

# How to Construct and Maintain Effective Fintech Relationships

**Auto Finance News**

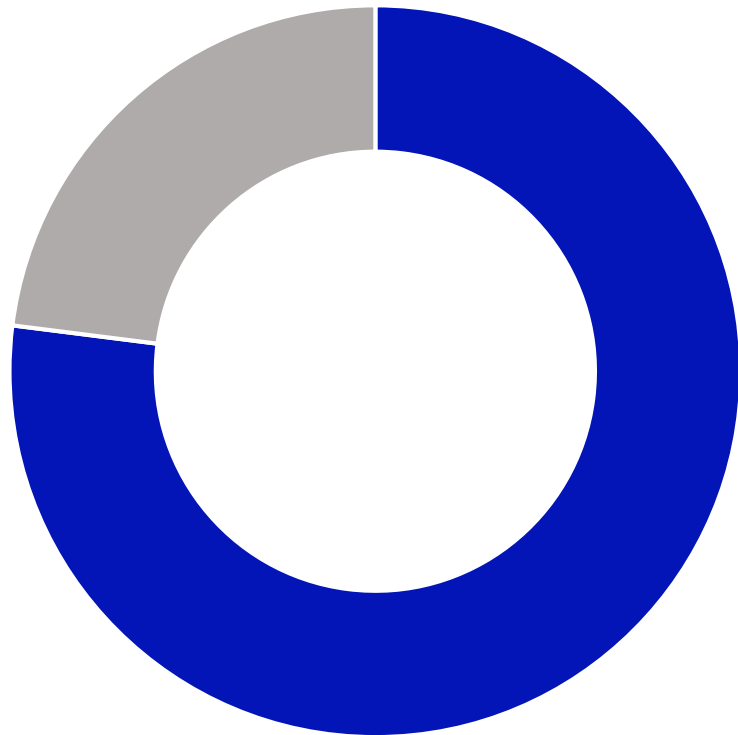
Rodrigo Suarez, Principal, INV Fintech  
March 2020

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# About us

Based in New York, INV Fintech runs a startup partnership program and works with financial institutions to build or enhance their innovation capabilities.

# Fintech evolution: from challengers to collaborators

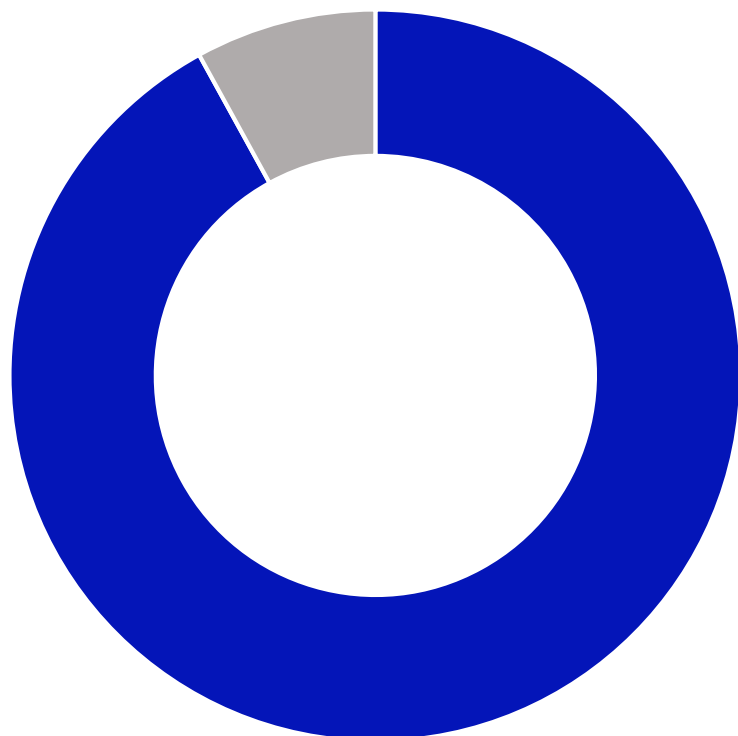


**77%**

FIs planning to partner with  
fintech startups in the next 2 years



# Collaboration is even more important now (1/3)

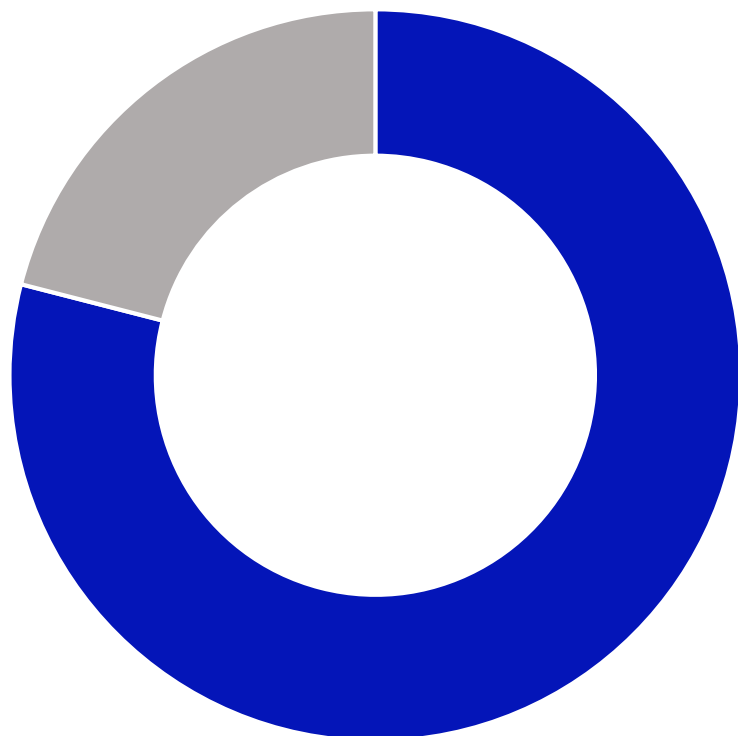


**92%**

Agree/strongly agree that Coronavirus  
Pandemic will drive increasing demand for  
digital channels and will permanently alter  
customer acquisition/servicing in FS



# Collaboration is even more important now (2/3)



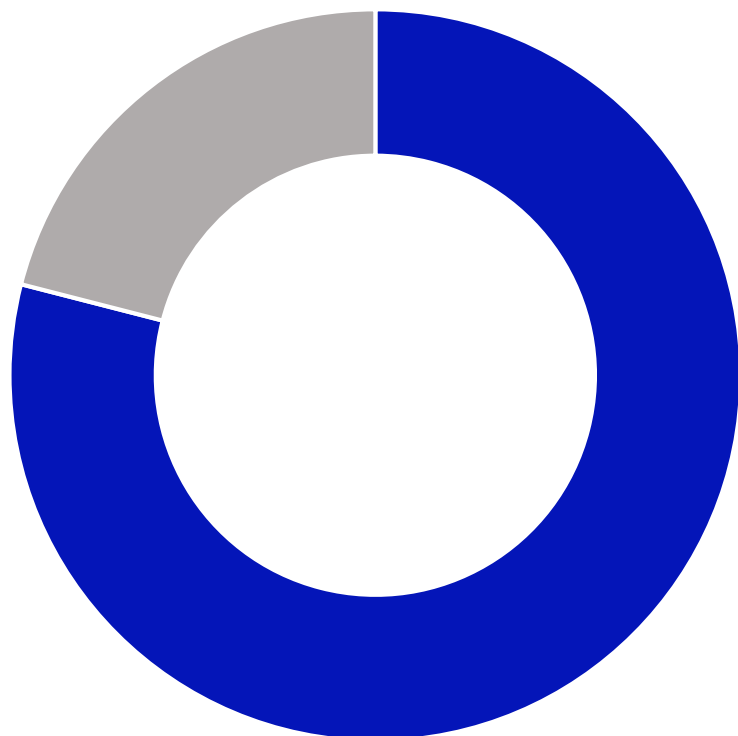
# 79%

Believe FIs will increase spending in innovation and digital transformation over the next 1 to 2 years in response to Coronavirus Pandemic.

Source: INV Fintech 2020 Survey, Interim results (N=77)



# Collaboration is even more important now (3/3)



**76%**

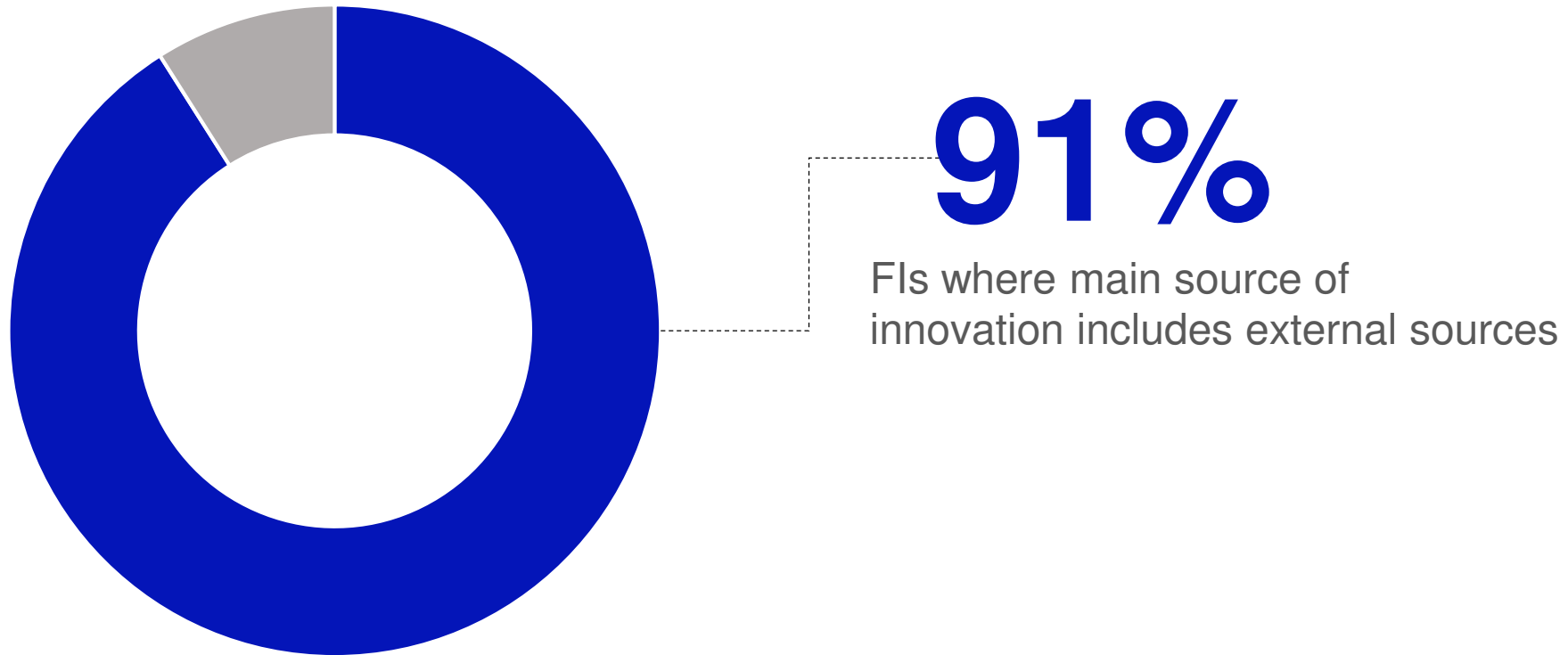
Believe FIs will seek more partnerships  
with fintech startups in next 1 to 2 years in  
response to Coronavirus Pandemic.

Source: INV Fintech 2020 Survey, Interim results (N=77)

# Emerging challengers in FS

The Amazon logo, featuring the word "amazon" in a bold, black, lowercase sans-serif font. Below the text is a curved orange arrow that starts under the letter 'a' and ends under the letter 'z', pointing to the right.The Google logo, consisting of the word "Google" in its signature multi-colored font: 'G' is blue, 'o' is red, 'o' is yellow, 'g' is green, 'l' is blue, and 'e' is red.The Uber logo, featuring the word "Uber" in a bold, black, lowercase sans-serif font.

# Partnerships are a necessity



Source: INV Fintech 2019 State of Financial Services Innovation Survey



# They're mutually beneficial

## Lenders benefit from

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Enhanced digital capabilities



Improved customer experience



Higher operating efficiencies

## Startups benefit from

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Customer trust in FI brand



Access to balance sheet

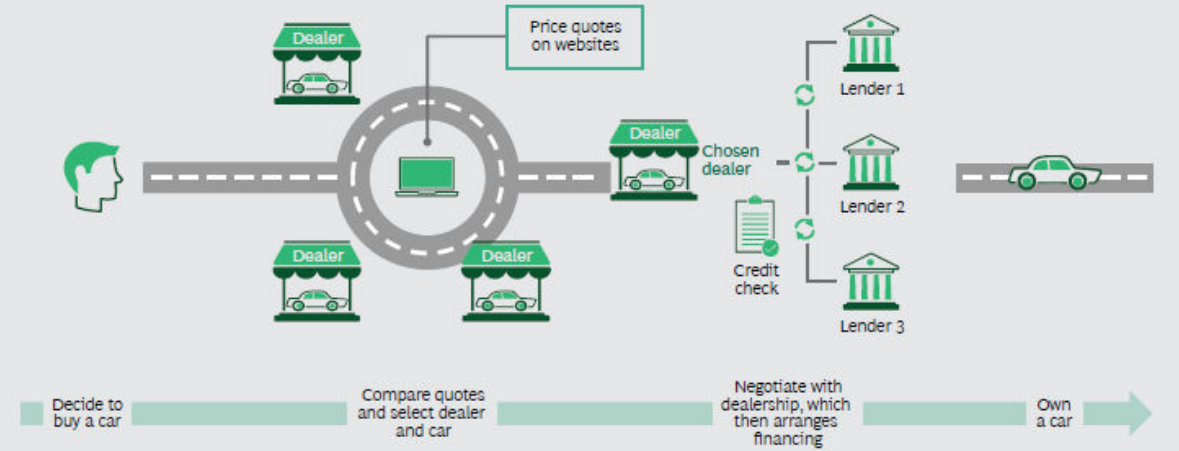


Established distribution network

# And allow for a seamless customer journey

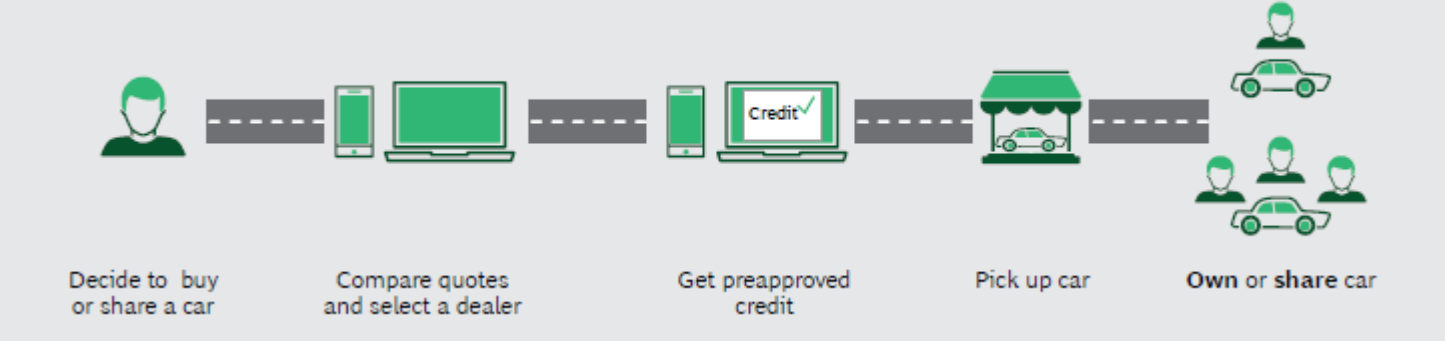
## From...

EXHIBIT 1 | The Conventional Car-Purchasing Process is Protracted and Painful



## To...

EXHIBIT 2 | A Simpler Way to Get Behind the Wheel



Source: BCG

# Evolution is well underway in banking. It's now catching up in AF.

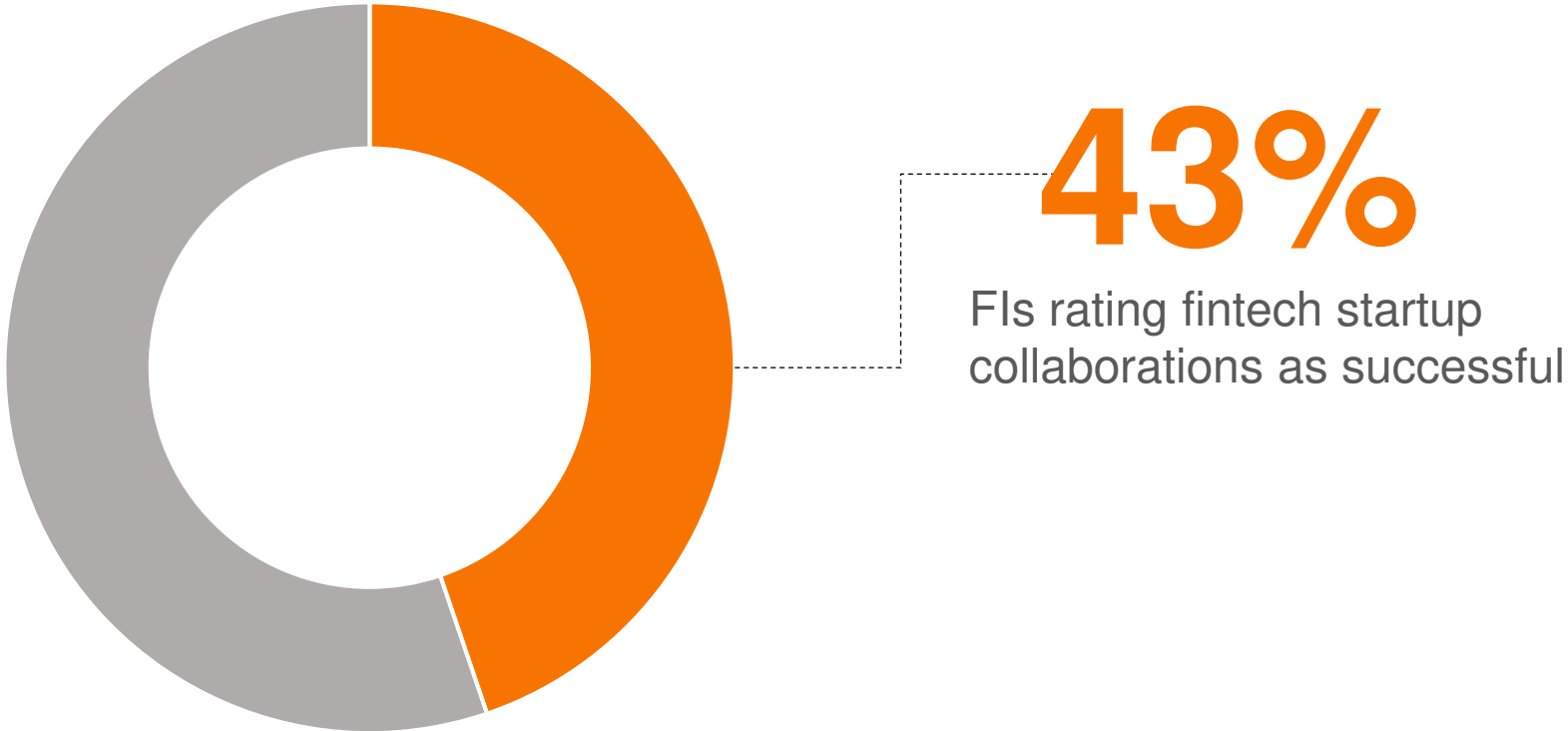


|   |                    |                |             |                 |            |
|---|--------------------|----------------|-------------|-----------------|------------|
| JPMORGAN CHASE & CO.                        | ACCESS FINTECH     | Goldman Sachs  | CADRE       | BANK OF AMERICA | highradius |
| CITY NATIONAL BANK<br>AN RBC COMPANY        | extend             | PNC BANK       | ondeck      | HSBC            | TRADESHIFT |
| WELLS FARGO                                 | openfin            | TD Bank        | Kasisto     | BMO Harris Bank | GENIVITY   |
| citi  | Thinknum           | nbkc           | digs        | TIAA Bank       | blend      |
| REGIONS AVANT                               |                    | OakNorth Bank  | moneybox    | Sabadell        | nemuru     |
| Lead BANK                                   | Datrium            | BARCLAYS       | flux        | ChoiceOne BANK  | plinqit    |
| First County Bank<br>It's where you belong. | DIGITAL ONBOARDING | RBC Royal Bank | personetics | KeyBank         | ncino      |



|                           |             |
|---------------------------|-------------|
| BMO Harris Bank           | AutoGravity |
| BMW Financial Services    | CarLabs.ai  |
| CHASE Auto                | vroom       |
| Ford Motor Credit Company | AutoFi      |
| REGIONS                   | CARVANA     |
| TOYOTA FINANCIAL SERVICES | Ephesoft    |

# However, partnerships are hard...



Source: INV Fintech 2019 State of Financial Services Innovation Survey

# Challenges include:



**Security Risk**



**Regulation/Compliance**



**Scale & Cultural Mismatch**

# First, transition from an insular to an open approach to innovation

**Accelerators**



**Labs**

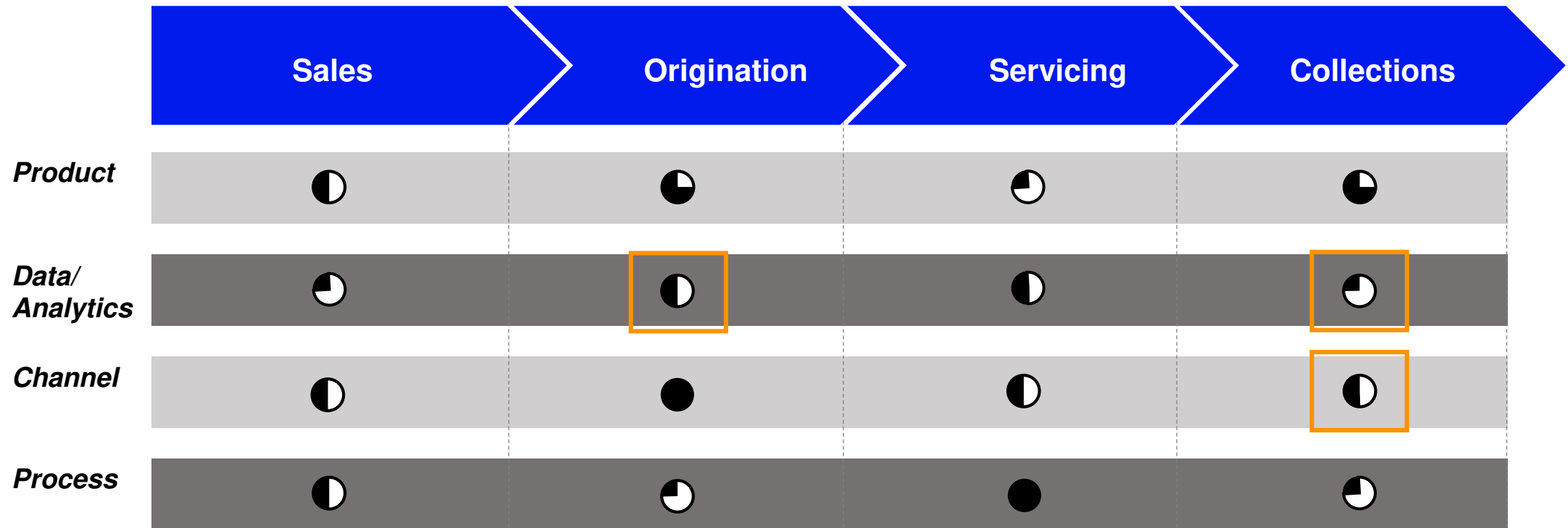


**Consortiums**



# Understand where your gaps are

Illustrative

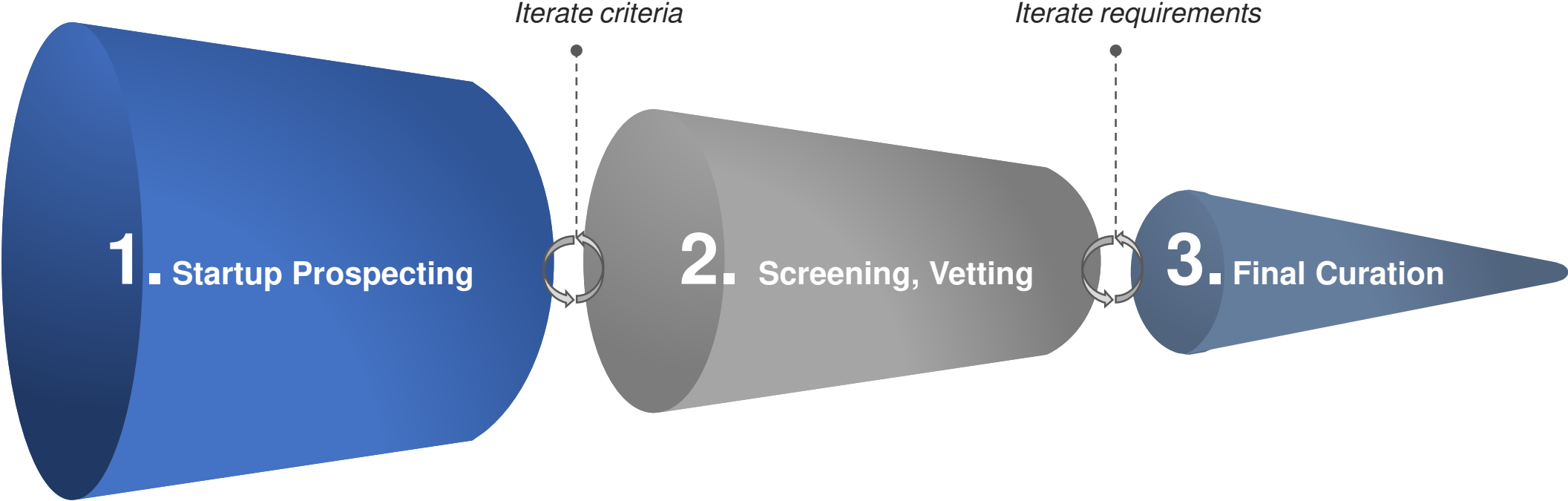


# 3 key questions for a fintech

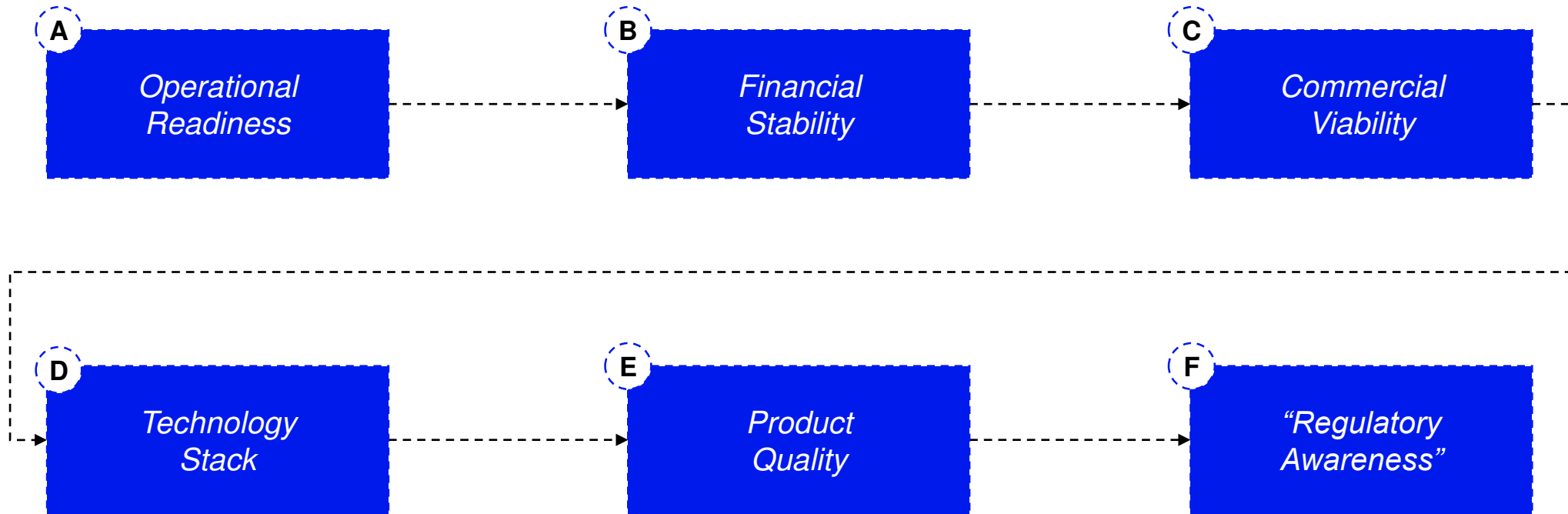
- 1** Is it helping address a key gap in your roadmap?
- 2** Is it aligned to your value proposition?
- 3** Is it providing real growth/efficiency leverage?



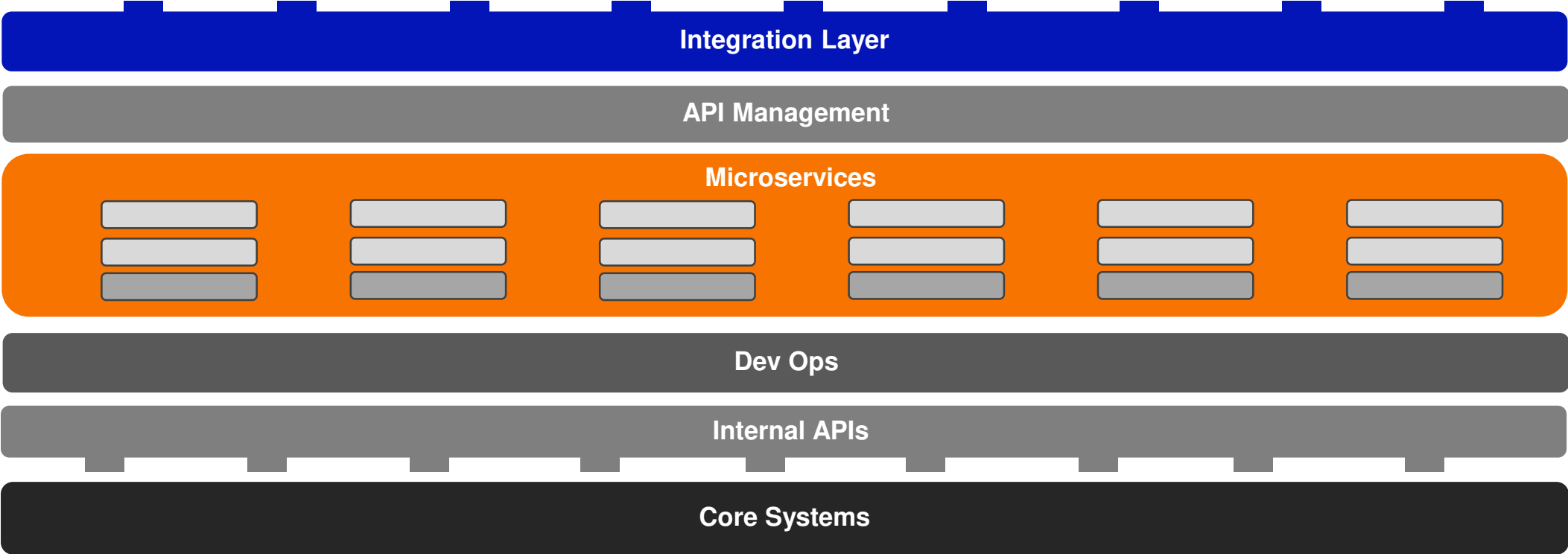
# Systematic end-to-end pipeline management



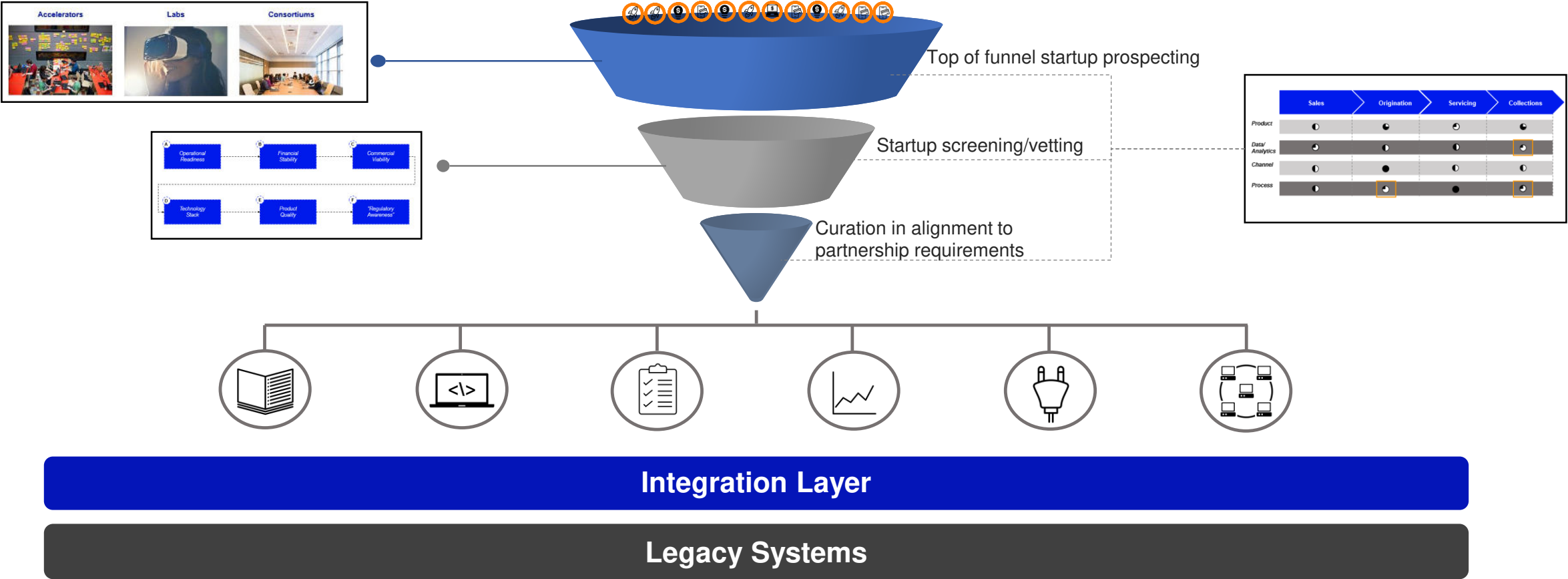
# Due diligence requirements



# For integration – leverage APIs



# Ensure you have an integrated approach



# Contact Us to Learn More

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**Principal**

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# Thank you.