A Digital Growth Playbook

Winning Strategies of Hypergrowth SaaS Champions

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BCG BCG X

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Foreword from the Authors

As we navigate another tumultuous year, we have continued to witness the resilience and adaptive capabilities of the B2B SaaS sector. This past year has been marked by significant shifts, including geopolitical instabilities and evolving market dynamics that have tested the mettle of businesses worldwide. Despite these hurdles, the B2B SaaS industry has not just survived; it has thrived, underpinned by relentless innovation and an unwavering commitment to digital transformation.

Our insights this year are drawn from comprehensive interactions with more than 100 European SaaS providers, revealing the depth of their challenges and their strategic triumphs. This playbook offers a reflection on these insights and projects a forward-looking guide to navigating the complexities of the market.

The future offers promising growth opportunities and the potential for transformative impact across industries. To our community of innovators and leaders: now more than ever, your role in shaping the digital frontier is critical.

Executive Summary

For the second year in a row, BCG X surveyed more than 100 B2B SaaS providers in Europe to understand their current growth prospects, fundamental challenges, and marketing and sales priorities.

Our analysis points to several highlights:

Despite declining funding, overall growth is still significant: 19% annually in 2023 for the global industry, and 187% for the select group of 101 hypergrowth companies in our sample. HR, health care, and green and social were the fastest-growing sectors.

Three out of four companies focus on growth over profitability. Generative AI tools have been quickly adopted by 83% of companies as a means to improve operations, particularly to generate marketing content and make other marketing activities more efficient.

Most organizations still rely on word-of-mouth referrals as their most important channel. However, companies that rank higher in personalization — customizing their marketing message to the needs of specific clients — outgrow their peers.

Women are substantially underrepresented at SaaS companies, both in technical roles and leadership roles. Organizations that have a greater share of women in their workforce and senior team correlate with lower customer churn.

Lead acquisition is still the biggest challenge to customer success, cited by 39% of the companies in our sample, followed by product differentiation (25%). That points to the need to build a foundation of core capabilities in market segmentation and targeting to get the right products to the right customers.

The outlook for 2024 is extremely positive, with growth for our sample projected at 235%. Sectors with the strongest estimated growth this year are green and social, HR, and data management companies. Conversely, martech companies are expected to grow at the slowest rate (94%).

Our analysis also points to specific priorities for SaaS companies to win in the current environment:

Targeting and efficient customer acquisition

Automation and personalization

The right pricing strategy

Innovation and disruption

Last, we profile 10 SaaS startups to watch, including three founded by women.

Profile of Participants

To identify survey participants, we partnered with some of the leading VC firms in Europe. Special thanks to Cherry Ventures and Visionaries Club for facilitating introductions to many industry leaders, VCs, and portfolio companies.

Also, many thanks to Capnamic and Women of SaaS for opening their networks and closely collaborating on this research. Last, many thanks to the 100-plus SaaS companies that have shared their most valuable business data, deep insights, and perspectives on the current environment.

The participants: B2B SaaS companies in Europe

Data Infrastructure Security & Compliance

APHERIS, WELD, simplyblock, deeploi, DQC, GitGuardian, agenta, sosafe, Oblivious, Kaiko, Weaviate, ULTIHASH, kertos, omniIT, courtcorrect

CRM & ERP & HCM

Milkywire, shyftplan, ninetailed, ecoplanet, INACTA., Meta-Skills, multiverse, CEEZER, envzai, valuecase, LHOTSE, frontnow, Normain, WorkMotion, localyze

Industry-Specific Solution

automaited, seenons, BRYTER, motum, platform24, Optiml, WORKERBASE, MARKT PILOT, Logistikbude, WorkFlex, Deltia, EMPION, genesis, ZERO44, Morressier, AMPECO, knok, Ameba, NAVIT, metergrid, SUSTAINED, luminovo, pledge, lemontech, SwipeGuide., TelemetryDECK, SPREAD, askui, LEAPING AI, DEFTPOWER, doctorly, tanso, TTO, TWAICE, SQUAKE, uizard, vaayu

Fintech

Circula, DATEIO, SPENDESK, LIBEO, moss, getpaid, pivot, UPRIGHT PROJECT, esgbook, YK

Analytics / Martech / Adtech

ADSPERT, capturi, hygraph, OXOLO, sizekick, Threedium, upvest, loyee.io, Converta

Our research base this year consists of 101 companies, of which 86% are backed by VCs. Collectively, they have raised more than €3 billion.

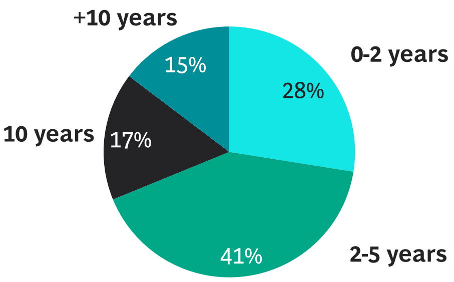
Most of the companies in our survey were founded two to five years ago, with the overall average at 4.8 years. 39% offer industry-specific vertical solutions, while 18% offer horizontal solutions (e.g., CRM, ERP, or HCM).

Distribution of companies

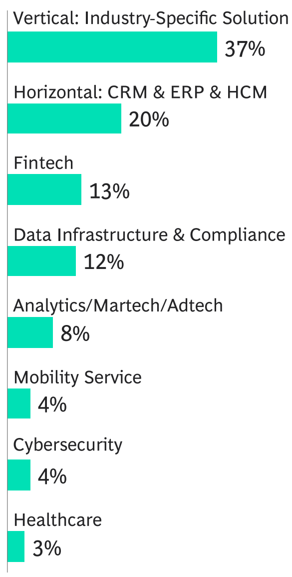
101	*Total amount of companies surveyed*
€3.1B	*Total amount of funding*
86%	*Are backed up by VCs*
49%	*Are targeting Enterprise businesses*

43% - Medium-sized businesses
9% - Small businesses

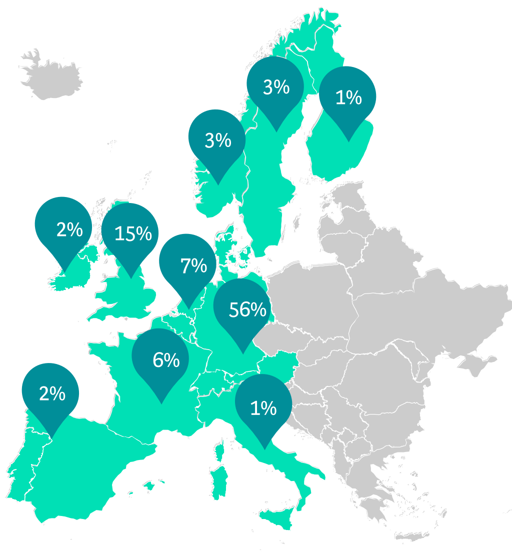
The majority were founded between 2-5 years ago



By software category

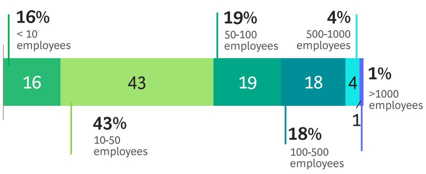


Companies distribution by country



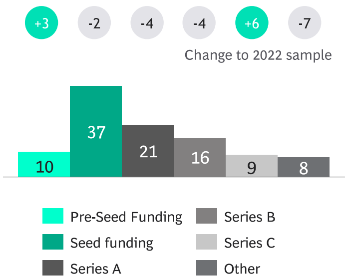
Companies distribution by amount of employees

The majority of companies surveyed have less than 100 employees



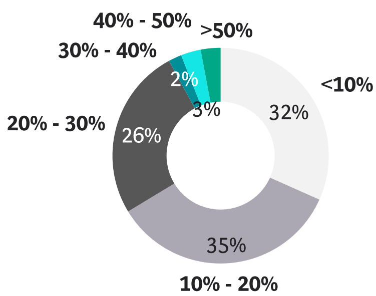
Funding stage

More companies have a Series C funding in 2023



Women in SaaS

Less than 10% of the surveyed companies have more than 30% female employees



1

Mapping the SaaS landscape in 2023:

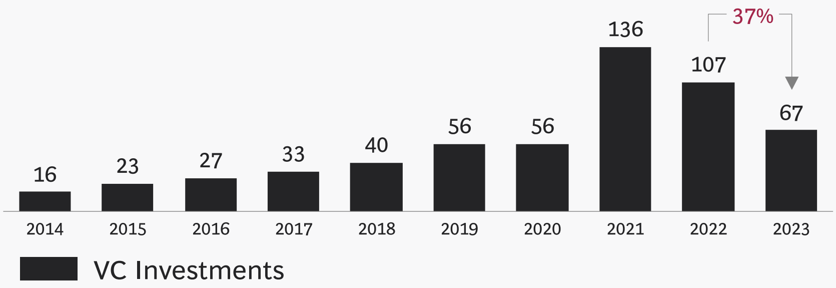
Declining funding but continued growth

SaaS companies can scale up quickly, but the competition is fierce. Digitization and cost pressure are leading to soaring demand from enterprise customers. Winning products can catch on extremely rapidly, leading to hypergrowth among top performers.

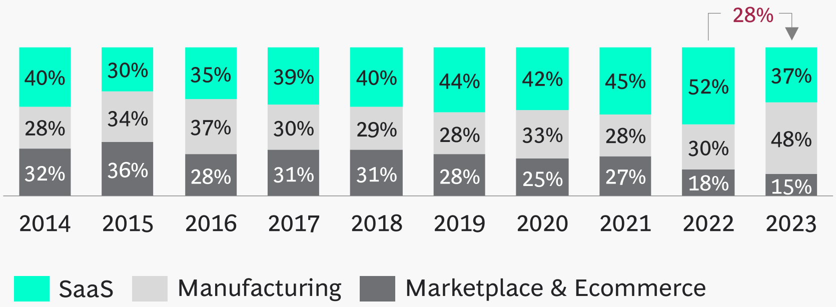
If there is a limiting factor on the industry right now, it is funding. As with the overall tech sector in Europe, funding for SaaS players decreased in 2023, falling to 55%. That is partly due to a 37% decline in overall VC funding, along with a 28% decrease in the share of funding going to SaaS players. The sector is receiving a lesser share of a smaller pie.

Funding is still available, but as VCs become more selective than in the past, only a few winners are able to secure capital.

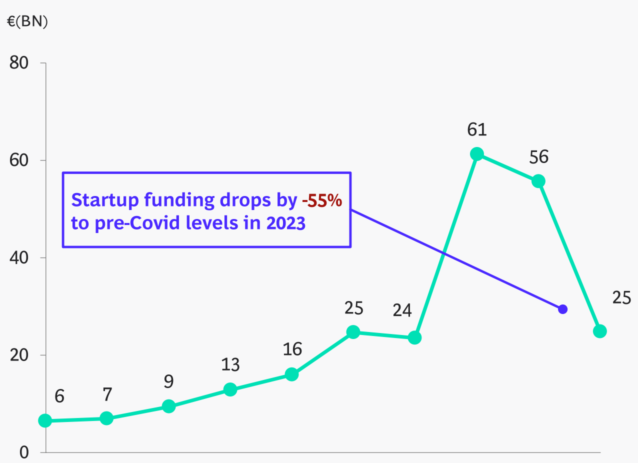
VC Investments in European Companies [€Bn]



European Venture capital investment by type of firm

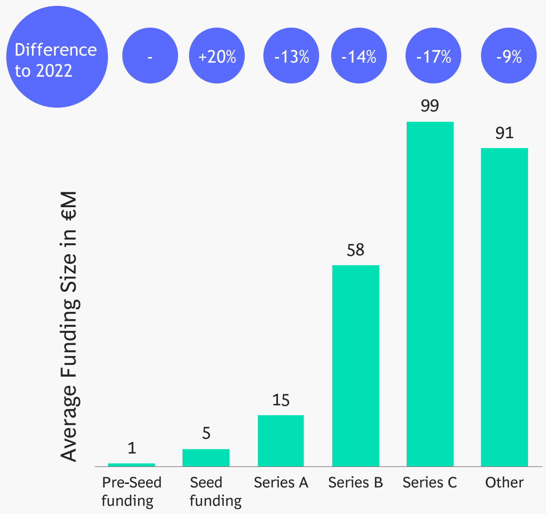


VC funding in European SaaS Companies [€Bn]

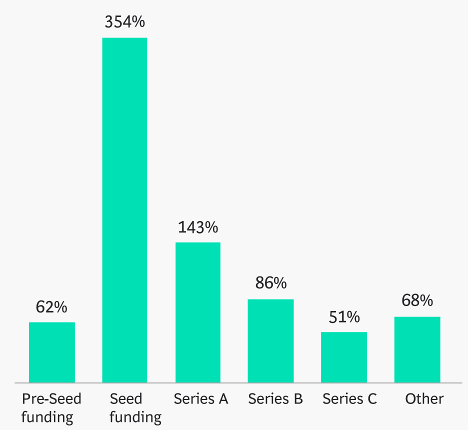


Our sample contains high growth companies across funding stages and software types in the European SaaS market

Funding size by stage (in €M)



Growth rates by funding stage[1]



Survey participants and growth

Total Amount of Funding (€Bn)

3.1

3.1

Average Growth Rate

187%[1]

179%

Average Age in Years

4.8y

4.4y

% backed by VCs

86%

72%

2022

2023

Source: https://de.statista.com/statistik/daten/studie/194117/umfrage/umsatz-mit-software-as-a-service-weltweit-seit-2010/

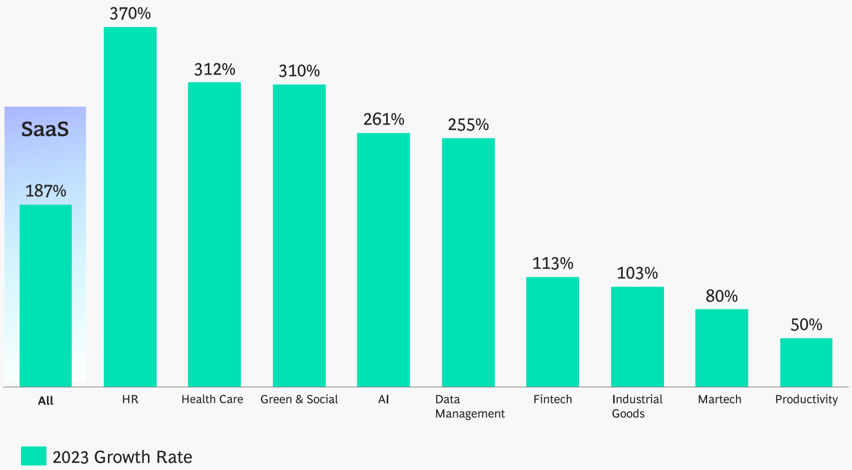
1.Based on YoY customer growth | n=80 (excludes firms that are too young to calculate growth rates)

Among software segments, HR showed the fastest growth, as companies seek to better manage human capital, address issues such as remote and flexible work, and compete for talent in a competitive market.

Health care was the second-fastest-growing segment, with companies helping providers, payers, and governments navigate increased complexity in the provision of care. That was followed by green tech and social, as companies implement environmental sustainability initiatives across their operations and strive to meet heightened expectations among customers, regulators, investors, and even employees regarding their social performance. AI and data management were the fourth- and fifth-best performers, respectively.

In contrast, the top segment in our analysis last year (reflecting performance in 2022) was fintech, which, at 113% growth in 2023, may have shown regression to the mean.

SaaS growth rate by Industry [%]



Source: BCG X Analysis | Growth rate estimated based on YoY customer growth | n=80 (excludes firms that are too young to calculate growth rates)

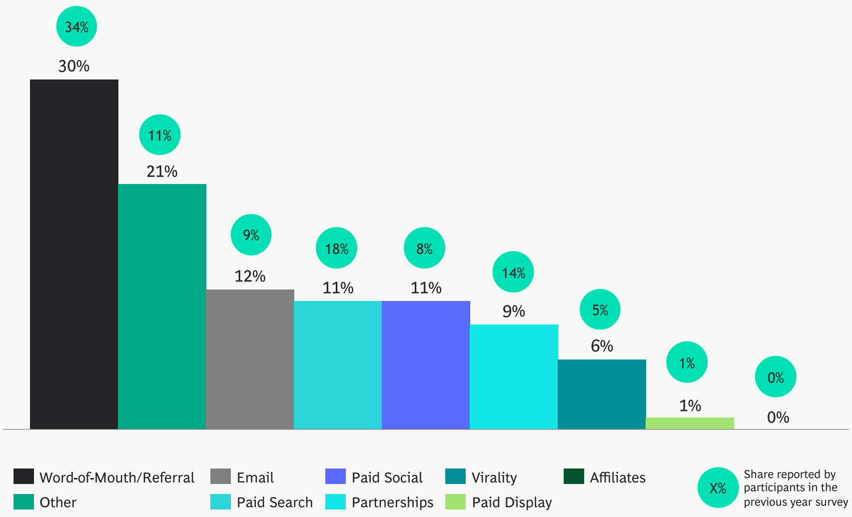
2

Marketing and customer acquisition: Personalization as a key enabler for growth

Overall, the sales and marketing functions of the hyperscalers in our sample are relatively nascent. The biggest acquisition channel among the companies we surveyed is word-of-mouth referrals, cited by 30% of respondents. That represents a modest decline from last year's results, when 34% of companies said word-of-mouth was their top-performing channel.

This could reflect the complexity and time required to implement software services in organizations. Recommendations from reliable sources among current customers remain a significant driver of new leads. Among more formal channels, including email, paid social, paid search, and partnerships, none exceeded 12%. Notably, the number of respondents citing paid search and partnerships both declined from last year, potentially a consequence of tightened marketing budgets.

Most preferable marketing channels for lead acquisition [%]

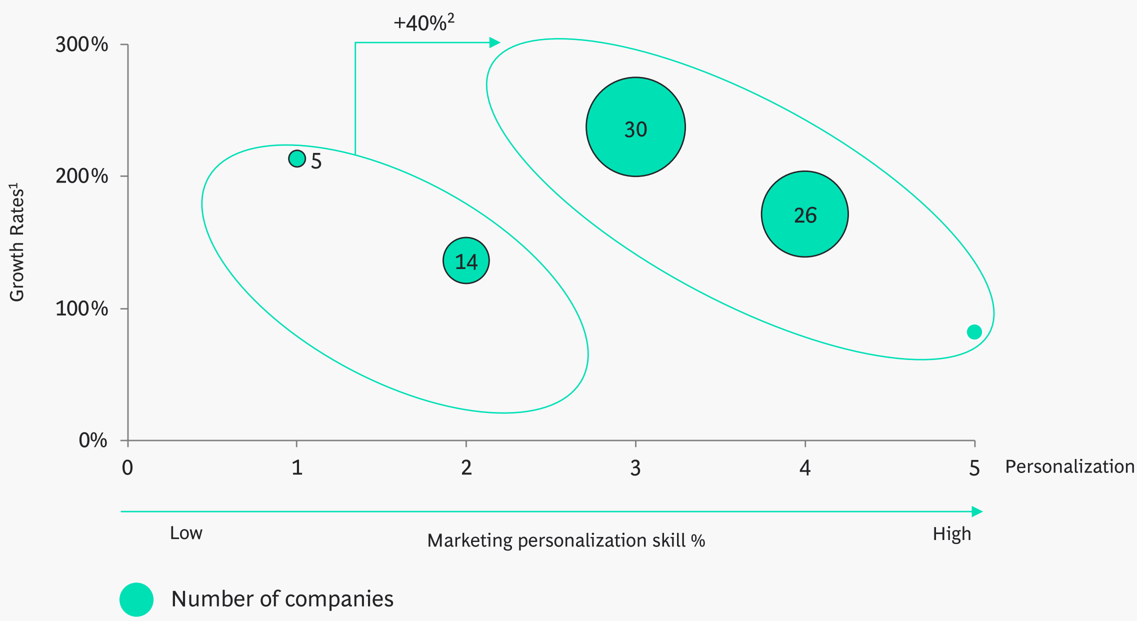


Source: BCG X Analysis | n=101

Personalization is critical

A key insight from our research is the importance of personalized marketing across channels according to the preferences and needs of potential customers. In our data, companies that personalize marketing show dramatically faster growth — 40% faster than competitors that have basic or no personalization.

Growth rates by level of marketing personalization [%]

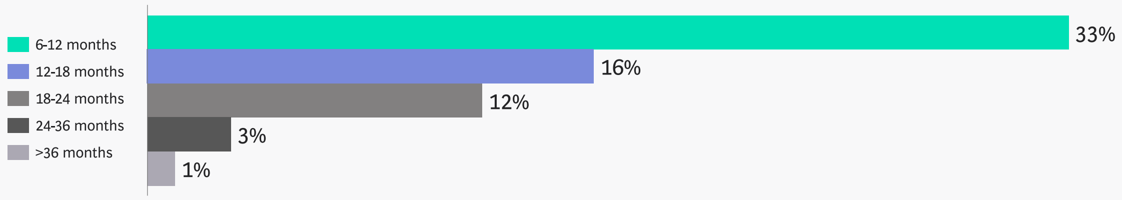


Source: BCG X Analysis | 1. Based on YoY customer growth, n=80 (excludes firms that are too young to calculate growth rates) | 2. Weighted average difference between advanced personalization (companies that replied 3&4) and personalization capabilities (companies that replied 1&2)

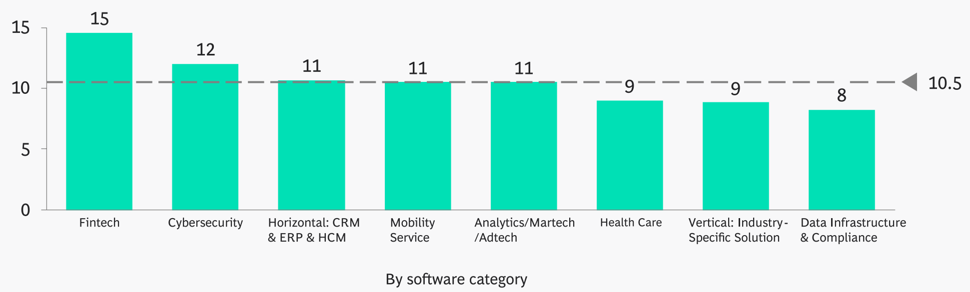
Looking at CAC payback periods, the average for the full group of 101 companies is 10.5 months. The best-performing group was data infrastructure and compliance services (at eight months), while most horizontal and vertical services providers were less than 12 months. Fintech and cybersecurity were the longest, at 15 months and 12 months.

Compared with last year's results, the CAC payback period has increased, but that may be a function of companies maturing and becoming more enterprise- and sales-focused. Companies with a higher annual recurring revenue (ARR) show a longer CAC payback period. For these companies, more expensive channels such as field sales and inside sales become more relevant, while self-service — which is inexpensive and typically has a lower CAC payback period — decreases in importance.

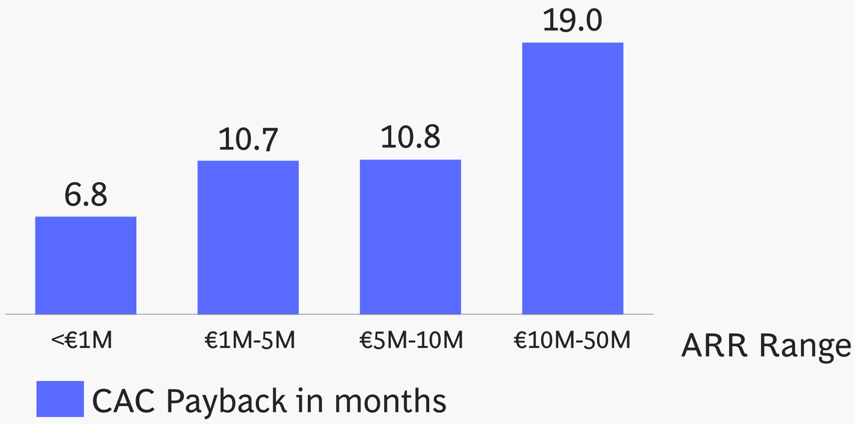
Company distribution by CAC payback period [%]

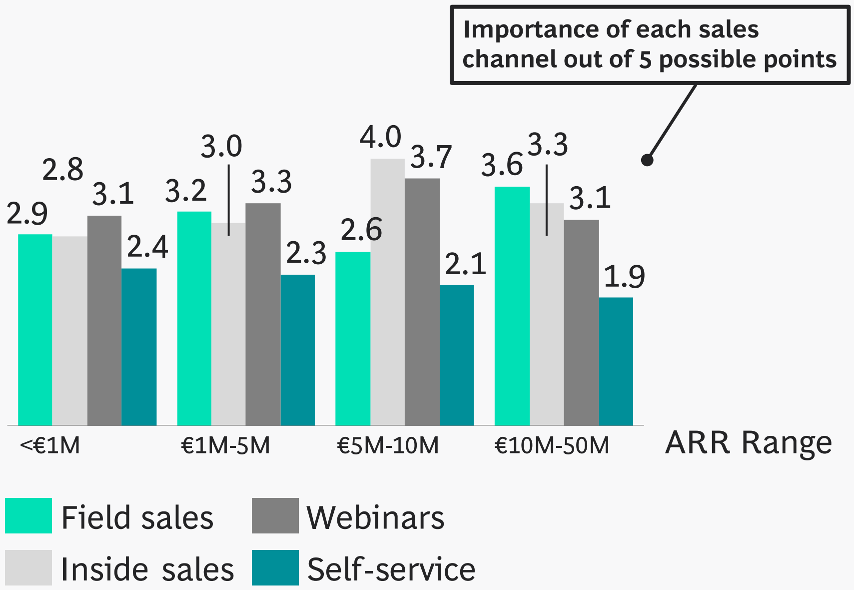


CAC payback period [# month] per software category



CAC payback periods increase as companies become more Enterprise- and Sales-focused



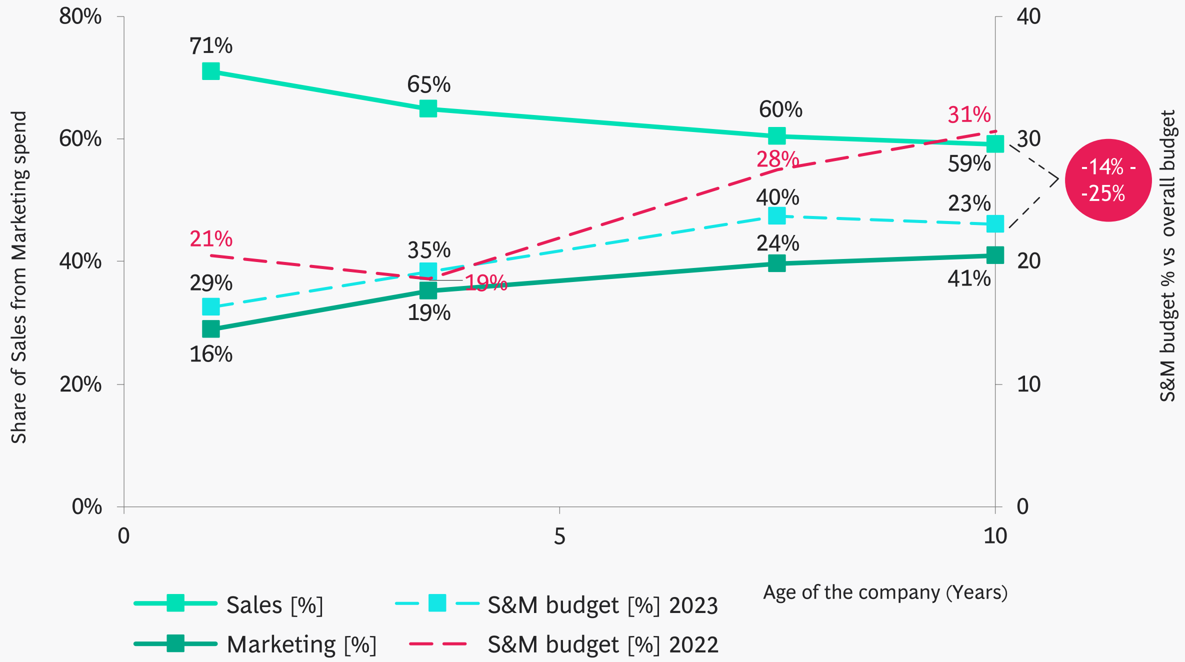


Sales and marketing budgets decreased by 14 to 25 percentage points in 2023 compared with the previous year, with more mature companies showing larger decreases. One potential explanation may be the rise of GenAI, which can make sales and marketing processes more efficient. (See section 4.)

Source: BCG X Analysis | n=94

At the same time, companies are reallocating some of their budget away from sales in favor of marketing — another natural consequence of companies maturing. In their initial stages of growth, companies focus heavily on sales, devoting more than 70% of their budget explicitly to sales efforts. Even companies that are five years old focus more than 60% of their budget on sales. At the 10-year point, however, that split is closer to 60/40.

Share of Sales and Marketing by years of the company [%]



3

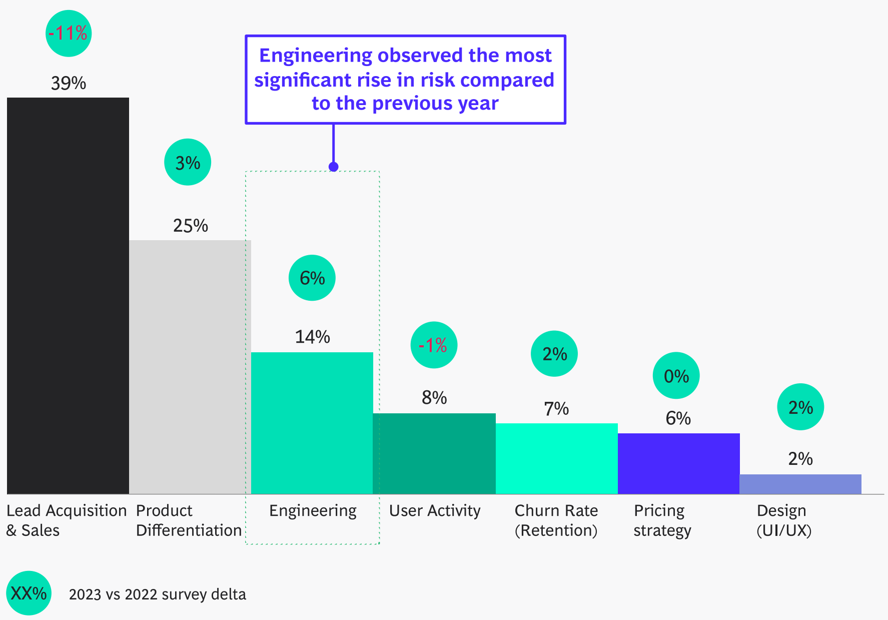
Product success and sales: Lead acquisition remains a risk

It's not enough to close a deal; customers need to get the full use and value from the product they're buying. In our survey, 39% of companies said that lead acquisition and sales is their main risk for product success. That was followed by product differentiation — a related issue. Spending money to acquire customers that may have other needs misaligned with a company's product, or that can buy a similar product elsewhere, benefits neither side.

For that reason, investments to better understand customer needs, target customers in a timely manner and with relevant content, and ensure that a given product is a better match than a competing offering are all key levers for SaaS companies to win. One bright spot is that lead acquisition and sales were a bigger risk in last year's results, when 50% of respondents cited it.

Among other risks to product success, engineering saw the largest increase from the previous year, from 8% to 14%, probably driven by a need for AI engineers and rightsizing challenges.

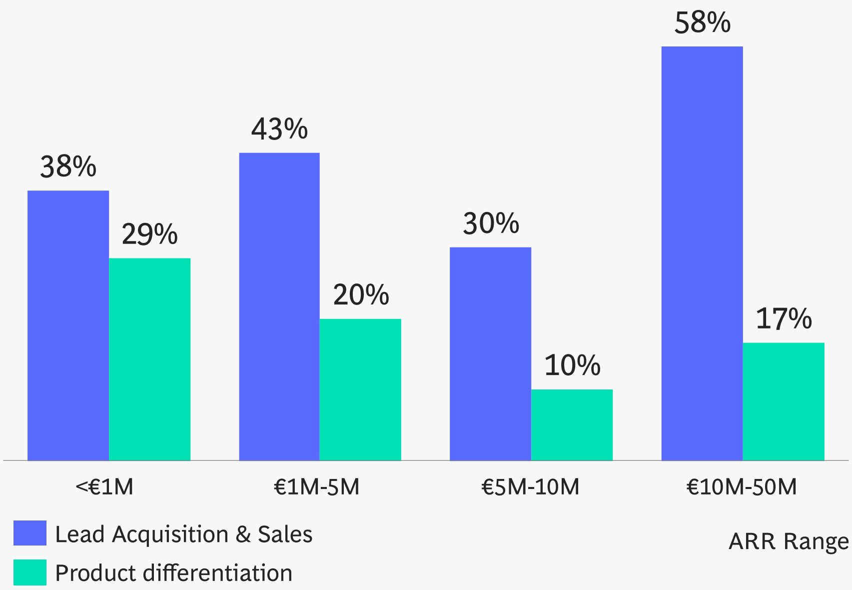
Risks for product success selected [%]



Looking at these two risks by company size, product differentiation decreases as a risk factor as companies get bigger, even as lead acquisition and sales seem to increase. That may seem counter intuitive — larger companies tend to have more advanced marketing capabilities, including sophisticated customer segmentation and targeting. But as noted above, many fast-growing SaaS players in our sample still rely primarily on word-of-mouth as their most important channel.

For this reason, companies need to build a foundation of core capabilities in marketing and sales as early as possible to enable sustained growth.

Biggest risk to product success by ARR Range

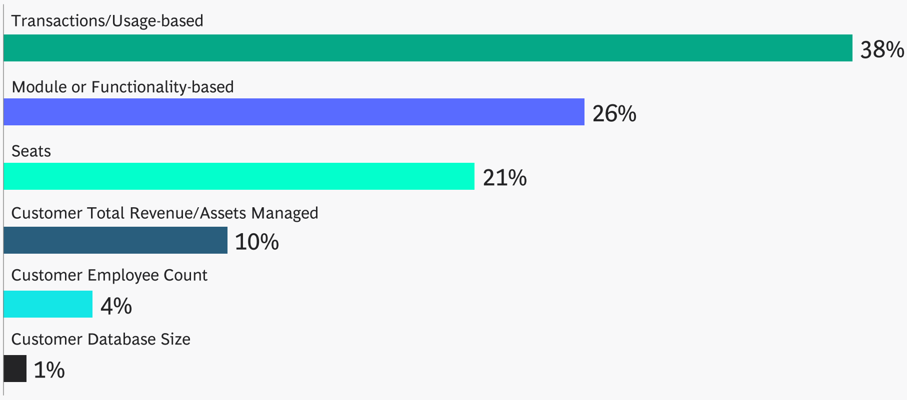


Source: BCG X Analysis | n=94

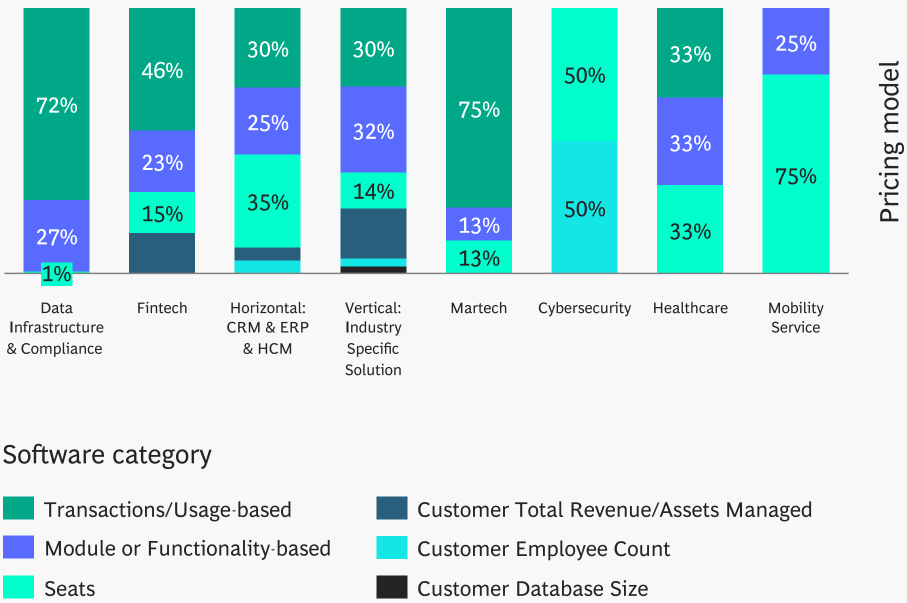
Pricing models differ between software types, with transaction- or usage-based pricing as the most common approach, used by 38% of companies. Module or functionality pricing was second (26%), followed by seat licenses (22%). Customer database size is the least preferred pricing model.

Among segments, martech providers are most likely to use transaction pricing, along with data infrastructure and compliance, fintech, and industry-specific verticals. Horizontal services providers, in contrast, are more likely to price by seats.

Share of pricing model



Our Survey: SaaS growth rate by Industry [%]

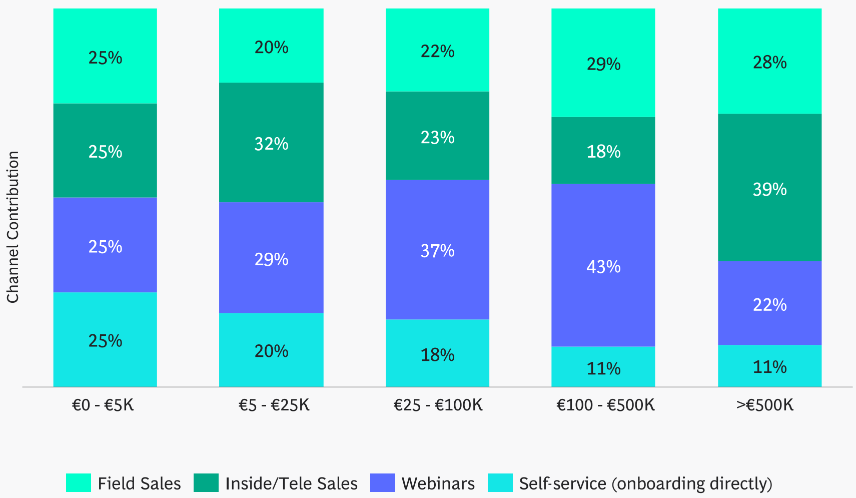


Source: BCG X Analysis | Pricing model definition: Seats – Based on the number of users they have on the accounts; Transactions – Based on the number of transactions done in a specified time; Feature – Based on the features and functionalities; Employee Count – Based on the count of people logged in; Assets Managed – Based on the number of assets being managed within the system; Customer Database pricing – Based on the number of customers in a database| n=101

The data shows a strong correlation between contract size and the level of personal interaction and support provided by the sales team. Smaller contracts — for products that are less complex — are more likely to come through self-service channels such as online portals. In contrast, larger contracts tend to come through channels such as field sales and inside sales.

Larger contracts (>100k) are typically generated through **Field sales** while smaller contracts rely more on **Self-service** as a primary mechanism

Marketing channel by contract size [%]



Contract size shows a strong positive correlation with the level of personal interaction and support required from the sales team.

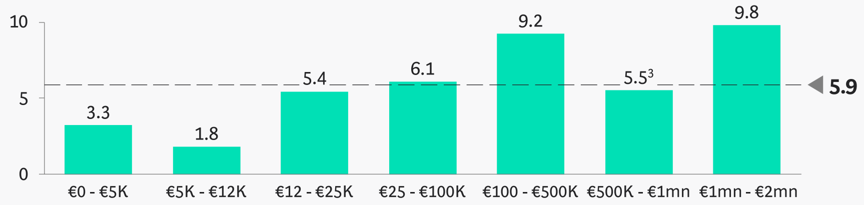
Companies offering low complexity products often use self-service channels, such as online portals to facilitate sales.

Source: BCG X Analysis | n=101

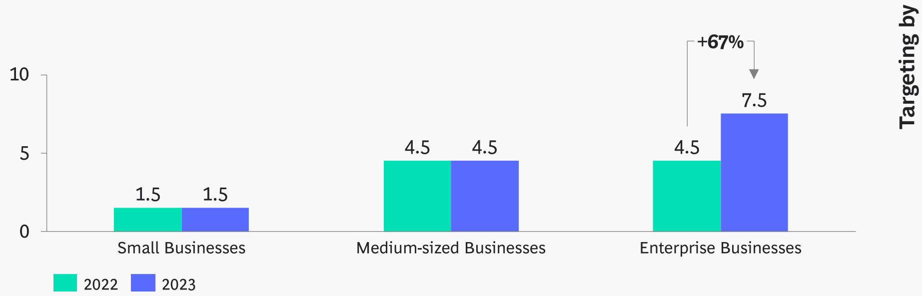
The sales cycle for enterprise customers is getting longer. Overall, sales cycles tend to be longer for large-scale contracts, which are more complex and typically entail negotiation along the way. For example, contracts of €1 million to €2 million have a sales cycle of 9.8 months, nearly twice the overall average of 5.9 months. However, the median sales cycle for enterprise business customers has increased by 67%. One factor that can help: automation. Firms that used advanced sales automation solutions had a shorter average sales cycle.

In 2023, the median sales cycle has increased, predominantly due to a 67% increase in the enterprise business sector

Sales cycle by contract size [Months]



Sales cycle by targeting [Months]



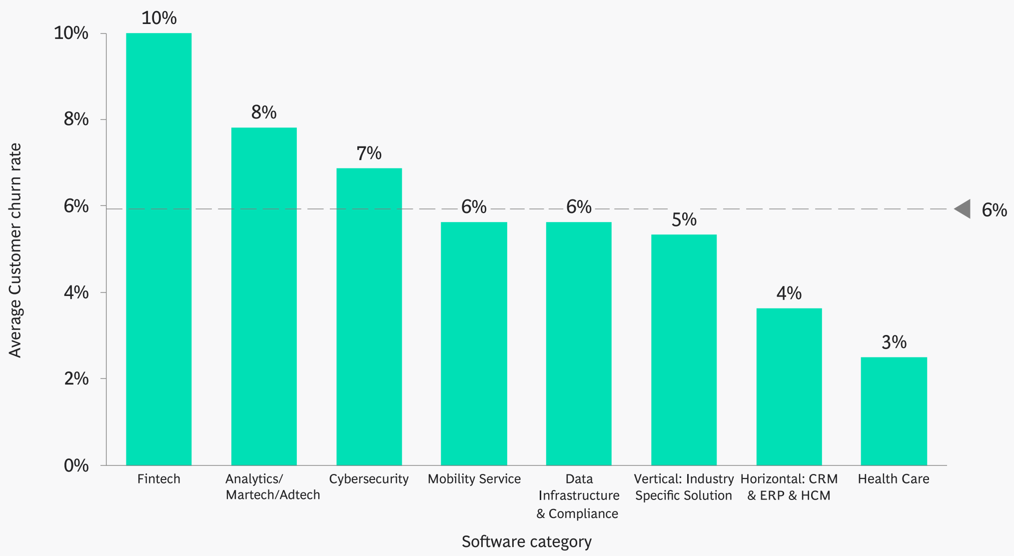
Large-scale contracts (those over €100,000 in value) have a median sales cycle that is nearly two times longer than the overall average. This is often due to the complex nature of these agreements and the need for negotiation.

YoY the median sales cycle for enterprise business has increased by 67% but enterprise firms that leveraged advanced sales automation had a better average sales cycle (8.1 months[1] as compared to 7.5[2] months).

Source: BCG X Analysis; Median sales cycle; n=101, 1. 2022 enterprise businesses with advanced sales automation 2. 2023 enterprise businesses with advanced sales automation 3. Derived from a small sample size

Churn rates are relatively low, likely driven by the nature of the products and the complexity of implementation. Fintech, martech (along with analytics and adtech), and cybersecurity have the highest churn rates — though all are 10% or less — reflecting the strong competition in these segments and an increase in the number of plug-and-play offerings. In contrast, health care has the lowest churn rate, just 3%, or half the overall average of 6%.

Average churn rate [%] per software category

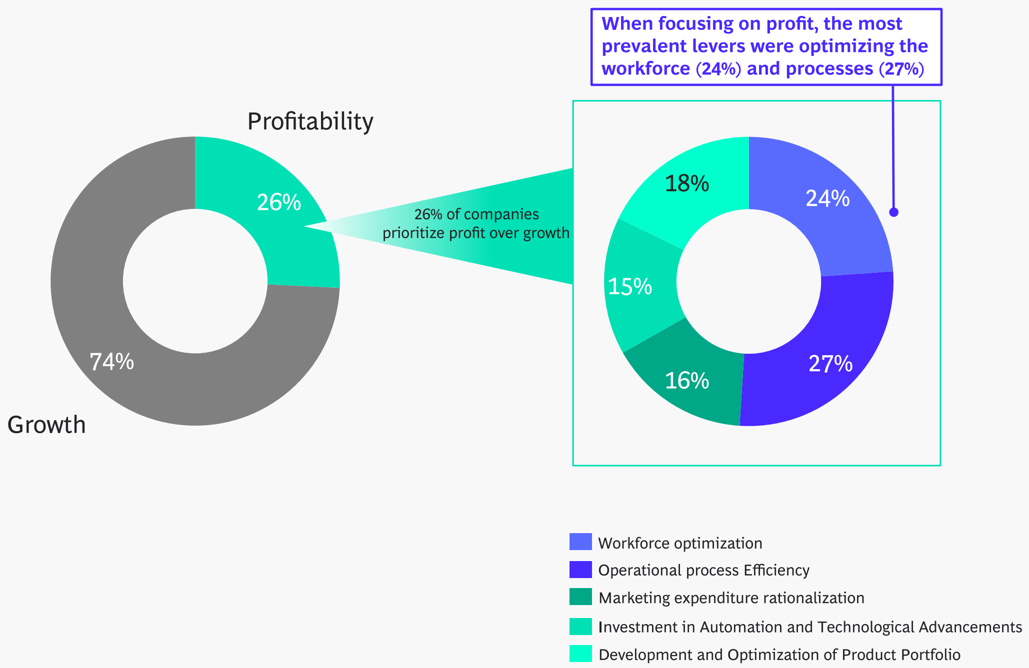


Strategy and operating model: A focus on growth over profitability, and strong AI adoption

As with most fast-growing sectors, SaaS companies seek revenue expansion. Three of four companies in our sample prioritize growth over profitability. Of the remaining one in four focused on profit margins, the primary levers to get there are making operational processes more efficient and rightsizing the workforce.

Most companies prioritize growth over profit

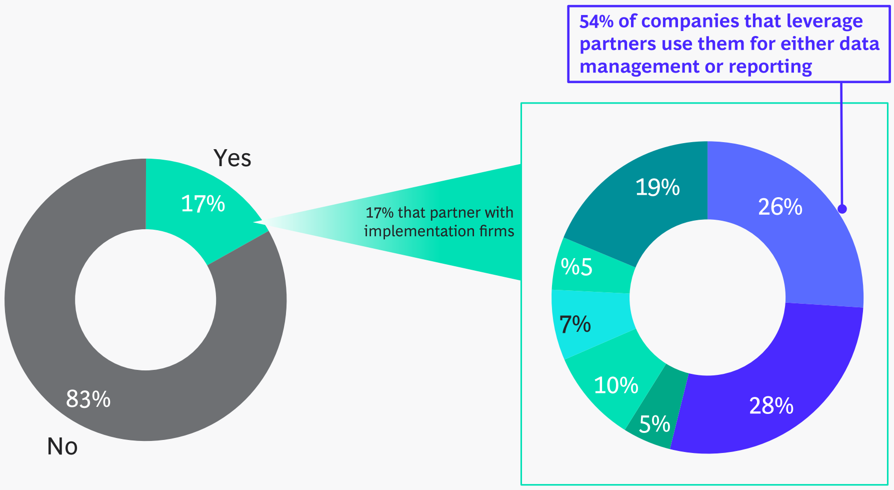
The companies that prioritize profit focus on optimizing their workforce and processes



Source: BCG X Analysis | n=101

The data shows a similarly strong consensus against using a tech implementation partner, with only 17% of companies saying they do so. Of the subset of companies that do, the main objectives are insight, measurement, and reporting, followed closely by data management.

While most companies don't leverage tech implementation partners… …the ones that do primarily use them for data management and reporting



Percentage of companies that use technology implementation firms

Percentage of companies that leverage technology implementation firms for each use case[1]

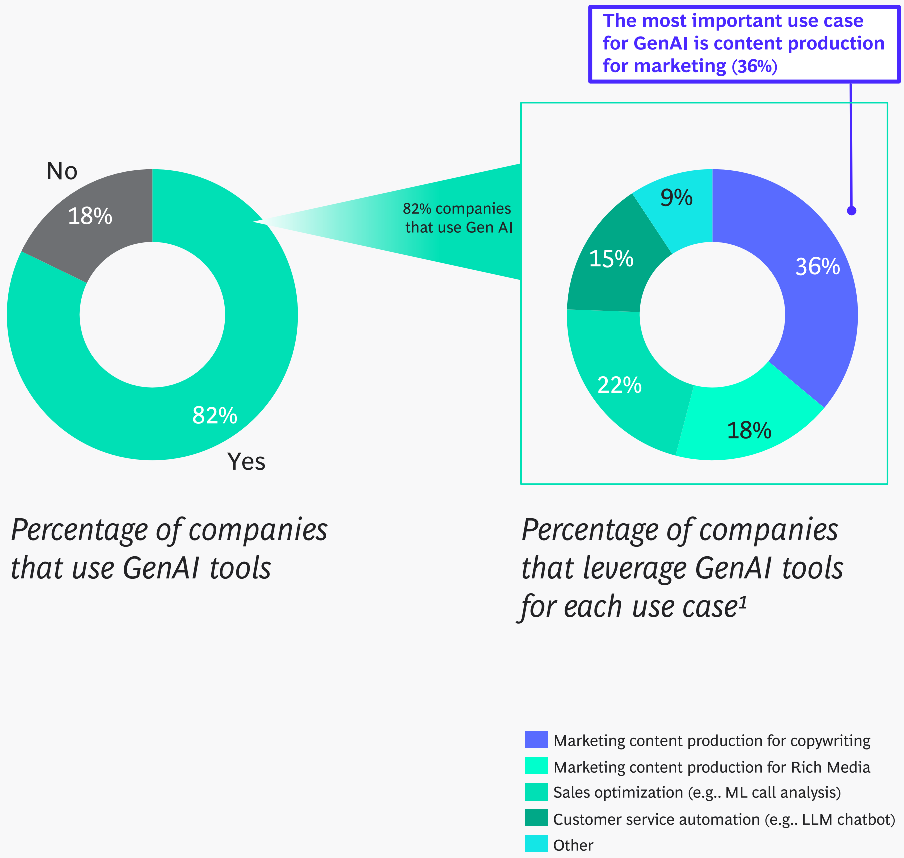
- Data management
- Insight, measurement & reporting
- Traditional & digital media activation
- Digital experience
- Enterprise content management
- Audience management
- Collaboration & resources management

Source: BCG X Analysis | 1. Multiple answers possible | n=101

More than 80% of SaaS companies have integrated AI tools into their tech stack, primarily for producing marketing content — either copy generation (36%) or rich media (18%). A smaller share use GenAI to optimize sales processes, such as analyzing marketing calls.

82% of companies have already integrated AI tools in their tech stack…

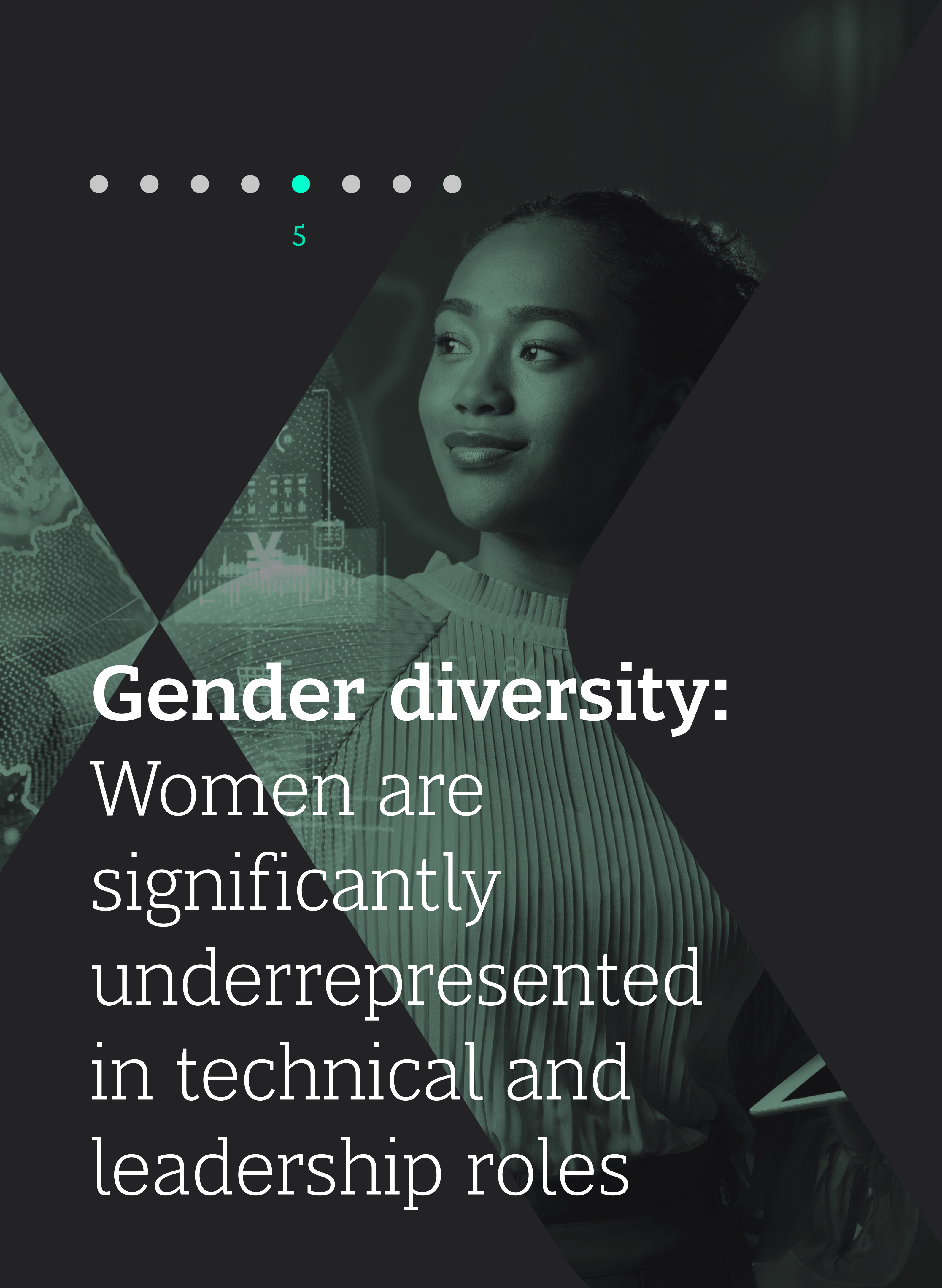
…with the majority leveraging AI to produce content more efficiently



Percentage of companies that use GenAI tools

Percentage of companies that leverage GenAI tools for each use case[1]

Source: BCG X Analysis | 1. Multiple answers possible | n=101



5

Gender diversity: Women are significantly underrepresented in technical and leadership roles

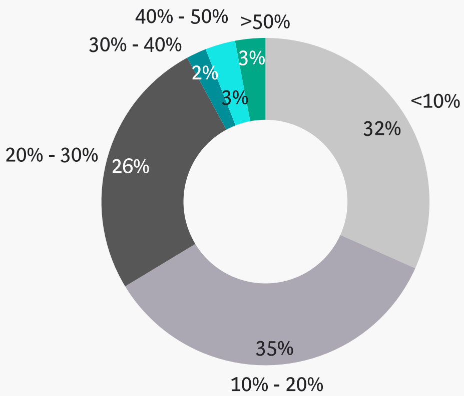
Most technology companies face a gender imbalance, and SaaS is no exception. Among the companies in our sample, the vast majority have less than 30% women in technical roles. Leadership teams are similarly male-skewed, with approximately half of surveyed firms saying that women make up less than 20% of leadership positions.

The good news is that the share of women increases in rough line with revenue. Smaller companies of less than €5 million tend to have the lowest proportion of women in both technical and leadership roles, while those with more than €50 million have the highest share.

Beyond reasons of basic equity, there is a business case for hiring more women: in our data, a company workforce made up of more than 30% women correlates with much higher customer retention, possibly driven by better client relationship management.

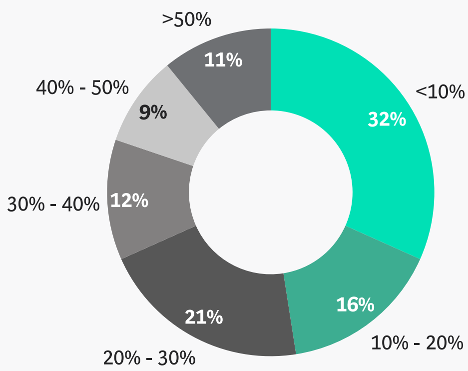
(In the "10 startups to watch" section below, three of the companies were founded by women.)

Less than 10% of companies had more than 30% female tech employees in 2023



Percentage of technical roles (e.g. developers, engineers, data scientists) held by women

Almost half of the companies surveyed have less than 20% women in leadership roles



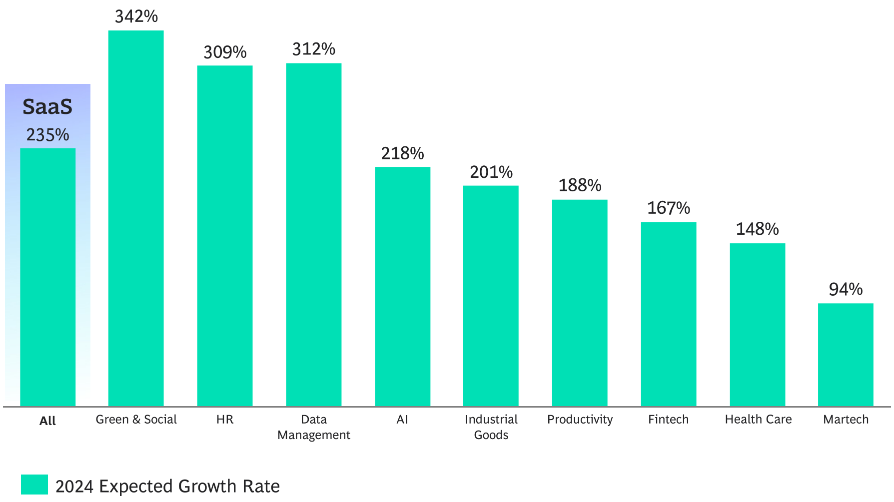
Percentage of women in leadership positions out of total leadership roles

6

The outlook for 2024

Despite a challenging macroeconomic environment, our SaaS hypergrowth companies are expected to grow 235% in 2024 — a sizable increase from the 187% they posted in 2023. Among sectors, green and social, HR, and data management companies are projected to grow at a median rate of more than 300%. At the opposite end of the spectrum are martech companies, which are expected to grow at the slowest rate in 2024: approximately 94%.

SaaS growth rate by Industry [%]



Looking at company size, organizations follow the law of large numbers. Firms with revenue of less than €10 million are targeting aggressive growth, with a substantial number forecasting revenue increases of 200% to 500% (and a few forecasting 500% to 1,000%). Above a revenue threshold of €50 million, however, companies are more circumspect, with most expecting growth of less than 100%.

Regarding profitability, there is less of a correlation to company size; regardless of revenue level, most companies aim for EBITDA margins of more than 10% within three years. (The smallest companies are less willing to project profit margins at all, with most saying it is too early to tell.)

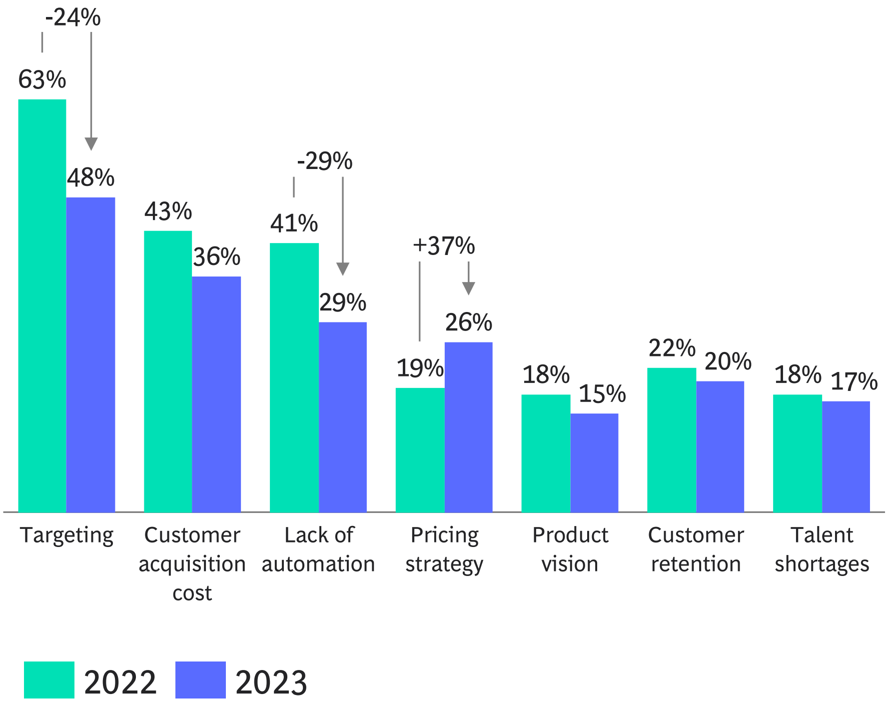
Source: BCG X Analysis | n=101 | Calculated using average of the estimated growth rate range

7

Four priorities to win in 2024 and beyond

Despite the challenging macroeconomic environment, our trend data shows that companies were less likely to point to specific challenges than last year. For example, while targeting remains the top challenge among SaaS companies, the share of respondents citing it as a challenge decreased from 63% in 2022 to 48% in 2023. Customer acquisition cost, automation, product vision, customer retention, and talent shortages all declined as well — though their overall rankings remained consistent. Only pricing strategy increased, from 19% to 26%.

Challenges identified by SaaS companies in percent



Source: BCG X Analysis | Multiple options possible | n=101

Targeting and efficient customer acquisition:

The biggest challenges for SaaS companies are in targeting and acquisition. Improving paid media capabilities and focusing on efficient targeting could increase efficiency and reduce CAC.

Pricing:

Pricing strategy emerged as a substantial challenge for SaaS companies in 2023, with pressure to balance profitability and an expanding customer base. Applying the right pricing strategy — aligned with product offerings and marketing segments — is vital for maintaining competitiveness and profitability.

Automation and personalization:

Automation makes sales and marketing processes more efficient. Leveraging generative AI for content creation and marketing personalization could translate to savings and improved customer engagement.

Innovation and disruption:

Building the right features and prioritizing product development are consistently among the most critical elements for innovative product development. Companies need to actively identify client needs and insights and integrate those into the design process on an iterative basis.

[1]Source: World Bank, International Telecommunication Union (ITU), Electronic Transactions Development Agency (ETDA), Kepios

10 Startups to Watch

By partnering with some of the leading SaaS VCs in Europe, with an extensive portfolio of early growth and seed stage companies, we identified a sample of 10 hypergrowth startups to watch in 2024, including both corporate-built ventures and VC-backed startups.

During our analysis, we had the opportunity to evaluate several dimensions that are critical to detect which companies are making or going to make a significant impact in the industry. To identify them, we looked at four main dimensions:

Innovation:

Does the company have a truly innovative, disruptive solution? Does the product leverage AI?

Capabilities:

How strong are its capabilities in performance marketing, automation, and personalization?

Traction:

How strong is the company's initial sales traction and growth outlook?

Women in tech:

Does the company have an above-average share of women, especially in tech and leadership roles?

Corporate Built

High market knowledge and access to resources

Strong relationship with customers

Access to highly attractive talent

Elevated brand and reputation

Reduced risk and strong stability

Startup Approaches

Easy access to capital and vast expertise and network

Quick pivoting to seize market opportunities

Attractive to top talent

Focus on high growth ideas and proving value fast

Fail-fast culture and build to disrupt

	VISIONARIES CLUB *Founded 2019*	CHERRY *Founded 2013*
Areas of investment	SaaS FinTech (B2B) Procurement & Compliance Cybersecurity HR Tech	Software FinTech Financial Services eCommerce
Stages of investment	Early Growth Seed	Early Growth Seed
Investment portfolio	pivot Pigment Leapsome	operations1 ninetailed Qualifyze tacto
Number of investments	50+	100+

Visionaries Club

Description:

Visionaries Club is Europe's leading B2B-focused early-stage venture capital fund, with offices in London and Berlin and 50+ investments across its Seed and Early Growth funds. Visionaries' community of LPs unites Europe's leading unicorn founders with a huge network of family business entrepreneurs, who are digitising traditional industries and looking to partner with the next generation of software giants. This includes founders of successful tech companies UiPath, Miro, Wolt, Flixbus, Supercell, Zalando, Mollie, Spotify, Personio, Adyen, HelloFresh and Skype alongside industrial giants such as Swarovski, Miele, Mittal, Haniel, Stihl and Siemens.

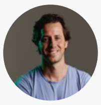
With its unique network and B2B investment focus, Visionaries is bridging the information asymmetry of “what's possible” in the technology startup space and “what is actually needed” in the industrial space, bringing Europe's 'old' and 'new' economies together.

Suitable for:

B2B SaaS founders in Europe. Visionaries Club wants to partner with founders who are obsessed with the products they're building, are strong storytellers, and can execute against their vision. Visionaries invests at seed and early-growth stages and, as a team of founders and former operators, wants to build alongside the founders they back rather than taking a hands-off approach. Its unique network of unicorn founders can be mentors to these next-generation founders and its industrial family entrepreneur partners can help to test product-market-fit.

Outlook 2025:

“Europe is home to many industrial world market leaders who, with their proprietary data, have the potential to significantly shape and enable the application layer of AI. This positions us with a unique opportunity to become the leading global cluster in effectively advancing this layer and distinguishing actual progress from prevailing hype in AI applications. 2023 will forever be known as the year AI pushed its way into every software category and there is a high likelihood that a lot of AI will now happen on top of existing SaaS tools. In 2024, we expect two main shifts to spur further innovation in AI: Firstly, as foundational models start being commoditized and cost of training continues to decrease, we believe that value will accrue to highly verticalized players that can find moats in implementation, workflows, and with proprietary data. Customers will look not only for quality but also security, privacy, and governance. Secondly and more importantly, it is our hope that we will see even more boldness from visionary founders when it comes to really driving deep exploration within AI. While in 2023 we saw the proliferation of countless 'AI for X' startups, in 2024 we expect teams to think even more daringly about building new intelligence and about solving deep societal problems with this revolutionary technology.”



Robert Lacher, Founding Partner of Visionaries Club & La Famiglia

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# of funds: 5 | # of investments: 50+ | Website: https://visionaries.vc/

Selected investment cases:

tacto

Description:

Tacto is an AI-based operating system for future-proof supply chains in the industrial SME sector, which enables strategic supplier management, straightforward handling of compliance with ESG regulations, and efficient and sustainable material purchasing at optimized conditions.

Impact:

Tacto has secured over €56M in total funding, from investors such as Sequoia, Index, Cherry Ventures, and Visionaries Club among others.

Practice Area:

Procurement/Supply Chain Management

pivot

Description:

Pivot is redefining Procure-to-Pay for the mid-market offering a solution that supports the whole lifecycle of indirect procurement, from intake to payment.

Impact:

Within just six months of its creation Pivot has raised a total of $26.9 million in funding from investors like Visionaries Club and Emblem among others.

Practice Area:

Indirect Procurement

Pigment

Description:

Pigment is the all-in-one business platform that allows companies to make better decisions collectively, run operations and plan ahead as they scale, helping executives, Finance, HR and Sales teams to create forecasts, model data, and generate reports for financial decision-making.

Impact:

Pigment raised a total of $248M from ICONIQ, IVP, Meritech Capital, Blossom Capital, Greenoaks and Visionaries Club among others.

Practice Area:

Business Planning

Leapsome

Description:

Leapsome is a performance management and employee engagement SaaS company focused on SMEs. Leapsome combines tools for Goals & OKRs Management, Performance Reviews and 360s, Employee Engagement Surveys, Instant Feedback & Praise, and 1-on-1 Meetings into one easy-to-use and customizable platform.

Impact:

Leapsome bootstrapped until 2016 and raised $60M in a Series A round from Creandum, Insight Partners, and Visionaries Club.

Practice Area:

Employee Performance Management

Cherry Ventures

Description:

As the first believers in lasting futures, Cherry Ventures is Europe's leading early-stage venture fund, led by former entrepreneurs and operators who've built fast-scaling companies such as Zalando, Spotify and Uber.

The team backs Europe's brightest and most daring founders as their first institutional investor and supports them on their go-to-market strategy, product-market fit, follow-on fundraising, talent, communications, and much more across its investment and strategic resources teams. Across four funds and a dedicated first-check web3 fund, Cherry has backed well over 100 companies including FlixBus, Auto1 Group, Flaschenpost, Moss, The Exploration Company, Forto, SellerX, and Juni with the support of an extensive entrepreneur pool of Europe's top founders and operators from Dropbox, Zalando, Spotify, N26, Skype, Supercell, Wolt, Doordash and others. Operating out of its €300 million Cherry IV fund, Cherry continues to back founders across the continent and across industries.

Suitable for:

Cherry Ventures is the perfect fit for pre-seed and seed-stage companies, or companies seeking their first institutional check and a founders-first focused investor.The team invests across the continent and across industries but describes its main areas of focus as changing consumer behavior, empowering developers and creators, driving impact and sustainability, and, of course, enabling enterprises and SMEs.

Outlook 2024:

“As we move into the latter half of 2024, the adoption of B2B AI applications continues to accelerate, but with a sharper focus on tangible business outcomes rather than mere experimentation. Companies are shifting from broad experiments with large language models (LLMs) to more specific, vertical applications that deliver clear value. While foundational models remain a critical part of the AI ecosystem, we’re seeing a growing preference for 'narrow AI'—highly specialized solutions that solve distinct problems more efficiently and at a lower cost.

One of the most dynamic shifts in the enterprise AI landscape has been the rise of AI-driven bots. No longer limited to basic task automation, these bots are now being designed with a deeper understanding of user needs, allowing them to operate across multiple platforms and offer a higher degree of personalization. Businesses are increasingly leveraging these bots not just for customer interaction but also to streamline internal operations and provide employees with intelligent and seamless support. This evolution is helping companies improve both productivity and user satisfaction, as bots transition from simple tools to integral components of the enterprise ecosystem.

In parallel, the rapid evolution of AI technologies is sparking new cybersecurity threats. We are witnessing the emergence of sophisticated AI-driven attacks, requiring innovative countermeasures to safeguard data and systems. This next wave of cybersecurity challenges will demand advanced solutions to prevent prompt injections, data flow interceptions, and automated hacking attempts by AI.

Looking forward, AI’s success will hinge on its ability to deliver personalized, context-aware experiences across multiple platforms. The future will not only be about creating smarter AI but also ensuring it is secure, compliant, and aligned with real-world needs.”

Jasper Masemann, Investment Partner at Cherry Ventures

# of funds: 4 + web3 | # of investments: 100+ | Website: https://cherry.vc/

Selected investment cases:

Superlist

Description:

Superlist is a task management platform where teams can collaborate between each other to boost work productivity.

Impact:

€13.5M funded with 3 investors

Practice Area:

ERP

ninetailed

Description:

Ninetailed is an API-first data-driven personalization and experimentation tool that turns customer and content data into instant intelligent website experiences.

Impact:

Funding of $6.6M with 7 investors

Practice Area:

Analytics / Martech

operations1

Description:

Operations1 is a connected worker platform that provides a solution for worker guidance and connects the organization in manufacturing companies.

Impact:

$17M funded with 6 investors

Practice Area:

Industry-specific solutions

saleor

Description:

Saleor is an open-source ecommerce platform providing ultra-fast, dynamic, and personalized shopping experiences.

Impact:

Funding of $10.5M with 8+ investors

Practice Area:

Analytics / Martech

10 startups to watch in 2024: Strong market traction, diversity and innovation as key driver for the selection

metergrid

Energy analytics

Tenant electricity solution

€3.5M funding raised

1000+ projects implemented or in progress

WorkFlex

Compliance

Global Travel Compliance Platform

200+ clients

CEEZER

Sustainability

Carbon credits marketplace

€15.5M funding raised

8,000 carbon projects on platform

EMPION

HR

Hiring tool with focus on personality and culture fit

€9M funding raised

38,000 monthly website visitors

vaayu

Sustainability

Real-time tracking of environmental impact

€12.5M funding raised

3.783 megatons of carbon under management

WELD

Automation

Data engineering and analytics automation

€6.5M funding raised

25,000 monthly website visitors

deeploi

Productivity

All-in-one IT-as-a-service solution

€9M funding raised

30+ corporate customers

Loyee.ai

Martech

AI-powered funnel optimization

€1M funding raised

5000 monthly visitors

kertos

Legal tech

Automated compliance platform

€7M in funding raised

5,000 monthly website visitors

askui

Developer tools

UI testing and automation

€6.1M funding raised

7,800 monthly website visitors

1 Case Study: metergrid

metergrid

Tenant electricity solution

Location:	Stuttgart, Germany
Industry:	Energy
Software Type:	Greentech
Employees:	32[1]
Investors Incl.:	468 Capital, TSIC, Mario Götze, Mätch VC

"metergrid is developing a technology platform to use existing infrastructure to solve one of the most pressing problems facing our society — sustainable electricity for everyone. The potential is enormous: millions of private landlords, real estate companies, and homeowners' associations can now make renewable energy available to their customers."

Bardo Droege, Investor at 468 Capital

1. Sources: Similarweb | Date: March 2024

Description

metergrid offers an all-in-one solution for the easy and profitable execution of tenant electricity projects. The company supports clients from planning to full implementation, including coordination with authorities, arranging installation companies, and providing suitable measuring technology. Its proprietary software ensures legally compliant, automated billing, and efficient management, ensuring smooth execution of each project.

Traction

>€3.5M

funding[2]

1000+

projects already implemented or in progress

450+

overall customers

15,000+

delivered tenants

Solution

metergrid offers a tenant electricity solution focusing on easy to use implementation for landlords:

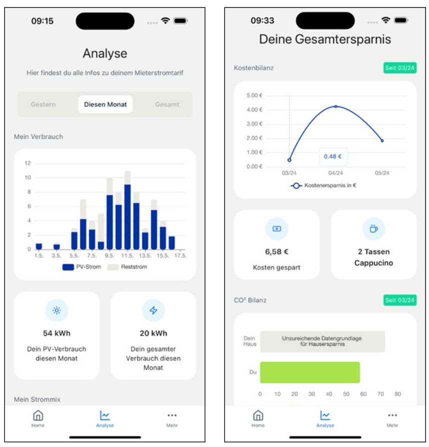
Plug-and-Play solution for easy setup and usage for tenant electricity projects, enabling tailored electricity billing for tenants and encompassing the management of invoices, contracts, and more.

Flexible metering concept with individually configurable profiles and flexibility in metering concept with maximum customization options, regardless of metering components, operators, and project size.

Dashboard for monitoring and automated control enabled monitoring of PV generation and consumption as well as automated control of tariffs, advances, and invoicing for efficient management.

Compatibility with various remote reading solutions and integration into other systems through API interface and Software Development Kit offer maximum flexibility and easy integration into existing infrastructures.

Visuals



Future-proof carbon credit portfolios – guided by data

Location:	Berlin, Germany
Industry:	Sustainability
Software Type:	Carbon Credit Marketplace
Employees:	38[1]
Investors Incl.:	PICUS CAPITAL, HV CAPITAL, CARBON REMOVAL PARTNERS, <norrsken> >C

"CEEZER's approach represents a paradigm shift in the voluntary carbon market, leveraging technology and data to drive transparency, quality, and impact. By harmonizing the market for buyers and sellers and employing AI-driven methodologies, they offer a compelling solution to the complex challenges of carbon credit selection and management. CEEZER's infrastructure plays a critical role in enabling companies to effectively achieve their climate commitments"

David Kuczek, General Partner at HV Capital

1. LinkedIn

Description

Leading corporations use the platform to screen, purchase, and manage carbon credit portfolios to accelerate climate action. By offering science-backed, digital infrastructure to navigate the growing voluntary carbon market, CEEZER enables buyers to seamlessly secure current and future removal supply directly from leading global project developers.

Traction

>€15.5M

funding

5,000

monthly website visits[2]

9,000

carbon projects on platform

13.5M

data points on credit quality and 10M+ data points on volume and pricing

Solution

Global harmonized carbon credit marketplace covering over 9,000 verified projects and over 10M tons of tradable supply

Over 13.5M data points on credit quality, supply, price, and policy risks including in-depth due diligence data

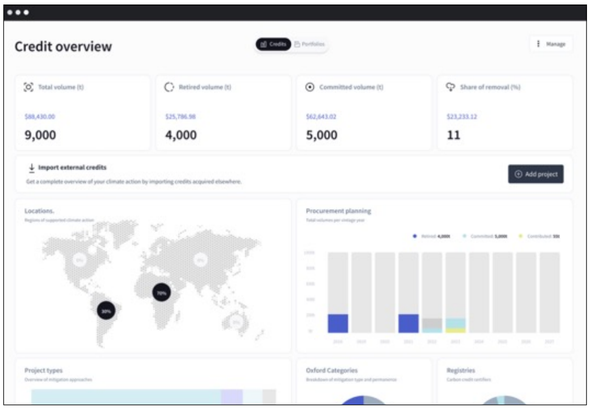
Advanced portfolio planner including risk optimization algorithm

Transaction engine for spot, forward, long-term off take transactions

Carbon Credit portfolio manager integrated into existing ERP infrastructure

Reporting and communications engine for carbon credit portfolios

Visuals



3 Case Study: Vaayu

Environmental impact software

Location:	Berlin, Germany
Industry:	Sustainability/Retail
Software Type:	Impact Calculation & Reduction
Employees:	60+
Investors Incl.:	Capital T, atomico, Seven Seven Six

"Investing in the climate fight isn't just urgent; it's critical, and Vaayu is at the forefront. With retail driving a quarter of the world's emissions, Vaayu's team, technology, and unique approach, which automates robust impact calculations across all product life stages and beyond carbon, position it as a definitive climate ally for both companies and consumers. This aligns with the global push to reduce environmental impact and strive to reach the goals of the Paris Agreement."

Janneke Niessen, Founding Partner at Capital T

Description

Vaayu is the world's first automated AI-powered software helping retail track and reduce environmental impact in real-time and empower more sustainable consumer choices. Vaayu gathers data from across the supply chain on product, packaging, logistics, and more to provide science-based insights on company impacts including carbon emissions, water, and waste. Vaayu is creating retail's largest LCA (Life Cycle Assessment) database with over 600,000 data points, as part of Vaayu's renowned AI Impact Modeling Engine, Kria.

Solution

Vaayu offers several modular solutions covering retail products, supply chains, circularity, and more. It enables real reductions and transparency, and empowers consumer engagement throughout the purchase journey, seamlessly integrating with the tools commonly used by the retail industry.

Key features include:

Measuring and reducing carbon and other impacts throughout the product lifecycle

Tracking targets, including science-based targets (SBTis), and scenario modeling to identify measures with the greatest reduction potential

Creating Digital Product Passports and tracking global legislation to meet requirements

Managing global supply chains and engaging with partners

Traction

>€12.5M

funding

3783

megatons of carbon under management[1]

100+ brands onboarded including Klarna, Vinted, New Balance

Customer presence across 3 continents

Team representing 27+ nationalities, with 58% identifying as BAME (Black, Asian, and Minority Ethnic)

80% female leadership and 80% female representation on the board

Visuals

1. Sources: Similarweb | Date: March 2024

4 Case Study: deeploi

All-in-one IT management solution

Location:	Berlin, Germany
Industry:	IT as a Service
Software Type:	IT operating system
Employees:	35+[1]
Investors Incl.:	atomico, Cherry

"From onboarding to cybersecurity — an increasingly important topic in 2024 — deeploi provides an all-in-one solution for businesses to operate and manage their IT services. We firmly believe that businesses, be it startups or midsize enterprises, need to prioritize their IT organization sooner rather than later and manage their infrastructure under one roof. deeploi provides the tools, best practice arrangement, and security infrastructure in a more centralized and affordable solution. We're delighted to partner with the deeploi team as they create a smoother IT experience for businesses."

Christian Meermann, Founding Partner at Cherry Ventures

1. LInkedin

Description

deeploi specializes in user-friendly IT management solutions tailored for SMEs. For companies without specialized IT departments, ensuring that their IT setup, including laptops, software, and security, are always up to date can be a major challenge. deeploi's all-in-one IT solution addresses these challenges with a user-friendly software that covers the entire scope of an IT department — from onboarding and offboarding to device management, compliance, and cybersecurity.

Traction

€9M

funding[2]

5,000

monthly website visits[3]

60+

customers[2]

Solution

In a time where IT complexity is increasing drastically and IT experts are rare, deeploi offers SMEs best-in-class IT without the costs and resources needed for an extensive internal IT team. deeploi covers the most crucial IT processes by connecting important tools and automating painful workflows with an all-in-one IT solution as a service:

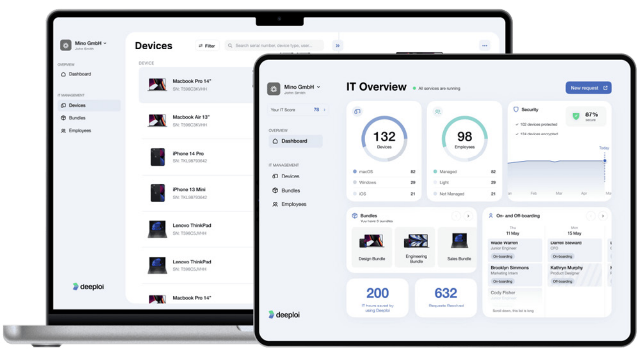
Streamlining and automating onboarding and offboarding processes, reducing manual effort and ensuring a smooth transition for employees

Specialized IT support, providing quick responses and sustainable solutions for all employees' IT issues

State-of-the-art cybersecurity and compliance solutions, partnering with WithSecure to protect organizations' sensitive data. By integrating real-time monitoring, automated tasks, and enforcement of security policies, deeploi ensures robust protection against cyber threats and facilitates certification processes such as GDPR and ISO27001.

Simplified inventory and device management, offering a user-friendly platform for seamless organization and automation of tasks, from device interaction to software updates

Visuals



Automated compliance platform

Location:	Munich, Germany
Industry:	Compliance, Legal Tech
Software Type:	Compliance automation
Employees:	31[1]
Investors Incl.:	seed+speed, 10x Founders, Superlyst, PI LABS, REDSTONE, xdeck.

"Kertos is swiftly emerging as the premier platform for privacy and compliance operations, offering a no-code solution that enables companies to act lawfully while increasing user and customer satisfaction. Kertos automates compliance with standards like GDPR, ISO, SOC, NIS2, or DORA, saving millions of manual hours by detecting, reporting, and executing mandatory data deletion. I see Kertos becoming the first true European-based Compliance Operator."

Jan Reichelt, Founding Partner 10x Founders

1. LInkedin

Description

Kertos is the modern backbone of every company's privacy and compliance operations. Providing support in Data & Process Discovery, Data Subject Requests (e.g. customer data deletion), Access Management, Compliance Documentation and various Certification Frameworks such as ISO27001, SOC2, TISAX® and similar. Its no-code SaaS solution connects to the entire IT infrastructure, identifies compliance relevant assets and processes, related data and automates compliance workflows to get an organization certification ready within weeks.

Traction

€5M

funding[2]

5,000

monthly website visits[3]

€10M+

hours of manual compliance work saved

Solution

The software offers the following main features:

AI compliance governance for frameworks such as GDPR, NIS2, DORA, ISO27001, TISAX, or SOC2

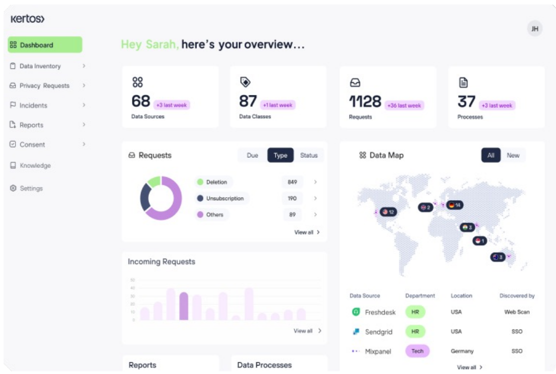
Automated inventory discovery, data classification, asset management and data subject request end-to-end execution

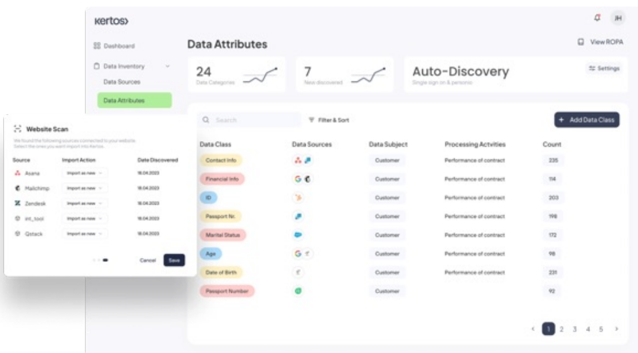
Compliance documentation such as policies, RoPA, DPIA, risk modules or TOMs

No-code integration for compliance monitoring, risk visibility, and continuous audit readiness

Holistic all-in-one compliance solution for access tracking, compliance trainings, and DPO/CISO support

Visuals





6 Case Study: WorkFlex

Global Travel Compliance Platform

Location:	Amsterdam, Netherlands
Industry:	Horizontal
Software Type:	Travel Compliance
Employees:	80
Investors Incl.:	VISIONARIES CLUB

"Amidst the evolving landscape of work, companies face an urgent need to ensure compliance across all dimensions from remote work, health care insurance, tax to business travel. Solutions like WorkFlex are indispensable in meeting this challenge head-on. WorkFlex offers a comprehensive solution for streamlining compliance in all facets of business travel and flexible work arrangements efficiently, making it a vital tool for companies striving to maintain compliance and attract top talent in today's dynamic environment."

Robert Lacher, Founding Partner of Visionaries Club & La Famiglia

Description

WorkFlex supports HR and Global Mobility departments in managing global travel compliance with software (e.g., during a business trip or "workation"). Its software evaluates all risks and implements the required compliance measures. Hundreds of companies already use WorkFlex, including BioNTech, Scout24, and Flix.

Solution

Creation of risk evaluations for each workation and business trip

Automated handling of compliance requirements (incl. A1-Certificates, CoC, PWD, insurances)

Integrations with HRIS (e.g., Workday, Personio, SAP) and travel tools (e.g., Travelperk, Navan)

Smart approval and compliance workflows

Traction

200+

clients (incl. BioNTech, Scout24, Flix)

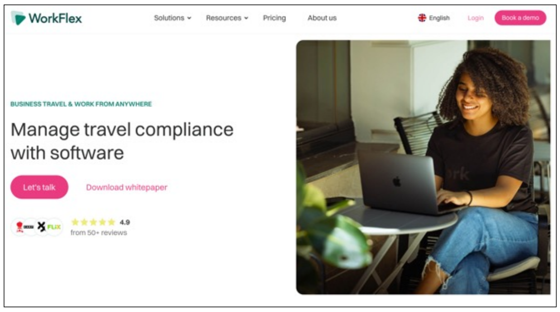
100,000+

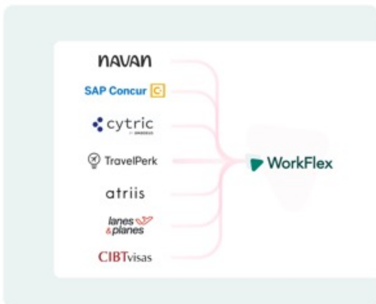
workations and business travel trips analyzed

80+

employees within 2.5 years of incorporation

Visuals





7 Case Study: Empion

EMPION

Talent search platform

Location:	Berlin, Germany
Industry:	HR
Software Type:	Recruiting platform
Employees:	30
Investors Incl.:	CAVALRY, REDSTONE

"Empion harnesses artificial intelligence to empower the mobilization of passive workforce potential and facilitates tailored candidate selection for companies of any scale, considering skills, values, and personality traits. This innovative solution facilitates effective and sustainable talent redistribution during periods of limited skilled labor resources and beyond. Leveraging their industry knowledge and technical acumen, the founders have crafted a product perfectly aligned with the demands of today's job market."

Stefan Walter, Co-Founder, Cavalry Ventures

Description

Empion transforms mass recruiting through individuality. The AI-based automated headhunting system quantifies values, skills, and personality to match talents with suitable companies. In this way, an individualized job search based on candidates' and companies' needs becomes available to the mass market.

Solution

Empion uses AI to bring soft factors into recruiting, increasing retention by up to 40% and reducing time-to-hire by up to 70%.

Company culture and personality traits are analyzed with the scientifically proven Empion method.

Talents and companies are matched based on culture, skills, and personality preferences.

Culture reports including culture type, alignment between management and employees, and recommendations are included.

Talents are sourced from different channels to ensure maximum reach and optimized pre-qualification in the white collar space.

Traction[1]

€9M

funding

500+

customers

800%

YOY growth

Visuals

1. Sources: Empion

WELD

Data pipeline integrations

Location:	Copenhagen, Denmark
Industry:	Horizontal
Software Type:	Automation
Employees:	48[1]
Investors Incl.:	Frontline, CHERRY

"In the past, modern data warehouses and analytics stacks were only accessible by large enterprises. Weld's AI-augmented product and hyper-performing data warehouse infrastructure enable any team at any size to have modern business analytics in real time, easy to set up without the necessity of experts and long processes. Weld gives companies full transparency of their data and fast analysis of their business operations."

Jasper Masemann, Partner at Cherry Ventures

1. LInkedin

Description

Weld is helping all businesses become truly data-driven by unifying data into a single source of truth and, in turn, removing the obstacles — such as decentralized tooling and scattered data — that often impede businesses from building an all-important data warehouse. With Weld's streamlining approach, businesses are now able to generate unique insights that both inform and aid driving the business forward. Businesses can build their warehouse in minutes with Weld's powerful ELT, SQL Transformations, rELT, and AI Assistant connected to 100+ apps, files, and databases.

Solution

The software offers the following main features:

ETL

Reverse ETL

SQL Transformations

AI Assistant

Data Orchestration

Data Lineage

Traction

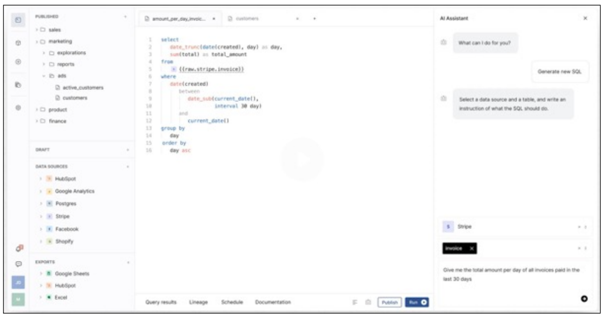
150,000+

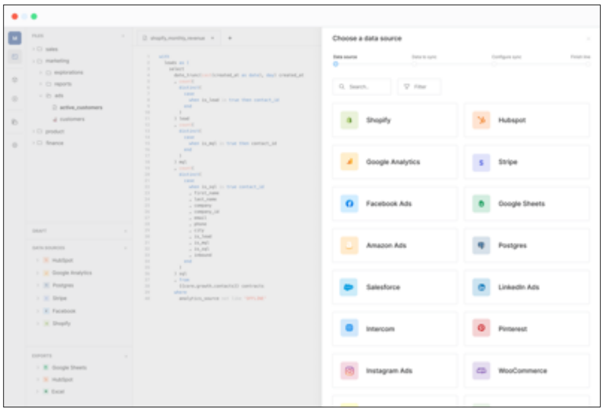
data syncs running daily

15+

different countries live

Visuals





Loyee.ai

AI-powered funnel optimization

Location:	Munich, Germany
Industry:	MarTech
Software Type:	Funnel optimization
Employees:	19[1]
Investors Incl.:	Courtyard Ventures, crv, MV

"Loyee helps my sales reps prioritize their leads and nudges them into the right actions, saving me 8 hours per week digging for data."

Mallorie Maranda, VP Sales at Workramp

1. LInkedin

Description

Loyee is an AI SaaS platform for B2B sales teams to capture their next best customer. Loyee instantly analyzes websites, press releases, and CRM data to automate the prioritization and qualification of leads, eliminating revenue loss due to time wasted on deals that won't close. The team is building a match-making algorithm to connect buyers with sellers, with the goal of boosting conversion rates to nearly 100%.

Traction

€1M

funding[2]

5,000

monthly website visits[3]

Solution

The software offers the following main features:

ICP Monitor that shows you who you should go after

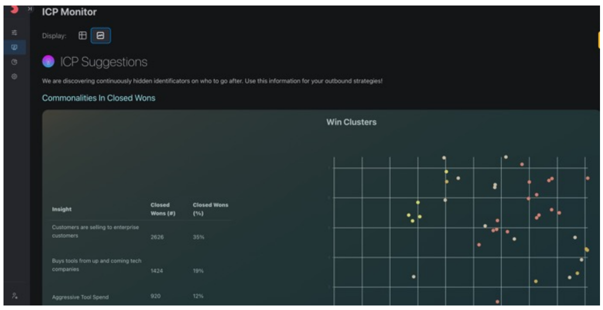
Competitor Signals that highlight who your competitors go after

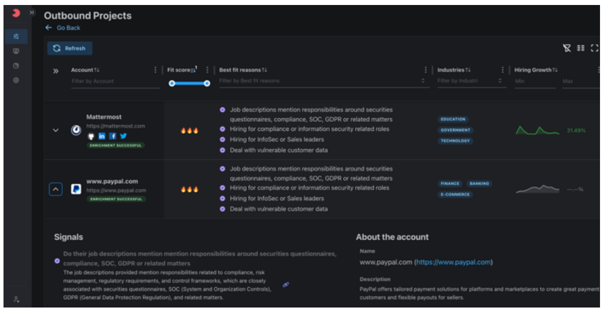
Research, Tier, and Qualify Leads in real time

Prioritize leads based on qualitative and textual data

Get visibility into pipeline health, pipeline quality, and pipeline engagement by teams (e.g., marketing, sales, customer success)

Visuals





10 Case Study: AskUI

UI testing & automation

Location: Karlsruhe, Germany

Industry: Horizontal

Software Type: Developer Tools / Enterprise Software

Employees: 18[1]

Investors Incl.: EURAZEO, LEA Partners, 468 Capital, APX, Seedcamp

"Automation allows for a society in which machines generate economic value, giving individuals the freedom to choose how they spend their time. And that is a society I want to live in."

Jonas Menesklou, CEO

1. LInkedin

Description

What can be said, can be solved. AskUI is on a mission to liberate companies from repetitive work by simulating human input with artificial intelligence. With AskUI you can visually automate apps without any knowledge of the logical structure behind them.

Solution

The software offers the following main features:

Automation anywhere by anyone (support for Linux, MacOS, Windows, Web, and Android)

Extraction of unstructured data from any screen or document

Automatic mapping of unstructured data into a structured format

Setting up workflows in plain language or code

Ensured compliance and on-prem hosting

Traction

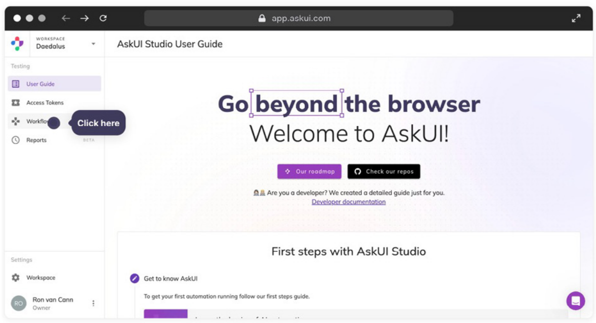
€6.1M

funding

7,300

monthly visits[2]

Visuals



2. Sources: Similarweb | Date: March 2024

www.bcg.com