

The secret to fintech success

Ned Phillips of Bambu explains what it takes for a fintech start-up to succeed, amid an environment where many firms make common mistakes that mean survival rates are low.

Being successful is the primary focus for every start-up.

For fintechs, perhaps more than many other types of organisations, the approach they choose to take can make or break the business.

What determines success for a fintech doesn't come down to whether the idea is disruptive or not, but how it is executed,

but only those firms which can execute on this will survive.

Even with the right idea and execution strategy, however, some fintechs suffer from the problem of waiting for customers to knock the doors.

Gaining trust from customers is another key element that contributes to a fintech's success, adds Phillips.

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ed, says Ned Phillips, founder and chief executive officer of Bambu.

Sometimes, an idea can be relatively simple, he explains, such as paying digi-

As a result, it is essential for digital solutions providers like his firm to partner with credible organisations which can give them not just the support but also the recognition.



NED PHILLIPS
Bambu

MULTIPLE FACTORS

Having the right partnerships also gives fintechs more distribution firepower,

rather than having to rely on traditional banking channels, for instance.

When it comes to age and industry experience, while these add credibility, Phillips believes that the ability to be proactive in the approach to sales and marketing is of equal importance, broadening the message and potential audience.

Another point of differentiation for such start-ups is their awareness of the needs of the market.

In Asia, for example, there is a flood of robo-advisers catering to the B2C space.

"If you build a technology platform and sit in a room with the door closed, nobody is going to come," he says.

"That's what most people do," he adds.

People seem to under-estimate the difficulty in getting customers.

Even if a fintech wins a 'star' or anchor client, they cannot consider the client as guaranteed business.

This might also create a false sense of security with the firm, since when demand or appetites change, the start-up will suffer.

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So providing something different is essential, and many financial institutions are looking for a B2B model which can help them provide investment solutions for their clients.

BUCKING THE TREND

One of the less glamorous realities of fintechs is the fact that many are likely to fail.

Most of the time, however, this comes down to how they pitch their ideas.

According to Phillips, many start-ups think their ideas are appealing enough that business will come to them.

CLOSING THE CLIENT EXPERIENCE GAP

One of the characteristics of the fintech world, it seems, is there is a vast number of new digital solutions which get launched every day.

Yet no-one should not take innovation for granted.

According to Phillips, clients are smart enough to tell what can deliver any value to them.

And an important part of being successful relies on the user experience and interface delivering what they want.

Partnership in motion

Asian-based B2B robo-adviser Bambu secured its first revenue contract in the second quarter of 2016, within two months from initial launch.

The firm built a savings and investing mobile application that will enable companies around the region to offer their clients best-of-breed solutions.

"If you know what somebody spends and saves, you can do anything with them," says Phillips.

Within two months of launching Bambu, partnerships have been formed with.

These include: Thomson Reuters, to provide the data needed to create tailored portfolios; Tigerspike, to create the user interface (UI) and user experience (UX) to enhance the platform; Finantix, to act as an integrator to help wealth and insurance firms integrate products; and Eigencat, to help build portfolios across all asset classes and products.

With their support, Phillips says Bambu is able to offer a scalable and reliable robo-advisory solution for all companies who see robo as an essential part of their future growth.

At the same time, banks continue to have a key part to play in conjunction with delivering relevant digital offerings alongside fintechs.

But Phillips says they need to look at how they can reinvent themselves, to adapt to embrace the challenges they face. ■