

From Survival to Growth: How to Design Impactful Digital Finance Products for Small Businesses to Withstand Shocks and Grow – English Transcript

(Note: This transcript was AI-generated using [NoteGPT](#). Transcripts may include inconsistencies or errors, and some sentences have been condensed.)

00:15

Hello everyone, my name is Elise Montano and I am the Director of Measurement and Impact with Caribou Digital. We partner with ambitious organizations to rethink and create real impact in the digital age. We dig deep for insights, craft strategies, manage funds, and track results, helping our clients boost their social and environmental impact in a world that's going digital. Our four main services are fund management, impact measurement, advisory, and research. We focus on themes like livelihoods and prosperity, enhancing how people, families, and small businesses engage in the market.

00:50

We're diving into how digital business models and tech can create best practices, expand products and services, and reach everyone. We're also looking at climate action and sustainability, using digital methods to tackle local and global challenges in our warming world. Plus, we'll explore how to innovate and guide policies to build fair, just, and secure environments in this connected, tech-driven age. In this session, we'll highlight our latest impact.

01:23

We've got some solid evidence on how digital financing boosts the resilience of microenterprises. Our work with MasterCard, through a global initiative from the MasterCard Center for Inclusive Growth and implemented by Caribou Digital, has revealed some valuable insights into how digital finance affects small business resilience. We also gathered a panel of experts to chat about key design features that really enhance the effectiveness of finance products. Back in 2023, we kicked off the small...

01:55

The business digital and data-first evidence map is a carefully put-together collection of reliable information that helps us really grasp what works, for whom, and in what situations. This evidence map enables us to run more effective programs, see how our results fit into the bigger picture, and keep up with the latest research and best practices in

the field. It includes over 100 studies from 120 countries and shows the positive, negative, and neutral effects of digital initiatives.

02:29

It helps users spot and engage with research filters for various sub-themes that matter to their programs and quickly see if there are any gaps in the evidence. When we looked at the evidence map to find insights on resilience and digital financial products, we noticed several positive trends. First off, digital finance has been creating new opportunities to bridge the almost \$5 trillion gap in small business funding.

03:02

For small businesses that are having a hard time with regular banks, neo banks, marketplace lenders, and other new financial institutions have really helped broaden access to finance. For instance, a recent study showed that in India, 62% of financial service customers didn't have similar credit options before they got new digital loans. We've also seen that digital finance offers a wider range of financial services, especially credit products, for small businesses—everything from traditional loans to...

03:34

Marketplace lending, invoice trading, crowdfunding, and other digital finance options are opening up new chances for small businesses to get credit. Finance providers are also leveraging the digital footprints that these businesses create through things like payment processing, e-commerce, and financial management tools. These footprints give lenders valuable insights into a business's financial performance, transaction history, and operations, allowing them to better evaluate creditworthiness.

04:03

Businesses' creditworthiness can be assessed more accurately, which could lead to better loan terms and more affordable interest rates based on real-time data insights. Plus, we noticed that digital finance providers, free from the limitations of traditional banks, are creating products that better meet the needs of micro and small enterprises. This includes things like more integrated financial products or flexible terms, such as repayment options that adjust based on the business's cash flow performance once small businesses have...

04:35

They got new funding, and we found out they're mainly using it for day-to-day expenses and inventory. It's helping them manage cash flow better, which is super important during tough economic times. Having better access to cash acts like a safety net when things get rough.

Research shows that digital loans really boost the growth and resilience of small businesses. For instance, in India, 80% of...

05:07

...customers of Fund Fina said they're better at managing their money now. 90% noticed they were earning more, and 74% felt less financial stress after getting loans. In Southeast Asia, 78% of digital finance service users said their income went up because of a loan. Over in Nigeria, 80% of Sav customers found that new credit options from Accion Micro Finance Bank helped them tackle financial issues. We also found that digital finance offers a bunch of benefits.

05:43

"Small businesses are seeing more good results these days. Besides just growing and bouncing back, new digital banks can often approve and distribute loans much faster than traditional banks. For instance, in Colombia and Chile, quick government-backed loans during COVID-19 were crucial for many businesses to make it through the pandemic. Plus, these digital financial services usually focus on the customer, which really helps small businesses and leads to greater satisfaction."

06:15

Digital-first solutions, like mobile money loans, often give women more control over their finances and boost their economic empowerment. For instance, a recent study in Uganda found that after eight months, women who received microfinance loans through digital accounts had 11% more business capital—about \$70 extra—and made 15% more profits, which is an additional \$18, compared to those who got cash loans. This is just a glimpse of the many benefits that digital finance products can offer.

06:50

For small businesses, what we've learned from the evidence map is that successful digital credit products have certain design and delivery features. First, they usually come bundled with other support, like access to digital marketplaces, training programs, or different types of financial products. Second, they're often embedded solutions, meaning they're integrated into both financial and non-financial platforms that help small businesses access them.

07:22

They're offering credit through the digital platforms people already use, so you don't have to sign up for another app or website. Plus, they're tapping into alternative data from users'

digital footprints on these platforms. They might also be using behavioral insights and gamification techniques to encourage responsible borrowing habits, like timing reminders perfectly or making the repayment process more game-like. And sometimes, they even throw in some skills training to help out.

07:54

When it comes to using DFS or other business skills to boost small businesses' financial know-how and management skills, it's clear that growing digitally can be tough and risky. Our research shows that while digital finance can really help, it might also widen the gap between small businesses that are going digital and those that aren't. That's because digital finance needs a basic level of digital skills, and not all small businesses in Colombia have that. In fact, about 50% of them are just scraping by.

08:28

People who are integrated into the system and those who don't have bank accounts have said they'd use digital payments more if they got enough training. We also need support from regulatory frameworks to encourage responsible innovation in the digital finance space. For instance, Ghana's national movable assets collateral registry has helped facilitate over \$26 billion in asset financing since 2017. Lastly, we need strong data protection measures to build trust in digital finance as we move ahead. This new evidence clearly shows a...

09:03

Imagine a world where digital financial services can really help small businesses thrive. Today, I want to introduce our panelists—a mix of creative digital solution providers, researchers, and people actively working in small business support and digitalization. First up, we have Ady Beitler, the co-founder and CEO of Nilus, an Argentinian social enterprise that leverages technology and sharing economy models to cut down on food loss and waste.

09:37

Bui Hai-Nam is the CEO and Co-Founder of SoBanHang Vietnam which is the leading software solution platform in Vietnam that helps small and micro businesses sell more, manage better, and get access to inclusive financial services right on their smartphones. Joseph Kuvor is the CEO of Boost Ghana, a B2B commerce platform that empowers small retailers across Africa to streamline their distribution of fast-moving consumer goods using data-driven insights and embedded credit products to improve their cash flow. Marco Del Rio is the program director for MasterCard Strive in Mexico.

10:11

BFA Global is working to help 990,000 micro and small businesses become more resilient. Also, Swati Sawhney is a top researcher in micro and small business finance. Her work focuses on inclusive embedded finance for micro retailers, showcasing both the benefits and challenges of tech innovations in finance that could change how people access money and B2B e-commerce platforms. Now, before I pass it over to our panelists for some questions, I'd like to invite everyone to drop their questions in the chat.

10:43

"We'll have some time at the end to answer some of your questions, and for the ones we can't get to, we'll follow up via email. Now, I'd like to turn it over to Joseph and Ady. You all provide credit solutions for small businesses, along with software that helps with financial management, inventory control, or distribution. What have you learned about designing effective products or delivery methods that really make a difference for small businesses?"

11:20

"Alright, Joseph, I'll start with you. Thanks a lot for sharing your insights earlier; they really hit home for us. In our experience, we've noticed there's a lot of mutual skepticism between fintechs and traditional financial service providers. This comes from a mix of misunderstandings on both sides. Sometimes the fintechs have misconceptions, and the same goes for the traditional providers. They've tried different approaches, but..."

12:00

I bled a lot trying to provide financial services, especially credit solutions, for small businesses. These efforts have just widened the gap. We've found that the best way to make an impact and encourage adoption is to integrate these solutions into the day-to-day operations of the businesses. For example, by incorporating credit and payment options into the purchasing process for someone buying inventory to sell.

12:44

"Procurement is basically the process of buying or selling stuff. If you can work the solution into credit sourcing or utility purchasing, it becomes part of the business's everyday operations. That helps ease any concerns because they have to do those processes regardless, and it builds trust. So that's one way to tackle the mutual skepticism. The second way is that once you integrate things smoothly and use their data, you open up the potential to scale."

13:25

You might be restricted by your own resources, so in our situation, we kicked off a pilot with just 100 small businesses. Once we got them set up with an ordering process, we noticed they were really getting into it and wanted more credit to buy stock to sell. However, we were constrained by our own resources, so we teamed up with MasterCard. Their role is to boost our credibility with traditional financial service providers who have the necessary licenses.

14:00

"We're looking for partners who have the financial resources and regulatory support to help us move forward. The MSCs have some misconceptions about going directly to traditional financial service providers. By teaming up with MasterCard, we gain credibility and access to the resources of these traditional providers. This allows us to expand our credit offerings and simplifies the integration process so we can successfully partner with these institutions and get things up and running."

14:36

"With the MSS, we're making credit available to them. So, to sum it up, we're mainly recognizing the mutual skepticism and using these partnerships to boost our credibility so we can grow. Thanks, Joseph, that's really interesting. Hiam, it's your turn! Oh, you're on mute. Got it! So, one thing we learned about creating products for these micro and small businesses is that, coming from the bank, we can't just push products on them; we really need to develop the product."

15:21

"To get them on board, we need to understand that if we act like a bank and push too hard, there are specific reasons they might reject the product. Even if they offer them a credit product, it might not be suitable or priced right, and it poses a high risk for the lender. That's what we've learned. Through this process, we're developing the product with two key points in mind. First, I completely agree with Joseph; since we're creating an embedded product, we need to integrate it into the right workflow and processes."

15:56

To get the right process, when we have a small business trying to access credit through e-commerce, they often run into cash flow issues because the product is shipped to the customer, and they don't get the money back right away. We use data to determine the appropriate credit level and how much we should lend to the customer. The second part is that we need to use their own business data to decide on the right product.

16:33

The main idea is to make it quick and easy for them to adopt our product without facing high costs that they can't manage. So, we lower the price, which also lowers their risk. We start by giving them a small amount of credit to make it simpler for them to get on board, and that way, we don't have to stress about the risks involved. That's the gist of it.

17:05

We figured out that we need to develop the product differently, kind of like Bine. We have to attract customers by creating a really convenient workflow for them, making sure we have the right product at the right price right from the start. Thanks, Ham! I think that really aligns with what Joseph was saying too. Over to you! Yeah, thanks! I want to emphasize the word "trust" that you brought up, and both Ham and Joseph touched on it as well. In our case, we...

17:46

We're working with women leaders in communities who are handing out essential goods to low-income folks in food deserts all over Latin America. The way we've set up our solution and are expanding it is pretty much like what Joseph said—by integrating our technology into the community's current practices and traditions. We're connecting with people who already know each other, where reputations matter and one person's actions can affect the whole group.

18:26

We're also using some principles from microfinance, where the whole community essentially owns the credit that's given to them. We're focusing on essential goods and acting as a retailer that offers credit, allowing clients to pay us back later. It's a bit different from regular consumer lending, but when we're designing it, we need to integrate the technology into the processes the community already uses and build trust with them. I think those are the two most important parts of the product.

19:04

Thanks, Ady. So, about the design we talked about earlier – I really think the ideas of trust, risk, and building relationships play a huge role in the work Marco and Swati are doing. Marco, Swati, you both have done a lot of research on the digital finance scene for small businesses and really get the opportunities our panelists have mentioned. What do you see as the biggest challenges and possible downsides of embedded credit products?

19:37

"For small businesses, what should we be keeping an eye out for or including in our products to reduce some of these risks? Marco, I'd love to kick things off with you. Thanks, Elise, and I appreciate the chance to talk here with you—I'm honored to be on this panel. So, I'll start by saying that embedded finance products really offer a great opportunity to help small businesses by giving them quick and easy access to funding. But, as you pointed out, there are also some big challenges that come with it."

20:09

That can really hurt small businesses if it's not handled right. One big issue is the risk of getting too deep into debt. If these products don't match up with the business's cash flow and growth potential, they can turn into a problem fast and add more financial stress instead of easing it. We've also seen that digital services and access to credit played a huge role in helping businesses adapt during the pandemic. However, women-led and smaller businesses are still struggling.

20:47

"They have some downsides; they're usually less tech-savvy and more susceptible to economic downturns. So for these businesses, it's more crucial than ever to realize that a one-size-fits-all approach to credit just won't cut it. They need a mix of tech and personal support—using digital tools along with some good old-fashioned human help to guide their decisions, and we really need to focus on that personal touch. Another important point is the mental strain many small business owners deal with when managing day-to-day operations and finances. It can be super overwhelming."

21:25

One of the best ways to get people to use better credit products is by making tools that simplify things. For instance, automating routine stuff like pricing and tracking finances can give business owners more mental space to focus on growth and strategy. One of our partners is offering these kinds of services to their clients. Plus, these products need to show immediate value to really catch on. We've seen this trend all over the world.

21:55

Research shows that small businesses are more likely to use financial tools if they see clear and immediate benefits instead of just the promise of long-term gains. This insight is really important for creating credit products that address small businesses' immediate needs and help build their trust and loyalty. Another risk we've found is designing products based on the assumption that all small businesses want to grow and need credit. Our

research indicates that while almost all small businesses want to survive, it's not always the case that they all need credit.

22:34

"Keep their businesses running isn't just about wanting to grow. A lot of the smaller companies think that expanding means dealing with big costs and risks, like managing changes, having less family time, stressing about their credit, needing more oversight when hiring, getting noticed by tax authorities, and figuring out new ways to make money. These worries are especially common among the smallest businesses, like I said before."

23:04

I guess you could say that stability feels safer than going for quick growth, and it's super important to manage risks well. We really need to understand the specific market segment we're dealing with because not every MSC needs credit. It's more about creating products that help meet the business goals. Alright, now I'll hand it over to you, Elise. Thanks, Marco! Actually, I'll pass it to Swati. Thanks a lot, Alisa. It's tricky being the last one to talk since everyone else has already covered a lot.

23:41

There are things I wanted to say, but it also pushes me to think of something new. So, I want to start by agreeing with what Marco mentioned about not all small businesses being focused on growth. It's really refreshing that we're having a conversation centered on resilience because I believe that's just as important a measure of success for the financial inclusion community.

24:09

I think we've discussed how the other panelists are reaching out to underserved customers. There's no doubt that embedded finance, and digital finance in general, plays a crucial role in promoting financial inclusion for various groups. As we've mentioned, there's more flexibility and access when it's needed, but it also comes with some risks, as Marco pointed out.

24:38

A few things I'd mention are that we've really paid attention to data privacy and security issues in our work with embedded finance. There's also the worry that small businesses might rely too much on platforms, which can limit their ability to negotiate. So, there are definitely a lot of challenges going on behind the scenes. However, there are strategies we

can adopt in product design, like making sure to clearly communicate the terms and conditions of the products that these small businesses are using.

25:07

"Be more careful about setting credit limits to avoid overborrowing and offer repayment plans that fit the business's cash flow. Also, invest in educating people about the products. I mentioned earlier that data security is super important, and providers really need to pay attention to that. But I think one thing Marco brought up that doesn't get talked about enough is..."

25:35

In the financial inclusion space, people often see MSMEs as one big group, but that's not the case. Small businesses aren't all the same; they're really diverse. If we want to help them and tackle some of the risks, we need to look at them individually. By breaking them down based on important factors like their size, industry, location, financial health, growth stage, and the owner's background and motivations, we can better understand and meet their needs.

26:03

We need to get better at handling the risks associated with financial services, especially digital ones. This could mean using segmentation to provide credit products that fit the financial situations of different businesses. For example, a fast-growing startup might require a bigger credit line with more flexible repayment options, while a small seasonal retail shop might be better off with smaller, short-term loans that match their cash flow.

26:32

You can break things down into different groups to create better risk assessment models. This way, businesses that are more unstable can face tougher risk evaluations, while more stable businesses might get faster access to credit. Also, segmentation can play a key role, as some other speakers mentioned, in packaging non-financial services that are specific to certain sectors. Marco touched on this, discussing the benefits we can offer these businesses.

26:58

They'll catch on to this really fast, so cash flow management calculators for service businesses or inventory financing options for retailers are just ways to help these companies handle their finances better. The key point I wanted to mention, and Mar already touched on this, is breaking things down based on digital readiness or capability.

Our research shows this is super important because if we don't address it, we're at risk of falling behind.

27:29

We're at risk of leaving behind the more vulnerable businesses—like those run by women and smaller companies that aren't really set up for the digital world. It's like we're facing the same issues with digital finance that we had with traditional finance. So, it's super important to consider the negative effects of widening this digital divide and to create products that take into account how ready each of these businesses is for digital tools. In short, I think it's crucial to focus on segmentation.

27:57

"Talking about responsible design in embedded credit and digital finance products, it helps credit providers tune their offerings to better fit the needs of small businesses. It also helps reduce the risks of over-borrowing and defaults. Overall, I think it can make the small business ecosystem stronger. Thanks, STI! That's really interesting, and I'd love to ask some questions about it. I think we'll get to that soon, but before we do..."

28:26

"Before we wrap up, I want to give each panelist a quick lightning round—just 60 seconds or less. What's the main takeaway you want people to remember about using digital financial services to boost resilience and growth in small businesses? Swati, let's start with you. Thanks! I want to emphasize what Marco mentioned earlier. Our research shows that when you consider..."

28:56

When it comes to digital finance, I believe we really need to learn from communities and small businesses. For the foreseeable future, a blend of high-tech and high-touch is definitely the way to go. Sure, there are some companies that have gone completely digital and done well, but in our experience, when we look at many providers out there, it seems like there's a lot more inclusivity with payment wallets and remittances, but not so much with credit. So, that's what I think.

29:23

When it comes to giving out credit, I think the Hightech T approach is definitely the way to go. You have to meet borrowers where they are in their digital journey and help them progress. That's my main takeaway. Thanks, Swati! I see a lot of agreement on the panel.

Ady, it's your turn! Yeah, I'm nodding along too. On top of that, the traceability that technology offers enables alternative credit scoring methods. For instance, in our...

30:01

As a retailer, we know when customers pay their bills on time, and we can access that info from three years ago. Using technology and improving transparency has led to new ways of credit scoring, which are really important for building trust in the community. Thanks, Joseph. Any last thoughts? Just wanted to say that what we're doing isn't easy, and that's why this problem has stuck around for so long. It takes a systems-thinking approach to tackle it and get everyone involved.

30:46

"We're looking at all the different players in the value chain, the regulations, and the partnerships that help us tackle this issue effectively. Thanks, Joseph. Partnerships are really crucial. So, to add to that, I think it's about creating the right product, setting up the right workflows, and pricing it correctly. Ultimately, we need to make sure the fund is managed well, especially when we allocate funds—they need to go to the right purpose if that's what we want."

31:28

"We're looking to grow the business through CAPIC expansion. We need to make sure we pay the right suppliers, so we ensure that the funds we distribute are managed properly. Thanks! And Marco, I just want to reiterate what I said earlier—I'm really learning a lot from this panel. Digital financial services can truly transform MSMEs by giving them access to essential products."

32:08

Businesses need to make data-driven decisions that promote resilience. We've learned that the best digital financial solutions start with a solid understanding of what customers need and involve ongoing product tweaks to stay relevant. Also, it's important to realize that not all small and medium enterprises (SMEs) are all about growth; many focus on staying steady instead of expanding because of the risks and costs tied to scaling up. For these businesses, the solutions offered need to be immediate.

32:42

"Thanks, Marco, and thanks everyone for your insights so far. As we mentioned earlier, we're now going to take questions from the audience. So if you have any, feel free to drop

them in the chat or the question box, and we'll get to them. But first, I have a question after hearing all the great points you've made, Marco and SWAT really covered a lot."

33:16

We're dealing with a lot of risks and challenges in this sector, like overleveraging, the need for financial education, and figuring out if small businesses are ready for the tech solutions we're offering. I'm curious, Bui Hai-Nam, Ady, Joseph, how are you handling these challenges in your products? What are your thoughts on this? Feel free to jump in, anyone. So, like I was saying...

33:58

The panel was discussing how I could categorize different MSSE owners based on various points. For example, when it comes to PE segmentation, not all MSSEs are looking for growth. I know some of our customers, especially those in pilot stages, who say they don't want to grow their business. Even though the data shows they could almost triple their business with more working capital, they're just not interested.

34:40

So, we want to make sure there's good communication, and that's where Hightech High comes in. We have account officers or account managers that we assign to different segments. They give first-line support to the MSC because in B2B lending and many B2B businesses, it's important for people to feel like there's someone they can contact if they run into problems or need help. Having these account officers to provide that support has really made a difference.

35:15

To tackle these challenges and support MSS during the transition, that's one approach we've taken here. Thanks, Joseph. Bui Hai-Nam, Ady, any thoughts? Yeah, so for us, I just want to emphasize my point about creating a product that pulls users in rather than pushing it on them. It's really important for us to develop the S AIT tool that users can utilize every day. By doing this, we can better understand their behaviors, their workflows, and the data needed to provide the right product and integrate it into their workflows effectively.

36:08

"We're not just trying to sell them something like other financial institutions do. Thanks, Ham. If you want to add anything, feel free. If not, I can move on to another question. I see we have one from the audience about everyone's favorite hot topic right now—AI, and maybe to a lesser extent, blockchain. This person is researching blockchain and AI in

fintech. They're asking what the benefits are for both borrowers and lenders in the community."

36:49

Are any of you in the financial inclusion community starting to explore this technology? What do we know about AI's role in financial inclusion? I can share our experience—AI has been super helpful for our internal processes. It's great for analyzing databases, spotting patterns, and assessing clients' creditworthiness based on their activity on our platform. But we haven't really seen it as useful for customer interactions yet.

37:30

We're dealing with a challenge here because, in America, most of the models are in English, which makes it tough to translate into Spanish. But the big thing is that when you're trying to earn a client's trust, it's super important they feel the company is responsive. That's our situation— we're working with low-income communities in Latin America that are really lacking support from current financial institutions. Maybe we're just being a bit too careful about it. It's definitely pretty cutting-edge stuff.

38:12

"Honestly, I think it's safer to be cautious rather than go all out with experimentation. There's a lot of risks we're seeing with the rise of AI right now. Alright, we have another question from the audience. Small businesses often struggle with their profit margins, especially when external issues like supply chain problems or rising interest rates hit, particularly in emerging markets. Can anyone share examples where this pressure has actually been relieved?"

38:46

We're using innovative digital finance products, right? So, our offering is that we integrate into inventory. It's similar to buy now, pay later solutions. We've created really straightforward tools that our account officers use with retailers to figure out what we call the unit economics. This helps retailers understand which products or SKUs they should use the financing for to make sure they're turning a profit. If we find that the unit economics aren't adding up, then we'll take action.

39:35

"Don't suggest to the retailer that they should take the stock. So, one way we handle this is with a simple tool that shows them their costs and margins. It calculates the cost of the facility they're considering—will they make a profit or just break even? Then, we need to

chat with the retailer before they go ahead with it. Thanks, Joseph. We've got another question about how different providers are doing things and if we know anything about that."

40:11

"Using alternative data without breaking any privacy rules is crucial. Swatti, you talked about how important data privacy and security are. So, Joseph, how are you able to leverage the platform data you get from your services? Are you sharing it with financial institutions to help them provide loans or credit? In our case, we use our data to help the financial institutions build their models, but it's just sample data, not actual data."

40:52

We've got real data, so we have thousands of sample data points to share with the financial institution to help them build their model. Once that's done, we take that model and apply it to our product. We run it against our existing customer data to figure out loan eligibility. Then we can tell customers, "Hey, you're eligible for this loan." If they agree to take it, they'll need to share some specific information with the bank. If they're on board, then we move forward.

41:37

So, about that loan, I'm all for it since they're sharing it with the seller's okay. This is how we roll here in V. Thanks, Ham! I'm guessing no one else wanted to chime in on that. Anyway, I've got another question I wanted to throw out there. I was curious if you had any thoughts on what regulations or practices have been effective in the different countries where you guys are focused, which have helped bring about more innovative financial solutions.

42:21

What kind of regulations are pushing the industry ahead, and what's holding you back? In Mexico, I can think of a couple of initiatives. One is promoting the formalization of MSS, and the other is actually hindering financial inclusion. So, starting with the first one, about three years ago, the tax authority rolled out a new tax scheme where basically everyone...

43:05

There's a certain income level that isn't low, and it should really just be taxed at 1% of their total income. This gives a lot of people the chance to start paying taxes and formalize their financial situation for the first time. On the flip side, what's holding back wider access to financial services is the open banking and open finance regulations. Back in 2018, Mexico created its fintech law, but even now, there's still a lot to work on.

43:48

They're still figuring out how the financial service providers will connect and coordinate with each other to share their APIs so they can access information. It's been six years since that fintech law, and they're still not done. I think Marco made a great point—there are really two sides to what we're seeing in the regulatory landscape. On one hand, they're trying to create new regulations.

44:26

We're trying to get providers to make finance easier to access for small businesses and low-income communities overall. A lot of this is happening through regulatory sandboxes, and like Marco mentioned, we're looking for innovative regulations. But it's tough because, especially with embedded finance, they're often regulating entities that traditionally wouldn't be seen as financial service providers, so it's a tricky situation.

44:54

What we're noticing with a lot of regulations is that they're really focusing on data privacy and security. They want to create better data protection systems and stronger laws about data security and privacy. As Ady mentioned earlier, the biggest challenge we're facing, and will keep facing, is consumer trust. So, I think regulators have a crucial role to play in this.

45:20

"We're seeing systems that build more trust in these providers, so there's definitely some progress happening on both sides. That said, there are still some regulators who are kind of missing the mark and going overboard with their rules and oversight. But overall, there's some intriguing movement in both areas. Thanks, everyone. That wraps up our time for today. I want to thank all our panelists for sharing your insights."

45:51

I think we've done a great job raising awareness about how digital and data-first solutions can tackle the financial challenges that small businesses are up against. Thanks to everyone for joining in and for your fantastic questions; I really enjoyed the session. Just a quick reminder that Caribou Digital has put together similar reports on digital tools, including AI, women's economic empowerment, digital financial services, and even geospatial tools.

46:21

You can check out our evidence map for small businesses on the MasterCard Strive website, where we share insights and data to help small businesses become more resilient

and grow. We'll be releasing an update to the evidence map at the end of the month with 30 new studies, so keep an eye out for that. You can follow Caribou on LinkedIn or sign up for the Strive Community newsletter if you want to learn more. And of course, feel free to connect with any of our speakers too.

46:48

"Thanks a lot, everyone, for your time today! Catch you later!"