rise

Created by BARCLAYS

Corporate innovation

Now and next

Part 2
Engaging the corporates

How FinTechs can develop partnerships with large organisations

#HomeofFinTech

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Engaging the corporates

Amali de Alwis, London Open Innovation Ambassador introduces this report by considering the importance of mutual understanding and communication in building effective partnerships

This second in a three-part series of *Corporate innovation: Now and next* reports focuses on how startups can effectively engage with large organisations. By sharing the lessons and insights from industry experts, startups and innovation enablers, the ambition is to simplify the Open Innovation journey and create more growth for the ecosystem as a whole.

I've seen how startups have the ability to accelerate innovation at corporates. Their fresh perspective, coupled with the agility to tackle problems in new ways, can be invaluable to a large organisation. But many potential partnerships can fail to materialise – often because of failures in communication or understanding.

This of course is understandable when you consider what you're trying to bring together. Large organisations have many restrictions around budgets, timing and resources. It's not unusual to have to establish some sort of small-scale political campaign to get a project off the ground. In contrast, startups are more able to sit down in a room, put ideas together and build rapidly. It can be hard for founders to understand this gulf in the creative process, but it's a vital step in building a strong, long-term collaboration.

As partnerships are formed, a mismatch in expectations between a startup and their corporate partner is almost inevitable. Both parties will come to the table with very different points of view – the challenge is to work together to discover the resonances and identify where there is mutual gain.

Communication is everything, and things fall apart when there's a lack of clarity or openness from either side. When you're building something at speed, there's a lot more ambiguity than a lot of corporates are comfortable with. This is why it's important to be careful about your assumptions. A lack of communication can lead to misunderstood expectations that can go on to damage the relationship.

This report shares insights from the ecosystem on creating partnerships with fruitful results. You'll hear from founders on how to get under the bonnet of the business and understand where mutual value can be created, why setting clear KPIs and having clear communication from both parties is important, and how to help your client succeed. This last point particularly resonated with me. In an early job as a quant researcher, I was given a piece of advice that I've always remembered: "Make your client look good". Don't forget that your champion within an organisation is taking a gamble on a small, unproven company. As an entrepreneur, I always felt it was my responsibility to honour that fact and treat the relationship with respect. Part of that involved understanding my corporate contact's internal requirements and challenges, then making the partnership as smooth and successful for them as possible.

I would encourage any startup beginning their journey in corporate partnerships to read this report. We've all experienced the most incredible period of disruption due to Covid-19. That disruption has made large organisations reconsider what they can and can't do, including how fast they can adopt new technologies.

The ecosystem will continue to change, but the requirement for mutual understanding between startup and corporate will remain.

Amali de Alwis
London Open Innovation Ambassador and former MD of Microsoft for Startups

Better together

Productive partnerships demand mutual understanding and shared goals

Janhavi Rao is Barclays Chief Technology Officer and the first to admit that when it comes to innovation, corporates do not have all the answers. Here she explains why aligned goals and a willingness to challenge are vital to successful partnerships.

Fail to innovate and your business will start to stagnate very quickly. That is why innovation needs to be part of the culture and mindset of any large organisation. At Barclays we combine various programmes of internal and external innovation to ensure we stay on the front foot, and partnerships with startups and scale-ups are a crucial part of that strategy.

To understand how we build long-term partnerships with external innovators, it may be helpful to first understand our approach to innovation within the business.

Coordinated approaches to internal innovation
Within the Chief Technology Office, we organise ourselves around a number of tech domains which are logical groupings of software. The leaders of these domains keep on top of developments in the technical disciplines they are aligned to.

In addition to these tech domain groups, there is the Advance Research and Development team. Its members are tasked with looking three to five years into the future to consider what new technologies we will need to leverage in that timeframe. That could be something like distributed ledger technology that is coming into the mainstream now, or quantum computing which is still some years away but a technology we need to prepare for.

We are also very keen to encourage new ideas from colleagues across the business. We have a small intrapreneurship team as well as a platform called Idea Hub. We will identify a problem and use the platform to run company-wide challenges to find a solution. We had more than 200 ideas from one of the recent challenges and chose four winners who all received funding to develop their ideas. It is important that colleagues can see that their ideas will not just be brought forward but also get the support needed to realise them.

Innovation from beyond the bank

Do we know all the answers? Absolutely not. That is why, on top of all this internal activity, comes the broad range of work we do with early stage and scaling businesses. These companies offer us new perspectives and help us stay aware of new technologies that are evolving at an incredible pace.

The Rise ecosystem is core to how we work with innovative companies that will shape the future of financial services. There are more than 700 individuals within some 130 companies linked to our New York and London locations. There are also numerous founders and investors involved in mentoring and networking, plus the alumni of the various accelerator programmes, some of whom are now our commercial partners.
It's a community of innovation that benefits everyone.

The fact that Rise allows these startups to work in close proximity with the business is hugely important. It helps us stay at the forefront of technology. The commercial partnerships are just part of the benefit, understanding what is in the marketplace is incredibly valuable too.

There is a huge synergy between Rise and the tech domains within the Chief Technology Office. When you connect the two, you combine an understanding of how the business is organised (and what established vendors are offering) with very innovative ways in which these new, young companies are tackling problems. That challenges our thinking and can lead to changes in our technology strategy.

Working well together

When building partnerships with startups, we look for businesses that deeply understand the problem and have some combination of new technology, market reach and improved user experience. It's also important to consider the human element, as the people within a startup are a fundamental part of the offer in addition to the tech. We are always looking for passion and energy.

> "We should never assume we know more than these young companies"
>
> Janhavi Rao

Anticipating challenges

Startups want a corporate's business so are naturally eager to please. I caution both sides to be very careful about what they commit to, and encourage them to be comfortable with saying no. It is better to deliver exactly what was promised and do it really well than set unrealistic expectations that are not met. Deliver success at each stage and you are in a good position to look at the next phase.

There is also a risk that a large organisation smothers the innovation that a startup could be bringing to the bank. To counteract that it is important that the early-stage business sticks to their core proposition and does not allow too much customisation. If they do that, and have a growing number of customers, they will quickly get into an unmanageable situation.

For the startup, over-customisation will diminish their ability to support the product – and from the corporate's perspective, you become one of multiple clients who are competing for features or support.

For both sides, it is always worth remembering the 80:20 rule. You'll never get to 100%. If a solution gets you to 80%, the benefit from the remaining 20% is not usually worth the additional cost.

Delivering success

The key to success is partnership. To me, that means that the startup feels comfortable challenging us and telling us if we are doing something sub-optimal. We should never assume that we know more than these young companies, because, more often than not, that won't be the case in the space that they are operating in.

It is also essential, before the start of any collaboration, to establish what success means for both sides. From the corporates point of view, has the problem been solved and are we working much more efficiently and effectively than we did before? And the startup will want to see their core proposition enhanced and their product developed in the right strategic direction.

When the visions of success align, a foundation is created for a successful long-term partnership.

A vision of innovation to 2025

Looking to the future, I believe that innovation through partnership with startups will become a truly integrated part of the culture and mindset across financial services. Hopefully we will have succeeded to the degree that this is something that people don't even talk about in 2025.

Strength in simplicity

When developing products with corporates, creating too much functionality can be counterproductive

Shieldpay is a payments FinTech that went from being a Barclays Accelerator participant to now processing over $1bn of payments a year for its clients. Peter Janes, Founder and CEO, shares the lessons he learned along the way.

What were the initial stages of your relationship with Barclays?
The first step was being accepted onto the 2017 Barclays Accelerator, powered by Techstars. We were taking an innovative approach to some age-old problems and luckily we were one of ten startups picked from more than 600 who applied.

You now have a strong partnership with Barclays, but it took several years to get a commercial relationship off the ground. Why was that – and what can other corporates learn from your experience?
Throughout the accelerator, we were working with some fairly senior people within Barclays but they weren't associated with any particular product line. When the programme ended there was something of an information vacuum – we weren't in front of those people every day and it was difficult to keep the momentum going. It's a common problem for corporates and I know it's something Barclays has addressed.

How effective was the Barclays accelerator at kick-starting your growth?
The work we did with Barclays throughout the accelerator taught us a huge amount about how to work with banks, the types of collaterals they need to see, what types of due diligence needs to be done. That helped us work with other major financial institutions – we got better at onboarding ourselves and providing the information needed in a timely fashion. When we came back to Barclays, we were better prepared.

Was the process straightforward from there?
Not really! There's naturally a lot of movement of people within a large bank. There was one project where our main contact who was championing us within a specific business unit moved away. We had to start the process again with someone new who had different objectives and the project fell over. It's rare to get a direct line-of-sight roadmap work with the same team. People leave and the focus of the bank shifts. That is something we had to get used to, and learn to adapt to.

So how did you eventually secure the business?
We realised that, without the amount of direct contact that one gets in an accelerator, it was important to keep things really simple at the start. We worked out a referral-reseller system for any banking clients that utilize our system on top of their Barclays account. It's a deliberately basic model.

We learned our lesson after attempting too much. Trying to get on a large corporate's technology roadmap can be almost impossible. At some stage, you need to accept that and work with what is practical.

You partnered with Barclays using a revenue share model – why was that?
That's right – it's basically a B2B2C model. Barclays is great in that they've got a very strong brand and a lot of market presence. There's a lot of inbound inquiries to them f or a solution that we provide. As a business, we have identified what our niches are – and what we're very good at. We then incentivize much larger partners to funnel potential transactions and clients through to us. Instead of having 400 sales staff, we use distribution partners through banks – it's a lot more efficient for us, and creates a great mutually beneficial partnership with a bank.

"Keep your world very efficient and be in the driving seat of your roadmap"

Peter Janes

So simplicity was key?
Especially when it came to technical integration. The more variables in the product when you're dealing with a really large entity, the more problematic and complicated it will be to get that partnership live. Creating too much functionality can be counterproductive because you have to explain more, go through more red tape, and clear more hurdles to present it to clients.

Were there other challenges in working with a large corporate?
The whole compliance piece was pretty tough, including the due diligence around our onboarding processes. The tires were kicked a lot! It's obviously a good thing and as a Barclays customer, I'm glad they do it. But it did mean we were spinning our wheels as a large part of the business unit wasn't able to interact with us until we had passed compliance. I understand why it's there. That lag time is something that startups should be prepared for when working with a large regulated partner – and financial institutions should work on streamlining to speed up the process with startups.

How have things changed as your relationship with Barclays has matured?
We learned early on that when you are working with any massive organisation it takes something pretty seismic to shift the needle. The more valuable we have become, the better resources we've had – and that makes sense. We pushed a billion dollars of transactions through Barclays last year and that caught everyone's attention, which was great. Designing and delivering a product that adds immediate value to the corporate sales team is a great way to align objectives and create mutual value.

What is your advice for other FinTech founders at an early stage?
Keep your world very efficient and be in the driving seat of your roadmap. Don't put all your eggs in one corporate basket – as a startup, you've only got a limited amount of time and a limited amount of resource and how you use that is hugely important. Realistically, I would not set any expectations on getting on the roadmap of a UK Tier 1 bank within your first few years – it rarely happens and creates a massive risk factor.

How do you think the relationship between corporates and startups will have changed by 2025?
Over the last five years, everyone has worked out where they are in the ecosystem. The banks know what they're good at and the FinTechs know what they're good at. That's why you're seeing more partnerships than ever before. I can also see there being more investment from the venture arms of banks. Barclays are really active in that space and it allows them to own pieces of some pretty innovative FinTechs with an option to be involved further down the line. Working with VCs can be a good way for corporates to get an impartial view of the ecosystem and ensure they are getting market rate. And I think there'll still be various forms of accelerator programmes as they act as effective R&D for large organizations. Overall, there's going to be even more partnering and collaboration with FinTechs, and the evolution of acquisition vs partnerships models to bring about real change at pace will be interesting to see playing out over the next 5 years.

Peter Janes
Founder & CEO
Shieldpay

Open to growth

7 ways startups can build better partnerships with corporates

Jennifer Jordan is Techstars' Managing Director and a hugely experienced investor and mentor. Here she shares practical advice for FinTech founders looking to work with corporates.

Find market fit

If you're an early stage startup looking to build successful corporate partnerships, you need to engage deeply in customer discovery as quickly as possible. Go out and have 100 conversations with people outside your circle and focus on a single problem that you're truly solving for. Understand which people really have that problem.

Avoid developing a solution that is in search of a problem. That is especially important when working with corporate partners who will not have the time to go on that journey of discovery with you. They will have a particular issue and you need to show that you understand it and can help solve it.

Be as clear as possible about the value of your proposal, even if you are at the stage where you are still scoping. What is the problem you are solving? Will it save the corporate money, or will it drive revenue?

Make it personal

Anytime that you're engaged in sales, whether directly with a consumer or with a business partner, it's deeply personal. It is critical to delight your customer or partner. Do that and you will win their trust.

If you're navigating a sale with your corporate customer, you need to be thinking about their needs. How can you make them shine? Who are the other stakeholders and decision-makers involved that you're going to have to captivate along the way? Build strong relationships with these people and you will reduce the risk if your primary champion were to leave.

Get ahead of risk

If you are a FinTech intending to work with a corporate in a regulatory environment, then understand your partner's possible concerns early on. Think through how you can build from the outset to de-risk them.

In the most recent New York Barclays Accelerator, powered by Techstars, we had a number of regulatory experts, and we also had founders who had built successful products into regulated spaces. They spoke about designing to make sure that your new innovation is landing within the lines of the regulatory framework. That means it can be adopted far more easily– and that is critical for growth.

Build for the many

Developing a strong understanding of the wider potential market for your product is another important area of focus for startups looking to develop partnerships with corporates. At the same time, keep a narrow focus. With big corporates it can be easy to be pulled into building something for everyone and delighting no one.

Understand where there is a foothold of need and design something that can be reused across different clients and sectors rather than by just one or two large customers. Build this understanding by widening your network, seeking mentors, setting up an advisory board and continually testing ideas. Strive to solve the acute pain and lean into those focused users. Founders need to balance an ability to predict where markets are going to go with listening carefully to the customer.

For example, I worked with a founder who understood the importance of the cloud very early on. But the corporate partner was not ready at that point, and he lost 18-months of working with customers because he was not willing to use on-premises data centres then build out from there. It was counterintuitive to him to build the bridge first.

That ability to listen is important within a startup too. In a strong team, everyone needs to have a healthy respect for each other's role, so they can hear different opinions. There may be a very strong technical reason to do something a certain way, but if the technical founder isn't hearing what's coming back from the market, through a non-technical selling CEO for example, then you could limit your success.

Align your goals

Venture-backed startups are usually looking to build very large companies. That means they are seeking a large need that is ultimately transferrable – and this can create tension with corporate partners. The best partnerships I've seen are where both the corporate and the startup understand that they are creating something that has the ability to scale within the partner organisation, but also with other organisations. That creates a true win-win.

There were multiple instances in our most recent programme where Barclays did a great job of introducing founders to other external businesses that might have the same problem. That helped the startups get more proof points so they could really tune their product to the market need.

Get the pitch right

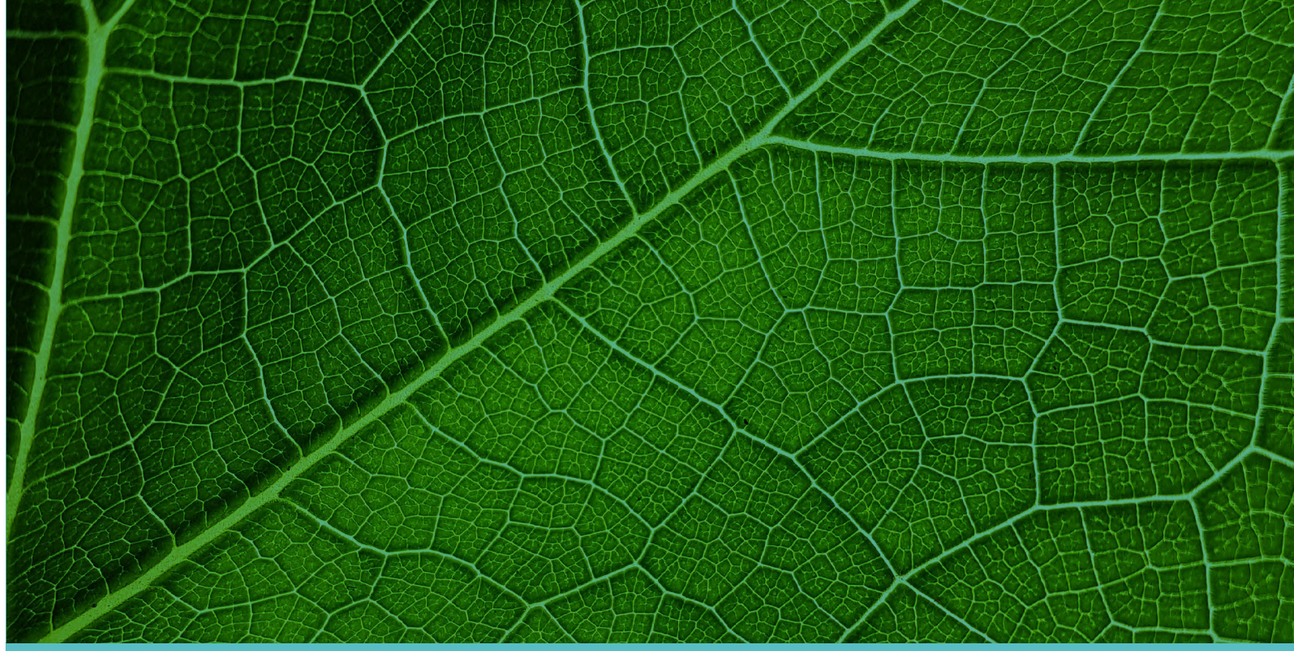
Listen more than you sell, especially if you're in the beta or pilot customer stage. Go into any pitch ready to draw out the problem. You can then start to scope with a "if we were able to do this for you…" kind of conversation. Be clear and focused, and don't oversell or suggest that your product is more developed than it is.

Build a better future

Looking ahead, we will see leaders in corporate innovation work alongside startups while enabling their ability to scale far beyond individual partnerships. Barclays has been learning how to do that over the last seven years and will continue to do so as the current 191 alumni companies grow and scale.

There is also a growing understanding that not all innovation needs to come from Silicon Valley, New York or London. Brilliance and breakthroughs can be worldwide, and more ways will be found to scale accelerator and corporate engagement models. That will give startups from all over the world more access to potential customers, users, investors and corporate partners, in addition to having more access to the right talent and technologies.

An astute founder I worked with recently suggested the real value and purpose of FinTech is to liberate the flow of capital by making it easier and quicker to access. FinTechs are increasingly working in partnership with large organisations to enable that process. Effective collaboration can enable an incredible acceleration of economic development across the world economy. And today, post-Covid, that's exactly what we need.



"Effective collaboration can enable an incredible acceleration of economic development across the world economy."

Jennifer Jordan

Jennifer Jordan
Managing Director,
Techstars

Access driven

Why startups need to be clear on what constitutes success when partnering with corporates

Gabrielle Haddad is Co-Founder and Chief Operating Officer of Sigma Ratings, an AI-driven risk intelligence platform used by global organisations to fight financial crime. Here she discusses the dynamics of collaborating with corporates, including Barclays.

How did your relationship with Barclays start?
We founded Sigma in 2017 and later that year went through the Barclays Accelerator, powered by Techstars. We started out in Boston as students at MIT and moved the company to New York to join the accelerator. We knew that financial institutions were going to be a core client base for us. The relationship with Barclays developed to the point that we secured a commercial contract.

Did you have to alter your vision for the business after to accommodate the partnership with Barclays?
The vision for Sigma has always been to bring together disparate, disconnected public data points on companies and individuals into a single unified stream of risk intelligence. Interacting with Barclays, particularly in the early days of our company, enabled us to more deeply understand the customer in a way that is really challenging to do if you are on the outside of an institution.

The partnership gave us insight on the challenges that Barclays was facing. We learned about the various groups within the bank, the different workflows and the range of ways that data is used. It helped us to refine and expand the use cases for our offering and to identify specific features that would enhance our product and better serve the needs of our customer.

What were the key relationships you had to create?
The Innovation Team within the Chief Technology Office was a really key partner for us in the early days of the relationship. They helped us to navigate the organisation.

When you're working with a corporation that has thousands of employees, knowing the hierarchies, job titles and understanding who is responsible for what can be very challenging and a real obstacle to progress. Our relationship now spans a wide range of individuals across multiple groups with different use cases.

We've also been incredibly fortunate to work with senior executives across the bank, with the compliance teams in both investment and corporate banks, as well as with the markets and trading teams.

What have been the most significant challenges in partnering with a large corporate?
Matching timelines is one of the biggest challenges and can depend on the stage a company is at and how much funding it has. We were fortunate that we had raised capital but if a startup doesn't have the runway to meet an 18- to 24-month timeline, then it makes partnering with a large institution a lot more challenging.

"The key is that both sides are strategically aligned on what the partnership is for"

Gabrielle Haddad

Also consider the time it takes to build the relationship. Especially once you get to the point where you both decide you want to work together. The contract and vendor onboarding processes are very time consuming. In the early days, I was responsible for getting us through that process and spending a large percentage of my time working just with Barclays, which leaves less opportunity to be out there selling and in the market. This is just something that I think every founding team has to go through.

There are obvious advantages for startups in partnering but was there an unexpected upside for Sigma?
It was the access. Access to different people and departments, to industry events and marketing opportunities. We've been able to build relationships at some of the most senior levels of the bank and that has really helped us as we've tried to expand and grow over a period of time. Access helped us to learn about the different pain points and challenges that the bank was facing. If you learn this at one bank or large institution, it is going to help you to understand the overall market and how you navigate other similar institutions. You can then go to market and try to replicate the same type of relationship elsewhere.

What is your advice for a founder considering a partnership?
Be very clear about what you're looking to get out of the relationship. Every startup is going to have a different motivation. Some might say that they're going into the partnership solely because they want to get a contract, others are looking to deeply understand the customer, others might do it for brand awareness. At the outset communicate what is going to be a positive outcome for you. It is going to make it work much more smoothly.

What did you lay out as a positive outcome for Sigma at the start of this partnership?
For us it was being able to have a bank aligned with us, for insight and brand awareness. We weren't going into it with the expectation that we would get a contract. We were fortunate enough to get a contract with Barclays, but that wasn't our number one focus.

How do you think the relationship between corporates and startups will have changed by 2025?
It's going to depend on strategic priorities. For every startup and every corporate these are going to vary. Some startups will optimize for brand awareness while others will be looking for revenue. Similarly, some corporates might be working with startups purely to get a sneak peek of what's happening in innovation, without a real interest in collaborating or working with them. While others are looking to incorporate new technologies and new innovations into their day-to-day workflows. The key is that both sides are strategically aligned on what the partnership is for. Then it can end up being a mutually beneficial relationship.

Gabrielle Haddad
Co-Founder and COO
Sigma Ratings

Set to scale

To truly imagine and create our future, it is worth pausing to reflect upon our purpose, the reason Barclays exists and the fundamental societal need we fulfil. Sonal Lakhani, Global Head of Strategic Programmes and Innovation at Barclays, explains.

Where finance is the oxygen of the economy, our role is to deploy this finance responsibly to support people and businesses. And as the world changes around us, even more so over the last 18 months, how Barclays fulfils its role must change too.

Within Group Innovation, we support this purpose by helping Barclays to innovate at scale and pace whilst supporting the wider FinTech ecosystem to grow and flourish. Having evolved significantly over the last two years we have continued to keep pace with the changing innovation landscape in finance and technology. In this time we have also seen a maturing of the Fintech sector; a hyper acceleration of digital adoption and shifting customer behaviours, record amounts of capital flowing into the sector, growing attention from governments and regulators on Fintech evolution and an increasing frequency of corporate partnerships with Fintechs to accelerate transformation efforts.

There have been multiple shifts in the market since the inception of our open innovation strategy in FinTech, the most notable that I have witnessed is that FinTechs are innovating across broad categories of industry and readdressing the way people and businesses approach finance in non-financial customer journeys. Andreesen Horowitz, one of the leading venture capital firms in this space, have stated 'In the not-too-distant future, nearly every company will derive a significant portion of its revenue from financial services'. What does this mean for us? Where any business will be able to address the needs of its customers and provide financial services in non-traditional ways we too will reimagine the way we can create products and services to deliver outcomes for our clients that is far beyond the boundaries of traditional banking.

With this backdrop we have taken the opportunity to take stock and reflect on how we can push the frontier of Open Innovation more effectively. After a monumental eight-year journey of the Barclays Accelerator, powered by Techstars, there were a lot of learnings and feedback that informed our new strategy. Most of which we have distilled into our three-part Corporate Innovation: Now and next report series.

True collaboration

My biggest learning from our retrospective was that the true art to Open Innovation is creating the most porous wall possible between the corporate and the startup ecosystem – where we must be bringing the inside out as much as we are bringing the outside in. This became an anchor focus over the last 12 months as we ran a strategic assessment of emerging business model innovation, evolving technology enablers and refracting this through the lens of biggest opportunities for Barclays. The next step is combining the power of entrepreneurship with unlocking the scale strengths and deep domain

expertise of Barclays. By doing this we can set the scene for true collaboration which I believe is the key to how we innovate financial services going forward.

The new suite of meaningful and cutting-edge FinTech programmes we have built set out to do just that.

Over the next few months we look forward to announcing our new programmes. What will be clear is our intentional approach; each programme and route to engagement will strategically align to those identified opportunities across Barclays.

Curiosity and diversity

Being innovative means having a natural curiosity to improve the way things are done. And innovation requires diversity of thought, external collaborators and an open mind. We know we have to experiment because usually you don't get it right the first time. But with these learnings we will iterate and move forward, together. Flows of talent and knowledge increasingly transcend company and geographic boundaries, which means that sourcing new ideas and insights as well as building new products and services will do too. This is why we plan to collaborate globally and with a wider range of external organisations in the future

Our ask to you is to fully immerse yourselves in our new programmes. Where Fintech is synonymous with 'change' we believe our role is to facilitate that change and we look forward to doing that with you, for the industry, our customers and society.

Sonal Lakhani
Barclays Global Head of Strategic Programmes and Innovation

"Where Fintech is synonymous with 'change' we believe our role is to facilitate that change"

Sonal Lakhani

Enable and grow

The first Barclays Accelerator, powered by Techstars, took place in 2014. We look back on what has been achieved and consider the lessons learned along the way

FinTech was born out of the 2008 financial crisis. Forward-thinking banks soon realised that working with these disruptors was key to accelerating their own innovation. They saw that partnership and collaboration could create value for both sides.

The Barclays Accelerator was created with the premise that we wanted to both learn from and support FinTechs. That commitment was signalled by our choice of partner. Techstars was founded in 2006 to help entrepreneurs succeed, and its blueprint for mentor-driven accelerator programmes, which compress two years of work into 13 weeks, attracted world-leading brands and world-class investors.

In 2014, the first Barclays Accelerator, powered by Techstars took place in Whitechapel, London. It was a success and eight years later Barclays has completed 19 programmes across the globe – including New York, London, Tel Aviv and Cape Town. The programme has built a reputation as one of the industry's leading FinTech accelerators and more than 190 companies have taken part.

Changing business models

Since the programme's inception there has been a maturing of the sector, acceleration of digital adoption and shifting of customer behaviours. A key trend we have seen is that FinTechs in our earlier programmes were chiefly focused on B2C, but over the years have moved more to B2B or B2B2C. This change to providing services directly to businesses, financial institutions and enterprises was often in response to the high cost of customer acquisition. More recently, we have seen an increase in SaaS (Software-as-a-Service) business models that circumvent time-intensive and costly technical infrastructure integrations.

19 Accelerator Classes

London (7) New York (6)
Tel Aviv (4) Cape Town (2)

13 Acquired Companies

191 Graduate Companies
146 Operating Companies
76% Companies still active

$4.2bn Market Cap All Time

Ensuring alignment

Looking at the entire 190+ accelerator alumni portfolio, the representation across sectors has been broadly steady, including Payments, Cybersecurity, RegTech, WealthTech, PropTech, Capital Markets, InsurTech. The exceptions are Personal Finance, SME Business Lending, Gig Economy Finance, Data Analytics and Automation/Process Management, which have grown substantially since 2018.

We observed that emerging value propositions, changing needs and customer segments, along with decreasing barriers in technology, were the biggest levers of change to startups' areas of focus. By understanding early signals, Barclays was in a position to choose which areas we wanted to learn more about and start to work with startups to do so.

Record amounts of capital have been invested in the sector, including to one of our accelerator companies, Chainalysis, a US-based crypto data platform.

Global growth

We did not initially take equity stakes in the accelerator companies but soon realised that there was strategic value in doing so, and in 2018 created Rise Growth Investment fund to follow on with funding post-programme. Barclays is now on the cap table of the selected companies, and over the last eight years, Barclays and Techstars have formed one of the largest bank-powered portfolios globally, currently valued at more than $4billion. This is a key metric demonstrating that a long-term innovation strategy can pay dividends.

Impact on Barclays culture

The accelerator programme has been a catalyst in changing the innovation culture at Barclays. Internally, it has helped us think about innovation in a different way, to understand the value of the Open Innovation ecosystem and to constantly allow ourselves to be changed by startups which were challenging the status quo. It was actually feedback from founders in 2014 that prompted us to develop Rise, created by Barclays, as “the home for FinTech” – a community hub for Fintechs and Barclays to come together and drive innovation in financial services. Externally the accelerator programme has been a beacon to the FinTech community that we are not only open to learning and change, but we create impactful change that ripples out across the whole sector.

Supporting diversity and opportunity

Since 2018, Barclays has made a concerted effort to attract more gender diversity into its accelerator programmes. This was evident in 2019 when 40% of the FinTechs within the London programme were led by female founders. Programmes like the Female Innovators Lab, Female Founders First and the Black Founders Accelerator are all focused on supporting diversity in the startup ecosystem and ultimately unearthing more diversity of thought, investment opportunities and products and services that serve all our customers equally.

Embracing innovation, enabling growth

For each of the companies that have been through the Barclays Accelerator, we can be proud of the legacy that we have built in putting founders first and in supporting the best entrepreneurs to create the financial architecture, jobs and technology of the future.

Iterate and improve

Reflecting on learnings helped us improve outcomes for the participating FinTechs and support Barclays' strategic objectives. Here are some key points we learnt along the way:

- Focus on strategic business challenges when selecting companies, but consider a wildcard to encourage divergent thinking.
- Align senior stakeholders within the bank to sponsor and guide the companies. Their early buy-in opens many doors.
- When engaging with early-stage companies, set the correct short-term expectations on what is possible.
- Learn how to experiment to test new tech and models, both safely and at speed
- Develop a Proof of Concept engagement process – Barclays' process is now available publicly online.
- Create a coveted mentorship programme to train selected colleagues to lean in and support the startups' progression.
- Take secondees from across the organisation to help 'cross-pollinate' innovation to other areas of the bank.
- Encourage intrapreneurship and include colleagues with a relevant business idea in the accelerator programme.

Strategy in action

These examples show how our evolving innovation stategy continues to deliver win:win outcomes for Barclays and the FinTechs it partners with:

Enable rapid growth

Strategy: Don't seek exclusivity and IP ownership, focus instead on partnership models, helping startups grow and scale.

Example: Flux is a successful accelerator graduate providing digital receipts. Barclays has integrated Flux into its mobile banking offering for its entire customer base in the UK, but Flux has also partnered with challenger banks Monzo and Starling Bank. Better tech can benefit us all.

Open up new markets

Strategy: Use Barclays' access to global customers, markets and expertise to support international growth among partner FinTechs.

Example: Cutover helps institutions manage risk during large infrastructure changes. Barclays has not only adopted its technology through a commercial agreement, but also helped Cutover to expand in the US.

Build long term relationships

Strategy: Remain engaged with companies from earlier programmes and stay alert for new opportunities

Example: Shieldpay, the escrow service provider, came through the 2017 London programme. Four years later they have reached a partnership where Barclaycard are directing customers to the Shieldpay service directly from its website.

"The mentors and advisors were brilliant in sharpening our message and potential to change our world."

Nat Wyne, CEO Floodlight

"The Barclays Accelerator has given us access to a fantastic network of people who understand all the key aspects of building our business. From design thinking to closing enterprise deals, we have met experts for each key aspect of our business. We look forward to continuing to be a part of the network as we grow the business."

Julianne Sloane, CEO, Nossa Data

"The programme has pushed us to re-examine our core hypothesis, improve our concept and build faster. Receiving feedback from so many talented people has really helped us elevate our thinking."

Chris Storaker, CEO, Smash

Automation & Process management

cutover

Driving operational excellence by bringing teams and technology together to orchestrate complex work faster and smarter, with real-time visibility and control. Cutover enables organisations to move quickly with confidence.
> **London 2015 cohort**

Accountancy Cloud

Providing leading full stack finance functions for startups. Finance managers and powerful software provide unparalleled accounting, R&D tax credits and financial services for high growth startups.

> **London 2020 cohort**

TapTrip

An award-winning travel technology company. With a tech head and a traveller's heart, it uses both to power better business travel for SMEs.

> **New York 2019 cohort**

Cybersecurity

SafeHouse

A cloud-based, cyber security platform that can secure any device that is connected to it. Driven by the mission to "democratise cyber security", protecting users from cyber-attacks that go beyond just the device.
> **Tel Aviv 2018 cohort**

General

Cashforce

A cash forecasting and working capital analytics platform for corporates. Cashforce helps finance/treasury departments save time and cash by offering accurate and automated cash flow forecasting and working capital insights.
> **New York 2015 cohort**

NOVO

A banking platform that provides business deposit accounts and is powered by a network of FDIC-insured community banks. Novo takes a fresh approach to small business banking with easy-to-use tools for founders on the go.
> **New York 2017 cohort**

Insurance

EVERLEDGER

Blockchain technology that creates a secure, permanent digital record of an asset's origin, characteristics and ownership. This transparency helps industries respond to growing expectations for sustainable, verifiable sourcing.
> **London 2015 cohort**

nimbla

B2B invoice insurance for small and medium-sized businesses in the UK. Nimbla's proprietary technology allows it to instantly review the credit rating of invoices and insure them individually, paying out in the event of insolvency.
> **London 2018 cohort**

Business Lending & Financing

crowdz

A new kind of invoice financing platform committed to building opportunities for companies in global supply chains. Businesses can get paid faster and earn higher profit margins by selling their outstanding invoices.
> **London 2018 cohort**

paid

Automation and collaboration software that revolutionises enterprise buying from long-tail suppliers. Suppliers get easy-to-use work management software and instant payment on work completed.
> **London 2019 cohort**

Compliance & Regulation

clausematch

An award-winning regulatory technology (RegTech) company that enables financial institutions and other regulated companies to run their businesses safely and meet compliance obligations.
> **London 2018 cohort**

Chainalysis

A blockchain data platform, providing cryptocurrency data, software, services, and research to government agencies, financial institutions, and cryptocurrency businesses. Builds trust in blockchains to create financial freedom with less risk.
> **New York 2015 cohort**

sigma

Founded at MIT, Sigma uses point-in-time risk analysis and ongoing monitoring technology to actively screen thousands of global data sources and return a unified stream of compliance intelligence on companies and people.
> **New York 2017 cohort**

Mobile Wallets & Remittance

howler

An end-to-end FinTech events technology platform at the heart of the experience economy. Trusted worldwide to sell more tickets, manage access control, streamline cashless payments, stream online and create a seamless experience.
> **Cape Town 2017 cohort**

send friend

Helps the millions of migrant workers who overpay for international money transfer because of friction in the banking system. Leverages blockchain technology to reduce the cost of service by 65% from the industry average.
> **New York 2018 cohort**

Payments Processing & Networks

shieldpay

A payments company focused on securing high-value transactions. Whether an individual or business, Shieldpay enables instant digital escrow payments to be created in a very fast, streamlined and cost-effective manner.
> **London 2017 cohort**

Data & Analytics

SELDON

Accelerating the adoption of machine learning to solve some of the world's most challenging problems. Its customers and users have collectively deployed more than one million models in thousands of organisations across the world.
> **London 2016 cohort**

Simudyne

A simulation technology company that helps institutions generate greater insight to solve complex problems. Better strategic execution across capital markets and portfolio management, plus improved performance and reduced risk.
> **London 2017 cohort**

remesh

Lets customers have live conversations with any audience that matters to them. Using AI, its platform rapidly analyses the opinions and interactions of up to 1000 participants, understanding the responses that best represent the group.
> **New York 2015 cohort**

FairFrame

Coaches managers and supervisors on how to give better feedback. In a private workspace, managers check their written notes for possible bias and receive guidance on how to encourage, enhance and improve their diverse team's experience.
> **New York 2018 cohort**

JULIUS TECHNOLOGIES

A proprietary low code platform that creates on-demand fully customised Data Science & Analytics systems. The solution automates the entire machine learning lifecycle from data processing to production and governance.
> **New York 2020 cohort**

MADA ANALYTICS

Software that optimises the financial returns on investments in renewable power plants with energy storage. Accurately models storage technologies and integrates project finance and power market pricing to enable optimal efficiency.
> **Tel Aviv 2018 cohort**

Floodlight

A data platform that enables investment professionals to align client values to client money. Its unique, unbiased, and insight-rich data guides subscribers in the challenging and exploding world of impact investing.

> **New York 2020 cohort**

NOSSADATA

Digitises company ESG reporting and data management across multiple frameworks, to reduce the cost of capital and compliance.

> **New York 2020 cohort**

Personal Finance & Savings

Flux

Flux is a digital receipts data platform delivering seamless digital receipts to customers and valuable item-level insight to retailers. Retailers use aggregated receipt data to optimise their campaigns by targeting customers based on valuable insights.
> **London 2017 cohort**

untied

untied is a personal tax app. It was the first end-to-end app recognised by HMRC for Making Tax Digital for Income Tax. untied believes taxes should be fast, fair and simple. It uses connections to bank accounts to help deliver speed, ease and efficiency.
> **Tel Aviv 2019 cohort**

Real Estate / Property

Offr

Offr believes there is a better way to buy and sell property. A faster, more transparent way, where there is less uncertainty and stress. Offr's platform is an end-to-end, open solution that supports agents, buyers, sellers and solicitors.
> **London 2020 cohort**

Real Blocks

RealBlocks aims to build the best alternative investment experience for institutions, investors and advisors worldwide. Alternative investment managers can raise capital globally by connecting with institutional and intermediary channels.
> **New York 2017 cohort**

Trading / Exchange

safello

A cryptocurrency exchange that offers instant buying and selling and integrates several advanced features to make cryptocurrency easily and securely accessible for everyone. Regulated by Finansinspektionen (Swedish FSA) and founded in 2013.
> **London 2015 cohort**

sparkchange

SparkChange is a provider of specialist carbon investment products and data. The company was established by experts in environmental products and scalable technologies to set a new standard in carbon investing.
> **London 2019 cohort**

This selection – of just a few of the Barclays Accelerator alumni – demonstrates the range of innovative solutions that address the financial challenges of both today and tomorrow

rise

Created by BARCLAYS

Rise, created by Barclays, is a global community of the world's top innovators and entrepreneurs working together to create the future of financial services

Our mission is to connect technology, talent and trends from across the Rise ecosystem to accelerate innovation and growth in the financial services industry. We do this by operating FinTech workspaces in New York and London, complemented by a global virtual FinTech network, where cutting-edge startups and scale-ups can connect, create and scale their businesses, backed by Barclays' global network of industry experts, mentors, investors and partners.

If you are interested in knowing more about Rise, would like to join our Rise network, or have a general query, find out more here or contact us below:

Other ways to get involved with Rise:

- Listen to our Rise FinTech podcasts to discover the trends and topics in FinTech from industry experts, founders, entrepreneurs and investors, who each bring their unique take on the industry and its future
- Sign up to our Rise newsletters, that give regular updates from our sites in New York and London
- Download our Rise FinTech Insights, a quarterly report that provides opinion and commentary on trending topics such as embedded finance, open banking and diversity in FinTech
- Follow us on LinkedIn or Twitter

Rise, created by Barclays, the #HomeofFinTech

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rise

Created by
BARCLAYS

About Rise, created by Barclays

Rise, created by Barclays, is a global community of the world's top innovators and entrepreneurs working together to create the future of financial services. By connecting technology, talent and trends, the mission of Rise is to accelerate innovation and growth in the financial services industry

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To join our community, or keep in touch with the latest from Rise, visit or follow us on:

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