BSG Financial Group™

Be Like UBER
(not like a Taxi)

Compete with the non-bank lenders that are re-defining the loan process at your expense.

When the app-based driver service Uber hit the streets in 2010, it quickly siphoned off a large percentage of business from the taxi industry. Uber won over taxi riders with its on-demand response and digital delivery method.

Today, the same thing is happening with Online Lending and your customers.

In record numbers, consumers and small businesses alike are getting the short-term loans they need from online, non-bank lenders—preferring their rapid delivery to traditional lending methods.

*Unless you innovate like Uber did your institution could **lose up to 60% of your retail and small business profits** to non-bank entities in the next five years, according to a McKinsey study.*

Here's how you can innovate like Uber and lend more competitively:

1. See Profitability in New Processes – Forget the loan profitability scenarios of the past. Now, thanks to the automation that digital (online) lending technology provides, it is indeed possible to make a profit offering short-term lines of credit from $10,000 to $100,000.

The key is to streamline the entire lending process—from application and underwriting to set up, review and renewal—via an end-to-end technology platform.

Automating the lending process takes your lenders out of the equation (unless necessary) and reduces the expense of processing and managing one loan from approximately $2,400 to as little as $500[1].

With the right digital lending technology, you can:

- Grow your loan portfolio as never before
- Monetize and enhance your current relationships
- Enhance your institution's digital strategy

The right digital lending technology **utilizes your own underwriting and risk-rating standards** and **you retain all of the loans on your balance sheet as working assets**.

The efficiencies digital lending creates allows your institution, with only minimal effort, to lend more money to more account holders, while managing risk and security.

2. Fulfill the Consumer's Mobile Digital Expectations – Consumers today seek easy, quick solutions. They use their phones to accomplish a majority of their daily activities. And they will readily switch banks if they have a poor digital experience.

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Using a digital lending platform, consumers can apply and get approved for the funds they need from their internet-enabled phone or desktop computer… anytime, any day. *All in less than three minutes.*

Meeting the consumer's digital demands with an online lending solution just makes sense:

- According to a study by MagnifyMoney, financial institutions with the highest digital adoption scores grew their assets 16 times faster (!) than those less likely to adopt new digital technologies.
- 38% of consumers have reduced how often they bank somewhere because of a poor digital experience[2].
- Up to half of the world's banks will disappear through cracks opened up by digital disruption of the industry.[3]

As Chris Skinner, author of *Digital Bank*, puts it, "We built an industry on the physical distribution of paper in a localized world." Now we're having to come to grips with digital distribution in a hyper-connected world.

With all the fintech companies popping up, financial institutions can no longer afford the status quo — especially since 82% of consumers say that if tech companies like Google offered banking services such as loans, they would consider using those services.[4]

The bottom line: if you don't offer digital solutions, your customers will seek them elsewhere.

Uber fundamentally changed a traditional system.

Will you?

3. Capitalize on an Active Customer Base – Did you know it is likely that about half of your small business customers have a loan for less than $100,000… *and it's not with you*?[5] These customers needed the money—whether you chose to provide it or not—and they found it in a credit card, an alternative lender, or even a competitive institution.

- TransUnion reveals that digital online lending now outpaces bank and credit union lending. The majority of unsecured consumer loans in 2015 were provided by an online platform and online small business lending has captured over 20% of loan volume.

With a digital lending platform, not only can you re-capture these loans lost to other funding sources, you are more likely to retain these customers.

Here's the proof: According to Bank Intelligence Solutions (BIS) from Fiserv, customers with just one product at your bank will stay for about 18 months. Add just one more product, and you extend that relationship to four years. Where there's a loan, retention improves to a whopping 90 percent or more!

Your customers are actively searching for the money they need. Loan it to them and keep them longer.

Request a demo of BSG Financial Group's MinuteLender™ Online Lending platform at **www.BSGFinancial.com/DEMO.**

[1,5] Source: R.C. Giltner Services, Inc.; [2,4] Source: MX Technologies Inc.; [3] Francisco Gonzalez, Chairman and CEO of BBVA