

Project “New innovation models in Switzerland” Sector brief: Finance

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Disclaimer

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This report is one of a series of reports from the “New innovation models in Switzerland” project. The other reports are:

Barjak, F., Heimsch, F., Cornet, B., Foray, D., Wörter, M. & Schenckery, A. (2026). *New innovation models in Switzerland. Report on behalf of the Swiss State Secretariat for Education, Research and Innovation (SERI)*. [Link](#)

[Main report]

Barjak, F., Heimsch, F., Cornet, B., Foray, D., Wörter, M. & Schenckery, A. (2026). *Project “New innovation models in Switzerland”. Sector brief: Medical technologies*. [Link](#)

Barjak, F., Heimsch, F., Wörter, M. & Schenckery, A., Cornet, B., Foray, D. (2026). *Project “New innovation models in Switzerland”. Sector brief: Information & Communication Technologies (ICT)*. [Link](#)

Wörter, M. & Schenckery, A., Barjak, F., Heimsch, F., Cornet, B., Foray, D. (2026). *Project “New innovation models in Switzerland”. Sector brief: Chemicals, pharmaceuticals and biotechnology sector*. [Link](#)

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Executive summary

This sectoral brief is part of the broader study by Barjak et al. (2026), commissioned by the Swiss State Secretariat for Education, Research and Innovation (SERI). It provides empirical data analysis to help address Postulate 24.3009, “Declining innovation activities of Swiss companies. Identify the causes and remove the obstacles,” adopted by the Swiss National Council on 30 May 2024. The analyses span multiple economic sectors and were co-funded by Innosuisse, Swiss Medtech, Interpharma, swico, the Swiss Bankers Association, Swiss Fintech Innovations, and the Swiss Insurance Association. The present brief, prepared for the Swiss Bankers Association, Swiss Fintech Innovations, and the Swiss Insurance Association, examines innovation dynamics within Switzerland’s finance sector (comprising banking, insurance, and fintech) drawing on survey data from 206 firms and two rounds of Delphi interviews with 16 and 10 experts respectively. The aim is to characterise emerging innovation models in the finance sector and to assess the influence of digitalisation, sustainability, regulation, and collaboration. A further objective is to derive key ideas for potential policy measures that can support the Swiss Parliament in responding to the postulate.

Key Survey Findings: Innovation in the finance sector is robust, but mostly incremental (86% of firms declare conducting incremental innovation activities). Incremental innovation is mainly conducted by incumbents in the banking and insurance segments, while fintechs lead radical shifts. Large firms dominate compared to other sectors (20% of respondents are companies with 250+ employees, and approximately 50% are mid-sized, i.e. 50+ employees). Companies in the banking segment state competition and technological pressures as important dynamics, and fintechs are also subject to intense competition; customers’ dynamics seem to be much less of a concern in the insurance segment compared to other segments. Digital technologies like cloud-based business models and artificial intelligence is important across all segments, but data quality and skills hinder adoption; incremental sustainable innovation increases across all dimensions, with the most important increase being related to environmental benefits; regulation seems to increase uncertainty and the costs of innovation; collaborations grow, especially between firms and with academic partners, but few collaborations with competitors are implemented.

Delphi Insights: Three areas where policy is needed to sustain innovation in the sector were identified: increasing data openness and data exchange, more innovation-friendly regulations, and investing in talent and education. Policy recommendations made during the interviews encompass enhanced data sharing and open data, with attention to data ownership and sovereignty; streamlined and stable regulation; continued investment in higher education, and eased immigration rules for non-EU students graduating from Swiss universities; and the use of Innosuisse to develop academic-industry partnerships in the finance sector, a tool still largely underused by the sector.

1 Introduction

In autumn 2022, the State Secretariat for Education, Research and Innovation SERI commissioned a study to explore the decline in R&D-performing companies and trends in the innovation activity of Swiss companies by means of six hearings with representatives from industry sectors. This study revealed several factors that pose major challenges to companies' innovation activities (Barjak et al., 2023). These include, above all:

1. Growing centricity of consumers and generally clients in processes of innovation,
2. Widespread digitalisation of innovative products and services,
3. Marked demands for considering sustainability in innovation projects,
4. Increasing influence of regulations,
5. Transformation of the competitive environment (e.g., geographically, new entrants from technology industries, disruptive start-ups, etc.).

Most importantly the first study made clear that the conditions and contexts of innovation are to some degree sector-specific, and that a “one-size-fits-all” approach is neither suitable to understanding corporate innovation activities nor from a policy perspective appropriate to support them. Following this preliminary study, the National Council’s Committee for Science, Education and Culture submitted postulate 24.3009 ‘Declining innovation activities of Swiss companies. Identify the causes and remove the obstacles’, which was accepted by the National Council on 30.05.2024. The Federal Council was instructed by this postulate to analyse in detail the causes of the decline in innovation activities by companies in Switzerland and to provide answers as to how the obstacles in the innovation process can be removed.

SERI commissioned this research project to inform the Federal Council’s reply to this postulate. The project is dedicated to new sectoral innovation models and their consequences for innovation policies. Against this background, four key areas of adjustment were defined to better understand the new innovation models, identify potential weaknesses in the current (regulatory) policy framework and, if necessary, propose recommendations for Swiss innovation policy: 1) Data-related practices and needs in corporate innovation activities, 2) sustainability-related innovation activities and drivers and bottlenecks of such innovations, 3) collaboration practices and needs, and 4) regulations. The project has addressed these four themes and analysed the current situation and recent changes in six selected sectors and thus enables in-depth and more specific analyses that are not possible on the basis of innovation surveys of the entire Swiss economy. The selected sectors are: 1) Medical technologies (medtech), 2) Finance (banking, insurance, & fintech), 3) Pharmaceuticals, 4) Information and communication technologies, 5) MEM (metals, electronics & machine industries), and 6) Food and beverages.

This sector brief is part of the larger project.¹ It presents the findings of the project for the Finance sector, differentiating the survey data further for three segments and summarising the results of the Delphi interviews conducted with companies and industry experts.

2 Literature review

Recent empirical work, including our earlier study and other reports on the Swiss financial sector, identifies four major trends shaping innovation activities in the field: digitalisation, regulation, sustainability, and innovation cooperation (Barjak et al., 2023; Federal Council, 2022). In their study on financial innovation (Lerner et al., 2024) argue that financial innovation is a far more complex and richer phenomenon than has been depicted in the literature

¹ Barjak, F., Heimsch, F., Cornet, B., Foray, D., Wörter, M. & Schenckery, A. (2026). *New innovation models in Switzerland. Report on behalf of the Swiss State Secretariat for Education, Research and Innovation (SERI)*.

today. One way to capture this complexity is precisely to analyse this phenomenon along these four trends.

Several factors have driven innovation behaviour in the financial sector and enable new business models with a strong technological component: the growing performance and societal use of digital technologies; the resulting digitalisation of financial products and processes; and the associated market entry of new players, start-ups as well as large technology providers. Gomber et al.'s, (2017) review of the literature analyses how digital finance (which encompasses a wide range of new financial products, financial businesses, finance-related software, and novel forms of customer interaction and communication) embodies the emergence of this new ecosystem. These new services are delivered by fintech companies and innovative financial service providers which disrupt the sector, forcing incumbents to adapt. It results that disruptive innovations and new business models frequently come from outside of banks, especially from fintechs (Gomber et al., 2017), while traditional actors tend to focus more on incremental innovation, optimising existing processes and improving system (Hess, 2025; Christensen, 1997). Examples of digitalisation in the banking sector include, for example, the use of artificial intelligence to accelerate business processes and for applications in analytics and product development. However, in spite of these sectoral transformations, banks have presumably reacted with cuts of their R&D budgets and the remaining internal R&D has been connected more closely to the companies' core strategies (Barjak et al., 2023). Moreover, innovation cycles seem to have shortened, and time-to-market has become more important, making it more difficult to pursue longer-term research projects. According to industry experts, the close linkages of financial innovations to information technologies have increased their complexity and, combined with scarcer financial resources, resulted in smaller innovation projects (Barjak et al., 2023). The pressure for more agile "speedboats" (e.g., credit card billing apps) has increased significantly, especially in the front-end of the business. This is where the innovation momentum is greatest.

Attractive framework conditions for innovation are very important and should be a priority for policy makers according to experts from the banking sector (Barjak et al., 2023). This includes a stable infrastructure, fully digitalised communication, and open, automated interfaces (APIs). This would open-up new spaces for software development and innovation. A data hub is needed, bringing together all the relevant and particularly cross sectoral information and issues (e.g., concerning data processing, distributed ledger technologies/blockchain, artificial intelligence) and giving banks/fintechs access to develop better/innovative products.

There has also been a noticeable surge in investor demand for sustainable investment opportunities, including sustainability considerations related to fixed income, funds, and equities across the world (BIS et al., 2023), including in Switzerland (Barjak et al., 2023). Sustainable innovation in the financial services sector is therefore happening, through incremental innovation (Asante et al., 2014). These innovations may however be costly, and the lack of standardized data and Greenwashing may increase difficulties in implementing sustainable innovation (BIS et al., 2023).

Collaboration can also play an important role in adapting to these new technological trends (e.g. partnering with fintechs), and access to talent (e.g. through academia-industry cooperations, FIND, 2025). Innovation cooperations along with the above mentioned issues have also been taken up by the Swiss Federal Council and the State Secretariat for International Finance SIF in the report "Digital finance: areas of action 2022+" (Federal Council, 2022) which has formulated an action plan to: expand open finance, understood as the exchange of financial data over standardised and secure interfaces at the request of clients; support data use and sharing in the financial sector; modernise the regulatory and supervisory framework through the promotion of RegTech and SupTech solutions; support the use of AI and development of green fintechs; and to strengthen the innovation potential of the financial sector in the long term by means of an innovation platform, among other action points.

3 Sector-specific survey results

The results presented in this section come from a larger survey conducted across six sectors: Chemicals, Pharmaceuticals & Biotechnology; Information & Communication Technologies (ICT); Medical Technologies; Metals, Electronics, Machines (MEM); Food & Beverages; and Finance (banking, insurance, and other financial services). This brief focuses on the Finance sector. Below, we provide a summary of the data and the results. For more details about the project context, the development of the questionnaire, the implementation of the survey, as well as results and comparisons with the other five sectors, please refer to the main report (Barjak et al., 2026).

3.1 Data basis

The survey data draws on a dataset generated through an online survey of Swiss finance companies conducted between December 2024 and March 2025. Questions asked about the most recent time frame 2021-23, following the Swiss Innovation Survey and European Community Innovation Survey practice of collecting innovation data for a three-year time-period. In order to detect changes over time, questions were also asked about the previous period in 2020 and earlier. No precise time frame was specified, as it was assumed that events that occurred longer ago would be subject to memory errors and that any precision would only be apparent.

In this section, we begin by providing a brief overview of the population and the sample, before presenting the survey results for the Finance sector.

3.1.1 Population and sample

The population of companies considered in the Finance sector (Banking, Insurance, Other financial services, including fintechs) consists of companies in three NOGA codes:

- 64. Financial service activities (except insurance and pension funding);
- 65. Insurance, reinsurance and pension funding;
- 66. Activities auxiliary to financial services and insurance activities.

A sample of 1,258 VAT numbers (“UIDs”) for finance sector organisations was obtained for the survey. The large majority of the UIDs were provided as a stratified random sample from the corresponding NOGA classes by the Swiss Federal Office of Statistics. Additional UIDs were contributed by the supporting industry associations.

Table 1. Gross sample by size class (in %)

	NOGA	4-9	10-49	50-249	250+	Total
Financial service activities (except insurance and pension funding);	64	191	110	92	58	451
Insurance, reinsurance and pension funding;	65	54	137	64	32	287
Activities auxiliary to financial services and insurance activities.	66	190	111	164	27	492
No NOGA code (additional units from finance associations)		na	na	na	na	28
Total Finance	64-66	435	358	320	117	1,258
All sectors		2,008	1,936	1,719	534	6,692

In our analysis of the Finance sector, we take a closer look at three segments: Financial Services (NOGA 64), Insurance (NOGA 65) and Other, which include fintechs. The Other category has been built in the following way: we added to the NOGA code 66, the companies that answered *Provider of IT/software solutions* to the question *In which market segments was your company active in 2021-23?* This question was filtered to be answered solely by

companies in NOGA codes 64-66, thereby including only companies active in the Financial sector.

To simplify the analysis, we refer to three segments defined as follows:

- Banking: Financial service activities (NOGA 64);
- Insurance: Insurance, reinsurance and pension funding (NOGA 65);
- Other & Fintech: Activities auxiliary to financial services and insurance activities (NOGA 66) **and** Provider of IT/software solutions.

3.1.2 Survey implementation and response statistics

In total, 313 companies in the Finance sector (29.7%) replied to the survey invitation by activating the link to the questionnaire or requesting a printable version of the questionnaire. Another 41 companies (3.9%) rejected the survey invitation. This implies a response rate of 33.6%. The Finance sector's response rate is among the highest in this survey, being 3.3 percentage point better than the rest of the sample containing all sectors (see Table 2). Out of the 313 responses, data on 206 companies could be included in the analysis.

Table 2. Response rate (in %)

	Response	Rejection	Non-response	Not reached (by email)	Population total	Outside of population
SBVg, SFTI	53.7%	0.0%	43.9%	2.4%	41	2
SVV	53.5%	4.7%	41.9%	0.0%	43	0
Total Finance	29.7%	3.9%	59.5%	6.9%	1,055	27
All sectors	26.5%	3.8%	63.1%	6.7%	6,578	114

3.2 Results

Below, we provide an overview of the results for the Finance sector across the three segments. We start by providing structural characteristics of the dataset, before investigating first the innovation activities of the surveyed companies, and then, our four topics: digitalisation, sustainability, regulation and collaborations.²

3.2.1 Structural characteristics of the dataset

Considering total employment, 79.9% of the respondents are SMEs with less than 250 employees and 20.1% have 250 or more employees (Table 3). Interestingly, the Finance sector has a larger share of companies with 250 or more employees compared to the rest of the sample (the highest across all sectors), as well as a larger share of mid-size companies (50–249 employees). As a result, approximately only half of the companies in our sample are small, with fewer than 50 FTEs, while the other half are mid-size or large. By contrast, almost two thirds of the overall sample with all sectors is made of small companies, and one third of mid-size and large companies. Table 3 shows that the Banking segment is the most concentrated sector, followed by the Other & Fintech segments and Insurance segments. This is likely due to the high concentration of the finance sector and the presence of large financial institutions, especially in the Banking and Insurance segments, compared to the other sectors of the economy, consisting of large networks of SMEs.

² It is important to note that the statistical data in this report only refers to the companies that responded. The results are not representative for the sectors or Switzerland as a whole as innovative companies are overrepresented.

Table 3. Sample by segment and size class (in %)

	4-9		10-49		50-249		250+		Total
	N	In %	N						
Banking	22.8	26.6%	18.5	21.6%	25.5	29.7%	19.0	22.1%	85.8
Insurance	19.5	22.7%	29.5	34.3%	20.0	23.3%	17.0	19.8%	86.0
Others & fintech	13.3	29.6%	9.0	20.0%	14.3	31.6%	8.5	18.9%	45.1
Total Finance	54.8	26.6%	54.0	26.2%	55.8	27.1%	41.5	20.1%	206.1
All sectors	361.0	30.7%	370.4	31.5%	277.5	23.6%	165.8	14.1%	1176.0

3.2.2 Innovation activities of the surveyed companies

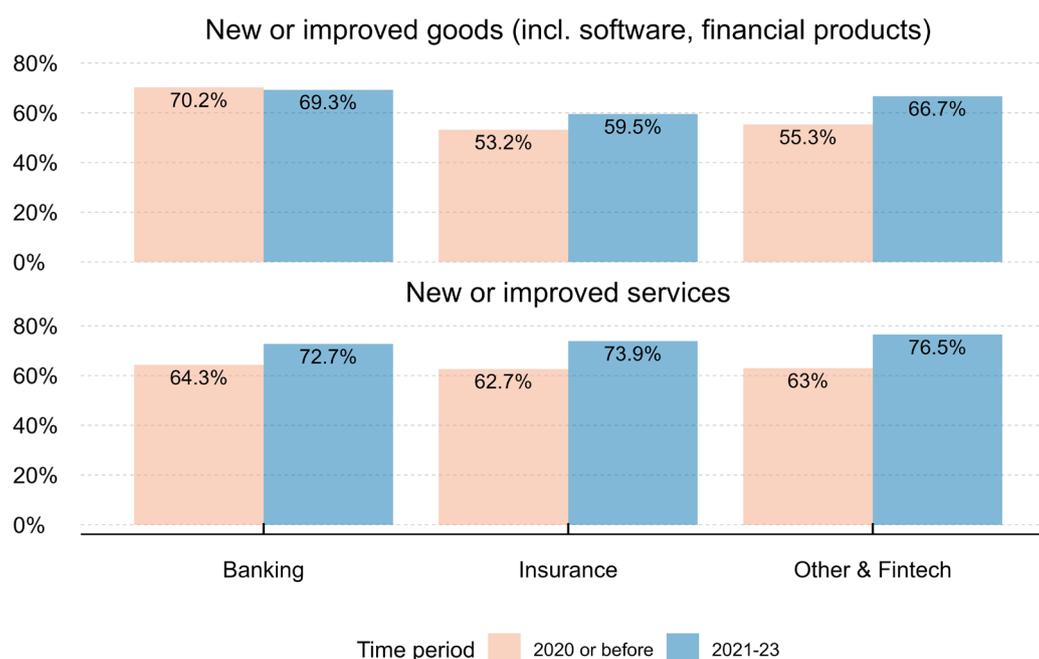
In this section, we present data on outputs (product innovations, process innovations) and inputs of innovation activities, and discuss innovator types and environmental dynamics for innovation.

Innovation outputs

Product innovation. The companies were asked whether they introduced product innovations in 2021-2023 and earlier, i.e., in 2020 or before, and to distinguish between the types of product innovation: new goods (including software and financial products) versus new services. Figure 1 shows that the share of companies reporting the introduction of new goods is either stable (Banking) or has increased noticeably (Insurance and Other & Fintech segments), while the share of companies introducing new or improved processes increased clearly across all segments over the two periods.

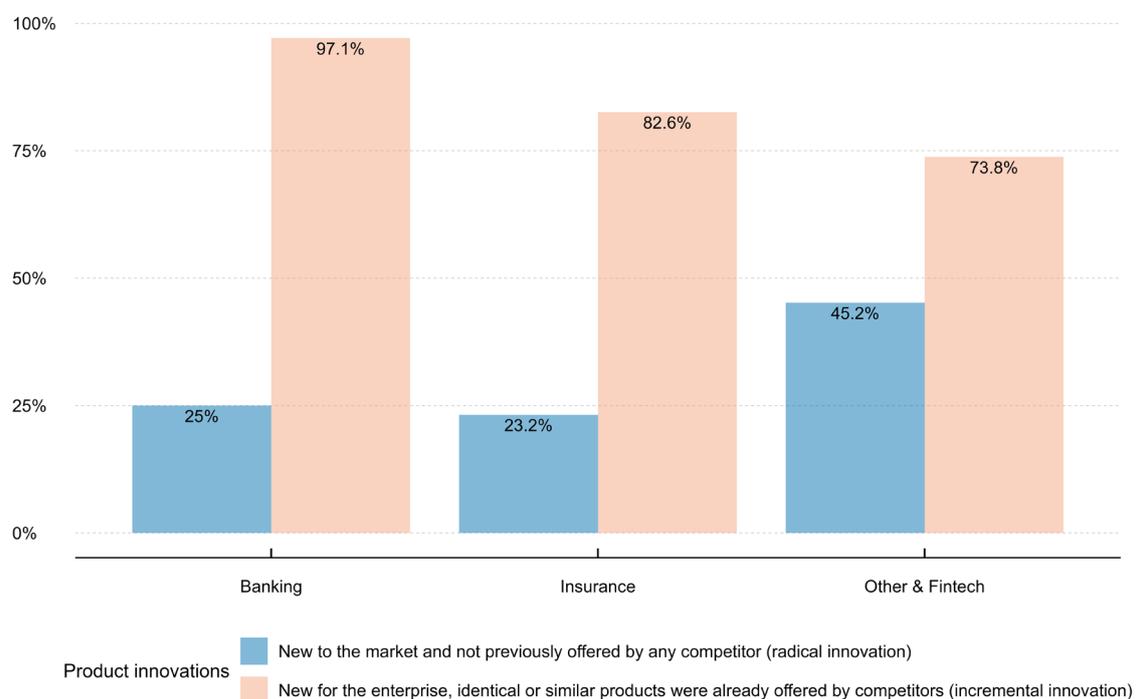
This increase in both goods and service innovations is most pronounced in the Other & Fintech segment. In the Banking segment, companies now tend to innovate more through the introduction of new or improved services, compared to new or improved goods before 2021. The Insurance segment shows an increase in innovation activities through the introduction of both new goods and new service.

Figure 1. Product Innovations by segment and by time period



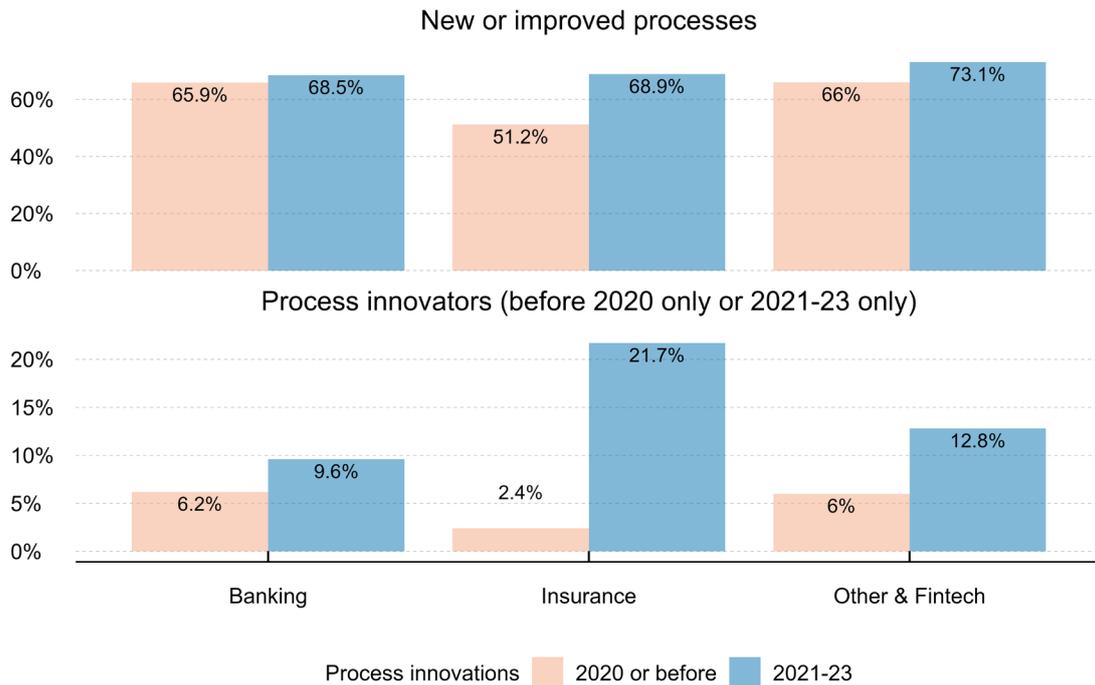
Innovation in the Finance sector appears to occur predominantly through incremental innovation. Figure 2 shows that this is particularly true for the Banking and Insurance segments, where only about one-fourth of companies report engaging in radical innovation, while an astonishing 97.1% of companies in the Banking segment and 82.6% of companies in the Insurance segment report engaging in incremental innovation. However, fintechs seem to be driving radical innovation in the sector, as 45.2% of companies in the Other & Fintech segment indicate engaging in radical innovation, almost twice as much as in the other segments. The strong propensity of the Finance sector to engage in incremental innovation is consistent with the high concentration of the Finance sector compared to other sectors (Table 3), as larger, established companies tend to engage more in incremental innovation while radical or disruptive innovation tend to be brought by newer, smaller, more nimble actors (Christensen 1997).

Figure 2. Types of Innovation by segment



Process innovation. Figure 3 shows the share of respondents that introduced process innovations, defined as the first-time use of technically new or significantly improved production or process technologies to produce goods or provide services for people or objects (following the definition of OECD & Eurostat, 2018). The upper panel shows that the share of companies introducing process innovation increased between both periods across all segments. This rise has been driven first and foremost by the Insurance segment, where the share of process innovators increased by 17.7 percentage points, compared with only 2.6 and 7.1 percentage points in the Banking and Other & Fintech segments respectively. The larger increase in process innovation in the Insurance segment may reflect some catching up with regard to the other two, as the share of process innovators in the Insurance segment was only 51.2% in 2020 or before, compared with 65.9% and 66.0% in the Banking and Other & Fintech segments. Interestingly, this increase in process innovations also appears to be partly driven by new innovators: the lower panel shows that while very few companies stopped innovating, a large number engaged in process innovation for the first time during the 2021-2023 period, especially in the Insurance sector (21.7%).

Figure 3. Process Innovation by segment and by time period



Innovation Inputs

All three segments appear to have a similar level of R&D activity, with approximately 50%-55% of respondents reporting engagement in R&D activities, and all three segments have seen a slight increase in R&D activity over time (Figure 4). However, the segments differ sharply in how R&D is conducted.

In the Banking segment, a larger share of R&D is contracted out rather than conducted in-house (42.5% vs. 38.4% in 2021-2023), whereas most of the R&D in the Insurance (22.6% contracted out vs. 44.7% in-house in 2021-2023) and Other & Fintech (28.8% vs. 50%) segments is conducted in-house.

Overall, both contracted-out and in-house R&D appear to have increased, but with significant differences across segments. In the Banking segment, contracted-out R&D seems to have increased more, while in-house R&D appears to have increased more for the Insurance and Other & Fintech segments.

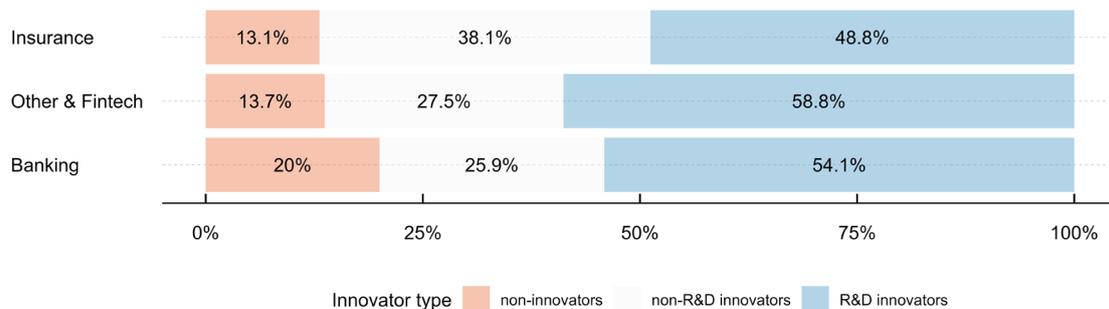
Figure 4. R&D activities by segment and by time period



Innovator Types

Figure 5 shows the shares of the three different innovator types (R&D innovators, non-R&D innovators, and non-innovators) by segment. R&D innovators are most common in the Other & Fintech segment, where they account for 58.8% of companies. This is consistent with the fact that this segment reports greater engagement in radical innovation (see Figure 2). R&D-based innovation is less prevalent in the Insurance segment, where innovation occurs through different models, as 38.1% of companies engage in non-R&D innovation. The Banking segment appears to have the largest share of non-innovative companies, with one-fifth reporting no engagement in any innovation activities.

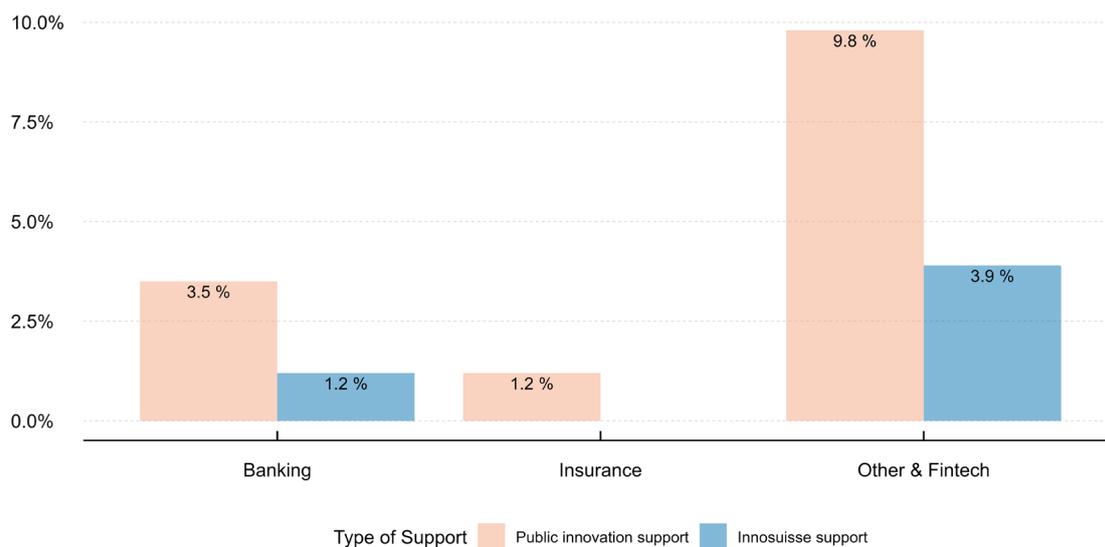
Figure 5. Type of Innovators by segment



Public innovation support

Figure 6 shows that the Finance sector makes very limited use of public innovation support. Only 3.5% of respondents in the Banking segment, 1.2% in the Insurance segment, and 9.8% in the Other & Fintech segment report having used public innovation support. The slightly higher share of companies reporting the use of public innovation support in the Other & Fintech segment is consistent with the larger proportion of R&D innovators in that segment.

Figure 6. Use of public innovation support and Innosuisse support in the Finance sector by segment (in %)



Note: The proportion of companies receiving Innosuisse support is included in the proportion receiving public innovation support.

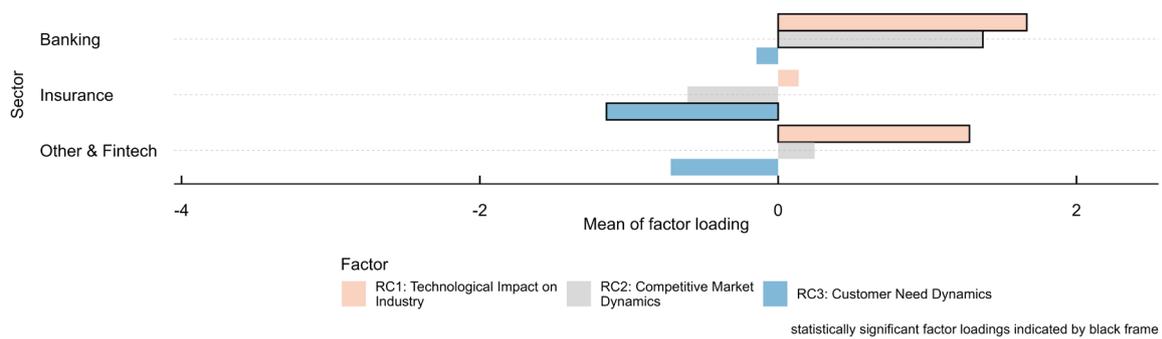
Environmental dynamics

Here, we conduct a PCA analysis to examine whether environmental dynamics influence innovation activities in each segment. We consider three factors: the competitive environment, technological dynamics, and customer dynamics.³

The factor loadings, differentiated by segment, illustrate the extent to which companies are affected by these customer-related, technological, and competitive dynamics (Figure 7). Companies in the Banking segment perceive competitive pressures and technological change as the most important factors. Technological dynamics also appear to be important for the Other & Fintech segment. By contrast, customer dynamics seem less significant for the Insurance and Other & Fintech segments.

³ For more details on the methodology, see the main report, Barjak et al. (2025).

Figure 7. Mean factor loading of customer, technology and market factors by segment



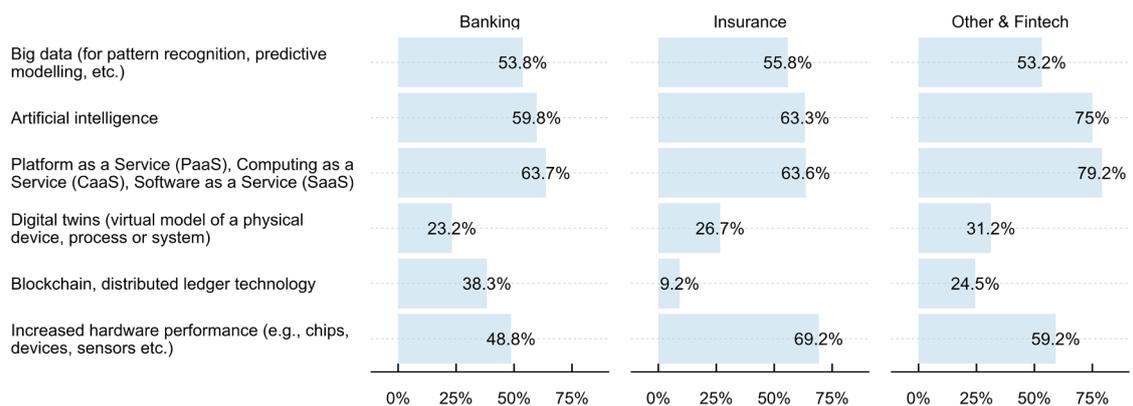
3.2.3 Digitalisation and data

Our data, as shown in Figure 8, are consistent with recent trends in innovation business models in the Finance sector, as PaaS, CaaS, and SaaS appear to be the most important advances in digital technologies for the innovation activities of companies in the Banking and Other & Fintech segments. Indeed, 63.7% and 79.2% of companies in these segments, respectively, perceive these technologies as important. Artificial intelligence, including large language models, is also perceived as important across all three segments. Finally, the Insurance segment distinguishes itself by considering increases in hardware performance as the most important digital technology advance for its innovation activities.

The main report (Barjak et al., 2025) indicates that the key barriers to the use of digital technologies in the Finance sector include restrictions or limitations on data processing, poor data structure and quality, as well as insufficient personnel or expertise.

These patterns highlight a strong digitalisation of innovation models across the Finance sector, with AI likely to accelerate and shape future innovation trajectories; however, addressing data issues and skill gaps will be critical to fully realise this potential.

Figure 8. Share of companies perceiving advances in digital technologies as important by sector



3.2.4 Sustainability

Figure 9 reveals that sustainability innovations have gained importance in the 2021-2023 period compared to the previous period. While companies report increasing engagement in sustainability innovations across all categories, environmental benefits are the category that

has gained the most importance across all segments. However, the Other & Fintech segment distinguishes itself from the Banking and Insurance segments by exhibiting somewhat slower growth in sustainability innovations.

Figure 9. Sustainability innovations by segment and by period

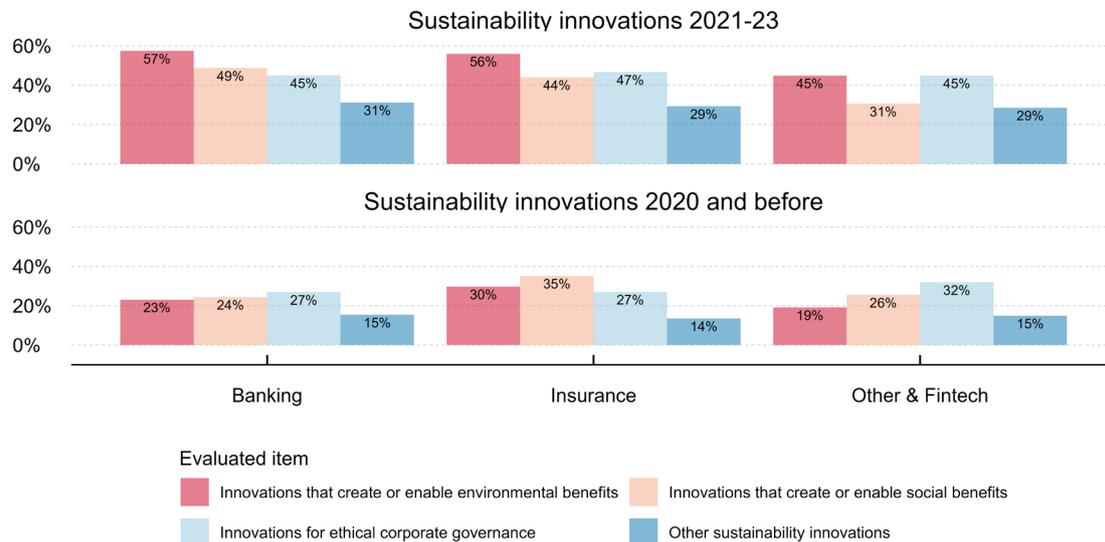
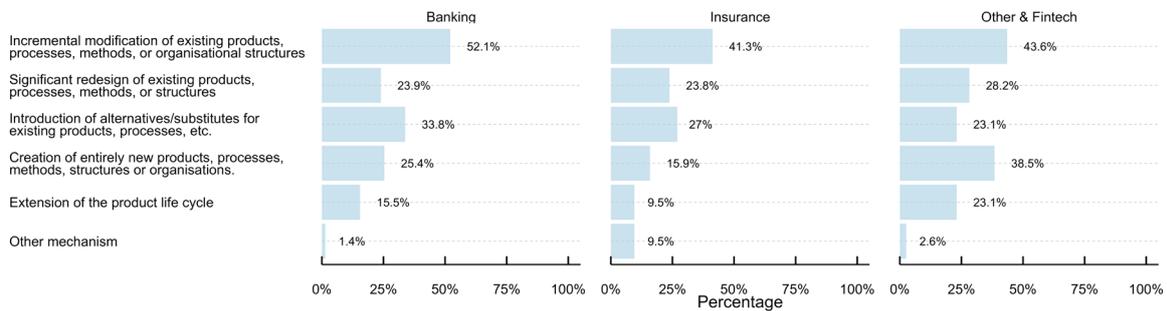


Figure 10 provides insight into how sustainability-related innovations translate into specific benefits for the environment, society, and corporate governance. Across all segments, incremental changes to existing products, processes, or organizational structures remain the most frequently reported innovation mechanism (52.1%, 41.3%, and 43.6% in the Banking, Insurance, and Other & Fintech segments, respectively). This is consistent with earlier indications that innovation in the Finance sector is predominantly incremental, and this pattern also appears to hold for sustainability-related innovation.

Interestingly, while the Other & Fintech segment appears to experience slower growth in sustainable innovation between periods (Figure 9), Figure 10 indicates that when radical sustainable innovations are introduced, they are more likely to be introduced by companies in this segment. Specifically, 38.5% of companies in this segment report introducing sustainable innovations through the creation of entirely new products, processes, methods, structures, or organisations, compared with only 25.4% and 15.9% in the Banking and Insurance segments respectively. This is consistent with earlier observations that radical innovation in the sector is usually brought by companies in the Other & Fintech segment.

Figure 10. Mechanisms of sustainability innovations with benefits for the environment, society, or governance by segment (in %)

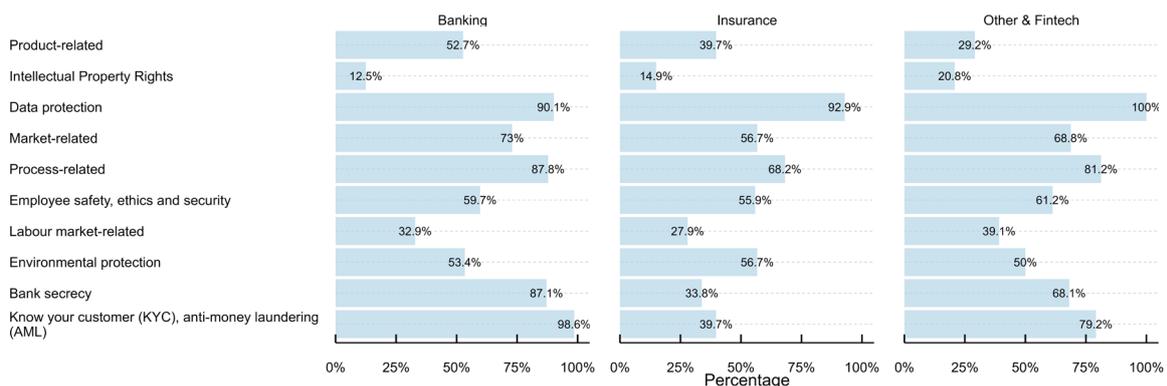


These results suggest that sustainability innovations in the Finance sector have gained importance in the 2021-2023 period. Sustainability-innovations are predominantly incremental across all segments, reflecting the broader pattern of innovation observed in the sector. However, when radical sustainability innovations do occur, they occur mainly in the Other & Fintech segment.

3.2.5 Regulation

Figure 11 shows that data protection, process-related, and market-related regulations have gained significant importance for the innovation activities of companies across all segments. However, there are notable disparities: while KYC & anti-money laundering, and bank secrecy regulations have become more important for the Banking and Other & Fintech segments, this is not the case for the Insurance segment. Figure 11 further suggests that employee safety, ethics & security, and environmental protection regulation have become somewhat important across all segments, pointing to the increasing integration of ESG-related considerations in the Finance sector.

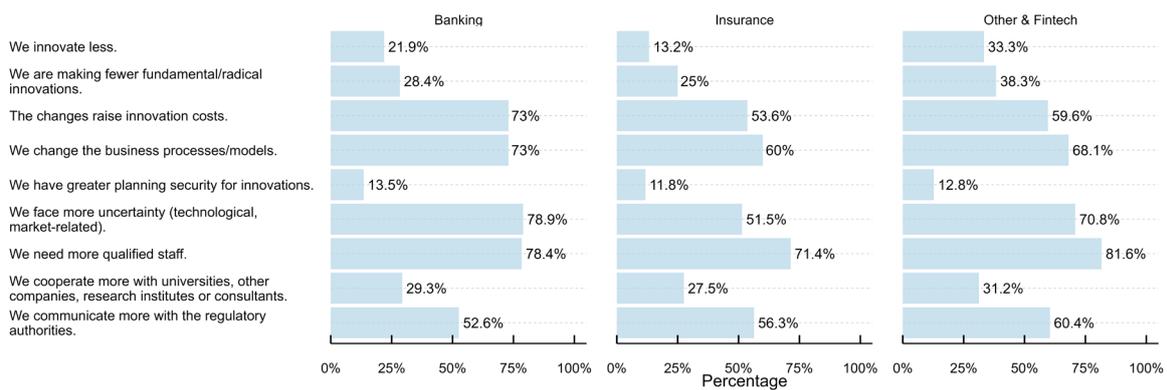
Figure 11. Important regulations for innovation activities (in %, by segment)



Regulations appear to be highly relevant to the innovation activities of companies in the Finance sector. Figure 12 shows that one of the most important consequences across all segments is the increased need for more qualified staff (78.4%, 71.4%, and 81.6% in the Banking, Insurance, and Other & Fintech segments, respectively). Companies in the Banking (78.9%) and Other & Fintech (70.8%) segments also report that rising uncertainty due to frequent regulatory changes has a significant impact, and all segments mention the need for changes in business processes and business models (73%, 60%, and 68.1% in the Banking, Insurance, and Other & Fintech segments, respectively). Rising innovation costs are also cited by companies in all segments as an important consequence of regulation. Finally, one-

third of companies in the Other & Fintech segment and one-fifth of companies in the Banking segment report innovating less because of regulatory changes. Only slightly more than 10% of companies across all segments emphasise the positive impact of regulation in terms of providing greater planning security. This highlights growing concerns related to financial sector regulation in Switzerland, which increases uncertainty, raises innovation costs, and intensifies the need for skills that enable companies to navigate regulatory complexity. Consistent with the significant impact of regulation, more than half of companies across all segments report an increased need for communication with regulatory authorities.

Figure 12. How have changes in regulation affected the innovation activities in the years 2021-2023 (in %, sectors)?



3.2.6 Collaboration

Two interesting patterns emerge from Figure 13 and are similar across all three segments. First, fewer than half of companies in the sector report having engaged in innovation collaborations either during the period 2021-2023 or earlier. However, the trend appears to be shifting toward greater collaboration, as more companies across all segments report having engaged in innovation collaborations during the period 2021-2023 compared to earlier years. This shift is particularly pronounced in the Insurance segment, which shows an increase of 12.2 percentage points, compared with increases of 3.2 percentage points in the Banking segment and 10.2 percentage points in the Other & Fintech segment.

Figure 13. Innovation collaboration by sector (in %)

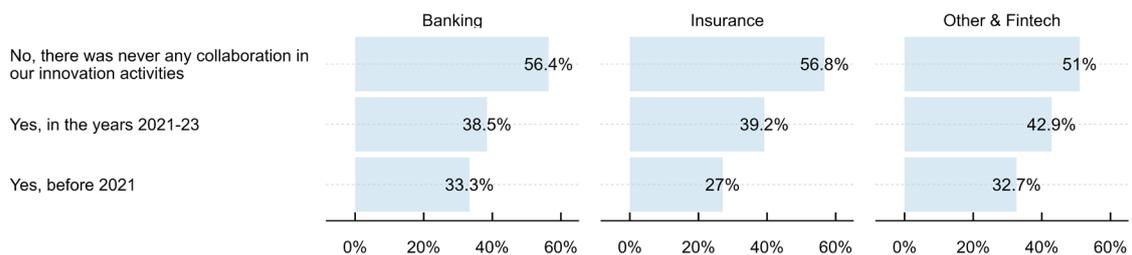
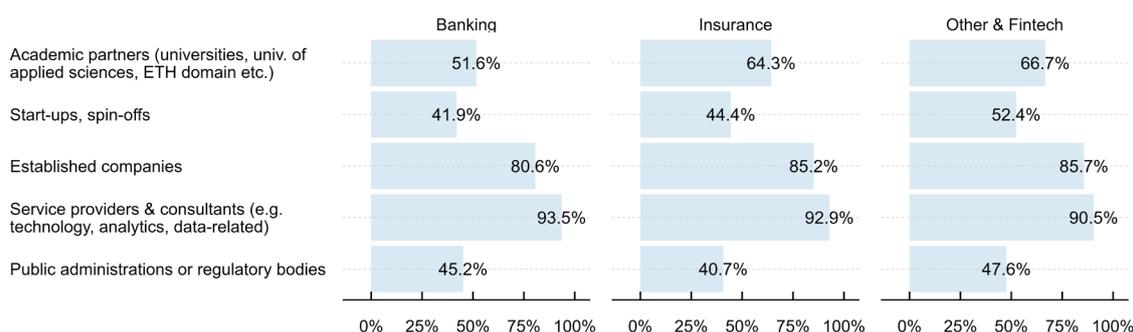


Figure 14 shows that the nature of innovation collaboration in the Finance sector is relatively homogeneous across segments, with collaborations mostly occurring either between established companies or between companies and service providers or consultants. Collaborations with academic partners also appear to be important, as more than half of companies engaging in innovation collaborations in the Banking segment and about two-thirds of companies in the Insurance and Other & Fintech segments report this type of partner as important, albeit to a somewhat lesser extent than the two previously mentioned partner types.

Figure 14. Important collaboration partners by sector (in %)



3.3 Summary

The results of our survey indicate that the Finance sector is highly innovative, as the overwhelming majority of respondents report engaging in innovation activities. However, innovation in the sector appears to remain predominantly incremental. This echoes comments by Richard Hess, Head of Digital Finance at the Swiss Banking Association (2025), who recently stated that “innovation in banking is incremental, not radical,” meaning that financial institutions focus primarily on optimizing existing processes and system efficiency rather than creating entirely new business models. Other & Fintech companies, which tend to engage more in R&D activities than other actors in the sector, also tend to conduct more radical innovation.

This is particularly true for sustainability innovation. While sustainability and ESG topics have gained tremendous importance in recent years, fintechs seem slower to address such issues compared to their counterparts in the Banking and Insurance segments. However, when they do engage, they tend to do so through radical innovation.

Digitalisation is also an important topic for the Finance sector. New business models such as PaaS, CaaS, and SaaS, enabled by the development of cloud technologies, have been among the most important game changers for the sector. Artificial intelligence, notably through the use of large language models (LLMs), is also likely to have a strong impact on companies’ innovation activities. One of the main roadblocks for the sector in adopting digital technologies remains data integration and access to skilled labour.

Regulations also appear to have a significant impact on the innovation activities of companies in the Finance sector, as they increase uncertainty and costs, and require adaptations in business models and the hiring of more qualified staff.

Finally, only about half of the respondents report engaging in innovation collaborations, mostly with other companies and, to a lesser extent, with academic partners. These patterns are similar across segments.

4 Sector-specific results of the Delphi interviews

4.1 Data basis

The Delphi study was conducted in two rounds:

1. Round 1 gathered qualitative insights through bilateral online interviews with decision makers in companies,
2. Round 2 convened the participants of round 1 to a discussion round of sectoral policy issues.

Round 1. For this initial phase, we conducted a total of 16 bilateral online interviews with experts representing companies or organizations across finance (10, banking & fintech) and insurance (6). The expert pool was compiled primarily from the contact base established during the previous online survey and was complemented by additional experts recommended by some of the participating industry associations. All identified contacts were invited to participate via email; participation refusals were rare, and in such cases substitutes were drawn from the available contact list. This process ensured that we reached the target of 16 participants. The final sample showed the following composition of experts (see Table 4).

Table 4. Number of experts per segment and firm-size class participating in the first round of the Delphi-Study

	Small (1-49)	Mid-sized (50-249)	Large (250+)	Total
Finance	3	2	5	10
Insurance	2		4	6
Total	5	2	9	16

All interviews were recorded and selectively transcribed.

Round 2 consisted of one 120 min. group discussion with the round 1 participants and, in case of insufficient availabilities, further participants from companies in the sector, as well as observers from the participating industry associations, SERI and Innosuisse. In total the Finance sector workshop had 10 participants, including 7 companies and 3 others.

The key points of both rounds were summarised in an overview file and a transcript, which were then further reduced by the research team manually and with the aid of AI tools (Perplexity, Chatgpt) and evaluated for patterns (similarities, differences).

4.2 Results of Delphi rounds 1 and 2

Below, we summarize the results of each of the two rounds of Delphi interviews. The statements presented in this section are based on the contributions made during the two Delphi rounds. They reflect the individual perceptions and experiences of the participants. The statements were not subjected to any further in-depth review or validation as part of this study.

4.2.1 Results of Delphi round 1

Round 1 focused on collecting insights about current trends in the Finance sector regarding our four topics: digitalisation, sustainability, regulation, and cooperation, as well as the potential opportunities and challenges of the current innovation policy framework.

General comments. Interviewees reported that innovation in the sector is mostly incremental, financed by larger players, and focused on processes and interfaces. Smaller banks appear to face greater difficulties in adapting to ongoing changes in the sector due to limited resources and slow customer adoption. They also highlighted the small size of the Swiss market, which hinders scalability, and the closure of many innovation labs due to lower-than-expected returns on investment.

Digitalisation. Digitalisation appears to be a major driver of innovation, presenting numerous opportunities such as enhanced customer service, the creation of new business models, and streamlined processes. However, it also brings challenges, including cybersecurity risks, adaptation of legacy infrastructure, fast-paced technological cycles (particularly due to the emergence of large language models, LLMs), and high implementation costs, which can be especially difficult for smaller organisations. Switzerland tends to lag behind, notably due to

the lack of an eID and an open data framework. A key enabler of innovation through digitalisation would therefore be to encourage greater data sharing within the financial sector.

Sustainability. Participants expressed mixed views on the role of sustainability in innovation. Some emphasized its importance and advocated for stronger regulation, while others dismissed these efforts as “greenwashing,” noting that ESG initiatives are hampered by a lack of measurements, standards, and benchmarks, limited customer demand, and the continued prioritization of financial returns. Nonetheless, two trends were highlighted in connection with digitalisation: the sector’s increasing energy consumption, which must be addressed, and the emergence of start-ups specializing in ESG data for investors, a development that could be strengthened through improved data sharing and standardized reporting.

Regulation. Regulation is widely seen as a barrier to innovation, often characterized as complex, slow, ambiguous, and lacking clear timelines. GDPR also makes compliance costly, particularly for fintechs attempting to implement data-driven business models. FINMA was praised for being proactive, including the recruitment of a new technology specialist and openness to dialogue. However, it was also criticized for providing vague guidance, non-binding advice, late changes, and a heavy regulatory burden on SMEs. Positive or negative assessments of regulatory bodies appear to be influenced by the size and economic importance of companies: larger firms can maintain ongoing dialogue with regulators to anticipate changes, while smaller companies cannot.⁴ Finally, interviewees called for more sandboxes to enable experimentation, clearer regulations, and solution-oriented approaches, such as a unified KYC framework.

Collaboration. Collaboration is mostly limited to academia and other businesses such as service providers, technology firms, and start-ups, but rarely involves direct competitors. Yet, cooperation among competitors could foster innovation in areas such as anti-money laundering and data sharing. More flexible contractual arrangements (e.g., intellectual property agreements) are needed to facilitate partnerships with universities, which also serve as a valuable talent pipeline. While academic and corporate collaborations are common, the lack of inter-competitor cooperation remains a missed opportunity.

Current innovation policy framework.

- *Opportunities and positive effects.* Innosuisse funding represents an interesting opportunity for academia-industry cooperation but is scarcely utilized in the Finance sector. However, the strong network of universities in Switzerland is considered a strength, as it provides a deep pool of talent.
- *Risks, barriers, and challenges.* Access to funding remains an important challenge for fintechs, and start-ups often relocate abroad. The one-size-fits-all approach of innovation policy in Switzerland is also problematic, as it frequently overlooks the needs of SMEs, which do not fit the “mainstream” pattern of science-driven innovation.

4.2.2 Results of Delphi round 2

The second Delphi round focused on identifying specific policy measures and priorities to strengthen the innovative capacity of the Swiss financial sector. A summary of the first-round results for the sector was shared with the participants with an invitation to the second-round (group) discussion. When asked which results should be prioritised, the finance sector company experts concentrated on three key directions for future innovation policy: increasing data openness and exchange, making regulation more innovation-friendly, and investing in

⁴ Such size discrimination can potentially become a key issue as the survey has shown that regulatory changes strongly determine willingness and incentives to innovate.

talent and education. Two somewhat less urgent directions were also identified: improving innovation financing and strengthening cooperation and partnerships. Participants additionally emphasized the need for more flexible public instruments, better coordination among stakeholders, and stronger international alignment. Although there is broad consensus on the general direction of the measures, specific proposals vary greatly, and there is no complete agreement on individual measures.

Increase data openness and sharing. Switzerland could start to reflect on a centralized federal data strategy to establish standards and norms to drive the use of API and enhance usability amid current fragmentation. Such a shift from the current market-led approach would require stronger federal guidance on data ownership, and to strengthen sovereignty over data; implementing an eID would also be beneficial for the sector. Finally, there is a need for win-win solutions creating incentives for firms and customers to share data within new business models.

Make regulation more innovation friendly. Regulation could be reduced and simplified through several approaches: potentially aligning with other countries (when it makes sense and regulation is more favourable to innovation); adopting principle-based prohibitions rather than permissions (“telling what cannot be done rather than what is allowed”); ensuring clarity and stability of regulation even if regulation is strong (e.g. Markets in Crypto-Assets (MiCA) on blockchain; involving SMEs in consultation for proactive guidance; implementing sandboxes, with the need, however, to shift culture towards embracing failure, and thinking about how to transition out of the sandbox. Finally, the financial strategy in Switzerland needs continuous updating, because technologies are changing fast; the current version stems from 2020. Points to consider include encouraging competition through antitrust laws, and considering the role of ESG regulation, as they may hinder innovation through added administrative burden.

Strengthen talent development, skills, and education. The industry has a strong need for talent, for which it competes with other industries (e.g. ICT). As a result, increasing the pool of candidates is important. This could be done through easing immigration laws, especially for special skills and talents from non-EU countries. Indeed, many are trained in Switzerland but are then forced to leave, reducing the number of available candidates for the industry. Improving economics, financial and legal literacy could also help, by not diverting from Economics or Law in high-school’s (Gymnasium) curricula, and harmonizing the system at the federal level.

Strengthen innovation financing. Several ideas have been voiced (no consensus), especially during round 1, to strengthen the financing of innovation. Those include:

- Creating a physical hub where start-ups could have offices (e.g. using public real estate, and offering the offices at preferential rates);
- Implementing tax incentives to investment in start-up;
- Creating a secondary market for large-scale financing (e.g. via trading platform, digital shares, or over the counter trading of large-scale financing);
- Offering programs at Innosuisse focusing more on commercialisation, rather than the development of technological capabilities (see e.g. Venturelab).

Strengthen collaboration and partnership ecosystems. Creating platforms to facilitate exchange and networking between market participants, especially for smaller institutions.

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