Integrate to Scale:

How Emerging Enterprises are Automating Their Way to Success

+1.57

+0.85

+0.72

+0.44

+0.23

+0.14

+0.08

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Introduction

If you're leading a European scale-up in 2023, you might be forgiven for being a little nostalgic for the past. For almost the past two decades, the venture capital (VC) market on which many scale-ups and emerging enterprises rely on to fund their expansion was buoyant. Now, just two years on from the historic peaks of 2021, venture has experienced a fairly sharp contraction.

PitchBook's Q2 2023 European Venture Report shows that both deal count and investment raised in the European VC market have fallen compared to the first half of 2022, with declines of 33.7% and 63.1% respectively. And when funding is secured, it may now come with demands from investors for earlier, perhaps even larger, returns.

It's a frost in the money market that many European founders and CEOs are acutely aware of. Declining VC investment is particularly impactful for scale-ups in the Series B to D zone - companies which historically have been very reliant on the VC asset class to fund their growth and expansion. And the impact of these adverse funding conditions is compounded for scale-ups by an increase in the cost of debt.

However you dice it, we're living in leaner times. And yet, European scale-ups and emerging enterprises continue to demonstrate resilience, ambition and success. Securing investment, achieving growth and raising capital remain achievable goals - even if some of the terms have changed.

The key to success in this new climate is identifying ways within the business to grow efficiently and profitably. And here, integration and automation are a scale-up's best friends. Behind every scale-up are tens - sometimes hundreds - of other softwares, technologies, apps, and platforms. Success is only possible in this new era when everything, everywhere is connected all at once.

Integration removes manual data processes in the organization and, through automation, makes scaling achievable and more efficient. If you're leading a scale-up or an emerging enterprise or even funding one, I hope this report helps you benchmark against other similar companies and leaves you with some helpful hacks to integrate and automate your way to global success, regardless of the weather.
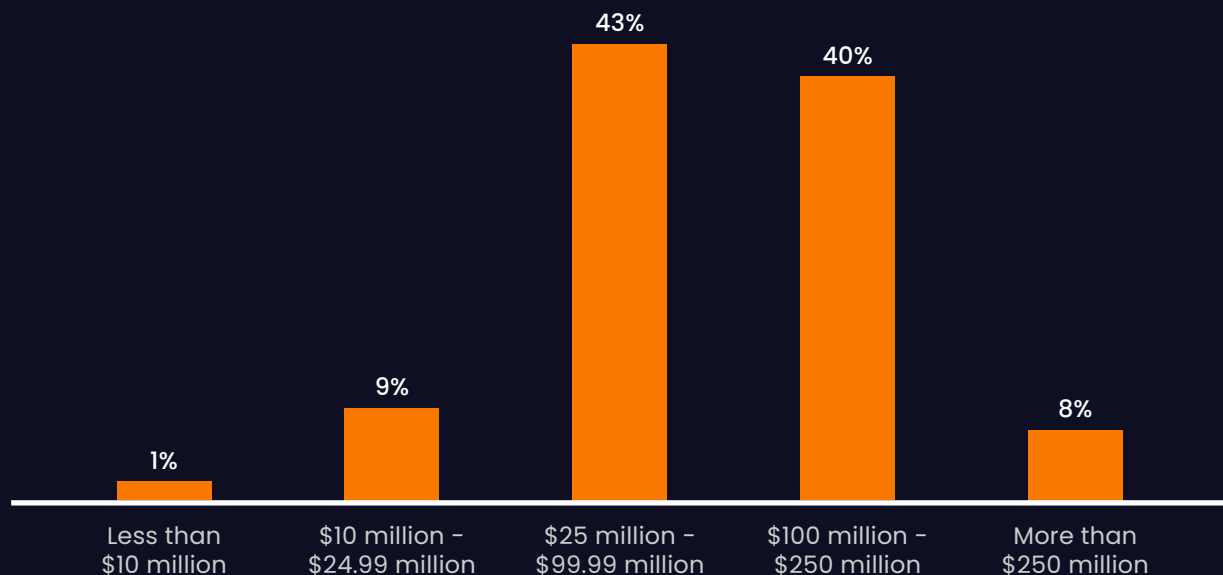
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Executive Summary

In this report, commissioned by Jitterbit and conducted by Censuswide in October 2023, we surveyed 400 Founders and C-Level executives of venture-backed companies in the UK, Spain, Germany, and Sweden. The scale-ups surveyed have raised between $10 million and $250 million in venture and emerging enterprises upwards of $250 million, typically in Series B through to Series D rounds.

How much venture capital has your company raised?

Less than $10 million	$10 million - $24.99 million	$25 million - $99.99 million	$100 million - $250 million	More than $250 million
1%	9%	43%	40%	8%

The research explores these C-Level leaders' growth plans, their current challenges with manual data processes and data silos, and their current integration and automation strategies.

Our research shows C-Level leaders of European scale-ups and emerging enterprises remain bullish on growth, with ambitions to grow their businesses significantly over the next 12 months. These leaders are also acutely aware of the vital importance of automation and integration in ensuring the success of their growth plans. However, they are up against business-critical challenges due to the persistence of a high volume of manual data processes within the business.

In summary, the results from our research indicate that European scale-up and emerging enterprises understand the importance of integration and automation to the realization of their growth plans, but are still struggling with implementing the right integration and automation strategies and technologies to allow them to scale rapidly and efficiently.
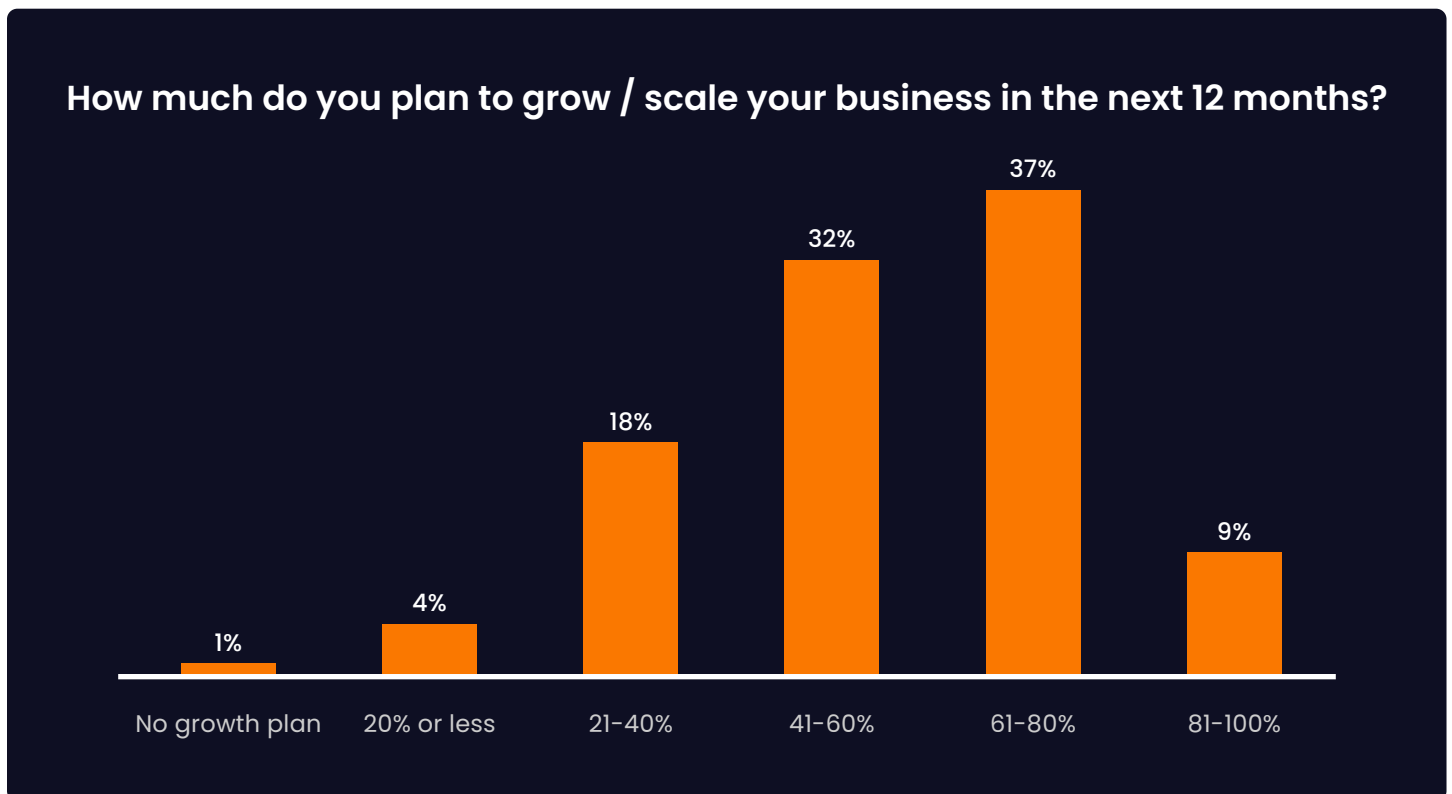
The Challenges of Running an Emerging Enterprise in 2023

Emerging enterprises are venture-backed scale-up companies with ambitions to grow to becoming established global players that define and dominate their given market.

Since a peak in 2021, venture capital has become increasingly harder to raise. According to the State of European Tech report, **venture funding in Europe is forecast to fall** by almost 40% from $83 billion in 2021 to $51 billion in 2023. At the same time, the cost of debt has risen rapidly, further restricting scale-ups© fuel for growth. With investors making increasing demands on scale-ups to generate greater returns earlier in their roadmap, dwindling VC powder remaining dry and a higher cost of borrowing, scale-up and emerging enterprise leaders must be agile and innovative to find ways to scale efficiently.

Growth Plans

We asked respondents about their growth plans for the next 12 months. Despite a challenging climate for growth companies, their responses are bullish with 78% of all respondents planning to scale their businesses by more than 40% in the next year. 46% of those respondents plan on delivering between 61% and 100% business growth. In contrast, only 4% of respondents report plans to grow less than 20%.

How much do you plan to grow / scale your business in the next 12 months?

| No growth plan | 20% or less | 21-40% | 41-60% | 61-80% | 81-100% |
| 1% | 4% | 18% | 32% | 37% | 9% |

The responses vary somewhat according to region, with leaders in Germany planning the greatest growth (89% targeting business growth greater than 61%) and leaders in Spain the most cautious (72% targeting business growth greater than 61%).

The picture also varies according to the role of the respondent. Chief Experience Officers were the most bullish with 100% targeting growth over 61%. Chief Executive Officers and Chief Operating Officers were close behind with 92% and 95% respectively aiming for growth of 61% or more within the next 12 months. Those with the lowest ranking responses were Founders and Chief Revenue Officers, where only 65% and 70% respectively cited growth targets above 61%.

TAKE AWAY

While European scale-up leaders remain confident on growth, some are more confident than others, depending on region and job title.

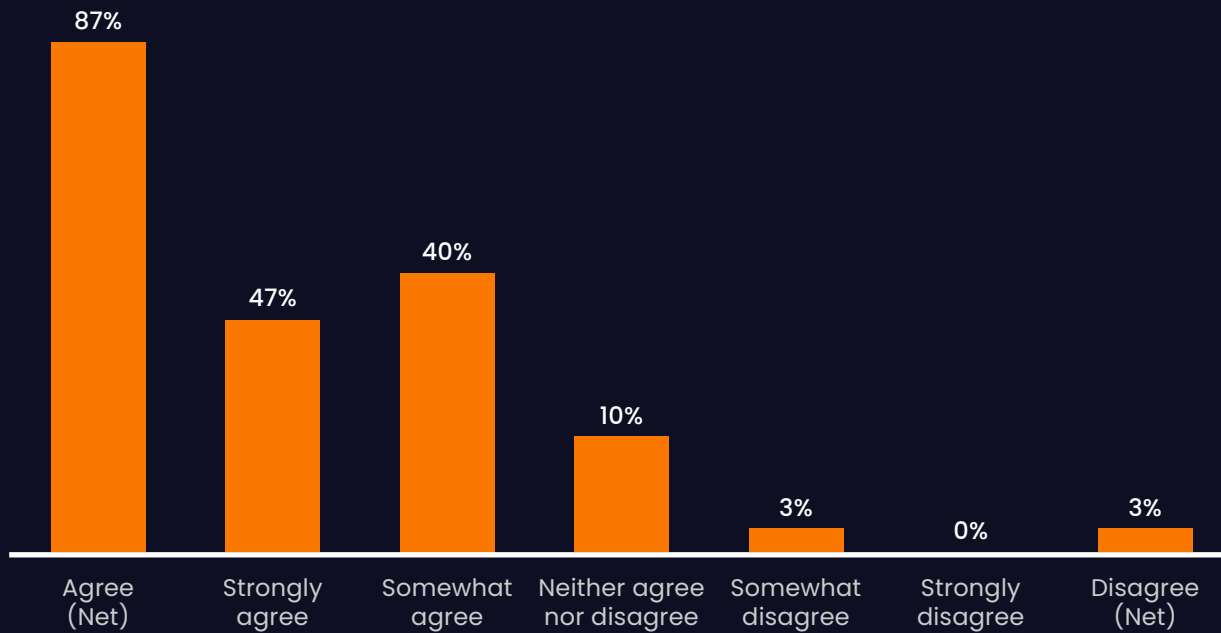# The Pain of Manual Data Process and Data Silos

We wanted to explore how our 400 Founders and C-Level respondents view the manual data processes and data silos in their business and whether they attribute challenges with growing the business to their presence. We asked to what extent our respondents agreed with the statement "Data silos and manual data processes are a pain point in my business."

87% of all respondents strongly agreed or somewhat agreed with the statement, with almost half (47%) agreeing strongly.

Again, we can observe some regional differences in responses to this question with 90% of C-Level executives in Germany and 89% in both the UK and Sweden agreeing that manual data processes and data silos are a pain point in their business. While still high, Spanish executives rank lowest across regions sampled with 80% agreeing with the proposition.

Sentiment toward this statement varies significantly according to a C-Level executive's role within the scale-up. Chief Data Officers are most likely to strongly agree with the statement (88%). Least likely to agree are Chief Executive Officers (35%).

Data silos and manual data processes are a pain point in my business

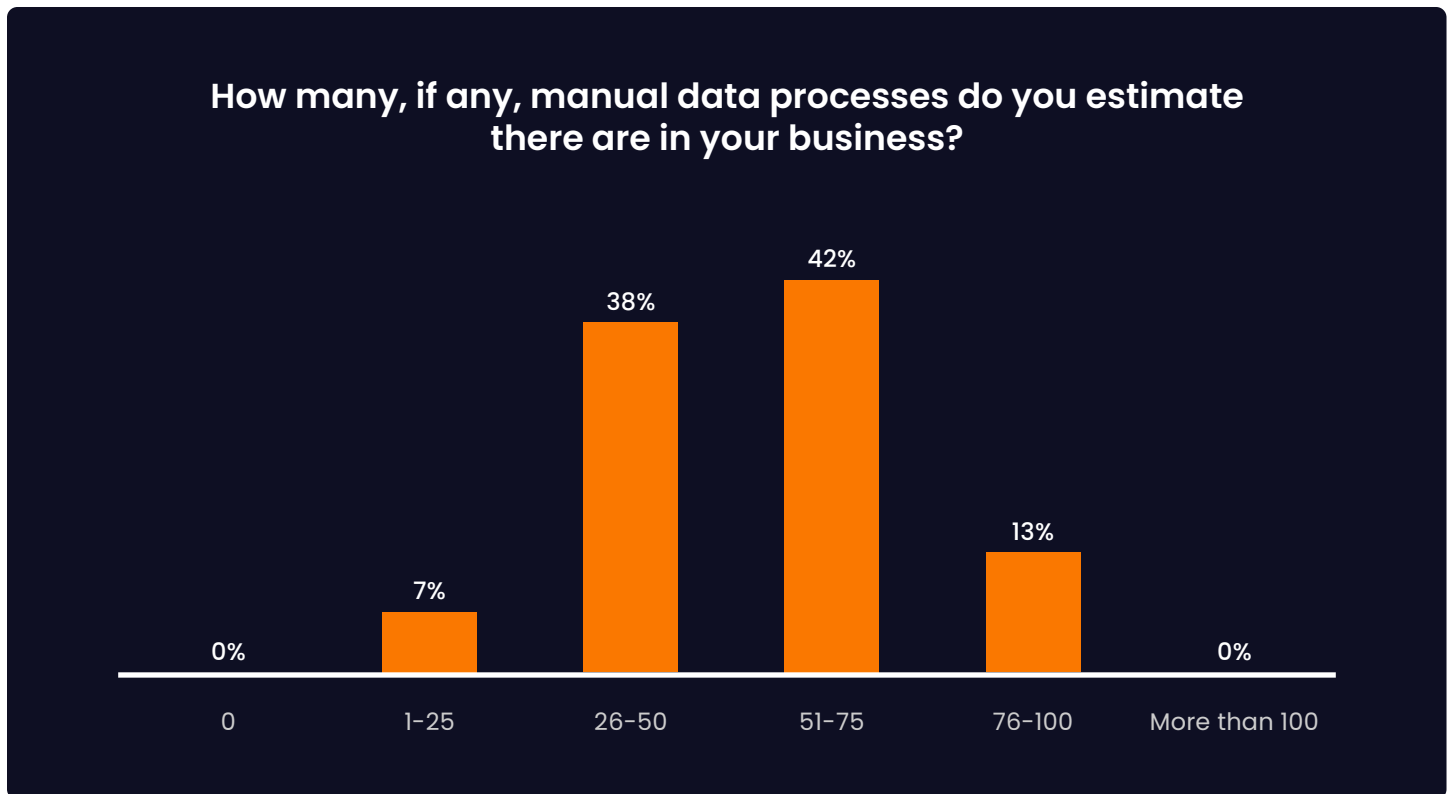| Agree (Net)	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree	Disagree (Net)
87%	47%	40%	10%	3%	0%	3%

TAKE AWAY

Almost half of C-Level executives surveyed at emerging enterprises strongly agree that data silos and manual data processes are a pain point in their business. Chief Data Officers who are tasked directly with managing data across the business are most likely to strongly agree, while Chief Executive Officers - who may deal less with day-to-day data challenges - are least likely to strongly agree. This may indicate that the closer an executive is to the problem, the greater they index the resulting business pain point.

Counting Manual Data Processes

We asked our respondents to estimate the number of manual data processes in their scale-up or emerging enterprise.

93% reported having more than 25 manual data processes in their business, with 55% reporting more than 50 processes and 13% reporting between 76 and 100 manual data processes in the business.

How many, if any, manual data processes do you estimate there are in your business?

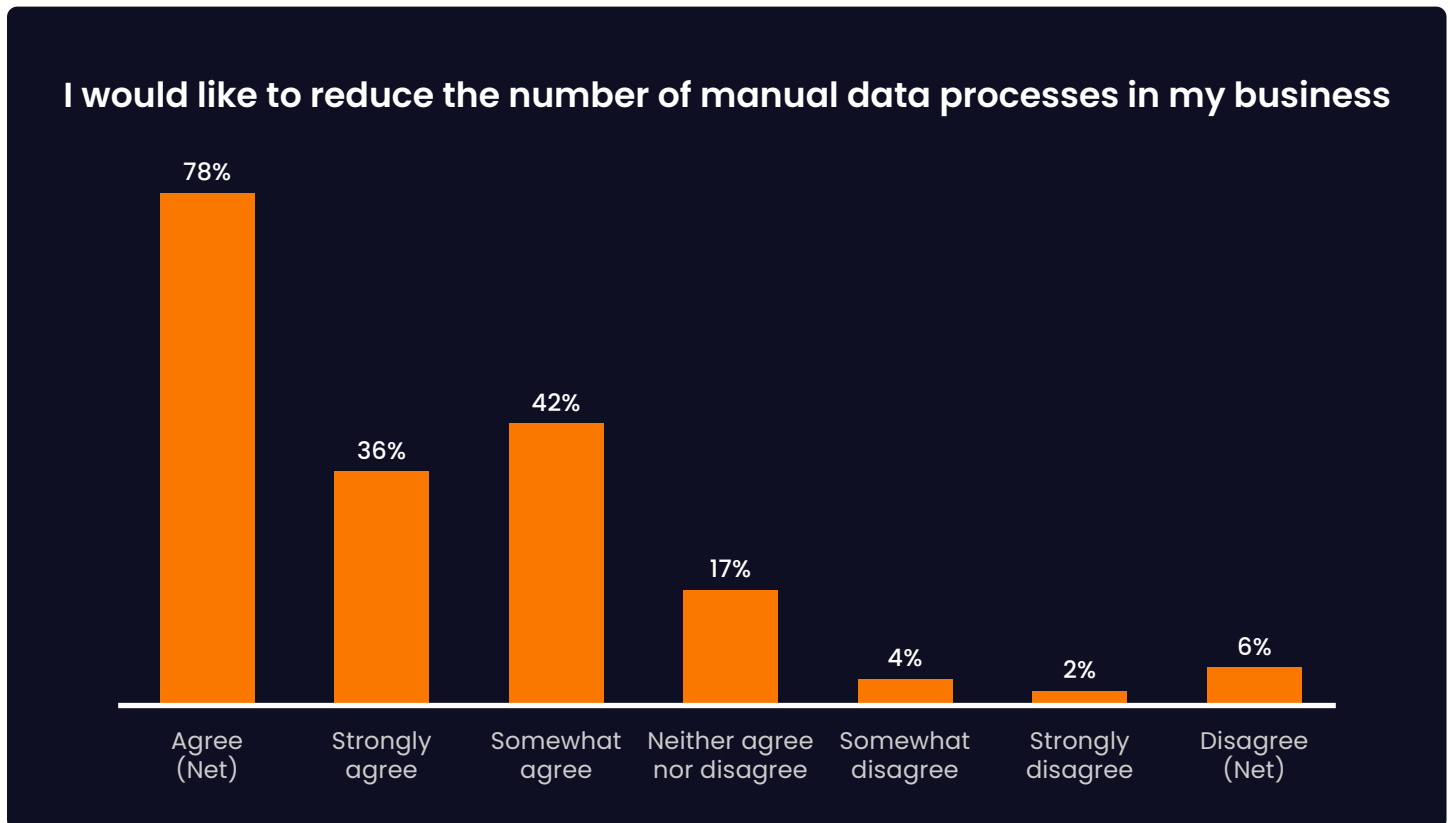| 0	1-25	26-50	51-75	76-100	More than 100
0%	7%	38%	42%	13%	0%

TAKE AWAY

Venture-backed scale-up companies are typified by their innovation and ambition. Despite this, we see a significant volume of inefficient manual data processes in their businesses.

Reducing Manual Data Processes

Much research has been conducted in the past on data silos within organizations. We wanted to explore the less often discussed aspect of manual data processes. Manual data processes are recurring business workflows where data is repetitively processed or transferred between platforms, software, and other technologies, not by automated integrations but by people.

We asked our cohort to what extent they agreed with the statement "I would like to reduce the number of manual data processes in my business." Interestingly, while 87% of respondents strongly agreed or somewhat agreed that manual data processes and data silos are a pain point in their business, 78% of respondents strongly agreed or somewhat agreed that they would like to reduce the number of manual data processes in their business.

By country, respondents in Sweden were most likely to agree. 85% of respondents in Sweden want to reduce the number of manual data processes in their business, compared to 68% of respondents in Germany. Again, we see a disconnect between identifying manual data processes as a pain point and placing importance on reducing the number of manual data processes in the business. While 83% of Chief Data Officers surveyed strongly agree manual data processes are a pain point, only 17% strongly agree they would like to reduce the number of manual data processes.

I would like to reduce the number of manual data processes in my business

Agree (Net)	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree	Disagree (Net)
78%	36%	42%	17%	4%	2%	6%

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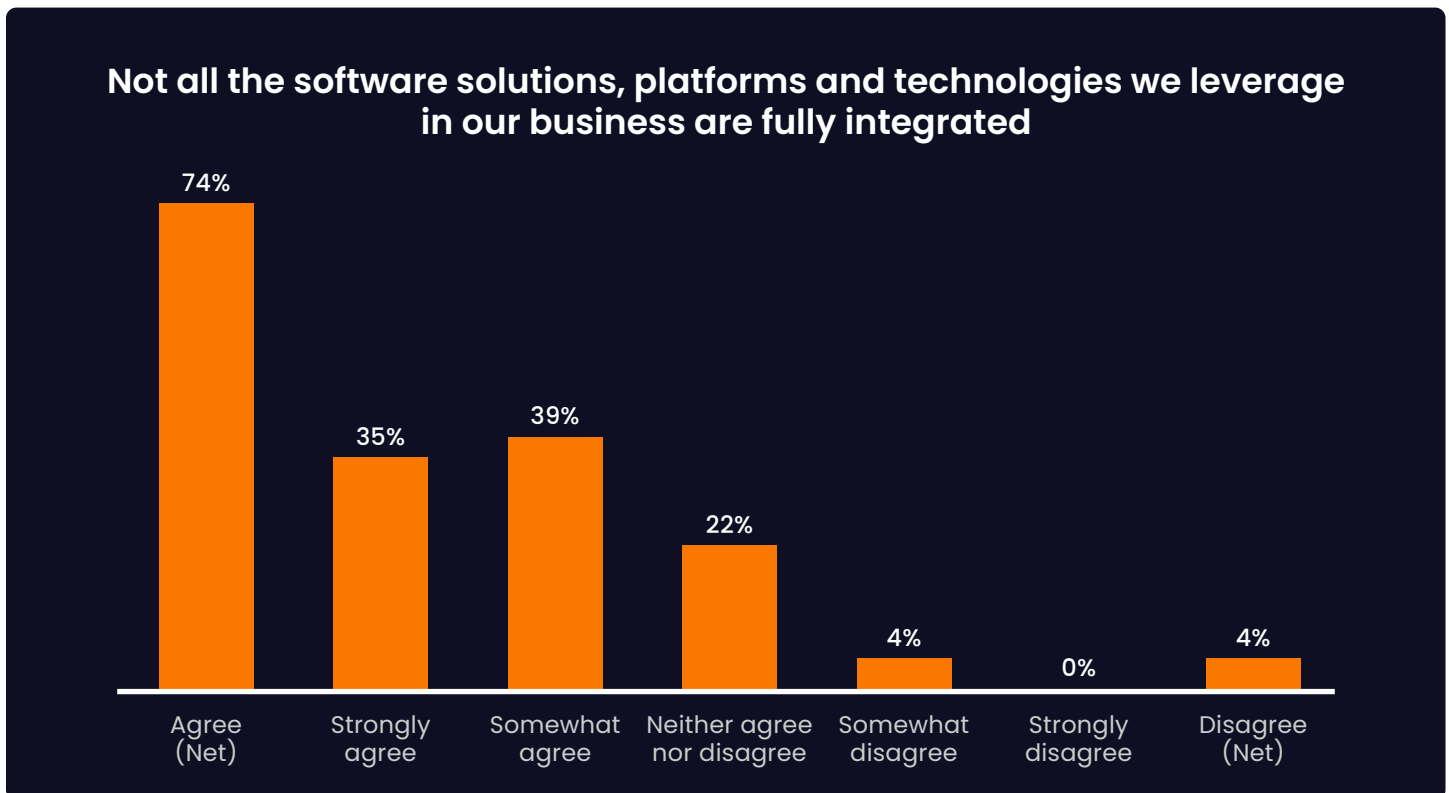
TAKE AWAY

Almost nine out of ten respondents want to reduce the number of manual data processes in their business. Interestingly, while Chief Data Officers strongly recognize manual data processes as a pain point in the business, they are far less likely to strongly agree that they wish to remove those manual data processes from the business. This may indicate previous attempts to remove manual processes have failed or that they do not see introducing integrations to remove manual data processes as part of their role's remit.

A Lack of Integration

We asked respondents to look across all the various software solutions, platforms and technologies deployed across their business and assess whether these are fully integrated.

Across all respondents, 74% strongly agree or agree somewhat with the statement; "Not all the software solutions, platforms and technologies we leverage in our business are fully integrated" with 35% agreeing strongly. Only 4% disagree that not all solutions are integrated.

Between respondents in countries surveyed, there is only a small variation of 8% in those who net agree with the statement. Chief Experience Officers (67%) are most likely to strongly agree that not everything is integrated, while Chief Data Officers are least likely to strongly agree (17%).

Not all the software solutions, platforms and technologies we leverage in our business are fully integrated

Agree (Net)	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree	Disagree (Net)
74%	35%	39%	22%	4%	0%	4%

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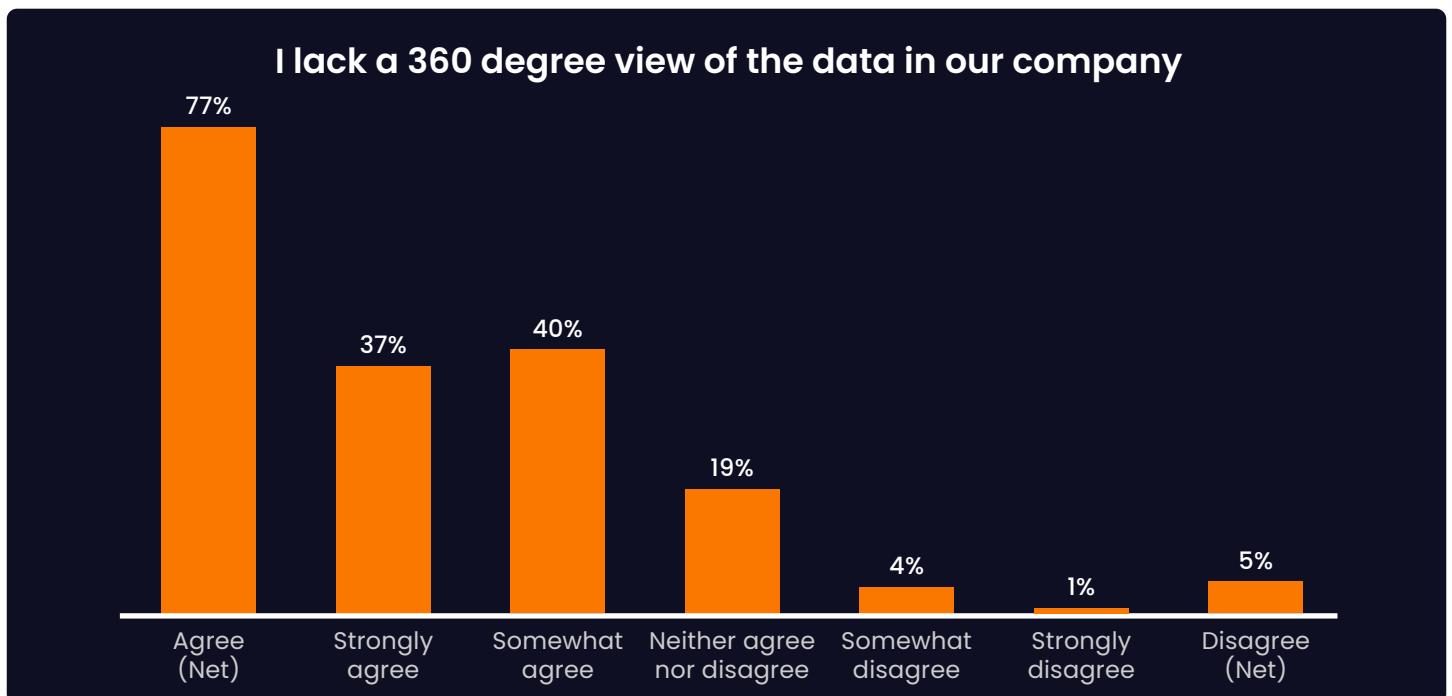
TAKE AWAY

C-Level executives by and large are aware that not all the software solutions, platforms, and technologies in their business are integrated. This awareness does not differ widely between the countries we surveyed. However, different roles responded differently to the question. Notably, Chief Experience Officers, tasked with delivering exemplary customer experiences and who rely on integrated data to get a 360-degree view of the customer, most strongly agreed with a lack of integration. Least likely to strongly agree were Chief Data Officers. This may indicate that Chief Data Officers view themselves and their teams as an effective integration point within the business or that they believe they have achieved a better degree of integration than some of their counterparts in other more front-line roles.

Creating a 360 Degree Data View

Complete and automated integration within the business allows data to be fully integrated, from whichever software or platform or application it originates. This gives an executive leadership team a 360-degree view of the company, facilitating better decision-making. We asked our respondents whether they lack a 360-degree view of the data in their company.

- 76.75% strongly agree or somewhat agree they lack this crucial view.
- 4.75% of our respondents disagree - indicating they believe they do indeed have an integrated complete view of all data in the company.
- 77% of respondents agreed they lack a 360 degree data view while Spain and Germany ranked lowest with 71% agreeing.

Here roles divide our respondents. Chief Revenue Officers were most likely to strongly agree (60%) that their business lacks a 360 degree view of data within the business, while Founders ranked lowest here with 28.7% strongly agreeing.

I lack a 360 degree view of the data in our company

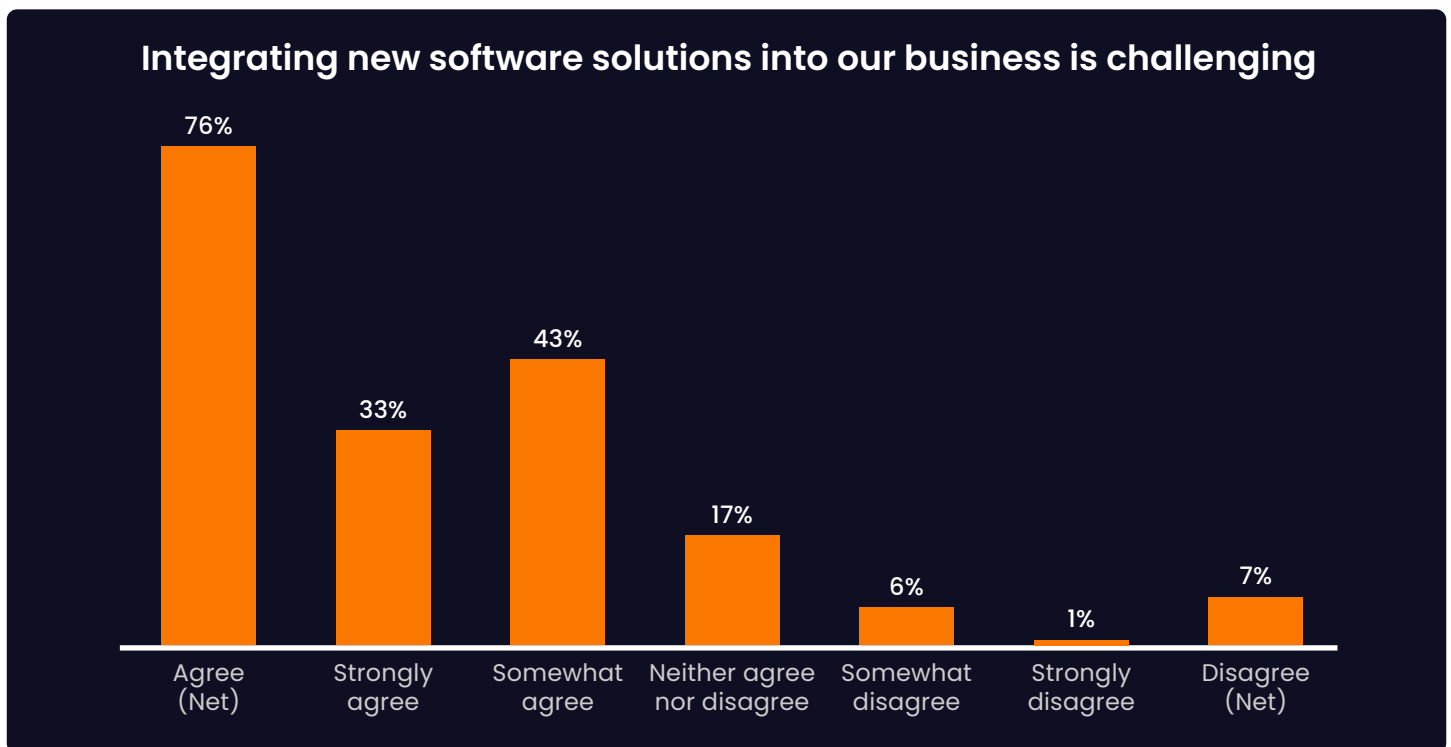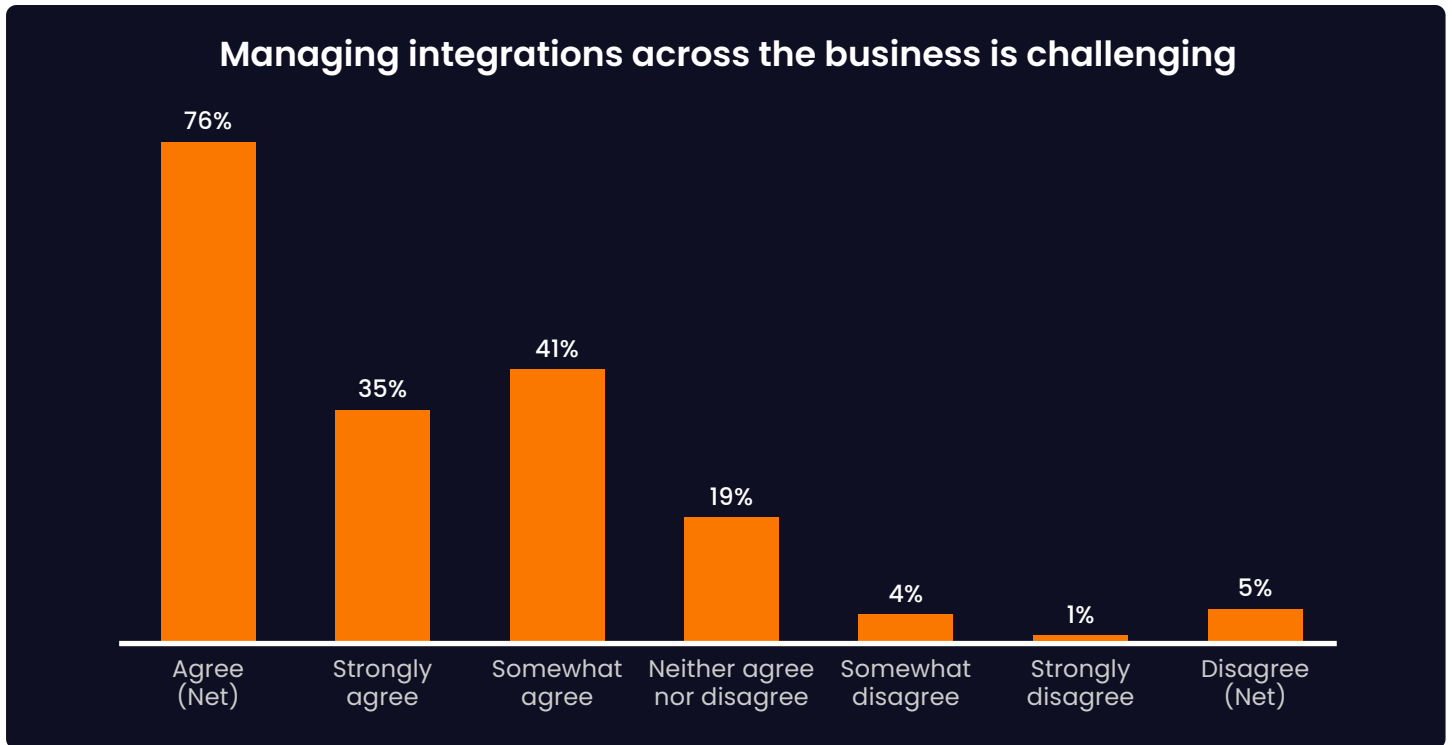| Agree (Net)	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree	Disagree (Net)
77%	37%	40%	19%	4%	1%	5%

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TAKE AWAY

Despite working in knowledge-intensive typically innovative companies, our respondents are aware they lack an integrated 360 degree view of the data within their business. Chief Revenue Officers appear to be most acutely aware of the lack of an integrated view, perhaps because they are concerned with driving revenue - a task which requires a holistic view of multiple customer data points. Founders on the other hand are the cohort least likely to strongly agree - perhaps indicating that those companies which are still founder-led and potentially earlier in their growth journey have yet to experience the challenges in data integration that scale often introduces.

The Integration Challenge

As the research shows, our respondents demonstrate a strong awareness of a lack of integration within their business. Also, 76% indicate that they find integrating new software solutions into their business challenging. Only 7% do not agree that integrating new solutions is challenging. Regionally, we see a low margin of deviation in responses across regions (6%) finding integration challenging, with German respondents (78%) finding it challenging and slightly fewer Swedish respondents (72%) finding it challenging. Across all C-Level roles, Chief Data Officers are most likely to strongly agree that integrating new software solutions is challenging (42%) while Chief Technology Officers are least likely to strongly agree with this statement (15%). Not only is creating new integrations challenging, but managing all the different integration points is tough too. Just over three quarters (76%) of respondents report that managing all the various integration points across the business is challenging. In fact, 35% of respondents strongly agree with this statement and only 5% disagree.

Integrating new software solutions into our business is challenging

Category	Percentage
Agree (Net)	76%
Strongly agree	33%
Somewhat agree	43%
Neither agree nor disagree	17%
Somewhat disagree	6%
Strongly disagree	1%
Disagree (Net)	7%

Managing integrations across the business is challenging

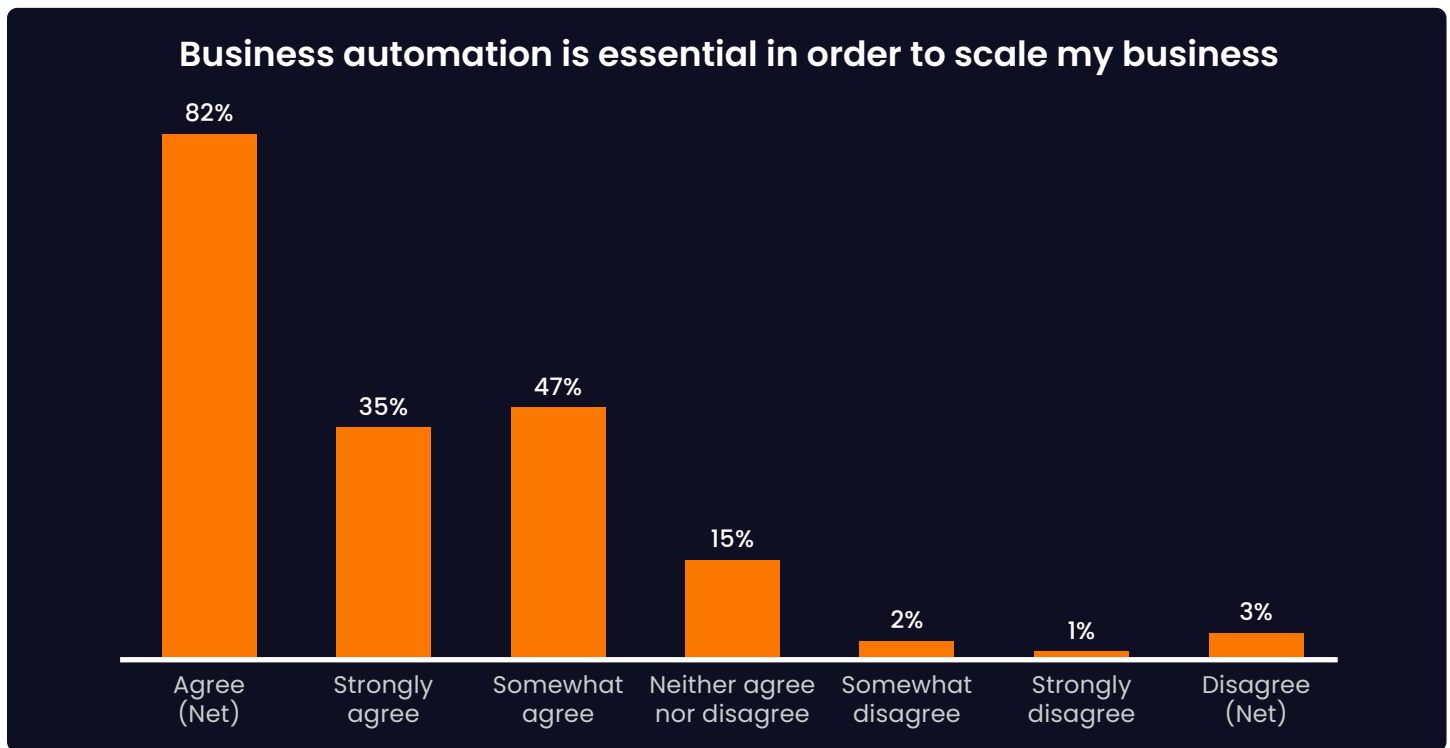| Category	Percentage
Agree (Net)	76%
Strongly agree	35%
Somewhat agree	41%
Neither agree nor disagree	19%
Somewhat disagree	4%
Strongly disagree	1%
Disagree (Net)	5%

TAKE AWAY

Three quarters of our C-Level respondents working in scale-up companies agree that integrating new software solutions and managing integrations across the business is challenging for their business. This may indicate that these businesses have not yet deployed an Integration Platform-as-a-Service to create and manage all integrations effectively.

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Scaling in the Age of Automation

We wanted to explore C-Level executives' view of automation as a tool to scale their business. We asked them to what extent they agree with the statement that "Business automation is essential in order to scale my business." Across all respondents, 82.25% agree that, indeed, automation is essential to achieve their future growth - the highest agreement across all questions posed by this research. By country we see a low variation in responses with, at the top, 86% of German respondents agreeing, in contrast to the lowest rate of agreement which is by Spanish executives (while still over three quarters) at 78%.

The role with the greatest affinity to this statement was that of Chief Commercial Officer, where 46.15% strongly agree with the importance of automation in achieving scale. The larger the number of employees in the respondent's business, the greater the value they place on automation as a requisite for scale. From companies with more than 500 employees, 96.3% of respondents agreed or somewhat agreed, compared to 74.3% of respondents from companies with 50-99 employees. The amount of money raised also increased the level of agreement in the importance of business automation, with 93.3% of respondents from companies that have raised over $250 million agreeing, compared to 77.1% of companies with raises of between $10 million and $24.9 million.

Business automation is essential in order to scale my business

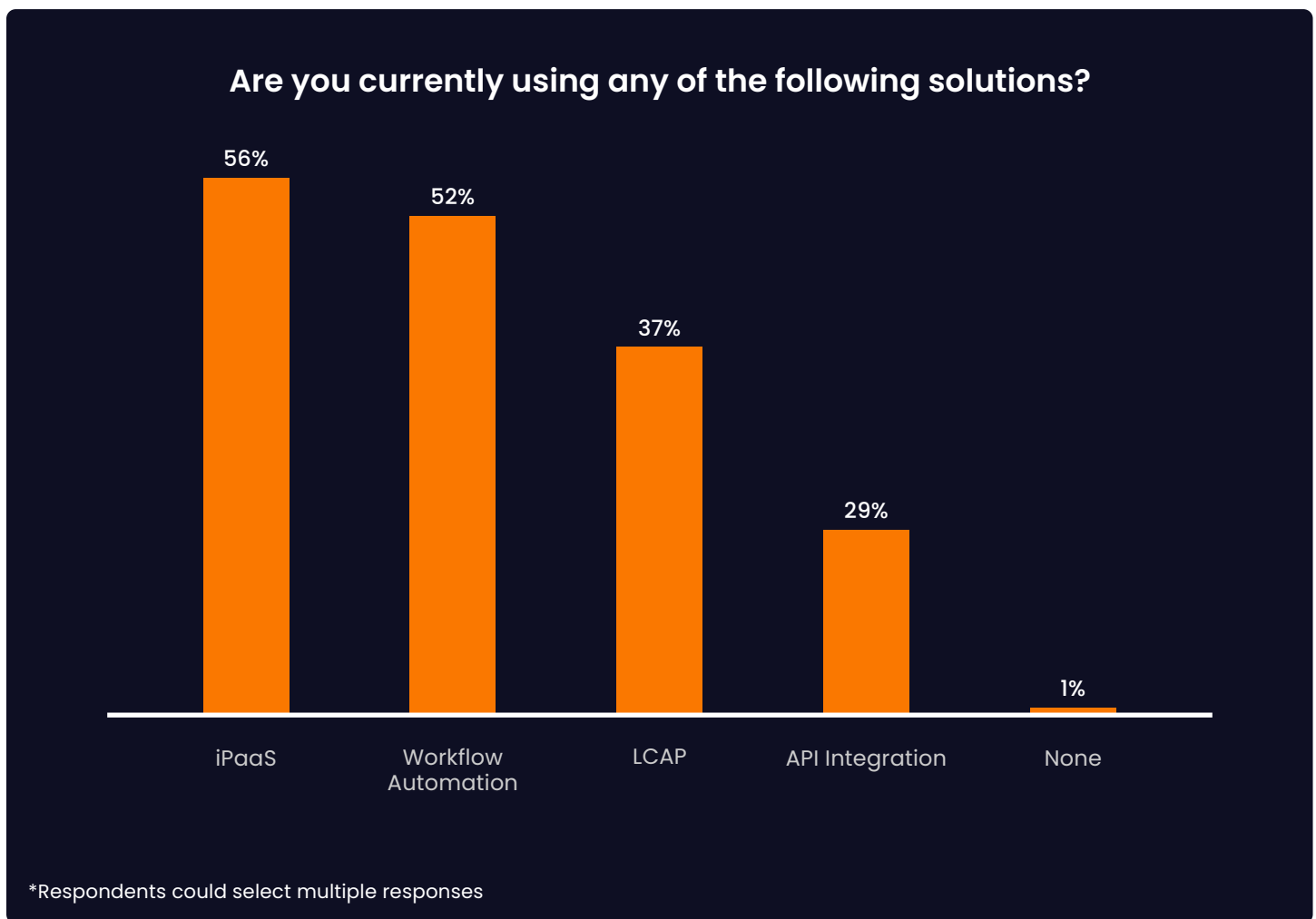| Category	Value
Agree (Net)	82%
Strongly agree	35%
Somewhat agree	47%
Neither agree nor disagree	15%
Somewhat disagree	2%
Strongly disagree	1%
Disagree (Net)	3%

TAKE AWAY

Overall, more than eight out of ten of our respondents agree that business automation is essential for scale. The larger the business in terms of employee headcount and venture raised, the greater the importance placed on business automation.
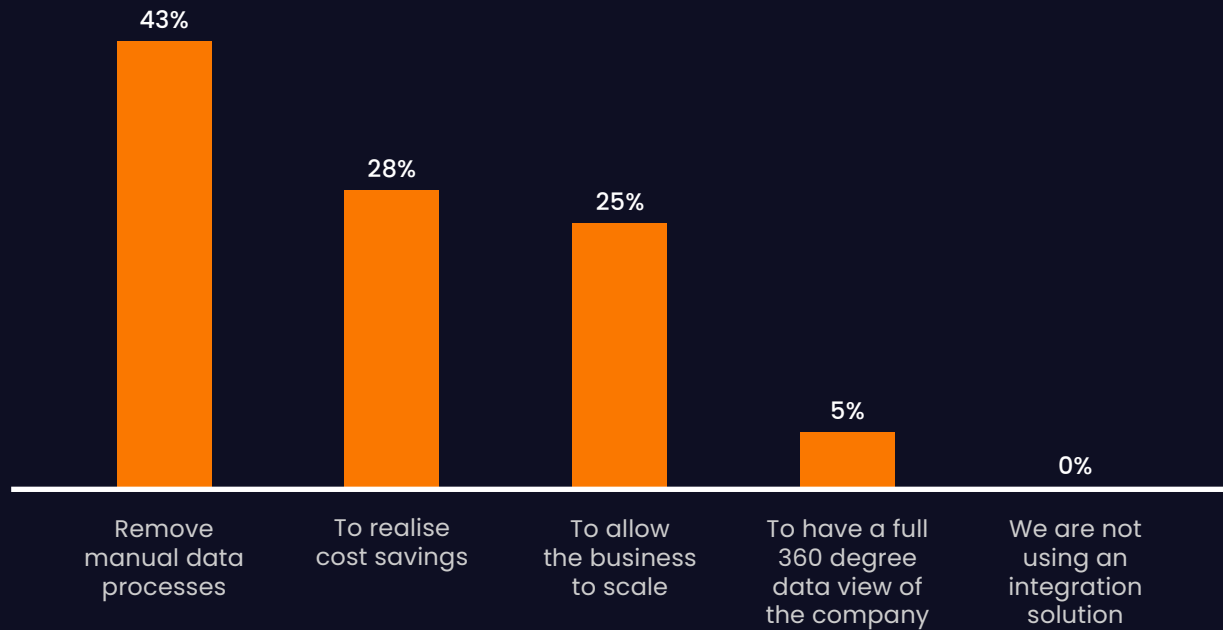
Integration and Automation Solutions

We asked our C-Level respondents the various ways they currently manage integration within their business, whether Integration Platform-as-a-Service (iPaaS), workflow automation tools, low-code application platforms (LCAP), or API integration single-point connectors or any combination of these. Only 0.75% of all respondents are currently not deploying some form of integration solution.

The top reasons cited by respondents for deploying integration solutions were to remove manual data processes (42.5%), to realize cost savings (28%) and to allow the business to scale. In contrast, only 4.75% of respondents cited adopting integration solutions to help establish a 360 degree data view of the business, despite this being a major benefit of deploying an end-to-end iPaaS.

Are you currently using any of the following solutions?

Solution	Percentage
iPaaS	56%
Workflow Automation	52%
LCAP	37%
API Integration	29%
None	1%

*Respondents could select multiple responses

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What is your most significant reason for using an integration solution?

Category	Percentage
Remove manual data processes	43%
To realise cost savings	28%
To allow the business to scale	25%
To have a full 360 degree data view of the company	5%
We are not using an integration solution	0%

TAKE AWAY

Scale-up companies report using a mix of different kinds of integration solutions, from basic point connectors to over half already using an integration platform to some extent. However, if a premium Integration Platform-as-a-Service is deployed, it would be expected that challenges identified by respondents such as a plethora of manual data processes within the business and a lack of a 360 degree data view of the company should be eliminated or significantly reduced.

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5 Hacks to Get Integrated

01

We see in the data a diversity of viewpoints on the challenges of integration according to a respondent's role. Before embarking on the task of fully integrating and automating the business, it's important to get the buy-in of all C-Level executives in the company. Full integration knows no departmental divides and delivers benefits across the emerging enterprise.

02

Single-point API connectors and workflow tools are not sufficient for an ambitious scale-up. Choose a premium Integration Platform-as-a-Service and look for one with end-to-end capability and an integrated low-code application platform.

03

Audit the number of manual processes in your business. It's a litmus test for how far away you are from a fully integrated business. But don't be tempted to build integration solutions rather than buy. Technical businesses such as scale-ups may well have the in-house talent to build individual connectors, but they don't have the resources or expertise to manage them consistently.

04

When selecting your iPaaS, find a provider that can provide strategic advice and plans, not just the platform. Your business is agile and needs to scale fast, so you need a strategic integration partner that can keep pace with your needs.

05

Automation is a hot topic right now, but there can't be any automation without integration. To succeed and scale with no growing pains, ensure that your automation plans are built on the best integration foundations, created and managed by a central Integration Platform-as-a-Service.

About Jitterbit Harmony

Harmony is a leading Integration Platform-as-a-Service that makes integration easy and full business automation possible, allowing emerging enterprises to scale efficiently. Harmony delivers up to 80% faster results than custom-coded integrations, an average return on investment in under a year, and is fully integrated with JItterbit's low-code application development platform that typically accelerates application development by 10x.

We empower business transformation with enterprise solutions for integration and application development; simplifying the power of iPaaS, APIM, EDI and LCAP to amplify the value of on-premise, cloud-based and SaaS systems to help accelerate your business.

To find out how Jitterbit can help your business, visit our website: **www.jitterbit.com.**

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