

FinYou helps add value to SMEs

 By [Evan-Lee Courie](#)

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[FinYou](#) is a purpose-based lending solution that links merchants with funding from financial institutions. It allows merchants (retailers, educational institutions, e-commerce business etc.) in various industries to offer their customers the ability to finance the purchase of their goods or services, through leveraging off the FinYou system.



PJ Slabbert, chief executive officer of Clear Group Holdings, the parent company of FinYou, shares insight into the fintech solution...

■ ***Can you tell us a bit about FinYou?***

FinYou is a fintech business based in South Africa. We offer a seamless point of sale loan application portal that allows businesses to sell their goods and services to their customers with a finance/credit option. FinYou is used by over 2000 physical and online businesses in South Africa across most industries.

■ ***When, how and why did you get started?***

We actually didn't start FinYou, we invested in the parent company, Clear Group Holdings in 2017 and then eventually acquired 100% of the group later in the same year.

“ FinYou’s ability to act as a true solution to the digital transformation in the banking world coupled with the significant value that it adds to thousands of SME’s in South Africa made it very clear that there was a lot of value in the businesses as well as significant growth potential. ”

■ **What is the core function of FinYou?**

FinYou has three core functions. Firstly, FinYou enables businesses to sell goods and services to their clients through a finance option. They have no risk and no admin as it is a cash sale that we facilitate, this increases their sales and their cash flows.

Secondly, we act as a purpose-based loan originator for our banking partners. This is done at a fraction of costs associated with a physical branch as effectively the bank has over 2000 digital branches.

Lastly, we enable people to “finance their dreams” as they are able to buy a product or a service that they would not ordinarily be able to buy.

■ **What are some of the obstacles you’ve had to overcome since starting out?**

Initially, when we started our journey, we had to make many changes to the business. The core product has always been brilliant, but we needed to create a better experience for our clients.

As with all early-stage businesses we were also faced with the classic situation of high growth whilst balancing the act of managing our resources effectively. This was however very important over the long run as the strategic decisions we made early on have proven to be incredibly valuable especially during the challenges surrounding the current business landscape.

■ **Covid-19 and the national lockdown has impacted many businesses. What impact did it have on FinYou?**

We are fortunate that everyone in our group can work remotely given the fact that our business is digitally based. This is unfortunately not the case for many businesses which are some our clients and partners – this ultimately slowed down some levels of our transactional activity.

Initially, new business development was also not at the usual high levels as many business owners were not in the right frame of mind to make decisions and they needed to get used to the “new” way of doing business in a non-face to face environment. This forced us to quickly adapt and find new and innovative ways to ensure our continued growth.





■ ***How did you prepare for the lockdown?***

Most of our business operations can be run remotely given that we are a digital business, so we have been incredibly fortunate. This allowed for a quick and easy transition from the office to the home working environment. We were expecting that a lockdown would happen and instructed most of the team members to work from home a couple of weeks before.

This allowed us to get used to the home working environment as well as to iron out any operational issues prior to the national lockdown. We also ensured that there were daily calls across the various departments and teams to ensure that there would always be constant communication and continued collaboration.

■ ***What's the biggest challenge you are facing during this pandemic?***

Our vision is to be a world-class fintech business, that delivers exceptional value-creating services to every one of our clients and partners.

“ With all the media coverage regarding the pandemic and the state of the economy, we had to increase our efforts to keep all team members positive and to not be influenced negatively. ”

This proved challenging as we had to reinforce our vision more than ever to ensure that everyone in our organization is well aligned and still moving forward towards our greater goal.

■ ***What sort of assistance will you need going forward?***

With hundreds of businesses joining FinYou every month, we are growing at quite a strong pace and we obviously want to continue to do so. In order to maintain the momentum, we are constantly looking for new strategic partnerships and collaborations to offer our great service to as many businesses as possible.

We are also in the process of raising a new round of capital from outside investors to accelerate our growth as well as to better our technology and product offering which is very exciting for us.

■ ***As the country moves to Level 3 on 1 June 2020. What steps are you taking in preparation?***

Like many businesses, we are excited to see higher levels of activity again and we have really taken the steps to prepare ourselves to gain as much of the market as possible. Our product and service are certainly better positioned due to the effects of the lockdown and we want to ensure that we capitalize on the best opportunities we have. In order to do so, we are doubling our efforts on scaling the business as well as being extra hands-on with our clients.

We have also created strategic partnerships with other Fintech companies to create great solutions for businesses all over the country.

■ ***What measures have you put in place for your employees?***

The safety and wellbeing of every team member is very important to us as they are the core of our organisation.

Most of our staff can work from home and will continue to do so for as long as possible until we have comfort that it is safe to return to the office. The team members that will be working from the office are more on the business development side and they will be systematically phased in over the next few weeks. It is important for us that our team feels safe and

comfortable and based on that we are not too hasty on them returning to the office.

For those that are going to be at the office, we have created certain policies in line with best practices to make it a safe working environment.

■ ***Are you communicating with your customers? If so, how?***

Yes, we are communicating with our clients and definitely more so than ever before.

Most of our communication is via video calls, email campaigns and our various social media platforms.

“ We have a very interactive approach to our clients as we always need to understand where we can help them and where we can improve our businesses. ”

Given that we have over 2000 businesses of various sizes, we have gained substantial insight into the actual impact of lockdown and have been able to create solutions based on the real needs of businesses now and going forward.

■ ***What do you predict the next 6 months will be like?***

As mentioned, we have thousands of businesses across all industries as our clients, which has given us the unique opportunity to really understand what each business is experiencing and expecting going forward.

“ There is no doubt that it will continue to be a challenging business environment in South Africa, many businesses will have a tough time and will need to make significant changes to ensure that they survive. ”

In most cases, the way we transact and do business will change quite a bit. The Adoption of a digital approach to many aspects of the business world has certainly been accelerated - which I think in the long run will prove to be very beneficial.

Although the impact of the lockdown has been adverse for most of the economy, we believe that going forward there will be many new opportunities that will come about. The key is to position ourselves to take advantage of the changes that will happen, and we look forward to our continuous pursuit of creating solutions that will add value to as many businesses as possible.

■ ***How has FinYou been innovative during these challenging times.***

The lockdown forced us to take a hard look at our business and to really assess our strengths and weaknesses. In doing this we were able to better our product in many ways. We have made it much easier to become part of our merchant network by cutting out 90% of the onboarding process, a business owner can now just go onto www.finyou.com and sign up very quickly.

We have also added to our suite of services as we now offer access to business finance through our partnerships with alternative lenders and we will be officially launching our digital layby product called eLayby across all our clients.

We also took the opportunity to be more aggressive and dynamic in our customer acquisition strategies which is starting to get really exciting for us.

■ ***What has been your biggest lesson from all this?***

The biggest lesson I have learnt is that a strong support system is unbelievably valuable, and we are fortunate to have that through our team, shareholders and advisors. During the lockdown, we saw many businesses react in various ways and I

think many business decisions and actions were made in a state of panic. We were able to remain calm and actually assess what our best strategies would be not just to navigate through the lockdown, but how to position ourselves for the future.

“ I also once again realised the importance of running a lean business model and to manage our costs effectively. ”

We were fortunate that at the end of 2019 we implemented changes to our cost structure and completely cut out any unnecessary expenses. Although this was a difficult exercise to go through at the time, we have definitely seen the value during this period.

Our persistence and focus on our greater vision, combined with the support we have received places us in a great position for the future!

ABOUT EVAN-LEE COURIE

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