

# Unit 2

## Model and Classifications

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(NBA and NAAC accredited, ISO 9001:2015 certified)

# Objective/s of this session

- To Introduce FinTech and it's sub sectors
- To Explain the classification of various models of FinTech
- To Describe the innovation in FinTech
- To Introduce an innovative Fin Tech strategy
- To Study the development of FinTech Application and about future trends in Fin Tech

## Learning Outcome/Course Outcome

- After completion of the course, student will be able to
- 1. Understand what FinTech is and the sub sectors that comprise it.
- 2. Classify various models of the Fintech
- 3. Illustrate various innovations done using latest technology trends in FinTech.
- 4. State the Critical Success Factors in Fin Tech.
- 5. Be able to adopt an innovative Fin Tech strategy within their own organization to lead a digital transformation project.
- 6. Develop the application using the concepts of FinTech as a case study

# Unit 2 Contents

## Part A :

- Introduction,
- Classification,
- Five Ws and one H :
  1. Why a fintech initiative was born?
  2. For whom was it born?
  3. Which are the services it aims to provide?
  4. Where does it aim to perform its business?
  5. When does it aim to operate, within the framework of the financial cycle?
  6. How is fintech working?
- Part B :
  - The organization and its elements,
  - The V4 business model framework,
  - A Business Model,
  - A Business Model for Fintech,
  - Revenue—Focus on Customer Lifetime Value, Components of an effective marketing plan.

# Top Indian fintech startups



1. Paytm
2. Paytm Money
3. PhonePe
4. MobiKwik
5. PayU
6. ETMoney
7. PolicyBazaar
8. LendingKart
9. Freecharge
10. Mswipe
11. ezetap
12. LoanTap
13. Billdesk
14. FINO PayTech
15. Capital Float
16. Pine Labs

## • Paytm



Launched in 2010 by Vijay Shekhar Sharma, Paytm is a digital wallet company and the only company in India which has produced two decacorns (companies worth more than \$10 Bn). Initially, Paytm was started as a DTH and recharge platform, with a wallet service to make payments. It has since then forayed into different segments such as payment gateway, payments bank, investments and more.

Paytm's turning point came with the demonetisation in November 2016, when its user base grew from 125 Mn users before demonetisation to 185 Mn three months after. Since then, it has continued to grow, hitting the 300 Mn mark in 2018. The company also launched an investments and trading platform called **Paytm Money**, and has also entered ecommerce with Paytm Mall.

### Paytm

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Launch Year: 2010

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Category: Digital Payments, Investments

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Total Funding Till Date: \$2.5 Bn

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Key Investors: SoftBank, Alibaba, Berkshire Hathaway, SAIF Partners

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Founder: Vijay Shekhar Sharma

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Headquarters: Delhi-NCR

## • PhonePe



Founded in 2015, headquartered in Bengaluru, PhonePe is a financial technology company. PhonePe offers a UPI-based payments app as well as support for billing, recharges, ecommerce and other online services. As per the **UPI data released for August 2019**, PhonePe was the leading app for UPI payments in India.

PhonePe offers just one app to enable users to send or receive money, make mobile or DTH recharges, paying utility bills from credit card to insurance premiums, shopping through online and offline vendors or travelling. The user just needs to link their bank account to the PhonePe app and make payments through the unified payments interface (UPI) platform.

### PhonePe

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Launch Year: 2015

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Category: Fintech

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Total Funding Till Date: 291,700,00

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Key Investors: Flipkart

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Founders: Rahul Chari, Sameer Nigam, Burzin Engineer

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Headquarters: Bengaluru

## . PolicyBazaar



PolicyBazaar is an insurance aggregator which was started with the aim of providing transparent and accurate insurance information to consumers. A platform where consumers could not only understand the tools which would suit them best for insurance but also a platform on which they could compare products and choose the most viable option.

Reliability and security are two pillars of the company, and all communications are recorded for auditing purposes. PolicyBazaar claims a 100% YOY growth, since its inception catering to more than 100 Mn consumers.

### PolicyBazaar

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Launch Year: 2008

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Category: Fintech Aggregator

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Total Funding Till Date: \$346.6 Mn

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Key Investors: Wellington Management, PremjiInvest, Tiger Global Management, Inventus Capital Partners

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Founders: Yashish Dahiya, Alok Bansal

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Headquarters: Delhi-NCR

## . LendingKart



LendingKart, which operates as an NBFC, is largely focussed on the MSME lending and capital space. The company uses big data analytics to help lenders evaluate a borrower's creditworthiness and completes the loan disbursement process quicker than traditional banks. LendingKart's mission is to ease credit access for SME (small & medium enterprises) in India, which have faced some **liquidity crunch in recent months**.

### LendingKart

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Launch Year: 2014

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Category: Lending Tech

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Total Funding Till Date: \$216 Mn

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Key Investors: Fullerton Financial Holdings, SBI, Bertelsmann India, Alteria Capital

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Founders: Harshvardhan Lunia, Mukul Sachan

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Headquarters: Ahmedabad

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# Introduction

- A business model to interpret how a fintech company should organize its business model.
- where to focus and how to create a leading proactive mindset in this complex sector.
- The model to help in the interpretation of different aspects of fintech initiatives.

# Fintech initiatives are concerned

1. Why a fintech initiative was born?
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6. How is fintech working?



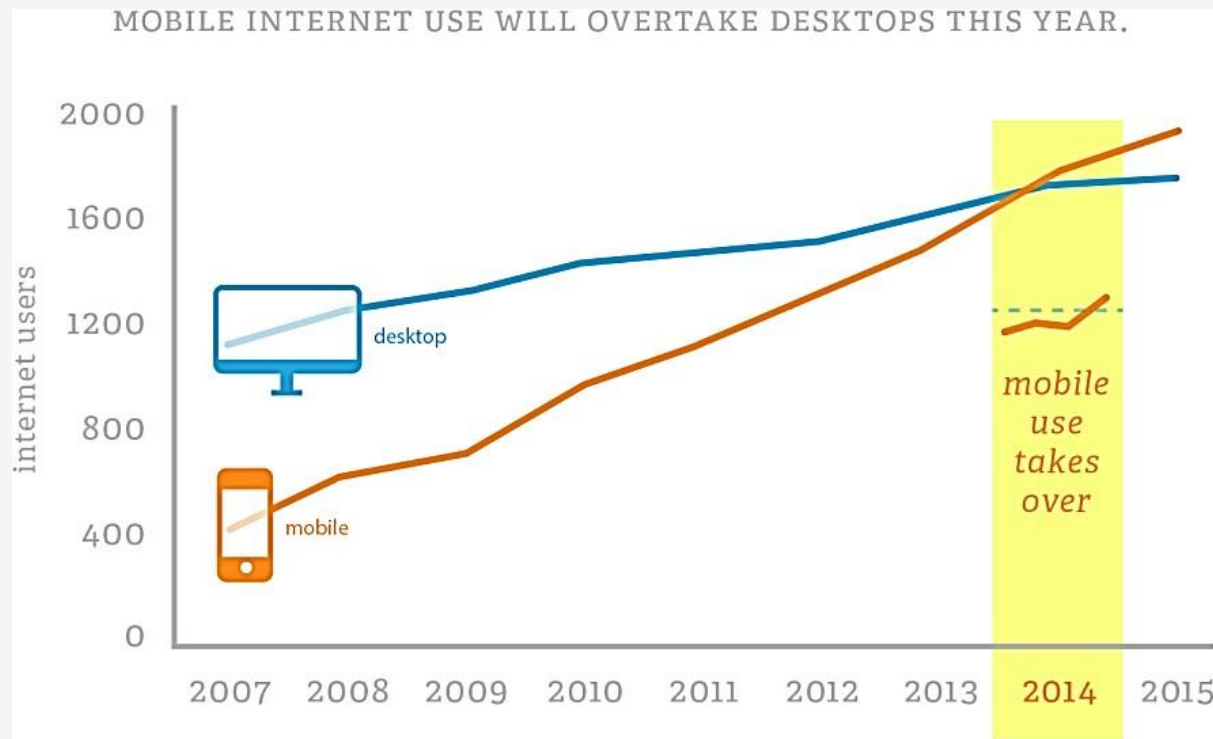
# Why Now?

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# FinTech: Why NOW? (1/3)



# FinTech: Why NOW? (3/3)



# FinTech: Why NOW? (2/3)



# Why

- In traditional financial institutions, there is a combination of a widespread difficulty of financial services to innovate with the internal resistance to change, typical of any organization.
- The New entrance fintech startups.
- The banking processes by delivering a better service to customer.
- The fintech companies, stressing their great potential due to their knowledge, flexibility, and overall proposition value.
- The second one focuses on financial institutions, stressing their still largely dominant customer base and economic strength.

# Why ...Continue

The financial technology field may be identified in the inefficiencies of the traditional organizations

This usually happens for several reasons, the main ones being:

- The low appeal of some financial services due to their overall low profitability
- The inefficiencies and the general lack of skills, capabilities, and will of financial institutions to recognize and pursue new opportunities



# Model groups

**Customer service, financial services, compliance, and business processes:**

**1. Customer service:** processes and services that deal with the customer at the user interface level as well as at the backend database level:

- Customer relationship management (CRM)
- Call center software
- Electronic billing and payment technology
- Electronic trading and banking

**2. Financial services:** applications and processes for portfolio management and risk management:

- Portfolio management
- Asset management
- Risk management solutions
- Exchanges

**3. Compliance:** methods for a company to comply with external and internal regulations:

- Financial statement reporting and analysis
- Trade clearing
- Compliance with regulations in one or more nations

**4.Business processes:** Collections of linked activities with the objective to deliver a specific result:

- Application service providers
- Data warehousing and analytics
- Data quality
- Document management
- Imaging software
- Knowledge management
- System integration
- Security
- ICT infrastructure and outsourcing



# Who are FinTech Startups?

# FinServ Co's, 'Old' FinTech, 'New' FinTech

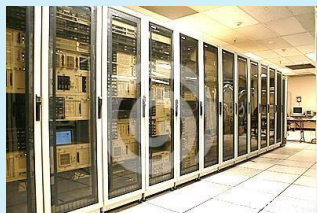
Financial Institutions	Traditional FinTech Players	Innovative FinTech Start-Ups
<ul style="list-style-type: none"> <li>■ Include banks, insurance companies and capital markets.</li> <li>■ Many of these organisations use old fashioned mainframe systems that are a significant barrier in today's fast moving digital world.</li> <li>■ Despite making significant investments in their IT systems and infrastructure in recent years, most financial institutions have merely patched-up their existing systems to compete with other banks.</li> <li>■ Many financial institutions have recently started innovation labs and venture capital funds to make strategic investments in FinTech businesses.</li> </ul>	<ul style="list-style-type: none"> <li>■ FinTech vendors provide a variety of incumbent technology and services to financial institutions, including banking and payments services, consulting solutions, outsourcing and risk management solutions.</li> <li>■ They are investing in and acquiring innovative FinTech start-ups.</li> <li>■ Providers include Fidelity National Information Services (FIS), Fiserv, SunGard, Infosys and FirstData.</li> </ul>	<ul style="list-style-type: none"> <li>■ New market entrants are leveraging technology advancements to offer innovative and disruptive solutions for specific subsectors.</li> <li>■ In doing so, they are providing new products to service existing needs and disintermediate incumbent firms.</li> <li>■ This is especially true in the payments and P2P lending segments.</li> </ul>

Source: affentranger associates (aasa)

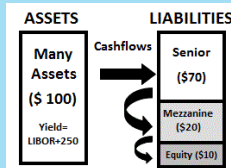
# Fintech: Not So « New »

## (1/2)

### The (19)80's



### 1995-2000



### 2010-NOW



# Fintech: Not So « New »

## (2/2)

The (19)80's

**Bloomberg**

**intuit.**

**fiserv.**

1995-2000

**PayPal**

**TD Ameritrade**

**moneo**

2010-NOW

**LendingClub**

**stripe**

**wealthfront**

**COMPTON  
NICKEL**



- Fiserv, Inc. is a global provider of financial services technology. The company's clients include banks, thrifts, credit unions, securities broker dealers, leasing and finance companies, and retailers. [Wikipedia](#)
- **Stock price:** [FISV](#) (NASDAQ) US\$102.11 -0.07 (-0.06%) 18 Aug, 11:22 am GMT-4 - [Disclaimer](#)
- **CEO:** [Jeffery W Yabuki](#) (1 Dec 2005–)
- **Headquarters:** [Brookfield, Wisconsin, United States](#)
- **Number of employees:** 44,000 (December 2019)
- **Founded:** 31 July 1984, [Brookfield, Wisconsin, United States](#)
- **Subsidiaries:** [First Data](#), [Clover Network](#), [Open Solutions](#), [MORE](#)
- **Founders:** [George Dalton](#), [Leslie Muma](#)

Bloomberg L.P. is a privately held financial, software, data, and media company headquartered in Midtown Manhattan, New York City. It was founded by Michael Bloomberg in 1981, with the help of Thomas Secunda, Duncan MacMillan, Charles Zegar, and a 30% ownership investment by Merrill Lynch. [Wikipedia](#)

**Revenue:** 1,000 crores USD (2019)

**CEO:** [Michael Bloomberg](#) (31 Dec 2014–)

**Founded:** 1 October 1981

**Headquarters:** [New York, New York, United States](#)

**Subsidiaries:** [Bloomberg Government](#), [Bloomberg Industry Group](#), [MORE](#)

**Founders:** [Michael Bloomberg](#), [Thomas Secunda](#), [Charles Zegar](#), [Duncan MacMillan](#)

# Who

The center of the business model of fintech initiatives, there is a service.

- The subsequent business relationship established through the service may have different forms depending on the nature of the subjects that are making use of it:
  1. P2P—person-to-person services
  2. B2P—business-to-person services
  3. P2B—person-to-business services
  4. B2B—business-to-business services

P2P business model works, with reference to Lending Club and other credit companies, it is possible to consider the following simplified process

- 1. Borrower applies for a loan to the lending platform.
- 2. The lending platform commits to the borrower.
- 3. The lending platform informs the partner bank that the borrower is verified and investors have committed.
- 4. The partner bank issues the actual loan to the borrower.
- 5. The borrower sends a loan note to the partner bank.
- 6. The lender/investor gives cash to the lending platform.
- 7. The lending platform purchases the loan note using the lender's/ investor's cash from the partner bank.
- 8. The partner bank sends the loan note to the lending platform.
- 9. The lending platform sends the loan note to the lender/investor.
- 10. When the due time is reached, the borrower pays back the lending platform, which then pays back the lender/investor

# B2P

- The ATM is the typical example of B2P: the customer can easily access an ATM, withdraw money, and make a variety of financial transactions while consistently saving time and resources.
- Cash apps like PayPal, Venmo and Apple Pay all allow clients or customers to transfer money via the internet or mobile technology, and budgeting apps like Mint allow customers to manage their finances and expenses.

# P2B

The second type of financial services are P2B ones.

- Trading
- Crowdfunding
- Deposit
- Virtual currencies
- Insurance

B2B services refer to the existing economic transactions between two or more companies. Companies that are willing to establish business

- Relationships with other companies with the aim of maximizing opportunities for both partners follow a B2B model.
- Relationships between companies are complex and difficult to manage, but they are one of the best catalysts for innovation.

- Fintech initiatives follow a B2B model operates in the following areas:
- Money transfer
- Credit for SMEs
- Provision of advanced services and packages to financial institutions
- Support for the internationalization of the businesses
- Other professional services to the businesses

- Before fintech was developed, businesses would go to banks to obtain loans and financing. But with the advent of fintech, businesses can easily get loans, financing, and other financial services through mobile technology.
- Additionally, cloud-based platforms and even customer-relationship management services like Salesforce ([CRM](#)) - [Get Report](#) provides B2B services that allow companies to interact with financial data to help improve their services.



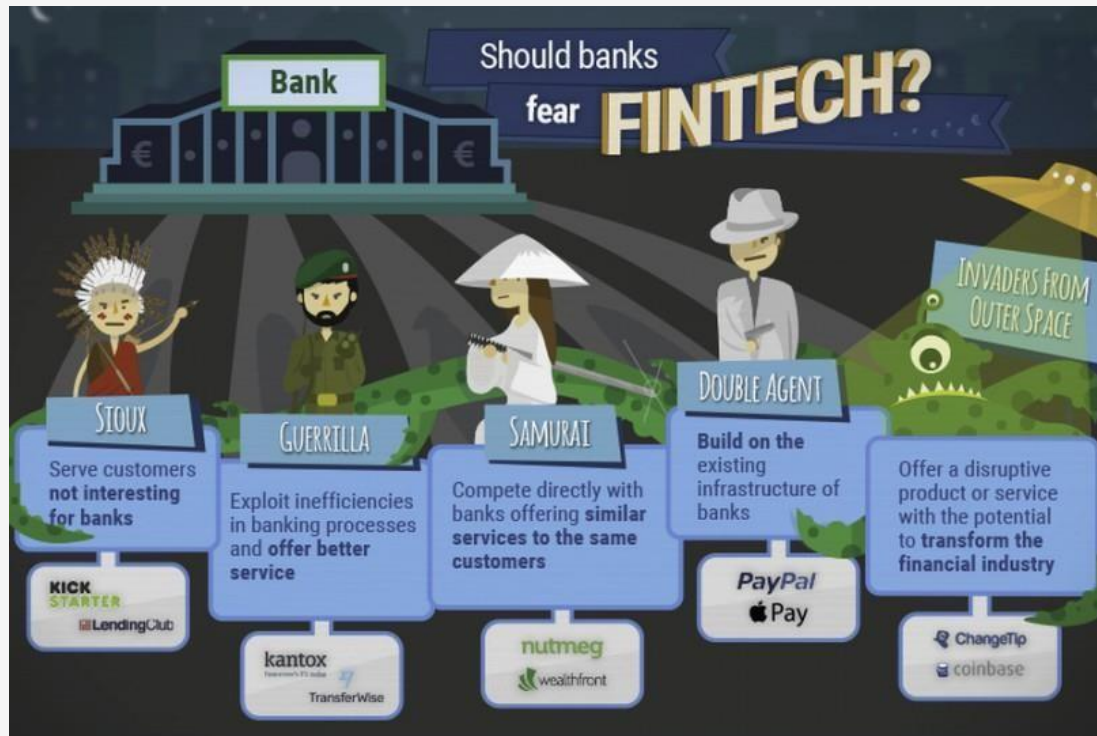


# Why and How?

# FinTech: Why They're Doing It Differently?

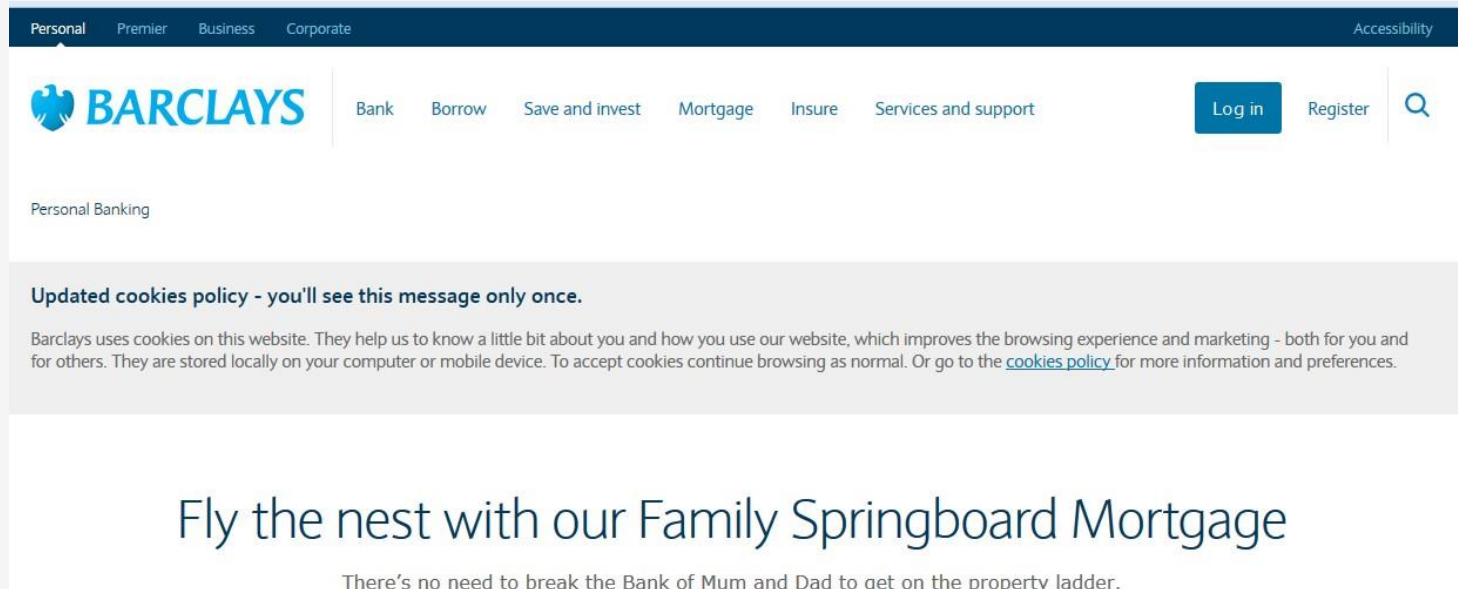


# FinTech: How They're Doing It Differently?



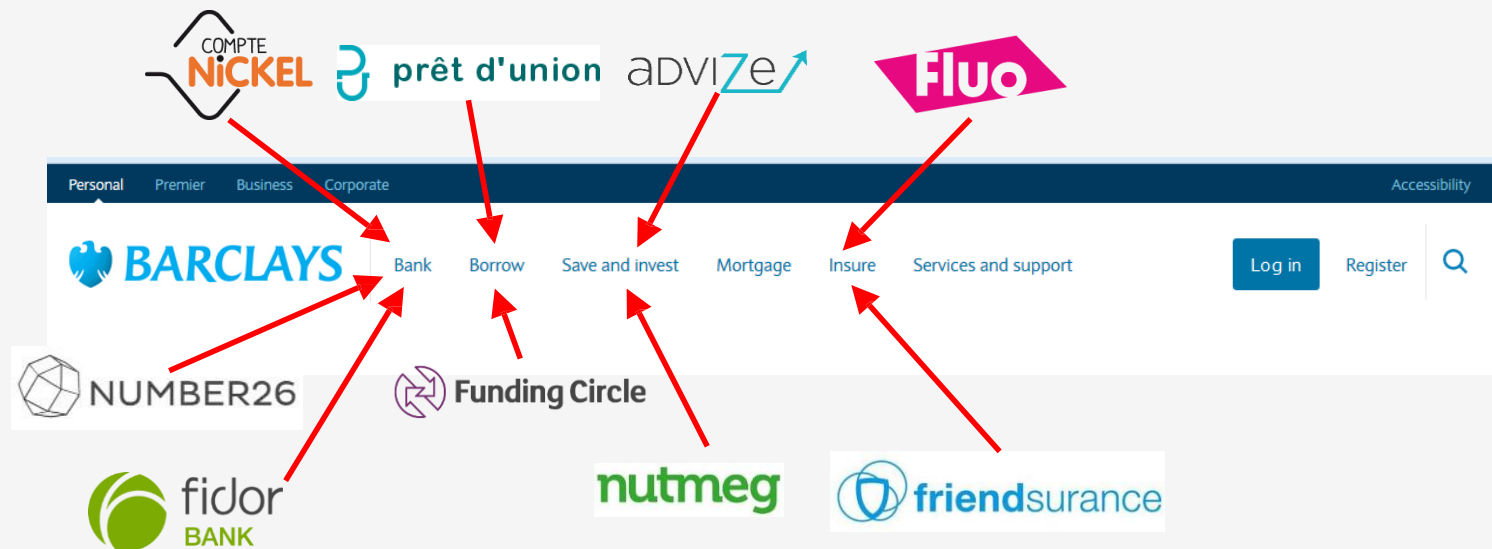
<http://www.genbeta.com/actualidad/deben-los-bancos-temer-al-fintech>

# The Real Threat of FinTech: “Unbundling” The Bank (1/2)



The screenshot displays the Barclays website interface. At the top, a dark blue navigation bar contains links for 'Personal', 'Premier', 'Business', and 'Corporate', with 'Personal' being the active selection. On the right side of this bar is an 'Accessibility' link. Below the navigation bar, the Barclays logo is prominently displayed on the left. To its right is a horizontal menu with links: 'Bank', 'Borrow', 'Save and invest', 'Mortgage', 'Insure', and 'Services and support'. Further right are 'Log in' and 'Register' buttons, followed by a search icon. Below this menu, the text 'Personal Banking' is visible. A light gray banner follows, announcing an 'Updated cookies policy' and providing information about cookie usage and a link to the 'cookies policy'. The main content area features a large headline: 'Fly the nest with our Family Springboard Mortgage', with a sub-headline below it stating: 'There's no need to break the Bank of Mum and Dad to get on the property ladder.'

# The Real Threat of FinTech: “Unbundling” The Bank (2/2)



*"Unbundling" = the "process of breaking apart something into smaller parts"*



# FinTech: Real Potential?

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# Growth in FinTech? Bubble or Real Growth Potential? (1/2)

## Mobile Payments

The global mobile payment market is on track to surpass \$1 trillion in 2019(Ref-  
<https://www.thestreet.com.>)

Popular payment app Venmo.

Apple ([AAPL](#)) and Alibaba ([BABA](#)) got in on the mobile payment business with Apple Pay or Alipay.

## Insurance

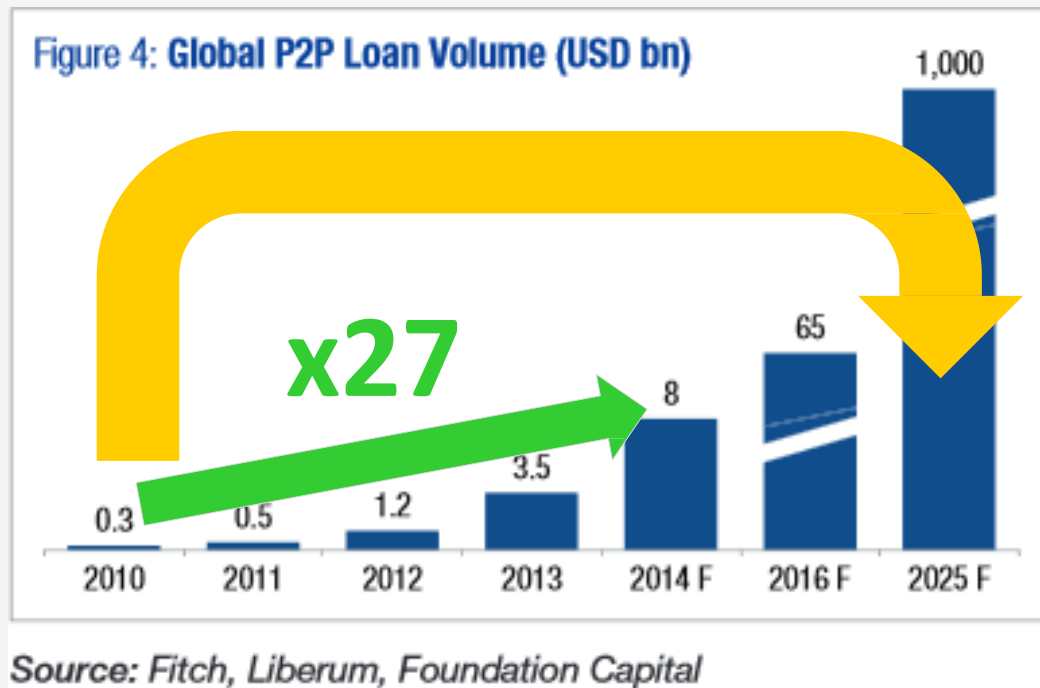
Insurtech startups are increasingly attracting funding, with insurance startup Oscar Health securing some \$165 million in funding , in March of 2019 - at a \$3.2 billion valuation, according to CNBC

# • Fintech Stocks

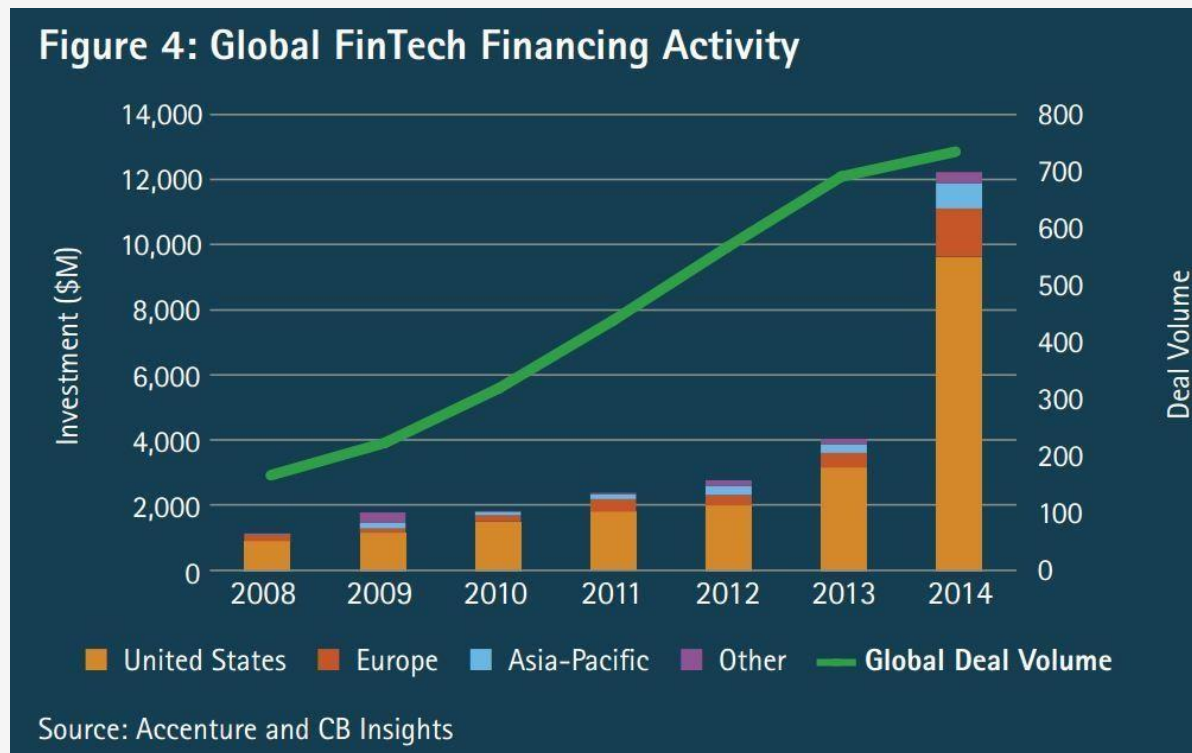
- There are plenty of exciting fintech stocks –
- PayPal has long been a favorite on the market, even [despite recent weak forecasts for 2019](#). In fact, PayPal racked up some [267 million users worldwide](#) as of the end of 2018 - adding some [31% more accounts](#) for the year.
- Apart from the mobile cash app, there are several other fintech stocks catching analysts' eyes.
- Visa ([V](#)) - is considered in the fintech space now, and [analysts seem bullish on the stock's potential](#) given the company's increasing shift toward plastic and technological advances.
- Chinese behemoth Alibaba is consistently a big fintech stock to know - and potentially own. "Alibaba is years ahead of any competitor in driving digital commerce forward," said [MKM Partners analyst Rob Sanderson last year](#).
- Additionally, Zelle - the person-to-person (P2P) app developed in response to cash apps like Venmo - signals the [banking industry's retaliation to fintech startups](#). The Zelle platform is backed by a variety of banks, including heavy-hitters like Bank of America ([MER-K](#)) , BB&T ([BBT](#)) , Capital One ([COF](#)) , JPMorgan Chase ([JPM](#)) , PNC Bank ([PNC](#)) , U.S. Bank ([UBS](#)) , and Wells Fargo ([WFC](#))



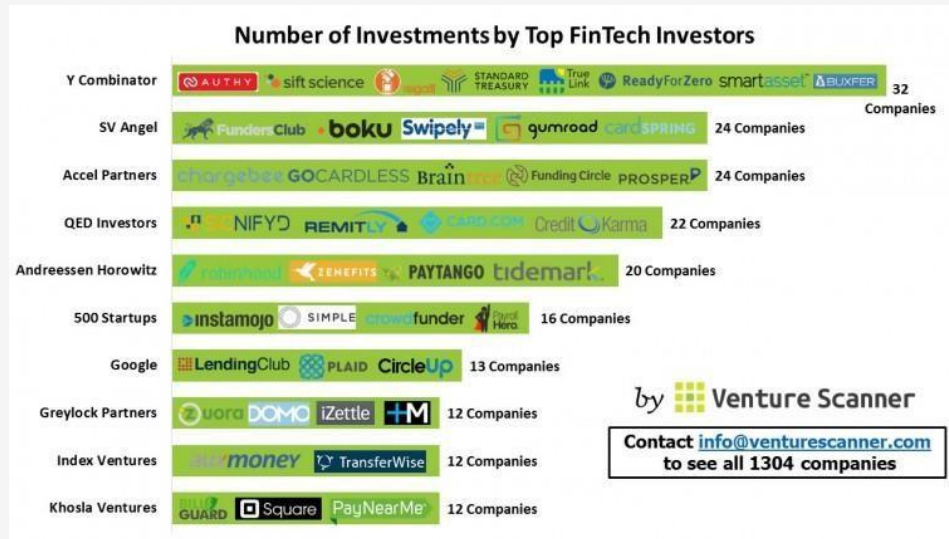
# Growth in FinTech? Bubble or Real Growth Potential? (2/2)



# Funding Activity in FinTech Explodes!



# Another Proof of Concept? Follow the Smart 'Guys'!



- How fintech initiatives are innovating and how are they planning to deliver their services,
- Through software or other technology and includes anything from mobile payment apps to cryptocurrency.
- Mobility (for instance, mobile banking)
- Big Data Analytics
- IoT
- Cloud computing
- Artificial intelligence (AI)
- Robotics
- Social networks, etc

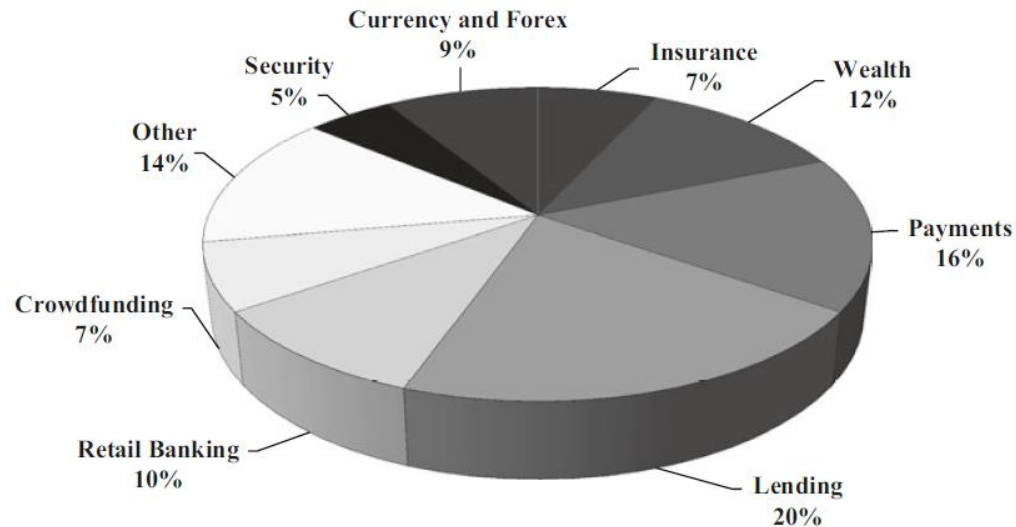
It is also possible to classify fintech initiatives from how they innovate based on:

- Product or service innovations
- Process innovations
- Organizational innovations
- Business model innovations

# What

The classification based on “what” coincides with the area of specialization of the company, leading to this further

- classification:
- Insurance
- Wealth management
- Payments
- Credit
- Crowdfunding
- Retail banking
- Security
- Currency and forex (foreign exchanges and remittances)
- Other



**Fig. 3.1** Fintech specialization share (elaboration from "Fintech 100, Leading Global Fintech innovators, Report" [2015](#))



# Where: International landscape of FinTech startups



# FinTech Landscape by Octo Technology



# where

The relationship between the business idea and its development, fintech initiatives fall into one of the following classes:

- 1. Startups
- 2. Traditional financial institutions, such as banks or insurance companies
- 3. Technological or retail companies moving into financial services
- 4. Advanced startups with a mixed ownership

# When

- Fintech may be classified into two categories according to “when” companies provide their services:
  - 1. Traditional fintech
  - 2. Emergent fintech

**Table 3.1** Traditional versus emergent fintech (elaboration of the author on Ernst & Young (EY) 2014)

Traditional	Emergent
Market players are generally perceived as facilitators, which are typically large, incumbent technology vendors supporting the financial services sector. For example, Fiserv, Accenture, SunGard, TCS, FirstData.	Market players are disruptors and innovators by nature. They are disintermediating traditional financial institutions or provide new technology and different processes solutions to service existing needs. For example: Zopa, Fidor Bank, TransferWise.
Companies focus on the support, maintenance, and delivery of the existing infrastructure, which in some cases is outsourced.	Two operating models have emerged: of either using the existing infrastructure, which tends to be controlled by established players, or replacing it completely or using solutions in the cloud. The replacement of infrastructure is a high-risk strategy; however, it produces better results if successful.
Operate under established revenue models that tend to use cost per transaction, a percentage of assets, or license fees.	Emerging revenue models are broad and tend to function using multiple different types of revenue streams, including advertisement and data monetization. Fees are different among providers and consumers (the latter ones with no payment in some cases).

# Example

- The traditional infrastructure is a limit and an opportunity at the same time. PayPal, for instance, has built its business on the existing infrastructure, but at the same time, has delivered additional services to its customers.
- Other companies, such as the already mentioned Kantox, use instead a completely different approach to the business, circumventing the old and established infrastructures (for instance, with a P2P business model).

## Part A :

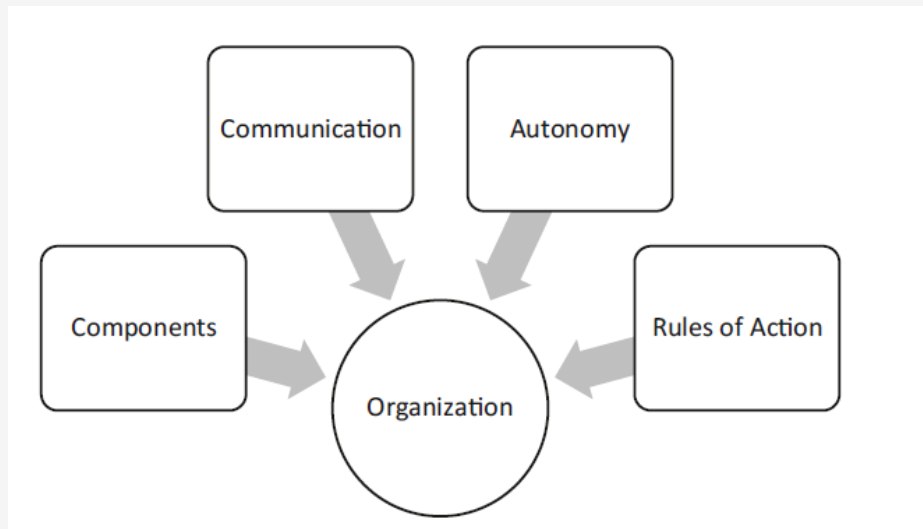
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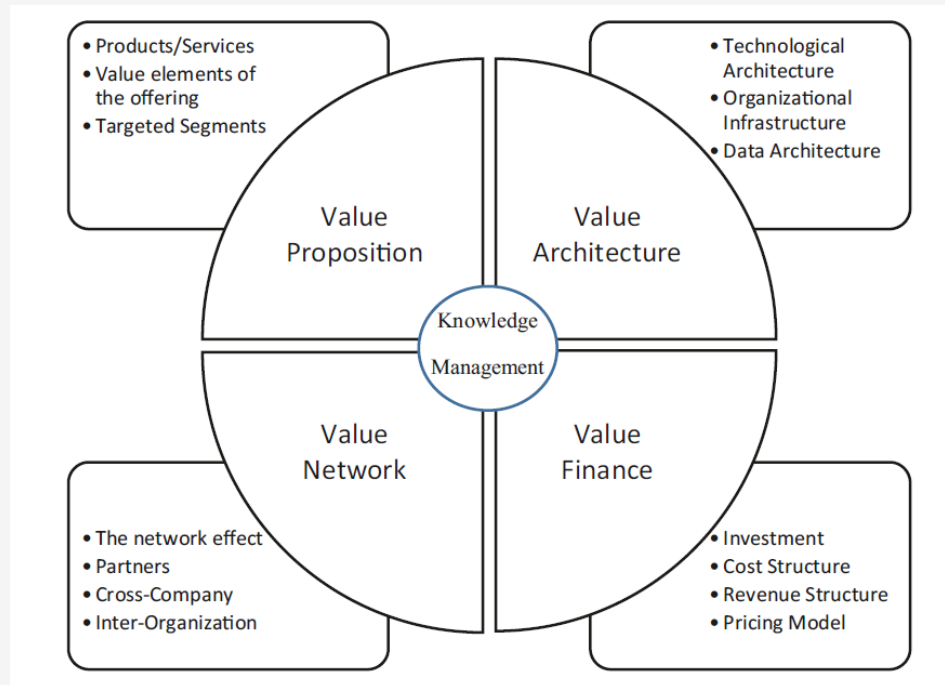
# The organization and its elements



- Fintech initiatives are focusing their efforts on the production and delivery of leading-edge technologies that now serve their target markets as no traditional organizations did in the past.
- Why was fintech born? For whom was it born? What product does it aim to provide? Where and when does it intend to perform its business? How is fintech working?. It also provides multiple classifications from different perspectives.
- By using a visual framework for analyzing a business model (BMC), describes a model that aims to support those fintech initiatives aiming to achieve a competitive advantage in this fragmented galaxy.
- The statements provided are general guidelines and need further adaptations for being successful.



# The V4 business model framework



# 3 Ps

## **Peer relationships**

- Balance sheet lenders
- Marketplace lenders
- Hybrid model

## **Financial products**

- Revolving lines of credit
- Merchant cash advances
- Unsecured term loans (3–8 months)

## Processes

- Direct flow
- Mediated flow

# A Business Model : The Business Model Approach

- Every startup should address its focus toward nine important elements:
- 1. Market—focus on targets
- 2. Products and services—focus on value added
- 3. Channels—focus on social and omnichannel
- 4. Customer experience—focus on customer-centric approach
- 5. Revenue—focus on customer lifetime value
- 6. Processes and activities—focus on marketing
- 7. Resources and systems—focus on technology
- 8. Partnership and collaboration—focus on financial institutions
- 9. Costs and investments—focus on risks

# Prediction

- The market size of the Fintech sector is going to be worth US\$26.5 trillion in 2022.

# Why Invest in Fintech App Development in 2019-2020?

- **1.Easier Payment Process**
- **2.Evaluating Risks Effectively**
- **3.Faster Investment**
- **4.Lower Cost**

# Reasons That Make Fintech a Good Investment Avenue

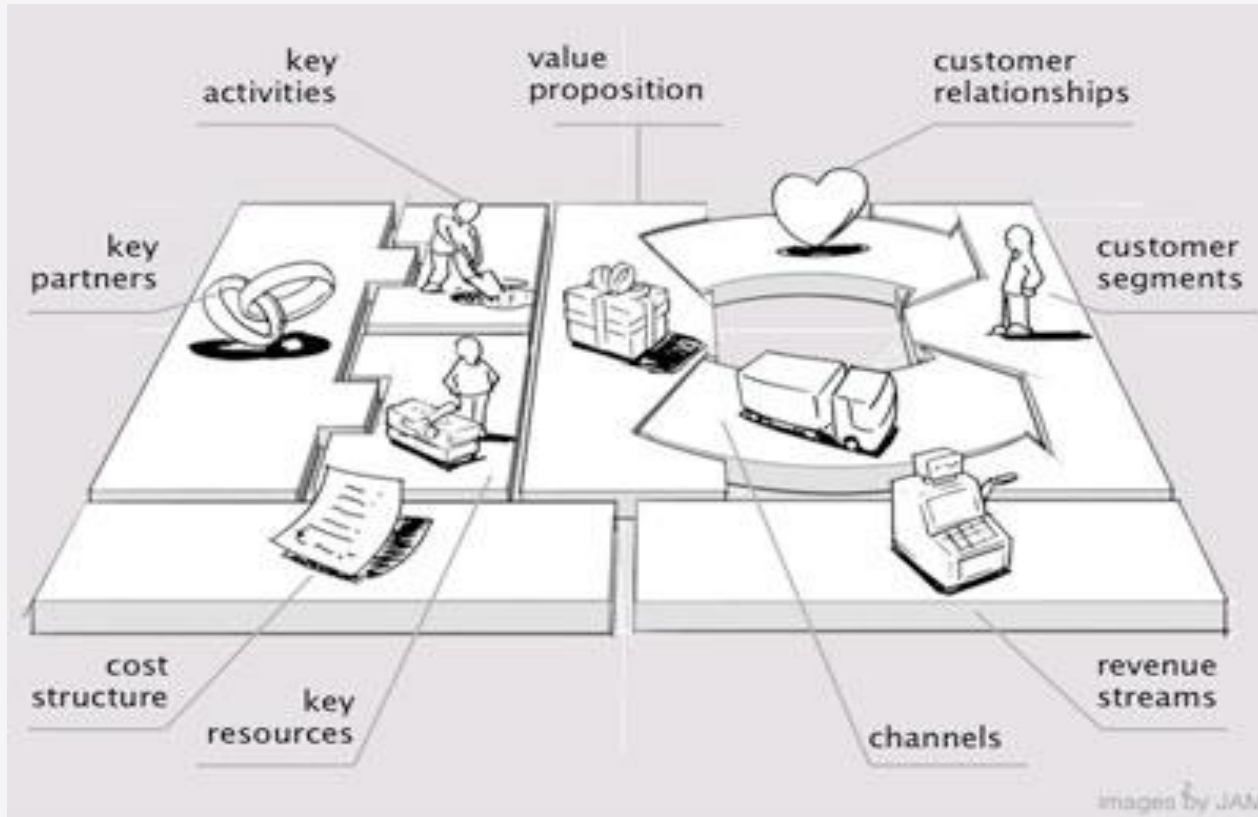
- **1. Fiat currency is becoming digital**
- **2. Data has become the new oil**
- **3. Your mobile is your wallet**
- **4. The social impact**
- **5. Fintech industry acquirers tend to have deep pockets**

# FinTech App Development Trends for 2020 & Beyond

- There are a number of technologies and trends that will become more apparent in Fintech realm in 2019-2020 and foster innovation in different business verticals. Such as –
- **1.Blockchain will Become a Prominent Part of Fintech Strategy**
- **2.AI will Enhance Financial Consumer Strategy**
- **3.New Payment Solutions will be Introduced**
- **4.CyberSecurity will Get More Attention**
- **5.Digital-Only Banks will Gain Momentum**
- **6.Higher Investment Will be Made in Fintech**



# 9 Most Important Elements of a Business



- **1. Value Proposition:** the product/service, its features and benefits or uniqueness vs. competition; size of the market opportunity; customer feedback early.
- **2. Customer Segments:** who your customer is and what problems the product solves .
- **3. Channels:** how you'll distribute and sell your product.
- **4. Customer Relationships:** how you'll create demand .
- **5. Cost Structure:** the fixed and variable costs required to operate your business .

- **6. Key Activities:** the tasks the company must perform to succeed.
- **7. Key Resources:** suppliers, commodities, or other essential elements of the business .
- **8. Key Partners:** other enterprises essential to success of the business .
- **9. Revenue Streams:** revenue and profit sources and size.



## Business Model Canvas

Partnership and Collaboration	Processes and Activities	Products and Services	Customer Experience	Market: <ul style="list-style-type: none"><li>• Customer</li><li>• Competitors</li><li>• Regulators</li></ul>
	Resources and Systems		Channels	
Costs and Investments			Revenue Streams	

**Fig. 3.5** The business model canvas (adapted by the author from Osterwalder and Pigneur 2010)

## Business Model Canvas

<b>Partnership and Collaboration</b> <ul style="list-style-type: none"> <li>Third Party Merchants</li> <li>Payment Providers</li> <li>Traditional financial institutions</li> </ul>	<b>Processes and Activities</b> <ul style="list-style-type: none"> <li>Security</li> <li>R&amp;D Platform</li> <li>24/7 Support</li> <li>Marketing</li> </ul>	<b>Products and Services</b> <ul style="list-style-type: none"> <li>Secure, multi-payment, multi-currency online transaction platform</li> <li>No Setup Costs or monthly fees</li> <li>Easy to use</li> </ul>	<b>Customer Experience</b> <ul style="list-style-type: none"> <li>Referral Program</li> <li>Volume discounts</li> <li>Quick configuration</li> <li>Support</li> </ul>	<b>Market:</b> <ul style="list-style-type: none"> <li>Customer</li> <li>Competitors</li> <li>Regulators</li> </ul> <p><u>Buyers:</u></p> <ul style="list-style-type: none"> <li>B2C</li> <li>B2B</li> <li>Auction Buyers</li> </ul> <p><u>Sellers:</u></p> <ul style="list-style-type: none"> <li>Merchants</li> <li>Businesses</li> <li>Auction Sellers</li> </ul>
<b>Costs and Investments</b> <ul style="list-style-type: none"> <li>Platform development and maintenance</li> <li>Transaction security</li> <li>Customer Acquisition costs (referral)</li> </ul>			<b>Revenue Streams</b> <ul style="list-style-type: none"> <li>Transactions commissions</li> <li>Interest income on escrow transactions</li> </ul>	

Fig. 3.6 PayPal's business model canvas (adapted by the author from multiple sites)

## Business Model Canvas

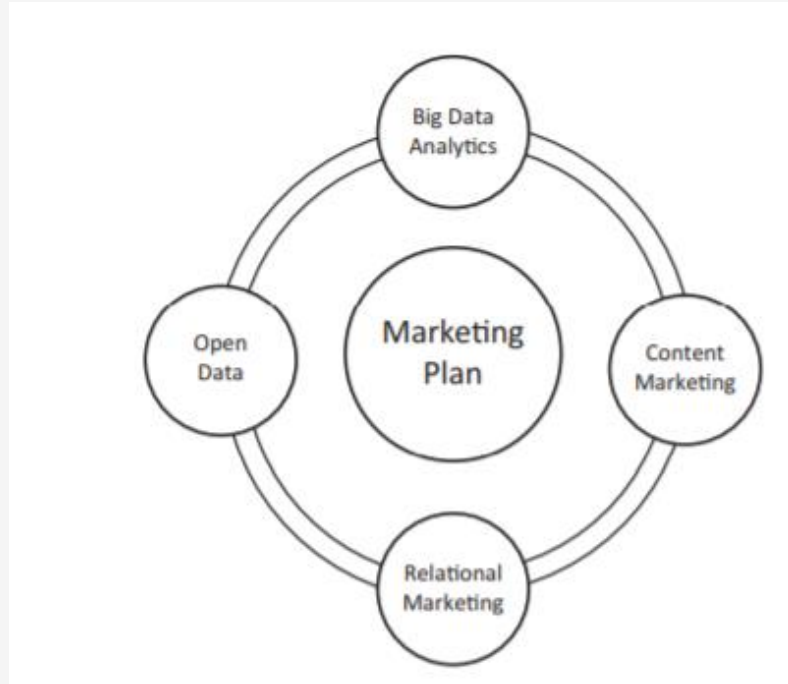
<b>Partnership and Collaboration</b> <ul style="list-style-type: none"> <li>■ Payment Providers</li> <li>■ Business and entrepreneurship communities</li> <li>■ Large Organizations and institutions</li> </ul>	<b>Processes and Activities</b> <ul style="list-style-type: none"> <li>■ Market Education</li> <li>■ R&amp;D Platform</li> <li>■ Partner Development</li> <li>■ Marketing</li> </ul> <b>Resources and Systems</b> <ul style="list-style-type: none"> <li>■ Crowdfunding Platform</li> <li>■ Marketing and Education Team</li> <li>■ Online Social Network</li> </ul>	<b>Product and Services</b> <ul style="list-style-type: none"> <li>■ Raise money from family, friends and social networks, all online</li> <li>■ Transparent, horizontal funding mechanism</li> <li>■ Easy to use: everybody can do it</li> </ul>	<b>Customer Experience</b> <p>Support on:</p> <ul style="list-style-type: none"> <li>■ Project setup</li> <li>■ Campaign advisory</li> <li>■ Social media</li> </ul> <b>Channels</b> <ul style="list-style-type: none"> <li>■ Crowdfunding platform</li> <li>■ Social Media</li> <li>■ Word of Mouth</li> <li>■ Partner Programs</li> </ul>	<b>Market:</b> <ul style="list-style-type: none"> <li>• <b>Customer</b></li> <li>• <b>Competitors</b></li> <li>• <b>Regulators</b></li> </ul> <p><u>Buyers:</u></p> <ul style="list-style-type: none"> <li>■ Artists, creative types</li> <li>■ Social entrepreneurs</li> <li>■ Startups and SMEs</li> </ul> <p><u>Sellers :</u></p> <ul style="list-style-type: none"> <li>■ Family/friends/networks</li> <li>■ Large Companies</li> <li>■ Philanthropic Organizations</li> </ul>
<b>Costs and Investments</b> <ul style="list-style-type: none"> <li>■ Platform development and maintenance</li> <li>■ Marketing and Customer education costs</li> <li>■ Staff Salaries</li> </ul>			<b>Revenue Streams</b> <ul style="list-style-type: none"> <li>■ Project commissions</li> <li>■ Secondary stream emerging</li> </ul>	

Fig. 3.7 Crowdfunding's business model canvas (adapted by the author from multiple sites)

- survey has found that the top
- five elements influencing loyalty in consumer banking are (Almquist et al. 2016):
  - • Assure quality
  - • Provides access
  - • Continue tradition
  - • Avoids hassles
  - • Reduces anxiety
- In the case of auto insurance, the survey found that the following elements influence loyalty (Almquist et al. 2016):
  - • Assure quality
  - • Reduces anxiety
  - • Reduces cost
  - • Provides access
  - • Provide variety



# Components of an effective marketing plan



- Big Data Analytics: New software products and tools have entered the market, making Big Data (both structured and unstructured) far more accessible, even for little startups.
- 2. Open data: Data publicly available with no restrictions from ownership, patents and copyrights
- 3. The other 3 Cs: Customized Customer Content. This is about putting in action marketing promotions leveraging on social media channels.
- Accenture's Banking blog is an example of how this can have a great impact on the company's lead generation. Marketing Plan Big Data Analytics Content Marketing Relational Marketing Open Data Fig. 3.8 Components of an effective marketing plan
- 4. Relational marketing: The primary objective of a company should be the construction of loyal and long-term relationships with its customers. This task can also be accomplished by leveraging on social media channels, Big Data Analytics, and technology. The importance of customer knowledge management is particularly important both for the consumer and in the business financial market (Cui and Wu 2016).



Don't ask what FinTech can  
do for you...

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# Few Examples of FinTech Entrepreneurs (1/4)



## Renaud Laplanche

From Wikipedia, the free encyclopedia

**Renaud Laplanche** is a French [entrepreneur](#) and [business executive](#). He is the founder and CEO of [Lending Club](#), an American [peer-to-peer lending](#) company.

### Contents [hide]

- Early life and education
- Career
  - Cleary Gottlieb Steen & Hamilton
  - TripleHop Technologies
  - Lending Club
- Recognition
- Personal life
- References

## Early life and education [edit]

Renaud Laplanche was born in 1970 and grew up in [France](#).<sup>[1][2][3]</sup> He was interested in sailing and raced competitively on the national level,<sup>[4]</sup> winning the French sailing championships on *Lasers*, 13.5 ft, one-sail, one-man sailboats, in 1988 and 1990.<sup>[5]</sup>

Laplanche studied business and law. He received a post-graduate DESS-DJCE (J.D.) degree in Tax and Corporate Law from [Université de Montpellier](#), Montpellier, France and an MBA degree from HEC Business School in Paris, France and London Business School.<sup>[1][2][3]</sup>

## Career [edit]

### Cleary Gottlieb Steen & Hamilton [edit]

From 1995 to 1999, Laplanche worked as a securities lawyer and senior associate at the law offices of [Cleary Gottlieb Steen & Hamilton](#), first in Paris and later in New York.<sup>[1][6][7]</sup> The cases he worked on included mergers, acquisitions, joint ventures and investment transactions involving technology companies.<sup>[4]</sup>

### Renaud Laplanche



Renaud Laplanche

<b>Born</b>	1970 <div>France</div>
<b>Residence</b>	San Francisco, California, USA
<b>Nationality</b>	French
<b>Alma mater</b>	HEC Paris
<b>Occupation</b>	Entrepreneur
<b>Years active</b>	1995–Present
<b>Known for</b>	MatchPoint, Lending Club

*Source: Wikipédia*

# Few Examples of FinTech Entrepreneurs (2/4)



## Céline Lazorthes

**Céline Lazorthes** est une femme chef d'entreprise française, fondatrice et dirigeante du groupe Leetchi qui édite le site internet de cagnotte en ligne leetchi.com<sup>1</sup>, l'outil de transfert d'argent par courrier électronique Leetchi Cash<sup>2</sup> et Mangopay une solution de paiement sur internet pour les acteurs de l'économie collaborative<sup>3,4</sup>. Elle y dirige actuellement une équipe de trente personnes basée dans le 9eme arrondissement de Paris ainsi qu'au Luxembourg<sup>5</sup>.

### Sommaire [masquer]

- 1 Biographie
  - 1.1 Formations et débuts professionnels
  - 1.2 Création de Leetchi.com
- 2 Activités secondaires
- 3 Prix et récompenses
- 4 Notes et références
- 5 Article connexe



### Biographie [modifier | modifier le code]

### Formations et débuts professionnels [modifier | modifier le code]


Originaire de Toulouse<sup>6</sup>, Céline Lazorthes est la petite-fille du médecin et universitaire français Guy Lazorthes. Elle obtient son baccalauréat en 2001, et intègre la même année la classe préparatoire de l'école d'ingénieurs EPITA<sup>5,7</sup>. En 2003, elle rejoint l'Institut Internet et Multimédia (IIM) au pôle universitaire Léonard-de-Vinci pour un Master 2 de Gestion de projet internet, option informatique<sup>5</sup>. En 2004, parallèlement à ses études, Céline travaille pour l'agence DDB où elle participe notamment aux réflexions d'acquisition client pour le budget d'ING Direct (refonte du site Corporate, campagne digitale d'acquisition et de fidélisation clients)<sup>8</sup>.

En 2006, elle est embauchée par Gilles Babinet chez Eyeka, pionnier français de la cocréation<sup>5</sup>. En 2007, après son Master 2, elle poursuit son cursus à HEC Paris<sup>3,5</sup> en intégrant le Mastère Digital Business, en partenariat avec Télécom ParisTech (Promo 2008)<sup>9</sup>. En novembre 2009, à 26 ans Céline Lazorthes crée Leetchi.com<sup>7</sup> grâce aux soutiens précieux d'Oséo, Microsoft Idées et BizSpark avant d'être incubée à HEC Paris<sup>10</sup>.

En 2013, après l'obtention d'une licence européenne d'établissement de monnaie électronique, Céline crée Mangopay<sup>3,11</sup>, une solution de paiement sur Internet pour les acteurs de l'économie collaborative<sup>4</sup>. En 2014, Céline Lazorthes dirige toujours Leetchi.com et Mangopay. Elle aide également de jeunes sociétés via ses mandats d'administrateur<sup>12</sup> et ses contributions de business angel<sup>5</sup>.

Source: Wikipédia

# Few Examples of FinTech Entrepreneurs (3/4)



## Hugues Le Bret

Owner Achèle

Paris Area, France | Banking

Current


Financière des Paiements Electroniques - Compte Nickel

Previous

Boursorama, Société Générale, Euro RSCG Omnium

Send a message

500+  
connections

 Experience

**Founder and Chairman**

Financière des Paiements Electroniques - Compte Nickel

February 2011 – Present (4 years 11 months) | Alfortville

**Chairman and CEO**

Boursorama

December 2009 – October 2010 (11 months)

**Head, Group Communication**




Société Générale

November 1999 – December 2009 (10 years 2 months)

**Partner**


Euro RSCG Omnium

1996 – 1999 (3 years)

Source: LinkedIn

# Few Examples of FinTech Entrepreneurs (4/4)




## Antoine Baschiera

Founder at Early Metrics

Paris Area, France | Financial Services

Previous L'Oréal, UStartMe, Price Waterhouse Coopers

Education AgroParisTech - Institut des sciences et industries du vivant et de l'environnement



### Experience

#### Founder

Early Metrics


June 2014 – Present (1 year 7 months) | Paris Area, France

In the thriving world of startups, Early Metrics the first rating agency for start ups. On behalf of investors and large corporations, we detect and evaluate young and innovative companies.

Business development and overall strategy are the privilege of every entrepreneur in the Early Metrics team but in addition to that, I am responsible for our evaluation process and quality policy.

[www.earlymetrics.com](http://www.earlymetrics.com)

1 recommendation



**Grégory LOUIS**  
Fondateur chez ENTOMO FARM


Antoine est un vrai professionnel, ses compétences, son expertise et son dynamisme sont des atouts majeurs pour les startupers. Je recommande son analyse à tous les entrepreneurs tant il nous amène à nous poser les bonnes questions. [View](#)


#### Performance Engineer

L'Oréal

March 2014 – August 2014 (6 months) | Burgos, Spain

In my internship in the L'Oréal Professional Products division (Kerastase, L'Oréal Professionnel, Redken...), I am in charge of the following tasks :






## Sébastien Paillet

Founder at Early Metrics

Paris Area, France | Venture Capital & Private Equity

Previous PwC, U'Start Me, Execo Holding

Education Ordre des experts comptables de Paris



### Experience

#### Founder


Early Metrics

September 2014 – Present (1 year 4 months) | Paris Area, France

In the thriving world of startups, Early Metrics is the first rating agency for start ups. On behalf of investors and large corporations, we detect and evaluate young and innovative companies.

Business development and overall strategy are the privilege of every entrepreneur in the Early Metrics team but in addition to that, I am responsible for the projects development.

[www.earlymetrics.com](http://www.earlymetrics.com)



#### Senior Financial Audit

PwC


January 2012 – February 2015 (3 years 2 months) | Région de Paris , France

Mission: Examine financial statements of a company in order to verify the sincerity and the compliance of the company.

Sectors / Key Customers and associated skills :

- \* Industries: Sanofi, Eiffage, Spie Batignolles (Sarbanes Oxley, long-term contracts, internal control, consolidation, IFRS and French GAAP, US GAAP)
- \* Logistics: SNCF (internal control, IFRS French GAAP)
- \* Services: Bureau Veritas (consolidation, IFRS)

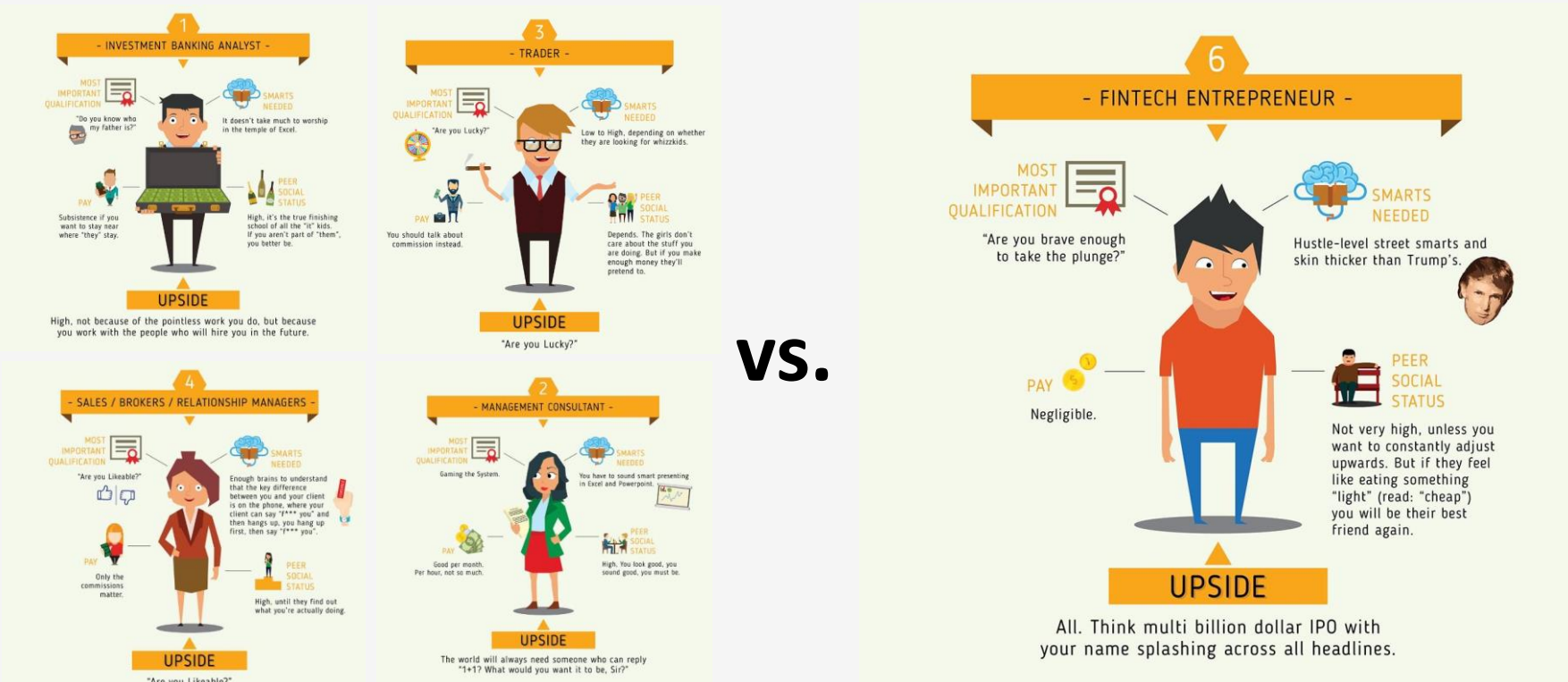
During some of those missions, I was also in charge of organizing and supervising interventions in line with guidances of the managers and partners.



Source: LinkedIn



# Being a FinTech Entrepreneur Can Pay Off



VS.

<http://tech.co/fintech-entrepreneur-payoff-2015-12>





# Further Insights

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# Further Reading

- ["La \(French\) FinTech Connection" \(Jean-Michel Pailhon\)](#)
- ["Fintech strategic review" by Jean-Michel Pailhon \(SlideShare\)](#)
- [FinTech : concurrents ou partenaires - OCTO Technology](#)
- ["Le FinTech cannibalisent la banque" \(Octo Technology\)](#)
- [Groupe « Fintechers France » sur LinkedIn](#)
- Twitter
- [La Banque, Reflet d'un Monde en Train de Naître \(Octobre 2015, Athling\)](#)
- [http://www.francefintech.org/](#)
- [https://www.cbinsights.com/blog/category/industry/fin-tech-industry/](#)

# Fintech News Sites and Blogs (Sample)

**Finextra**

FINANCE  
**MAGNATES**  
*FinTech*

**PYMNTS.com**<sup>®</sup>  
what's next in payments and commerce<sup>™</sup>

**BREAKING  
BANKS**



**THE FINTECH BLOG**

**DAILY FINTECH**

**FINOVATE  
BLOG**  
Tracking fintech, banking &

**JESSICA ELLERM**

growth hacking | fintech | banking | payments

**BANKNXT**

**C'est pas mon idée !**

L'innovation dans les services  
financiers, par Patrice Bernard



# Reference

1. B. Nicoletti, The Future of FinTech, 1st ed. Palgrave Macmillan, 2017
2. Financial technology – Wikipedia
3. Albert Wang CTO, LionRock FinTech FINTECH: OVERVIEW