Better lending to organisations

Time horizon: 12 months/start of MVP

Reference: adapted from https://app.xtensio.com/, and generated from Data Ventures lean canvas template: https://github.com/dataventuresnz/venture-dv

Problem

1) Large organisations often have unused capital (cash) lying around, not earning good interest etc.

2) Small organisations need more access to capital (loans) - getting loans from banks can be very difficult, especially affordable loans.

3) Bank rates for business loans can be high, while interest rates for money sitting in accounts is low (for both organisations and consumer savers).

Existing alternatives

Sharesies (except that's for shares).

The share market (but not accessible for some).

Bank debt lending
P2P / Crowdfunding

Solution

The development of a credit model/profile that allows a new type of lending service to be created by organisations, allowing organisations and consumers to directly lend to each other through our platform.
Companies can loan each other capital that's currently getting used, and get better rates/interest than is currently possible.

For those who are MYOB / Xero customers, there's direct data to model "dead" capital, capital etc and calculate more accurate premiums to cover the risk of loans.

Key metrics

Amount of loans using this credit model/method

Number of defaults/late payments benchmarked against industry standard

Increased return on "dead cash"

Value proposition

This is a new way for businesses to support other business and bring group funding into a new era.

High level concept

Large organisations get their "dead" capital working, giving cash poor businesses access to better loans.

Advantage

The information we can benchmark a business against that we understand, and also our IP around confidentiality of identifiable data on a business when presenting them for a loan/investment opportunity.

Channels

Brokers of business loans

Accounting products or accounting addons offering credit facilities.

Customer segments

Large organisations with unused capital (money needs to _move_ to create wealth).

Small organisations need better access to loans (and better rates).

Consumer savers wanting to earn better interest rates on their savings.

Early adopters

Small businesses asking for small amounts that a risk can be taken by larger organisations to test the opportunity.

Cost structure

Complexity: 3 - Model is existing in getting credit scores, aggregating existing datasources and adding some more that people don't have access to - i.e. IRD
Risk: 5 - Regulatory involvement around P2P lending means FMA will do risk assessment on this as part of their process. We would benchmark off of an existing credit model to seed the scorecards.
Effort: 6 - Definitely some effort but manageable and acceptable
Acquisition: 3 - We will need to find the skillset through a Joint Venture to develop score card. The data sets are readily available to sample and test the model on.
Value: 8 - Value to business - lender and borrower, opens more opportunities for smaller businesses, generates tax revenue for govt and licensing income for DV

Revenue streams

Licensing of credit model/method to providers of alternative lending