

STA309IAE DESIGN THINKING AND INNOVATION



**PREPARED FOR
SUMMIT JHA**

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Application of Design Thinking in Business Innovation: F1Soft International Case Study

Introduction:

In Nepal, one of the top fintech businesses is F1Soft International Pvt Ltd. Across the country, the company has completely changed the way people think about digital financial services. F1Soft has left its mark whether it is supporting digital payments, financial inclusion, or disrupting solutions like eSewa and Fonepay SmartQR, among others. It has redefined norms within the Fintech industry of the region and altered the way financial transactions are performed in Nepal. In the rapidly changing Fintech industry, where F1Soft must stay ahead of the curve through innovative disruption, competing companies and clients that want the lowest quality of service are equally demanding.



Figure 1:F1soft wallets

Choosing the Organization and Issues

Organization: F1Soft International

Issues

- Customer Experience: While F1Soft still has some catching up to do in terms of operation only, English legible interfaces are something that most firms who promise to give more for their consumers faster have in common. One of the difficulties that users encounter when building an F1Soft solution is that clients may find it quite difficult to handle, which irritates them and lowers their degree of pleasure. Improved usability is essential, and your company's goods should reflect this as citizens differ widely in their levels of internet usage experience.
- Market Penetration: As new companies grow from start-ups to a range of well-established traditional institutions, the Fintech space is progressively becoming more saturated. The increased competition serves as an opportunity for F1Soft to develop inventive approaches aimed at effectively securing this unexplored market. Lack of these tactics might harm F1Soft because it could be in competition with other organizations, such as the unofficial institutions that currently make up the market, particularly in emerging regions where digital financial services are still in their existence.
- Product Integration: One of the most important strategic implementation issues that a company such as F1Soft faces is the degree to which its products can interface with one another, or how easy they are compatible. The customer wants an integrated solution that combines all of F1Soft's offerings (eSewa, Fonepay, and SmartQR). However, if this degree of integration is not used, users may suffer fragmented experiences, which leads to general disorder. The previously mentioned approach needs to be supported even further in order to enhance the value proposition related to F1Soft's product range.

Realization of Gaps through Design Thinking

The current gaps in the experiences of customers must be identified for F1Soft to innovate and promote business growth. These risks can be identified and addressed by the organization with the use of design thinking. With regard to recognizing and resolving important challenges, this part concentrates on the creation of client personas and the breadth of a customer journey.

Primary Stakeholders

Customers: Individuals and businesses seeking convenient and secure financial services.

Investors: Individuals and institutions who have invested in F1Soft's growth.

Partners: Banks, financial institutions, and other companies collaborating with F1Soft.

Employees: The talented team members who drive F1Soft's innovation and success.

Regulators: Government agencies overseeing the financial services industry in Nepal.



Figure 2: Primary Stakeholders

Recognizing the Needs of the Client

Customer Persona Creation:

Customer personas are essential to the success of the company because the user base of F1Soft is so large. F1Soft can customize its solutions to fulfill particular requirements by using these personas, which represent various consumer segments: F1Soft can customize its solutions to fulfill particular requirements by using these personas, which represent various consumer segments:

- 1) Urban Millennials: eSewa is generally expected to be user-friendly, quick, efficient, and updated with new features by these highly transactional consumers, whether they are using it for bill payments or to make modest online purchases.
- 2) The second group consists of people who are using digital services for the first time, people who live in places where internet connectivity is still an issue, and people who still lack basic digital skills. For these clients to interact with digital financial ones, a clear and simple interface along with dependable support services are necessary.
- 3) Small business owners use Fonepay to pay for goods and services they have received. They may want features like transaction monitoring and prompt credit in addition to an easy, safe, and efficient payment system that complements their company procedures.



- F1 Soft has been a leading FinTech firm in Nepal as of 2023.
- Its customer retention rate was reported to be around 85-90% for its core retail banking and mobile payments products.
- Customer satisfaction levels for F1 Soft were above average compared to local competitors.
- Customer satisfaction is driven by factors like user-friendly interfaces, reliable transaction processing, and responsive customer support.



Figure 3: Customer Persona Creation

Realization of the Gaps

F1Soft is able to comprehend the actual pain issues from the client's perspective because of customer personas and journey maps. Making onboarding simpler or improving the product's integration with other products the customer may use are two examples of such gaps. From this perspective, F1Soft's innovations may be consumer-focused and improve the company's revenue and customer experience by embracing and incorporating the design thinking methodology.

Customer Journey Map:

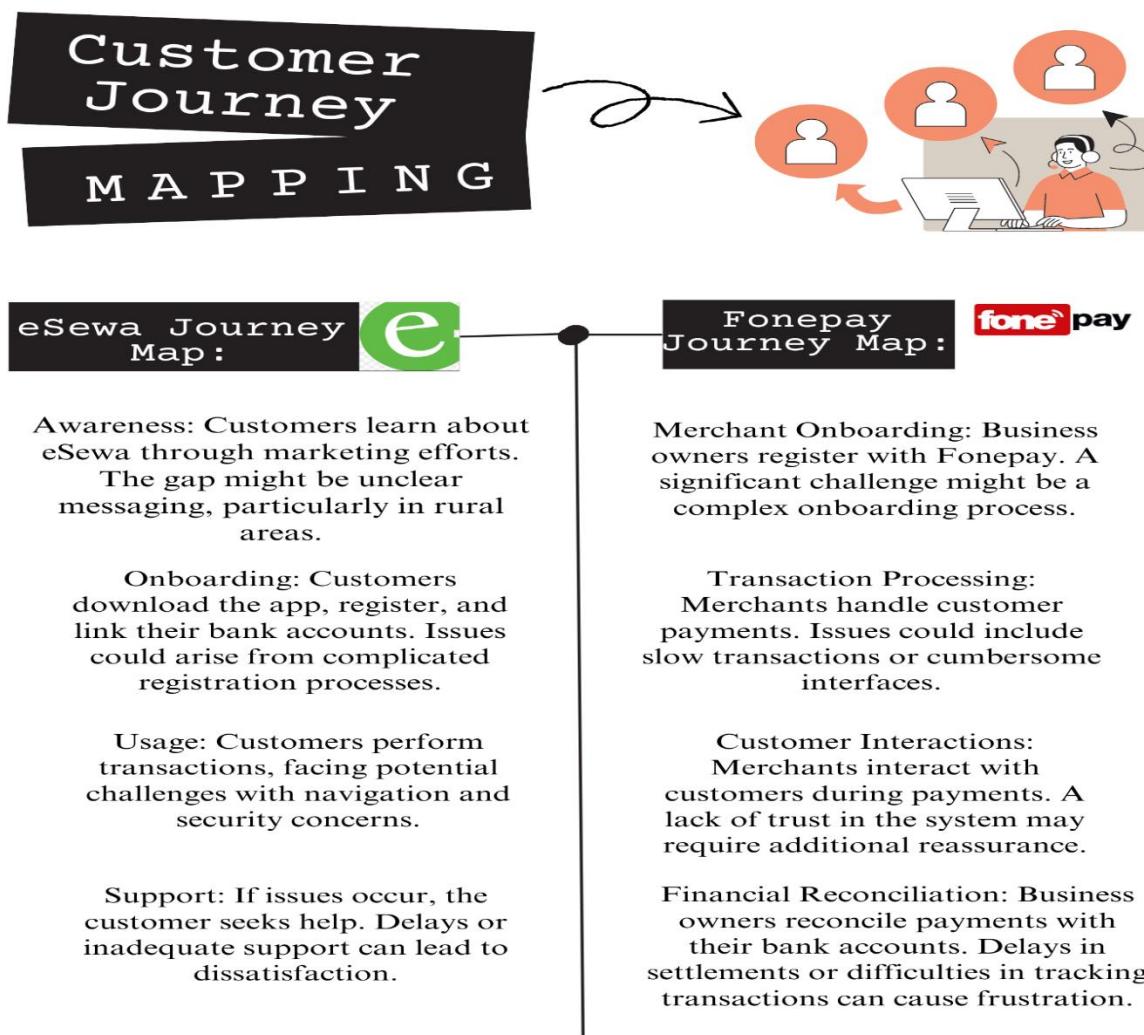


Figure 4: Customer Journey Mapping

Competitor Analysis of F1Soft International in Nepal

In Nepal, fintech is highly competitive, particularly in the sector where F1Soft International competes, with a number of major firms. New competitors in the same industry as F1Soft are Khalti, Nabil SmartBank, Prabhu Pay, and IME Pay; F1Soft must defeat these competitors to remain in business. Since each of these competitors has developed a distinct specialty and consequently targets a separate market, the competition is sharp and diverse.

Competitors of f1 soft international in Market

Competitors in Market



Figure 5: Competitors of f1 soft international in Market

Khalti:

It safeguards a user-friendly GUI that is reasonably simple to navigate, as it focuses primarily on the Generation Y client provides ideal and workable advertising campaigning strategies to increase brand recognition and high levels of engagement. With its array of features, including bill payment, mobile recharges, and online shopping, it directly competes with F1Soft for its online services, including eSewa.

Nabil Smart Bank:

One of the banking service integrations gives users the ability to fully manage their finances, which draws users in focuses on confidentiality and security, ensuring that users who are concerned about the security of their transactions are satisfied because it combines payment-related and bank-related services into a single channel, it provides services that are directly competitive with F1Soft's double-barreled structure.

Prabhu Pay:

Target clients who use Prabhu's financial and remittance services in order to expand on the Prabhu Group's current customer base and structure. Anybody looking for an all-in-one financial solution would be the target market for a product that offers services related to finance, travel, and remittance. It uses a ready market of customers to promote its digital payment services, building client loyalty and providing F1Soft with strong rivalry, particularly in urban and rural areas.

IME Pay:

It is closely related to the remittance market and takes advantage of the IME Group's credibility and trust, particularly in rural areas. Those in rural areas prefer it because of its easily accessible wide agent network throughout Nepal. Strong interoperability with IME's money transfer products allows it to compete with eSewa from F1Soft in the cross-border money transfer market.

Critical Reflection on Outcomes Achieved and Proposed Recommendations

Outcomes Achieved

To make navigating and interacting with the apps more efficient, F1Soft in particular has concentrated on enhancing interfaces and cutting steps wherever possible. It was claimed that users could shop, troubleshoot, and use the applications much more efficiently with such simplified layouts. Client satisfaction and brand loyalty are subsequently increased as a result.

Seamless Integration: F1Soft's product line has become increasingly integrated to create a whole ecosystem. With services like eSewa or Fonepay, switching between them is simple, and doing so makes one feel secure and steady.

Market Expansion: To draw in more customers, F1Soft ran targeted advertising campaigns in addition to broadening its service offerings with the aid of new products. For instance, over time, initiatives for localized marketing and features that cater specifically to rural markets have increased financial access and drawn in new clients.



Figure 6: Prospects in Future

Proposed Recommendations

- Continuous User Involvement: the F1Soft system is designed to maintain constant user engagement and encourage frequent feedback mechanisms for ongoing enhancements. This kind of interaction could take the shape of weekly or monthly polls, a feedback option in the app, or a user forum. Users will be more devoted to an application if they feel that they are part of its development process and believe that it is their own.
- Innovation Labs: Establishing innovation centers within any organization aids in putting mechanisms in place to promote innovation and advances the idea of innovation. Employees would be free to experiment with novel concepts, tools, and methods in these labs without being limited by corporate policies.
- Collaborations and Partnerships: In order to enhance their offerings, F1Soft should consider collaborating with banks and other Fintech companies. Collaborating with other individuals can introduce fresh perspectives, test one's beliefs, and potentially lead to a larger clientele.
- Focus on Accessibility: As a result, before actually developing the planned features, it is necessary to identify the features that will make F1Soft's services representative and helpful for the greatest number of users including those who are underrepresented on the platform and to prioritize their inclusion. It involves identifying products to fit various languages and regions in addition to making structures accessible to the disabled.
- Data-Driven Decision Making: F1Soft can take advantage of this by appropriately utilizing data analytics and the information gathered from its users. It would identify trends, preferences, or problems through the analysis of user activity and feedback, and it would adjust its performance accordingly.
- Employee Development and Training: In this instance, training will assist in keeping staff members up to date on advanced design thinking methods and procedures as well as assist in integrating technology into design thinking procedures.

Conclusion

The report provides an overview of how F1Soft International can implement design thinking to address the main issues and advance creative business ideas. Armed with a mission to provide solutions that prioritize users, promote continuous improvement, and follow interdisciplinary collaborations, F1Soft is well-positioned to maintain its leadership position in innovative solutions that promote sustainability and growth. The only guarantee for long-term survival in the fast-paced world of technology is not only success, but also relationship with customers, which is why design thinking will only improve F1Soft's offerings in the long run. Therefore, the only surefire way F1Soft will maintain a competitive edge and a leader influence in its current and new market areas is to involve and be highly committed to the various user orientations.

Appendix:

SWOT Analysis:



Figure 7: SWOT Analysis of F1 Soft International

Changes Required:

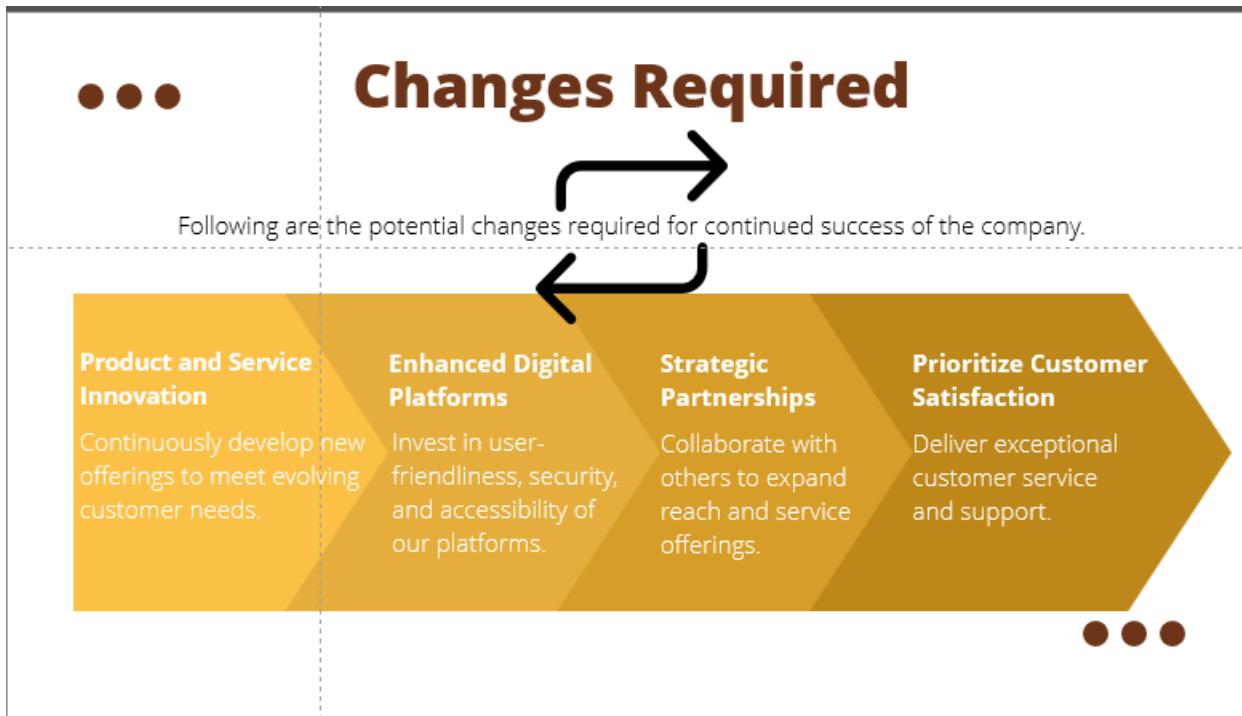


Figure 8: Changes Required in F1 Soft

Sales Ration:

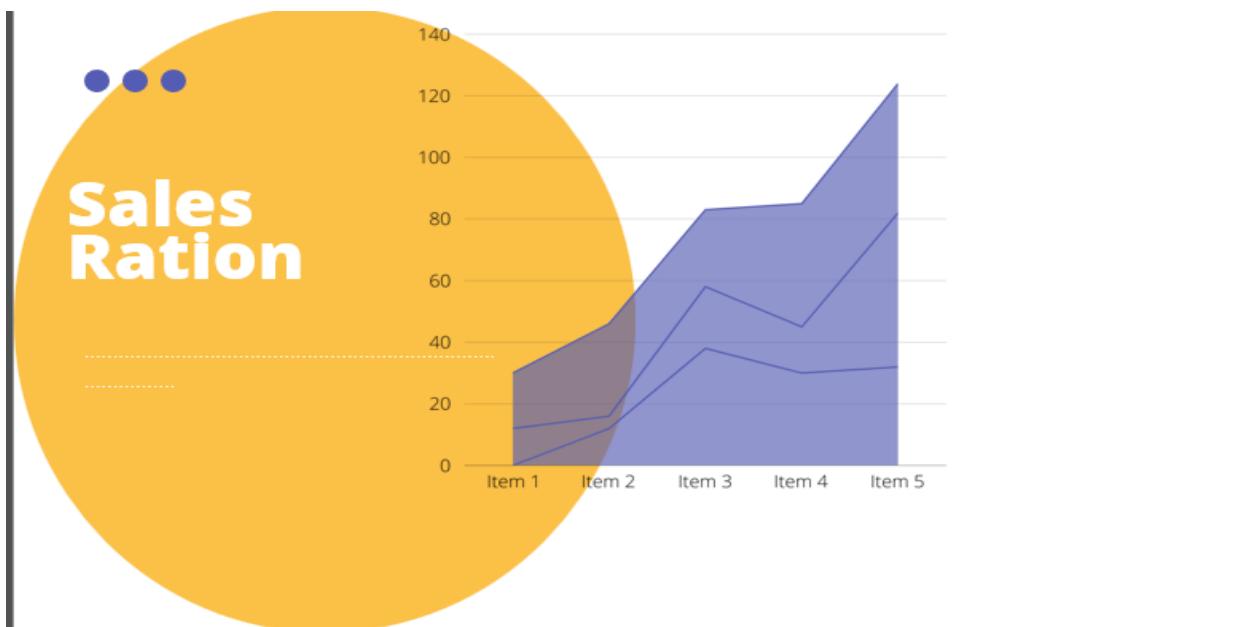


Figure 9: Sales Ratio of F1 Soft

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