

**Blog Post – Friday 13<sup>th</sup> April 2018**

## **The day of the Fintech is now**

Within the financial services arena, cost cutting is still a major driver. But what else is creating the perfect storm for Fintech providers and their clients alike? Or is it all just hype?

1. **Rapid response** - Constantly changing regulatory requirements, customer attitudes and the growing adoption of digital services are all forcing firms to be more agile, respond faster and more effectively to the new demands being placed upon them. Working with a smaller agile vendor, arguably enables a significantly enhanced customer service experience. Clients have a direct line to the subject matter experts, who really understand their needs, and can fix bugs or implement changes to a product or service much faster than the larger providers typically can.
2. **Super SaaS** – The availability of Software as a Service (in hand with the cloud) has been a game changer and is dismantling barriers to entry on a global scale. This means that vendors can now very quickly provide, and manage even the most complex solutions remotely, at a much-reduced cost. As a result, a growing band of highly specialist firms are now delivering and supporting mission critical initiatives, unfettered by geographical boundaries - something that would not have even been considered just a few short years ago.
3. **Size no longer matters** - Finally, financial institutions are opening their minds and ‘preferred supplier lists’ to smaller, lesser known brands. While we are all being bombarded by high touch marketing campaigns designed to influence our buying decisions and personal preferences, ultimately, it’s down to human nature and wanting to be associated with the latest trend. And across the financial services industry, it is now becoming ‘de rigueur’ to root for the cooler, younger brands, rather staying with the status quo.
4. **The tables have turned** – Selling technology is harder than ever as virtually every bank is trying to rationalise their IT estates. As a result, decisions to spend money are not being taken lightly and appear to take for ever. For far too long financial institutions have been dictated to by the large technology vendors, buying into the dream that one does not get fired for selecting an established brand. The tables have turned and increasingly the decision makers are becoming masters of their own destiny – poor purchasing can cost you your career, and the banks are very carefully evaluating which solutions they need as well as the

firms they are buying from. It's all about selecting the people and the right technology to solve the problems that need to be addressed.

As long as your reputation as a vendor stacks up and you pass the due diligence, then you stand more than a fighting chance against the more established provider. The downside of this is that the vendors are still at the mercy of complex and lengthy decision-making processes, and for a small fintech this can sometimes be too much to bear.

5. **Dog eat Dog** - The banking sector is crowded with solutions providers. And every vendor is promising the world in order to entice clients away from the competition and grow market share. Healthy competition means that there is no room for complacency and gone are the days when one automatically buys a big name because it's the safe option. Nowadays we are all being encouraged to step outside of our comfort zones and make the brave decisions which will truly affect the much-needed change everyone desires.
6. **People buy from people** - In these days of increasing regulations (think GDPR), relationship building, whilst harder than ever, is paramount. You can't just turn up at the big-name conferences, erect an exhibition stand and splash some cash at the bar and then expect your sales commission to grow. Integrity is vital and within many of the smaller firms the sales efforts are being led by the CEO. This means that the decision makers are dealing directly with those who care most about their product or service offering - don't underestimate the power of this.

All of the above feed into the top line requirement of cost cutting but we are also seeing a myriad of influences all creating a fertile breeding ground for the Fintech's. The time is now – believe the hype!

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