

Enterprise Sales for Fintech Products and Services

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Investing in individuals.
Improving our world.

ACCION

VENTURE LAB

Vision

Unleash startup-led innovation to dramatically improve financial access and quality at scale

Approach

Seed stage equity investments in financial inclusion/Fintech startups globally; active post-investment support to help companies scale

We are proud to make this resource available to the public as part of our mission to support innovative financial inclusion start-ups.

**Learn more about Venture Lab at our website:
www.accion.org/venturelab**

Executive summary

Context

- **Large financial institutions** can be **critically important partners, customers, and investors** for fintech startups
- These institutions require a **very specific type of pitch** – too often, entrepreneurs pitch a bank the same way they would a VC

Key Takeaways

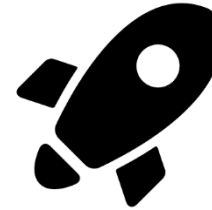
- Financial institutions react well pitches focusing on **realistic business models**, not grandiose visions or “disrupting” traditional finance
- Financial institutions can be **risk-averse** and are focused on **results, credibility, and ease of implementation**
 - Prior successful implementations, quantified bottom-line impact, and credibility of business and key staff should be highlighted
 - Complexity of IT integration, legal concerns, etc. should not be minimized
- **The “who” matters** –selecting the right audience, building relationships pre-pitch, and customizing tone and approach are key
- Financial institutions prefer **demos to decks**; also prefer **workshop formats to presentations**

How can you sell your fintech products to a large financial institution?

We interviewed the people with the answers:



**Five large
financial institutions**



**Two growth-stage
fintech startups**

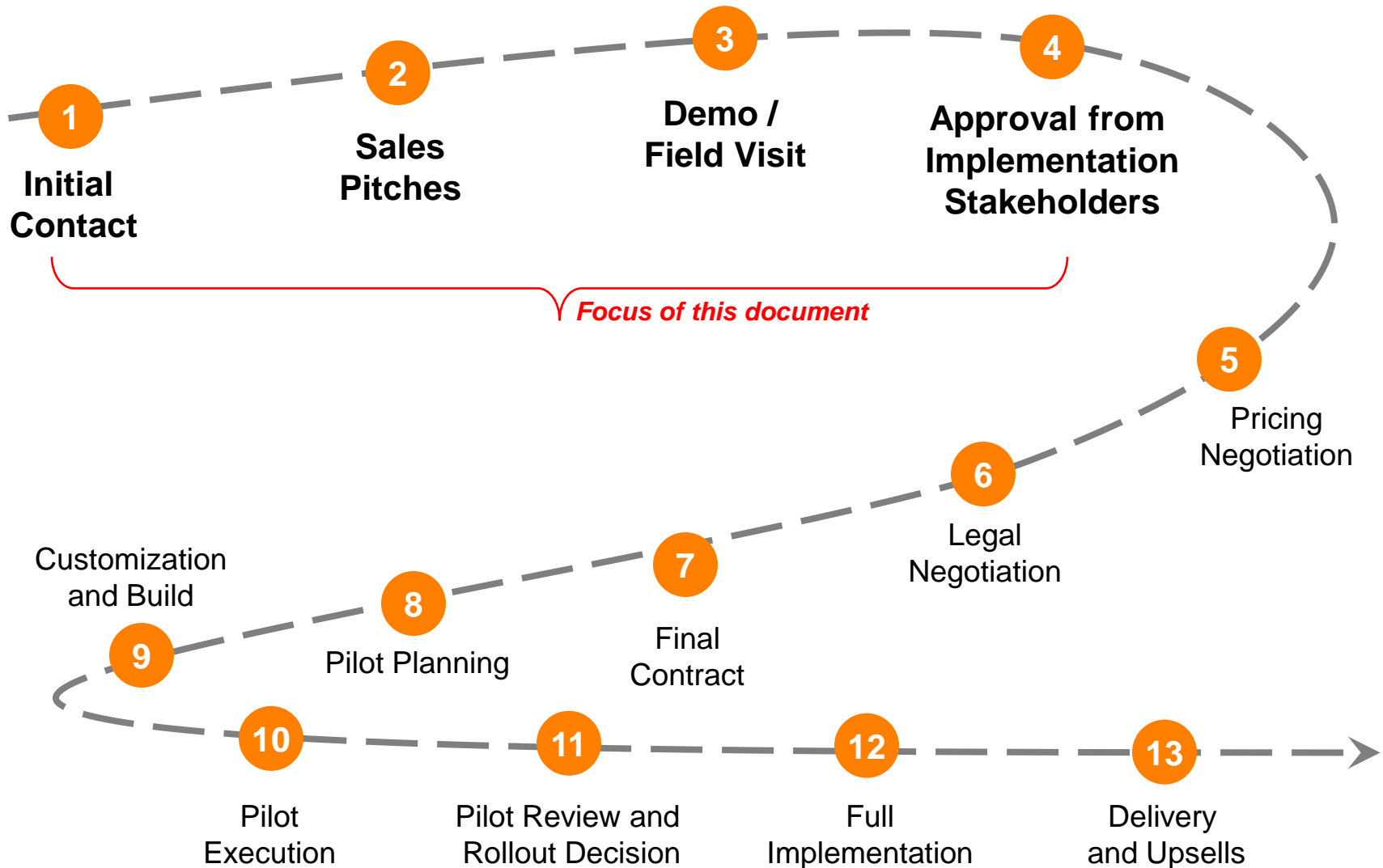
We asked:

- What makes a great pitch from a startup to a large financial institution?
- What common mistakes do startups make when pitching?
- How can a startup prepare for a pitch?
- Once they're in the room, how can they knock it out of the park?
- How can you push the process forward more quickly?

Large financial institutions want to work with startups that:

- ✓ **Are real businesses**
Have a real product and will not go out of business in a few years
- ✓ **Will make a meaningful bottom line contribution**
Quantifiable, significant increase in revenue or decrease in costs
- ✓ **Are aligned to their own strategic vision**
Accomplish their goals, not your goals
- ✓ **Provides a unique strategic advantage or expertise**
Talent or capabilities that are not present within the organization or easily built
- ✓ **Take execution and implementation very seriously**
If awarded a contract, will be able to support the volume and standards of a professional business

The enterprise sales journey



How can you sell to a large financial institution?

1 Before you get into the room

2 Who are you talking to

3 What to say

4 How to say it

5 Then what?

Pitching an early startup can build relationships, but odds of success are low without a prior successful implementation

Large financial institutions strongly prefer that your product has been proven through successful past implementations

Successful prior pilots or implementations show that your business:

- Provides real results to real clients
- Can scale its technology and service
- Understands regulatory requirements of a large organization

Successful prior pilots or implementations are strongest where:

- The industry is very similar (Example: if you are pitching to a bank, it will value a prior implementation with another bank more highly than an implementation with a retailer who uses your product for asset financing)
- You can prove quantifiable contribution
- You can share the name of the client, and that client has a good reputation in the industry
- Your client will provide a testimonial or speak as a reference

The following also demonstrate some traction, but are not valued as highly as a past implementation

- Research surveys showing customer demand or willingness to pay
- Press coverage
- Social media attention

It would be difficult for us to be anyone's first partner. They'd have to face scaling challenges while still testing their product. That said, we do have programs to fast-track especially unique technologies.



Large financial institution

We're really just not feasible as any startup's first client. We get a lot of pitches from early startups I think just because they've heard of us, but **smaller banks would be a better fit.**



Large financial institution

Financial institutions require different messaging than investors

Both investors and large financial institutions want to know:

- How your product has already been tested in the “real world”
- Your founders’ and technology’s credibility
- Whether your operations can scale with rapid growth

However, investors are especially interested in:

- How you can price as high as the market will bear
- Size of total market
- Your unit economics

Compared to investors, large financial institutions are especially interested in:

- How you can price as low as possible
- Nitty-gritty detail on implementation and IT requirements
- Integration with their specific technologies and systems
- Your compliance with applicable regulation

Institutions are especially allergic to the “inspirational” or big-picture language more common in investor pitches

Please, **just skip the fluffy stuff**. I want results, case studies, how you’ll add value.



Large financial institution

When I mentor founders, I make them answer for every slide: **do you really need this slide?** When you see so many decks, the unnecessary big-picture slides really start to bother you



Large financial institution

My first thought when startups start talking: **is this a real product, or vaporware?**



Large financial institution

While your client pitch deck may contain some similar slides from your investor pitch deck, it should have a custom focus to the needs of your prospective client

Finding the right person within an organization almost always requires personal networking and relationships

A warm introduction is best...

- Your personal network
- Your investors' networks
- Industry events (though often hit-or-miss)

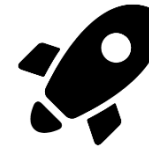
...but a cold intro may be your only option

- **LinkedIn**. Pay for a premium subscription to send messages to individuals outside of your contact list.
- **Guess email addresses**. Find another email address to guess the structure (if you know Sam Jones's email is sjones@bank.com, Alice Simpson's email is likely asimpson@bank.com) and use an online email verification tool to confirm your guess.

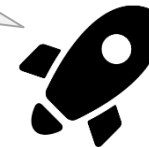
Often, your first connection is not the best connection. Once you have convinced that person of your value, however, you can ask for a better introduction within the organization.

We work pretty hard to find a warm introduction into a company. **From there, it's just networking through** and finding the right home for our pitch.

Fintech
startup



Sometimes it does just come down to knocking on doors and making cold calls. But you can't build a business that way. It just doesn't scale.



Fintech
startup

More startups should ask me to introduce them to the right person. Sometimes I decline a pitch because it's not a good fit for my team and I don't take the extra minute to think about other teams, but **when startups ask, I try to come up with a good intro for them.**



Large financial
institution

Share your understanding of market trends and updates to maintain a conversation and provide value over time

- Publish blog posts that you can link and share (inbound marketing)
- Place your product within the context of larger, quantified trends
- Personally stay on top of the industry and its news, and be able to share pertinent articles with internal stakeholders to keep a conversation going (though maintain a very high bar for pertinent)

A huge reason why we take pitches from startups is just to stay on top of where the innovation is and where the industry is moving. **Startups are the real experts** on that.



Large financial institution

I love it when a startup gives me a great new fact or way to think about a trend that I can share with my boss to help shape how our company thinks about staying competitive.



Large financial institution

You need to know everything about your industry at all times. You should be able to answer any questions. **I spend more than an hour every single day just following news.** It's not something where you see an immediate return, but it's just a very important part of being in bus dev.



Fintech startup

NEWS



Send

From... CEO@FintechStartup.com

To... Buyer@BigBank.com

Subject Blockchain Trend Piece

Hey Jim, Thought you may enjoy this article. Our company's perspective is that while it's true that...

How can you sell to a large financial institution?

1 Before you get into the room

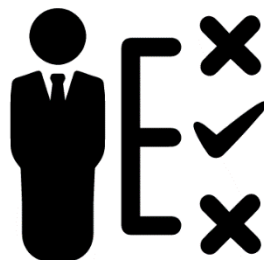
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Know who you are speaking to and what their role is in the process



End User

The team who would use your product in operations

Motivated most by ease-of-use and effectiveness

Discouraged by long training and implementation cycles

Typically more junior in the organization, but may be senior

End Buyer

The team who has the authority to release funds for a purchase

Motivated most by cost savings and revenue upside

Discouraged by redundancy across other purchased services

Typically a senior person's sign off is ultimate authority

Influencer

Any person in the organization who can influence the sales process

Diverse motivations. May include positive publicity, furthering strategic goals, personal advancement, curiosity

May be senior or junior, but senior will have more sway

You need two yeses: the user and the buyer. Never forget that you're selling to both of them, and that they value different things.

My junior analyst really liked this startup so he kept asking me to meet with them. They were great!

Fintech startup





Large financial institution






Knowing a person's role with in a large financial institution can help you anticipate their questions and priorities (I of II)

EXAMPLE

Role in Institution	Role in Sales	What They Want to Know
<p>Operations / Product</p>	 <p>End User</p>	<ul style="list-style-type: none"> • What's the bottom-line contribution? What's the most to gain? To lose? • If customer facing – will our customers understand the value? Is this consistent with our brand and customer communication? • How important is this partnership, relative to everything else I'm working on? • Will this startup be pleasant to work with? • How hard will it be to train my people on this system or new processes? • Do my current people have the skills to support this partnership? • Is this something we can do ourselves?
<p>Finance / Procurement</p>	 <p>End Buyer</p>	<ul style="list-style-type: none"> • What's the bottom-line contribution? What's the most to gain? To lose? • Out of all the ways we could spend money across our organization, would investing it in this partnership get us the greatest bang for our buck? • How are we doing against our budget? Do we have available funds? • Are there other, similar products that cost less? What do our current partners offer that is similar? Could a current partner build something similar? • What's the upfront cost? What's the ongoing cost? • How long is this contract? How favorable are the terms?

Knowing a person's role with in a large financial institution can help you anticipate their questions and priorities (II of II)

EXAMPLE

Role in Institution	Role in Sales	What They Want to Know
<p>Strategy / Innovation</p>	 <p>Influencer</p>	<ul style="list-style-type: none"> • Is this startup compellingly unique, compared to similar startups? • What are our competitors doing? How does this compare? • How does this startup fit with our 1, 3, 5, 10 year plans? • Is this expertise that we would rather have in-house?
<p>IT</p>	 <p>Influencer</p>	<ul style="list-style-type: none"> • How hard will it be to integrate this with our current software? • How busy is my team right now? Do they have time for this? • Do my people have the skills for this? • How buggy is their software? How much troubleshooting will be needed? • What ongoing maintenance will this require?
<p>Legal / Compliance</p>	 <p>Influencer</p>	<ul style="list-style-type: none"> • Is this startup currently compliant with all applicable regulation? • Does this startup consider compliance to be a priority? Will they stay compliant? • How would this product / service integrate with our existing controls and audits? • What is the worst case disaster scenario? How bad would it be, and how likely is it? • What new risk will this startup introduce? What risk will it take away?

Before you meet, become an expert on the company's organization...

A company's organization influences their purchasing:

- **Centralized vs decentralized:** Is authority held by one central group, or will you need to pitch many groups across the organization?
- **Determining end buyer vs end user:** Who are you pitching to, and what authority do they have?
- **Buy vs build:** How does this company innovate? What ownership do they like to have over the solution? How do they interact with startups?

A little bit of creative detective work can help you understand a company's structure from the outside

- **Read press releases announcing new partnerships.** The individuals who are quoted are often involved with the internal sales process
- **Use LinkedIn** to understand how the organization titles and categorizes its employees. Read people's job descriptions to identify those with relevant experience
- **Go through the bank's careers page** to read job descriptions of open positions, which often explain the responsibilities of different titles (Director, Principal, etc.) as well as groups and structures. Identify roles with responsibilities adjacent to your startup's services or that involve screening new tech for the company.
- **Contact other startups** who currently sell to a target company. Ask their founders or sales teams about their experience pitching to that company.

Past predicts future. Understanding how we typically work with startups will help you predict how we'll work with you.



Large financial institution

We use LinkedIn heavily before we pitch to a bank, and we map out who we are meeting with and the whole org chart around a person we're going to be pitching to.

Fintech startup



... and become an expert on their business

Position your startup's benefit in language that addresses a company's most urgent strategic priority:

- Cutting costs
- Reaching new customers (Millennials, a geography, etc.)
- Improving customer experience
- Exposure to especially innovative technology

Determine a company's priorities by researching:

- **Press releases.** What are they bragging about? What do they want to be known for?
- **Company reporting**, such as 10-K / 10-Q and shareholder annual reports. What challenges do they mention?
- **Press interviews with senior leaders.** Search Google News or other aggregators for the names of company executives and other leaders who influence parts of the business your startup would target.
- **Network.** What do your friends in the industry know about the company? Other startups in your community? Your investors?

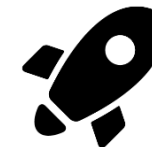
Interviewed large financial institutions were emphatic that startups must understand their business: P&L, supply chain, partnerships, source of revenue, etc.

Fintech startups often seem much more “technology” than “finance.” Founders pitch to me with all this jargon and detail about their technology, but they clearly don't understand our business model or even exactly how we make money on credit cards.



Large financial institution

We never walk in blind. We use our understanding of their financials and strategic priorities to show as quickly as possible what economic value we will provide.



Fintech startup

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Defining your startup's function is important yet often overlooked

Your pitch must answer:

- 1 What do you do?
- 2 Why are you uniquely excellent?

A demo is typically the clearest and most tangible way to help someone understand your product.

Some startups worry that defining their product removes flexibility to customize their offering to a particular client.

Preserve flexibility while clearly explaining your offering by:

- Showing potential creative applications of the product or service
- Specifying which features are core, optional or yet-to-be-built
- Highlighting custom solutions in case studies of past implementations

It sounds crazy, but often the hardest part of a pitch is just figuring out **what exactly a startup DOES**.



Large financial institution

Sometimes when I ask a startup who they are and what they do, **their answers are so wish-washy** that I think their honest answer is "We're whoever you want us to be!"



Large financial institution

You're probably not the first of any kind of fintech company that I've ever met. **Be extremely specific what you do, what you don't do and how you compare to competitors.**



Large financial institution

If a colleague asks me, "You spoke with Startup? What do they do?" I should be able to answer them. Yet often **I get off these calls and I can't really say.**



Large financial institution

Bottom-line contribution is most critical selling point, and you can address both direct and indirect improvements

EXAMPLE



Increasing Revenues

- Elevated brand awareness or perception
- Improved conversion of customers through selling process
- Increased customer retention
- Upselling existing customers to new services or products



Decreasing Costs

- Improving underwriting ability
- Decreasing data entry error
- Lower training costs for employees
- Qualification for more favorable insurance costs
- Improved data security and lowered risk of being hacked
- Decreased headcount due to replacement of employee functions or increased employee efficiency
- Improved regulatory compliance

Be specific about the exact cost driver and quantify the potential contribution

Indicators of credibility are especially important for young businesses without established track records



Business Credibility

- Results of pilots or implementations with other businesses
- High-level financials (cash flow positive, \$X Series A, etc., to provide confidence you will stay in business)
- Well-regarded equity investors
- Press coverage (include article titles and excerpts, if available)
- Participation in competitive accelerator or incubator programs
- Startup pitch competition successes



Personal Credibility

- Work experience in relevant sectors
- Education background
- Residence in-market



Red Flags

- Lack of experience in relevant sectors
- No pilot or previous implementation
- Founders or other employees are not full-time
- Founders or other employees are selling to an unfamiliar culture while residing in a different country

Go into your meeting knowing what your objective is

Prior to your meeting, define your objectives and next steps

- To convert a contact into an advocate
- To obtain an introduction or recommendation to a decision-maker
- To understand a specific objection or criterion
- To receive permission for a specific next step

Prepare next steps for if you hear “yes,” “no” or “not now”

- A best case answer: Moving towards implementation
- A worst case answer: Maintaining the relationship

At the conclusion of your meeting, proactively offer next steps

- “We’d like to take some sample customer data to run against our algorithm to show you how it would function in the real world. What’s the best way to move forward with that?”
- “It sounds like there may be some work to do around understanding your data security requirements. Are there any specific parameters you can share with our IT team so we can come back with definite answers?”
- “Who would be the best person in Procurement for us to speak with? Could you introduce us?”
- “I’ll actually be in your city next week. Maybe I can drop by your office and show you our product in person?”

Don't pitch yourself as a potential competitor

I always get pitches from two types of companies: payments and loans. But how do I make money? Payments and loans. I ask them what their long-term strategy is, and they straight-up tell me how they want to put banks like me out of business. **I don't think they'll be successful, but why would I help them try?**



Large financial institution

If you're a credit scoring startup, why are you not offering loans yourself? **Are you going to train your algorithm on my customers and then compete with me?**

Large financial institution



I feel like I shouldn't have to tell startups as frequently as I do that if they are pitching to a major bank, **they probably shouldn't have a slide in their deck about how they are going to make major banks irrelevant.**

Large financial institution



I often see early stage startups that **don't seem to really know if they are B2B or B2C**. Then pitching to banks becomes really hard not only because they don't know how to talk about their value, but also because if they do go B2C, they'd be competing with the bank they are pitching to.

My biggest pet peeve is the word "disrupt." **Ugh.**



Large financial institution



Large financial institution

Respecting regulation, software and data security as completely necessary for your success helps convey credibility

I get **very nervous** when a startup's answer to a basic question about regulation is "Don't worry, we'll figure it out."



Large financial institution

For us, data segregation is such a basic priority, it's alarming when we ask a startup about how they'll protect our customers' data and **it's obvious they haven't even thought about it.**

Large financial institution



My horror story is the day I had to explain to a money transferring startup that **their business was illegal** without a license.

Large financial institution



When our compliance people attend meetings, startups act as if they are just there to be party-poopers. **Compliance isn't optional and it isn't easy.**



Large financial institution

We work hard to be smart on systems and implementation. Before we meet with a bank, we do Internet research and ask our connections to try and figure out what software they use for all parts of their business. Not only do we appear more serious, but it also helps us focus the conversation on moving forward.



Fintech startup

How can you sell to a large financial institution?

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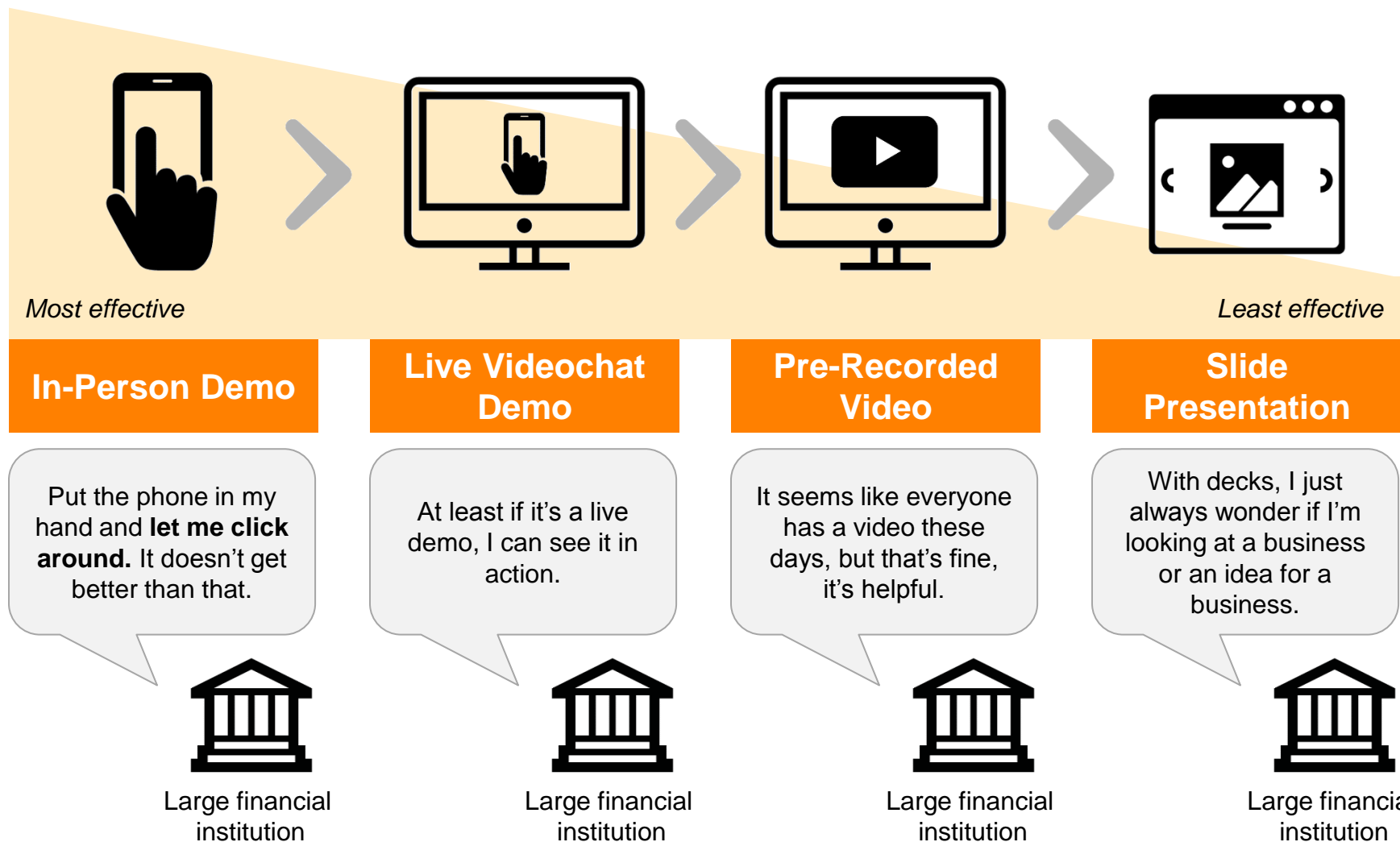
2 Who are you talking to

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4 How to say it

5 Then what?

Large financial institutions prefer demos to all other media



Customize tone for your audience and strive to include them in the conversation

TAILOR YOUR MESSAGE TO WHO IS IN THE ROOM

- As you schedule meetings, **see who they are bringing** and research them. **Identify other key stakeholders** you should push them to bring along to the meeting
- Make sure you bring **the right people from your side** who can speak the same language
- **Don't discount human dynamics** in meetings – personality types, number of people on each side, seniority, etc.

Fintech
startup



Though I'm our **CEO**, my real boss is our **Head of Partnerships**. If he tells me to attend a meeting, I won't miss it and if he asks me to sit one out, I stay out.

RUN THE MEETING LIKE A WORKSHOP, NOT A PITCH

- You **don't want to always be giving the hard sell**. Make the process collaborative and introduce a sense of partnership

As we go further in the process, we try to do workshops. We want to **change the nature of the sales process** so that it is a collaborative experience.

We bring notes, colored markers, etc., and we try to make it a fun activity to change the tone of the conversation. We **focus on solving a problem** and answering questions, cross them off one by one, and **come up with a solution together**.



Fintech
startup

Sometimes the right language depends on what you know about the company you are pitching

EXAMPLE

You are pitching to a company or stakeholder who has a...

High Risk Tolerance

“This is the bleeding edge of innovation”

“Be the first mover in new territory”

“Further your reputation as an industry leader”

“Own the oxygen in your competitive space”

“Here’s the best-case scenario...”

Low Risk Tolerance

“Builds on time-tested operations”

“Compounding the benefits of incremental change”

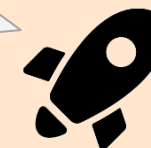
“Improved substitute for an existing product”

“Future-proofing your market position”

“Here’s the worst-case scenario...”

This approach may need to differ even within a company...

At some organizations, different teams sit in different locations or on different floors, have very different approaches, and even their offices may look different. Each division in a bank can have a different mindset to what you present.



Fintech startup

Be humble, transparent and open

Tone and attitude are as much a part of your sales strategy as product or pricing

Balance confidence and competence with **openness and a spirit of partnership**

Find **genuine respect** for your prospective client, whether it's for their understanding of the business, their personal relationships across the company or their experience

Ask questions to understand objections and complications before dismissing them, and when you can't provide an answer right away, promise to follow up with a more detailed response

Above all, avoid appearing dismissive, “hand-wavey”, arrogant or condescending

You're talking about interpersonal skills right now. **It's about being humble**, really listening, thinking about another person's interests. You can ask questions like “How can we get to ‘yes’ together?” once you've earned their trust.

Fintech
startup



It's great that startups bring fresh eyes to a problem, but so often they seem **hopelessly naïve or arrogant** about the complexity of the real world. They can be so dismissive of real challenges. **If something were so very easy, we'd be doing it already.**



Large financial
institution

Other best practices apply across the board

	 Do Say:	 Don't Say:
Don't insult current operations	<ul style="list-style-type: none">  "Preserve your best-in-class X"  "Translating tradition into new era"  "Growing excellence"  "Taking X to the next level" 	<ul style="list-style-type: none">  "Fix what is currently wrong"  "Replace broken processes"
Don't promise the world	<ul style="list-style-type: none">  "Provided A, B and C, it's realistic to expect that..."  "Improvements would likely range from at least X% to as high as Y%" 	<ul style="list-style-type: none">  "We're going to change the world"  "Make the world a better place"
Don't dismiss complexity	<ul style="list-style-type: none">  "Our research suggests..."  "Where have you seen teams struggle with this before?"  "You're the expert on this" 	<ul style="list-style-type: none">  "Oh yeah, we'll figure it out"  "It'll work, just trust us"
Don't set yourself up as an antagonist	<ul style="list-style-type: none">  "How can we work together?"  "What can help you with?" 	<ul style="list-style-type: none">  "Disrupt and transform current leaders"  "Blow up existing structures"

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What happens if they say yes?

- Recognize that the **sales process isn't over**. A first approval may be just that – the first step.
 - Keep building relationships, and **build a network** within the organization.
 - Insulate yourself against key man risk. Startups often rely on one advocate, but that person can leave.
 - Always be on the lookout for upsells across the organization.
- While the next step is almost certainly a pilot, understand that **the timeline may still be long**.
- Throughout the pilot process, focus on being a great partner; **you're basically on a first date**.
- **Agree ahead of time on metrics** and KPIs that will enable you to convert to a full-scale rollout.
- If the contract will require significant customization from your team, **build an exit fee into the contract** to compensate if the relationship breaks down.
- Finally, **don't get too excited** – when sales cycles are long things can go wrong, so be always prepared for the worst case scenario.

We have a group that manages pilots for new contracts, so a “yes” from me is a referral to that group to figure out next steps.

Large financial institution



Pricing conversations are always tricky. We're a huge, huge contract for a startup. Us as a customer means a startup is a success. But that gives us significant power in negotiating what we should pay.



Large financial institution

Our product is built ground-up to make it very easy for a bank to do a low-cost, plug-and-play pilot so that a lower-level decision-maker can approve a scrappy pilot and start seeing results.



Fintech startup

What happens if they say not now?

- Do **additional research** to identify what else can be done or how else you can better pitch the company.
- **Build the relationship** over time, and focus on developing an advocate within the organization.
- **Stay on their radar** by sharing results over time, reactions to news, etc.
 - Keep the dialogue going so they reach out to you as an expert in your space when they have questions.
- **Ask directly** what you need to do to move forward, and **push for next steps** to keep the process moving forward.
 - *Is there someone in Finance we can speak to?*
 - *What can we do to help you make a decision?*
- That said, **be prepared to walk away** if you are wasting your time.

Own the process. Don't be afraid to ask what their procurement process looks like, what's the next step, how you can make their job easier.

Fintech startup



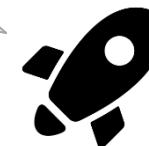
Be relevant and stay in front of their face. When they hear about a project at their company in your space, you want them to say "I'll call [your startup]" later.

Fintech startup



At some point, you should just walk away. Time you spend with an uncommitted client is time you're not spending finding a better client. You can always check back in a few months, and sometimes walking away gives them more of a sense of urgency.

Fintech startup



What happens if they say no?

- **Understand their objections** and whether you can address them. If you can help solve their issues, keep pressing to make yourself a partner.
- Build the relationship over time, and **stay on their radar**.
- Consider tweaking your value proposition or messaging to **appeal to a different part of the business or a different market**, but do not overinvest if you have received a firm “no.”

Flat out rejections and “no’s” are very rare. If that is the case, that company either has a closed-minded approach, or you pitched them incorrectly.



Fintech startup

If your pitch has been a real conversation with me, rather than a monologue, you probably will know from my questions and objections why I chose to pass.

Our company is so decentralized. Just because someone in the US tells you “no” doesn’t mean that you shouldn’t pitch to our operations in Europe or South America.



Large financial institution



Large financial institution

Firm “no’s” should be rare. If you get mostly firm rejections, consider evaluating and tweaking your pitch and messaging.

What happens if things are moving slowly?

In some cases you can accelerate the process...

Figure out what the barrier is. *Is it Compliance? Is it Tech?* Identify the barriers and what they are saying no to, and try to determine how you can change the nature of that conversation.



Fintech
startup

...and in other cases you have to play the cards that are dealt you.

Large financial
institution



Our team that manages IT integrations needs to be booked six to eight months in advance. We're a large, complex business. These things just don't move quickly.

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