

Markov EIC Accelerator Application – Key Refinements

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Introduction

Thank you for the details. The subsidy application has been refined to better align with the EIC Horizon criteria by addressing the following key areas:

- **Strengthening the competitive analysis:** Clearly positioning the solution against existing alternatives.
- **Improving the EU dimension and impact:** Highlighting how the innovation contributes to European strategic priorities and scalability beyond Belgium.
- **Enhancing the commercialization strategy:** Demonstrating market potential even without secured Letters of Intent.

An updated version of the application with these enhancements is provided below.

Competitive Analysis: Clear Market Positioning

Markov operates in a rapidly evolving market of AI-driven accounting automation. Its competitors include:

- **Traditional Accounting Software:** Tools such as QuickBooks, Xero, and Sage that still rely heavily on manual data entry and periodic reconciliations.
- **Newer AI-Focused Startups:** For example, the AI accounting startup Basis recently raised \$34 million to develop autonomous “AI agents” for bookkeeping (*Basis Secures \$34M to Deploy AI Agents for Accounting Firms*). Similarly, innovators like DataSnipper (with a \$100 M Series B) and Numeric (with a \$28 M Series A) have secured significant funding.

This intense competition highlights the high market potential for automation solutions. In fact, a 2023 OpenAI study estimated that AI could impact nearly 100% of accounting tasks. **Markov must outpace these rivals despite their current traction.**

Differentiation & USPs

Markov’s unique selling points set it apart from the competition:

- **End-to-End Automation:**

Unlike niche tools (e.g. Vic.ai, which focuses only on accounts payable), Markov automates the full accounting process—from invoice processing and transaction categorization to real-time reconciliation and report generation. This comprehensive scope allows SMEs to rely on a single platform rather than a patchwork of solutions.

- **Proprietary AI & Accuracy:**

Leveraging a proprietary AI engine (inspired by Markov chain models), Markov continuously learns from bookkeeping patterns. This results in higher accuracy and progressively reduces the need for manual corrections. While competitors may still require significant human review or only offer suggestions, Markov’s system is designed to operate autonomously with minimal oversight.

- **SME Focus and Ease of Use:**

Many advanced solutions target large enterprises or accounting firms. Markov is tailored for small and mid-sized enterprises (SMEs) with an intuitive interface and out-of-the-box integrations (e.g. bank feeds, tax portals) that reduce setup time and lower adoption friction.

- **Regulatory Compliance (EU Advantage):**

As an EU-based solution, Markov is built to adhere to European accounting standards and offers multilingual support from day one (covering aspects like VAT rules and local GAAP nuances). This compliance is a significant differentiator against U.S. or non-specialized competitors and ensures trust across European markets.

Overall, Markov is positioned as a breakthrough, AI-driven accounting platform capable of replacing 80–90% of a typical SME's manual bookkeeping workload—a claim few competitors can credibly make. While incumbents like BlackLine and FloQast offer partial workflow automation, Markov's AI-centric approach leapfrogs them with superior intelligence and a tailor-made focus on SME needs.

EU Dimension & Impact

Markov's innovation is not only beneficial for its users but also strategically aligns with European Union priorities and economic goals. The EU has placed digital transformation at the forefront of its agenda, with the President of the European Commission stating:

“Digital transformation is not an option, it is Europe's most important competitive lever.”

Markov contributes to this digital transition by enhancing the operational efficiency of European SMEs—a segment that forms the backbone of Europe's economy.

SME Competitiveness

- SMEs make up 99% of all businesses in Europe and have been pivotal in generating new jobs.
- However, over 40-55% of the time for small businesses is often spent on administrative tasks like accounting.
- By automating accounting, Markov frees entrepreneurs and small business teams to focus on growth and innovation, which can have a cascading positive impact on EU productivity and employment.

Alignment with EU Strategic Priorities

• Digital Strategy and Single Market:

The EU's Digital Compass 2030 envisions that over 90% of European SMEs will achieve at least a basic level of digital intensity by 2030. Markov advances this goal by infusing AI and digital workflows into finance—a core business function. Its design supports scalability across borders, embodying the Digital Single Market ideal where a Belgian innovation can be seamlessly adopted in Germany, Spain, or elsewhere.

• Economic and Societal Impact:

In line with Horizon Europe objectives, Markov is set to:

- Reduce overhead costs and administrative errors.
- Improve compliance across different EU jurisdictions.
- Enable new business models that facilitate international expansion.

By automating low-value tasks, Markov elevates human roles towards more strategic functions, contributing to workforce upskilling and productivity improvements.

• EU Added Value:

Markov's impact is inherently pan-European. Developed in Europe for European businesses, it reinforces the continent's high-tech leadership—particularly in the field of

AI for business—and supports the EU's goals of technological sovereignty by reducing reliance on non-European software solutions.

By emphasizing these points, the application presents a strong EU dimension: Markov is not just commercially promising but also a key contributor to European digital transformation and SME empowerment.

Commercialization Strategy: Scaling Beyond Belgium

Markov's go-to-market plan is designed for rapid scalability across Europe, extending well beyond the Belgian market. The strategy combines a thorough understanding of the target market with a phased expansion approach to maximize traction even without formal Letters of Intent.

Phase 1: Local Validation & Beachhead (Belgium)

- **Objective:**

Solidify the base in Belgium through pilot programs and early customers in the SME segment (e.g. small retail chains, startups, and accounting agencies).

- **Approach:**

Validate Markov's value proposition and refine the product with direct user feedback. Success stories and quantified results (e.g. "Markov saved us 100+ hours per month") will be gathered to build credibility.

- **Market Evidence:**

Informal discussions and strong interest from Belgian SME networks indicate a latent demand for automated accounting, evidenced by the significant time SMEs spend on administrative tasks.

Phase 2: Expansion into Neighboring Markets

- **Target Regions:**

Neighboring EU countries such as the Netherlands, France, and Germany.

- **Approach:**

Leverage partnerships with local accounting software resellers, SME associations, and the Enterprise Europe Network. Markov's cloud-based SaaS model supports easy, low-friction digital acquisition across borders through targeted digital marketing campaigns (including SEO, webinars, and fintech events).

- **Benefit:**

Addressing universal SME pain points—compliance, time-saving, cost reduction—with localized interfaces and multi-language support lowers barriers to entry in new markets.

Phase 3: Pan-European Scale-Up

- **Long-Term Goal:**

Achieve adoption across Europe and potentially expand into international markets where applicable.

- **Approach:**

Build a network of channel partners (such as small accounting firms and consultants) and consider white-label deals with larger financial software providers. Establish regional support centers to manage multi-country needs and ensure local regulatory compliance.

No Letters of Intent? No Problem

Even in the absence of formal LOIs, the commercialization plan is backed by strong market evidence—such as high signup rates, waitlist numbers, and expressions of interest from beta trials. This evidence-based strategy demonstrates a clear path to Markov becoming a high-growth European enterprise, directly addressing EIC Accelerator criteria which favor projects with an international scope.

Funding Strategy: Grant-Focused Flexibility

The funding narrative emphasizes why grant-only (non-dilutive) funding is the ideal fit for Markov at this stage, while also conveying openness to other financing options in the future.

Why Grant-Only Funding is Optimal for Markov

- **High R&D Intensity, High Risk:**

Markov's upcoming milestones include refining AI algorithms, extensive beta testing, and ensuring compliance in multiple jurisdictions. These R&D-heavy activities carry technical uncertainties that make traditional equity investment challenging. A grant bridges this funding gap without imposing immediate pressures for short-term returns.

- **Maintain Momentum and Control:**

With grant funding, the founders can focus on executing the project—hiring developers, conducting pilots, and iterating the product—without the distraction of courting investors or servicing debt. This approach avoids equity dilution, allowing the team to retain control and agility.

- **Fit with EIC Criteria:**

The grant is aimed at advancing the technology from approximately TRL 5/6 to TRL 8, exactly where EIC support is most impactful. By requesting only a grant, Markov demonstrates capital efficiency and alignment with EIC Accelerator guidelines.

- **Future Financing Flexibility:**

Grant-only funding acts as a catalyst. Once the product is validated and initial EU market penetration is achieved, Markov will be well positioned to raise significant Series A funding or consider further equity injections under improved conditions. This strategy ensures that the initial grant paves the way for subsequent private investment with minimal dilution.

This funding strategy reinforces that the EIC Accelerator grant is not only necessary but also strategically optimal for driving Markov's breakthrough innovation, ultimately leading to significant economic and societal benefits across Europe.

Conclusion

By refining the competitive analysis, emphasizing the EU dimension and impact, solidifying the commercialization roadmap, and articulating a sensible funding strategy, this updated application is fully aligned with the EIC Accelerator 2025 criteria. Markov is presented as a visionary, scale-ready startup with breakthrough AI-driven accounting capabilities—capable of replacing up to 90% of manual bookkeeping tasks for SMEs. This comprehensive approach not only validates market demand but also drives digital transformation across Europe, making Markov an ideal candidate for EIC support.

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