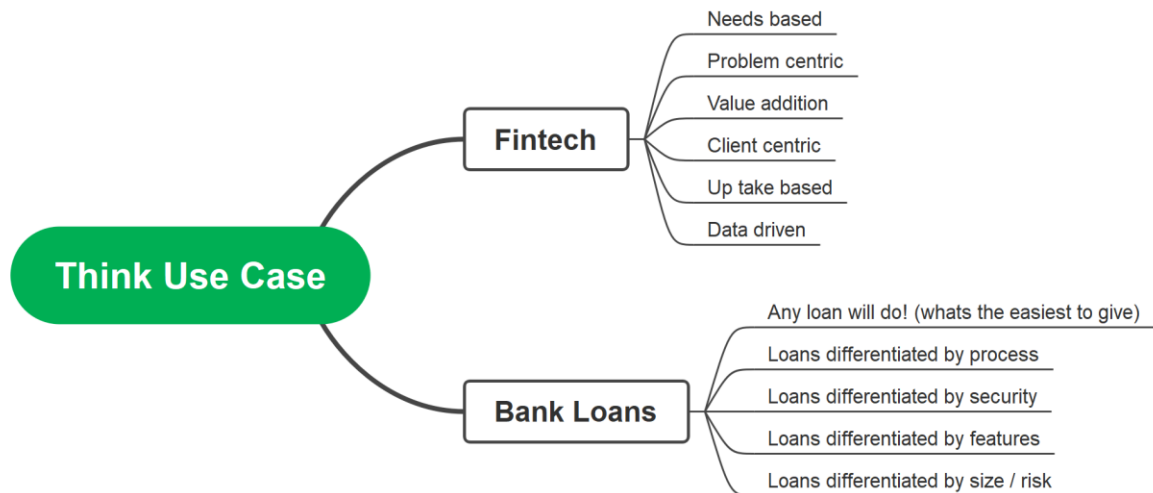


Reflection 32. Think Use Cases



Financial institutions can and are learning from fintechs by reflecting on what differentiates fintech products and services and their development process from their own processes. In this blog I deliberately characterise and generalise to highlight differences.

So, bank loans are differentiated by:

- a) *Features*: Loan size, interest rate, repayment schedule.
- b) *Processes*: How the loan is provided, how quickly it is issued.
- c) *Security requirements*: How loans are secured and how risks are managed.
- d) *Relationships*: The sales relationships – for example salary-based loans are sold through employers.
- e) *Repayments*: How loans are repaid, the channels that can be used.
- f) *Common product development process*: Copying the market leaders.

However, what I've usually seen in financial institutions, are that the loans that customers are sold, are not the ones which have been designed for that customer's need. Often, they are the easiest loans to sell or the loans that the staff member knows.

Let's differentiate this picture with a use case developed by a fintech. Demonstrated in this case by an M-Solar product.

- a) *Needs based and problem centric*: A use case solves a problem for a type of customer. M-solar, provides solar power that can be paid for on a pay as you go basis.
- b) *Highly specific*: It is highly specific. The need is solar power – that is relatively low cost, can provide for basic power needs such as lighting and phone charging.
- c) *Client centric, focused on value addition*: It meets the needs of people who have limited means, but can make small payments daily. The value addition is lighting, extending the working day, and phone charging, enabling people to keep in touch.
- d) *Lifestyle integration*: The product is easily integrated into people’s lifestyles which change as a direct result of the use of the product.
- e) *UI/UX*: User interface and user experience: How customers engage with the product or service, from their home, through their mobile phone.
- f) *Data driven*: In this case, the m-solar product provides data for additional products and services, which can be sold to the consumer.
- g) *Product development*: Through a process of field-based A/B testing and rapid innovation.

Clearly, I’ve characterised and the true position for any product, or any institution will be different. However, it does draw out lessons. These are explored in some of my other blogs, such as Seven Principles for Reimagining Financial Services, or Designing Products for Gig Workers.

First Principles can help you rethink your approaches to product design and product development, and train your team in a systematic process for product development and pilot testing.

If this reflection speaks to you... speak to me so that we can inspire change, together.

David Cracknell

Additional reflections in this series can be downloaded from www.firstprinciplesinfinance.com