

BRINGING YOUR FINTECH PROJECT UP TO SPEED

All the talk about bringing digital payments to the masses makes fintech one of the hottest topics around. Peter Gassmann, COO, and Martin Nokes, Head of Business Development, share what it takes to succeed with fintech projects from a technological perspective.

by Peter Gassmann and Martin Nokes

Financial Technology, aka fintech, is available in many forms. And the solutions we have developed for our customers are just as varied. Among these are UBS' mobile banking, the award-winning mobile payment systems TWINT and UBS Paymit, and DirectAsia.com's mobile insurance solution. They have one thing in common though: The end product needs to be as robust as the environment in which you embed it. So, is there a list of pre-requisites that bring success to a fintech solution? We've spoken to our experts – who had a lot to share – and put together the following key success factors from an organizational, methodological and technological perspective:

Lead time is crucial

"Lead time", aka time to market, is a driving factor in IT today. The reasons are obvious: The faster you launch a solution, the earlier you start generating revenues. Beat your competitors and establish a network (user base) before they can, increasing their barriers to entry. Then start learning about your users rapidly (see next factor below) and plan the next version before competitors even begin. But since so many project management tools and methodologies are waterfall based, how do you shorten the time to market without compromising on security and quality? Agile methods like Scrum and Kanban will do the trick. Kanban in particular can help to optimize not just your team, but the whole value creation process. You will have to tailor the project methodology to your particular situation. Team experience and setup, involved parties, level of innovation and other aspects need to be considered. You may also need to tweak the methodology to add more structure and governance once you are live.

**«FROM 0 TO MARKET
LAUNCH
IN 16 MONTHS.»**

Thierry Kneissler, CEO TWINT AG

Adapt and learn

Be prepared to learn: User experience (UX) and technical details will not work as expected, and business ideas will have to be adjusted. Competitors and their offerings may also force you to adapt. Your solution might even be used in ways you never intended. Also, don't forget you'll want to take advantage of technical developments (such as new capabilities of mobile devices). In short, you're operating in a highly dynamic, fast-paced environment. Make sure you are set up accordingly. Incentivize and reward your team for adaptability, not for delivering static KPIs defined once a year.

**«EXPERIENCE IS THE END
OF IMAGINATION.»**

Alexander Mazzera, CEO joiz

Listen to the market

Release early, observe user behavior, then adjust and enhance! Remain humble and don't assume you know everything about your users. It's advisable to engage in continuous improvement: You don't have to be perfect from the very beginning. Launch, learn and improve. Continuous improvement requires technological support and the corresponding processes. You need a good suite of automated tests and a release environment which is also reasonably automated. Especially in the banking environment, where real money flows, trust and consequently quality are key factors. Yes, release early, but by reducing the feature set, and never by releasing an unfinished or unreliable product.

**«CONSIDER YOURSELF AS PART
OF AN ECOSYSTEM.»**

Andreas Kubli, Head Multichannel Management & Digitization UBS Switzerland



Peter Gassmann and Martin Nokes are testing mobile payment.

Swift and smooth onboarding

Swift and smooth onboarding of all your users, particularly end users (B2C), is key. This is what they are used to from other digital services, and what they expect from you. Remember signing up for Netflix or Uber? How long did that take you? Easy onboarding needs to address all user groups: For example, in the payments space, both consumers and merchants (retailers) need to be able to start using a system quickly and with the least possible hassle. This lays the foundation for a thriving ecosystem. But keep in mind that dark forces are lurking around, so fraud is just around the corner. You may have to build validations or emergency valves into the system just in case.

«EVEN ESTABLISHED FINANCIAL SERVICE PROVIDERS PROFIT FROM THE FACT THAT FINTECH DIRECTLY INTEGRATES USERS.»

Chris Tanner, CEO AdNovum

Quality over features

Favor quality over features: The most successful solutions cover just a few use cases, but these extremely well. To implement use cases at this level of quality, you have to pay attention to all the details. Is the feature understandable for the user? Is there a seamless workflow? Is it necessary to support special cases or would this only make the user interface more complicated? Is the feature available on all touch points of the user? Be sure to invest in testing and quality assurance. In high-speed projects, the testers may have to take part in the initial discussions of a new feature to fully understand all aspects and implications. Be prepared to strip out features that don't get the traction you were expecting. Removing features may require technical mechanisms, such as backward compatibility if older versions of an app are still in use.

«IT IS CRUCIAL TO IDENTIFY YOUR CUSTOMERS' REAL PAIN POINTS.»

Alexander Bojer, CEO and cofounder Anivo

Pay attention to security

Fintech needs to be secure by design, while balancing security against user experience. Add as much as needed, but not more. In some cases it may be worth explaining security to the users to help them understand why, for example, the log-in process isn't the same as on social media platforms. Doing this can help you gain trust. You may want to explore dynamic security approaches if only a small set of use cases actually require high security. Security is a continuous journey. You are never

done. You need to raise the bar every day. If you don't, your security will be gone before you know it.

«TO BE SUCCESSFUL IN FINTECH, NEVER EVER COMPROMISE SECURITY AND DATA PROTECTION.»

Stefan Arn, Global Head of Technology for UBS Wealth Management and UBS Switzerland

User experience is key

Great functionality hidden behind a bad user interface is useless. Pay attention to aspects such as simplicity, usability and linking the online to the offline world seamlessly. Attractiveness and visuals alone will not make the cut. The interface needs to be designed from the user's perspective, with the user journey serving as the foundation. The visuals will not be perfect during development. When discussing with customers or end users, it is sometimes worth to use a reduced visualization to be able to focus on the user interaction without the distraction of the visuals. Never ask a developer to design because he or she will usually look at it from a technical perspective. Verify what works and what doesn't with real users, in the correct sociodemographic group, using prototypes.

«WE WANT TO BE AS CLOSE TO OUR USERS AS POSSIBLE.»

Robert Plantak, CEO crowdhouse

Prepare for change

Fintech is all about upgrades and innovation. Design your solution so that it can be adjusted easily and swiftly. You will need a continuous and smooth development and release process once you are in production. To deprecate features, you need to look at interface versioning and configurative enabling and disabling of features. Don't keep outdated features too long, they will become a legacy that is hard to manage and increasingly costly.

«IT TO FINTECH PROJECTS IS LIKE THE ENGINE TO A DECENT CAR.»

Cosmin Ene, founder and CEO LaterPay

Go for the MVP

Defining and focusing on the minimum viable product (MVP) will help you sharpen your offering, improve lead time and speed up the feedback cycle. However, the MVP is often not enough to become and remain successful. There is only a fine line between a minimum viable and a worthless product. Also think about the competition: If there are other players in the market who could

implement your MVP features easily in their existing offering, you should look for additional features that are not so easy to copy.

«THE MAIN CHALLENGE OF FINTECH PROJECTS IS TO KEEP THEM CONTINUOUSLY SIMPLE.»

Felix Buschor, Head of Service Center and member of the Executive Board SGKB

Usage monitoring

Invest in usage monitoring to understand user behavior. You may be surprised about what you find out! To observe user behavior, the system has to be augmented with additional functionality to capture and analyze how your users use the features. Taking this one step further, you may use the data to build individualized offerings or even to tailor the interface to the user's preferences and history to enhance his or her experience.

Usage monitoring may help you focus on setting feature priorities and make sure measures and improvements work out. Follow the build-measure-learn cycle to drive the features pipeline.

«FINTECH PROJECTS ARE PUSHED BY FEEDBACK FROM THE MARKET.»

Felix Buschor, Head of Service Center and member of the Executive Board SGKB

Total customer experience

Total customer experience matters! Operations, help desk, and stability are all part of it. IT is increasingly considered as a commodity: It's just there and running – all the time. Users don't accept outages and expect continuous service. If there is a problem, it should be solved professionally and immediately. Users will not call twice, but rather just delete your app and go elsewhere.

«IT TURNS A PROMISE MADE TO THE CLIENT INTO REALITY.»

Cosmin Ene, founder and CEO LaterPay

Privacy and regulation

Privacy laws and regulation may have a big impact on system architecture and security. Depending on the applicable regulation, you might not be allowed to use cloud services from other jurisdictions. Additional encryption technology may be necessary, or you could be required to present anonymized data on certain views. Use cases such as onboarding may also be strongly influenced.

«MIFID II AND FINSA ARE GOING TO SLOW DOWN CERTAIN DIGITIZATION AND FINTECH INITIATIVES.»

Mathias Wegmüller, founder and Managing Partner qumram

Conclusions

You may have noticed that some of the success factors we've highlighted are not specific to fintech projects, but to most of today's client-/consumer-facing activities. The main exceptions are security and regulation, which are generally more important in the financial industry. Many real-world examples confirm that speed and agility are absolutely crucial, and it is vital that your organization is set up accordingly. You need the right mind-set for your processes and architecture to be designed to support the dynamics. This extends to collaboration and contractual models used with your partners. For example, the traditional approach of specifying a solution in detail and then having a third party build it will waste a lot of money and time in many cases. In other words: It's far better to take an interactive, cooperative approach. ■

Peter Gassmann

As Chief Commercial Officer and member of the Executive Board, Peter Gassmann is responsible for communication, marketing and sales as well as the business unit IT Consulting. Peter joined AdNovum in 2010 as consultant and has since helped to establish IT Consulting as one of the main services offered by AdNovum. Peter holds a Bachelor's Degree in Computer Science from the University of Applied Sciences in Brugg-Windisch. Outside the office the family comes first.

Martin Nokes

Martin Nokes joined AdNovum in 2001. From 2004 to 2008, he played a decisive role in building up the AdNovum branch in Hungary and was head of the subsidiary for two years before relocating to Zurich. In early 2010, he assumed responsibility for establishing the new subsidiary AdNovum Singapore Pte. Ltd. Since 2014, he's been responsible for business development for AdNovum in Switzerland. Martin Nokes holds a Bachelor's Degree in Computer Science from the University of Applied Sciences in Zurich and a Master's Degree in IT Management from the Central European University in Budapest. In his free time he likes to build sand castles with his daughter in Sardinia.



Peter Gassmann and Martin Nokes: combine technology and financial services.