

# 7 Secrets to Fintech Success

If you have an idea for a fintech startup, the time is right. But before you leap, you need to develop some core habits to execute your dream successfully.



## Table of Contents

Introduction	3
Secret #1: Focus on the Right Target Audience	5
Secret #2: Think Outside the Box	7
Secret #3: Keep It Simple	9
Secret #4: Provide a Quick and User-friendly Experience	11
Secret #5: Capitalize on Key Trends	13
Secret #6: Solve a Real Problem	15
Secret #7: Dream Big	17
Go From Concept to Reality with Envestnet   Yodlee APIs	18
Conclusion	19

## Introduction

It starts with a dream. Many startups begin with the idea that they will change the world. In the fintech world, you're only limited by imagination. And your engineer's coding skills, of course.

Fintech startups are finding opportunities in the disintermediation of financial institutions and trends, such as alternative models of lending, crypto-currency technology, convergence in payments, customer experience, and user authentication security. The hard truth, however, is that about 9 out of 10 startups fail. Launching and growing any business can be a challenging experience.

If you have an idea for a fintech startup, the time is right. But before you leap, you need to develop some core habits to execute your dream. In the fintech arena, there are some basic concepts that when applied, increase your likelihood for success.

Here are the 7 keys that every fintech startup needs to open the door to success.

SECRET #1:

# Focus on the Right Target Audience



One key to success is identifying your target audience. Fintech startups that have targeted millennials have done particularly well, raising over \$2.29B across 126 deals, according to CB Insights. The Millennial generation born between 1980 and 2000 is an ideal audience, since they've been raised with technology. They're also the largest generation to date.

Beyond age and lifestyle, it's also important to consider where your target audience lives. Customers in certain regions may be a natural fit for your solution.

One company that has zeroed in on millennials and the underbanked in the US and in the UK and Canada is Avant, Inc. The focus has paid off—as one of the fastest growing online lending platforms, the company plans to continue launching additional financial products and services.

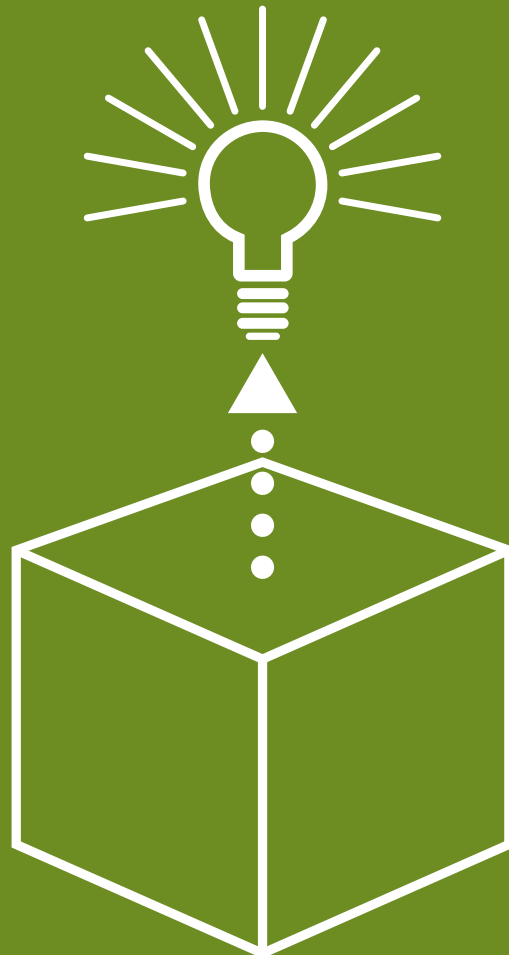
“Avant is one of the few **thinking globally**, and that is **strategically unique**.”<sup>1</sup>

*AI Goldstein, Cofounder and CEO, Avant*

<sup>1</sup> Zerucha, Tony. “Goldstein’s Avant Focuses on Middle-class Consumers to Great Success.” *Bankless Times*. June 21, 2015. Accessed January 19, 2016. <http://www.banklesstimes.com/2015/06/21/goldsteins-avant-focuses-on-middle-class-consumers-to-great-success/>

SECRET #2:

# Think Outside the Box



In order to stand out in the crowded fintech field, a startup must provide some level of differentiation. It has to have an idea that will basically take fintech either one step further or maybe even completely change the industry.

For example, crowd funding has changed the very nature of the venture-capital process, providing startups with new alternatives for raising operating funds. Nevertheless, in order to raise money, the startup must be different from all the others.

Creating change calls for being innovative, creative, and disruptive. PayPal® is an excellent example of a company that's all three, in how it completely revolutionized the payments process.

“We’re fortunate in that we’re a financial services company that’s also heavy into technology, which means we can re-imagine **how to provide services that really matter to people.**”<sup>2</sup>

*Dan Schulman, CEO, PayPal*

---

<sup>2</sup> Cava, Marco Della. “USA TODAY Interview: PayPal’s New CEO Talks Payments, Passion.” USA Today. 2015. Accessed January 19, 2016.

SECRET #3:

# Keep It Simple





The customer experience is vital. Even though simplicity may hide complex coding, it's important.

From here on out, apps must be designed for a unified digital channel experience that fits with a user's lifestyle. Too many features have a tendency to clutter and complicate design. Startups that use a minimalist approach in their digital products, services and apps will have an advantage over their competition.

For example, Digit helps its customers save money without requiring them to take action. The service connects to a user's bank account and analyzes their spending habits and income. Then an algorithm automatically sets aside small amounts of savings (\$1 to \$150 on average).

Developers that offer a simple, uncomplicated user experience have the right idea.

**“My goal is to help people maximize their money, while driving the amount of time it takes to as close to zero minutes per year as possible.”<sup>3</sup>**

*Ethan Bloch, Founder and CEO, Digit*

<sup>3</sup> Lapowsky, Issie. “This Digital Piggy Bank Could Finally Get You To Start Saving.” *Wired.com*. December 16, 2014. Accessed January 19, 2016. <http://www.wired.com/2014/12/digit/>.

SECRET #4:

# Provide a Quick and User-friendly Experience



Millennials have a “need for speed.” They want their customer experience to be personalized, glitch free, and faster.

One company with an easy-to-use site that delivers quick results is Credit Karma, which raised \$175 million on a valuation of \$3.5 billion. With these funds, they plan on expanding their platform to offer loan consolidation and other services, such as faster approvals. Credit Karma excels at keeping their solution user-friendly and fast.

The user shouldn’t have to read a manual or over-think in the digital world. The simplest and most user-friendly apps can be the most powerful of all.

Customers are best qualified to determine the strengths and weaknesses of the products and services they use. A great startup will use this feedback to build on their strengths and eliminate their weaknesses.

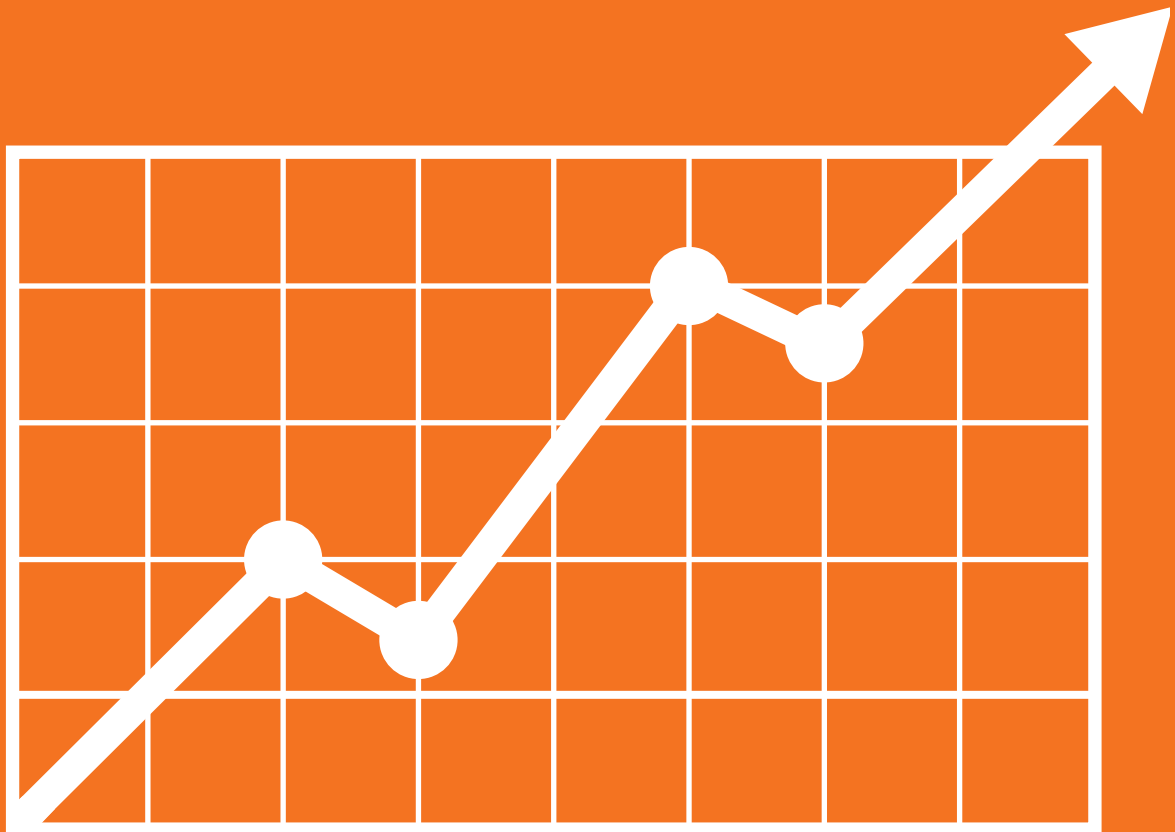
“Our goal is to disrupt the status quo. We want to challenge the traditional notion of transparency. We want to simplify the complexity of financial products. And most importantly, **we want to provide consumers with tools, data and resources to make the best financial decisions through technology.**”<sup>4</sup>

*Ken Lin, Founder and CEO, Credit Karma*

<sup>4</sup> “Five Questions With Ken Lin, CEO of Credit Karma.” VantageScore.com. April 2015. Accessed January 19, 2016. <http://www.wired.com/insights/2014/09/millennials-design-technologies/>.

SECRET #5:

# Capitalize on Key Trends



Many successful startups are innovative and stay well ahead in the wave of current trends. Anticipating popular likes and understanding what direction the marketplace is moving is a great practice to develop.

The intersection of user experience and market trends is the sweet spot that every new company wants to hit.

Wearable and mobile friendly technology is definitely on the rise. Virtual and artificial intelligence are also developing quickly. In the fintech sector, innovative startups like Personal Capital™ and MoneyBrilliant are capitalizing on these trends with financial apps available on Apple® Watch.

All successful fintech startups must ask the question “What’s next?” A great idea means very little if it takes too long in development. Startups need to stay ahead of the curve in order to hit the market when there is a bigger demand.

**“Start by identifying the need you’ll meet with your business idea. And find a partnership that works.”<sup>5</sup>**

*Peter Lord, Founding Partner, MoneyBrilliant*

<sup>5</sup> “Helping You Take Financial Control.” *Helping You Take Financial Control*. September 17, 2015. Accessed January 19, 2016. <https://www.amp.com.au/news/2015/september/helping-you-take-financial-control>.

SECRET #6:

# Solve a Real Problem



All innovation is the result of an attempt to solve a problem. Startups that experience quick growth and true success are bringing solutions to the marketplace.

For example, ReadyForZero is solving the major problem of consumer debt in the US. Consumer debt is one of the biggest issues in our world. Reducing debt and protecting credit are common financial goals. ReadyForZero helps consumers better manage their credit card, student loan, mortgage, auto loan, and other personal debt, in an online environment. They're referred to as "the angel on your shoulder" in empowering consumers to pay down debt.

“Over the last year, Envestnet® | Yodlee® has proven to be a true proponent of financial services innovation. As a young company, **we often find ourselves innovating first and figuring out the details later.** The Yodlee team and platform helped make this possible.”

*Rod Ebrahimi, Cofounder and CEO, ReadyForZero*

SECRET #7:

# Dream Big





In order for startups to grow, founders must dream big and build a stellar team to execute on those ideas. Who is to say that you can't be valued at millions or even billions of dollars?

Stripe is a perfect example of a company that thinks big. Founded back in 2009, payments startup Stripe is now valued at \$5 billion. They work with Twitter®, Alibaba®, and other innovative companies.

**“We want to increase the GDP of the Internet.”<sup>6</sup>**

*Patrick Collison, Cofounder and CEO, Stripe*

<sup>6</sup> Fiegeman, Seth. “Stripe Is the Breakthrough Startup of 2014.” Mashable. December 5, 2014. Accessed January 19, 2016. [http://mashable.com/2014/12/05/stripe-2014/#d.n\\_aVisfgqQ](http://mashable.com/2014/12/05/stripe-2014/#d.n_aVisfgqQ).

## From Concept to Reality with Investnet | Yodlee APIs

Investnet | Yodlee works with many fintech disruptors including: PayPal, Credit Karma, Personal Capital, MoneyBrilliant, ReadyForZero, and Stripe. Clients have realized big advantages of harnessing the power of Yodlee APIs to build personalized digital experiences. These simple-to-deploy application programming interfaces (APIs) provide permission-based, real-time account and transactional data from over 15,000 data sources, enabling startups to develop highly capable and customized financial apps that stand apart from the rest. Investnet | Yodlee's modernized API architecture, provides a simple and more intuitive RESTful API that allows developers to integrate with and access the company's data platform with less effort and time spent.

Are you building an innovative financial app? Don't reinvent the wheel. Learn how to access rich financial data and quickly evaluate APIs with a test drive today. To get started, visit **[developer.yodlee.com](https://developer.yodlee.com)**.

## Conclusion

Today's successful fintech startups may have started with a dream, but the dream was backed with insight, innovation, creativity, speed, teamwork, and data.

Now it's your turn. By recognizing the secrets of the top fintech startups and putting their concepts into practice, you can turn your dream into reality and open the door to fintech success.

## How can I learn more?

- [Download the data sheet:](#) “Turbocharge Your App Development with Envestnet | Yodlee Aggregation API”
- [Watch the webinar:](#) “How to Build Financial Apps to Meet Rapidly Evolving Customer Expectations”
- [Download the case study:](#) “ReadyForZero”
- [Download the case study:](#) “Personal Capital”

For more information, visit: **[www.yodlee.com](http://www.yodlee.com)**.





Global Headquarters: 3600 Bridge Parkway, Suite 200, Redwood City, CA 94065  
T: +1 650 980 3600, [www.yodlee.com](http://www.yodlee.com)

© 2017 Envestnet | Yodlee.™ All rights reserved. Technology protected by one or more U.S. Patents or Patents Pending. Use subject to license terms. May include materials developed by third parties. Yodlee and the Yodlee Logo are trademarks or registered trademarks of Envestnet | Yodlee in the U.S. and other countries. All other trademarks mentioned in this document or website are the property of their respective owners.  
Yodlee 616 03/17