Twitter Thread by Gaurav Sharma



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1/n: In the new decade, the fin-services sector will look beyond the current open banking ‘phase’ and towards a future of fintech enabled marketplaces and complete financial automation, where the traditional banking model is turned on its head and requires a dramatic rethink,

2/n: emphasizing:
1) Experience over Products;
2) Data over Assets;
3) Partnering over the build or buy;
4) Shared access over ownership.

3/n: FinTechs are now increasingly global, and threatening traditional banks by ushering in product-stack changes- from ‘un-bundling to re-bundling’, from ‘mono-line to multi-line’.

4/n: Incumbent Banks will recognize the value of the financial-cloud and speed up their digital transformation efforts to meet customer expectations derived from fintechs with new operating and business models.

5/n: In the medium term, transactional banking (i.e. manufacture white-label versions of specific products and services) will gain traction. Distributed Ledger, API banking, and AI will become critical building blocks for both banks and financial services providers —

6/n: triggering ‘the age of Invisible Banking’ and unleash a new paradigm — where fintechs are the infrastructure providers. However, consumer-ready AI remains much more limited. We will witness the emergence of “vertical banks”; They will dominate a segment by offering a small

7/n: number of world-class products that are hyper-focused on the segment’s needs. The onset of Collaborative AI makes it possible to synergize financial services, where the line between deposits and lending will be blurred, and Cash-flow-as-a-service will be a reality.

8/n: Fintech will become portable and ubiquitous and move to the background and centralize into one place where our money is managed for us.

In the next few years, some large fintech enabled marketplaces- curated with thousands of apps and APIs- will scale.

9/n: Automation will increase and data security will become paramount. Big tech companies will continue to slowly move into finance, and some large Fintech firms will be acquired.

10/n: The “move fast and break things” approach that disrupted the ad-tech industry is unlikely to work in financial services. More challengers and incumbents will partner, and a high level of regional variation in fintech disruption shall continue.

11/n: Disruption starts with unhappy customers, not technology. In the new decade, Human+Technology is the underlying theme. It is customers who are driving the disruption. New Fintech startups will enter markets not by stealing customers from incumbents, but by designing

12/n: solutions around a select few customer activities.

As market landscapes get increasingly complex, choosing the right abstraction layers the company sits at becomes more important. Good execution and solid business models will trump exotic technology.