

How to Construct and Maintain Effective Fintech Relationships

Auto Finance News

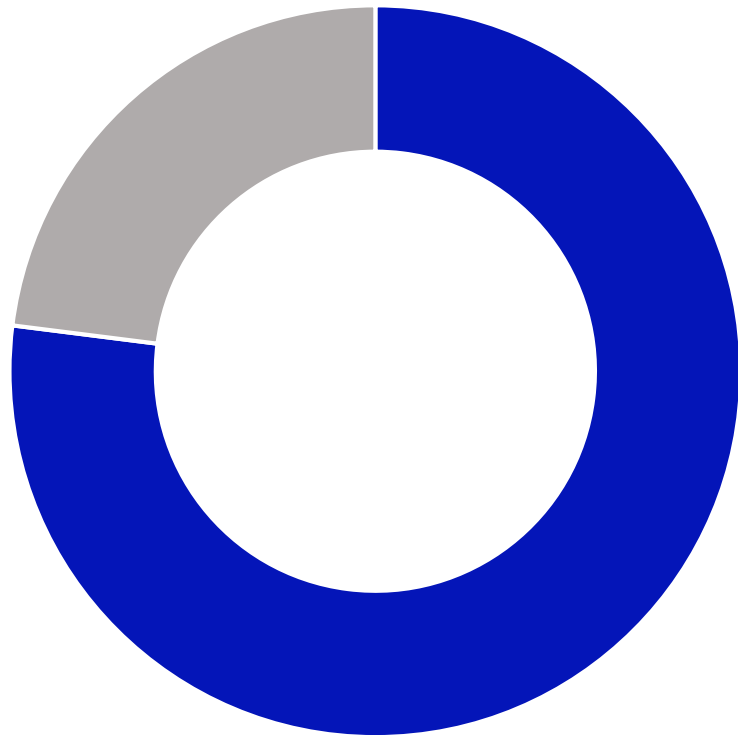
Rodrigo Suarez, Principal, INV Fintech

March 2020

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

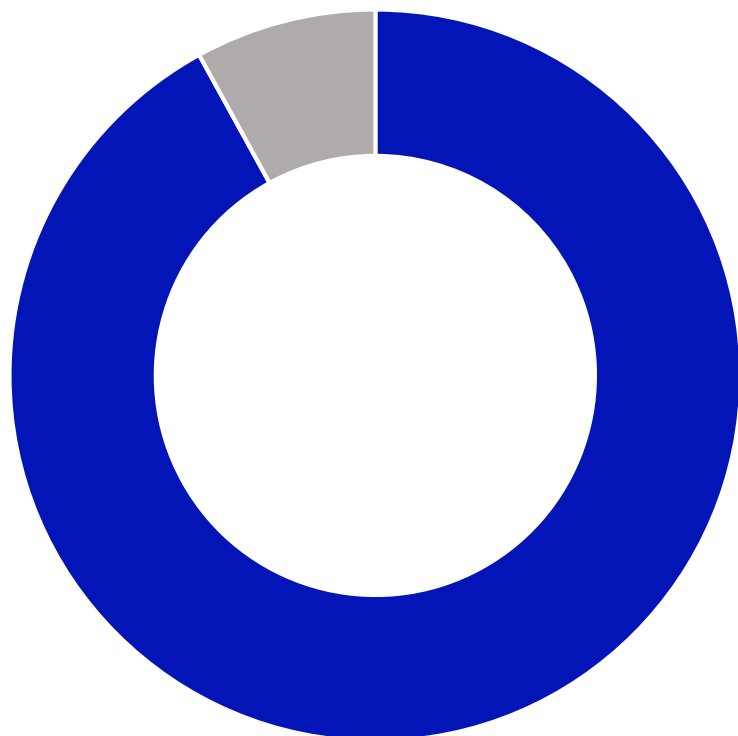


77%

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



Collaboration is even more important now (1/3)

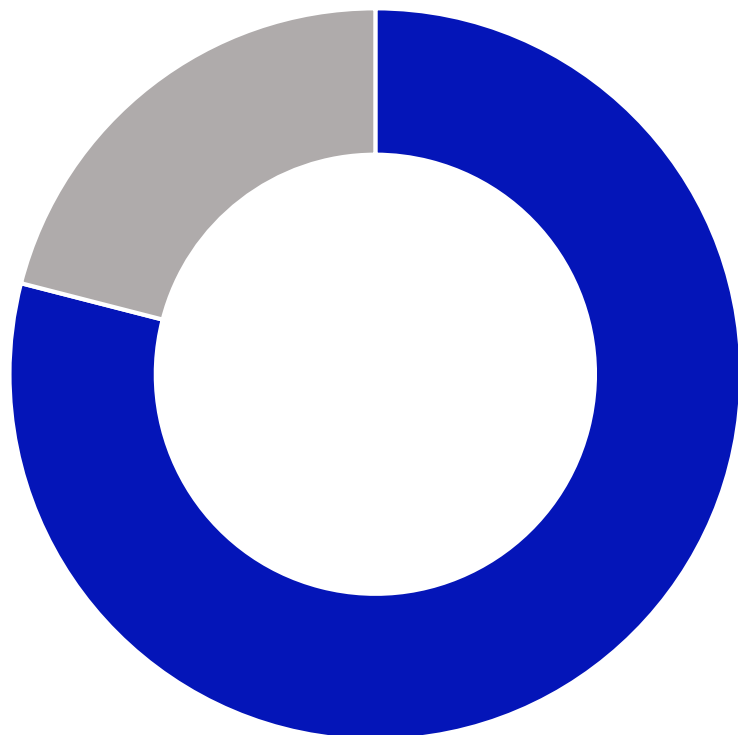


92%

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)



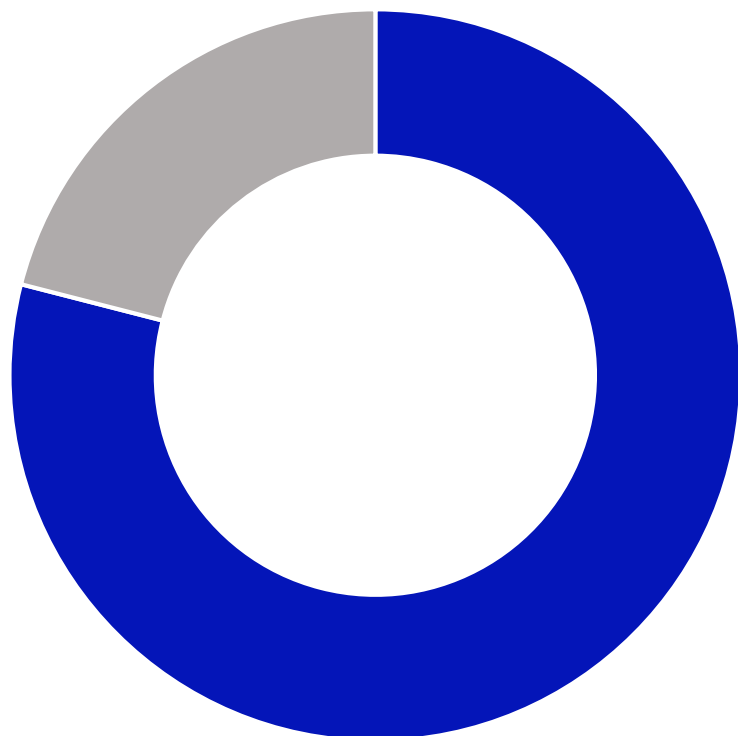
79%

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%

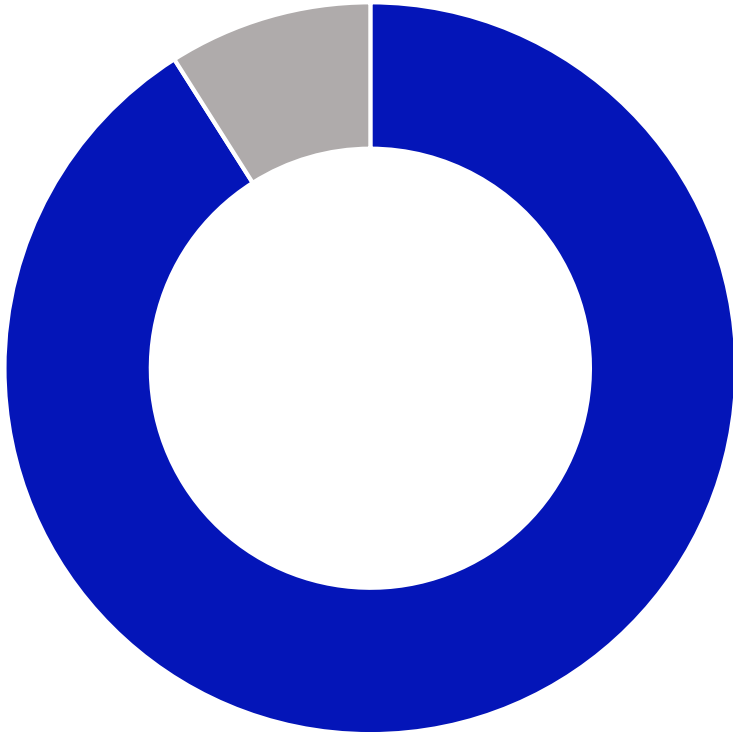
Believe FIs will seek more partnerships
with fintech startups in next 1 to 2 years in
response to Coronavirus Pandemic.

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

Emerging challengers in FS

The Amazon logo consists of the word "amazon" in a lowercase, black, sans-serif font. Below the letters "a" and "z" is a curved orange arrow pointing from left to right, resembling a smile.The Google logo features 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 is the word "Uber" in a bold, black, sans-serif font.

Partnerships are a necessity



91%

FIs where main source of innovation includes external sources

Source: INV Fintech 2019 State of Financial Services Innovation Survey

They're mutually beneficial

Lenders benefit from



Enhanced digital capabilities



Improved customer experience



Higher operating efficiencies

Startups benefit from



Customer trust in FI brand



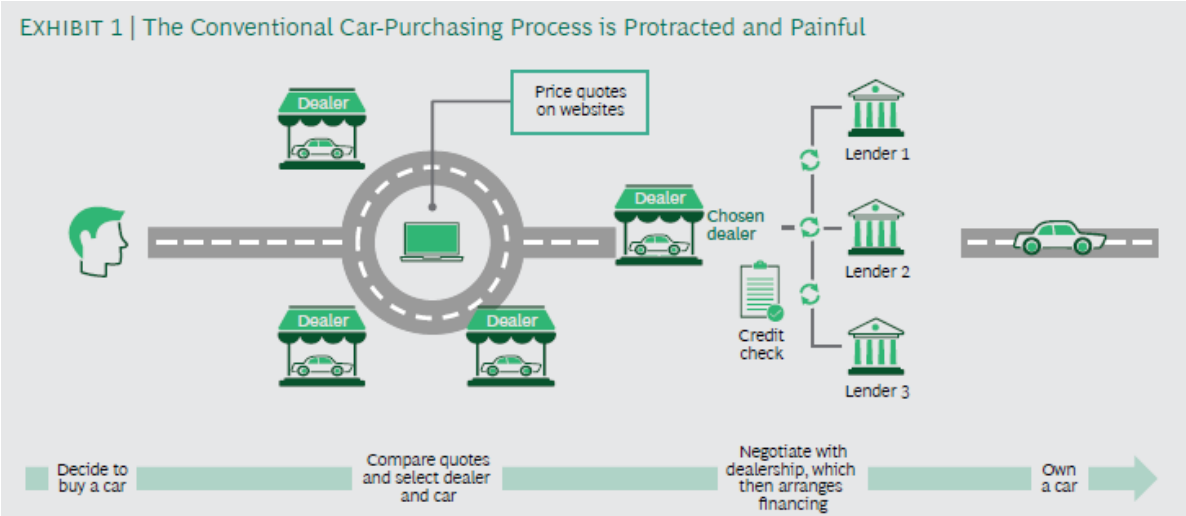
Access to balance sheet



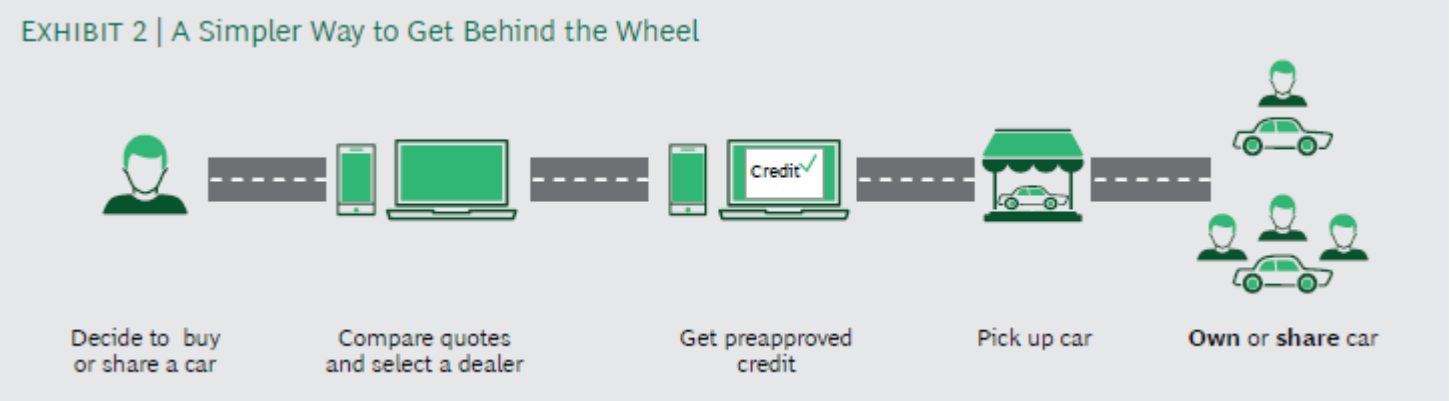
Established distribution network

And allow for a seamless customer journey

From...



To...



Source: BCG

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

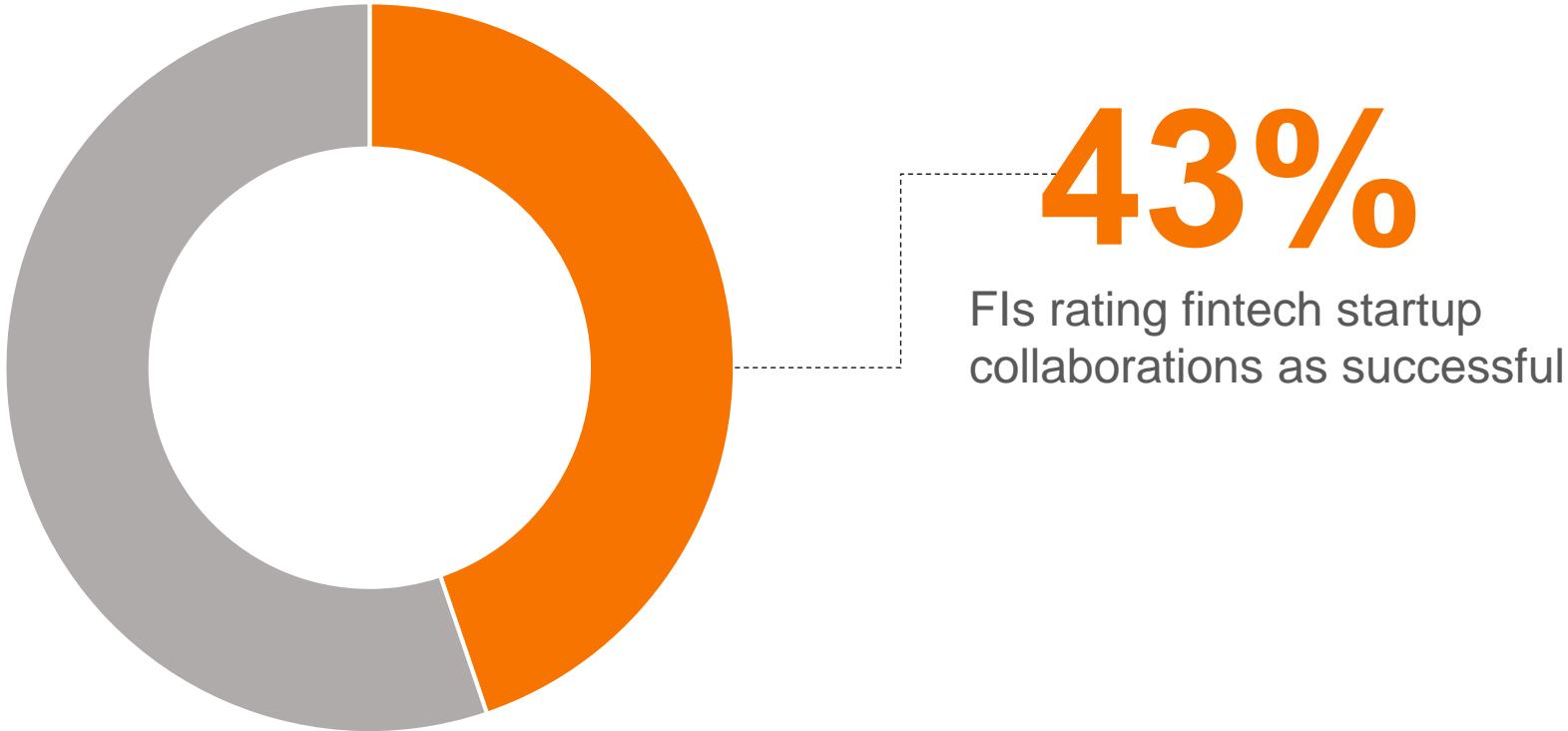


JPMORGAN CHASE & CO.	ACCESS FINTECH	Goldman Sachs	CADRE	BANK OF AMERICA	highradius
CITY NATIONAL BANK AN RBC COMPANY	extend	PNC BANK	ondeck	HSBC	TRADESHIFT
WELLS FARGO	openfin	TD Bank	Kasisto	BMO Harris Bank	GENIVITY
citi	Thinknum	nbkc	digs	TIAA Bank	blend
REGIONS AVANT		OakNorth Bank	moneybox	Sabadell	nemuru
Lead BANK	Datrium	BARCLAYS	flux	ChoiceOne BANK	plinqit
First County Bank 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

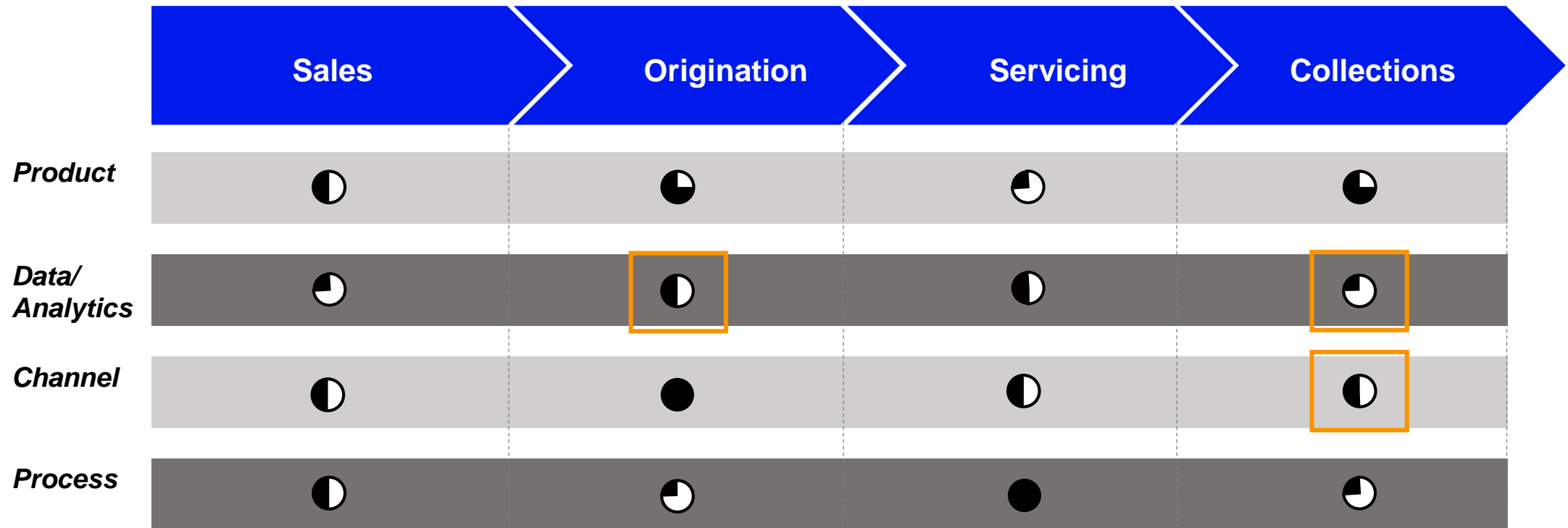


Consortiums



Understand where your gaps are

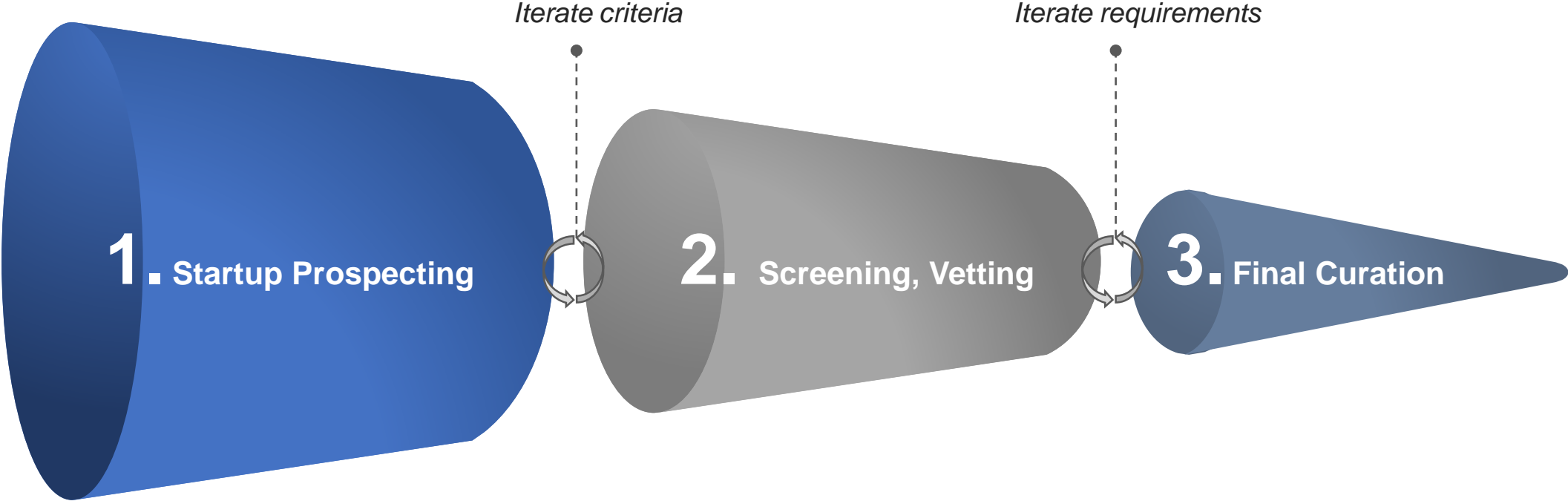
Illustrative



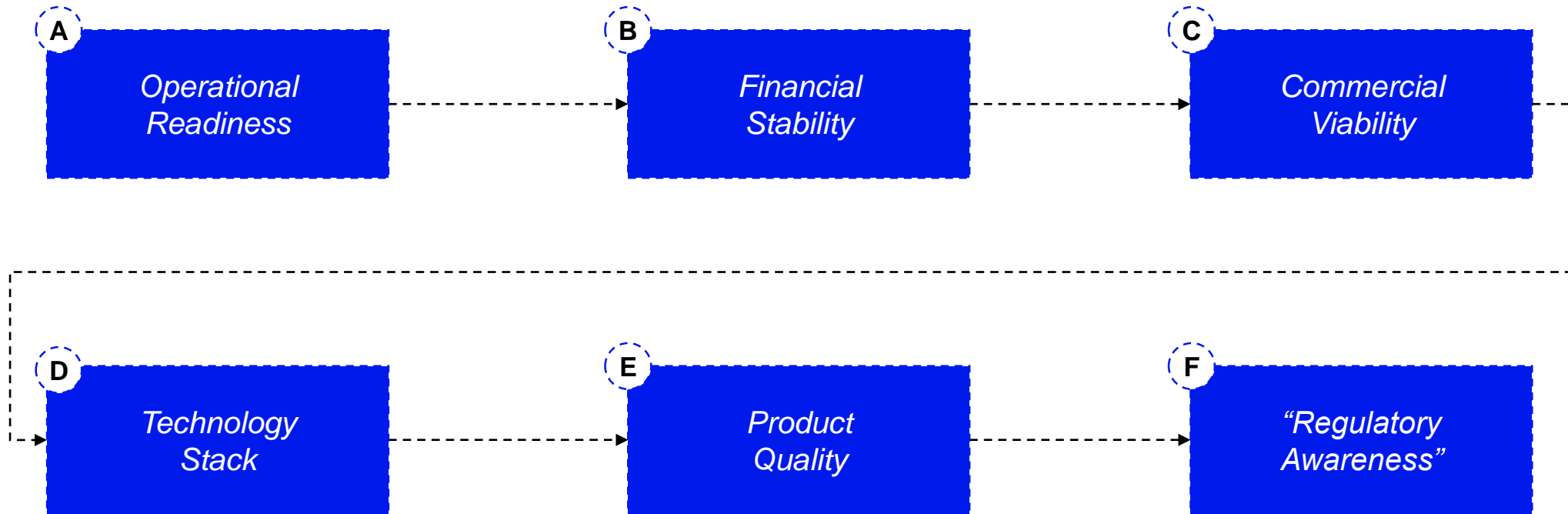
3 key questions for a fintech

- 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?

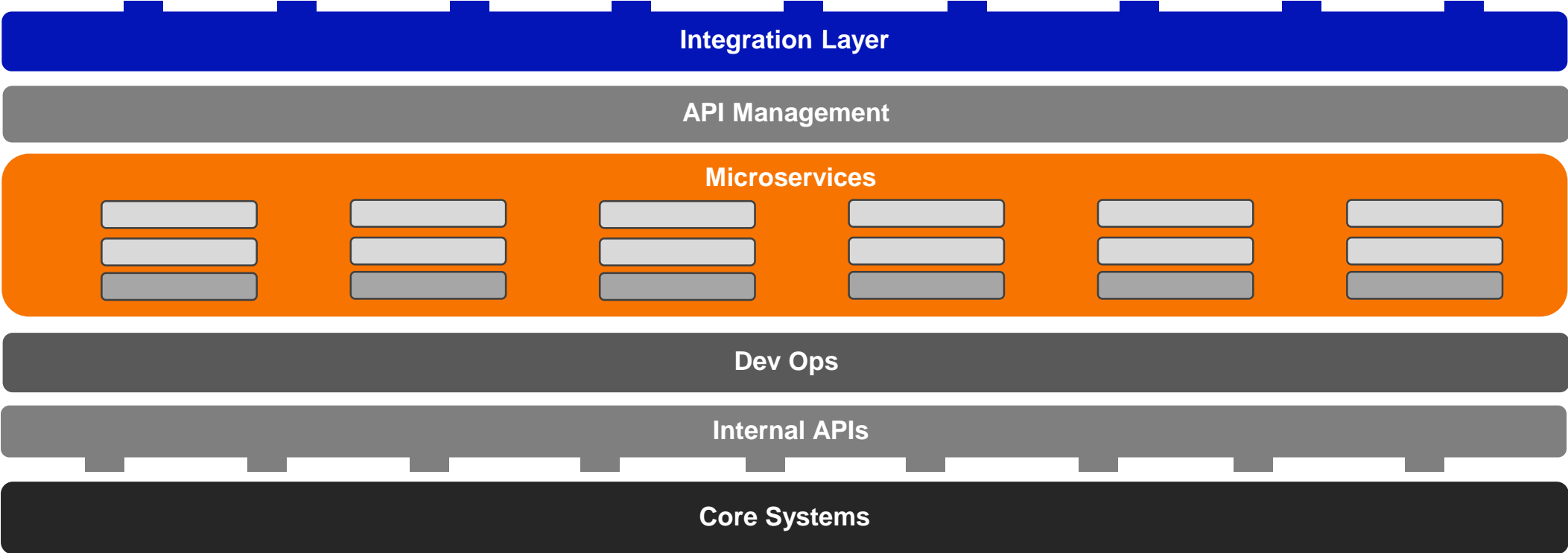
Systematic end-to-end pipeline management



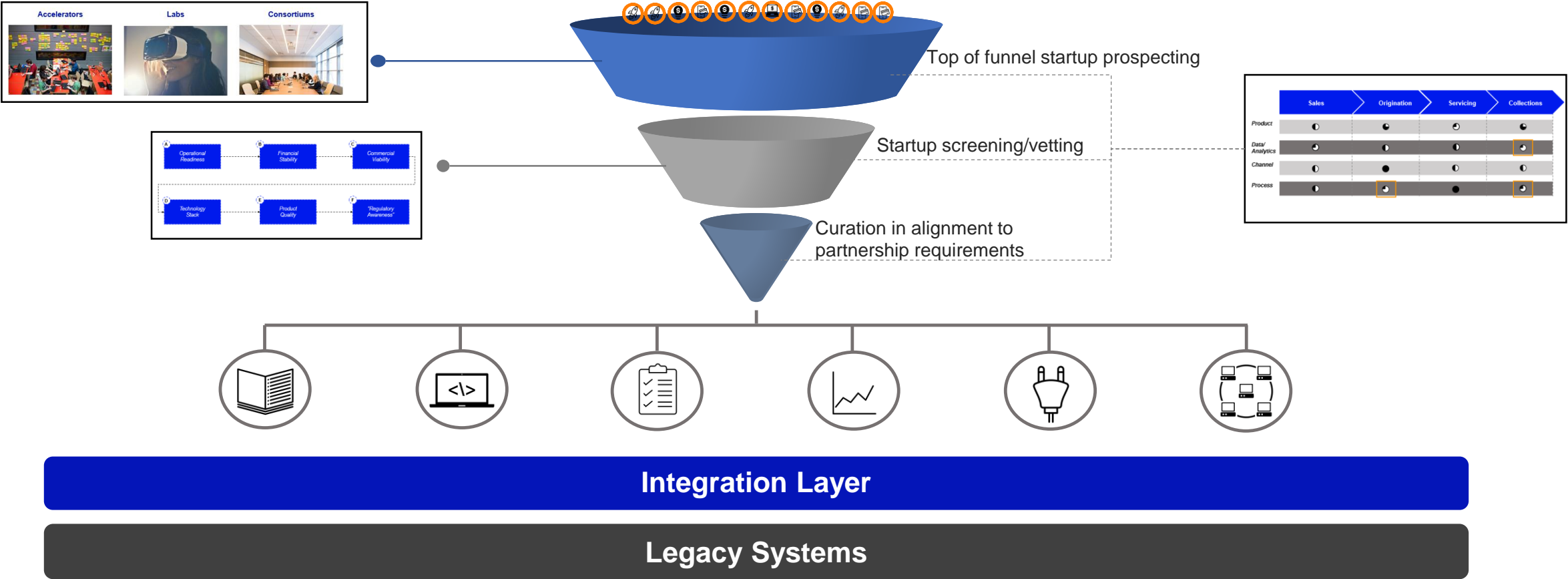
Due diligence requirements



For integration – leverage APIs



Ensure you have an integrated approach



Contact Us to Learn More

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Thank you.