Ivan Maryasen:
Things logically add up. And basically all together, they create a combined the fact of a really compelling package to the user. So think lots of super apps out there, they actually emerge thinking about the user first, and hearing user pains, user feedback and just realizing that all of these things could exist together.

James Robert Lay:
Greetings and Hello, I am James Robert Lay and welcome to episode 285 of the banking on digital growth podcast. Today's episode is part of the exponential insights series and I'm excited to welcome Ivan Maryasen. To the show. Ivan is the CEO and co founder at Monite, a business that lets b2b neobank SAS companies and marketplaces become b2b Super apps by embedding invoicing accounts payable and accounts receivable automation, along with expense management workflows into their existing interfaces. And as little little as three to five weeks, and today, we're gonna dive into and explore the opportunities for growth when it comes to financial brands, and neobanks. And even b2b organizations leveraging embedded finances to create even more value for their customers so that you, dear listener, can create even more value for your organization. Welcome to the show. Ivan, it is good to share time with you today.

Ivan Maryasen:
Hey, James, thanks a lot for having me excited to be here.

James Robert Lay:
Absolutely. And before we get into talking about future growth opportunities through super apps, along with optimizing the experiences for invoicing, accounts payable, accounts receivable, what's good in your world right now, personally, or professionally, it is your pick to get started on a positive note.

Ivan Maryasen:
Oh, that's a great chance. Actually, I think for us this this last couple of years have been very successful. We, you know, raise the rounds, just just pre sort of like crisis in a fundraising market, we actually, you know, feel very good in terms of what's happening was funding being short, a lot of people go into buy mode versus build. So I think our industry has been thriving. And I think the biggest piece of news I want to share is that, as a founder, I always felt like, you know, people don't really hear me, we're in that bit of an unsexy space, sort of like embedded accounting, embedded ERP, embedded finance workflows, like many people just don't get it. But what's been really positive in the an F 22. And beginning of 23, is that we saw that our sees is starting to emerge very fast on the markets with so many venture capitalists and salt litters talking about what we do, sort of along the lines of verticalized, ERPs, super apps and everything else. So I think it's a very excited moment, exciting moments to actually have this conversation. And I hope the world keeps going, kind of flood these things in the right direction.

James Robert Lay:
I don't want to get too far ahead of ourselves. Because I've used this word, you have used this word super apps. And I want to provide some clarity for the dear listener here, when it comes to this word, Super App. What? What does that mean? Can we define that? Can we get some just foundational perspective here to start off with?

Ivan Maryasen:
Absolutely, I think Super App has a pretty wide concept, right? And it might differ in terms of like how people interpret it. But the concept is basically that people can do multiple things in a simple application. So it's a sort of like, you know, people give typical examples off WeChat and China, or like revolute, in Europe, where in a single application, you as a consumer, for instance, could do, you know, banking, trading, sending money to friends, foreign transfers, and also lounge passes, and also insurance and like

20 Other things, or like, you know, grab in lead in America or in other regions where you can order groceries, but you can also do some financial stuff. But you can also, you know, have like 25 other services. And all of this leaves in a single umbrella of an app, have a single brands or have a single user experience. So think a Super App is basically saying, as a person, as a consumer as a business, you can go A to Z in a single application for a number of different things. And that's at least what we refer to as a Super App.

James Robert Lay:
Why is it important to think through this perspective of super apps and even marketplaces when it comes to the future growth of financial services, what has really changed to drive this narrative? Ford back to the point of what you're opening up with here? You know, this is starting to get a lot more discussion at a global macro level?

Ivan Maryasen:
Absolutely, I think there are multiple angles that play into it. I think some of them are more related to user value. And some of them are logically related, just sort of unit economics and just economics of the business. So from the user value perspective, it's basically a concept where you say, Look, if a user likes the app for something, they could logically use it for this thing. And that thing, and still another thing, because these things add on top of each other and create synergy, like, again, to use revolutes example, right, you use your bank accounts, where you anyways hold money, and you have cards. So if you need to refund the France for the lunch you had, you don't want to use a separate app to split the bill, you could just use revolute. And logically, if you want to invest and trade money, and just use some spare cash that you have, it's logical to just go buy some bitcoin inside revolute. As well as if you travel and you have a premium card, you also want to have your lounge pass and revolutes. And by the way, if you anyways buying tickets or tickets on a card, then again, it's logical to have some sort of air tickets, insurance protection, delivers extra luggage protection. So these things logically add up. And basically all together, they granted combined the fact of a really compelling package to the user. So think a lot of super apps out there, they actually emerge, thinking about the user first, and hearing user pains, user feedback, and just realizing that all of these things could exist together. Now, the other perspective is unit economics, where if you do a single of these things, like for example, you only allow people to send money abroad, but you don't offer them a card or wallet, or like whatever splitting bills with friends, you can only spend so much on acquisition, you can only acquire so many users because your unit economics are weaker. Super apps, on the contrary, create completely different effects, because they have a lot of revenue streams. And they can monetize a lot of different products, which means that they're a lot more sustainable, they have a lot higher gross potential. And so like what you see today, for instance, in revolute, is a combination of like Robin Hood, and Venmo. And like Bank of America type of product, and you know, many other things under one hood. So obviously, the revenues per customer look very different than for each of those products, um, standalone. And this is the second narrative. Now, I think what's going to happen in the future. And this is a thing, why we're also talking is because building a super app has historically been extremely expensive and difficult. There is a reason why all these companies were separate companies before, because it's really complex technology, you can't just you know, go build trading easily. Now, we're moving to a new era where everything is really on API's. So revolute blogs, and trading from, you know, our fellow portfolio companies, Dr. Wells, and this is a lot a lot easier and a lot a lot cheaper than building this in house. So now we're moving into the world where it's actually easy to build a Super App. And so what we're basically saying is that it used to be hard, it used to be super exclusive. It's becoming easier. And unlike many out there, we at monad actually think that the future holds a lot of different targeted super apps, rather than two or three grants, super apps.

James Robert Lay:

It's the idea of D, the financial services being democratized to a degree, making it easier, faster, cheaper to bring all of these once historical separate lines of revenue, the separate lines of business all into a single interface, a single experience to increase value over a period of time. And what you shared before I thought was very important. When it comes to thinking about Super apps and marketplaces. It's about putting people first, you know, what are the common pains that people are experiencing? What what are the hopes, the dreams that they're looking to realize on the other side of the equation? And as I was sharing in my opening comments, you know, pains around invoicing, particularly through the lens of of SMBs or SMEs invoicing and accounts payable and accounts receivable, what are some of the pain points that you're thinking about here that that could be solved through back to what you were sharing here just a moment ago? The idea of integration and centralization of these experiences?

Ivan Maryasen:
Yeah, that's, that's a great question. Actually. That's also a great way to kind of leads our discussion into what we do. So essentially, what we observe and also the statistics tell us it's surprising, but still a fact that over 80% of SMEs actually have a very manual process when it comes to basic finance. workflow aka payables or Receivables Management. And what this means is that they're either using Excel or Microsoft world, or maybe something a bit more sophisticated. But for many of them, this whole process, this whole workflow is split into many different steps, many of which are manual. And then you probably hear it from all over the place. That's all the people probably love doing their business. But absolutely all of them hate admin and finance work that comes alongside with it. And so the reason why they hate it is because it's extremely cumbersome. It's extremely manual, and it's hard to automate. There is also a common notion of like an SME, or an SMB on the markets, which we actually consider is, you know, not not exactly real, because many of those businesses are super different, the way they run their finances, the way the leave how it work is different. So we as melonite actually come from a place where we try to build a sort of like a one size fits all b2b solution for SMEs to have a one stop shop, managing all their finances payables, receivables, cash flow, you know, bank accounts, etc. The biggest learning we made, I think is very consistent with what we've seen all across is that businesses are so different, that they would expect the One Stop Shop approach, yes, but they would expect it in very different places. And we had feedback ranging from like, look, I really wanted inside my bank radio bank, to saying like, I wanted to tied my appointment scheduling platform, I want that inside my construction company software, I wanted inside my legal firm software. And there were so many different options that we realized that for these people, depending on what they do on a personal preference on other factors, they see the center of their life in different apps. And these apps will likely serve as the foundation for future super apps for this industry for this type of business for this type of business owner or something else.

James Robert Lay:
It's a great point, it's really distinguishing the differences between different types of businesses, different types of entrepreneurs, and how they look at the world through their eyes. And you know, one of the questions I have here is, when you think about an SMB or an SME, historically, it's been a fairly underserved market from, say, the the incumbents. And that's one of the reasons that we're seeing a rise and an increase in Neo banks in the lenders targeting, not necessarily a macro view of the market, but more of the micro niche play. Construction is a great example here. Thinking about this, this gap, opportunities for financial brands, maybe even incumbents to offer more than just another account, say another business checking account or access to credit, but really looking at even maybe spinning up a separate brand, that can create value for each one of these smaller niche verticals, what's your take on that?

Ivan Maryasen:

I think that's that's exactly where it's headed. And I actually want to make a few comments on like, why why is this emerging? Now? I think there are multiple factors that play into it. First, I think, like, just logically, there are players that know a specific type of customer better than others, and where their product is stickier. And depending on a business type. This could be again, like anywhere from a scheduling platform to a marketplace to a neobank. Then the second thing is there is a very high data disparity between the players. So if you take a typical, you know, a neobank, or factoring provider, or at the same time, a vertical platform, each of them has a piece of data on the customer, but none of them have it all. So what happens is, if you're a customer, like let's take invoicing flow, the job to be done for a small business owner is to get paid fast without hustle. That's all we want. It's as simple as that. But if you look at these journey today, what they need is essentially they need you know, like either manual invoicing process or invoicing software so that they send the invoice out, then they have a separate process of tracking whether or not the invoice has been paid, which is likely manual in in bank, if the invoice has been paid, great, all good. If it hasn't been paid, they have to go and google for a factoring service for a collection service Chase over email. So a single job to be done includes four or five, six different providers, software's and workflows. And what happens is the same customer could pay probably 5x to take the hassle out of this, but it needs to be in one workflow in a single place. And that's simply impossible. Because the market runs in a very different logic where people say, I am invoicing software. I'm a payments provider. I'm a bank. I'm a factoring company. I'm a collector. Yes. So all these people are separate but for cost Customer, they don't care if these people are separate, they just want one thing done. SMEs do not have this capability or resource, so they keep struggling. And the monetization is consequently explicit across all these players. So what we're saying was one nice approach is like we're basically selling embedded workflows. So we're not going to a neobank and saying, Hey, plugin invoicing functionality, we're telling them, please help users collect revenue, as simple as that A to Z, which means you provide invoicing functionality, you provide payment links, you provide reconciliation, you provide integration with a factoring provider, you provide integration with a collector agency. So your small business, he's fully covered with revenue collection, you can probably earn five to 10 bucks on the simple invoicing software, you can probably earn 10x, on the revenue collection software, all things included, including payments, factoring, etc. And this is exactly the logic we're pushing that if you're really thinking about the customer, it's not about what you do as a factoring company versus an invoicing company. It's about what the customer needs done. And we should really remove the boundary saying, Oh, but these products is different from that product. And it's still another product, because it's the workflow. And that's the future, we'll hope to end up in, where for an Amazon drop shipper, it's probably Amazon, that is the center of their financial life where they just run everything. And Amazon has all these capabilities, mostly, of course embedded. Now, for a beauty salon. It could be treatwell, it could be some other basically software that provides them appointments, booking and clients management, and look for a marketing agency, it could be a tide or con to like neobank. So the future is basically built around the customer, the monetization goes to the brands that holds the customer.

James Robert Lay:
And that comes back to something you were sharing before you mentioned the expertise within these little niche vertical markets. And I say little they might not be a little they could be multibillion dollar verticals globally. But when I say little, it's looking at each one of these from a different point of view. The beauty salon, great example, I think about a Community Financial brand here in the United States that has a niche market for beauty salons actually from a franchising perspective, like that's their expertise. There's an opportunity here to create new revenue streams by building a super app that would help make the life of someone who works within one of these beauty salons that much easier. So that they could focus on what they do best, which is, you know, take care of people and cut hair and, you know, things that I can't even imagine doing. And then the financial brand or the neobank, depending upon

how they stood something like us up well, they're creating new revenue streams that were never possible before, in my thinking down the right path on this year.

Ivan Maryasen:
Absolutely. I mean, that's that's one of the avenues right, I think there are two different sort of two or three different use cases that we observed so far. One of them is very toasts like so if we take toasters, which is one of the sort of primary restaurant software's in the US, toast went exactly the same paths. They basically said, Look, we're everything and all in one for restaurants that actually earn over 80% of revenue from basically this this embeds financial workflows. Now what what they do is they do a very simple thing, all you need to run a restaurant is inside toast, no matter if you have to pay suppliers, or if you have to invoice somebody for a catering service. Or if you just need to monitor your supplies, which means that only toast you can have a sort of a dashboard, which monitors your business in real time. Now, if you put all these things in the different places, you won't even know where your business stands, which is a typical situation for almost any industry now in the segments. And so one of the ways to think about it is verticalized, ERPs, verticalized super apps, where if you just build software for restaurants, you can never survive a grow because your unit economics won't play out. But if you start adding this additional functionalities, and especially FinTech workflows, then your unit economics is through the roof, you monetize payments, and it's really, really good. Now, another way to think about it are guys like neobanks. These are multiple different verticals, but actually many of those verticals are homogeneous when it comes to their financial and admin needs. Now, they actually all need a dashboard, a single place to run it that's out there. Right, it's just today, if you take, you know, even a good neobank, like, if you take some examples in Europe or us, you can do this in a neobank. But then you need to build up calm to do your payables, then you did Expensify to do your expenses, then you also need an accounting platform. And by the way, depending on your business type, you might also need some cash flow analytic solution, because no one really has your cash flow data. So you have to use something separate. So you end up with five, seven tools that are hard to manage that you have to pay for. And what we're essentially saying is, what you want is one place, and ideally, the place of your preference, where you get all these functionality. With one very important caveats. You don't want to get something half baked in the new bank versus the best in class solution was built with comp. And this is why the industry is where it is today. It's because there are best in class solutions. And there are a couple of ones that combined functionality built in house, but it's never as good. So what we're saying and I think what other API players are saying is we're best in class in the same thing, payables receivables, expenses, but now we you can plug it in. So if you're a neobank, you are best in classes and neobank. Were best in class as me invoicing payables, automation, etc. You plug it in, you're all in one. But at the same time, you're best in class on all the dimensions.

James Robert Lay:
Yes. So what I'm hearing is you have taken the complexity, you've simplified this down through the ability to embed plug and play, and then that provides the opportunity for any type of a brand to then multiply going forward into the future. Before we get too excited. What are the roadblocks What What are the dangers? What what is the potential thing, if you will, that can be an impediment to creating and capturing this new opportunity going forward into the future?

Ivan Maryasen:
Yeah, look, I think the main, the main blocker, on the way is the maturity of thinking, I think there are market leaders like toast, this is why there are market leaders. But if you look even at the restaurant industry, where you have toast example, if you look at toasts versus so many other players, where are these other players. So one of the biggest dangers we see is that people will take a really, really long time to figure out that this is an actual opportunity. Because staying risk averse is a great incentive for so many companies out there that are verticalized that are new banks, etc. Because they have their

business and it runs, you know, better or worse, but it runs. Now going into super rap requires division requires risk taking and you know, just just kind of different type of initiatives. So I think this is the main block for these happening. And this is also the same thing we've seen embedded finance, like embed, it's fine and submitting accounts and cards has been around for a while. But the penetration into the market is still very, very small. People, I think are just kind of naturally taking the time to adjust to new things to adjust to new concepts and adopt them. And that's okay. But this is I think, the biggest roadblock. Now talking about the risks, I think there is always a natural learning curve, we're in whatever new you try to implement, which means that once brands start plugging it in, there will be a learning curve for them on how to optimize the functionality towards a customer how to actually make it work for a specific segment of the market. What are the sub features or maybe feature upgrades required for a specific audience. And this learning process is something that naturally, you know, like big players already went through, like verticalized players that expensive, I would probably know you know the ins and outs of full expense management for their audience. But if you're blogging the same thing for a specific type of business, like for example, for restaurants, it will take you some time to learn and to experiment with customers together, which means you might not get results tomorrow, they will take some time, it's risky, but at the same time, once you get it right, the outcomes are actually worth it.

James Robert Lay:
So what I'm hearing from you is there is a need to be continuously curious about people. And I'm observing the behaviors of people and looking for ways to simplify their lives to solve those problems. I want to I want to go a little bit personal for you here because a lot of this is about change. It's about change management. It's about learning and seeing things differently. And when you see things differently, you begin to think different. You are a lifelong learner, you have travelled to 77 plus countries around the world seeking new ideas to make a difference. If you think back on just your experience at a macro level from all of the traveling that you've done, I've traveled a lot too. I've learned a lot through those travels. What's the thing that you've picked up on kind of the key key lesson if you could just distill that down? Thinking about our conversation here today?

Ivan Maryasen:
I'm in from childhood and Throughout my travels one thing if felts particularly sensitive about was was lifetime? I would, you know, wherever I was, and whatever I do I just Just observe the world around me and you know, appreciate most is just like people doing some great stuff in life. Now I think all of us have been through this, you know, more more or less but like whenever you deal with paperwork and have to collect receipts for your accountants or answer emails from like, where's exactly this number and the receipt or like who exactly was in the meeting or like, has it seen who has been paid like you feel like you're just losing your lifetime? Yeah, so a big driver for myself and my co founder Andre to do what we do is actually in the end to set save those millions of hours that can be saved. With proper automation, it's just, it just really needs to work for the customer, for a specific customer, not be generic best in class, but actually work really well for a specific user. And this is where we're coming from philosophically, when we were building the product, we're really trying to think about how many great things could happen in the world, if we release, you know, 1020 hours per business, even per business, on the monthly on on the on the monthly basis. This is a ton of time that people can spend on creating great things, being creative being with their family, traveling or doing other amazing things. And this is really well, once you enable, and I would even argue this will grow GDP and happiness on its own, because it will have worldwide impact. It's hard to do, but it's doable. I

James Robert Lay:
connect with that, you know, one of the reasons that we do what we do here at the Digital Growth Institute is to make the world a billion times better by getting a billion people beyond financial stress that's taking a toll on their health and their relationships and their overall sense of well being. And that is

through the work that we're doing with banks, with credit unions with Neo banks and Neo lenders and fintechs. And your point about the time, time is the great equalizer. And if we're able to help people get time back to do the things that matter most or to connect with the people that matter most to them. I think you're right, not only does GDP grow, but the return on happiness is even that much greater, right.

Ivan Maryasen:
Absolutely. And to your point about you know, financial safety. Like if you think about SMEs, a typical thing people don't realize about SMEs if you if you ask like an SME owner, just like go out there and ask a typical guy who owns a mom and pop shop or like a printing company or whatever. Where's your business? Like? How are you guys doing cash flow wise, many of these people will tell you wait for the next months to come through Excel, I'll ask my accountant. And then I'll tell you how. And this creates a lot of risks for many of those guys who are not super kind of reach or have you know, tons of cash in the bank, where they just miss the sweet spot of getting the right financial product of taking an action on outstanding invoices or doing something else, because all of this is so complex to take care of that they just don't until it's too late. And then many of them also say like, Look, I just I just won't bother, whatever. And so I think it's a time concept. But it's also the safety concept that you mentioned, that could be addressed. once things start working around this business owner, not around like what we think is the product segment. And that also

James Robert Lay:
increases their level of clarity around the status and the health of their business. And then as a result, they feel more clear. And they feel more confident about the future growth opportunities ahead for them versus, you know, viewing the world through a lens of the past, they're able to get more up to date in the present, and then also make some future projections going forward to create even that much more value for their customers for their family. For their life as as a whole. I've been this has been such a great conversation and even getting a little philosophical, as we've started to wrap up here together, you know, thinking about how to simplify. And I always like to send the dear listener off with an action that they can take to apply what we've discussed here today so that they can move forward and make progress on their own journey of growth. What's the one small thing thinking about a bank or credit union, a FinTech and neobank to apply what we've talked about here, so that just one small thing, but what would the next best recommendation be for you?

Ivan Maryasen:
I would, I would say, my recommendation would be to think of a workflow that you can come up with a cover A to Z, where your customer would say, Yeah, I can just really go eight to Z on this workflow. But the workflow is not like, oh, I want to send the payment and send the payment. The workflow is where's the payment coming from? Like, where's this whole thing starts in the customers hat and where it ends, and try to see if you can cover a specific workflow, how much this actually grows the peace of mind for the user and their stickiness? I think starting small and covering a single workflow would build the right mentality to then cover More and more and more of the workflows and to actually ask the right questions to the user.

James Robert Lay:
That's a very empathetic exercise, because it's, once again, you're having to look at the world through the lens of others. But it also, I think, brings up a collaboration and co creation opportunity to create something of value together with those that you're looking to create value for. Right.

Ivan Maryasen:
Exactly. I mean, that's the whole point. And I think that the power of asking the right questions also emerges as people start seeing the worlds bigger. And I think the key problem I see in the startup market

today, for instance, that everything is to sort of like to verticalized to productize. Like people think like, oh, I'm doing this thing. So I just keep doing this thing. And I was asking about this thing, where for a customer, it might be a lot wider, and there is a gigantic revenue opportunity that people are missing out on. Like, for example, we now see 60 70% of invoicing companies out there, not offering payment links. And this is this is just shocking, like getting paid is the key job to be done. But for many of them, they say look, but we're invoicing company, we send invoices, and our statement is just like for your user, it's getting paid. It's not worth it.

James Robert Lay:
Yeah, it's it's the end state. It's not how we get there. Just make it like you said A to Z make it as simple as possible. Ivan, you've done just that today. So thank you for sharing your knowledge, your wisdom, your expertise. In our conversation. If someone wants to continue the conversation that we started here, what's the best way for them to reach out and say hello to you?

Ivan Maryasen:
I'm very available on LinkedIn. So feel free to reach out to me and I'm also on my email ivan@monets.com

James Robert Lay:
Connect with Ivan learn with Ivan grow with Ivan. Ivan, thank you so much for joining me for another episode of banking on digital growth. This has been a lot of fun today. Cool. Thanks a lot for having me. As always, and until next time, be well do good and make your bed

Ivan Maryasen:
Thank you for listening to another episode of banking on digital growth with James Robert Leigh. To get even more practical and proven insights along with coaching and guidance. visit Digital growth.com/insider to join a community of growth minded marketing and sales leaders from financial brands and fintechs. Until next time, be well and do good