[Roundtable] CXO Exclusive: Building a Digital-first Customer Acquisition and Collection Process

1. This is the virtual roundtable and topic is "LENDING"
2. We are building digital first customer acquisition and collection process

Round table participants

1. Shashank Agarwal – CTO of HDFC Credila
2. Yogi Sadana – CEO(ex-CEO) of CASHe
3. Bhavin patel – CEO of lending club
4. Rahul Chopra – CDO(Chief digital officer) of Clix Capital
5. Neelesh Patel – CDO and co founder of six square

Neelesh Patel

1. He says that Fintech is trending topic these days
2. Neelesh asked Yogi Sadana how does CASHe look at customer attribution. Does business operate in offline mode?
3. Unfortunately, Yogi sir wasn't responding, Rahul Chopra sir took the initiative

Rahul Chopra

1. Long back they were very clear that digital lending should become more popular compared to traditional lending system
2. He's very proud to say that 85% of business comes from digital lending
3. Everyone should keep an eye on 36 partnership
4. These days regulations have come up from RBI

Yogi Sadana

1. Digital lending is happening with the help of smart phones in India.
2. 10 years back there were no smart phones
3. Data has become cheap
4. During pandemic, people were pushed towards digital lending
5. These digital lending has come up since 2016, 2017

Neelesh

What people should learn from you? – To Yogi Sadana

Yogi Sadana

1. There are lot of learning opportunities to learn out
2. If we are able to solve customer's problem, every other problem gets solved
3. What are the new trends in the market, we need to put focus on
4. We do reach out to the customers to know what the problem there are facing
5. When the loan amount is due, how do we help them in those situation
6. We need to convert the collection team into engagement team to know what's the customer is facing

Neelesh

What things to do in to-do list over like next 2 years? – To Shashank

Shashank

1. We are selling a complex credit product
2. Most of the time, the decision doesn't happen instantly
3. Customer needs money immediately
4. When customer approaches us, they engage with them, keeping them warm. That's the biggest challenge
5. We need to focus on education market and bring in technology in picture
6. Another focus is how do we do cross selling

Neelesh to Bhavin

How your business structure from customer acquisition?
What do you do when defaults happen in your business?

1. Lending club is an market where investors who want to lend money to borrowers who are eligible for loan
2. More than 6 lakhs investors who are lending this loan
3. It's a unique model
4. Whether it is investor on boarding or borrower onboarding, we focus a lot on user journey
5. We focus on salaried or business people
6. Both short term and long term loans

7. We are focusing on customers who's need is to get more much faster
8. We focus on completely on digital on-boarding
9. We can disburse loans in few hours so that customer's needs is fulfilled
10. Once loan is disbursed, our next phase is collection
11. Average loan amount is Rs.45,000 and business side is Rs.50,000
12. And salary side is Rs.12,000
13. Last 3 years we have been spending time on automating these services
14. More than 90% of collection happens using technology
15. Through call centres efforts, 10% of the collection happens from customers
16. In Lending, there are two stages
    a. Credit
    b. Collection
17. Any sort of business is full of automation
18. Customers get on-boarded digitally
19. Once they are on-boarded, they can transfer money and bring it to their wallet
20. 99% of capital on our platform happens automatically

Neelesh To Rahul

Question :
1. As you have worked with digital sourcing partners, what role they play in your sourcing?
2. Internal target from 85% to 95%, what does that reflect in your bottom line as per customer acquisition?

Rahul saying

Why digital is becoming more and more important?
1. If we try to compare from 2019 to 2021, there is 41% increase in the average time spent by an individual on mobile in India. This is not comparable to other country
2. There is 30% increase in monthly data consumption
3. There is 56% of users who are actually doing banking in old style ways. These guys are moving towards digital banking
4. It is the consumer every day pushing us to bring our business to upper level
5. This is a unique trend that has happened last 18 months

6. We as a lender if we have digital ecosystem availability and they are the big acquisition channel or digital footprint, we can sign up we are in deal
7. And hence that is helping us a lot

Neelesh to Rahul

What is that one thing in your mind to get executed? And what is one thing that worries you the most?
1. One thing that we are focusing is selection
2. While being passionate and aggressive around regarding digital effort, you have to balance two things
   a. Build vs buy
   b. Don't try to do everything
3. Try to bring in nice balance
4. We don't want to commit a mistake there

Neelesh to Yogi Sadana

What one worry you have in your business or entire eco-system?
1. The major thing is how to prevent fraud
2. We need to always keep ahead of ourself not to lose money when someone enters into our system

Neelesh to Shashank

1. Shashank says we need to be nimble enough to provide variety of products to have much wider consumer segment

Neelesh to Bhavin

What would you like to do in your business?
1. Before customer things about having loan in our bank, we should be able to deliver that

Can all Fintech become banks? – By Neelesh?
1. Yes and No. There are lot of people in the market who are competing with each other
2. It all depends on what services they are trying to provide to consumers

By Neelesh

What is the lending of the product in future for pure NBFC like CASHe?

Yogi Sadana took this Question

1. Standalone products would get transformed into bundled system where you are giving service to the consumer
2. Lending is a good process when consumer is concerned
3. Being a bank is not the easiest thing in the world