



Enabling innovators, empowering micro-businesses

A path to Europe's competitiveness

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ACKNOWLEDGMENTS

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Caribou is a global consultancy working with ambitious foundations, companies, and governments to accelerate and deliver impact in a digital age. We apply deep technical expertise and rigor to fund and program management, strategy and policy design, impact measurement, actionable research, and immersive learning initiatives. We work towards a world in which digital economies are inclusive and sustainable, driven by secure livelihoods, innovative business models, and resilience to a changing climate.

The **Mastercard Center for Inclusive Growth** advances equitable and sustainable economic growth and financial inclusion around the world. The Center leverages the company’s core assets and competencies, including data insights, expertise, and technology, while administering the philanthropic Mastercard Impact Fund, to produce independent research, scale global programs, and empower a community of thinkers, leaders, and doers on the front lines of inclusive growth.

Mastercard Strive is a portfolio of philanthropic programs supported by the **Mastercard Center for Inclusive Growth** and funded by the **Mastercard Impact Fund**. From 2021 through 2024, Mastercard Strive reached 19 million small businesses across more than 30 countries, helping them go digital, get capital, and access networks and know-how.

About this report

This report, intended for EU policymakers and ecosystem stakeholders, presents perspectives from a key group often underrepresented in policy discussions on digital transformation. This group is the “Innovators”: the startups, scaleups, and organizations developing digital solutions for micro-businesses.

This second edition of the Mastercard Strive EU annual report focuses on the market insights, challenges, and opportunities shared by Innovators in the Mastercard Strive EU portfolio through interviews, reporting, and convenings. These insights provide crucial evidence for policymakers and other stakeholders shaping an innovation-friendly environment within the EU.

The findings draw on in-depth interviews and feedback sessions with portfolio Innovators, program partners, members of the Mastercard Strive EU Small Business Council, and ecosystem experts, complemented by analysis of regular progress reporting. This mix of voices ensures that the evidence presented reflects both the lived experiences of solution providers and the perspectives of the micro-businesses they aim to serve.

A note on terminology

Before we dive in, a few definitions are in order. This report defines “MSEs” as micro- and small enterprises. A micro-business is one with one to nine employees, and a small business has 10 to 49 employees. Anything bigger than this (i.e., 50 or more employees) is defined as medium or large and is only included in this report for statistical reasons. While much of the existing literature on MSE performance includes medium enterprises, the Mastercard Strive EU program focuses on micro-businesses.

This focus is due to several reasons. First, there is a growing consensus that businesses of this size are essential to the economic well-being of their communities. More importantly, however, is the Mastercard Center for Inclusive Growth's position that the experiences and challenges of these micro-businesses are often drastically different from those of their (relatively) larger peers, and careful attention and targeted research are required to support them adequately. This report is therefore dedicated to these formidable, yet often underappreciated, pillars of our communities and economies.

For further details, please see the glossary in [the appendix](#).

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Through the Strive EU program and new initiatives across the region, we are investing in Europe's entrepreneurs—helping them unlock the benefits of digitalization, sustainability, and trusted innovation.

Europe's prosperity and resilience depend on the success of its entrepreneurs: the small businesses, innovators, and startups that power local economies, create jobs, and strengthen communities. As the European Union accelerates its twin digital and green transitions, ensuring that these smaller enterprises can thrive is essential to delivering growth that is both sustainable and inclusive.

The European Parliament has long championed this goal, working to create a policy and regulatory environment that enables small and medium-sized enterprises to innovate and compete globally. Through initiatives supporting access to finance, reducing administrative burdens, and ensuring fair participation in the digital economy, Parliament continues to advance Europe's SME Strategy, the Digital Decade targets, and efforts to enhance innovation and skills across sectors and regions. By strengthening collaboration among policymakers, innovators, and the private sector, we can make sure that Europe's future remains driven by entrepreneurship and opportunity.

At Mastercard, we share this vision. Through the Strive EU program and new initiatives across the region, we are investing in Europe's entrepreneurs—helping them unlock the benefits of digitalization, sustainability, and trusted innovation. Our latest programs build on this commitment by expanding access to digital tools, financial inclusion, and cybersecurity resources for small businesses. These efforts reflect Mastercard's belief that innovation—from AI to digital payments to sustainability solutions—should enable every entrepreneur to grow their business and contribute to Europe's economic and social progress.

The insights gathered in this report from Strive EU's Innovators and small business partners shed light on the opportunities and challenges facing Europe's entrepreneurial landscape. Their experiences remind us that innovation policy is most effective when it listens to those on the ground, the business owners, founders, and changemakers who translate ideas into impact.

Together, policymakers, industry, and innovators can ensure that Europe remains a place where small businesses lead the way in driving growth, productivity, and competitiveness—shaping a more inclusive and forward-looking economy for all.



Andi Cristea

Member of the European Parliament
Mastercard Strive EU Small Business
Council Member



Kelly Devine

President, Mastercard Europe



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Executive summary

This edition of the Mastercard Strive EU annual report captures Innovator perspectives, sharing market insights, challenges, and opportunities they encounter as they develop emerging technologies.

Greater digitalization and sustainability are essential for Europe's economic competitiveness and prosperity. Micro- and small businesses, representing 99% of EU enterprises and employing nearly half the population,¹ are at the heart of this transition.

However, emerging research shows that micro-businesses can lag in their use of advanced digital solutions.² About half express positive attitudes toward digitalization but haven't adopted it; the other half views it as a low priority. These are the local businesses whose untapped potential matters for Europe's future. Reaching this majority is critical for the EU's competitive, sustainable, and inclusive economic growth.

Innovative solutions that enhance competitiveness and sustainability are costly and often mainly designed for larger firms, leaving micro-businesses behind.³ Micro-businesses are a complex group, highly diverse in size, sector, and digital maturity, with fragmented support needs and resource limitations. This can sometimes limit tailored innovation or solutions from larger global organizations. However, EU-based innovators recognize both challenge and opportunity.

To unlock innovation that meets the needs of micro- and small businesses across the EU, the Mastercard Strive EU program partnered with 11 innovative startups and organizations. These "Innovators" are developing tailored solutions for EU micro- and small businesses, supporting their transition to a more digital and sustainable economy. Yet, like the micro-businesses they serve, many Innovators are small firms that face obstacles hindering solution development and scale.

This edition of the Mastercard Strive EU annual report captures Innovator perspectives, sharing market insights, challenges, and opportunities they encounter as they develop emerging technologies. These insights can help inform EU policymakers, as well as public and private ecosystem stakeholders,⁴ as they shape an environment that supports innovative companies to grow and scale.

¹ European Commission, [Annual Report on European SMEs 2024/2025](#), May 2025.

² Mastercard Strive, "[Romania small business digital transformation snapshot](#)," Caribou and Mastercard Center for Inclusive Growth, September 2025.

³ Mastercard Strive, "[A roadmap for a resilient and prosperous Europe](#)," Caribou and Mastercard Center for Inclusive Growth, November 2024.

⁴ Stakeholders include solution providers, investors, incubators, and support organizations, such as business and trade associations, chambers of commerce, networking associations focused on small businesses, universities, and others.

Four key takeaways



Innovators are developing solutions tailored to micro-businesses' digital and green transitions, but need support to scale.

Where others see a complex segment, Innovators see opportunity, finding that micro- and small businesses are less risk-averse, eager to test new ideas, and motivated by solutions advancing business and social goals. However, solutions must be affordable, relevant, simple to use, and quick to integrate. Addressing digital adoption gaps, improving knowledge of micro-business needs, and strengthening collaboration is critical for Innovators to scale effectively.



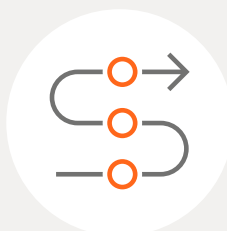
Strategic partners and multipliers are essential for Innovator scaling.

Direct sales to micro-businesses are costly and inefficient, so Innovators rely on partners, such as financial institutions, trade associations, or solution providers, to distribute tools and build credibility. Multipliers—trusted organizations and role models—accelerate adoption through endorsement. However, partnership processes are slow, resource-intensive, and require solution adaptation. Stronger ecosystem coordination is needed to help Innovators facilitate partnerships and expand their reach.



Innovators want tailored funding and non-financial support to reach micro-businesses at scale.

Innovators struggle most in the transition-to-scale phase, where operations must be sustained before profitability. Beyond finance, Innovators want curated mentorship, expert guidance, and structured market entry points. Addressing these gaps through simplified public funding processes, mission-aligned private capital, and stronger non-financial support is essential.



To remain competitive and support digital and sustainable transitions, Innovators seek simplified regulatory processes.

Complex, fragmented, and shifting rules and regulations increase compliance costs, delay market entry, and strain limited resources. Regulations on emerging technologies like artificial intelligence further complicate their ability to keep pace, while inconsistent national frameworks make cross-border expansion burdensome. Proportionate, predictable, and more harmonized regulatory processes are essential to reduce burdens and enable innovation.



Key findings

Inclusive digital solutions ensure that a significant share of EU micro-businesses can benefit from greater digitalization and sustainability, just as larger organizations do. And there's appetite: 84% of EU micro-businesses see digitalization as important to their competitiveness.¹ While offerings from larger organizations exist, they are not always tailored or easily accessible to micro-businesses. Forthcoming data finds that micro-businesses report complexity (32%) and a lack of capacity (41%) as some of the biggest barriers to digitalization.² This widens a digital gap that risks holding back their potential growth and competitiveness.³

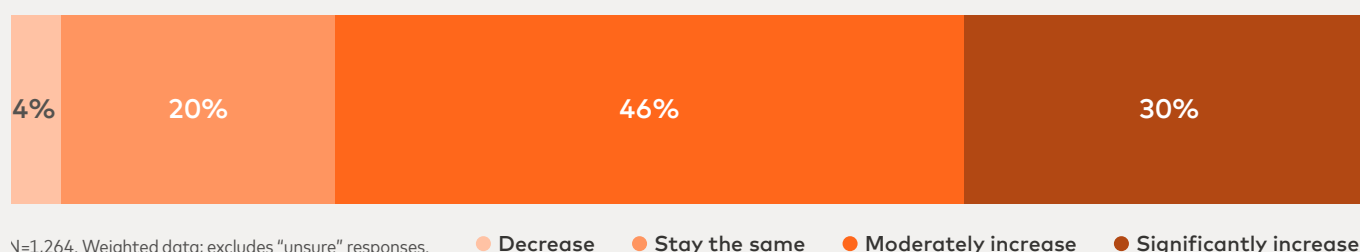


FIGURE 1

Investment in digitalization in the next three years (%)

Data from Mastercard Strive, forthcoming
Mastercard Strive EU small business snapshot.

However, Innovators developing more bespoke and tailored solutions are helping bridge the gap for this often complex group. Who are the Innovators? The EU-based startups, scale-ups, and other organizations playing an important role in shaping digital and sustainable solutions for micro- and small businesses. Hailing from local ecosystems, they are closer to the realities of EU business owners and better attuned to constraints. Developing solutions that are affordable, simple, and relevant, Innovators adapt quickly, iterate with feedback, and scale flexibly, all while focusing on the bespoke needs of micro-businesses.

In 2025, 5% of small and medium enterprises (SMEs) in the EU identified as startups and 18% as scale-ups.⁴ Their growth ambitions are bold; 11% of startups and 8% of scale-ups in the EU expect to expand by more than 20% annually—more than double the rate of other SMEs (just 4%).⁵ Their growth strategies, more so than those of other types of SMEs, are firmly focused on introducing innovation, largely due to increased digitalization.⁶

- 1 Preliminary data from forthcoming Mastercard Strive EU Small Business Snapshot.
- 2 Preliminary data from forthcoming Mastercard Strive EU Small Business Snapshot.
- 3 Mastercard Strive. "A roadmap for a resilient and prosperous Europe." Caribou and Mastercard Center for Inclusive Growth, November 2024.
- 4 European Commission. *Startups, Scaleups and Entrepreneurship: Eurobarometer 3359*, 2025.
- 5 European Commission. *Startups, Scaleups and Entrepreneurship: Eurobarometer 3359*, 2025.
- 6 European Commission. *Startups, Scaleups and Entrepreneurship: Eurobarometer 3359*, 2025. Note: For instance, 45% of startups, 39% of scaleups, and 32% of other SMEs expect growth through innovation, while 41% of startups, 36% of scaleups, and 29% of other SMEs attribute it to increased digitalization.

This report captures insights from the Mastercard Strive EU program's Innovator partners, perspectives often absent from policy discussions on innovation and SME digitalization. Their on-the-ground observations and lived experiences are valuable for EU policymakers and the support ecosystem, surfacing new opportunities and informing more inclusive decision-making, including the European Innovation Act.

KEY FINDING 1

Innovators are developing solutions tailored to micro-businesses' digital and green transitions, but need support to scale

“Small businesses are individuals who are often working long hours to survive and do not have the time, capacity, or money to do more than their current tasks. They are vital to our economy and deserve our full support to adopt innovative solutions that help build their capacity and contribute to their success.



Albert Colomer i Espinet

President, Fundació Autoocupació

Mastercard Strive EU Small Business Council Member

Micro- and small businesses are an attractive market segment for Innovators. Compared to other firm sizes, Innovators report that micro-businesses are less risk-averse, more open to testing solutions, and show greater interest in addressing social and economic objectives through digital solutions.¹ Innovators conceptualizing and iterating their solutions report four factors affecting micro-businesses' willingness to adopt digital solutions:

Solutions must be flexible in their affordability.

Innovators report cost is a key factor impacting adoption. For instance, **tilt** found that financial constraints and high upfront investment costs were commonly cited barriers by micro-businesses.² Forty percent of micro-businesses report cost is a barrier to digital adoption, including 23% for cybersecurity tools and 17% for sustainability solutions.³

1 Mastercard Strive EU, "Nudging EU small businesses towards digital adoption: What role does their mindset play?," May 7, 2025.

2 tilt, "Collaborating to Unlock Sustainable Growth: How tilt Is Connecting Small Businesses and Financial Institutions in Europe," Mastercard Strive, October 1, 2025.

3 Preliminary data from forthcoming Mastercard Strive EU Small Business Snapshot.



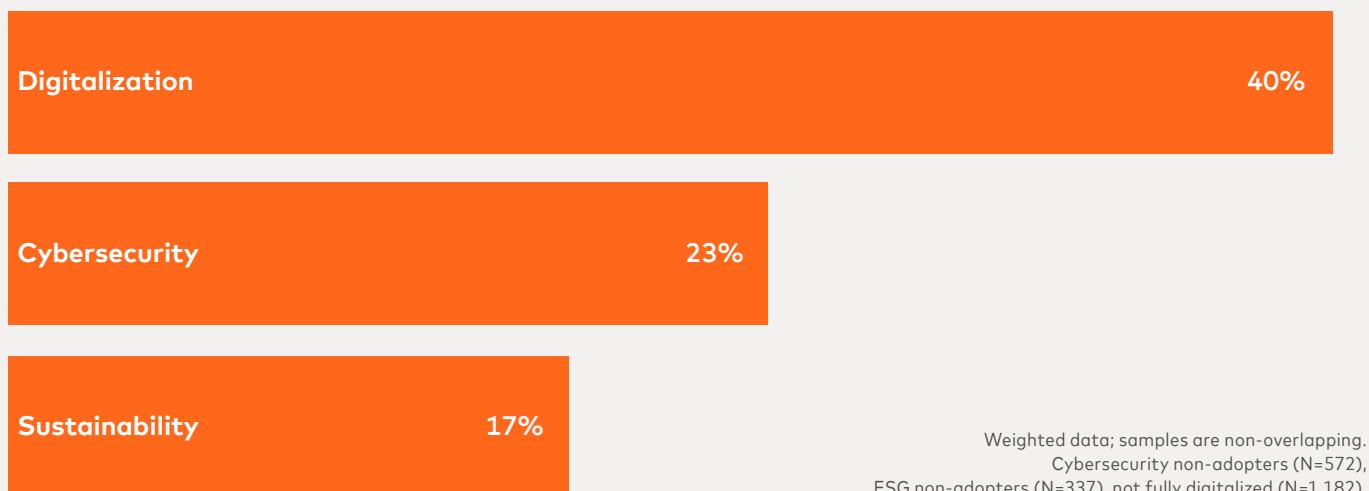


FIGURE 2

Cost as an adoption barrier for digitalization, cybersecurity, and sustainability solutions, as reported by non-adopters or not fully digitalized micro-businesses (%)

Data from Mastercard Strive, forthcoming Mastercard Strive EU small business snapshot.

Affordability considerations are particularly acute for Innovators developing sustainability-focused solutions, acute for Innovators developing sustainability-focused solutions, like **tilt** and **Ragna**, where a clear return on investment (ROI) must be demonstrated alongside sustainability benefits.¹ To maintain affordability, Innovators are testing various strategies, including tiered pricing, freemium models, and trial periods, for micro-businesses to evaluate both value and fit.

Solutions must be simple to use.

Innovators report that small businesses face complexities with adopting digital solutions, including technical integration, complex concepts, and jargon. Over a third of micro-businesses yet to adopt digital tools cite complexity as a barrier, with one in four reporting the same challenge for AI solutions.²

- **It Goes Forward** found that identifying micro-businesses to pilot their solution was constrained by the technical capacity required for integration.³
- After finding that a complex user interface deterred micro-businesses, **Lupasafe** reduced technical jargon, ensuring text aligned with basic standardized language levels.
- **IVÆKST** found that users expressed a need for educational resources that simplify AI concepts and compliance concerns.
- **Luca AI by Valerian** consolidates data into a single conversation, eliminating the need for users to query multiple dashboards.

1 Mastercard Strive EU, "Nudging EU small businesses towards digital adoption: What role does their mindset play?," May 7, 2025.

2 Preliminary data from forthcoming Mastercard Strive EU Small Business Snapshot.

3 Mastercard Strive EU, "Nudging EU small businesses towards digital adoption: What role does their mindset play?," May 7, 2025.

Solutions must be relevant.

Small businesses often lack dedicated staff to implement digital tools, so solutions must be tailored to their contexts and needs.¹ Innovators report that micro-businesses request non-technical information specific to industries or business models, and content in local languages. **Luca AI by Valerian**, a chatbot solution, supports micro-businesses to query their own accounting and sales data, improving their knowledge and efficiency. However, developing localized solutions for micro-businesses presents its own challenges. For example, **IVÆKST** balances the benefits of localization with the need for consistent, high-quality solutions across EU Member States.

Relevance also matters for Innovators developing cybersecurity solutions. Despite increasing risks, micro-businesses may not prioritize cybersecurity threats or invest in protection tools, leaving them vulnerable to attacks.² Over half of micro-businesses experienced cybersecurity incidents in the past two years, with more than 10% reporting significant or severe impacts.³ Cybersecurity-focused Innovators must demonstrate both threat and solution relevance. Micro-businesses report needing expertise (32%), training (27%), and integration support (27%) to achieve cybersecurity and resilience. Innovators are developing color-coded visualizations and practical training materials, offering relevant advice on fundamental security measures and threats.

1 In a 2023 European Commission survey, 42% of small businesses indicated that skill gaps impede the adoption of new digital technologies. More generally, 74% reported that skills shortages pose a significant challenge for the business. European Commission, [European Year of Skills: Survey highlights skills shortages in small and medium-sized enterprises \(SMEs\)](#), September 12, 2023.

2 Mastercard Strive, [A roadmap for a resilient and prosperous Europe](#), November 2024.

3 Preliminary data from forthcoming Mastercard Strive EU Small Business Snapshot.

INNOVATOR SPOTLIGHT

Ragna's approach to user-centered innovation

Ragna is an AI-powered sustainability advisor that stands out through its collaborative approach to building with micro-businesses, not just for them. Ragna has kept user input at the center—testing, learning, and iterating based on feedback from business owners.

Their research led them to focus on construction and tourism, Europe's largest sectors for micro- and small businesses. Direct interviews with tourism business owners revealed solution priorities: sustainability tools with a clear ROI, access to green finance, and practical technical support. Ragna responded with use cases spanning grant matching, compliance, and guidance.

With testing, micro-businesses identified additional needs: green business offerings, climate risk preparation, and help with certification, benchmarking, and communications. Micro-business also indicated ideal engagement timing—often during tourism off-seasons—guiding Ragna to tailor its outreach strategy. The resulting minimum viable product addresses three urgent needs: saving time on reporting, improving climate footprints, and unlocking green funding. It's an innovation grounded equally in data and lived realities. Ragna is currently recruiting micro-businesses, experts, and potential partners for ongoing testing and pilots.



Solutions must be quick to integrate.

Ease of integration for micro-businesses was identified by both Innovators and experts. Capacity barriers affect over 40% of micro-businesses that have yet to adopt or fully implement digital solutions.¹ Innovators are developing solutions that fit seamlessly into existing daily operations and workflows. For example, **Redamp.io** found that businesses prefer solutions bundled with other essential tools already in daily use (such as accounting or collaboration tools). Similarly, **Lupasafe** is exploring accreditation possibilities, enabling its cybersecurity training to count toward professional registration in certain sectors, such as healthcare. These strategies ensure that a single investment of time delivers value on several fronts for a micro-business owner.

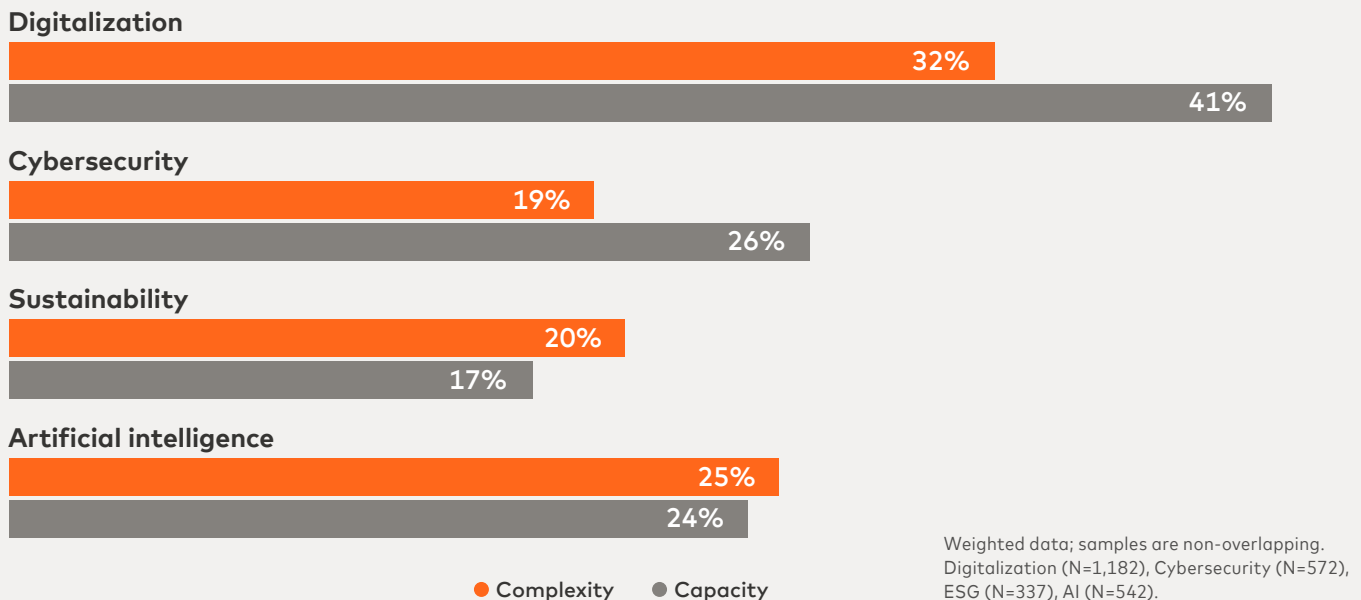


FIGURE 3
Complexity- or capacity-related barriers reported by non-adopters or not fully digitalized micro-businesses

Data from Mastercard Strive, forthcoming Mastercard Strive EU small business snapshot.

Integrating some or all of these factors into Innovator solutions results in trade-offs requiring ecosystem and policy support. Flexible pricing can leave Innovators with smaller margins and revenue, increasing their reliance on external funding and pressuring them to scale. Simple, easily integrated solutions make Innovators increasingly reliant on strategic partnerships with larger platforms and other service providers.

At the same time, not all micro- and small businesses are equally ready for the digital transition. For example, EU digital intensity varies greatly: northern countries show high digital intensity, and southeastern countries show low digital intensity.² This necessitates a deeper understanding of businesses being overlooked. Addressing this digital divide is critical for expanding the reach and impact of Innovator solutions.

¹ Preliminary data from forthcoming Mastercard Strive EU Small Business Snapshot.
² European Commission, [Digital skills in Europe](#), February 2025.

KEY FINDING 2

Strategic partners and multipliers are essential for Innovator scaling

“When you have an innovative product for small businesses, you need to go to multipliers because it's simply too expensive to go directly to small businesses. Therefore, Innovators need guidance on how to collaborate with multipliers, as well as access to multipliers.



Kilian Thalhammer

Managing Director, Global Head of Merchant Solutions, Deutsche Bank AG
Mastercard Strive EU Small Business Council Member

Strategic partnerships are crucial for all Innovators in the Mastercard Strive EU program portfolio. Findings from the Mastercard Strive EU Innovation Fund underscore this: more than half of applicants proposed working through partnerships.¹ Direct sales to micro-businesses are costly, time-consuming, and largely ineffective due to micro-businesses' many competing priorities and demands. To reach customers, Innovators rely on distribution and ecosystem partners (including financial institutions, other, often larger, solution providers, and trade associations) that already serve micro-businesses.

- Some Innovators embed their innovations into existing partner solutions that micro-businesses already use. For example, **Fagura** integrates an AI-powered credit-scoring widget with financial and business platforms to provide real-time credit assessments.
- Partners also play a structural role, particularly for Innovators building on existing systems and business practices.
 - **tilt** incorporates climate and sustainability analytics directly into banks' current operations.
 - **Cresco Cybersecurity** and **Lupasafe** enhance cybersecurity offerings for managed services providers.
 - **It Goes Forward** collaborates with online retail platforms to streamline return article forwarding, avoiding warehouse handling and reducing CO₂ emissions.

Innovators and experts also report that *multipliers*, organizations that amplify their reach and are particularly valuable, offering endorsements and showcasing solutions on behalf of Innovators, especially those entering new markets.

¹ Mastercard Strive, "Highlights from the Innovation Fund," November 2024.



INNOVATOR SPOTLIGHT

Bizcuit's partner-mediated approach drives innovation

Bizcuit supports micro-businesses in the Netherlands to manage their finances more easily by embedding services such as payments, invoicing, and accounting into the tools they already use, like banking apps, and provides services through their strategic partners: banks, payment service providers (PSPs), software companies, and accounting firms.

This partner-mediated model makes innovation a balancing act—Bizcuit must consider not only what micro-businesses need, but also what partners can realistically support and deliver.

Bizcuit's approach reveals that each partner brings both opportunities and challenges:

- Banks are increasingly open to collaboration; however, compliance demands and limited development capacity slow decision-making. To adapt, Bizcuit offers flexible integration options, ranging from fully embedded solutions to a quick "one-button" minimum viable product (MVP) for rapid deployment.

- PSPs face a saturated market where competition has become a "race to the bottom," particularly on price. Bizcuit enables PSPs to stand out by embedding services that micro-businesses value—automated accounting integrations, expense management, and soon, invoicing.
- Software providers prefer not to ask users to download yet another app and prioritize services within their existing environments. Bizcuit embeds its solution, ensuring its innovation sits directly inside partner apps.
- Accounting firms tend to embrace solutions that simplify their own workflows and client oversight. Bizcuit plans to launch a dedicated portal designed to meet accountants' needs directly.

Bizcuit's approach requires trade-offs between partners and potential markets to ensure sustainability. By listening closely to partners and reshaping its strategy along the way, Bizcuit establishes itself as a problem-solver in the evolving world of embedded solutions.



While necessary, partnerships are not without challenges. Identifying and establishing partnerships to pilot solutions led to critical development delays for Innovators in some cases. Innovators report that partners' decision-making processes, IT capacity, and available resources to support integration have caused delays and that they must adapt their solutions to better suit their distribution partners. For example, **tilt** was unable to gain direct access to users for feedback through its pilot partners due to data privacy restrictions, so they interviewed micro-businesses in parallel to capture feedback. Faced with partnership delays, **Lupasafe** proactively ensured that the right people were involved to address roadblocks while reducing its dependency on any single partnership.

KEY FINDING 3

Innovators want tailored funding and non-financial support to reach micro-businesses at scale

“ You can reduce bureaucracy and so on, but if the investment capital isn't present, Innovators cannot scale up, and this cannot be compensated solely with public money.



Horst Heitz

Chair of the Steering Committee, SME Connect
Mastercard Strive EU Small Business Council Member

The time-bound nature of innovation funding means it can only support Innovators for catalytic, early-stage development, enabling solution design and validation. However, the reality remains that access to finance, particularly to scale, is sorely needed by EU Innovators. While Europe provides substantial public funding for startups,¹ private investment remains moderate, particularly in late-stage and scale-up financing.² This reality is pronounced in this transition-to-scale phase: after initial market validation, but before an Innovator achieves sustainable profitability. At this point, follow-on funding or capital is required merely to maintain the operations, not just to grow them. Innovators and experts identified the following funding challenges:

- Innovators need greater visibility and clarity on the EU funding landscape, as they often lack the capacity to navigate complex funding programs and application procedures.

¹ For example, programs such as [EIC](#), [Horizon](#), and [national funds](#).

² See European Commission, EU Startup and Scaleup Strategy, May 2025; Kjartan Rist, Forbes, "[Will Europe Ever Match the U.S. for Startup Investment and Growth?](#)," June 4, 2024.



- Experts highlight the importance of private funding options and the need to reduce barriers in applying for them. However, Innovators report that venture capital often conflicts with their mission and long-term strategies.
- Innovators emphasized the need for grant funding and capital that prioritizes long-term resilience and gradual growth.

Beyond funding, Innovators also report needing greater non-financial support to scale, especially for expanding into different EU markets. Fewer EU startups positively rate the availability of support to help them become more sustainable.¹ For example:

- Innovators require expert guidance on go-to-market strategies, introductions to potential partners, and sufficient time for effective adaptation. Highly curated mentor-matching platforms or voucher schemes can offer innovators domain-specific guidance, such as the CEE Startup Voucher.²
- Innovators need credible entry points to connect with potential distribution partners, micro-business customers, and value-chain leaders who are committed to innovation.

¹ European Commission, *Startups, Scaleups and Entrepreneurship: Eurobarometer 3359*, 2025.

² See also: www.ceestartup.network/cee-startup-voucher

INNOVATOR SPOTLIGHT

Support enabling Redamp.io to scale

Redamp.io makes enterprise-level cybersecurity solutions accessible to Europe's micro-businesses. To achieve this, Redamp.io seeks tailored financial and non-financial support to grow organically, open doors, build visibility, and accelerate adoption.

Redamp.io's founders have learned that developing competitive technology in the EU is a complex, iterative, and long process, and building a company around the solution can take many years. It's a much shorter journey, they wager, for off-the-shelf solutions developed in the United States. Despite this, Redamp.io's founders are keen to identify EU-based funding to maintain a degree of independence for their solution.

Beyond financial support, Redamp.io's founders are also seeking strategic introductions to decision-makers and relevant organizations to present their solution and forge the right partnerships. Mentorship, particularly in market acquisition, sales,

and marketing, would provide guidance while also extending their network of potential partners, clients, and investors.

Redamp.io is eager to collaborate on co-branded content, case studies, and social media promotion to highlight their solution, showcase success stories, and build credibility with micro-business audiences. They are looking for platforms—whether webinars, panel discussions, or influencer collaborations—that can amplify their message and raise awareness of the growing cyber risks faced by micro-businesses. For Redamp.io, this support is the bridge between a strong cybersecurity solution and widespread impact across Europe.



KEY FINDING 4

Innovators seek greater clarity and faster processes with regulation

Innovators and micro-businesses face similar difficulties navigating the complex and evolving regulatory landscape.¹ Two-thirds of EU small businesses identify regulatory obstacles and administrative burdens as their top challenge in 2025.² Further, 77% report challenges associated with cross-border growth, such as taxation issues and different national product rules.³ Innovators and experts alike also frequently identify regulations as a barrier to growth and scaling, such as with the EU Artificial Intelligence Act.⁴ It creates implementation challenges for innovators, particularly around compliance costs and uncertainty about AI system categorization, which may discourage deployment altogether. Additionally, EU data-sharing regulations like the Data Act and General Data Protection Regulation (GDPR) further slow innovation by restricting access to partner data needed for algorithm development and model training.

“Innovation funds could facilitate connections between grantees and regulatory sandboxes, [which] offer a controlled environment for testing solutions without concerns about regulatory changes. Innovation funds, like Mastercard Strive, could assist innovators with the complex application process for these sandboxes.”



Magdalena Przelaskowska

Startup and innovation ecosystem expert and Founder, IconLabs
Mastercard Strive EU Small Business Council Member

Innovators also report that compliance is costly. These costs are amplified when regulations are delayed, canceled, or significantly revised, creating uncertainty that strains limited resources and slows their market entry. Innovators also face challenges expanding to new EU markets due to fragmented regulatory landscapes. Simplified and consistent EU regulations are needed to reduce burdens and encourage growth, as emphasized in the *EU Startup and Scaleup Strategy*.⁵

1 Mastercard Strive, [Exploring the role of digital innovation in small business competitiveness and resilience](#), July 2025.
2 European Commission, [Startups, Scaleups and Entrepreneurship: Eurobarometer 3359](#), 2025.
3 European Commission, [Annual Report on European SMEs 2024/2025](#), May 2025.
4 See also: <https://artificialintelligenceact.eu/>
5 The EU Startup and Scaleup Strategy highlights policy reforms as one of five core pillars to reduce bureaucracy and harmonize legal frameworks to enable startups to scale across Europe more easily.

INNOVATOR SPOTLIGHT

Regulatory uncertainty slows Innovators like *tilt*

tilt's journey highlights the challenges Innovators encounter when regulation is uncertain, fragmented, delayed, or even rolled back. For *tilt* to scale, one of the biggest hurdles is the uncertainty created from regulatory amendments to the EU's Corporate Sustainability Reporting Directive (CSRD) and other ESG regulations. In Germany, for example, CSRD was expected to be implemented by the end of 2024. Businesses had already set up teams and invested resources to prepare for reporting in 2025. When the national rollout was delayed, and the European Commission's "First Omnibus package"¹ emerged soon after, those investments became sunk costs, and momentum to adopt data solutions like *tilt*'s waned. *tilt* found this created uncertainty and made it harder to anticipate the regulatory environment in which they must design solutions. Although *tilt* underscores the strategic and economic relevance of its data for

managing climate-related risks and opportunities, regulatory pressure remains one of the main drivers for potential customers such as financial institutions and larger organizations.

The broader challenge lies in the complexity of EU regulation, which often targets large or listed organizations but indirectly affects micro-businesses. *tilt* has welcomed and aligned its approach with the new EU voluntary sustainability reporting standard for SMEs, which provides a simplified framework for sustainability reporting.² Streamlined approaches like this, *tilt* argues, are essential to reduce the burden on smaller firms while still enabling them to contribute meaningfully to Europe's sustainable transition.

- 1 The First Omnibus package, published in February 2025, included a proposal to postpone the application of CSRD reporting requirements for some companies.
- 2 European Commission, "Commission Presents Voluntary Sustainability Reporting Standard to Ease Burden on SMEs," July 30, 2025.



Recommendations

FOR POLICYMAKERS AND INNOVATION ECOSYSTEM STAKEHOLDERS

Innovators are critical to accelerating digitalization and sustainability for Europe's micro-businesses, but they cannot succeed alone. Policymakers, funders, and other innovation ecosystem stakeholders, such as chambers of commerce, innovation funds, and accelerators, have a role to play. Targeted support is needed to bridge knowledge gaps, strengthen partnerships, simplify regulation, and expand access to both funding and expertise. Without coordinated action, promising innovations risk stalling before delivering real impact for micro-businesses. Collective efforts better equip Innovators to scale effectively while advancing the EU's broader goals of competitiveness and prosperity.



Know the gaps, back the solutions

Close the digital divide.

Utilize targeted policies and funding to support regions and sectors with low digital adoption. For example, fund SME digital literacy and cybersecurity training programs, including in partnership with the private sector, in lagging regions through cohesion and structural funds.¹ This reduces the burden on Innovators and ensures no large segments of micro- and small businesses are left behind.

Fill EU micro-business data gaps.

Support systematic collection and sharing of data on micro-business digitalization (usage, adoption, barriers) through EU statistical agencies and innovation programs. Chambers, research institutions, and advocacy groups should not only collect but also interpret data on micro-business digitalization gaps, ensuring Innovators can apply it directly in solution design. The forthcoming Mastercard Strive EU Small Business Digital Transformation Snapshot² will contribute to closing these gaps by surfacing insights on micro-business perceptions, intentions, and practices.

1 European Commission, "[Bridging the Digital Divide for Smart and Sustainable Regions](#)," EU CAP Network, January 22, 2025.

2 The snapshot aims to gather insights on small business digital and green transformation across the EU. It collects data on the digital and green transition progress and small business perceptions, barriers, and support needs.



Build bridges: Partners, platforms, and multipliers for scale

Create a European “match and scale” platform.

Develop an EU-backed platform that matches Innovators with mentors, corporates, and investors. This should combine curated expert advice with direct access to decision-makers in large enterprises and financial institutions.

Fund intermediaries as active matchmakers.

Provide performance-linked funding to accelerators, chambers, digital innovation hubs, and living labs to act as proactive brokers—facilitating pilots, partnerships, and scaling pathways. Their results should be tied not only to the number and quality of collaborations they enable, but also to measurable contributions toward the EU Digital Decade targets, for example, increasing SME digital intensity and boosting advanced digital skill uptake. The *State of the Digital Decade 2025 Report* provides a relevant accountability framework that could guide how intermediary performance is monitored and reported.¹



Fueling scale: Smarter capital and support for Innovators

Revamp the EU Funding Portal and launch an “Innovation Passport.”

Simplify navigation, cut reporting burdens, and align applications with startup capacity. Integrate private-sector funding opportunities alongside public calls. Set a target to reduce the average application time by 30%. Create a portable digital profile for Innovators—storing core documents, grant history, and pitch decks—that can be reused across EU calls to reduce duplication and speed access to funding.

¹ European Commission, “[State of the Digital Decade 2025: Keep building the EU’s sovereignty and digital future](#),” June 2025.



From burden to boost: Making regulation work for Innovators

One Europe, one rulebook—with innovation-first compliance

Harmonize and reduce regulations across Member States to create a single, predictable framework with proportionate, size-based compliance requirements. Within this unified approach, introduce early-stage exemptions and simplified guidance for Innovators with revenues under €5 million to reduce compliance burdens and accelerate time to market. For example, under the GDPR, small and medium-sized organizations with fewer than 750 employees are required to maintain records only when data processing is deemed “high risk.” This proportional approach enables smaller firms to focus resources where data protection is most critical while maintaining high standards of privacy.¹ Similar proportionality principles could also be applied in the AI Act, CSRD, and Cyber Resilience Act,² ensuring regulation supports rather than slows innovation.



1 European Commission, [Commission Proposes Simplification Measures to Save EU Businesses a Further €400 Million per Year](#), May 20, 2025.
2 European Commission, [“Cyber Resilience Act,”](#) March 6, 2025.

Appendices

APPENDIX A

Glossary

Accelerator	A program that gives developing companies access to mentorship, investors, and other support to help them become stable and self-sufficient.
Artificial intelligence (AI)	The simulation of human intelligence in machines that are designed to think and learn. These systems can perform tasks such as problem-solving, pattern recognition, and decision-making, often autonomously or with minimal human intervention.
Corporate Sustainability Reporting Directive (CSRD)	An EU regulation that mandates large companies to disclose detailed information on how their activities impact people and the environment. It aims to improve transparency on corporate sustainability and encourages responsible business practices.
Cybersecurity	The measures and practices used to protect computers, networks, and data from unauthorized access, attacks, or damage. It involves safeguarding digital infrastructure against threats like hacking and malware.
Cybersecurity threats	Potential dangers to digital systems that could compromise the security, integrity, and availability of data. These include viruses, malware, phishing, and other forms of cyberattacks.
Digital and green transition	The simultaneous transformation toward a more digitalized economy and the shift toward sustainability. Both transitions are seen as necessary for future economic resilience and environmental preservation.
Digitalization	The process of converting analog information into digital form and integrating digital technologies into all aspects of business, government, and society to enhance processes and services.
Digital divide	The gap between those who have access to digital technologies (such as the internet) and those who do not, often due to socioeconomic, geographic, and/or infrastructural barriers.
Digital intensity	The extent to which digital technologies and tools are used by a company or industry in their operations and decision-making processes.

Embedded finance	The integration of financial services, such as payments or lending, into non-financial platforms or products, enabling users to access financial functions seamlessly within other digital ecosystems.
Embedded solution	A product or service that integrates into a partner's service offering, allowing end users to access the solution's capabilities without adding an additional service.
Inclusive growth	Economic growth that is distributed fairly across society and creates opportunities for all individuals, especially the most disadvantaged, to participate and benefit.
Innovation ecosystem	A network of interconnected actors—such as startups, small businesses, investors, corporates, accelerators, research institutions, and policymakers—whose interactions enable the development, scaling, and adoption of new solutions. In the context of the Mastercard Strive EU program, the innovation ecosystem refers to the environment that supports innovators to design and deploy digital tools for small businesses through coordinated access to finance, partnerships, data, and policy support.
"Innovators"	Startups, established companies, nonprofits, and social enterprises that are developing digital solutions for small businesses. In this report, the term specifically refers to the Mastercard Strive EU Innovation Fund winners, organizations supported through grants and non-financial assistance to design, test, and scale innovations that strengthen the digital and sustainable transformation of European micro- and small businesses.
Micro-businesses	The official EC definition of micro-businesses takes into account three different factors: level of employment, level of turnover, and size of balance sheet. Micro-businesses are enterprises that have fewer than 10 employees, and either an annual turnover of less than €2 million or a balance sheet total of less than €2 million.
Micro- and small enterprises (MSEs)	In the EU, MSEs comprise over 99% of all businesses, employing around two-thirds of the private-sector workforce. Defined as businesses with fewer than 50 employees, MSEs are essential for economic growth and innovation but often face challenges in accessing financing, digital tools, and skilled labor. The EU provides targeted support to help these businesses thrive in a competitive market.
Minimum viable product (MVP)	The simplest version of a product that includes only the essential features needed for early users. Customer feedback is gathered and then informs future product development.
Multipliers	Organizations and/or platforms that amplify the reach, impact, or adoption of a product or service among small businesses.

Payment service provider (PSP)	A third-party company that allows businesses to accept electronic payments, such as credit card and debit card payments. PSPs act as intermediaries between those who make payments and those who accept them.
Sandbox	A controlled and secure space where organizations can experiment with new ideas, technologies, business models, or regulatory approaches without the risks or constraints of full-scale implementation. Sandboxes allow innovators to test and refine solutions under real-world conditions but with defined boundaries and oversight.
Small businesses	The official EC definition of small businesses takes into account three different factors: level of employment, level of turnover, and size of balance sheet. Small businesses are enterprises that have between 11 and 49 employees, and either an annual turnover of less than €10 million or a balance sheet total of less than €10 million.
Small and medium enterprises (SMEs)	The official EC definition of SMEs takes into account three different factors: level of employment, level of turnover, and size of balance sheet. SMEs are enterprises that have between 50 and 250 employees, and either an annual turnover of less than €50 million or a balance sheet total of less than €43 million.
Sustainability	Sustainability refers to meeting the needs of the present without compromising the ability of future generations to meet their own needs, often through practices that conserve resources and minimize environmental impact.



APPENDIX B

Innovators from the Mastercard Strive EU portfolio



Bizcuit

Netherlands | Embedded finance

Bizcuit offers integration of comprehensive financial management tools into existing financial services apps—automating invoice processing, streamlining payments, and simplifying access to credit within a familiar digital environment.



Cresco Cybersecurity

Belgium | Cybersecurity

Cresco Cybersecurity offers proactive defense through penetration testing and ethical hacking to strengthen security.



It Goes Forward

Netherlands | Artificial intelligence

It Goes Forward is a return management system that uses data analytics and automation to reduce costs and environmental impact for e-commerce businesses.



IVÆKST

Denmark | Artificial intelligence

IVÆKST is a one-stop-shop platform to assess small businesses' needs and provide tailored guidance on AI adoption and cybersecurity.



Lupasafe

Netherlands | Cybersecurity

Lupasafe offers continuous, low-touch, day-to-day risk monitoring to comply with the EU's baseline framework for cybersecurity risk management and incident reporting.



Ragna

Sweden | Environmental, social, and governance

Planethon's solution, Ragna, will focus on increasing small business compliance and reporting, enabling them to address sustainability issues more efficiently using AI-powered advice.





Redamp.io

Czechia | Cybersecurity

Redamp.io offers a one-stop shop for monitoring cybersecurity issues and recommending relevant solutions to address risks across multiple devices and platforms.



tilt

Germany | Environmental, social, and governance

tilt will increase access to (green) working capital, which will primarily enable small businesses to remain competitive with larger firms and make changes to their businesses to further sustainability.



Luca AI by Valerian

Luxembourg | Embedded finance and artificial intelligence

Valerian's AI-enabled business insights chatbot, Luca AI, supports small businesses to make more informed decisions and access capital at the click of a button.



Fagura

Romania | Embedded finance

Fagura is developing an AI-powered financial widget that leverages small business data to quickly assess creditworthiness, enabling seamless access to financing and working capital through embedded finance solutions and connections with investors.



Idea Morph

Romania | Artificial intelligence

This community-focused open co-creation platform makes expert knowledge, proven innovation methods, and AI-driven tools accessible to small businesses, breaking down barriers that once limited these resources to large or well-funded organizations.



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