



The Role of Purpose in the Fintech Industry

AUGUST 2022

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Methodology

Project Overview

Objective: Understand business practices related to purpose amongst fintechs and companies providing financial services.



GUIDING QUESTIONS

- ➔ Presence of purpose for participants companies
- ➔ Role of purpose
- ➔ How companies are operationalizing purpose
- ➔ How the commitment to purpose impacts their partnership decisions



SURVEY PARTICIPANTS

- ➔ 500 senior executives of fintech firms or firms delivering financial products
- ➔ VP+ responsible for product, technology, marketing, business development across a range of titles



SURVEY APPROACH

- ➔ Method: Online survey among individuals
- ➔ Length: Approx. 15-minutes survey
- ➔ Survey Period: 6 days, August 2022
- ➔ Confidence Level: 95%

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Findings

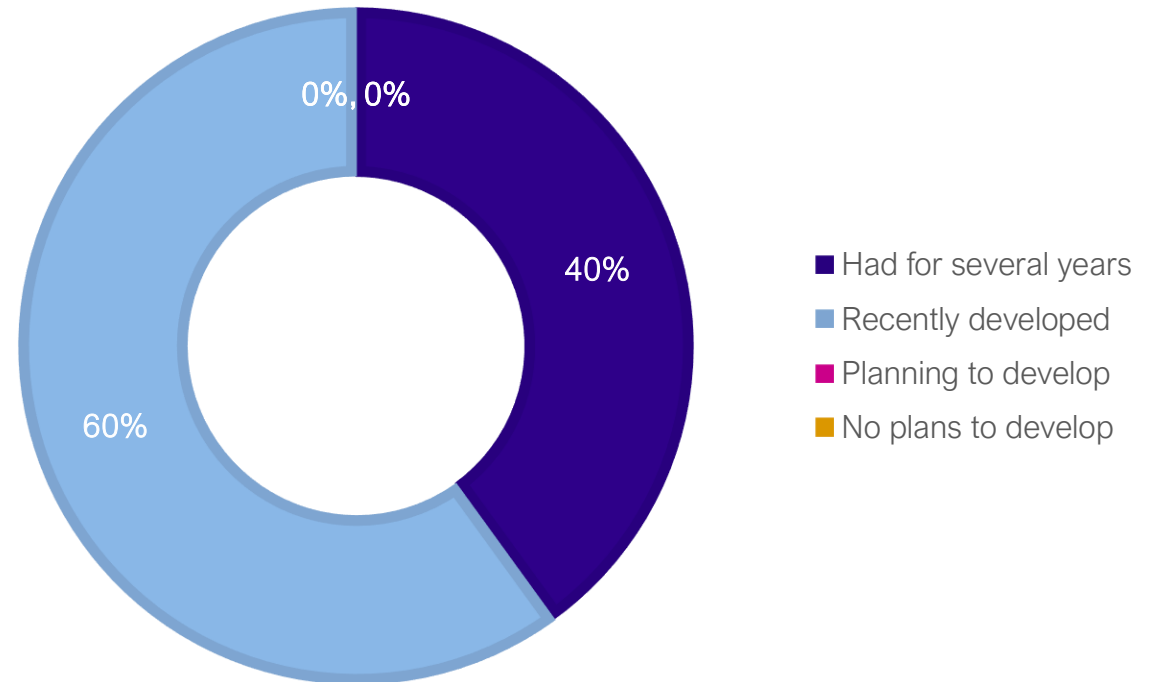
Presence of Purpose

Question

Many organizations have an established purpose (articulating why they exist beyond earning revenue) and mission (explaining what they do to execute against that purpose). **Which statement best describes the development of your company's purpose?**

- ➔ 100% of companies surveyed report they have a stated purpose
- ➔ 60% have developed their purpose in last year or two

Tenure

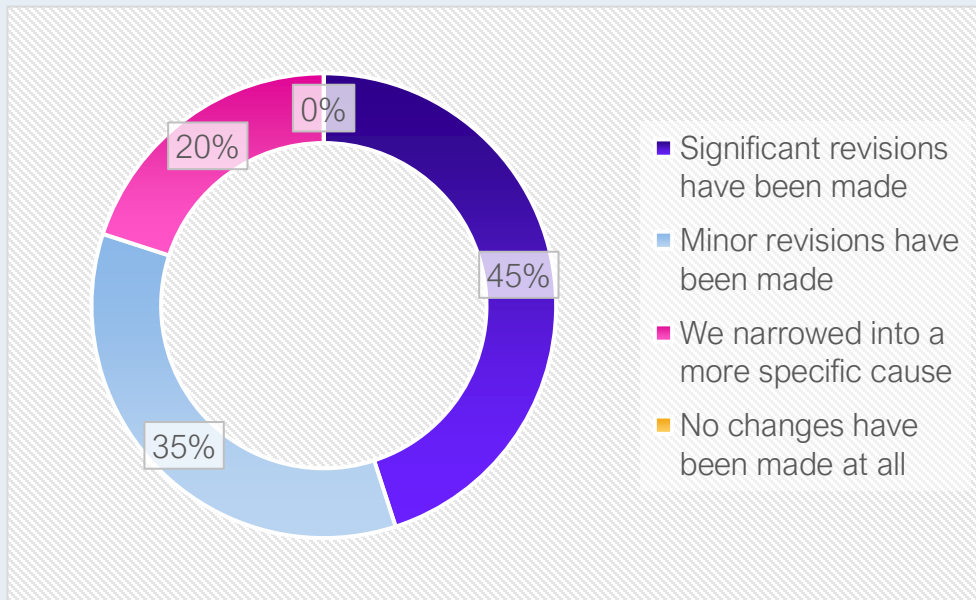


Purpose Adapts

EVOLUTION OF PURPOSE

QUESTION: How, if at all, has the purpose changed over the past several years in response to marketplace disruptions?

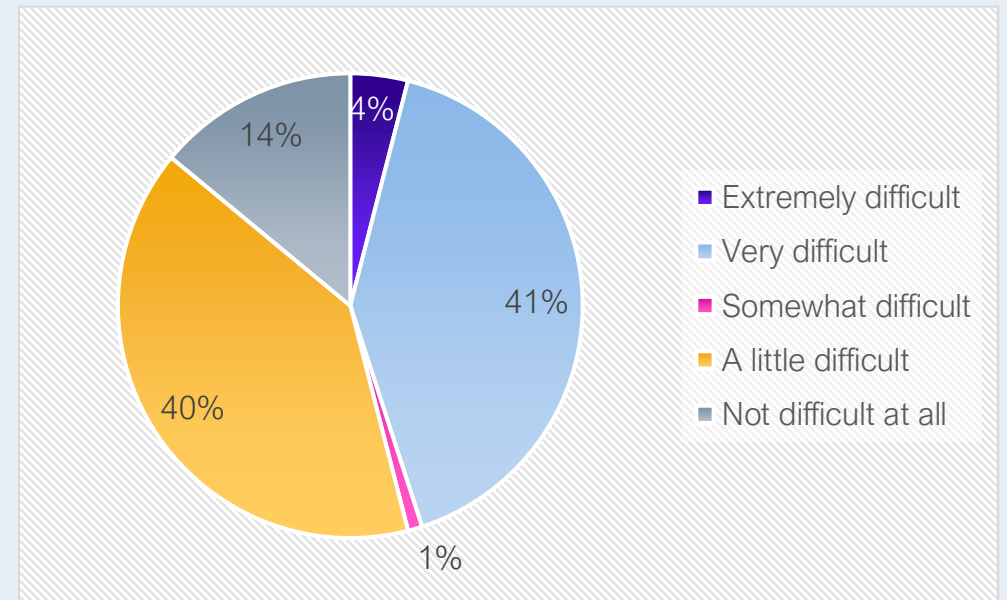
- ➔ 100% of companies reported some change to their purpose over the last several years
- ➔ 45% made significant revisions



ECONOMIC PRESSURES

QUESTION: How difficult has it been for your company to remain focused on its purpose while reacting to macroeconomic factors like inflation, supply chain issues, labor shortages, and a potential economic downturn?

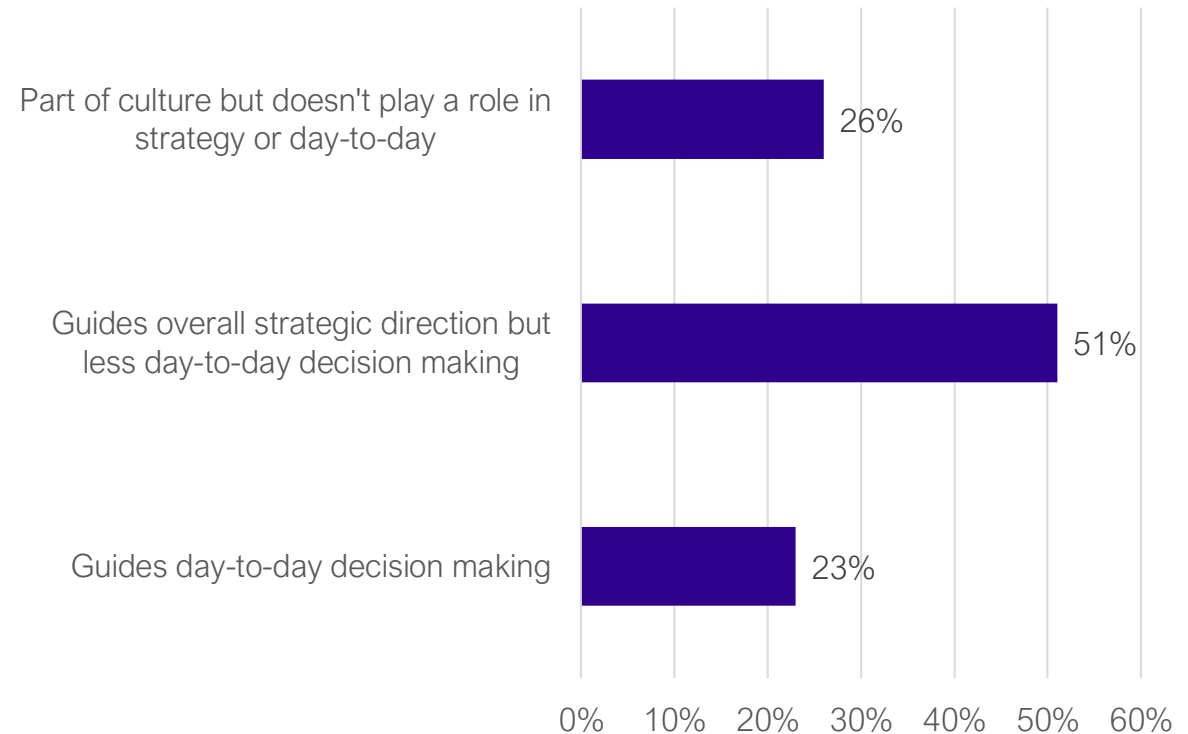
- ➔ 45% of companies reported it was extremely/very difficult to remain focused on purpose due to economic pressures
- ➔ Only 1% stated economic factors had not affect on purpose



Degree of Commitment

QUESTION: WHICH STATEMENT BEST DESCRIBES YOUR COMPANY'S COMMITMENT TO ITS STATED PURPOSE?

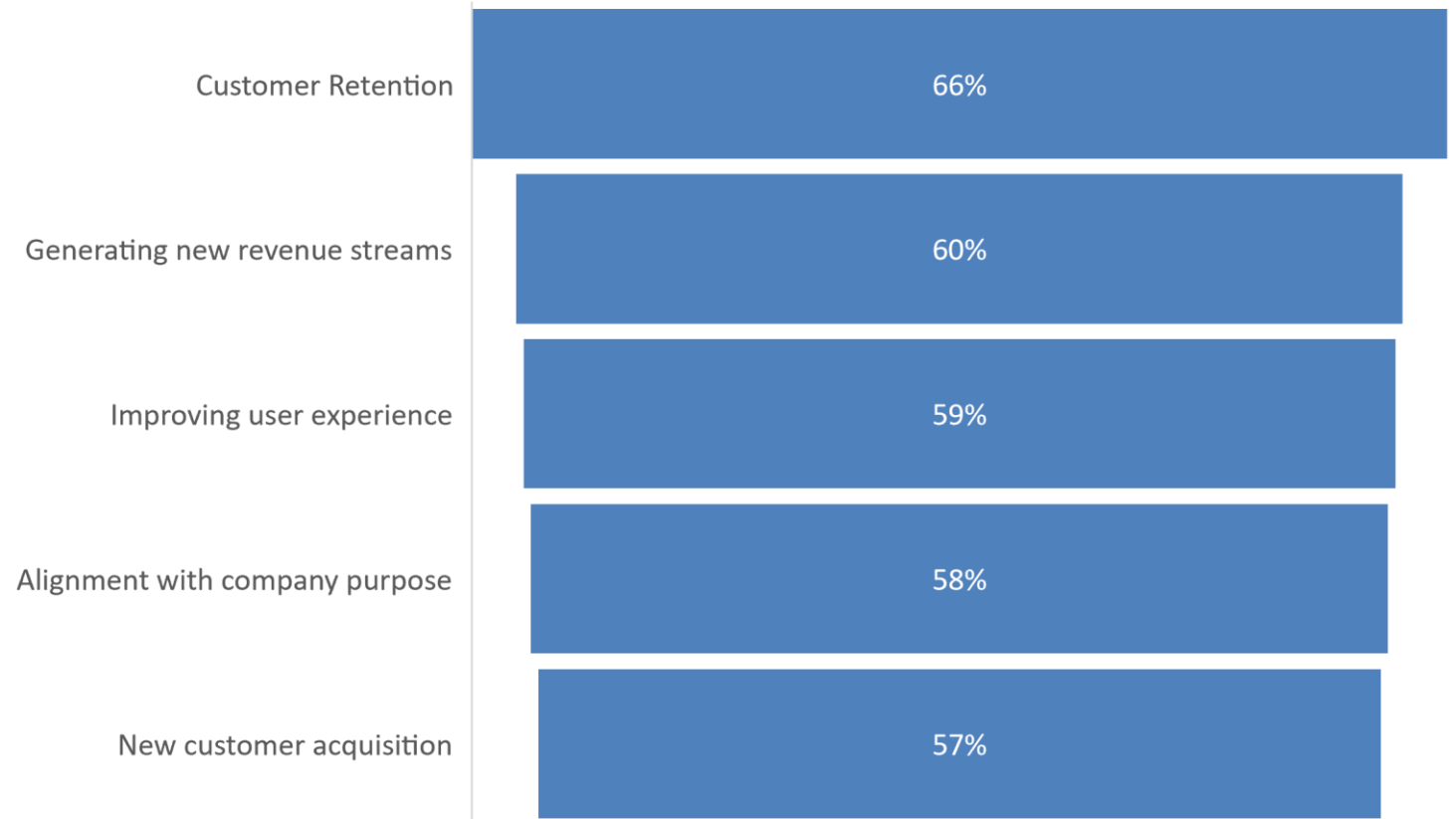
- There is a sizable variation in the degree of commitment companies have to their stated purpose with the largest proportion saying purpose guides their strategy but has a lesser role in the day-to-day decision making
- 26% embrace purpose culturally but do not leverage it to drive strategy or business operations



Influence of Purpose

QUESTION: PLEASE RANK THESE FACTORS IN TERMS OF THE INFLUENCE EACH HAS ON PRODUCT DEVELOPMENT AND SERVICE OFFERINGS WITHIN YOUR COMPANY (TOP RANKED RESPONSE)

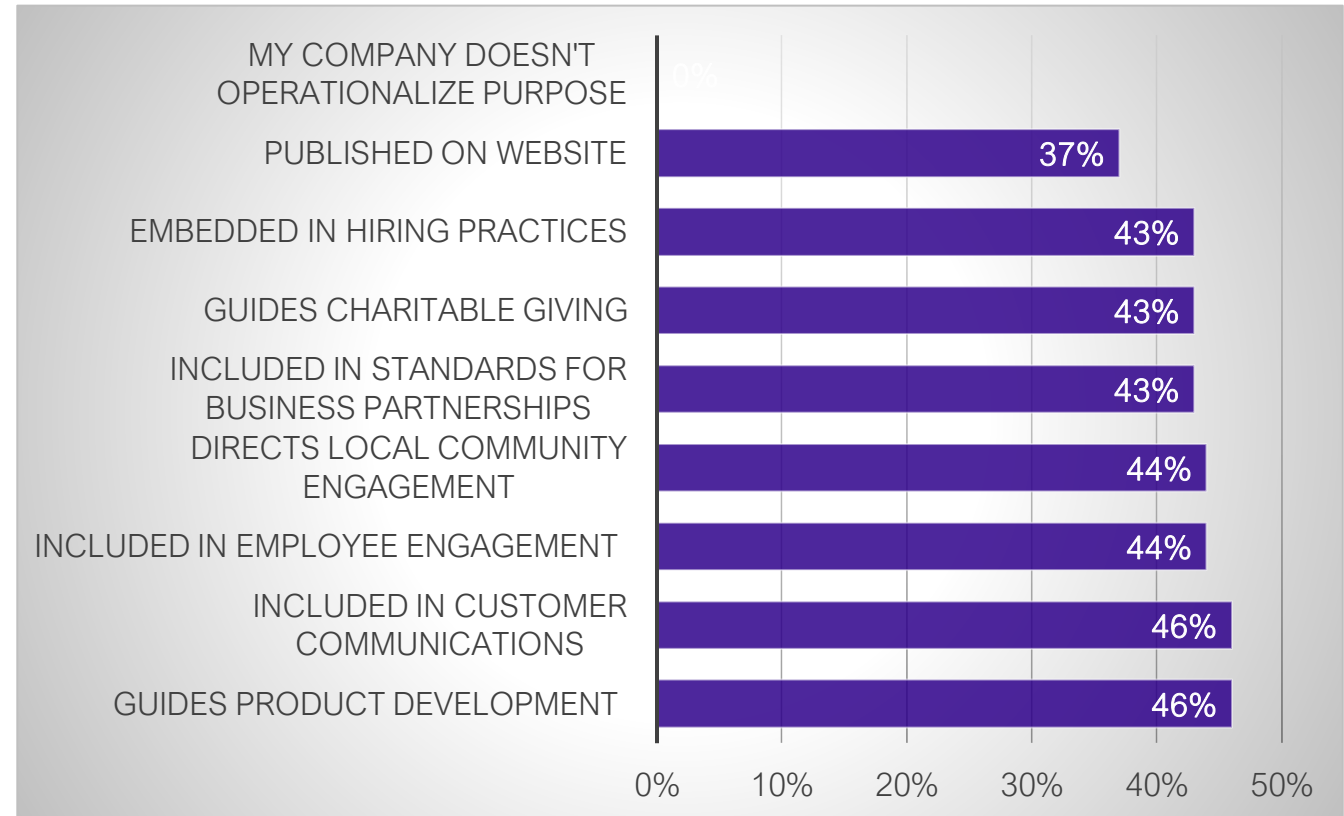
➔ While traditional product development objectives rise to the top – customer retention, new revenue generation; alignment with purpose is strongly in the mix.



Operationalizing Purpose

QUESTION: IN WHAT WAYS, IF ANY, DOES YOUR COMPANY OPERATIONALIZE ITS STATED PURPOSE?

- Walk the walk: Companies reported they operationalize across a broad range of activities – business, customer, employee and giving
- 100% reported they operationalize in some manner



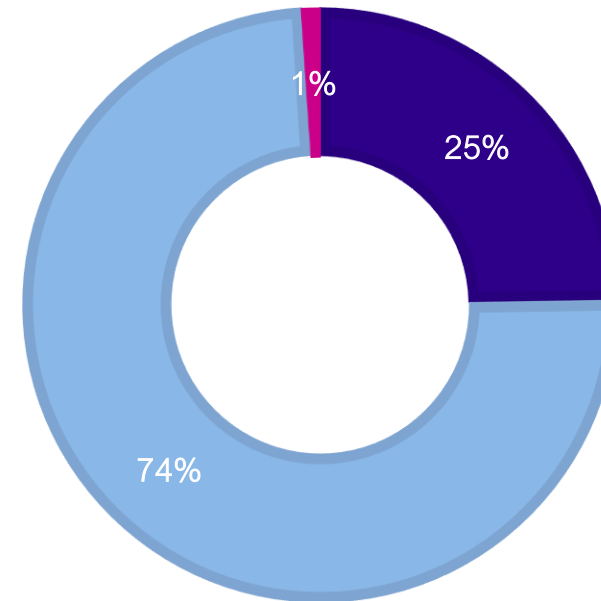
Employee Retention

Question

To what extent do you agree that your company's commitment to its purpose positively impacts employee retention?

- ➔ 99% of executives believe that purpose positively impacts employee retention

■ Strongly agree ■ Somewhat agree ■ Somewhat disagree ■ Strongly disagree



Reinforcing Purpose

QUESTION: IN WHAT WAYS IS YOUR COMPANY'S PURPOSE REINFORCED AND MADE PRESENT EVERYDAY WITH EMPLOYEES?

➔ Companies use multiple methods to drive purpose through the organization. While educational materials tops the list, a mix of activities are used



Bank Partnership Criteria

QUESTION: PLEASE RANK THESE FACTORS IN ORDER OF IMPORTANCE WHEN YOU ARE CHOOSING A BANK PARTNER TO WORK WITH (TOP RANKED)

- While executives report a variety of factors drive bank partnership decisions, complementary purpose ranks similarly to deal structure and cost.
- When executives ranked their top three factors, 35% of executives ranked purpose in their top three.



Drivers of Trust

QUESTION: WHICH OF THESE IS MOST IMPACTFUL IN DETERMINING YOUR LEVEL OF TRUST WITH A BANK PARTNER

- When evaluating what drives a partner's trust, commitment to purpose is a top driver

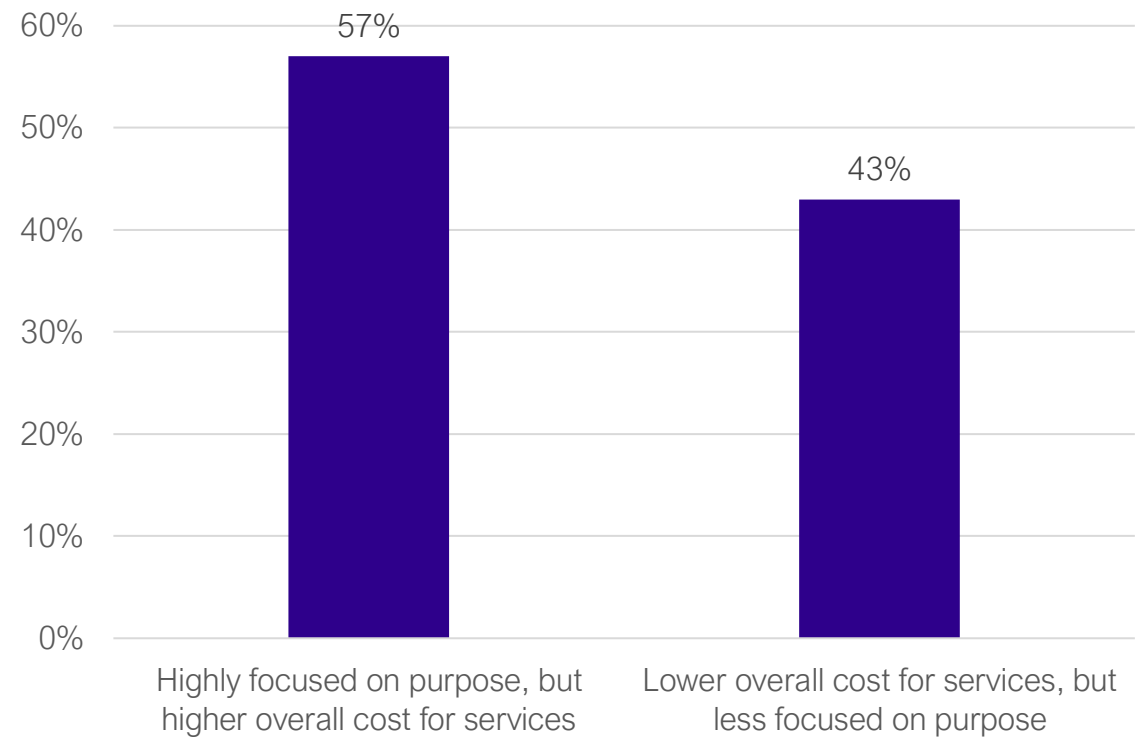


Purpose Over Cost

Question

Which would you prioritize in selecting a bank partner?

- When focus on purpose and cost go head-to-head, focus on purpose is given higher priority

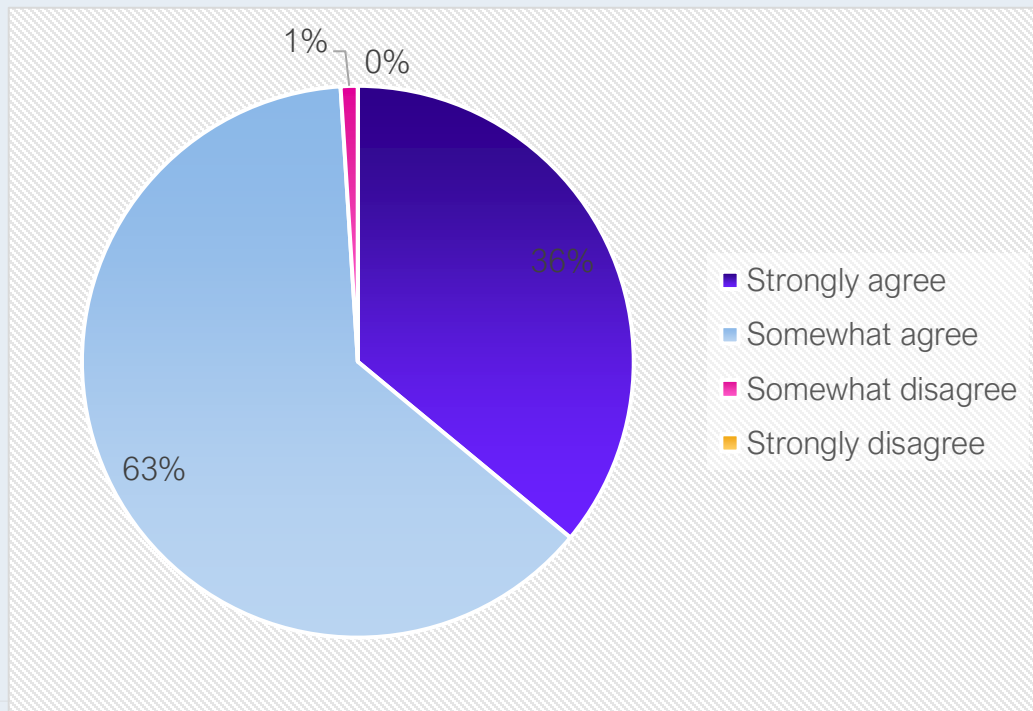


Stronger Business Outcomes

BETTER OUTCOMES

QUESTION: How strongly do you agree or disagree with the following statement? “Purpose driven bank partners are more likely to drive stronger program profits, and outcomes.”

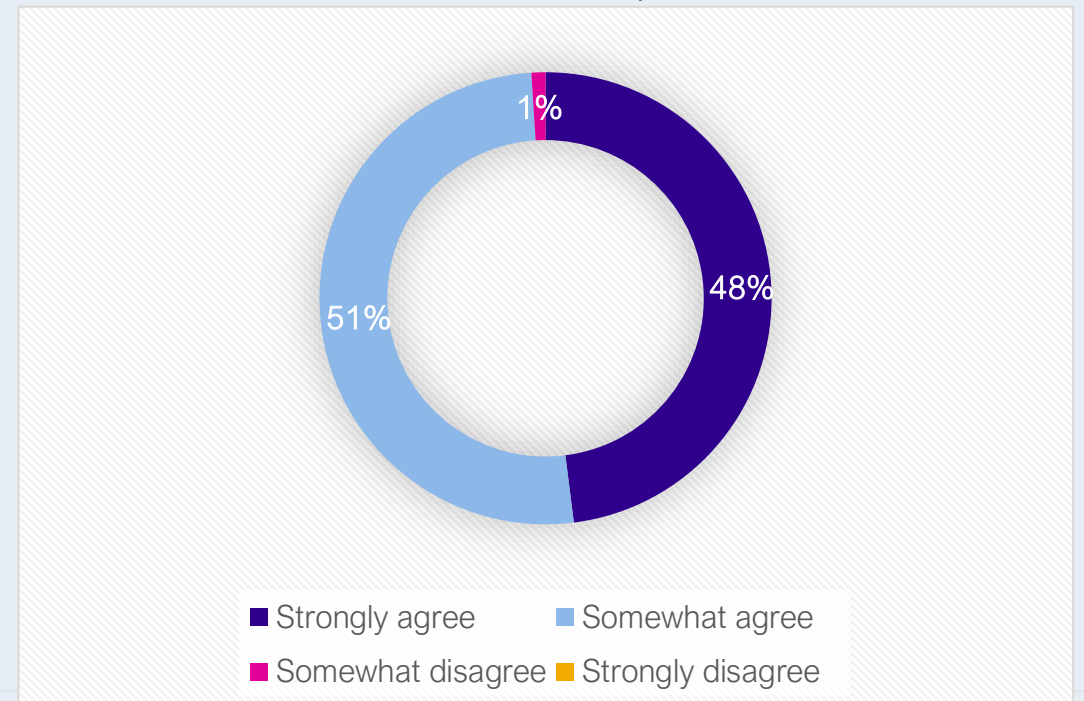
- 99% executives surveyed believe that purpose driven bank partners drive stronger outcomes



HIGHER ACCOUNTABILITY

QUESTION: How strongly do you agree or disagree with the following statement? “A purpose-led bank partner is more likely to demonstrate a higher level of accountability, reliability and commitment than one that is less focused on purpose.”

- 99% of executives think that a purpose-led bank partner will be a more committed and reliable partner



Company Reputation

Question

How much more or less likely is a purpose driven bank partner to protect your company's reputation than one that is less purpose driven?

- ➔ 69% of executives indicate that they believe that a purpose driven bank partner is more likely to protect your company's reputation

