

Dawn Capital predicts the categories that will break out in 2021

What will be the most underrated category for investment this year? Game-changing to enterprises, but a corner of B2B software that not enough people are talking about (yet)?

Here are the Dawn team's predictions.

Henry

Creator tools are typically associated with specialists such as designers, influencers and video producers. But as enterprises seek to translate what's been proven in the consumer world across to the business context, there are big opportunities in enabling them to do just that. Tools like [Figma](#) are offering enterprise-ready products that allow "citizen" employees, [frequently enabled by new AI technologies like GPT-3](#), to create and share amazing visual, audio and video content, plus games and more besides.

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Haakon

People are not talking enough about quantum. The impending big breakthrough — widespread 50-qubit computers — is not as far off as people think (70+ qubits will break a classical computer). Enterprises need to get comfortable with this and take a view now: quantum cryptography will (to take just one example) change secure online transactions overnight; they need to

be ready for that *before* it happens.

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Virginia

Fuelled by an ever increasing number of applications, and with the likes of [Stripe](#) and [Twilio](#) dominating the market, the race for API solutions is well underway.

Despite this, the market for API management, monitoring, and security is still underserved; there is a pressing need for a number of specific API solutions across all sectors, which opens up great opportunities for challengers in the space. It's also likely that we'll soon see API construction/orchestration tools become the norm. For example, what tool would you use to connect a data warehouse and easy API access to that data? We may see companies offering something like a reverse [Segment](#) (which was acquired by Twilio 2020) transforming data extraction.

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Dan

We've online just scratched the surface of the potential of connected planning tools, and we should expect to see more automation in these areas. Living through a time of prolonged uncertainty, it's more important than ever for enterprises to have data-driven holistic tools for effective planning, forecasting and budgeting. Flexible cloud-based software that supports continuous forecasting, scenario modelling and collaboration across the organisation is vital for good operational decision-making, and the category is seeing rapid advances in automation and predictive analytics. Innovation here is accelerating the transformation of the CFO function into one that is more strategic than ever.

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Josh

Open Banking will become the norm — and not because of the push effects of government legislation, but because those are now outstripped by the pull effects of consumer demand. The accelerated digitisation of finance in the post-Covid world has already arrived, and we now have zero-touch finance. The continued death of cash, alongside market-shifting changes like Apple Pay's success will see more and more companies and financial institutions wanting to connect to payment rails and banks directly for payment orchestration.

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Daniela

As the volume of data only continues to increase, finding ways to effectively share, collaborate, and act on it will become increasingly important. It is perhaps as much an organisational change as a software enabled transition. Solutions that can help with integration, communication, and automation of data and its implications will effectively help companies evolve to the next step in data maturity. We will also likely see smart ways of decisioning and segmenting data using AI.

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Laurens

Working from home means millions more people using enterprise SaaS which, in turn, has further consumerised the market. As our primary interactions with our colleagues and customers happen digitally, the importance of UX and collaboration features grows. Less obviously, community and purpose-driven startups will have an enormous edge in the era of bottom-up adoption within B2B SaaS, as citizen buyers and developers (anyone working in an organisation choosing to use tools or working with low or no-code products) make usage decisions based on governance and intent, as well as experience and functionality.

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Julie

A category that is frequently underestimated is the still increasing importance of data privacy. Data has become the number one priority within organisations, and as its value increased, so did the awareness among consumers, customers and employees. We've already seen a first wave with governmental initiatives like CPRA or GDPR, as result of which the private sector took note too. This is not only providing tailwinds for Europe-born solutions, but is enabling the fast growth of innovative companies focusing on data identification, ownership and safe data sharing across enterprises and end users.

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Mina

2021 is the year of realisation, and 2022 will be the year of implementation. Two years of death of cash, moving online and the wholesale digitisation of finances means now is the time to invest in technologies that enable the impending transition to the future of finance. One key distinction about the technologies and their implementation is that they'll be specific components to solve highly specific issues. This year will see an explosion of understanding of where technology can be applied across all legacy banking infrastructure.

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David

ESG will become even more important. 2020 has seen record inflows into ESG ETFs (up 3x over 2019) and we expect this trend to accelerate in 2021. Massive opportunities are unfolding for startups who find innovative ways not just to help companies and investors assess and steer the sustainability and societal impact of their decision processes, but also baking in ESG products. For example, [Stripe Climate](#), which allows businesses to contribute a percentage of revenue to carbon sequestration. Or Shopify's [shop.app](#) automatically planting trees to offset the CO2 from all the parcels and deliveries it tracks.

There may also be an interesting convergence of these ESG methodologies being baked into the products themselves — and perhaps a company — possibly API driven — that creates the “API for the environment” or the “API for ESG”, which would make it easy for companies to build ESG features into their products, without having to have the philanthropic infrastructure.

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Norman

In the “new world”, Zoom has made us more productive because it's made

meetings more productive. But Zoom in itself is not a substitute for things that aren't meetings; improving productivity in one facet of work is not the same as doing so across the board, and Zoom often inhibits productivity if applied to the wrong type of work (whiteboarding...). We need far better tools to evince the same productivity gains to other types of work that Zoom brings to meetings.

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Shamillah

In 2021, we will see deeper and more meaningful collaboration among developers. CI/CD is the norm, and developers are using a wide range of tools to build their applications for both closed and open source. Uniformity across teams will continue to emerge as a pain point and, as such, tools focusing on collaboration and unified platforms will thrive.

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Evgenia

As is the case every year, 2021 will see the volume of data being generated and collected increase. This isn't just the case for enterprise — small and medium-sized businesses are contending with exponential volumes, and having to manage point solutions, interspersed at different sections of the value chain and dealt with by different teams.

This has to be stitched together, and we expect to see increasing numbers of second order startups doing exactly this: enabling firms to take an holistic view, interpret outputs, give context and provide automated decisioning. In fact, we expect further democratisation of data, with startups offering non-technical employees the ability to query their data and build applications “across the stack”, from a warehouse or a lake, all the way to end-user, real-time reporting.

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