



Jobs to be Done of PFM (Personal Finance Management)

Customers don't want a bank. Redefine your market using Jobs to be Done thinking.

Top 5 things you'll get from reading this report...

1

What is the next killer proposition in the UK PFM market?

2

In what direction is the market heading?

3

How can I align my proposition to what customers want?

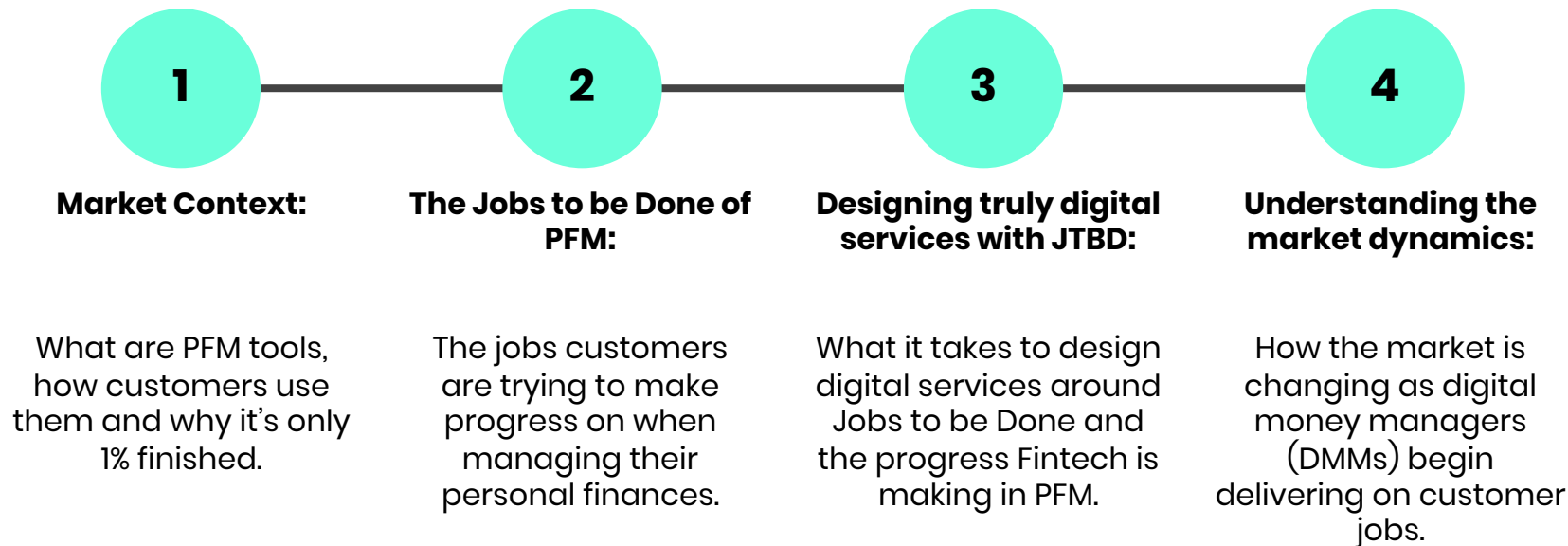
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How does Jobs to be Done help identify the “opportunity space” in the fast moving world of Fintech?

5

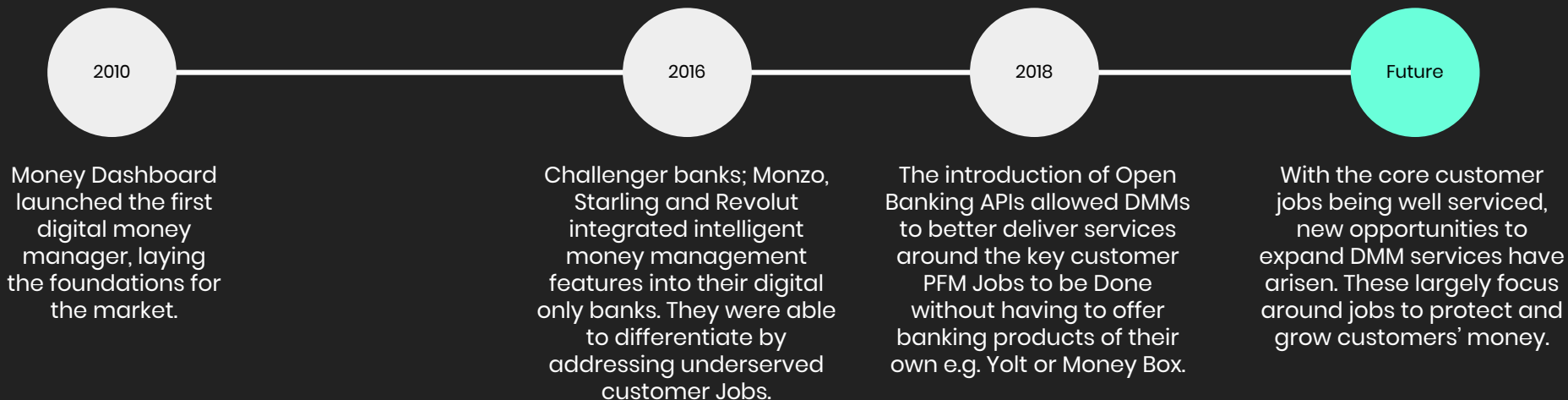
Why is it so important to speak to your customers? Most of the research I see is very dull!

What's included...



KEY FINDINGS.

Open banking and the integration of PFM features with digital banks created a market for DMMs. Growth will come from satisfying more customer jobs within a single end-to-end experience for customers.



A note on methodology

A qualitative & quantitative study of UK adults aged 18-65 with a smartphone and bank account.

13 in depth remote interviews

30-40 minute one-to-one interviews with people from around the country and a variety of different age groups and income groups.

1049 nationally representative quantitative interviews

The survey was designed using the Jobs to be Done uncovered in the qualitative phase. We used a trade-off technique called MaxDiff to collect the JTBD metrics. This means the scores are relative to each other rather than absolute scores from rating scales.

Jake
Jake is 22 and has just started a degree in Computer Science, so is currently studying in the US on a student visa. Before coming to the US he worked at a company for 2 years but then he switched his manager.

The Job To Be Done
Manage Personal Finance

Context & Background
What are the circumstances that impact the kind of progress and constraints in this person?
Previously used to burn through his money without paying too much attention.

The Job To Be Done
Manage Personal Finance

Context & Background
What are the circumstances that impact the kind of progress and constraints in this person?
Financially constrained
Student

Desired Future
What are the experiences I do or don't want to have?
Avoid using up my student loan too early
Build up my savings account so that I can afford to travel
Build up my coding skills in my spare time

Leslie
She is a single mother who was born in Germany, lived in London and is now in the US. She has a 10-year-old son and is currently working as a teacher.

The Job To Be Done
Manage Personal Finance

Context & Background
What are the circumstances that impact the kind of progress and constraints in this person?
Single Mum
Lives between the UK and Mexico

Desired Future
What are the experiences I do or don't want to have?
Financially stable
Educated in personal finances

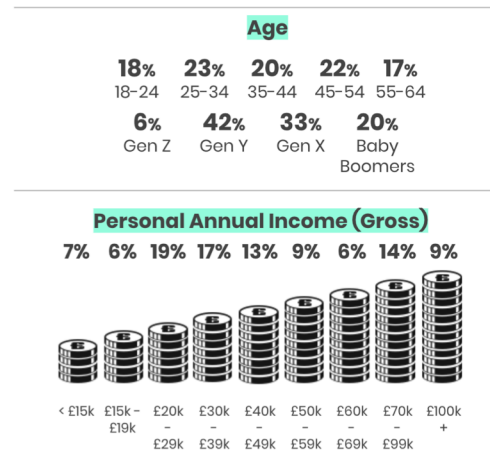
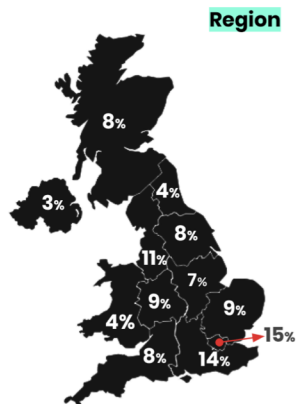
Sanaya
Sanaya is 18 years old and recently started studying Retail Marketing and Management at Loughborough University. She was meant to be living in university halls but they had an issue with the accommodation, so she is currently having to live in temporary accommodation. She enjoys going to the theatre and cinema, and is currently saving up for a holiday to Italy next year.

The Job To Be Done
Manage Personal Finance

Context & Background
What are the circumstances that impact the kind of progress and constraints in this person?
Detail
E.g. income is variable and uncertain or finances are complex with joint etc.
Impact on Progress
How does this context impact the type of progress desired?

Desired Future
What are the experiences I do or don't want to have?
1. Find a part-time job at university once she is more settled in
2. Go on holiday in Italy next summer
3. Build up her own income stream so that she is not entirely reliant on her parents for support
4. Build up credit score for future life events like buying a house
5. Help me grow my money by showing me all the best savings & investments deals in the UK

Desire type
Safety, Excitement, Status, Connectedness, Growth, Abundance
Safety, Growth
Excitement
Growth, Status
Growth
Growth



Market Context.

What is Personal Finance Management (PFM)?

PFM is a loosely defined term for talking about how people generally stay on top of their finances. Most of us (89% of the UK) try to manage our personal finances, but use a variety of tools to do so. This includes notebooks, spreadsheets, and now with the advent of fintech, Digital Money Managers (DMM). A DMM is an online or mobile app based service that intelligently helps customers manage their money e.g. Yolt or Money Dashboard.

This report examines the jobs customers are trying to make progress on when using these PFM tools (both physical or digital). We take a closer look at DMMs later using user journeys from 11:FS Pulse.

89%

of UK customers say they are actively trying to manage their finances by hiring a variety of tools.

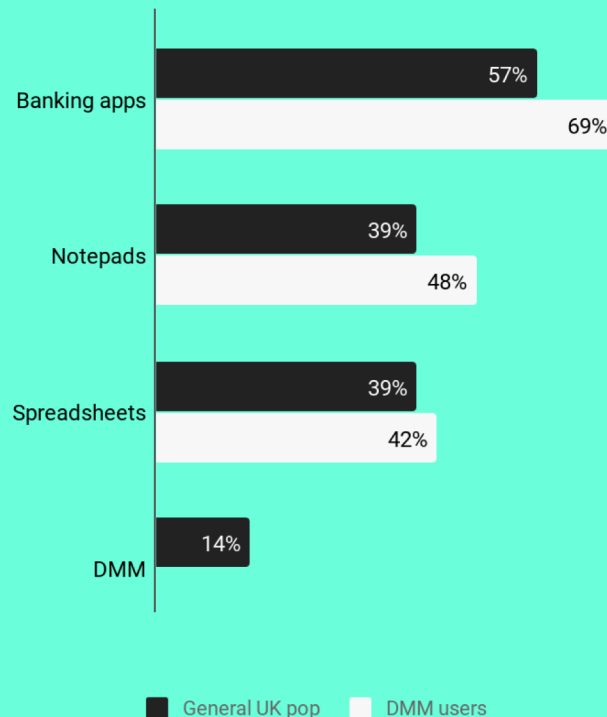


Customer's financial lives are complex

Managing our personal finances is a complex process. Some people have unpredictable and variable income. Some have shared financial responsibilities. And some people are hard up and need to budget daily to ensure they stay in the black.

Life is unpredictable and how we spend our money can be impulsive and emotional. This makes it difficult to create the perfect system for a mass market audience, which might suggest why only 14% of the UK have tried a DMM. And interestingly, those that use DMMs are also more likely to use spreadsheets and notepads to stitch together their perfect system.

DMM users are more likely to use spreadsheets and notepads as well

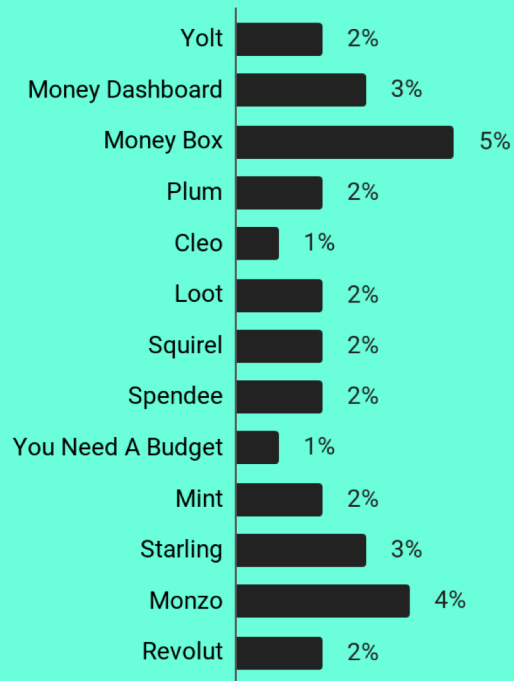


DMMs are only 1% finished

DMMs' focused approach to attacking the PFM market means there's still a long way to go. Looking at the usage levels across the wider UK population, they are still very small players in the wider FS world. Given the complexities of people's personal financial lives, designing a digital money manager is going to be challenging. The current wave of fintechs have made a good start, however most have focused on a thin slice of the wider set of Jobs to be Done involved in PFM.

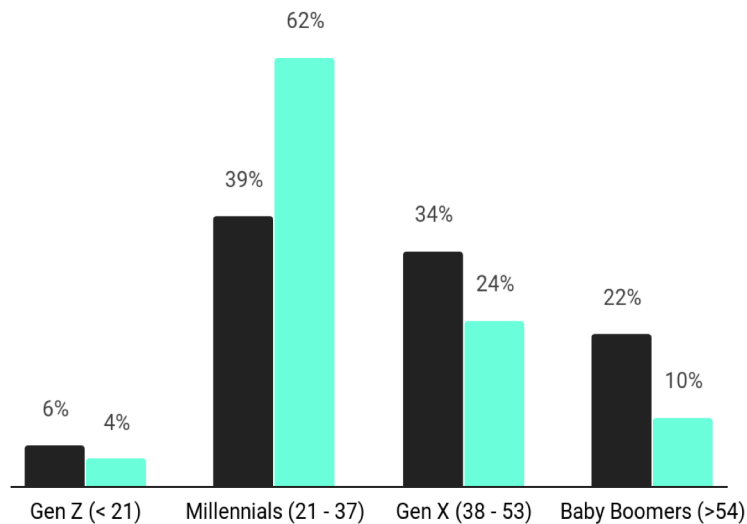
Delivering a truly digital solution around an important customer job is a great strategy to quickly find product market fit.

DMM usage in the UK

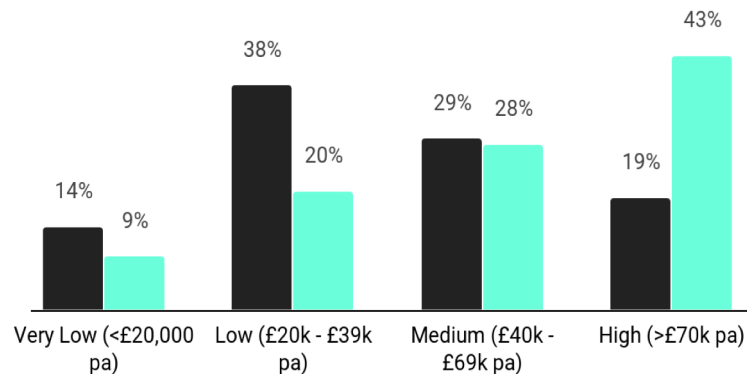


Furthermore, DMMs are largely being used by a certain type of customer: affluent Millennials

Generational usage
of digital PFM services



Income & usage
of digital PFM services



■ Non-DMM users

■ DMM users

So where do DMMs go from here?

Whilst DMMs have got off to a great start they need to continue to grow. But how? Jobs to be Done is a great way to analyse and understand the market dynamics at play from a customer demand perspective.

It helps us understand customer motivations in relation to the products and services they use. Through identifying the jobs customers are trying to make progress on we can identify the market opportunity ahead. And when new services, like DMMs, enter the market the customer's priorities change and the market dynamics shift.

“It’s [DMM] still in its infancy. It’s still not as intuitive as I would like.

I’m thinking Apple style, like move that there and that move there, easy. All done.”

34 year old, single mum, freelancer



The Jobs to be Done of PFM.

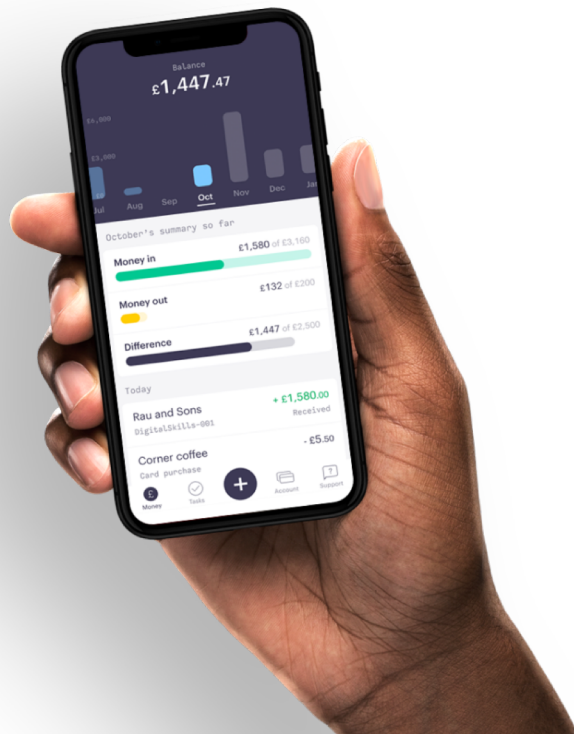
Customers don't want a bank. They want to live better with money

Digital banking is only 1% finished. DMMs are an important part of digital banking. This statement emphasises the huge opportunity to rethink the banking sector for the digital world, which DMMs have begun to do.

So how do we go about building the next 99%?

A big part of the solution is making the shift away from commodity products towards truly digital services. The focus here being on designing services around end-to-end customer journeys. To identify what these are and how we should prioritise them we apply Jobs to be Done thinking to the research and design process.

The result is an ability to design propositions customers love and spot disruptive moves in the market.



The 12 Jobs to be Done of personal finance management (PFM)

We identified 12 Jobs to be Done important to the customer in the domain of PFM.

These Jobs to be Done represent desired future states customers are trying to make progress towards.


To grow, DMMs need to ask 2 key questions:

1. Which of these jobs are **most underserved by the market?**

2. Which jobs do customers **most want to make progress on?**

Everyday money management	Creating a realistic personal budget and knowing how much you can spend	1
	Being more aware or mindful of what your money is being spent on	2
	Staying on track with your budget and adapting it if necessary	3
	Managing your recurring bills and living costs	9
	Keeping track of your money when it's stored in different places	8
Financial freedom	Building up or maintaining a financial 'safety net' to fall back on when you need to	6
	Being more financially independent i.e. not borrowing from parents or a partner	7
	Reducing or managing loans and debt	11
Lifestyle	Funding experiences and activities (e.g. holidays)	4
	Identifying ways to access additional benefits, rewards & discounts based on spending habits	10
Growth	Building up long term savings for specific events (e.g. getting married, buying a house)	5
	Finding ways to make more money from savings and assets	12

NB. Numbers (x) related to position on the charts in the next two slides



Non-users of DMMs are looking to get the basics right.

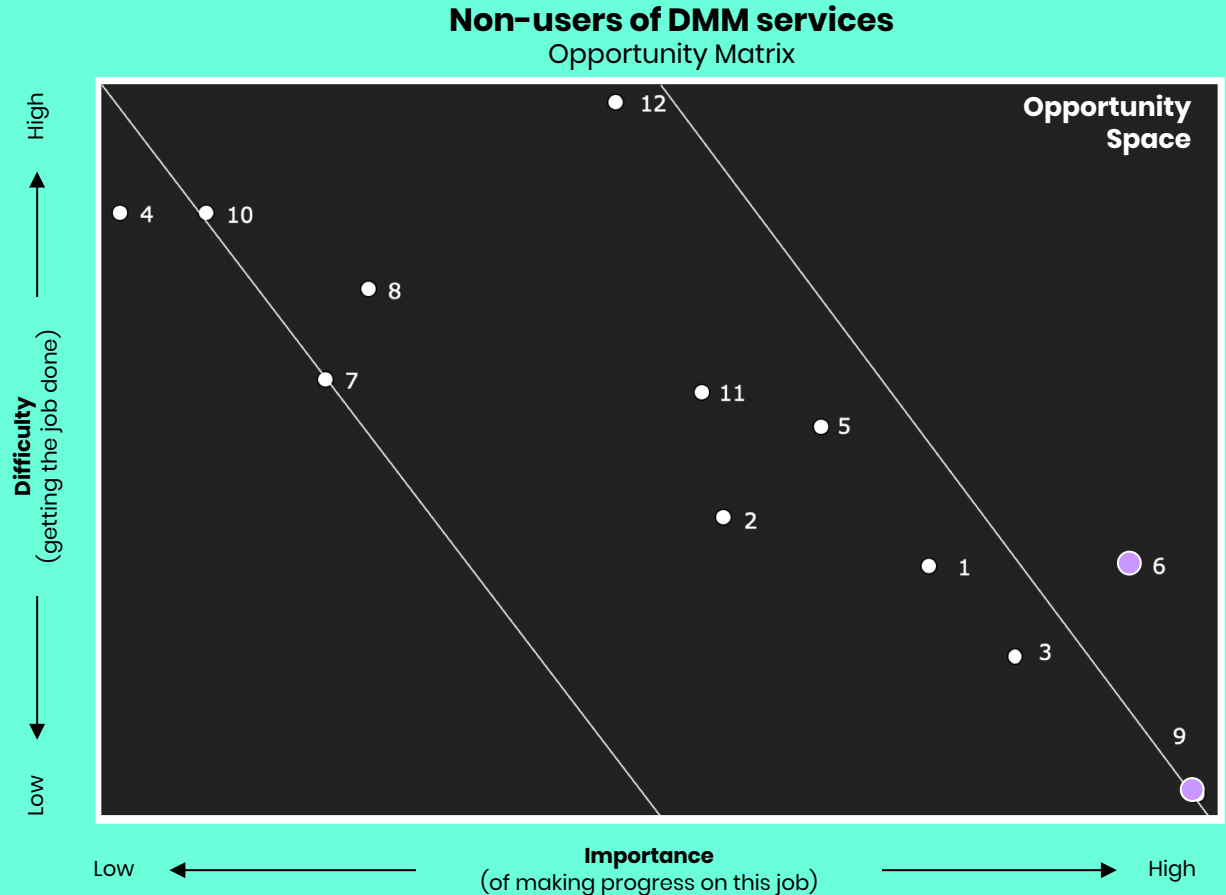
Most non-DMM users are still trying to actively manage their personal finances. They are creating systems of their own stitching together spreadsheets, notebooks and using their bank's mobile apps. We spoke to some people using jars and pinboards to help organise and visualise their money.

The most important and underserved jobs for this group are getting a better grip on their recurring monthly bills and building up a “safety net” of savings to fall back on. These are jobs DMMs can help customers achieve, so how do these priorities change once customers start using DMMs?

Opportunity exists when important jobs are difficult to get done, like:

Building up or maintaining a financial 'safety net' to fall back on when you need to (6).

DMMs can tap into this opportunity by helping customers make progress on this job by removing some of the constraints that make things difficult for customers.



Money management systems customers have adopted

Pinboard



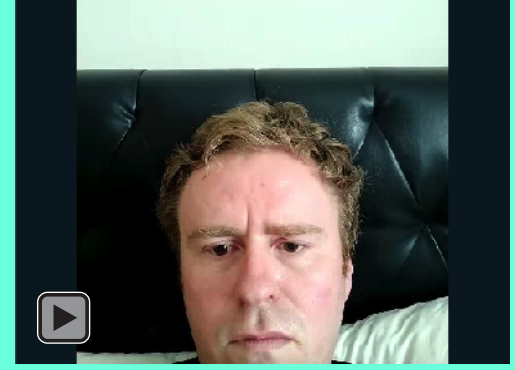
A **university student** living off £13 per day uses a pinboard in her room to track and adjust her daily spending

6 Jars




34 year old, single mum who is very time poor balancing a freelance job and child care uses the [6 jar technique](#).

Mental Tracking



A 37 year old, married father. Mentally calculates outgoings on a weekly basis and pays manually. Avoids direct debits because he doesn't know when they'll come out



When customers “hire” a DMM the progress they want to make changes

Once customers begin using Digital Money Managers (DMMs) to help them manage their personal finances their priorities change. The extra control and awareness customers have from using these services means that they want to do more with their money.

This is a huge opportunity for DMMs to extend their product experience to help customers build up goal orientated long term savings and find more ways to make money from their savings and assets. Tapping into these new jobs will enable DMMs build out new end-to-end customer journeys that unlock new customer value.

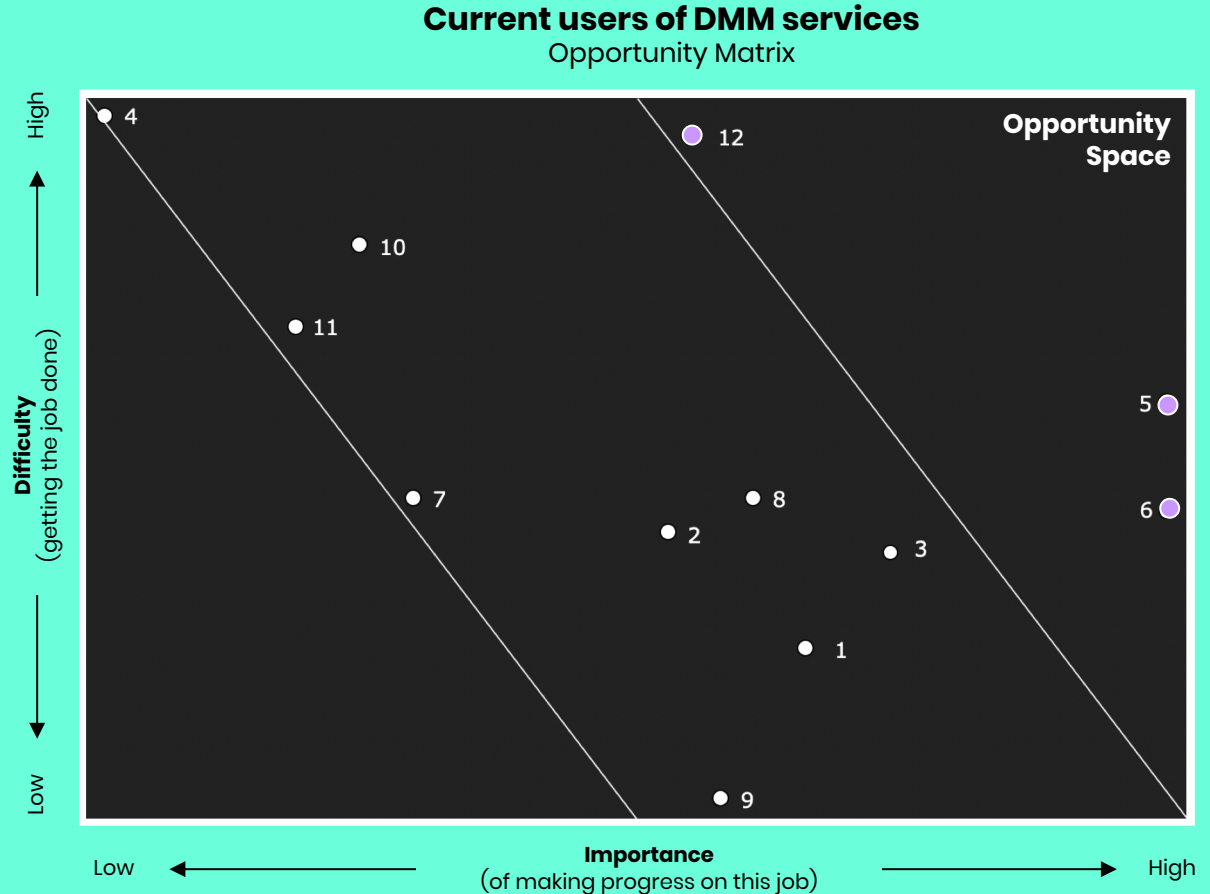
Two new jobs enter the opportunity space for DMM users.

The strongest opportunity is:

Building up long term savings for specific events (e.g. getting married, buying a house) (5).

The other opportunity is also related to helping the customer growing their money:

Finding ways to make more money from savings and assets (12).



The Jobs to be Done analysis shows that these are the top opportunities for DMMs in the UK

Most underserved PFM Jobs to be Done in the UK



Managing your recurring bills and living costs **(9)**

Non-DMM users only

Building up or maintaining a financial 'safety net' to fall back on when you need to **(6)**

Non-DMM & DMM users

Building up long term savings for specific events (e.g. getting married, buying a house) **(5)**

DMM users only

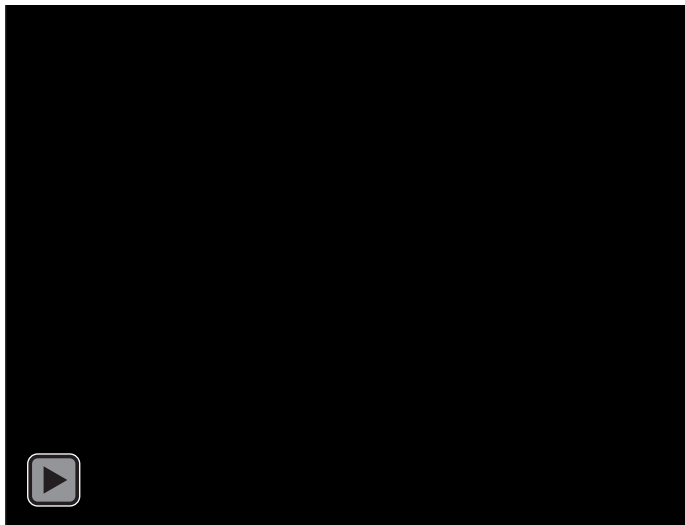
Finding ways to make more money from savings and assets **(12)**

DMM users only

Manage your recurring bills and living costs

Customers are usually good at tracking major regular outgoings (e.g. rent, mortgage), but they often lose track of the multitude of smaller ones (buying lunch, coffee or going for a drink). Forgetting to account for a scheduled outgoing leaves customers with an inaccurate picture of their finances and often catches them off guard.

What customers said.



How to deliver on this job.

- Deliver great UX so customers can easily see what's coming out and when. Eliminating nasty surprises, especially with variable regular bills, was the top constraint for customers making progress on this job (23%).
- The second highest constraint (21%) was help customers get a bird's eye view of their finances. They know certain money has been 'earmarked' for future payments but it's too difficult to track mentally especially those quarterly and annual bills.
- Customers want clarity, not just when something is coming out, but also *what* it is. This helps them understand how they're balancing necessities and luxuries. Some of the brand icons and notifications challenger banks provide help customers with this.
- Customers calculate their regular outgoings manually. Assist them by automating this process as much as possible

Build up or maintain a financial “safety net”

Customers want to be independent and self sufficient but struggle to build up a buffer to fall back on for emergency cover. For most, disposable income is low (the biggest barrier to having a safety net, 29% PFM users) and financial lives are messy and unpredictable. As a result, any accrued savings tend to cover non emergency purchases.

What customers said.

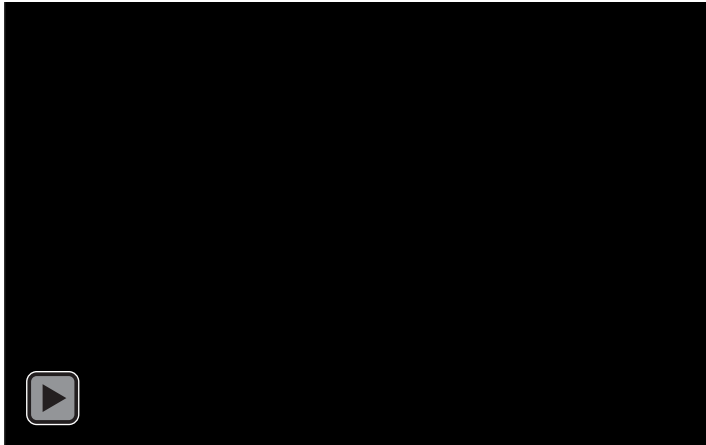
How to deliver on this job.

- Help customers overcome the difficulty of building a “safety net”, especially on low incomes. This is the top constraint for customers making progress on this job (25%).
- Add “positive friction” into the user experience to help boost self control and not dip into savings. This was the second top constraint for customers (22%). Utilising behavioural design techniques can help enormously. For example the UK government auto enroll workers into a pension scheme, which has led to a huge increase in people paying into pensions.
- Help customers feel in control. Spending can get out of control, especially when unexpected costs arise.
- Covering unexpected costs usually means compromising future events e.g. holiday. Help customers avoid this trade-off.

Make more money from savings and assets

Customers who have sufficient capital (whether big or small) want to better leverage their savings and assets to grow its value. However, their lack of information (e.g. what are the best rates on savings accounts), expertise (e.g. how to invest based on my risk profile), and time to research impedes them from being confident enough to take action.

What customers said.



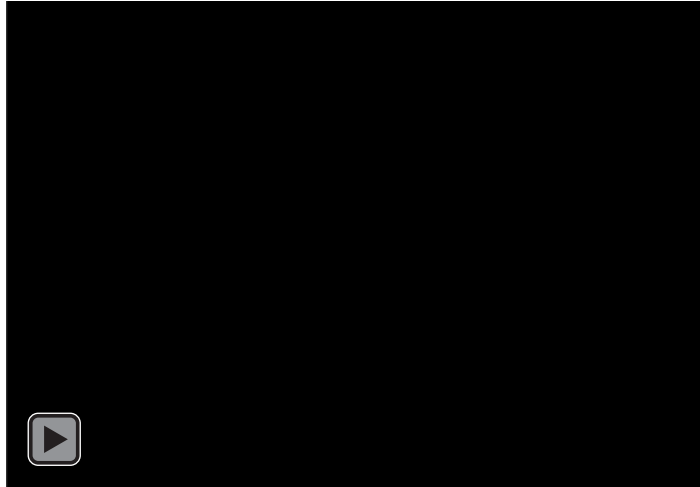
How to deliver on this job.

- This feels very much like an uncharted and intimidating territory for customers, so provide an easy way to get started. Customers are quick to acknowledge their lack of expertise and this was a top constraint (27%), something Acorns in the US has had success with.
- Help customers discover the best way for them (could be different for everyone) to grow their money. A lack of information was another top constraint for customers (25%).
- Help customers evaluate their existing savings and investments and provide actionable advice to optimise it. In particular, customers want reassurances over the risk levels of their investments.
- Take a holistic view of the customer's portfolio across different platforms for a true assessment of all savings and investments.

Building up long term savings for specific events (e.g. getting married, buying a house)

Everyone has important life moments they want to fund, but saving for specific long term events can be daunting, and something often pushed aside for 'another day'.

What customers said.



How to deliver on this job.

- The biggest constraint for customers making progress on this job is trying to save on a tight budget (27%). Helping customers understand what they need to save and coaching them to optimise their spending and saving would be a big step forward for these customers.
- A lot of the time customers are saving for a specific life event like buying a house. Designing an experience that connects their savings to an emotional purpose in life will help them think twice about spending this money on other things, the second biggest constraint for customers (21%).
- Gamification elements can create a positive association with saving and help to keep customers on track. Rewarding good habits, making mundane tasks fun, or showing incremental progress generates positive feedback loops.

There is an untapped opportunity in creating “onward journeys”

Those customers already using DMMs are now more conscious of their financial position. They can exert more control over their spending and they are more mindful about paying off debt and putting money aside.

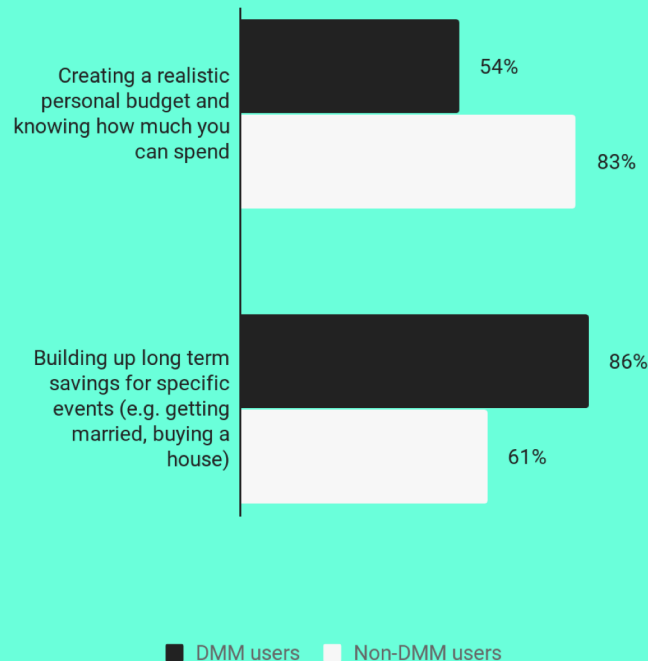
What these customers now struggle with are future events that are obscure or undefined. These events seem too far away and the targets too big to take action against.

The opportunity for DMMs is to create “onward journeys” for customers i.e. help customers use their money for the purpose it was saved for, like buying a house. See Planto as an example later in the report.

Getting this right however, means helping the customer avoid dipping into this money when unexpected costs arise. Furthermore, this means creating more complex end to end customer journeys.

Strength of Opportunity

The difference between DMM and non-DMM users in the basic PFM job of budgeting & the more advanced job of saving for life events.





**Designing truly digital
services with JTBD.**

The anatomy of a truly digital fintech. Start with the customer job to design end-to-end experiences

The **product** level

When you think about the experience first you can decide which products you build and who you partner with. There are business models for both.

Bank
accounts

Savings &
investments

Design the
experience first
before
weaving in the
financial
products

The **service** level

Forward
looking view
of outgoings

Categorise
regular bills

Analyse
discretionary
spend

Create
budget

Account
aggregation

Create pots
(jars) to
separate
money

The **job** level

Manage your recurring bills and living costs



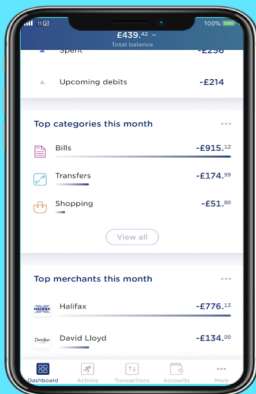
**Work
upwards**

Yolt is a great example of using a Jobs to be Done mindset to deliver a great “service” based experience for its customers

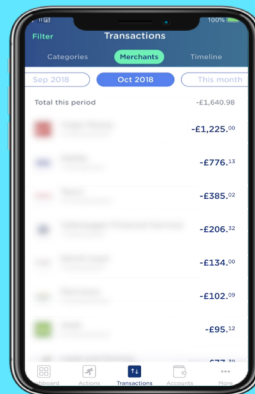
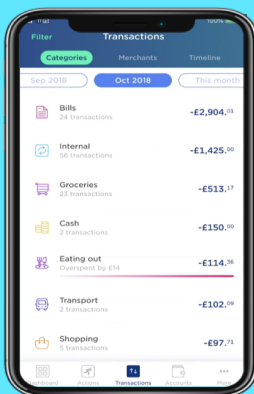
The **product** level

Open banking integrations and partnerships

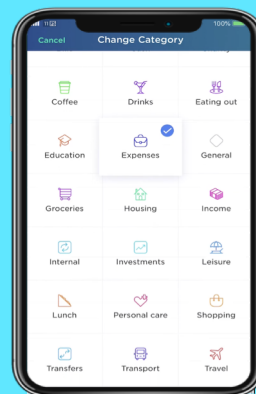
Analyse past spending



View spending by category and against budgets



Re-categorise spending



The **service** level

The **job** level

Being more aware or mindful of what your money is being spent on

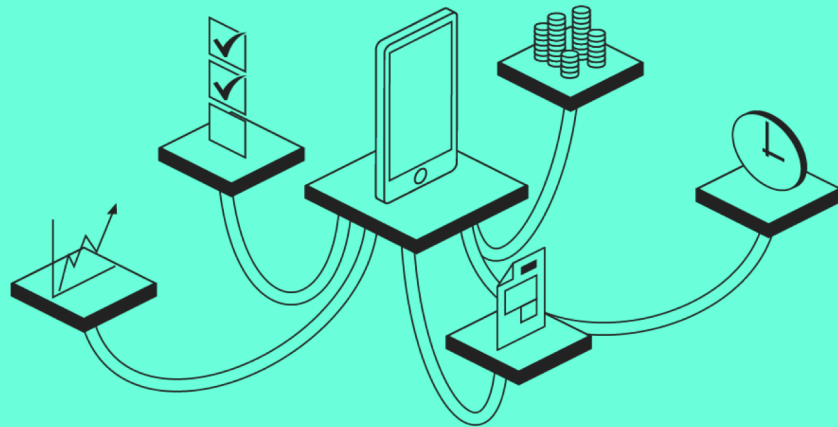
Delivering end-to-end experiences involve stitching together multiple APIs

Open banking in the UK has allowed DMMs to more effectively deliver digital services that help customers make progress on these jobs:

- Keeping track of your money when it's stored in different places.
- Being more aware or mindful of what your money is being spent on.

By aggregating their accounts from multiple banks, customers can now better keep track of their money and be mindful of where it's being spent.

But not all the Jobs to be Done we tested are being serviced in this way. The next two slides map the Jobs to be Done to the DMMs we tested in this research.



Money management

Financial freedom

Lifestyle

Growth

Which DMMs cover which Jobs to be Done (cont...)

		Mint	Monzo	Starling	Revolut	Level of coverage by DMMs
Money management	Creating a realistic personal budget and knowing how much you can spend	●	●	●	●	11/13
	Being more aware or mindful of what your money is being spent on	●	●	●	●	11/13
	Staying on track with your budget and adapting it if necessary	●	●	●	●	8/13
	Managing your recurring bills and living costs	●	●	●	●	9/13
	Keeping track of your money when it's stored in different places	●	●	●	●	6/13
Financial freedom	Building up or maintaining a financial 'safety net' to fall back on when you need to	●	●	●	●	0/13
	Being more financially independent i.e. not borrowing from parents or a partner	●	●	●	●	5/13
	Reducing or managing loans and debt	●	●	●	●	1/13
Lifestyle	Funding experiences and activities (e.g. holidays)	●	●	●	●	0/13
	Identifying ways to access additional benefits, rewards & discounts based on spending habits	●	●	●	●	1/13
Growth	Building up long term savings for specific events (e.g. getting married, buying a house)	●	●	●	●	0/13
	Finding ways to make more money from savings and assets	●	●	●	●	5/13



Digital services should focus on the desired “end state” of the job.

Among the DMMs we included in this research there are none that specifically focus on three of the Jobs to be Done we identified in our PFM research (right).

There are many DMMs that help customers save and grow their money. There is a Job to be Done specifically for that: Finding ways to make more money from savings and assets.

Those DMMs that help customers grow their money could also be hired for the jobs on the right. However, these Jobs to be Done have a specific desired state associated with the “process of saving or investing”. That is to say that saving or investing is not the customers end state.

Delivering on these Jobs to be Done would mean creating digital end-to-end experiences we have not seen so far in the UK.

3 Jobs to be Done completely unserved by UK DMMs.

- 1 Building up or maintaining a financial ‘safety net’ to fall back on when you need to.
- 2 Funding experiences and activities e.g. holidays.
- 3 Building up long term savings for specific events e.g. getting married, buying a house.

Planto (a Hong Kong fintech) is a good example of a DMM delivering onward journeys for customers.

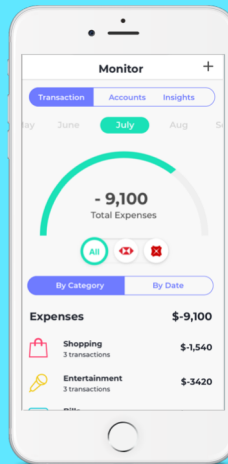
The **product** level

Banking screen scraping and property market API integrations

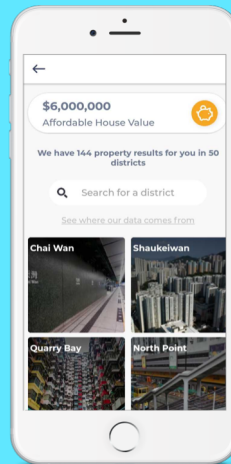
Connected
your bank
accounts



Optimise your
spending and
saving



Select a life
event like
buying a
home to see
what you
can afford,
when you
can afford it,
and details
of a
projected
mortgage.



The **service** level

The **job** level

Building up long term savings for specific events e.g. getting married, buying a house.

**Understanding the
market dynamics.**



Identifying growth for DMMs.

The customer Jobs to be Done research identifies the jobs customers are trying to make progress on. The market analysis, using tools like 11:FS Pulse, show us what DMMs currently offer customers and the types of digital experiences they have designed.

Now we bring these two analyses together to identify the growth space for DMMs and how this market will evolve.

How we analyse the market.

Hygiene Factors.

The market is providing services for these jobs and customers feel well served. DMMs have to deliver on these jobs to stay competitive.

The Current DMM Battlefield.

This is where the current DMMs are servicing the underserved customer jobs that exist in the market today.

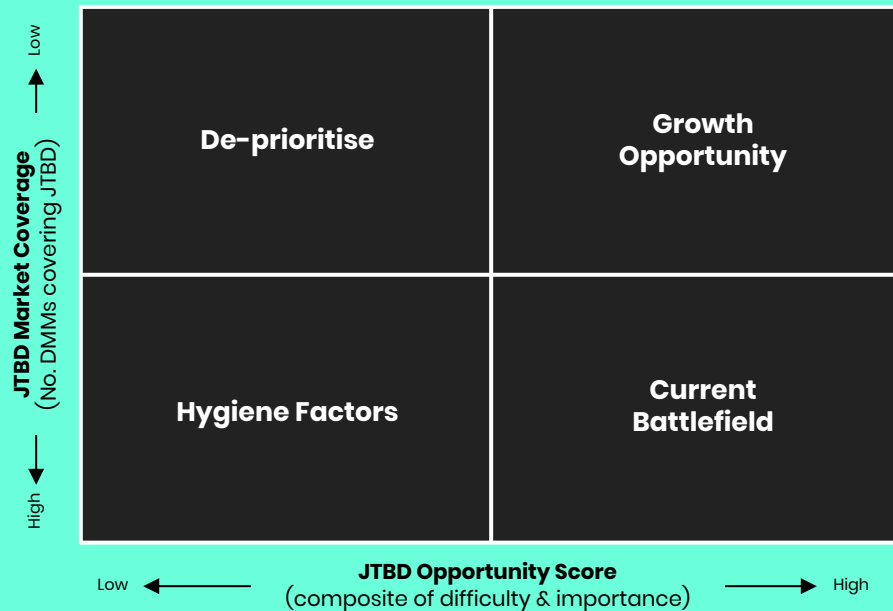
Growth Opportunity.

These jobs are important to customers but difficult for them to make progress on. The market is not servicing these jobs so they represent high growth opportunities for DMMs to evolve their propositions.

De-prioritise.

These jobs are not being serviced by the current providers in the market and they are not a priority for customers. As the market changes these may move into one of the other quadrants in the future.

Market Opportunity Matrix



DMMs are competing to help customers make progress on budgeting & managing bills.

Hygiene Factors.

- Keeping track of your money when it's stored in different places (8)
- Being more aware or mindful of what your money is being spent on (2)

The Current DMM Battlefield.

- Staying on track with your budget and adapting it if necessary (3)
- Managing your recurring bills and living costs (9)
- Creating a realistic personal budget and knowing how much you can spend (1)

In transition (in between growth and current battlefield)

- Finding ways to make more money from savings and assets (12)

Growth Opportunity.

- Building up long term savings for specific events e.g. getting married, buying a house (5)
- Building up or maintaining a financial 'safety net' to fall back on when you need to (6)

Market Opportunity Matrix
Non-DMM users



As customers hire DMMs, 'battlefield' jobs become the new status quo.

Hygiene Factors.

- Keeping track of your money when it's stored in different places (8)
- Being more aware or mindful of what your money is being spent on (2)
- Managing your recurring bills and living costs (9)
- Creating a realistic personal budget and knowing how much you can spend (1)

The Current DMM Battlefield.

- Staying on track with your budget and adapting it if necessary (3)

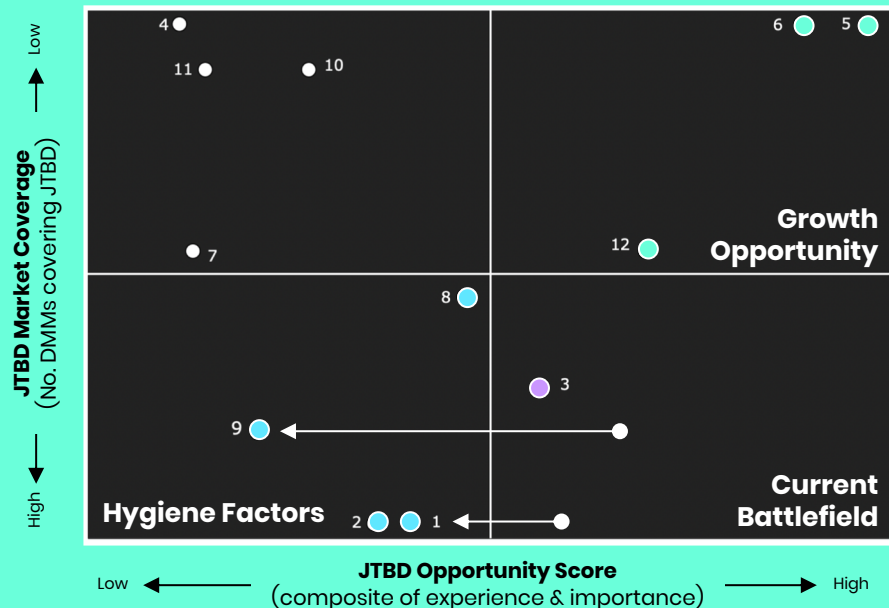
In transition (in between growth and current battlefield)

- Finding ways to make more money from savings and assets (12)

Growth Opportunity

- Building up long term savings for specific events e.g. getting married, buying a house (5)
- Building up or maintaining a financial 'safety net' to fall back on when you need to (6)

Market Opportunity Matrix
DMM users

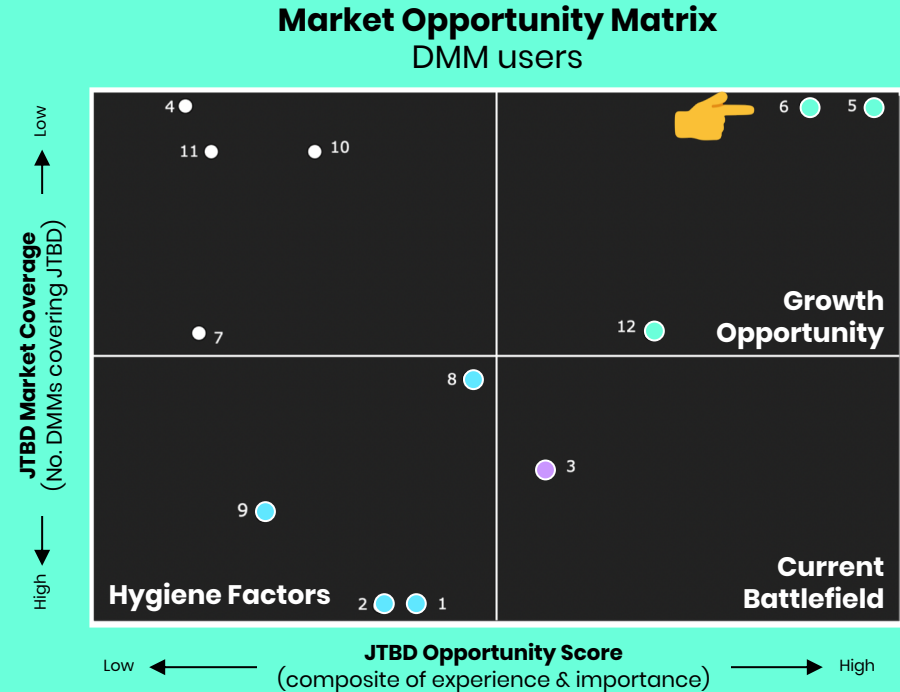


To evolve their propositions DMMs need to deliver on the jobs in the growth space.

Whilst some DMMs offer ways to save and grow their money, none offer an end-to-end experience for doing these Jobs to be Done placed in the growth opportunity quadrant:

- Building up long term savings for specific events e.g. getting married, buying a house **(5)**
- Building up or maintaining a financial 'safety net' to fall back on when you need to **(6)**

These jobs have the highest customer opportunity score which means they ranked the most important and the most difficult to get done.

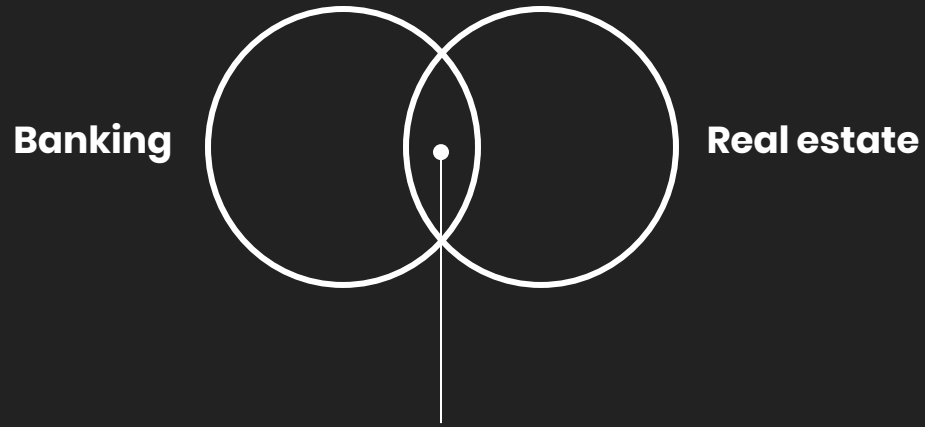


Don't be bound by your category. Redefine the market.

The key message to take away from this report is that customers don't want rigid products. They want truly digital services that help them make progress on those important jobs in their life.

By adopting jobs thinking you can design services customers will love. This will likely mean stitching together various APIs to deliver on that end-to-end experience. The more you focus on delivering services around your customers' jobs, the more you'll redefine your category. Customers don't think about the things they buy in terms of traditional industry categories so don't be bound by them.

Customers don't want a bank!



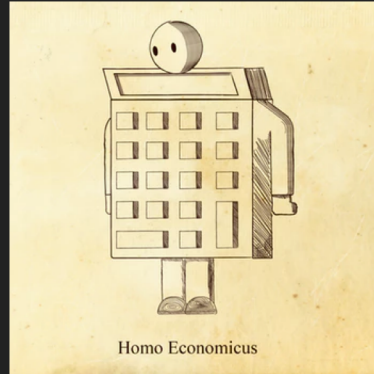
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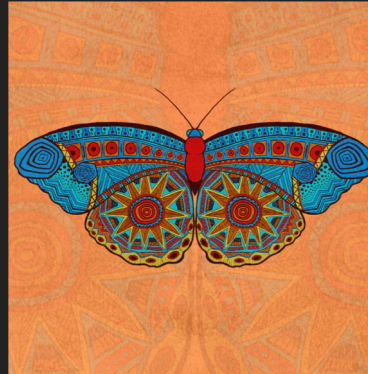
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Venture building
with Jobs to be
Done →



Don't design
financial
products. →



Sunshine, butterflies
and eradicating 'lift
and shift' →



Pay attention to
challenger banks in
Asia →

11FS Thanks for reading



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I specialise in creating digital propositions customers love by applying **JTBD** thinking to **creative research methodologies, human-centred design, and product management techniques**. With over fifteen years experience in this field, I now head up a team at 11FS who put the **customer front and centre** of everything that we do.



If you want to learn more, just reach out.