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Fintech Investor
Network and
Ecosystem

D2.1 EDUCATIONAL NEEDS ASSESSMENT AND CURRICULUM DEVELOPMENT

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D2.1 EDUCATIONAL NEEDS ASSESSMENT AND CURRICULUM DEVELOPMENT

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Abstract	This report contains the assessment of the educational material needed to empower potential investors to become a part of a European fintech investment ecosystem. It analyses which material is needed, which material is already available and which material should be developed to complete the online academy.
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EXECUTIVE SUMMARY

This report contains an assessment of the educational material needed to empower potential investors to become a part of a European fintech investment ecosystem. It analyses which material is needed, which material is already available and which material should be developed to complete the online academy.

Looking at potential investors through the lens of a customer's journey we can find out which information they need in different phases to grow into potential Fintech investors. The target groups New, female, minority investors, Business angels, and VC companies, all have different educational needs.

In this report we analyzed the needs and compared this to offered material in the market. Thus, compiling a list of educational material which still needs to be developed.

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1 INTRODUCTION

This report contains an assessment of the educational material needed to empower (potential) investors in Fintech, to build a FINE Investors Academy.

The FINE (Fintech Investor Network and Ecosystem) project aims to create more inclusive and connected networks between Fintech ecosystems on a local and international level, by promoting collaboration between investors through co-investment in Fintech startups, thus creating a richer investment climate that will support innovation and companies scale-up across borders.

To realise collaboration between investors successfully, the knowledge level of all investors involved is important. Investors will not start investing together if the parties involved do not have sufficient knowledge of investing and its risks, and of each other. This is especially the case when investing in Fintech, which is a sector with very specific characteristics. Additionally, investing internationally requires knowledge of the investment infrastructure and conditions in the other country.

Another one of FINE's aims is to create an inclusive investment ecosystem that empowers new investors, young investors, and women and minority investors to learn investment fundamentals and case-specific knowledge about investing in Fintech. This also requires these investors to be able to reach sufficient knowledge levels to participate in an investment ecosystem.

That is why one of the pillars of the FINE project is the online investor academy. FINE will create an inclusive investment ecosystem by creating educational material on an online platform that empowers existing and new investors, young investors, and women and minority investors to learn investment fundamentals and case-specific knowledge about investing in Fintech.

2 THE DIFFERENT EDUCATIONAL COMPONENTS REQUIRED IN THE (ONLINE) INVESTOR ACADEMY

This chapter looks at the material and actions required to empower investors to become part of the inclusive FINE investor ecosystem.

2.1 AN INVESTORS CUSTOMER JOURNEY

To assess the educational needs of the potential investors it is useful to look at their road to investment through the lens of a commercial customer journey. This is a useful tool as we in fact want to convince them to start to invest in Fintech (which would be our product in the customer journey).

An investors customer journey would consist of the following steps.

2.1.1 AWARENESS

The Awareness stage of the customer journey is when prospects, in our case potential investors, discover a brand and product, in this case investing, and more specifically investing in Fintech. This can take place through various channels — examples are social media, brand campaigns, SEO, word of mouth, etc.

At this stage, the prospects know little about the brand and product. Hence, the importance to share educational information about what you do and how you do it. The objective here is to capture the interest of prospective clients by showcasing that in fact, your proposition understands the pain-points and provides the right solutions.

2.1.2 CONSIDERATION

In the Consideration stage of the customer journey prospects weigh different alternatives in the market. In our case they will compare investing in Fintech to other ways to spend or invest their money. Costs, returns, risks and limitations are pit against each other to see which solution comes out on top. The investors have developed from being unequipped to being equipped to make investment decisions.

This is the make-or-break stage for most deals. We would have to showcase why investing into Fintech has more value to add for potential investors than other investment opportunities

A few questions to ask here would be:

- Is the value of investing in Fintech easy to grasp?
- Can people find investment opportunities without hassle?
- How does investing in Fintech compare against alternatives in terms of pricing and features?
- What is the unique selling point to convince investors to pick investing in Fintech over alternatives?

2.1.3 DECISION

The decision phase is where the actual investment is made. There are several ways to help investors make the decision to invest. For other products this can be risk-free trials or personalised demos. In the case of investments this is difficult. It can be helpful for investors to interact with Fintech representatives, and this can reinforce their learnings from previous stages of the customer journey. Apart from demos and trials, social proof is crucial to conversions at this stage. Peer-to-peer recommendations, case-studies, and customer reviews help prospects answer the “why you over the others?” question before finally choosing to either invest or skip the investment

2.1.4 RETENTION

If investors have made it this far, we are doing something right. Several marketers and sales folk believe that the job is done once the deal is won. Customer retention, however, is very important. This means we want to keep investors so they will invest in Fintech again. In fact, retaining customers works out to be 5-10 times less expensive than acquiring new ones in commercial sales. This could be true for investors as well.

2.2 DIFFERENT INFORMATION FOR DIFFERENT INVESTOR GROUPS

As mentioned in the introduction, the FINE project is aimed at including different groups of potential investors into the inclusive investor ecosystem. These groups have different characteristics which affect the information and material they need to support them to become part of the investment ecosystem.

As target groups the following groups have been defined:

- new Investors
- women Investors
- minority Investors
- Business Angels (BA)
- Venture Capitals (VCs)
- international (non-EU) Investors

New investors can grow to become part of any of the other mentioned target groups.

Women and minority investors can be new investors who have additional information requirements.

(New) business angel (networks) or investors wanting to start a (new) Venture Capital company to start investing in Fintech may also be considered new investors in the Fintech field. But they will have a different level of knowledge. Usually, they are not new to the financial world but may not have all the required knowledge from an investor's perspective or in-depth knowledge about Fintech.

International (and non-EU investors) may be beginners or not but will most probably (at least) lack information about country specific circumstances.

As the groups are very different, they will need different content and sometimes different levels of information to enter Fintech investment. In the following paragraph we will look at the customer journey phase in a little more detail and determine per investor group what information the group needs to develop through the different phases.

3 WHAT INFORMATION AND KNOWLEDGE IS NEEDED TO ACTIVATE AND EQUIP THE POTENTIAL INVESTOR GROUPS IN THE DIFFERENT PHASES OF THE CUSTOMER JOURNEY?

3.1 SUPPORTING THE DIFFERENT TARGET GROUPS THROUGH THE CUSTOMER JOURNEY PHASES.

In this chapter we will explore with which aim we supply the educational material to the different groups during their customer journey.

3.1.1 AWARENESS

A few potential investors, who could in fact be anybody with enough capital to invest, who start at the very beginning in the awareness phase, start out being *unconsciously unequipped*. In this state they are not aware of the opportunities and advantages of investing in Fintech, or in some cases even of investing in general.

Ideally with the right information they can be moved into becoming *consciously unequipped*. Where they are aware of the possibility of investing, and specifically investing into Fintech and are looking for more knowledge about this as they know they are not equipped to make informed decisions.

As potential investors in the *unconsciously unequipped* phase are not aware of opportunities, have no knowledge about the subject and are not looking for information, targeting them with campaigns about investing and specifically investing onto Fintech has a very low conversion rate, so a low chance of reaching and interesting them.

Reaching them to move them from *unconsciously unequipped* to consciously unequipped requires large budgets for social media campaigns which are not available in the FINE project.

Potential investors who are already in the *consciously unequipped phase* can be supported to start a “financial journey” to develop toward investing and ultimately into investing in Fintech. It is easier to reach this group as they are already aware of opportunities and of their needs for more knowledge to be able to become an investor.

So, the groups we ideally aim for are, at least, in the *consciously unequipped phase* or have evolved further. The actual knowledge different groups have in this stage can differ among groups.

The aim is to involve beginner, female and migrant investors. It can be assumed that their knowledge levels are usually be more basic than that of already active Business angels or VC initiators. Specific education will have to be included to support these potential investors to grow into full-fledged investors.

The Elfin network (one of the stakeholders that was interviewed) has developed a step-by-step program to assist female investors through this financial journey. This program is very interesting and can be used to develop course material for beginner, women and minority investment groups. It looks at the following steps:

1. Develop the right mindset. How do you think about money, what is your goal
2. Budget, what is your current budget how can you develop financial planning skills.
3. Financial planning. Make a financial plan for 3,5,10 years as a basis for your money strategy. What will you save, invest, use otherwise?
4. Increase income how can you generate income to have investment opportunity.
5. Learn to invest.

3.1.2 CONSIDERATION

In the consideration phase investors should have developed into equipped actors who can weigh information and different options in the market. They need specific sector related Fintech information about how to grasp the value of investing in Fintech. For example, how do Fintech investments compare to other sectors in terms of pricing and features, what are correct entry and exit strategies. How to find interesting investment opportunities.

What is the unique selling point to convince investors to pick investing into Fintech over alternatives?

3.1.3 DECISION

In the decision phase the investors will gather information and actually choose a specific investment proposal (or not).

The different groups will need the same information with some specific information gathered per group to be able to choose a specific investment and actually invest.

3.1.4 RETENTION

In the retention phase the main goal is to keep Fintech investors interested in repeating their investment in the Fintech sector and not lose them to investment in other sectors. Focus will be on good exit strategies and success stories and results of investing in Fintech.

3.2 STAKEHOLDERS INPUT

Based on the customer journey phases, we now have the outline of a general framework for the educational material needed to support potential investors from these groups. The next step is to verify if this is what is indeed needed, according to market parties. Which material is already available, and which still needs to be developed. To realise this step several stakeholders have been interviewed.

The table 3.1 shows the stakeholders that have been interviewed and their main input regarding material that needs to be added to material already existing.

Name of the stakeholder	Interest	Additional education and support needed
Techleap	Innovation accelerator/incubator	Knowledge about Fintech specific risks and opportunities.
Fundsup	Investors network	Possibility to invest together with local investors. Ideally through investors tables. So, learning by doing.
Elfin	Female investors network, offering education	Specific guidance for the whole customer journey to build the confidence of female investors, increase their knowledge, their possibilities and build their capabilities with specific training programs and investing together. This is available for elfin members, female investors. But not for migrant or beginner investors. Additionally, Fintech specific courses which are currently not available.
Impulse4women	Women financial network	Building investment portfolios together, supported by intensive training sessions in small groups (Impuse4women offers this for limited groups).
Holland Fintech	Fintech branche organisation	Information about country specific risks, opportunities and regulations. Explanation about Fintech investment.
RoFintech	Fintech branche organisation	Investing in fintech in Romania necessitates a deep understanding of the sector's specific characteristics, including cybersecurity threats, regulatory challenges, and the need for scalability and compliance with a complex regulatory framework. RoFintech highlights the importance of navigating the intricacies of obtaining licenses and authorizations, as well as dealing with restrictions that can impact product launches and strategies. On the country-specific front, Romania presents opportunities through its growing fintech ecosystem, adoption of PSD2 fostering open banking and digital payments, and the potential for fintech startups to expand across the EU via passporting. However,

		investors must weigh these opportunities against risks such as political instability and the challenges presented by the investment climate, including the types of available investors and government support programs.
Fintech corridor	Fintech Cluster	Fintech information.
Former private equity investor	-	Successful investments presented by an investor.
The Angel initiative	Business angels network	Successful Fintech investment cases, with entry and exit details. Business angels active in other countries in Fintech investments.
French Fintech observatory	Fintech association	Courses about investment into Fintech. Courses with country specific information. Courses for Fintech are being developed for students and Fintech companies. The first together with universities. The second behind their paywall.
Business angel 1 (anonymous)	Business Angel investor	Opportunities to invest with other business angels. Case examples.
Business angel 2	Business Angel investor	Contacts to form business angel groups for Fintech investment.
Truffle Capital	VC company	Information for VC and business angel employees who want to become active as investors herself.
NVP	VC Branche Association	Maybe successful cases with information. Courses for VC's are available behind their paywall
Stichting MKB financiering	Alternative Fiance Association	Information about certified financiers and Fintech companies' quality in other countries.

TABLE 3.1 - INTERVIEWS AND RESULTS NEED ASSESSMENT

In table 3.2 the input of stakeholders is combined with the general framework information to present a total overview of the material needed. Part of this is already provided in the market part is not. Items that are underlined are not currently being offered in the market.

TARGET GROUP (TG)	TG	AWARNESS	CONSIDERATION	DECISION	RETENTION
TG1	Beginner investors (<i>starting as unconsciously unequipped or consciously unequipped</i>)	Capture interest into investing <u>Start financial journey:</u> 1. Mindset 2. Budget 3. Financial planning 4. Increase income	Overview what you need to know when investing: terms, prices, risks	1. How to compare investment opportunities. <u>2. Interaction with Fintech representatives</u> <u>3. Peer-to-peer recommendations.</u> <u>4. Case-studies</u> <u>5. Beginner Investors reviews</u> <u>6. Country specific information</u>	<u>Exit strategy</u> <u>Successful cases</u> <u>Return/risk reports for Fintech cases</u>

TG2	Female investors	Same as TG1 but with specific attention for female investors	Same as TG1 but with added subjects: self-confidence, network building, where to start <u>Fintech specific material</u>	Same as TG1 but with <u>female investors reviews</u>	Same as TG1 but with <u>specific information for female investors</u>
TG3	Minority investors	<u>Capture interest into investing</u> <u>Start financial journey for minority investors:</u> 1. Mindset 2. Budget 3. Financial planning 4. Increase income	Same as TG1 but with added subjects: 1. Cultural aspects of finance 2. Financial independence	Same as TG1 but with minority investors reviews	Same as TG1 with <u>specific information for minority investors</u>
TG4	Business Angels	<u>Raise Awareness about</u> 1. <u>Fintech investment possibilities</u> 2. <u>Possibilities as a Business Angel</u>	How to invest as a business angel <u>How to form a Business Angel network for Fintech Investments</u> <u>Entry and exit strategies for Fintech</u> <u>Value of investing into Fintech</u> Cases	1. <u>Unique selling point Fintech investments</u> 2. <u>Interaction with Fintech representatives</u> 3. <u>Peer-to-peer recommendations, from other Business Angels</u> 4. <u>Case-studies</u> 5. <u>Country specific information</u>	Same as TG1
TG5	VC	<u>Raise Awareness about:</u> 1. <u>Fintech investment possibilities</u> 2. <u>Possibilities to start your own VC company for Fintech investments</u>	<u>How to start your own Fintech VC company</u>	1. <u>Unique selling point Fintech investments</u> 2. <u>Interaction with Fintech representatives</u> 3. <u>Peer-to-peer recommendations, from other VC's</u> 4. <u>Case-studies</u> 5. <u>Country specific information</u>	Same as TG1 with <u>management of VC companies</u>
TG6	International (non-EU) investors	<u>Raise awareness about European Fintech investment options</u>	<u>How to invest in the EU and in different countries</u>	1. <u>Unique selling points Fintech in EU</u> 2. <u>Connecting to European investors</u>	Same as TG1 plus specific European

TABLE 3.2 - EDUCATIONAL MATERIAL NEEDED IN THE ACADEMY

4 NEW CURRICULA TO CREATE FOR THE FINTECH INVESTOR ACADEMY

With the content of table 2.2 we can determine what educational material is needed for the FINE online academy. Part of this material is already available on the market. Some of them are free, some of them behind paywalls of market parties offering courses. In the FINE project the policy about connecting to course material (of the required quality) behind paywalls will have to be discussed.

Part of the material is not yet available. This material we will develop for the FINE investor academy. This material can be divided into two groups.

4.1 GENERAL MATERIAL

The first is general material which will be useful for all potential investor groups, here we see the following modules:

- Characteristics of Fintech investor opportunities compared to investing alternatives. Added value of investing into Fintech (USP)
- Course material on Fintech entry and exit strategies
- How to find interesting investment opportunities in Fintech
- Interaction with Fintech representatives
- Successful investment case studies through the eyes of the (lead) investor.
- Return/risk reports for Fintech investments
- Country specific investment characteristics
- Country specific Fintech information

4.2 TARGET GROUP SPECIFIC MATERIAL

The second is additional material that is useful for a specific target group, this would be the following per target group:

For beginner investors:

- Course material to help beginner investors develop from the awareness to decision phase. Mindset, budget, financial planning, learn to invest, and invest.
- Beginner investor reviews and case studies
- Exit strategies for new investors
- Successful investment cases by beginner investors

For women investors

- Fintech investor course from women investors perspective (usually a growth path after other first investments)
- Fintech Investor reviews by women investors
- Links to existing quality courses for women investors

Minority investors

- Course material to help minority investors develop from the awareness to decision phase. Mindset, budget, financial planning, learn to invest, and invest.
- Information for the investment process prices, risks and returns, including cultural aspects of finance in Europe and financial independence.
- Fintech investment course for minority investors
- Fintech investor reviews by minority investors

Business Angels

- Awareness about Fintech investment possibilities
- Entry and exit strategies for Fintech for business angels
- Peer to peer recommendations from other business angels
- How to form a business Angel network for Fintech Investments

VC's

- How to start your own VC company for Fintech investments
- Peer to peer recommendations or case studies from other VC's
- Management of VC companies specialized in Fintech

International (non-Eu) investors

- Awareness European Fintech investment options
- How to Invest into the EU
- Connecting to European investors
- Unique selling points Fintech in Europe

5 SUSTAINABILITY

The aim is to develop this additional material as content for the online FINE investor's academy.

The academy will be developed by the FINE project together with market players. Ideally in such a way that the market players can keep offering the academy content as part of their own product range when the FINE project has ended. In this way the sustainability of the academy can be assured.