



From Strategy to Scale: Making AI Happen at Startup Speed

Analysis of the Apply AI and the AI in Science Strategies

10 October, 2025

Introduction

The European Commission's *Apply AI Strategy* and its companion *AI in Science Strategy* are a welcome signal that Europe wants to move from regulation to real adoption. However, Europe still moves too slowly and too timidly for the scale of the challenge to truly make it "the AI continent".

The *Apply AI Strategy* sets out to boost adoption of AI across the economy and public sector, but it still lacks the operational clarity, funding speed, and access mechanisms that startups need to turn AI from plans into products. Without these, it risks creating new layers of coordination rather than new opportunities for builders. The Strategy sets goals but not gateways: it promises AI Factories, Acceleration Pipelines and monitoring tools, but does not explain how startups can access them, when they will be operational, or how they will connect across Member States. The absence of clear eligibility pathways or startup-specific measures means that Europe's most agile innovators remain at the periphery of its own AI vision.

To its credit, the *AI in Science Strategy* starts to acknowledge some of these gaps, by giving startups visibility in governance (through RAISE), access to AI Gigafactories, and recognition as a key channel for translating scientific breakthroughs into new innovative products. These are positive steps. Yet the scientific and industrial strands remain fragmented and aspirational, rather than forming one coherent pathway from research to application. Europe's innovators need a single, joined-up framework that connects both Strategies into a practical route from lab to market.

In short, both Strategies outline ambition without instruments: no clear access path for startups, no fast funding channels, and no roadmap for implementation. Until these pieces are in place, “applying AI” will remain more slogan than strategy.

Startups have been the primary developers and appliers of AI for years, often without the support or clarity that these Strategies now promise. Europe’s innovators don’t simply need another framework; they need access, speed, and ambition coming from policymakers. European Startups apply AI every day – they use it to build products, test solutions, and to bring technology to the market long before regulation catches up. They are Europe’s quickest route from research to results. Therefore, they need a plan that works at their pace – fast, open, and connected.

That is why, while directionally right, the two Strategies remain incomplete. They can only succeed if they unleash the entrepreneurial force of startups. To make this shift real, the EU must open doors to innovators: access to compute power, open datasets, faster funding, and frictionless cross-border scaling. Europe cannot claim to “apply AI” while making it harder for startups to grow.

Europe can’t apply AI without startups

Europe’s AI story is being written by founders and small teams experimenting at scale. They are the ones turning compute power into applications in health, manufacturing, energy, and public services. For them, the biggest barriers are not founders’ ambition or talent, but access: to compute, to data, to markets, and to simple, predictable rules.

We recognise several promising elements – the creation of AI Factories and Gigafactories as shared infrastructures, the plan for Acceleration Pipelines to bridge research and deployment, the launch of an AI Observatory to track adoption, and the inclusion of RAISE as a governance platform – but these will only make a difference if startups can actually access and use them. The Frontier AI initiative is also a sign that the EU wants to build, not just regulate.

However, taken together, these initiatives still feel designed for incumbents, not innovators. Large actors will easily plug into these infrastructures, while early-stage companies remain without visibility or entry points. There is no clear roadmap for startup access, and no simplification of funding. Without these practical on-ramps, Europe risks repeating the same pattern as in previous innovation programmes: strong on vision, slow on delivery.

Europe cannot afford to spend the next two years building governance structures while the rest of the world builds products.

Startups move faster than strategies

Allied For Startups (AFS) has consistently argued for a faster, simpler, more inclusive AI agenda:

- Open AI infrastructure that startups can actually use;
- Lightweight, rapid funding mechanisms that match startup cycles;
- Real collaboration between startups, corporates and public actors;
- And proportionate rules that don't punish experimentation.

The *Apply AI Strategy* launches sectoral flagships in healthcare, manufacturing, mobility, energy, and defence – showing AI's transformative potential for Europe's economy. It also includes cross-cutting actions such as developing an AI-ready workforce and creating an AI Observatory to monitor adoption. Yet both documents miss the opportunity to build a larger ecosystem connecting these efforts – one where startups, corporates, and public actors collaborate continuously rather than through isolated projects. Building that connective tissue between Europe's AI actors would make both Strategies more than the sum of their parts.

These are necessary foundations, but Europe cannot afford another decade of pilot projects. Implementation must be quick, practical and open. Each delay widens the competitiveness gap between Europe's innovators and those in ecosystems with faster deployment support. Every month of delay is a missed opportunity for startups that could be scaling AI applications globally. What matters now is execution: getting AI Factories running, linking them with innovation hubs, and ensuring founders can test, deploy and scale their models without bureaucratic detours.

From consultation to collaboration, from promise to practice

Many of the ideas in the *Apply AI Strategy* – skills, monitoring, and public-sector adoption – echo the outcomes of *Hacktivate AI*, the policy hackathon Allied For Startups co-organised with OpenAI in September. Participants from startups, policymakers, and researchers built concrete proposals for Europe's AI uptake: individual learning accounts, smart funding mechanisms, and a "GovAI Hub" for public-sector innovation. We are glad to see that these ideas align with the Commission's approach, and we encourage it to take inspiration from this collaborative, bottom-up method during implementation.

Europe has no shortage of strategies – what it needs now is delivery. The success of both the *Apply AI* and *AI in Science Strategies* will depend on whether they merge into a single, operational framework that startups can plug into today.

AFS urges the Commission to move immediately from announcement to action:

- Operationalise the AI Factories and ensure compute access for early-stage startups;
- Turn Acceleration Pipelines into open, challenge-based calls that include founders and SMEs from day one;
- Use the AI Observatory as a feedback loop with real data on startup adoption;
- And connect Europe’s AI plans with Europe’s entrepreneurial ecosystem, where the actual innovation is happening.

Conclusion

Europe has the talent, the research base, and the entrepreneurial energy to lead in AI, but leadership won’t come from coordination alone. It will come from execution, from turning plans into accessible infrastructures that innovators can use today. Across Europe, startups, researchers, and ecosystem builders stand ready to help make AI uptake a collective success. The challenge now is execution. Europe can lead this transformation if it acts with the same speed and ambition as the innovators it wants to empower.