endorsement to build Copenhagen Fintech as if it was a start-up. They focused on producing results instead of plans. They applied a Minimum Viable Product approach to continuously build, test, learn and improve. This enabled the team to add activities incrementally instead of trying to offer everything from the outset. Also, they mainly used the Board of Directors for major strategic decisions instead of frequently using them as a sounding board for operational decisions. While this ensured faster decision-making, it also required a lot of confidence and trust from the Board of Directors. According to Kent Petersen (Chairman, Financial Services Union Denmark): “Copenhagen Fintech's not-for-profit model was instrumental to gain traction early on, as the team could focus on building and growing the cluster without having a bottom line to constantly guide resource allocation”.

## Recommendations to consider

1

### Track your success

Set ambitious aggregated targets and meticulously track the collective value creation of the cluster

2

### Get a strong first mile

Replace the long-term action plans with a bias for action and relentless focus on creating substantial results, fast

3

### Get the blessing from the Board of Directors

Get the Board of Directors' approval to build the cluster like you would build a start-up: build-test-learn-improve

“

From the beginning, the Board of Directors and leadership team had a long-term strategic perspective on what we wanted to create. We paired this with a short-term plan to gain a strong foothold and then we let Thomas and Simon take charge”

**Kent Petersen, Chairman, the Financial Services Union Denmark, and Member of Copenhagen Fintech's Board of Directors**

## Using the BOD effectively

Using the  
BOD for  
decisions  
on...

Strategic direction

Business model

Financing and investments

The leadership team was given the mandate to incrementally develop and execute value-adding programs and activities. The BOD tracked the team's performance on the aggregated KPIs.

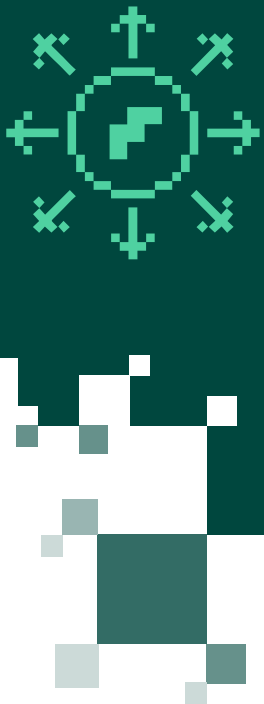
Click here to see Copenhagen Fintech by-the-number (the KPIs)



Click here to see Copenhagen Fintech's incremental expansion of paying members, expenditures and programs



# Guide 03



## Become the natural epicenter supplying what the ecosystem demands

### Local competition

Once established, Copenhagen Fintech was quick to claim the spot as the FinTech Hub in Denmark and experienced limited competition from other local initiatives that were also trying to address the same target with similar or different means. Consequently, Copenhagen Fintech quickly managed to become the natural epicenter for FinTech activity in Denmark. Lars Frelle-Petersen, (Director, Confederation of Danish Industry) notes: “The relatively small innovation environment in Denmark is likely not big enough for overlapping efforts within subsectors such as FinTech. Having one consolidated, strong cluster will make it easier to attract talent, knowledge and capital”. In Denmark, there can likely only be one – and Copenhagen Fintech was quick to claim the spot and lead the efforts to create jobs and economic growth in financial services with start-ups as the focal center of attention.

### Jobs-to-get-done

Copenhagen Fintech operates by a demand-driven logic. They are relentlessly focused on supplying what is in demand and the jobs-to-get-done. They strive to stay on top of the evolving dynamics within the financial services sector, in general, and with tech-led innovations, in particular. Emil Fuglsang (COO, Matter) points out: “It is really easy for start-ups to waste precious time working with the wrong partners. Copenhagen Fintech helped us allocate time and attention to the valuable partnerships”. In order to fulfill the demands of both start-ups and corporates in the cluster, Copenhagen Fintech has built a deep and profound understanding of the financial services sector, its ‘language’, its process landscape, enterprise architecture, IT infrastructure, and, most importantly, what the sector is transforming into. This demand-driven logic has led Copenhagen Fintech to double-down on incubation of start-ups through the lab and foster open innovation by matchmaking start-ups and corporates.

“Where Copenhagen Fintech really makes a difference, at least for me and my business, is when you get undivided attention and is treated as an individual. Start-ups are unique like the people behind them”

**Frederik Murmann, CEO, LendMe**



## Recommendations to consider

1

### Become the 'singularity'

Dare to claim the spot as *the* Hub by dedicating time and attention to consolidate efforts and avoid competing initiatives

2

### Know your customer

Focus on what the 'customers' of the cluster demand by deeply understanding the sector and its transformation trajectory

3

### Clear the smoke and break the mirrors

Make it your job to ensure that start-ups and corporates focus their time and attention on the right partners – for mutual benefit

“

Copenhagen Fintech contributed to a sober tone and quickly developed an agenda that focused on unity rather than division – with corporate start-up partnerships at the center”

**Jesper Nielsen, CEO, BEC**

## Opening the Lab without a line of 'customers'



One of the first actions was to open the Lab – a co-working space dedicated to early-stage FinTech start-ups. The Financial Service Union Denmark provided the facilities next to their office. Soon after announcing the grand opening, the first FinTech start-ups joined.

The Lab has served as an important, physical manifestation of Copenhagen Fintech's community.

Click here to read more about the Copenhagen Fintech Lab and see what it has become today



# Guide 04

## Get commitment through funding co-financing to create engagement

### The funding model

Copenhagen Fintech has predominantly been privately funded, and hence has not been tied to long-term action plans and reporting requirements that often follows with public funding. Their Strategic Partners, i.e. The Confederation of Danish Industry, Finance Denmark, and the Financial Services Union Denmark, have provided a long-term funding commitment. This has provided Copenhagen Fintech with stability and flexibility to continuously develop their value proposition. Copenhagen Fintech is also raising public funding and has received several allocations from philanthropic foundations, such as the Danish Industry Foundation. These funds have been allocated to strategic programs without a clear view on the exact return on investment, such as outgoing start-up delegations, global partnership building, etc. Philanthropic allocations have therefore proved a valuable complementary source of funding for Copenhagen Fintech in addition to the funds raised through paying members, sponsors and public allocations

Copenhagen Fintech is now raising a sufficient amount of capital to fund ongoing programs and to incrementally add new initiatives. However, during the first years, Copenhagen Fintech's leadership team allocated a significant amount of time on fundraising. While the precious management time could perhaps have been spent on incubation of start-ups, connecting start-ups with corporates, etc., it was considered a necessary evil. According to Simon Schou (CIO, Copenhagen Fintech), the funding model of Copenhagen Fintech has been an instrument to remain agile, relatively independent and demand-driven. There is a flip side to secure funding from paying members; there is a recurring need for fundraising and no assurance that the 'customers' return for another round.

### Commitment through funding

Ensuring that funding leads to commitment has been another focus area from the outset – regardless of whether you are a member of the cluster, sit in the Copenhagen Fintech Lab or act as a Corporate Sponsor. There has been no free lunch in Copenhagen Fintech. Operating as a not-for-profit association, the business model of Copenhagen Fintech is not 'pay-as-you-go' like a consultancy. As a result, partners and members must accept that all investments into the cluster may not be tied to predefined programs and activities with 100% traceable outcomes.

Essentially, Copenhagen Fintech is using co-financing as an indicator for commitment. If partners and members are paying to 'be part of the club', they are more likely to become active and contributing participants in the cluster. Putting an entrance ticket on the "show" ensured that Copenhagen Fintech attracted partners and members, who were dedicated to reinvent the financial service offerings of the future.

## Recommendations to consider

1

### Don't fear bootstrapping

Dare to raise funds privately to retain agility and room to maneuver without being committed to long-term action plans

2

### Put a price on the show

Use co-financing from paying members as a lever to build commitment and track co-financing as an indicator for commitment

3

### Have a leg in all camps

Funding is not just funding. Leverage private, public and philanthropic funding to get the best of all worlds

“

Our funding model has provided us with room to maneuver while also keeping us on our toes. We need to add value to keep our ‘customers’ happy, like any other business. We are non-exclusive and are applying for public funding while leveraging philanthropic funding for specific programs and activities”

**Simon Schou, Chief Innovation Officer, Copenhagen Fintech**

## Earmarked funding to internationalize

**INDUSTRIENS FOND**  
FREMME DANSK KONKURRENCEEVNE  
The Danish Industry Foundation

DKK  
**11.45**  
millions

The program enables collaboration with global FinTech Hubs and will shape new global alliances and break down barriers for Danish FinTechs with global ambitions

### Building Blocks

Acceleration Program

Go Global Program

FinTech Summit

Read more on the Global Acceleration Program – executed by Copenhagen Fintech, funded by The Danish Industry Foundation (in Danish)



# Guide 05

## Become a mediator and broker understanding needs to matchmake

### Adding value to start-ups and corporates, simultaneously

Copenhagen Fintech is working as a mediator and matchmaker for FinTech start-ups and corporates in the established sector. According to Kent Petersen (Chairman, Financial Services Union Denmark): “Copenhagen Fintech has managed to link the established sector and the so-called disruptors for mutual benefit and take out all the drama that was the talk of the town at the advent of FinTech back in 2015”. To effectively matchmake start-ups with corporates, Copenhagen Fintech’s has leveraged a deep understanding of the financial services sector and its transformation trajectory, while also staying at the forefront of the developing needs of the end-customers. According to Rolf Kjærgaard (CEO, Vaekstfonden): “Copenhagen Fintech has built the bridge from both sides. This required a deep understanding of the dynamics of the established financial services sector”.

### Understanding as the starting point

Copenhagen Fintech built an ecosystem revolving around start-ups, who will – in partnership with corporates – work dedicated to develop tech-led innovations. To best help start-ups gain a footing early, Copenhagen Fintech has taken the time to understand the start-ups’ value propositions and the people behind them. According to Emil Fuglsang (COO, Matter), the Copenhagen Fintech team operates with deep empathy with the founders and true integrity for their projects with a real intend to do what is best for the start-ups. He also notes: “The team has a strong understanding of what the individual start-ups are working on. They essentially serve as a very well-connected and insightful broker for us, the start-ups”.

### A portal to the world

Over time, Copenhagen Fintech has positioned itself as the place to go if you are a corporate who wants to establish new connections, locally and globally. Christian Peter Kromann (COO, SimCorp) states: “Copenhagen Fintech serves as a portal to the world. If you know what you are looking for, they can quickly connect you with the right people – also globally, which is a must-have for a company like SimCorp”. Copenhagen Fintech has made it easy and convenient for all stakeholders in the ecosystem to network, scout for potential partners and connect with international start-ups, corporates, and investors.

72%

of start-ups responded that Copenhagen Fintech had supported them in finding corporate collaborations in the latest ‘Corporate & Start-up Survey’ from 2020

## Recommendations to consider

1

### Matchmake the 'new' and the 'old'

Build a solid understanding of how start-ups and corporates are stronger together than apart. Then make the right matches.

2

### Represent the start-ups

Become a broker for the start-ups by keeping a constant eye on their needs and special requirements, both in terms of partners, investors and knowledge

3

### Become the 'Chief Dot Connector'

Invest time and resources in building out a network, locally and globally, to serve as a portal to the world for the members

“

Start-ups have served as a mirror. If a start-up can make something happen with, let's say, 8 people, while it took 20 on our side, that tells me that we should do something differently. We have focused on improving our ways of working with innovation for many years now and we are moving towards a good place. A recent example from Jyske Bank is that we recently adopted a Spotify-inspired 'Tribe' structure in our Development Teams”

**Peter Schleidt, Director, Jyske Bank, and Member of Copenhagen Fintech's Board of Directors**

## Accelerating Corporate-Start-up partnerships

**Copenhagen Fintech has since 2018 been running Partnership Accelerators aiming at matching the right start-ups with the right corporates. The start-ups are addressing specific challenges from Copenhagen Fintech's corporate partners.**



Based on their extensive experience, Copenhagen Fintech has developed a practical overview of the journey, including the DO's and DON'Ts, towards successful Corporate-Start-up partnerships

Click here to see the full overview of the journey to successful Corporate-Start-up partnerships



Click here to read more about Copenhagen Fintech's Partnership Accelerator Program



# Guide 06

## Build your community and followership managing relationships with intimacy

### Community building

Copenhagen Fintech has from Day 1 focused on building an expansive and vibrant community. Thomas Krogh (CEO, Copenhagen Fintech) says: “The strength of the network and community is at the core of how Copenhagen Fintech creates value. All our programs and activities are essentially strengthening and continuously expanding our community”. The Copenhagen Fintech Lab has from the beginning served as a physical manifestation of the community and evolved into the ‘place to be’ if you want to connect with the FinTech community. Anders Hartmann (CEO, NORD Investment) says: “The community in the Lab is everything. The magic often happens through the informal gatherings and when you walk through an open door.”

### Structure and intimacy

The community orchestrated by Copenhagen Fintech has over time evolved into a core function with a dedicated Community Manager, who is charged with the responsibility to manage and stay on top of the relationships in the community. Charlotte Rønje (CEO, Jamii) finds that “the community is managed in a very structured and hands-on way; Everything revolves around the people behind the start-ups. Communities are about people and Copenhagen Fintech really knows that”. This is echoed by Frederik Murmann (CEO, LendMe): “Where Copenhagen Fintech really makes a difference, at least for me and my business, is when you get undivided attention and are treated as an individual. Start-ups are unique like the people behind them”. Copenhagen Fintech is constantly expanding their community – in particular globally. Practically, the Copenhagen Fintech team has a Slack channel in which they share the new start-ups to invite into the community. Also, Copenhagen Fintech has created a map of the ‘Danish FinTech Start-up Scene’, which provides the most up-to-date information on the movements among Danish FinTech start-ups.

65%

of start-ups responded that Copenhagen Fintech has helped them create valuable networks in the latest ‘Corporate & Start-up Survey from 2020



## Recommendations to consider

1

### Ignore the community at your peril

Make community building a strategic priority from the beginning, as the strength of the cluster depends on it

2

### Keep it personal

Manage network of relations in the community with structure while remaining close and intimate with the people behind the businesses

3

### Make it expansive

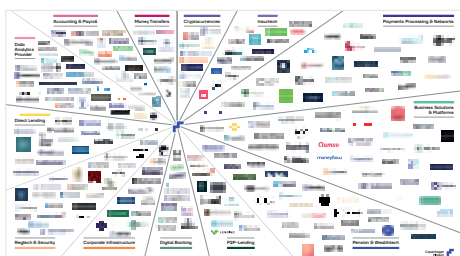
Ensure that the community constantly expands and keep the door open to new joiners – in particular from other epicenters

“

For Copenhagen Fintech, it all starts and ends with the community. It is a key element of their success. They have built a network of likeminded people who are treated equally and provided with the same opportunities”

**Charlotte Rønje, CEO, Jamii, and Member of Copenhagen Fintech's Board of Directors**

## Owning the map of the ‘Danish FinTech scene’



**Copenhagen Fintech decided early on to create a map of the ‘Danish FinTech Start-up Scene’ and track newcomers and leavers.**

“This might be our best kept business secret. New start-ups came to us to be on the map. It has served as an excellent and easy way to expand our community”

– Simon Schou, CIO, Copenhagen Fintech

Click here to see Copenhagen Fintech's map of the Danish FinTech Start-up Scene



# Guide 07

## Build a versatile and small team leveraging the team and community

### The leadership

Copenhagen Fintech's Board of Directors appointed Thomas Krogh as the CEO in November 2016. Thomas has since then remained the face of the Copenhagen Fintech together with Simon Schou, who is the Chief Innovation Officer, and Oliver Sjøstedt, the head of Start-up Growth. Together they form a leadership team that collectively possess a unique combination of structure, sector experience, creativity and incubation skills. According to Kent Petersen (Chairman, Financial Services Union Denmark): "The leadership team has a strong belief in what they do, and represent a collective, innovative force while also being masters of networking and community building". Anders Hartmann (CEO, NORD Investment) adds: "Both Thomas and Simon try to stay close to the action while always keeping their door open and showing a genuine interest in my project and business".

### The team

Copenhagen Fintech has built a small, people-centric and versatile team. The team is structured in: 1) Corporate Innovation and Engagement, 2) Ecosystem Development, 3) Community Lab and Start-up & Investor Engagement, 4) Branding & Relations. The team boasts sector hires, innovation strategists, community managers, event planners, and SoMe communicators, and more. Today, the full team consists of 11 people, including 4 student assistants, and has almost doubled in headcount since 2016. A common denominator of the people in the Copenhagen Fintech team is that they all approach the people – not only their businesses. In the case of start-ups, they approach founders with sincere empathy, integrity, and with a real intend to do what is best for them and their business.

### The global advisory network

Besides partners, sponsors and members, Copenhagen Fintech has a group of associated partners, such as lawyers and consultancies, who are supporting the start-ups and the Copenhagen Fintech team by providing specialized skills and additional muscle power, when needed. Copenhagen Fintech operates a 'Connect Program', which enables start-ups to receive pro bono support from advisors, who offer professional services that are typically too expensive for start-ups to procure. In addition, Copenhagen Fintech has a Global Advisory Board comprising representatives from both the corporate, investor and start-up sphere from across the globe. Besides being a vessel to deepen international ties and partnerships, the Global Advisory Board serves as a collective advisory team that helps the leadership team see what is now, next and beyond, and hence guide strategic decision making.

## Recommendations to consider

1

### Find the passionate leaders

Build the cluster around a few key individuals, who are passionate and committed to the success of the collective cluster

2

### Build a stellar team

Create a right-sized team of people-centric makers and creators with versatile skillsets and strong 'customer' understanding

3

### Punch above your weight class

Establish a strong advisor network and Global Advisory Board into the cluster to source specialized skills, when needed

“

We have built a team that is super-charged to support start-ups, corporates and investors, because they understand their objectives and have dedicated their time and energy to help them achieve those”

**Thomas Krogh, CEO, Copenhagen Fintech**

## Structuring the team and welcoming advisors

### The Copenhagen Fintech team is structured in four core groups

Corporate Innovation  
and Engagement

Ecosystem  
Development

Community Lab  
and Start-up &  
InvestorEngagement

Branding & Relations

Connect  
Programs

One of Copenhagen Fintech's first programs, developed back in 2017, was the 'Connect Programs' aiming to connect start-ups with professional services

Talent & HR

Advisory & Audit

Law & Legal

Click here to see the structure of  
Copenhagen Fintech's team



Click here to read more about Copenhagen  
Fintech's Connect Programs towards start-ups



# Guide 08

## Make communication a strategic priority becoming the authority

### Marketing and communication

Communication is and has been a highly prioritized activity at Copenhagen Fintech – something that Thomas Krogh (CEO, Copenhagen Fintech) allocates significant time and attention towards. It was particularly important in the early days where the team focused on claiming the spot as the unifying and consolidating Danish FinTech initiative. Denmark does not boast a financial center like London, Singapore or New York. Consequently, Copenhagen Fintech deliberately decided to turn up the volume and frequency of their communication to attract the attention of investors, start-ups and corporates. Early on, Copenhagen Fintech decided to carry out communication in English. This was an important decision – in particular as continuous branding and storytelling have been instrumental to make Copenhagen top-of-mind. First locally and eventually globally.

Today, Copenhagen Fintech still communicates with their community very frequently – both to share interesting information and success stories from within the community. According to Lars Frelle- Petersen (Director, Confederation of Danish Industry): “Copenhagen Fintech has been excellent at marketing Copenhagen as a FinTech Hub, which has created a magnetic attraction from global actors. Their ability to feed relevant information into the community and communicate success stories has been impressive”. He also notes that content is key: “It is important that what is being communicated continues to provide valuable insights. If not, it is noise that will be cancelled out over time”.

### Channel decision

Copenhagen Fintech predominantly communicates externally through LinkedIn where they have ~7.000 followers. They also share a bi-weekly newsletter to a cohort of +5.000 with a 30% opening rate. Copenhagen Fintech knows where the stakeholders of their community are and focus their attention on these specific channels. According to Simon Schou (CIO, Copenhagen Fintech) it is critically important to find the right channels: “While a feature in a business newspaper is great, it is not the most important channel for us to reach to our target audience. This is particularly true considering our global connections”. Also, Copenhagen Fintech focus on creating messages that can be redistributed by the community, and hence they leverage their community to expand their reach and carry out their messages.



## Recommendations to consider

1

### Make it 'CEO-important'

Prioritize communication and branding to a degree where it is worthy of the CEO's time and attention

2

### Flood the 'feeds'

Dare to communicate and share information frequently and loudly, but always ensure that relevant content is king

3

### Use the community as a loud speaker

Leverage your community to create extended reach, cheaply, by sharing relevant insights and news for them to re-distribute

“

Copenhagen Fintech is really active on LinkedIn. I read all their posts and re-share it with my network. They have really created a strong presence and voice of authority on what is moving in terms of tech-led innovation in the financial services sector. Impressive with limited funds”

**Ashok Kalyanswamy, CIO, Saxo Bank**

## Reaching beyond the members of the cluster

**Copenhagen Fintech has prioritized communication and excelled, which has resulted in a reach far beyond the members of the cluster.**



Followership compared to a best-in-class cluster



Copenhagen Fintech  
**+7,000 followers**



Singapore FinTech Association  
**+13,000 followers**

LinkedIn Group:  
**+3,500**

Facebook:  
**+2,000**

Twitter:  
**+2,800**

Newsletter:  
**+5,000**

# Guide 09

## Think and go global from the start becoming the Nordic portal to the world

### Global outlook

Denmark is a small country. Copenhagen Fintech adopted a global outlook from the start, as described in 'Guide 1' of this playbook, because connections to global start-ups, corporates and investors were needed to build a FinTech Hub anchored in a small country with an even smaller capital. As Ambassador at the Danish Embassy in Singapore, Dorte Bech Vizard (now: Director, Ministry of Foreign Affairs) worked closely with Copenhagen Fintech to build connections with partners in Singapore. She recalls: "We (red: the Danish Embassy) toured Singapore together with Copenhagen Fintech. We received the feedback that while Copenhagen Fintech is not the most important FinTech Hub in the world, It is for sure the most connected one".

The ability for Copenhagen Fintech to build and expand a global presence and footprint has been important to deliver value to corporates in the cluster. According to Christian Peter Kromann (COO, SimCorp), Copenhagen Fintech is really well-connected to the global FinTech scene. He notes: "When we know what we are looking for in terms of domains and technologies, Copenhagen Fintech is our starting point and ride into the world of FinTech".

### Nordic strongholds

Rolf Kjærgaard (CEO, Vækstfonden) notes that Copenhagen Fintech has quickly gained a footing on the global scene and that "the continued efforts to internationalize are critical. Both in terms of community building and in terms of attracting capital. The magnetism of Copenhagen as a Hub for foreign start-ups will likely increase if they eye an opportunity for funding paired with a strong and globally connected community".

Today, Copenhagen Fintech is focused on leveraging the unique strongholds of the Nordics. They focus on building a differentiating spike vis-à-vis the leading FinTech Hubs in the world. The main stronghold is 'human-centered tech', i.e. design and aesthetics, user friendliness, etc. Other spikes are 'sustainability' and 'impact', such as ESG screenings.

### Outgoing delegations

Copenhagen Fintech is also bringing start-ups into the world and serve as a bridge to start-ups, corporates and investors in other Hubs. They set aside significant time to prepare the outgoing delegations in advance – something that shows. Dorte Bech Vizard experienced that the start-up delegations came very well-prepared: "The start-ups knew who to talk to, topics to cover and, the outcome they wanted to achieve – often with partnerships in mind".

## Recommendations to consider

1

### Think like a citizen of the world

Be ready to take on the world from the start. If it applies to most start-ups, it also applies to Danish Hubs with big ambitions

2

### Be 'known' for a spike

Dare to invest time and resources into specialization. Leverage the unique strongholds of the Nordics for competitive advantage

3

### Become the guide to the world

Take responsibility for bringing local start-ups into the world and enable them to form valuable relationships in other epicenters

“

In the end, to support a start-up break throughs outside of Denmark, you need a strong international network. It has been and will remain a key priority for Copenhagen Fintech to create international connections and opportunities for start-ups, while at the same time positioning Copenhagen as a strong FinTech Hub”

**Ulrik Nødgaard, CEO, Finance Denmark, and Chairman of Copenhagen Fintech's Board of Directors**

## Deepening the relationships to Singapore

**Copenhagen Fintech has year-on-year deepened the relationship with the ecosystem in Singapore**

MoUs

2017: MoU signed with the Singapore FinTech Association

2018: MoU signed between MAS and the Danish FSA

### Milestones

2018

The Danish Ministry of Industry, Business and Financial Affairs visits Singapore

2019

Key stakeholders from Singapore join Copenhagen Fintech's Global Advisory Board

2019

+25 companies (+60 people) travel to the Singapore FinTech Festival

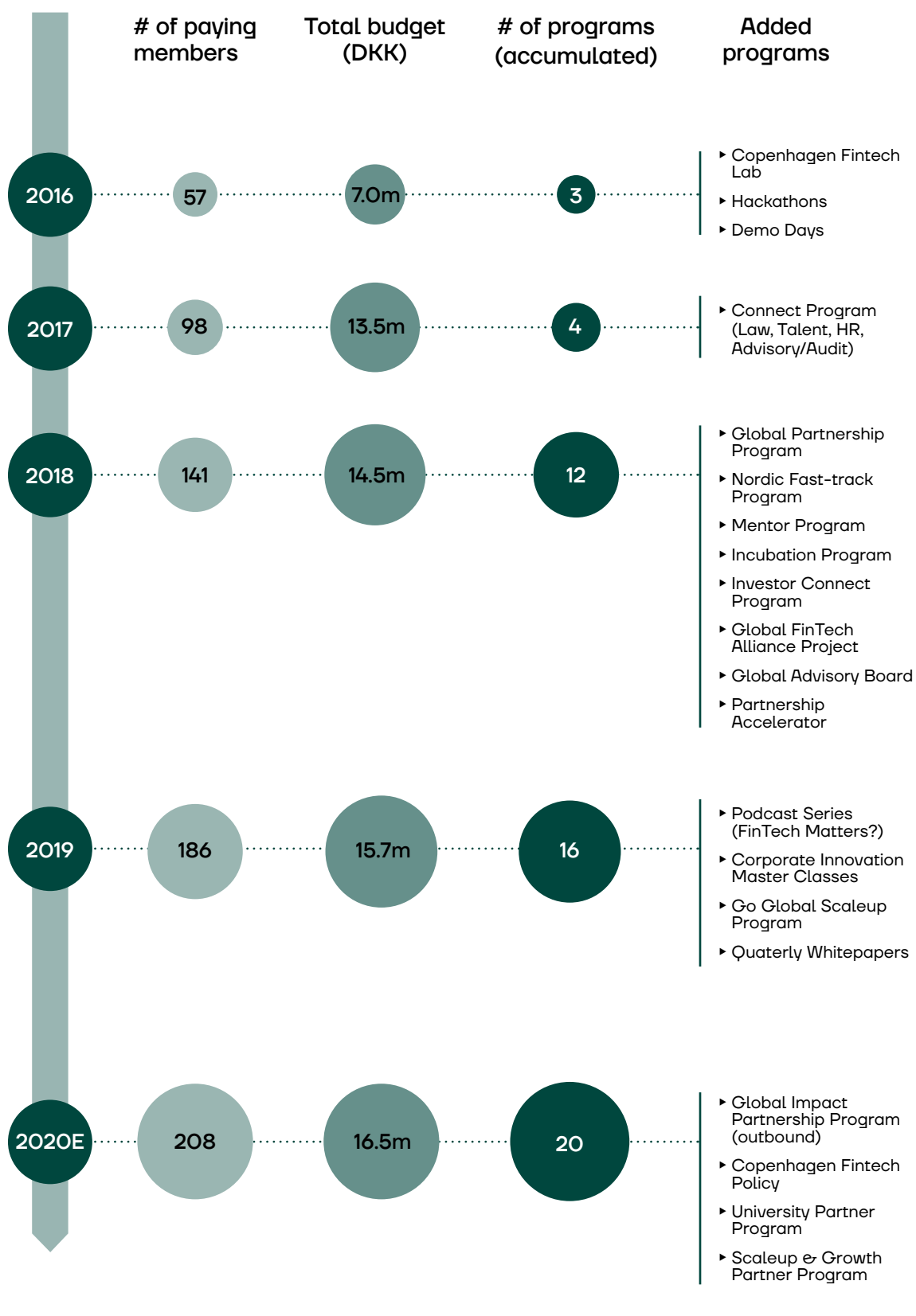
2020

Copenhagen Fintech is World FinTech Festival as part of the Singapore FinTech Festival





## INCREMENTAL EXPANSION OF ACTIVITIES





# CHAPTER 3

## WHAT'S NEXT FOR COPENHAGEN FINTECH



## VISION FOR THE FUTURE

Copenhagen Fintech is a story of how visionary minds, start-ups and corporate members, employee unions and industry associations, built a vibrant and strong cluster with start-ups as the driving force and centrepiece. It is also a story of multifaceted success. For start-ups. For corporates. For the financial sector. For society. Where do Copenhagen Fintech go from here? What is possibly next in line for an already successful start-up driven cluster in the Nordics?

To inform what could be next for Copenhagen Fintech, EY looked at Singapore and Tel Aviv, two leading Fintech clusters, to understand what characterizes best-in-class. Perspectives were captured from stakeholders close to Copenhagen Fintech about future priorities and how Copenhagen Fintech can evolve and add new practices. We asked Copenhagen Fintech's leadership team to envision what the future could look like with Copenhagen Fintech as a best-in-class global FinTech cluster by 2030.



# LEADING GLOBAL PRACTICES

## What characterizes the leading Fintech clusters and how they have built their strongholds

Although Copenhagen Fintech within a reasonably short period of time has managed to effectively support an open innovation ecosystem, which delivers value to start-ups, investors, the established financial services sector, then there still ways to evolve and expand to become even more attractive to start-ups, corporates and investors. Specifically, this could include better access to seed and early stage funding, and international venture capital; attracting the innovation units of leading international banks and insurance companies; ensuring global access to tech talent and vice versa attracting foreign scale-ups targeting the European target; and increasing the density, scale and connectivity among the local start-ups.

### Leading FinTech clusters

Findexable has develop the 'Global FinTech Index 2020' in an attempt to build a global benchmark for the global FinTech scene. According to this index, the ten leading Global FinTech Hubs are San Francisco Bay, London, New York, Singapore City, Sao Paulo, Los Angeles, Bangalore, Boston, Berlin, and Mumbai. Interestingly, the report concludes that "the rankings are evidence of a worldwide de-coupling between the financial strength and the commercial domination of traditional financial centres. Financial wealth is no guarantee of a city's status as a FinTech Hub. You might call this the rise of non-traditional finance". The ambition of building a world leading FinTech Hub out of Copenhagen cannot be disregarded as an abstract idea without bearing in reality.

### Singapore and Tel Aviv

EY has paid special attention to Singapore City and Tel Aviv as both Hubs are in small nations like Denmark, and both are considered strong FinTech Hubs. To understand what makes Singapore and Tel Aviv stand out, EY has turned to the local subject matter experts, who are sitting close to the action. While there are similarities between Singapore and Tel Aviv, their individual paths to global authority vary significantly. The FinTech cluster in Tel Aviv, which ranks 18 on the 'Global FinTech Index 2020', is created through an entrepreneurial culture. Israel is essentially a start-up nation that boasts more venture capital, start-ups, scientists and tech professionals than any other country in the world measured per capita. Singapore on the other hand, is a society with a national character that relentlessly strives for success and excellence, according to Varun Mittal (Partner, EY-Parthenon) and author of the book 'Singapore: The FinTech Nation'. Furthermore, the Singapore FinTech cluster was built with extraordinary strong support from public agencies and regulators to create the optimal economic and legal policies for open innovation.



## A look at Singapore

### Becoming a 'Fintech Nation'

In 2020, Singapore City ranked 4th in the 'Global FinTech Index 2020'. The City State is a major capital centre in Asia and supports a large established financial services sector. Over the last years, it has also emerged as a world leading FinTech Hub and as Southeast Asia's largest FinTech community. Multiple factors have contributed to this position, including strong access to a pipeline of promising talent. Also, there has been a sustained demand for FinTech solutions from digital-ready consumers and the established financial services sector. The full APAC region serves as the addressable test market for Singapore-based FinTech start-ups, and as a result, many FinTech start-ups are headquartered in Singapore.

#### Enabling environment and government support

Singapore provides a sound environment for FinTech start-ups and there is a strong commitment from the government to build a thriving FinTech ecosystem. There are multiple examples of government backed community-building activities, such as the Singapore Fintech Festival, Singapore Fintech Awards, and more. According to Varun Mittal (Partner, EY-Parthenon), Singapore's Fintech ecosystem is enabled by a culturally embedded obsession with excellence, a unique approach to economic policy and regulation, and a controlled model for idea generation. One of the most unique characteristics of Singapore in terms of FinTech is regulatory openness. The Monetary Authority of Singapore (MAS) is the only regulator, trade promoter, and Central Bank – all in one entity. Competition is encouraged through policymaking and there are specific regulations and policies that applies only to innovation in financial services. An example is the 'Regulatory Sandbox', which is an open invitation for corporates and FinTechs that want to enjoy relaxation of specific legal and regulatory requirements while they experiment and develop innovative products, services, and solutions.

The government has also stimulated the venture capital industry. In 2008, the government created a model where they would become a limited partner in new venture capital funds. They matched fundraising to a predefined amount and a collection Singapore's venture capital funds are born out of this initiative.

#### What we can learn from Singapore and their journey:

- 1) Work in unison with regulators to ease requirements on FinTech start-ups that develop innovative products, services, and solutions
- 2) Liaise with the government to stimulate venture capital investments into FinTechs
- 3) Make it as attractive as possible for FinTech start-ups to use Copenhagen as their initial launch pad to a larger test market

"MAS has been very supportive and a key driver to develop Singapore into a strong FinTech nation. They have been an invisible hand and served as a committed partner of the community"

**Varun Mittal, EY-Parthenon Partner and author of 'Singapore: The Fintech Nation'**



Click here to read about Varun's book: 'Singapore: The Fintech Nation'



## A look at Tel Aviv

### A history of entrepreneurship

While Singapore might be the 'FinTech Nation', Israel could be considered a 'Start-up Nation' with a strong history of entrepreneurship. This has positioned Israel as one of the leading start-up environments in the world. Embedded entrepreneurship in Israel is a story of a new country situated in a difficult environment with limited natural resources. According to The Israel Innovation Authority, innovation is one of Israel's most valuable resources and the reason why the country produces the most substantial number of start-ups per capita in the world. Israel boasts a highly entrepreneurial culture, which cultivates a seasoned community of serial founders. The experienced entrepreneurs are also collaborating deeply with Israel's academic institutions and the +350 multinational corporates that have established R&D centres in Israel.

#### Enabling environment

Similar to the environment in Singapore, Israel has strong and dedicated government support for innovation and generation of IP. For companies with an annual global turnover below \$2.5B, there is low corporate income taxes, low capital gain taxes, and low taxes when selling IP or exiting businesses. Also, there is a dedicated 'Innovation Authority' to provide funding platforms for innovations.

According to Itay Zetelny (Senior Manager, EY and Tel Aviv FinTech Lead), Israel's strong track-record for building and growing start-ups are rooted in two factors. First, a deeply rooted innovation drive and entrepreneurial history, and secondly a supporting government enabling innovation while offering incentives to generate IP. He notes that Israel has a strong tech and financial infrastructure with a seasoned venture capital industry.

#### Global outlook

Similar to Singapore and Copenhagen, Israel has a yearly week long event dedicated to connecting the Israeli FinTech ecosystem with the rest of the world. Also, as Israeli FinTech start-ups have a relatively small addressable local test market, start-ups are often built with a global outlook. Paired with a strong and seasoned venture capital industry, Israel is home to a pipeline of successful FinTech scale-ups, such as eToro and Melio. Israel has a unique history of government-supported military entrepreneurship, which has spilled over into sub-sectors. This has also led Israel to become globally recognized as the place for start-ups within the cyber domain.

#### What we can learn from Tel Aviv and their journey:

- 1) Attract innovation units of large multinational corporates, and connect these with seasoned entrepreneurs and academic institutions
- 2) Double-down on building the 'spike' – that something to be recognized for globally
- 3) Support generation of IP through an enabling environment that is created and supported by the government

"As a nation Israel is a story of a new country. We believe everything is possible and that all starts with innovation rooted in knowledge."

**Itay Zetelny, Senior Manager, EY and Tel Aviv FinTech Lead**

## LIKELY FUTURES

### What *could* be next for Copenhagen Fintech and the FinTech cluster

With an understanding of what characterizes the leading FinTech clusters of the world and makes them attractive, we will now turn our attention to what is next for Copenhagen Fintech. We will add insights from stakeholders who are close to Copenhagen Fintech to suggest what Copenhagen Fintech should continue to offer and execute on, and where they can evolve and add-on. Our analysis suggests that there are a set of mission-critical activities that Copenhagen Fintech should continue to develop and offer towards the cluster. We will also highlight four specific ways for Copenhagen Fintech to expand and add even more value to stakeholders in the future.

#### Activities to continue

In terms of what Copenhagen Fintech should continue to offer; first, they should continue as the natural epicenter for all activities related to the FinTech domain in Denmark while acting as a portal to the world for local FinTechs and corporates. Secondly, they should continue to serve as an incubator for early-stage FinTech start-ups through the Copenhagen Fintech Lab and executing value-adding programs towards start-ups, corporates and investors. Also, it is key to act as a mediator and matchmaker between FinTech start-ups and corporates, domestically and abroad, to foster partnerships that create value for both parties. The community should also be kept vibrant and the network tight – as the cluster expands and the amount of alumni Labsters proliferates. Lastly, Copenhagen Fintech should continue their efforts to internationalize and globally buildout the activities to help members shape meaningful, valuable and long-lasting relationships.

#### Opportunity spaces to consider and explore

Our analysis has also surfaced a set of opportunity spaces for Copenhagen Fintech to potentially address. They form a set of potential development tracks that Copenhagen Fintech could explore and consider in the future. They should ideally be seen as potential add-ons to the existing offerings – and most of them are already on the radar of Copenhagen Fintech's leadership team. For the purpose of this publication, the opportunity spaces should serve as inspiration on what could potentially create an even stronger "Copenhagen Fintech" in the future. In the following, we will elaborate on each of the opportunity spaces outlined below.

#### RESEARCH COLLABORATION

1

Make connecting and collaboration with leading research and academic institutions a strategic priority

#### EARLY STAGE VC FUND

3

Establish access to early-stage venture capital, potentially as a fund that is managed as part of the Copenhagen Fintech network

#### RECOGNIZED GLOBAL SPIKE

2

Make Copenhagen Fintech recognized for human-centric solutions and a strong commitment to 'impact' and 'sustainability'

#### EXPAND THE VALUE PROPOSITION

4

Expand the value proposition towards the ecosystem, e.g. upskilling scaleups, advisory, and more



1

## Make connecting and collaboration with leading research and academic institutions a strategic priority

### Closeness to academia

Close partnerships between businesses, public agencies and academia is considered the holy grail of successful 'design clusters'. The trinity is often referred to as the Triple Helix (Cluster Development Handbook, 2016). While Copenhagen Fintech has been engaging with academia, it does not constitute a significant part of their activities. Engaging with universities and researchers will likely create additional value in the cluster in the future, but how and what the type of engagement and collaboration should look like is to be determined. Putting incentives in place to ensure that universities are equally committed to collaborate with the start-ups in the cluster is also important. They will likely need 'skin in the game' like the paying members of the cluster, but co-financing is perhaps not the most obvious lever to secure commitment. According to Lars Frelle-Petersen (Director, Confederation of Danish Industry), connecting and integrating more deeply with the academic and research community would likely add value to start-ups and academia alike. He states: "Collaboration will increase and focus the research efforts on relevant domains, create new research environments and provide unique insights into the future educational needs. On the other hand, maturing start-ups will gain access to highly educated talent and perhaps become more effective".

### Solution spillover

There is a hope and an expectation from public agencies that the solutions developed by FinTechs over time will spill over into other sub-sectors. In this regard, Katrine Winding (Director, the Danish Business Authority) notes: "FinTech solutions often address fundamental data, process and business problems that could likely benefit other corporates than banks and insurance companies". Collaborating with academia and researchers could potentially serve as one way for Copenhagen Fintech to work on 'exporting' FinTech solutions to other sectors, such as logistics and Life Science, in a structured way.

### New Articles of Association

On Copenhagen Fintech's General Assembly earlier in 2020, the Articles of Association were changed to allow for the opportunity to enroll academic institutions onto the Board of Directors. An important step in the to move closer to academia for mutual benefit.

"There is an opportunity to make a stronger link between the FinTech scene in Denmark and academia. I am very confident that this will be the case in the future. The glue is the experienced FinTech entrepreneurs and Business Angels"

**Jes Broeng, Director and Professor, DTU Entrepreneurship**

2

## Make Copenhagen Fintech recognized for human-centric solutions and a strong commitment to 'impact' and 'sustainability'

### Spike and recognition

Most FinTech clusters around the world have a spike – something they are recognized for. Essentially, a spike is an innovation theme or tech domain that start-ups are founded and funded within. Toronto is evolving as the leading AI cluster, Tokyo is the leading robotics clusters, and Tel Aviv has for long been positioned as the leading authority within cyber security. The latter is likely augmented by the high level of investments from military and intelligence services into this tech domain, while the robotics spike in Tokyo is likely build on Japan's strong heritage in advanced manufacturing.

### Nordic strongholds

Today, Copenhagen Fintech is focused on leveraging the unique strongholds of the Nordics to build a differentiated position vis-à-vis other FinTech clusters. They focus on supporting the development of human-centric solutions that ideally fulfils a greater purpose. In addition, Copenhagen Fintech could advantageously continue to increase their focus and attention on 'sustainability' and 'impact'.

Doubling-down on 'sustainability' and 'impact' from a FinTech angel could potentially be a lever to attract more female founders. Today, the vast majority of the 300 FinTechs that has been founded since 2017 in Denmark had a male founder. According to Charlotte Rønje (CEO, Jamii) there is a need for more women in the FinTech space today. She believes that they might be more attracted by the 'impact' and 'sustainability' agenda, in keeping with recent trends in Fintech. She contends that: "There is an opportunity to mobilize more female founders. Putting more focus on impact and sustainability is likely the best way forward rather than creating events that explicitly target women".

### Critical mass on sustainability

In the Nordics, we already have a 'sustainability spike' and a critical mass of start-ups working on developing tech solutions that address UN's Sustainable Development Goals. A recent study from Implement and Copenhagen Fintech has identified almost 200 FinTech start-ups within this space in the Nordics where 50 are based in Denmark. Their study concludes: "FinTechs and the established sector have a significant part to play in the sustainable transition. However, working together may strengthen the entire financial system to design and discover new tools that will help solve material issues at business, industry and societal level".

*Click here to read Copenhagen Fintech's report 'Deciphering the Nordic Impact Map' written in partnership with Implement Consulting Group*



3

## Establish an early-stage venture capital fund as part of the Copenhagen Fintech family

### A dedicated FinTech fund

Today, a venture capital fund focused exclusively on early-stage investments in FinTech start-ups do not exist in Denmark. According to Kent Petersen (Chairman, Financial Services Union Denmark): “Ensuring funding – seed and late-stage – is a critical success factor to produce a healthy pipeline of FinTech start-ups in Denmark with the potential to become the next Tradeshift”.

There is a need for improved access and structure to venture capital within the Fintech domain, as many Fintech start-ups are having a hard time raising the capital they need to test and scale their solutions – especially in global markets, which is critical to longterm success. Charlotte Rønje (CEO, Jamii) acknowledges the importance of access to early seed capital. She says: “Who founders obtain seed capital from is almost entirely random. Copenhagen Fintech is uniquely positioned to add more structure from a capital perspective thanks to being very hands-on and in tune with the developments on the FinTech scene”.

Jesper Nielsen (CEO, BEC) also eyes the opportunity for Copenhagen Fintech to move closer to the investor side without suggesting a fund as the solution. He notes: “There is an opportunity to get start-ups better connected with investors. It needs to happen more frequently and in a more structured way. If this is a space for Copenhagen Fintech, they will likely need a different setup than what they have today”.

“The magnetism of Copenhagen as a hub for foreign start-ups will likely increase if founders and their start-ups see an opportunity for funding paired with a strong and globally connected community”

**Rolf Kjærgaard, CEO, Vækstfonden, and Member of Copenhagen Fintech's Board of Directors**

Copenhagen Fintech could establish an early-stage venture capital leg focused on ensuring solidity and liquidity for early-stage FinTech start-ups. To integrate more intimately with the investors – or potentially acting as an investor – Copenhagen Fintech will likely need to add new capabilities and professionalize their business in different ways than they have done in the past. The objective of such a fund should ideally focus on providing seed capital to early-stage FinTech start-ups while also providing enough capital injections for more mature start-ups to adopt a “go-global mindset” and set global ambitions early on.

### Mitigating conflicts of interest

Establishing a fund should not compromise Copenhagen Fintech's existing core activities. A key ingredient of Copenhagen Fintech's success has been their ability to be open and ‘an equal opportunity provider’ to all start-ups in the cluster. If they also invest in select start-ups, it might prove difficult to remain unbiased. Thus, an early-stage venture capital fund under the Copenhagen Fintech banner will require graceful mitigation of an inherent conflict of interest.

## 4

## Expand the value proposition towards the ecosystem

### Consultative service offerings

Today, being a not-for-profit association, Copenhagen Fintech is not capitalizing on their unique insights into the needs and demands of the members of the cluster. Developing a more consultative value proposition with a 'pay-per-outcome' revenue logic could serve as an alternative source of funding for other activities, which are already carried out by association. Consultative service offerings could include, but are not limited to, targeted corporate-start-up matchmaking, corporate innovation, venture building, etc. Such offerings would primarily be offered towards corporates.

"Helping an early-stage start-up to fully mature strategically is something that will likely make a big difference – and Copenhagen Fintech is well-positioned to offer such a service"

**Steen Erichsen, CEO, Velliv**

There is likely also a need to offer strategy consulting services to start-ups, which would likely not follow a 'pay-per-outcome' scheme. Steen Erichsen (CEO, Velliv) notes that professional and corporate investors alike are imposing requirements on FinTech start-ups in the growth stage before putting down their investments. Such requirements include ROI calculations, worked-through business plan, growth strategy, etc.

### Supporting growing start-ups

Also, there is an opportunity to support FinTech start-ups in the growth stage with targeted upskilling. Frederik Murmann (CEO, LendMe) suggests that one model could be to select a small group of start-ups, which will receive special attention and care as they are approaching later-stage funding and potential exists. He explains: "In the early stages, one size does not fit all. Support must be tailored to the unique value proposition and business model of the specific start-up. Later-stage fundraising and exit planning are likely disciplines that look somehow the same for different start-ups". This perspective is shared by Emil Fuglsang (COO, Matter) who notes: "In a start-up, everything is a first. Targeted upskilling to prepare start-ups for fundraising is likely a good place to start. He also adds: "There is likely a need for many founders to become better storytellers in investor pitches", i.e. putting more focus on the bigger purpose of their solution and less on the technical aspects and details.

### Longer-term planning of events

On a practical note, there is an opportunity for Copenhagen Fintech to better secure the time and attention of the C-suite in large corporates through longerterm planning of activities and events. Executives often run busy schedules with limited short-term flexibility. According to Jesper Nielsen (CEO, BEC): "From where I am sitting, longer-term planning would be most welcome. It is a practical matter and therefore a low-hanging fruit. It is a small thing, but it is important, as it likely leads to missed networking opportunities".

## ENVISIONING COPENHAGEN FINTECH AS A BEST-IN-CLASS CLUSTER BY 2025

-An eye on the future with the leadership team

EY has asked the Copenhagen Fintech leadership team to envision what the future look like when Copenhagen Fintech is a best-in-class global FinTech cluster by 2025 and are successfully elevating 'New Nordic Innovation'. The vision predominantly relates to the access to talent and capital.



### FinTech is in all sectors

Since the birth of Copenhagen Fintech in 2016, the organization and its community have moved from being centered around a financial services sector focused innovation and technology cluster to now being engaged with and embedded in almost every major industry vertical globally. This movement started with a handful of industry and technology clusters spearheading the attraction of talent and risk capital to fuel the ecosystems. Copenhagen Fintech is considered an instrumental contributor to catalyze FinTech solutions into other sectors, and in particular towards the small and medium-sized enterprises in Denmark.

### New Nordic Innovation is a thing

Scaling Nordic FinTech innovation globally has for many years been a challenge – not any more. Copenhagen Fintech realized early on that this is a question of sourcing the right talent, at the right time into the boards and executive management. As a smaller region, the Nordics can only produce that much talent with the necessary global mindset and experience. And the competence is in high demand. The ecosystem has welcomed experienced Nordic FinTech founders that want to give back and also sourced talent from larger and even more mature ecosystems. Copenhagen Fintech has initiated an international acknowledged board education together with leading universities and has supplemented this with a pool of experienced founders and entrepreneurs from some of the leading Hubs around the world. This has been instrumental in the development of more hyper growth companies with a global impact.

### Denmark is a textbook example for small nations

Financial services have become invisible in our daily routine and activities with the help of artificial intelligence and other technologies. Denmark as a country and Copenhagen as a capital city understood this mega trend early on and before most others. They understood the massive impact and importance of financial technology (infrastructure) in transforming and renewing old renowned industries. They were able to take coordinated action and in less than ten years, they managed to create a “smart nation” that leverages the full potential of FinTech-solution to create real and positive impact for humans in every aspect of life. Also, they supported and encouraged FinTech as an important enabler and accelerator of the 2030 Global Sustainable Development Goals and combined with the deep Nordic human center design tradition, the ecosystem has now become a textbook case of how to foster and scale innovation beyond the borders of a small nation.

## Home to a leading FinTech venture fund

Copenhagen is now home of one of the leading European FinTech venture funds which started on the foundation of an exponentially growing ecosystem and a cluster that very early on saw the importance of building a global hyper connected innovation engine. Visionary industry people realized the potential in using this funding vehicle to create growth, jobs and attract the much-needed global talent. Soon more followed, and this increase in access to capital have been crucial to every moving part of the ecosystem. From the early ideas and research at the universities to funding the global scaling of high-growth ventures with the potential to become the next generation of globally impactful and sustainable tech companies.

## Denmark is the global testbed and sandbox

The reason why all global ambitious cities, big tech companies, and leading financial institutions now have development offices in the Greater Copenhagen Area is that Denmark and Copenhagen have become the leading global testbed and sandbox for global technology companies establishing multiple innovation labs in and around the Danish universities. Denmark has become a global epicenter and platform for 'open innovation' that companies can build new ventures on, test and scale efficiently. What started in Copenhagen has now spread to many other cities, making Denmark one of the smartest and most liveable countries in the world where innovation is pervasive, and technology is used to benefit its citizens in their everyday life. Businesses thrive and we can now say that FinTech it is one of the essential pillars of successful smart and sustainable city development when integrated at its core.

## Copenhagen Fintech has permanent representation, globally

Building an inclusive community have always been at the center of Copenhagen Fintech since we started in 2016. Our community have evolved from Denmark, the Nordics, Europe and now into a global community of entrepreneurs, industry experts, thought leaders, academia and investors. Recognizing that we constantly need to evolve together with our many partners and our understanding of what happens in the different regions, we are happy that we made the decision to build permanent representation in Asia, North America and Africa.

## Copenhagen Fintech still has the community at the core

Our global community of visionary entrepreneurs are the reason that we are able to continue our mission of creating growth for Denmark through investing in – through all stages – high-potential start-ups and attracting and retaining the best talent.



# Exhibits



## Getting inspired by a leading FinTech Hub

### Exhibit to Guide 01 (1/3)

Early on, Copenhagen Fintech secured broad and early involvement with the objective to shape a purpose for all stakeholders to unite behind. In 2017, the Copenhagen Fintech leadership team and the Board of Directors went on an inspiration tour to visit London, one of the world's leading FinTech Hubs. The objective was to witness the power of a strong FinTech Hub and get inspired. Below you see the agenda from their tour to London back in 2017.

Jan 18   Inspiring New Ways		Jan 19   Setting the Course	
 <b>CPH-LON</b> BA811 JAN18 0705-0820	 <b>Rainmaking LOFT</b> International House 1 St Katharine's Way, London E1W 1UN	 <b>LON-CPH</b> BA812 JAN19 1700-1855	 <b>Rainmaking LOFT</b> International House 1 St Katharine's Way, London E1W 1UN
	<b>0705-0820</b> Welcome and scene setting Thomas Knapp Jensen, CEO CPH FinTech		<b>1700-1855</b> Introduction to InnovateFinance Ardul Hassan Basit, CPO Innovate Finance
 <b>CitizenM Tower of London</b>	<b>0830-1100</b> The London FinTech Scene Nils Einarik, Innovation, London Fintech Times	 <b>CitizenM Tower of London</b>	<b>0830-1100</b> Official Board Meeting Agenda
	<b>1100-1200</b> The Corporate Perspective Christian Klepp, Innovation Scout, ERGO AG		<b>1100-1200</b> Workshop - Part A Outlining the aspirations, scope and strategic journey steps for CPH FinTech
 <b>40 Trinity Square</b> London EC3N 4DU	<b>1200-1300</b> Lunch	 <b>40 Trinity Square</b> London EC3N 4DU	<b>1200-1300</b> Working lunch
	<b>1300-1330</b> Building a Thriving Ecosystem Jordan Schipf, Rainmaking Innovation		<b>1300-1330</b> Workshop - Part B Outlining what success looks like in 2017 and optimal medium-term goals morning brief
 <b>40 Trinity Square</b> London EC3N 4DU	<b>1330-1400</b> The Start-up Perspective I Christian Gahleit, CEO Capdesk	 <b>40 Trinity Square</b> London EC3N 4DU	<b>1330-1400</b> Next steps Deciding next steps and the agenda for the upcoming Board meetings
	<b>1400-1430</b> The Start-up Perspective II Nic Gidenius, Director of Sales, Pace Invest		
 <b>40 Trinity Square</b> London EC3N 4DU	<b>1430-1500</b> The Investor Perspective Susanne Chikis, CEO FINTECH Circle	 <b>40 Trinity Square</b> London EC3N 4DU	
	<b>1500-1530</b> The Corporate Start-up Tendayi Vico, Author of "The Corporate Start-up"		
 <b>40 Trinity Square</b> London EC3N 4DU	<b>1530-1600</b> Reflections and key take-aways	 <b>40 Trinity Square</b> London EC3N 4DU	

Click here to go to 'Guide1'



## Envisioning the future from the start

### Exhibit to Guide 01 (2/3)

In late 2015, the case for change was clear. Innovation was driving a significant change in the financial services sector. Copenhagen Fintech was established as a cluster to turn Copenhagen into a strong FinTech epicenter in the Nordics. In 2017, The Board of Directors and leadership team wrote "The Copenhagen Moment" – a news article in the fictitious newspaper "FinTech Times". An attempt to envision the future for the Danish FinTech scene. Below you see the cover page for the article.

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**Politics "rigged" by Twitter bots** →p. 2  
The two single most active accounts from each side of the debate were bots.

**101 uses for an AI platform** →p. 3  
We asked our contributor pool. Here's a selection of responses.

**The weather forecast** →p. 5  
A year that will continue to mark political history after the election of Trump in the US and the vote for the UK to leave the European Union

**The future of AI in financial services** →p. 6  
AI continues to merge human insight with automated analysis.

**Cyber security breaches** →p. 8  
Lessons to be learnt?

**Flow.City** →p. 13  
How the IOT / Connected City is going to change the face of outdoor messaging.

**The rise of the fintech sector in Scotland** →p. 17  
Why Scotland's financial sector is flourishing.

**Big Picture** →p. 20  
Could SME failure rate be fractioned by Fractal?

101 uses for an AI platform

The future of AI in financial services



Could SME failure rate be fractioned by Fractal?

## The Copenhagen Moment



Since its start eight years ago, Copenhagen Fintech has developed into one of the most powerful financial hubs in the world attracting leading financial companies, ambitious investors and young talent - the reason why? "We caught the zeitgeist at the right moment", says CEO Thomas Krogh Jensen, who was there when it all began.

By Nils Elmark,  
Consulting futurist, Inception.

global financial hub with Copenhagen as its centre. They wanted to establish a new eco-system based on the next generation of technology and social collaboration in a brave new world, in the making. The founders had a clear vision as to what they wanted to achieve - they wanted to attract ambitious young talent and passionate investors from across the globe and create strong connections between all stakeholders within the financial services industry and universities.

When CPH Fintech was founded in 2017, the founders had a dream of creating a

→ Continued page 2.

NILS ELMARK  
Consulting futurist, Inception



continued ▶

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# Envisioning the future from the start

## Exhibit to Guide 01 (3/3)

In late 2015, the case for change was clear. Innovation was driving a significant change in the financial services sector. Copenhagen Fintech was established as a cluster to turn Copenhagen into a strong FinTech epicenter in the Nordics. In 2017, The Board of Directors and leadership team wrote "The Copenhagen Moment" – a news article in the fictitious newspaper "FinTech Times". An attempt to envision the future for the Danish FinTech scene. Below you can read the full article.

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THE FINTECH TIMES

January 2025

COVER STORY

### The Copenhagen Moment

Continued.



There were several fintech hubs with similar ambitions eight years ago but CPH Fintech distinguished itself from the rest. It did not build on top of the existing financial infrastructure with roots in the 20th century targeting baby boomers and gen-x. It had the will to create an entire new eco-system that grew out of an exponentially growing world formed by millennials and the generation z.

The new eco-system that has grown out of Copenhagen since then has not only benefited investors and financial institutions of all sizes but has also generated all walks of society facilitating new social alliances, creating new business jobs by the thousands and brought social justice. CPH Fintech has re-discovered the purpose of finance and made it possible for financial institutions everywhere to re-interpret themselves into "modern urbanism".

**Challenges in the Trump Era**

At the inception of CPH Fintech in 2017 the world was facing enormous challenges and we had to re-design the infrastructure and logistics of our growing cities. We were at the start of a transition from fossil fuels to renewable energy, so we had to address climate change and bring new investments to areas of the world that had been ignored. We also had to address social problems created by modern globalisation. Cph Fintech placed itself at the core of these issues and it was only able to do so, because all stakeholders shared the same vision. Banks, labour organisations, educational institutions, entrepreneurs and the city of Copenhagen - all of which wanted to create a new modern financial eco-system that would operate across cultures, industries and national borders and be part of the framework of modern global society.

We set quite precise and measurable goals, says Thomas Krogh Jensen, CEO of CPH Fintech since the very beginning in 2017. "We wanted our fintech hub to launch at least 25 successful startups of which half should be acquired by larger international institutions, we wanted to establish the world's leading Fintech Master education and we wanted Copenhagen to accommodate at least 20 international innovation teams and attract at least one billion Euro of direct investments. We wanted to create a place where the world was new and the financial services industry would be inspired to think creatively.

Today, CPH Fintech is able to say it achieved what it set out to do. Many of the initial goals have been reached, others have undergone innovation along the way and a couple of the finest fintech achievements are far beyond what the founders dared imagine in 2017. "We knew that our objectives would change along the way", Thomas Krogh Jensen says. "It only took Apple's iPhone 8 years to change the world beyond recognition so we were aware that we could not predict the fintech future in details, consequently it was important for us to set the scope wide and create an ambitious platform that would enable us to navigate, in what many considered, an unpredictable fintech marketplace.

For the same reason we created a holistic strategy for our eco-system. We were completely open to changes which kept our organisation in sync with time. CPH Fintech has

January 2025

THE FINTECH TIMES

COVER STORY

effortlessly absorbed new ideas, trends and technologies and like software based machine learning has been able to do, not just follow business trends but to set them.

In 2017 we had a strong focus on what we today call ordinary fintech as it was still considered new by many at the time, but it soon proliferated into new areas like InsurTech, Proptech, RegTech and WealthTech and the lines between finance and "surrounding" industries became blurred. Suddenly, fintech became part of everything in business and public administration and Copenhagen was the first Fintech Hub in the world to realise that, due to its foundation in the entire value chain of a modern networked eco-system.

Copenhagen was in itself a favourable place to create a new fintech eco-system in 2017. It was the year after Brexit at the start of the Trump era, Europe was shaky and everyone looked for a new initiative and a new beginning. Copenhagen seized this opportunity and presented itself. It was - and still is - a global role model of a modern smart-city with a sustainable infrastructure. The country is both English speaking and highly digitised - an ideal fintech capital of Northern Europe.

But the main reason to its success is the values it represents. CPH Fintech is more than anything controlled by some core principles that have kept its eco-system expanding despite an unpredictable business environment. "Always give more than you take and support the community" says Thomas Krogh Jensen. "If you do that the community will support". Therefore, our efforts have been concentrated on creating a fintech eco-system that would benefit everyone as we wanted all stakeholders to be successful through collaboration. Those are core Danish values and it was amazingly easy for us to tap into the global financial community. All we really did was catch the "tailwind" and introduce values we had always believed in.

A final reason for the success of Copenhagen is that the city and its institutions are understood to connect with the entire world - and not just Europe and America. Africa, China and India have made colossal progress during the last eight years and Copenhagen tap into this global growth and of course the fact that CPH Fintech was first in the world to adopt to the new blockchain technology. Its financial institutions, its insurance companies and property market created a common fintech platform of the 21st century and that created

**As we approach the new year of 2025, CPH Fintech has targeted community programs running for:**

- The Banking Industry
- The Pension Industry
- The Insurance Industry
- The Retail Industry
- The Transportation Industry

**CPH Fintech offers a wealth of services for corporates, start-ups, investors and academia that are all designed to ignite digital transformations, foster innovation and create new jobs. Amongst some of these services are:**

- Fintech Lab™ - collaborative work-space for corporates and entrepreneurs
- Fintech Accelerator™ - connecting corporates and start-ups for mutual outcomes
- Fintech Master Education™ - master degree in fintech offered by University of CPH
- Fintech Advisory™ - specialized "in-house" business and capital advisory for start-ups
- Fintech Capital™ - the VC fund and incubation program of CPH Fintech
- Fintech Partners™ - exclusive partnership program for CPH Fintech sponsors

**The hard numbers anno 2025 (fact-BOX in the article):**

- 250 community events
- 10 accelerator programs
- 25 businesses build
- 20 financial institutions
- 2.500 jobs created in Denmark
- 5 premier technology partners
- 5 Fintech Labs in Europe
- 10 partner cities in the Global Fintech Community
- 75 scientific papers posted in collaboration with academia
- 1.000 people becoming Fintech Masters
- EUR 1 billion invested in CPH Fintech originated businesses

**"We wanted our fintech hub to launch at least 25 successful startups of which half should be acquired by larger international institutions, we wanted to establish the world's leading Fintech Master education and we wanted Copenhagen to be home for at least 20 international innovation teams and attract at least one billion Euro of direct investments - and wanted to create a place where the world was new and the financial services industry would be inspired to think creatively."**

THOMAS KROGH JENSEN  
CEO at Copenhagen Fintech

**The Copenhagen Moment.**

Zoom in to read  
the 'article'

Click here to go to 'Guide 1'



## Sharing how to make partnerships work

### Exhibit to Guide 05

Copenhagen Fintech has from the start worked to create a bridge between the established sector and FinTech start-ups. To effectively matchmake start-ups with corporates, they have leveraged their deep understanding of the financial services sector. Moreover, they have also witnessed partnership formation first hand and obtained insights into the dynamics of such collaborations. Copenhagen Fintech decided to publish their learnings through an infographic on the “do’s” and “don’ts” for making corporat-start-up partnerships work.

Copenhagen Fintech’s do’s & don’ts for successful Corporate-Start-up Partnerships



Click here to go to 'Guide 5: Become a mediator and broker'



## Keeping track of the Danish Fintech scene

### Exhibit to Guide 06 (1/2)

Copenhagen Fintech has continuously mapped the evolving Danish FinTech start-up scene and tracked new-comers and leavers since 2017 up until today. Essentially, Copenhagen Fintech has created an overview of FinTech start-ups within different FinTech domains, such as payments, wealth management, etc. It has been an effective and practical way to get close to the FinTech start-ups. Below is an example from the Danish FinTech start-up scene from 2017.

## 2017 - The Danish Fintech start-up scene



continued ►

[Click here to go to 'Guide 6: Build your community and followership'](#)



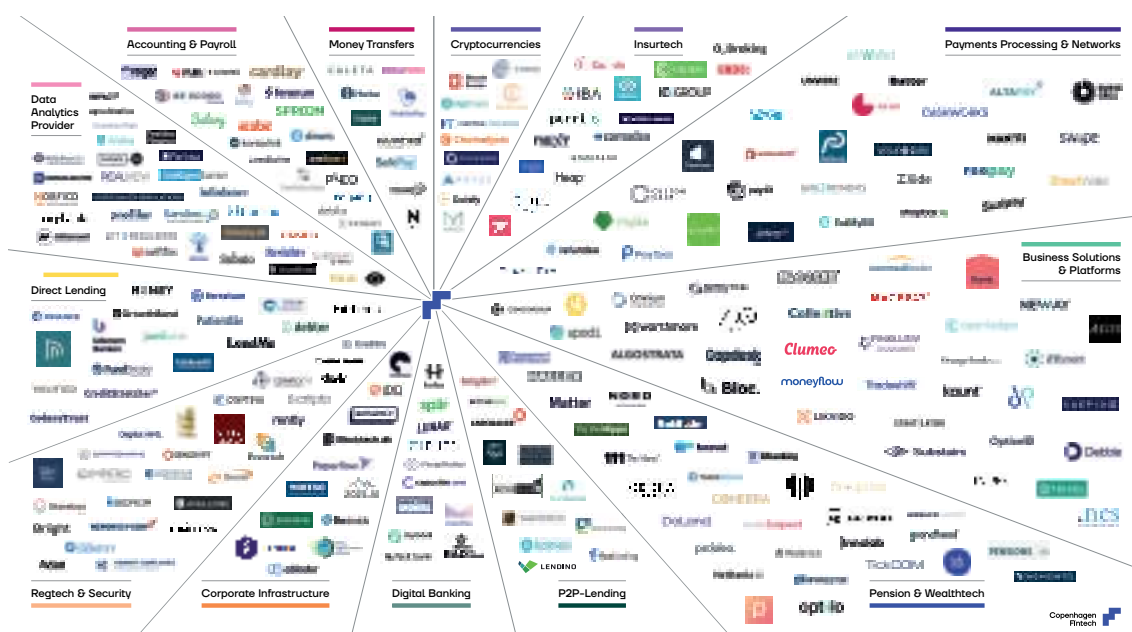


## Keeping track of the Danish Fintech scene

### Exhibit to Guide 06 (2/2)

Copenhagen Fintech has continuously mapped the evolving Danish FinTech start-up scene and tracked new-comers and leavers since 2017 up until today. Comparing the overview from 2017 to the one from 2020, it is evident that the number of FinTech start-ups in Denmark has increased significantly. See the most recent map of the Danish FinTech start-up scene below.

## 2020 - The Danish Fintech start-up scene



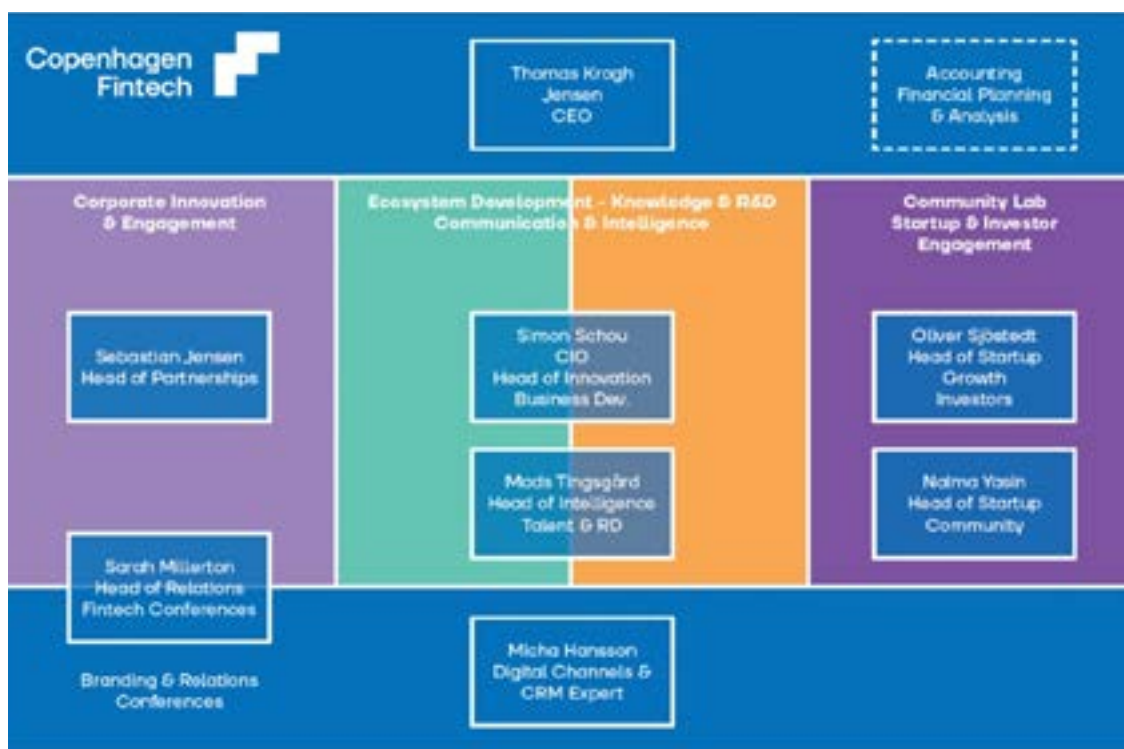
[Click here to go to 'Guide 6: Build your community and followership'](#)



## Structuring the Copenhagen Fintech team

### Exhibit to Guide 07

The Copenhagen Fintech team is relatively small. It consists of people-centric innovation strategists, community managers, event planners, and more. The team is structured in four core groups with clearly defined roles and responsibilities. To get inspired by the structure of the Copenhagen Fintech team, see the full organizational chart below.



[Click here to go to 'Guide 7: Build a versatile and small team'](#)





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# ABOUT

## The Danish Industry Foundation

The Danish Industry Foundation develops and supports innovative, inspirational and economically sustainable projects and initiatives that strengthen the competitiveness of the Danish industry.

## Copenhagen Fintech

Copenhagen Fintech develops Copenhagen as one of the leading Fintech Hubs in the global financial services industry by supporting and catalyzing the next era of technology-led corporate and start-up innovators.

## EY European FinTech Practice

EY European FinTech Practice consists of a group of ~90 practitioners in 12 EU countries. The team works intensively with FinTechs and EY's banking, insurance, asset management payment provider clients, and the domestic, EU and international investor community, to foster FinTech ecosystems. EY participates in many of the large tech Hubs around Europe (e.g. FinTech district in Milan, TechQuartier in Frankfurt, Copenhagen Fintech in Copenhagen, and Innovate Finance in London). EY is active in the start-up ecosystem with professionals serving as mentors to start-ups, and supports early stage accelerator programs.

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