

# Creation of SME Ecosystems

## Why and How?

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## About Partner HUB

- Partner HUB enables banks and financial service providers to orchestrate/participate in open finance and open data ecosystems by integrating financial services and e-invoicing
  - White label SME invoicing technology embedded into online/mobile banking channels
  - Invoice presentment for retail and SME customers
  - Integration of e-invoicing and request-to-pay
  - Technical layer to flexibly manage invoice data

# SMEs have been underserved by banks



47%

of SMEs believe that banks don't try to understand their challenges

14%

of total SME funding needs are met only

70%

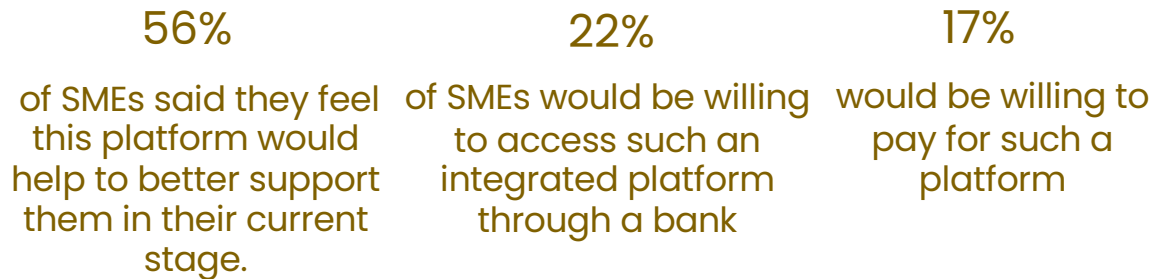
of the growth of economic output will be created by ecosystems in coming decades  
SME needs will be served by the SME ecosystem

Source:  
McKinsey: How banks can reimagine lending to small and medium-size enterprises  
McKinsey: A digital approach to SME banking  
PartnerHUB analysis



## SME ecosystems will emerge: banks can act as ecosystem orchestrators and/or provide embedded finance services

SMEs will expect a fully integrated platform from which to access not only financial products, but of all the services they need to run their businesses.



"Banks who do not build their own platform infrastructure will likely join third-party marketplaces, but potentially lose out on a new revenue opportunity."

Source:  
McKinsey: A digital approach to SME banking  
EY Global: The five-step journey to SME banking transformation

### SME top 5 priorities

- Growing the business
- Talent acquisition and retention
- Supply chain management
- Managing cash flow
- Taking care of administrative tasks

# What is a business ecosystem?

"A business ecosystem is

- a **purposeful business arrangement** between two or more entities (the members)
- to **create and share in collective value for a common set of customers.**

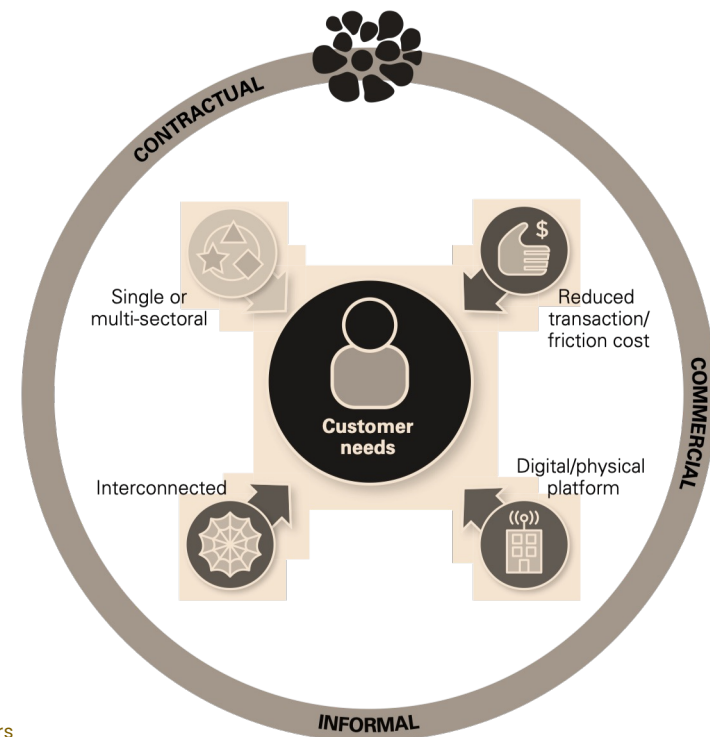
Every business ecosystem has **participants**, and at least one member acts as the **orchestrator** of the participants. **All members** in a business ecosystem, whether orchestrators or participants, **have their brands present** in the value propositions."

"Within the emerging world of ecosystems, the **goal is to own your customers, to follow and guide them on their journey** and build a model that **serves their needs at critical junctures.**"

Source:

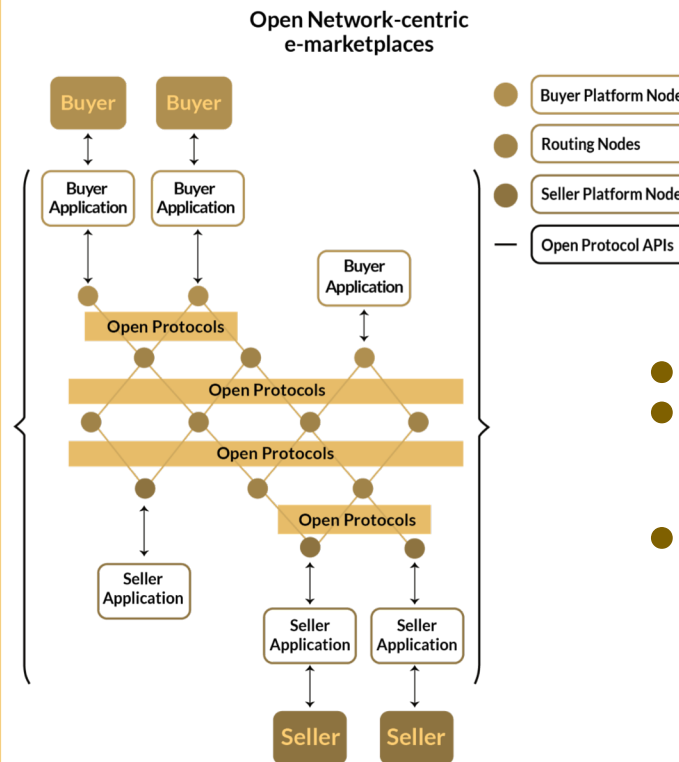
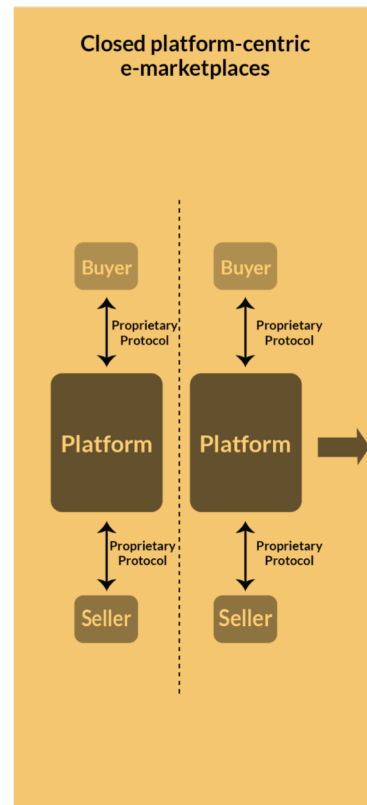
Venkat Atluri, Miklós Dietz: The Ecosystem Economy. How to Lead in the New Age of Sectors Without Borders  
EY Global: [https://www.ey.com/en\\_in/alliances/what-business-ecosystem-means-and-why-it-matters](https://www.ey.com/en_in/alliances/what-business-ecosystem-means-and-why-it-matters)

A complex connected community of interacting digital/physical business organisms.



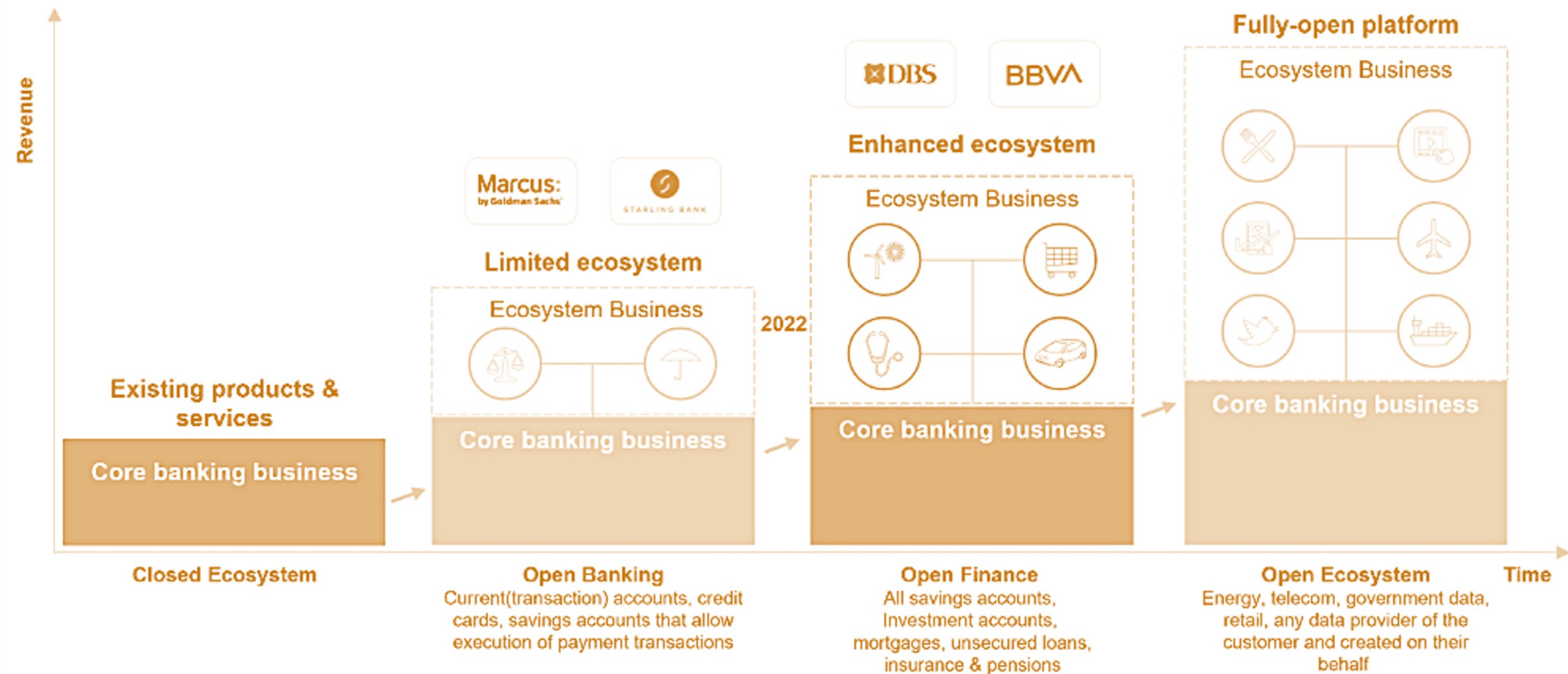
# Closed vs open ecosystems

- Single ecosystem orchestrator
- Proprietary APIs published by orchestrator
- Ecosystem participants must integrate with each orchestrator separately
- Limited number of participants



- Open protocols
- No separate integrations needed
- Unlimited number of participants

# UK Industry Context



In embracing the **marketplace** model, banking, insurance & financial services firms can successfully **reduce the dependence on legacy / core systems** and **reap benefits from the ecosystem** of partners.

# Closed ecosystem example ecosystem orchestrator – Starling Bank



A screenshot of the Starling Bank website's "Services currently available" page. The browser address bar shows "starlingbank.com/current-account/personal-finance-marketplace/". The page header includes the Starling Bank logo, an "Apply now" button, and a "Log in to Online Banking" link. The main content area is titled "Services currently available" and includes a sub-header "Categories" with tabs for "All", "Insurance", "Credit Scores", "Mortgage Brokers", "Pensions", "Loyalty &amp; Receipts", and "Savings &amp; Investments". Below this is a section titled "Existing services include" which displays a grid of ten service provider logos: Anorak, Churchill, CreditLadder, Habito, Penfold, PensionBee, So-sure, Tail, and Wealthify.

Source: Starling Bank homepage



# Closed ecosystem example ecosystem orchestrator – ICICI Bank

A screenshot of the ICICI Bank website's 'BANKING +' section. The page features a navigation bar with 'BUSINESS +', 'PERSONAL +', 'NRI', 'CORPORATE', and 'GIFT CITY' tabs. Below the navigation is a search bar and a list of service categories: CURRENT ACCOUNT, TRADE, CMS, BUSINESS LOANS, MERCHANT SERVICES, and OFFERS. The main content area is titled 'BANKING +' and includes a sub-header 'Manage & grow your business: Special discounts & offers on our Partner Platforms to help you scale up your business.' To the left, there is an image of a hand holding a smartphone displaying the ICICI app interface, with a 'Manage & Grow your Business' overlay showing icons for Accounting, Tax Filing, Market Analytics, and Business Networking. To the right, a list of partner services is provided:

- Finance and Accounting: Zoho Books, Ledgers
- Tax: IndiaFilings
- Online Marketplace: GlobalLinker, Vanghee
- Digital Transformation: Sherlock
- Office Management: Airtel, Microsoft
- HRMS: greyHR
- eTenders: Tata Nexarc.

Source: ICICI Bank homepage

# Embedded finance example – BBVA



The screenshot shows a web browser at the URL `bbvaapimarket.com/en/financial-solutions/digital-ecosystems/`. The page features a dark blue header with the BBVA logo and navigation links for Solutions, APIs, Developer Center, and API World. The main content is organized into a grid of five solution cards, each with an icon, a title, a brief description, and a "More information" button.

Country	Solution Name	Key Benefit
Spain	Customers	The best way to get to know your user
Spain	QR Pay	Expand the boundaries of your trade
Spain	Checkout Financing	Build customer loyalty and boost your sales
Mexico	Accounts	Added value for your business
Mexico	Auto Loan	The ultimate boost to your sales

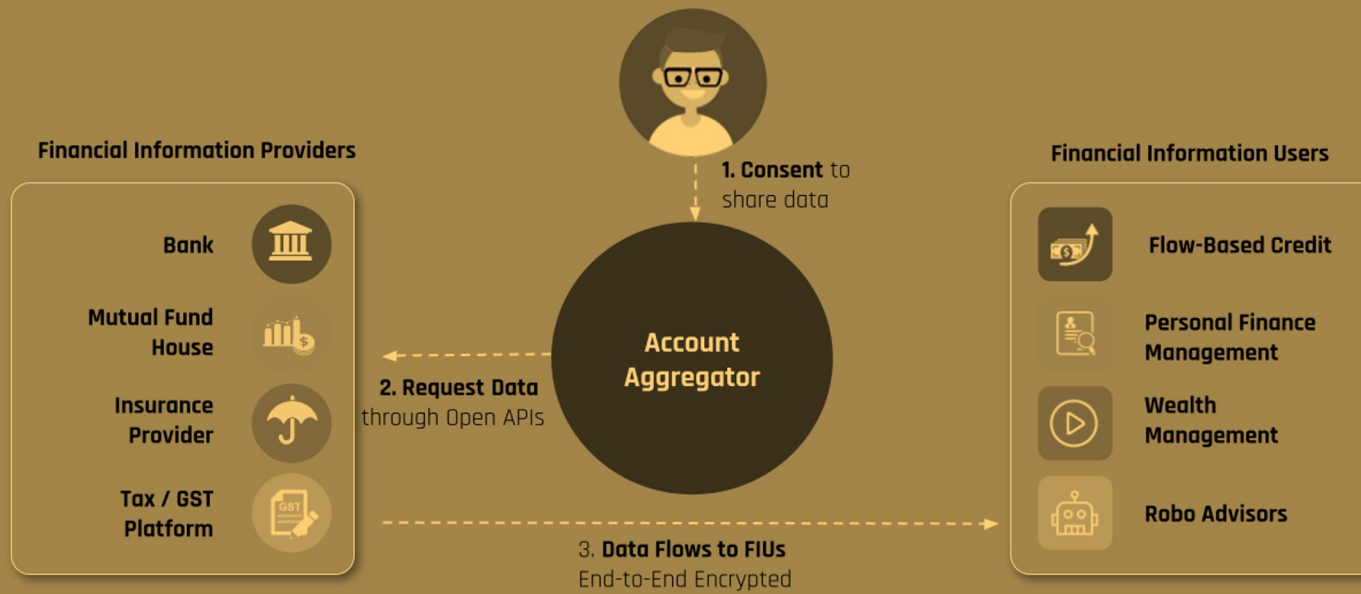
Source: BBVA Bank homepage

# Open ecosystems – India Stack



## The Account Aggregator

will facilitate consented sharing of financial information in real-time



Source: <https://indiastack.org/data.html>