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Playbook for Fintech-FSP Partnerships

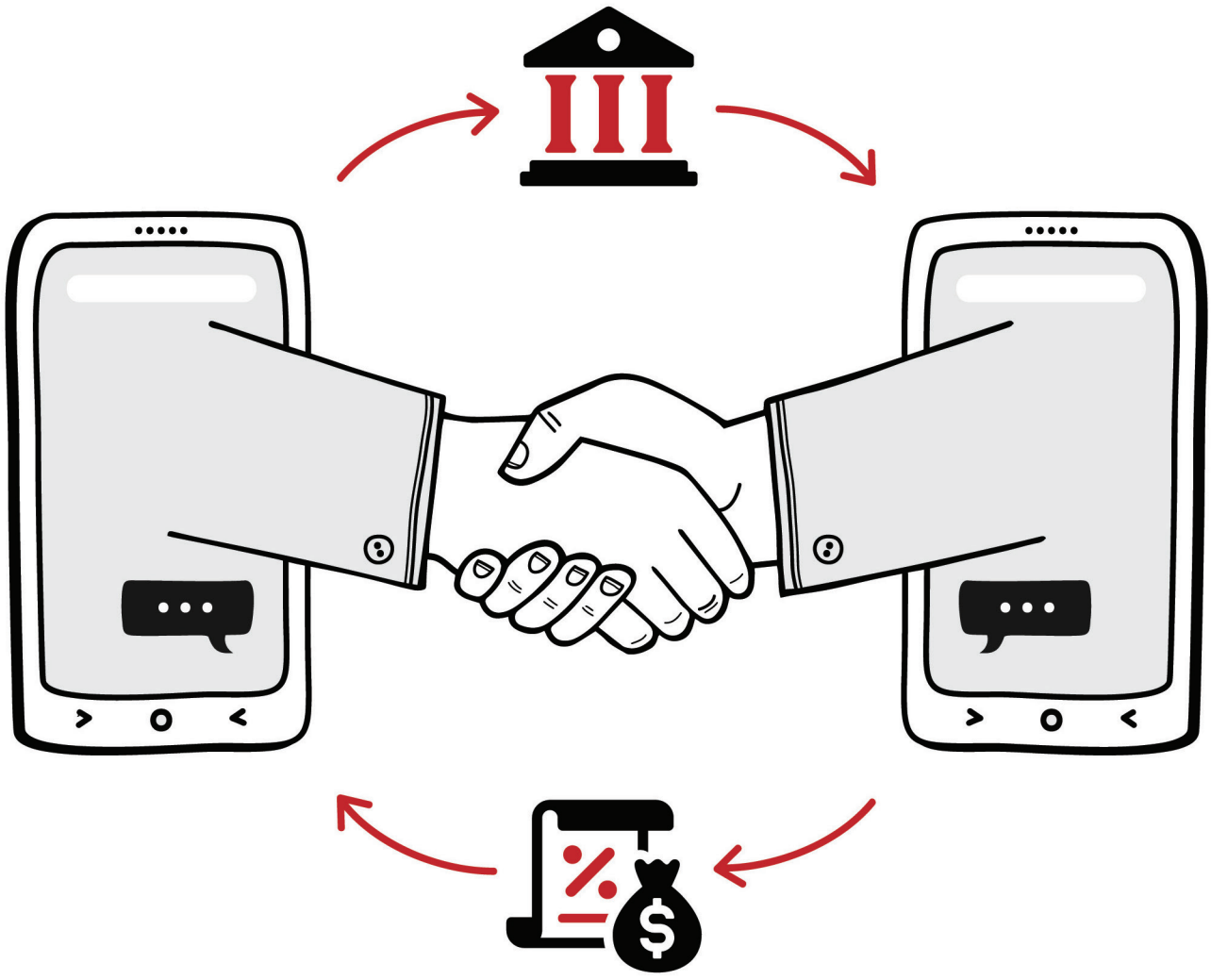




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Foreword

Policy push, regulatory innovation, digital public infrastructure, and private-sector participation have enabled unprecedented access to financial services in India. As these systems have matured, the focus has increasingly shifted from access to quality outcomes, from enrolment to meaningful usage, and from program delivery to tangible improvements in livelihoods and financial resilience.

Over the past decade or so, startups have played a vital role in enabling this shift. Across the value chains of financial services, MSME development, agriculture, livelihoods, and social protection, startups have helped translate policy intent into workable, on-ground solutions. They have simplified complex processes, digitized manual workflows, enabled journeys in assisted and vernacular modes, and designed products aligned with the realities of low- and moderate-income users.

Startups have demonstrated several inclusive models. They have improved access to credit for small businesses, enabled farmers to participate more effectively in formal value chains, and strengthened financial security for gig workers, artisans, and informal workers, among others.

In my engagements with governments, regulators, financial institutions, and ecosystem actors across India, one insight has remained consistent: Inclusive outcomes are most likely when innovation is embedded in systems and supported by strong institutional engagement. Through MSC's (MicroSave Consulting) work across multiple programs, sectors, and geographies, we have observed this phenomenon repeatedly.

At the same time, the pathway from innovation to scale is rarely straightforward. Startups that operate in inclusion-oriented markets must navigate regulatory requirements, operational constraints, evolving user needs, and complex institutional environments. While progress depends on technology, it is also fueled by founder readiness, product relevance, evidence generation, and the ability to engage effectively with multiple stakeholders over time.

The Financial Inclusion Lab (FI Lab), implemented with IIMA Ventures, has evolved within this broader context. The Lab has supported startups working across credit, insurance, payments, data, and field-force enablement. It has strengthened their solutions, deepened their understanding of users, and enabled learning through pilots, market feedback, and institutional engagement. Partnerships with financial institutions have been one important pathway for adoption and scale, alongside efforts such as product refinement, regulatory learning, and ecosystem collaboration.

Collectively, MSC and FI Lab startups have invested more than 4,000 person-days in cocreation. Together, we have worked through real-world challenges, tested assumptions, refined solutions, and learned from both successes and setbacks. These experiences have generated rich insights into what it takes for startups to build sustainable, inclusion-oriented solutions in complex markets.

From the founders' perspective, MSC has been an ecosystem partner. We supported value proposition development, strengthened execution capabilities, facilitated learning from pilots, and helped founders navigate institutional expectations. From the institutional side, MSC has worked to reveal startup realities and enable more constructive engagement with innovation, without compromising risk or compliance considerations.

This Partnerships Playbook draws from that broader body of experience. While it focuses on navigating partnerships with financial institutions, it is grounded in a wider understanding of startup journeys in inclusion-focused ecosystems. It reflects practical learning on readiness, alignment, trust-building, and execution—elements that ultimately shape the success of any partnership.

Undoubtedly, startups will continue to play a defining role in shaping the next phase of inclusion across finance and beyond. As digital public infrastructure deepens and sectoral convergence accelerates, thoughtful collaboration between startups, institutions, and policymakers will become even more critical. At MSC, we see this playbook as part of our ongoing commitment to building systems where innovation and inclusion reinforce each other.

We hope this playbook serves as a practical guide for founders and a reflection tool for institutions, which supports stronger collaboration, better execution, and sustained inclusion outcomes.

Anil Kumar Gupta
Managing Partner
MSC

Foreword

Financial inclusion remains one of India's most persistent challenges — not for lack of intent, but because the problem is inherently complex. Traditional financial institutions, for all their reach and resources, are often constrained by legacy systems, regulatory caution, organization dynamics and operational models designed for different customer segments. Meanwhile, a few hundred million Indians continue to operate at the edges of the formal financial system: farmers who lack verifiable credit histories, gig workers whose incomes are irregular, micro-entrepreneurs whose businesses don't fit standard underwriting templates, and families in remote areas where brick-and-mortar branches remain economically unviable.

This is precisely where startups come in — not as disruptors seeking to replace existing institutions, but as problem-solvers building bridges where gaps exist. Startups bring agility, customer-centric design, and a willingness to experiment with new data sources, distribution models, and technological approaches. They can move faster than large institutions, iterate based on real-world feedback, and take calculated risks that established players cannot afford. But startups also face their own constraints: limited capital, narrow distribution networks, and the credibility gap that comes with being new and unproven in a sector where trust is everything.

Large-scale breakthroughs in financial inclusion happen when these two worlds meet: when the innovation capacity of startups combines with the scale, regulatory standing, and customer trust of banks and non-banking financial companies (NBFCs). Through enhanced payments technologies, alternative credit-scoring models, embedded workflows, contextualized products and many such innovations, fintechs enable banks with the right tools to assess risk, reduce costs, and deliver products that actually fit its customers' lives.

Through the Financial Inclusion Lab, IIMA Ventures has worked at this intersection, supporting 50 financial inclusion-focused fintechs as they navigate the journey from promising idea to market-ready solution to institutional partnerships. Companies like Finarkein, Kosh, Riskcovry, Jai Kisan, Entitled, Roopya, MAKSPay and several others have tackled different dimensions of the inclusion challenge across several underserved segments. What they share is a commitment to solving real problems for underserved populations, and a recognition that sustainable impact requires collaboration with the financial system, not isolation from it.

But collaboration is hard. Banks and NBFCs operate in a world of strong compliance frameworks and management of risk, while startups operate in a world of rapid iteration, lean teams, pivot-ready roadmaps, and ambitious, often unrealistic, milestones. The languages they speak, the timelines they work on, and the metrics they optimize for can be fundamentally different. What often stands between a promising pilot and a scaled partnership is lack of institutional translation. What

is needed is a body that helps the bank understand why this particular fintech's approach matters and help the startup navigate procurement cycles and compliance expectations in an incumbent organisation. It needs someone to build trust on both sides.

This playbook emerges from that work. It is grounded in the lived experience of founders who have run pilots that scaled and others that stalled, learned to speak the language of risk teams and operations heads, and built credibility one deliverable at a time. It reflects the insights of financial institutions that have taken bets on unproven solutions, invested time in co-creation, and seen firsthand what it takes to embed innovation into regulated operations. Over the last few years, along with MSC Consulting we have worked on fructifying fintech-financial institution partnerships that have generated rich proofs of how to craft and sustain partnerships. This playbook is our attempt to multiply the impact of our work. We hope that this playbook will be useful to the many fintechs seeking to scale up by partnering with incumbents.

The Bharat customer has long been waiting for financial products that are designed for her needs. It is only through partnerships between innovators and incumbents that we will deliver on her expectations.

Priyanka Chopra
CEO and Managing Partner
IIMA Ventures

Acknowledgements

This playbook has been developed with the support of JPMorganChase under the Financial Inclusion Lab (FI Lab), implemented by IIMA Ventures and MicroSave Consulting (MSC). It draws on practical insights from years of co-creation and extensive engagements with FinTech founders, Financial Service Providers (FSPs), ecosystem partners, and subject matter experts across India's financial services ecosystem.

We extend our sincere gratitude to the many FinTech founders, banks, NBFCs, MFIs, ecosystem enablers, investors, and experts who generously shared their time, experiences, and perspectives throughout the development of this playbook. Their contributions have been instrumental in shaping the practical guidance, frameworks, and lessons presented in this publication.



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Chapter 1:

How to use this guide



Your roadmap to FinTech partnerships in India

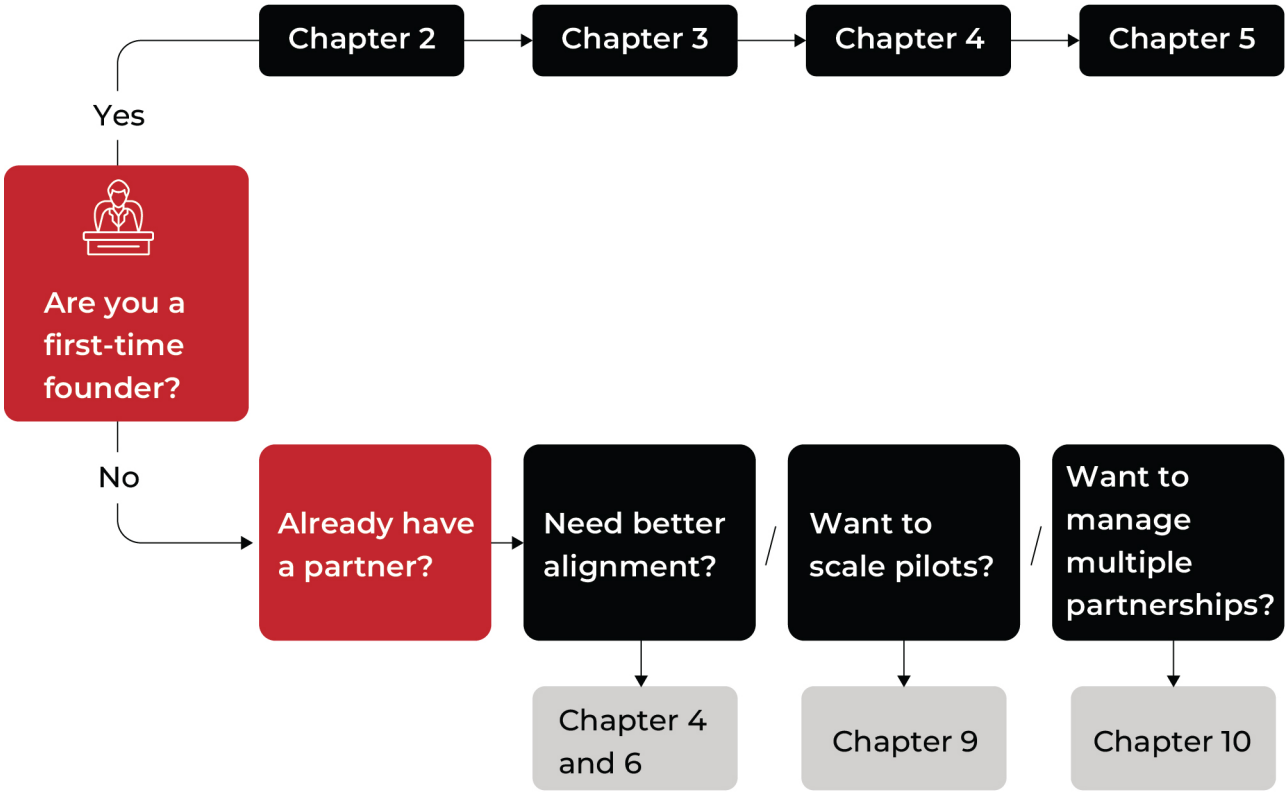
This playbook is a practical guide to help you navigate FSP[1] partnerships in India's booming FinTech landscape, right from the inception of ideas to the impact you can generate.

1.1: What will this guide offer you?

Needs of a founder	What this guide offers
Understand the FSP landscape	Market overview and FSP types: Chapter 2
Develop a partnership strategy	Value proposition frameworks and lifecycle roadmap
Build trust and credibility	Case studies and pitch tools: Chapters 4, 6, and 9
Navigate compliance or integration	Toolkits for due diligence and technology fitment: Chapter 7

1.2: How can you use this playbook?

Choose your path:



[1] FSP (Financial Service Provider): A regulated entity (RE) that provides financial products or services, including banks, NBFCs, MFIs, insurance companies, and similar institutions.

How to map your journey against the following three founder personas:

Parameters	Early-stage founder	Growth-stage founder	Scaling founder
Stage description	Product ready; yet to formalize partnerships or initiate pilots	One or more partnerships formed; pilots underway or completed	Managing mature partnerships and expanding operations
Relevant chapters	Chapters 2 to 4: Address foundational lessons and initial partnerships	Chapters 5 to 7: navigate stakeholder engagement and partnership integration	Chapters 9 to 10: Guidance to scale pilots and develop governance systems
Key activities	Lessons, how to craft a pitch	Stakeholder engagement, integration	Scaling, governance
Main challenges	Achieve market fit and build initial credibility	Integrate seamlessly with FSPs and balance resources	Manage partnership complexity and ensure ongoing compliance
Objectives	Build initial market traction and clearly define your value proposition	Deepen or expand your partnerships and solidify operational processes	Scale processes, institutionalize best practices, and drive impact
Support from the playbook	Self-assessment tools, sample pitches	Pilot refinement tools, mapping guides	Expansion frameworks, portfolio trackers
Metrics to track	Number of partnerships signed and the success rate of pitches	Monitor the conversion rate of pilots and actively seek partner feedback	Number of active pilots, partnership portfolio health, and outcome assessment

1.3: What makes this playbook unique?

"Partnerships are engines of trust, and not just contracts." — Founder's insight

This playbook is not your run-of-the-mill document. We recognize that meaningful partnerships are built on trust, adaptability, and deep understanding. Therefore, the playbook offers a wealth of actionable, founder-driven guidance grounded in real experiences and proven strategies within India's FinTech landscape.

What is inside this guide?

- **Frameworks:** These structured models will help you design, negotiate, and scale strong FinTech–FSP partnerships.
- **Case studies:** These real-life accounts from founders who have navigated and grown meaningful collaborations offer clear lessons and takeaways.
- **Checklists:** The step-by-step tools consistently address critical aspects of partnership development, from initial planning through execution and continual monitoring.
- **Reflection prompts:** These guided questions help you to evaluate your readiness, spot gaps, and tailor your partnership strategy to fit specific opportunities and challenges.
- **Stakeholder maps:** Our visual aids help you identify, engage, and manage key FSP stakeholders effectively.
- **Founder self-assessment:** These tools are designed for you to evaluate your strengths, your natural partnership approach, and areas where you can grow to be better equipped for success.

This playbook will provide founders like you with the information, practical structure, and clarity you need to forge high-trust, high-impact partnerships in the transforming landscape of Indian FinTech.

Chapter 2:

Key players, partnership models, and regulatory pathways of the financial services landscape



The players, models, and expectations that shape FinTech partnerships in India

If you want to build effective partnerships, you must start with a sharp understanding of the ecosystem. You need to know who the relevant FSPs are, how their models differ, and what they expect from a FinTech. This clarity will help you save time, tailor your pitch, and avoid getting stuck at the wrong door.

As highlighted by the Financial Inclusion Lab's (FI Lab) experience, your most important activity will be to build relationships with FSPs. You must treat this as a core focus area, one that requires a deliberate, holistic, and sustained approach. This chapter will equip you with the knowledge and strategies to build successful partnerships in India's complex financial ecosystem.

2.1: Defining the different partnership players

India's financial ecosystem includes various FSPs, such as banks, nonbanking financial companies (NBFCs), payment system operators (PSOs), and Microfinance Institutions (MFIs). While all play a role, this chapter focuses primarily on banks and NBFCs, given their direct relevance to FinTech partnerships.

Category	Types	Regulatory context and perspective	Strategic relevance	Practical insights for FinTechs
Banks 	**Public Sector Banks (PSBs)** **Private Sector Banks, Small Finance Banks (SFBs)** **Regional Rural Banks (RRBs)**	Banks operate under RBI regulation, with governance, customer protection, prudential norms, and financial inclusion remaining key priorities. However, institutional mandates, governance structures, and operating models vary considerably across bank types.	Public Sector Banks often prioritize financial inclusion, government programmes, and regulatory mandates. Private Sector Banks focus on customer experience, business growth, and digital innovation. Small Finance Banks and RRBs emphasize financial inclusion and underserved segments, while Cooperative Banks focus on localized banking and community trust.	**Public Sector Banks:** Align solutions with regulatory priorities and be prepared for structured procurement and longer approval cycles. **Private Sector Banks:** Lead with measurable business outcomes, scalability, customer impact, and ROI. **Small Finance Banks & RRBs:** Demonstrate operational efficiency and relevance for underserved customer segments, while being prepared for collaborative solution development. Operational or regulatory needs are generally more effective.

Category	Types	Regulatory context and perspective	Strategic relevance	Practical insights for FinTechs
NBFCs	**Lending NBFCs** **NBFC-MFIs**	NBFCs operate under RBI regulation but differ significantly in their business models, customer segments, and operational priorities. Consequently, partnership expectations and technology adoption vary across institution types.	Lending NBFCs generally prioritize portfolio growth, underwriting efficiency, customer acquisition, and operational scalability. NBFC-MFIs focus on financial inclusion, field operations, customer servicing, portfolio quality, and regulatory compliance.	**NBFCs:** Position solutions in terms of business outcomes such as portfolio growth, underwriting improvements, operational efficiency, customer acquisition, or lower operating costs. **NBFC-MFIs:** Technology adoption is often driven by immediate operational, customer servicing, or regulatory requirements. Solutions that are simple to deploy and demonstrate tangible field-level impact are generally more likely to gain traction than technology-led propositions alone.

2.2: Types of partnerships

Successful FinTech–FSP collaborations cannot be treated as one-size-fits-all. Partnership structures vary widely based on the objectives, commitment required, and stage of growth for both parties. When you understand the main types of partnerships, you will be able to calibrate expectations and approach.

Parameters	Strategic partnership	Operational partnership	Tactical partnership
Goal	Align with long-term vision and transformation that reshape market position or business model	Improve ongoing processes or solve defined business problems	Test a hypothesis or opportunity in a limited context
Scope	Broad, organization-wide, often multi-year	Medium to broad, which is tied to business operations and efficiency improvements	Narrow and sharply defined, which is often a single use case

Parameters	Strategic partnership	Operational partnership	Tactical partnership
Duration	Long-term (multi-year, with ongoing commitment)	Medium- to long-term	Short-term or one-off
Integration level	Deep alignment of strategy, products, and systems	Often involves significant technology or process integration	Minimal integration, which can be offline, manual, or a mock setup
Decision maker	CXO or Board level	Business Unit (BU) Head or Operations Head	Product Manager or Innovation Lead
Outcome	Business transformation, market leadership, long-term shared value	Measurable improvements in KPIs, efficiency, compliance, or risk management	Validates feasibility, fit, or demand, which generates quick lessons
Evolution potential	Builds institutional trust and resilience, which is ongoing	May become strategic if adopted widely and tied to long-term goals	May graduate into operational or strategic if it works and proves scalable
Key differences	Strategic partnerships are long-term collaborations aligned with the core goals and vision of both parties. They often follow successful smaller engagements and can reshape business models or market positioning.	Operational partnerships focus on the delivery of specific, measurable improvements to ongoing processes. These usually involve deeper integration and medium-term commitment.	Tactical partnerships are short-term or pilot engagements designed to test viability or gather feedback with minimal commitment.

Mapping your partnership model:

If you want to choose the right partnership type, you must match your FinTech's maturity, ambition, and current traction with what each FSP is willing and able to offer.

Partnership type	Recommended approach
Tactical (Pilots and proof of concepts)	Use short-term pilots for validation, which builds credibility to solve focused, real-world problems first.
Operational	After pilots, you should move into operational integration, which targets efficiency, co-branded offerings, and defined KPIs.
Strategic	Pursue strategic alliances with long-term goals, codevelopment, and resource sharing with a proven track record.

How can you select and map your partnership model?

- **Assess your current traction:** Are you testing, integrating, or ready to co-build?
- **Gauge FSP appetite and readiness:** Does your target FSP want quick wins (tactical), deeper integration (operational), or transformation (strategic)?
- **Align incentives:** Ensure your stage, objectives, and resources match the intensity and timelines of the partnership type.

Pro-tip:

Start small and prove value through tactical or operational models. Use those wins and collected metrics as a foundation to propose longer-term, strategic collaborations.

As a founder, you need to understand and map all the types of possible partnerships. This will help you avoid wasted effort, set realistic timelines, and build stronger, more sustainable collaborations with FSPs. While some partnerships may evolve from tactical pilots to strategic collaborations, many will remain at the operational level. That is perfectly fine if they deliver consistent value to both parties. The key is to assess if your solution can potentially become strategic for an FSP, and if so, align incentives accordingly.

2.3: Regulatory pathways: What founders need to know

A sophisticated partnership strategy rests on regulatory awareness, not merely ticking the correct boxes. You must shape your integration, onboarding, and value proposition to meet legal and compliance expectations from the outset.

FSP type	Banks	NBFCs
Regulatory requirements	• RBI rules (KYC, audit) • IT Act	• NBFC–RBI rules • Sector-specific guidelines
Prep checklist	• Full compliance package • Integration SOPs	• Show operational track record • Risk and fraud control
Potential risks for FinTechs	• Inadequate documentation • Unclear risk sharing • Weak processes • Insufficient capital • Lax onboarding	

Tips for founders:

As a founder, you must implement the following steps to enforce regulatory pathways:

- Start developing your compliance toolkit early and anticipate documentation and integration requirements before you approach an FSP;
- Be transparent about your compliance maturity and proactively identify and address any gaps;
- Recognize that requirements and scrutiny may increase as you move from pilot to scale.

Being proactive and organized with compliance and operational information builds trust, accelerates engagement, and positions your FinTech as a credible player ready to build compelling partnerships in India's financial services landscape.

Warning signals

Too small to matter

Banks often avoid very early-stage startups. Until you have scale or credible backers, pitch yourself as a niche problem-solver rather than a core system replacement.

Single-champion risk

Relying on one internal sponsor can stall your deal if that person exits. Always build multiple touchpoints inside the FSP.

Misaligned incentives

FSPs weigh compliance and cost more heavily than innovation. Risky models, such as unsecured lending to thin-file customers, are likely to face resistance.

Pilot paralysis

A successful pilot does not always translate into a timely rollout due to organizational processes and internal approvals.

Operational bottlenecks

Even with leadership buy-in, approvals, integrations, and disbursements often drag. You must plan for delays and build flexibility into your processes.

Legacy bias

PSBs and MFIs prefer tried-and-tested solutions. You should position your product as an enhancement to existing systems, not a disruption.

FI Lab insight: Lessons from an MFI that prioritized rapid deployment over solution fit. A FinTech had promised a technology-heavy solution to overhaul field operations for an MFI. Yet, the MFI could not overcome long integration cycles. It preferred a simpler, faster-to-deploy tool. Your lesson from this insight is to start with sharp, use-case-driven pilots before you offer a full-stack change.



Chapter 3:

Founder's self-assessment



Laying the foundation for credible, confident partnerships

Any successful FinTech partnership is rarely built on the product right from the start. Partnerships are built on the founder's credibility and the team's ability to deliver at an institutional scale. Banks, NBFCs, and MFIs assess far more than your technology. They gauge your leadership, the depth of your team, your readiness for compliance scrutiny, and whether you can navigate their decision-making process without losing momentum.

This chapter offers a practical self-assessment framework to help you:

- Identify where you stand today;
- Close credibility and capability gaps;
- Align internal strengths with what institutional partners actually expect.

The goal is simple. You should be ready to move from founder energy to partnership readiness.

3.1: Why does self-assessment matter?

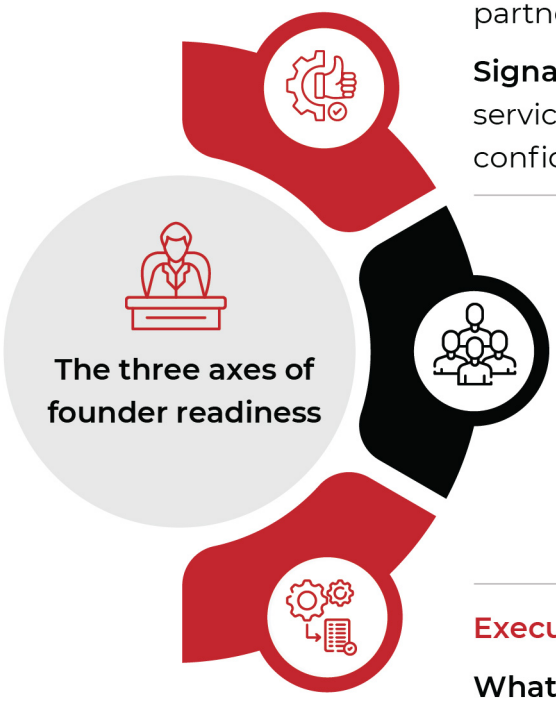
Institutions first partner with people, then products. Across the FI Lab engagements, FSPs consistently emphasized that they:

- Need confidence that you can deliver what you promise;
- Expect you to sustain through setbacks, especially during long integration cycles;
- Seek founders who understand regulated environments and decision-making protocols;
- Want teams that can execute at scale, not just during a pilot.

A self-assessment is the first step toward building trust and knowing your strengths and weaknesses.



3.2: The three axes of founder readiness



Founder credibility

What to assess: Track record, ability to speak the partner's language, and clarity of vision

Signals of readiness: Relevant sector or financial services experience, clear articulation of value, confident without overselling

Team capability

What to assess: Technology depth, compliance knowledge, and the ability to respond to institutional needs

Signals of readiness: In-house or on-call experts for tech, risk, operations, and regulatory

Execution readiness

What to assess: Past pilots, integration flexibility, operational maturity

Signals of readiness: Pilot playbooks, case studies, integration kits, security readiness

3.3: Quick self-assessment quiz

Score yourself on a scale of 1 to 5 (1 = Not at all true, 5 = Absolutely true):

1. I understand how banks or NBFCs make partnership decisions.
2. I can explain my solution's impact in terms of metrics that matter to FSPs.
3. My team includes compliance or risk expertise.
4. I can point to one or two pilots or client projects.
5. My pitch has been refined through conversations with industry insiders.
6. I have NDA, integration, and pilot documentation ready.
7. My product can be customized to fit an FSP's processes.
8. I can handle questions at the level of the CXO or technology head with confidence.
9. I have assessed whether my current capital and resources are adequate for the partnership model I intend to pursue.

Score guide:

- 30–40 → Ready to engage senior stakeholders
- 20–29 → On the right track; plug gaps before scaling outreach
- Below 20 → Focus on internal readiness before pursuing major partnerships

3.4: Common blind spots of founders and their fixes

Blind spot	What founders miss	Solutions
"My product is enough."	Underestimate institutional skepticism	Build credibility through warm introductions, credible references, and small wins
"We can figure it out later."	Underprepared for compliance or due diligence	Prepare documentation early for DPDP, IT security, RBI guidelines
"We are fast, they are slow."	Frustration with long partner timelines	Appoint a partnership manager that factor in buffers
"We are too small for them."	Misjudge value narrative	Tie pitch to strategic KPIs

3.5: Founder styles: Strengths and pitfalls

Style	Strength	Weakness
Visionary	Inspires belief and big-picture thinker	May miss execution details, which needs operations support
Hustler	Moves fast and builds relationships	Risks overpromising
Technician	Deep product, data, and security expertise	Needs help to simplify the message for business buy-in
Domain expert	Understands FSP context intimately	May stick to legacy thinking, which needs startup agility



Tip:

Know your dominant style and surround yourself with complements—co-founders, advisors, or senior hires.

3.6: Case snapshots: What prepared founders got right

MAKSPay + AU SFB:

The founder committed to a field-level collections pilot, showed deep operational insight, and scaled successfully despite NPA headwinds.

Finarkein + Bajaj Finserv:

The founder had data governance credibility and strategic investor backing. They also had an aligned roadmap that secured trust and scale.

Entitled + Bazaari Finance:

The stakeholders had a lean team, but a strong readiness for distribution and first loss default guarantee (FLDG). They could tie their pitch to customer intent and operational readiness.

Across these examples, trust was built before tech.

3.7: How can you build credibility and close gaps?

Founders should take the following steps to build credibility with institutional partners and address early-stage gaps. They need to:

- Assign a dedicated partner relationship owner;
- Create a partnership readiness deck that would include use cases, pilot plan, and client examples;
- Onboard a compliance or risk advisor early on;
- Secure references from trusted ecosystem players;
- Use small, tactical pilots to prove delivery before large-scale deals.

3.8: Questions to reflect upon

- What would make an FSP say “I trust this founder”?
- Can my team handle a 2-week sprint without my direct involvement?
- Which part of my pitch is the strongest, and which is the weakest?
- If I were the bank, would I partner with me?

The most successful founders that the FI Lab has worked with are more than mere strong product builders. They are credible, self-aware partners who plug gaps early, communicate with precision, and adapt to institutional realities.



Chapter 4:

Building your value proposition



Why you must demonstrate that your solution matters

A thrilling value proposition is key to any successful partnership with financial service providers (FSPs) in India, whether public-sector banks, private banks, MFIs, or NBFCs. Your value proposition should show how your solution addresses critical pain points, delivers measurable benefits, and differentiates you from in-house and competing solutions. This chapter will guide you on how to build, tailor, and refine your value proposition to echo across India's dynamic financial landscape. It will also help you position your solution as indispensable to your partners' strategic goals.

4.1: The three pillars of a strong value proposition

At its core, a strong value proposition answers three key questions:



Start by deeply understanding the partner's specific challenges and strategic priorities. Align your solution directly with these goals to make it more relevant and timely. For instance, if your FinTech uses AI-driven fraud detection, you can highlight how it cuts false positives by 30%, helps save costs, and increases operational efficiency. This type of targeted value proposition helps anchor your offering in outcomes that matter to the partner.

Cost-effectiveness is also key. FSPs often assess solutions through the lens of departmental budgets and ask if it is more efficient to build in-house or collaborate externally. Your solution must meet current needs, show the potential to evolve through ongoing engagement, and thus demonstrate its superior value. Long-term adaptability can be as persuasive as immediate impact.

Your value proposition should emerge from iterative conversations with various decision-makers and gatekeepers. Each discussion can reveal new priorities, whether it is compliance, market expansion, or enhanced customer experience, which may require adjustments to your pitch. Identify internal champions within FSPs, as it can further solidify your position and streamline the decision-making process. Map your insights through a value proposition canvas that aligns partner pain points with your solution's benefits to ensure clarity and precision. Always base your claims on realistic and transparent commitments.

4.2: How can you build your value proposition?

Step 1: You must understand your potential partner's specific challenges. Each conversation can reveal new priorities that may require adjustments to your pitch.



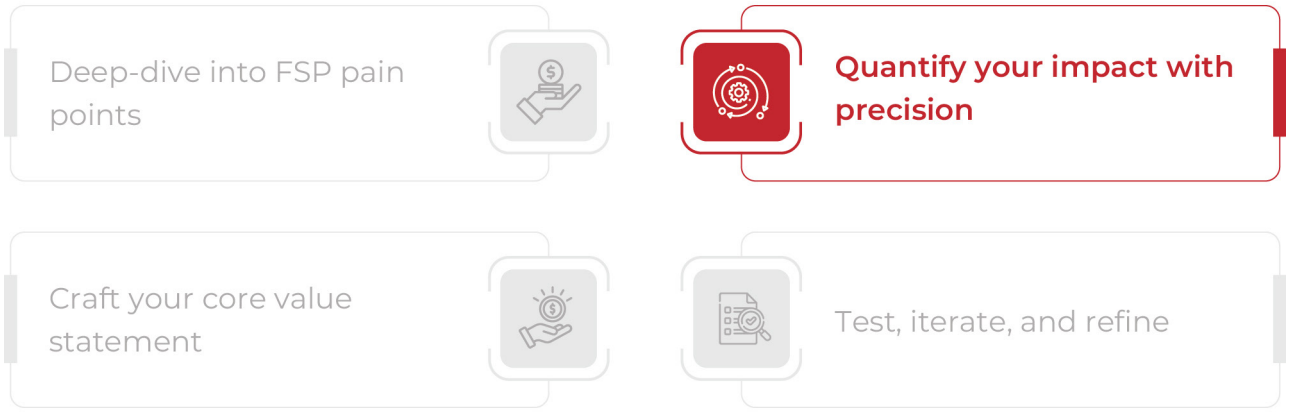
Priority actions:

- Interview department heads, compliance, and frontline teams
- Identify two or three operational challenges they face daily
- Map how these challenges impact their strategic goals

Instances of pain points by FSP type:

- Public-sector banks struggle to meet financial inclusion targets and streamline disbursal of government programs.
- Private banks struggle to reduce loan approval times while maintaining compliance.
- MFIs seek to simplify documentation and repayment tracking in remote areas.
- NBFCs find it difficult to scale operations and keep infrastructure costs low.

Step 2: Cost-effectiveness and measurable outcomes are critical evaluation criteria for FSPs. Use concrete data to demonstrate tangible improvements.



Key metrics to track:

- **Time savings:** Percentage of reduction in the loan approval time
- **Revenue growth:** Percentage of increase in customer onboarding or loan approvals
- **Risk mitigation:** Percentage of reduction in defaults or fraud
- **Cost efficiency:** Operational cost savings versus current processes

Template for quantification: "Our solution reduces [*specific process*] time from [*X*] to [*Y*], delivers [*Z*]% improvement, and saves INR [*amount*] annually."

Pro tip:

Select metrics that are meaningful to the FSP and competitive within industry benchmarks. Like it shows 10% improvement, where 30% is the industry standard, which can backfire.

Real-life example

Multi-sync for payments: MAKSPay and Entitled provide a strong illustration of how FinTechs can address financial and non-financial pain points for FSPs. For example, MAKSPay developed a multi-sync payments product for MFIs that focuses on how loan credits settle in MSME accounts.

Through the creation of an EDA product with an MFI, they enabled settlements on specific days (3, 6, 9). They adapted to regulatory mandates that moved from 30, 60, and 90-day cycles to more frequent cycles due to UPI requirements. This flexibility in product design directly addressed operational bottlenecks and compliance needs, which demonstrates measurable value to partners.

Step 3: Your core value statement serves as the foundation for every pitch, email, and partnership conversation. It should be memorable and specific. It should immediately communicate why you are the best choice to solve their most pressing challenge.

Deep-dive into FSP pain points

Quantify your impact with precision

Craft your core value statement

Test, iterate, and refine

Template:

"We help [FSP type] achieve [primary benefit] by solving [specific problem] faster, cheaper, and better than [alternatives]."

Example:

"We help MFIs achieve 40% faster loan disbursals by automating rural KYC processes through our offline-capable platform, which eliminates the need for costly manual verification systems."

Step 4: Your value proposition should emerge from iterative conversations with decision-makers and gatekeepers.



- Test your proposition in small stakeholder meetings
- Note objections, concerns, and what resonates
- Continuously refine your solution for clarity and relevance
- Identify internal champions who can advocate for your solution

4.3: Tailoring your pitch to different FSP types

Public sector banks

Key priorities:

Financial inclusion, government program alignment, and RBI compliance

Pitch framework:

- Emphasize rural outreach capabilities and cost-effective solutions;
- Highlight compliance with government mandates, such as the PM SVANidhi and Mudra, among others;
- Demonstrate social impact alongside operational efficiency.

Example:

Our digital onboarding platform helps you exceed financial inclusion targets through rural customer acquisition at 60% lower cost, while it maintains full RBI compliance.

Private sector banks

Key priorities:

Customer experience, operational efficiency, and competitive differentiation

Pitch framework:

- Focus on reduced approval times and enhanced the customer journey;
- Showcase innovation that drives customer satisfaction;
- Emphasize seamless integration capabilities.

Example:

Our real-time credit scoring reduces loan approval times by 50%, directly improves customer retention, and also reduces operational costs.

MFIs

Key priorities:

Remote area operations, simplified processes, and default reduction

Pitch framework:

- Demonstrate local market adaptability, such as vernacular languages, and offline functionality;
- Show impact on collection rates and operational simplicity;
- Highlight cost reduction in field operations.

Example:

"Our mobile-based repayment tracking reduces default rates by 15% in remote areas, which cuts field agent costs by 30%."

NBFCs

Key priorities:

Quick product launches, API integration, and scalable infrastructure

Pitch framework:

- Showcase rapid deployment capabilities;
- Emphasize flexible integration through APIs;
- Demonstrate cost-effective scaling solutions.

Example:

"Our co-lending platform reduces time-to-market for new credit products by 30% while enabling seamless partner integration."

How can you craft a compelling narrative?

When you craft your pitch, the narrative should flow logically, address the FSP's pain points, and position you as a valuable and indispensable partner.

Present the solution

Our digital KYC solution automates onboarding and works offline.

Identify the problem

Manual onboarding of rural customers is costly and error-prone.



Quantify outcomes

Reduces customer onboarding costs by 40% and cuts approval time from 10 days to three days.

Share success stories

MSME loan approvals increased by 25% in six months at XYZ bank.

Position yourself as a strategic partner, not just a vendor, to build sustainable relationships with FSPs. Actively align your solution with the FSP's larger strategic objectives to achieve this. Demonstrate that you understand their broader mission and are committed to helping them succeed in their core business goals. Proactively offer insights, suggest improvements, and invest in their outcomes rather than simply deliver what the contract demands. This shows genuine commitment to their success, builds trust, and positions you as an extension of their team rather than an external service provider.

Additionally, show adaptability to their evolving needs. Stay flexible with your solution offerings, be responsive to regulatory shifts, and be willing to grow your services in tandem with their business expansion. This proves that you are prepared to be a long-term collaborative partner who will navigate industry changes and challenges together, and FSPs would not have to find new vendors as their needs evolve.

How can you engage stakeholders effectively?

Understanding decision dynamics

Gatekeepers

Focus

- Technical feasibility and compliance assessment

Messaging

- Emphasize integration, ease, and regulatory adherence

Decision-makers

Focus

- Return on investment (ROI) and strategic alignment

Messaging

- Highlight cost savings, revenue growth, and competitive advantage

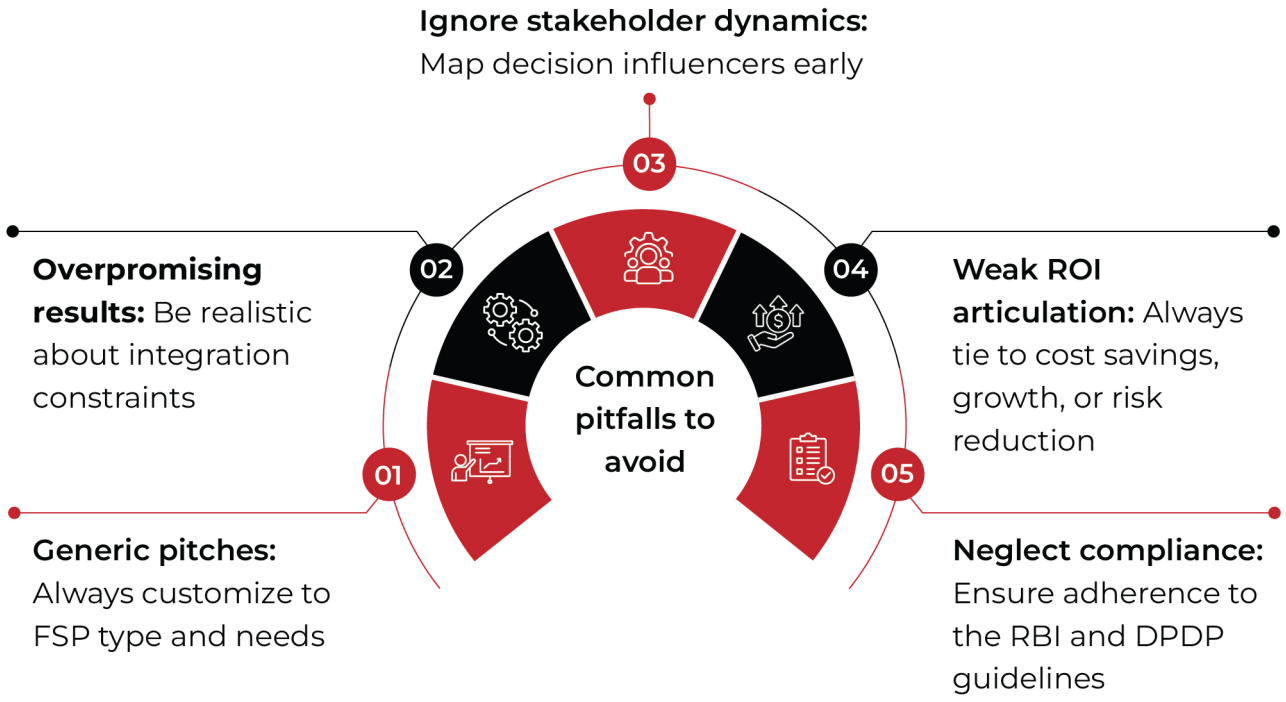
Building strategic relationships within FSPs requires a systematic approach that begins well before formal partnership discussions. Engage early with innovation teams or digital transformation departments. These groups are typically more open to exploring novel solutions. They can serve as your entry point into the organization. Once you gain initial access, map influencers at each organizational level to understand the decision-making hierarchy and identify key stakeholders who hold sway over partnership decisions. Focus on how you can cultivate internal champions, ideally senior executives or respected team leaders who can advocate for your solution within the organization and help navigate internal processes and politics.

In many FSPs, partnership decisions are consensus-driven, requiring alignment across multiple gatekeepers and decision-makers rather than relying on a single sponsor.

Throughout this process, continuously align your messaging based on each stakeholder's specific priorities. These could range from technical feasibility for engineering teams, compliance requirements for risk departments, or return on investment (ROI) metrics for executive leadership. Ensure your value proposition resonates with what matters most to each decision influencer.



Common pitfalls to avoid



If you avoid these common missteps, you can significantly improve your chances of building meaningful, long-term partnerships with FSPs. When FinTechs approach conversations with clarity, credibility, and compliance in mind, they can transition from being viewed as vendors and become strategic allies in innovation and growth.

FI Lab insights:

1. **The proposal that felt too broad:**
    a. One of the lab FinTechs pitched a full-stack loan origination platform to an NBFC-MFI. The partner felt it was “too heavy” and preferred a simpler module that solved one bottleneck of field data capture.
    b. **Lesson:** Start with the sharpest pain point. A phased approach often works better than an all-in-one pitch.
2. **Distribution strength as credibility:**
    a. One startup that served informal workers faced doubts about its financial product. Instead of leading with technology, it highlighted its existing distribution network of 100k+ workers, which proved its reach and relevance.
    b. **Lesson:** For many FinTechs, distribution in a new segment for FSPs remains their biggest strength.



Chapter 5:

Understanding the partnership journey



Navigating the partnership journey from the first pitch to pilot to scale

As a founder, you can rarely form meaningful partnerships with financial service providers (FSPs) in a straight line. The partnership is a journey, which is sometimes swift, often circular, and occasionally stalled. It depends on relationships and timing as well as on the strength of a startup's solution.

Whether one works with an MFI, NBFC, public sector bank, or private player, the path to partnership unfolds in phases. These may not always follow the same sequence or intensity, but you need to understand their underlying rhythm to stay oriented, spot opportunities, and adapt as needed.

5.1: The four broad phases of a FinTech–FSP partnership

Through conversations with 30+ FSPs and startup founders under the Financial Inclusion Lab (FI Lab), we have found it useful to think about the partnership journey in four evolving phases. These phases are not rigid steps, but fluid zones you may move through, revisit, or reshape based on context:

Phase	Focus
Initial engagement	Find the right entry point and shape the first impression
Due diligence	Navigate evaluations, compliance, and internal checks
Commercial agreement	Align on terms, scope confidence, and shared commitment
Implementation	Bring the pilot to life and prepare for scale

Each phase or institution follows its own rhythm, and no two journeys look the same. You must understand the different levers at play and switch between them with clarity.

For example, public sector undertaking (PSU) banks often require more formal process adherence, such as request for proposals (RFPs) and empanelment, while microfinance institutions (MFIs) may move faster if they align with operational pain points. Private banks expect a stronger compliance posture and clarity on return on investments (ROI). Nonbanking financial companies (NBFCs) may push you into commercial models, such as first-loss default guarantee (FLDG).

5.2: Mapping the journey one stage at a time

Engage	Assess	Align	Implement
• Outreach to the gatekeeper • Pitching the value • Gatekeeper assessment • Introductions to decision-makers • Demo and dialogue	• NDA and access • Internal assessments (Risk, IT, Compliance) • Empanelment (PSUs only)	• RFP floated (for PSUs) • Commercial alignment • Leadership buy-in • Integration conversations (optional)	• Scoping the pilot • Preparing to launch • Going live • Monitoring and adapting • Declaring success

Phase 1: Engage (initial engagement)

- **Outreach to gatekeeper:** Partnerships often start in the least expected places. They may form at an event, a referral, or even a cold email that resonated. Gatekeepers may be startup teams, digital leads, or business unit heads. You have to understand what motivates them.
- **Pitch the value:** First impressions matter. Can you make your case quickly with relevance to their priorities? You do not need to sell all your capabilities, but rather start a conversation that lands.
- **Introductions to decision-makers:** Sometimes, gatekeepers open doors. Other times, you need to build parallel relationships. Persistence, not pushiness, often makes the difference.
- **Demo and dialogue:** At this stage, your engagement is not just about the product, but also whether your team, approach, and timing make sense in the partner's world.

Example from the FI Lab: A credit underwriting FinTech initially overwhelmed a small finance bank's innovation team with complex analytics. When the team cut onboarding time by 30% to reframe their pitch around a single KPI, they won a demo with the lending head.

Lesson: Align your pitch to the FSP's operating reality, not your product architecture.

Key takeaways:

- Warm intros and credible referrals, such as through the FI Lab or known investors, can successfully convert the transaction into a lasting partnership.
- You should align with the FSP's operational pain points or KPIs and not just display technology. This leads to faster traction.

Warning signals:

- The point of contact (POC) keeps deferring or cannot name the decision-maker.
- POC asks to share materials, but no meeting is scheduled.

Phase 2: Assess (due diligence)

- **NDA and access:** An NDA is a standard step for sensitive discussions. It signals seriousness on both sides but does not guarantee momentum.
- **Internal assessments, such as risk, IT, and compliance:** This is where many partnerships slow down. You need to self-assess thoroughly to check if the infrastructure holds up. You need to ask yourself if the startup process is ready for audit. You need to focus on how to build internal comfort and not merely pass a checklist of required conditions.
- **Empanelment (PSUs only):** Public sector partnerships often require formal onboarding. This has to happen sometimes before anything moves. Formal processes can feel procedural, but they can also become an advantage if you navigate them correctly.

While formal empanelment is particularly common in public sector institutions, every Financial Service Provider has its own approach to onboarding and evaluating potential partners. Understanding these institutional nuances can help FinTechs tailor their engagement strategy, anticipate potential bottlenecks, and improve their chances of building successful partnerships.

FSP Type	What they are optimizing for	What usually gets their attention	What slows partnerships	Founder playbook
Public Sector Banks (PSBs)	Regulatory compliance, financial inclusion targets, large-scale implementation, risk minimization	Solutions that help deliver government priorities, improve operational efficiency, or strengthen compliance	Multi-layer approvals, RFPs, procurement processes, leadership changes	**Don't sell speed. Sell credibility.** Start relationship-building early, understand the procurement pathway, prepare for long timelines, and use pilots to influence future tenders rather than expecting immediate commercial contracts.

FSP Type	What they are optimizing for	What usually gets their attention	What slows partnerships	Founder playbook
Large Private Banks	Revenue growth, customer experience, productivity, competitive differentiation	Measurable business outcomes—higher sales, lower costs, faster onboarding, better customer experience	Internal competition with in-house technology teams, multiple stakeholder approvals, security reviews	**Assume you are competing against an internal team, not another startup.** Demonstrate why partnering is better than building internally. Lead with ROI, not features.
Small Finance Banks (SFBs)	Expanding customer base, operational efficiency, building differentiated capabilities	Solutions that can be implemented quickly and create visible business impact	Limited internal bandwidth, competing priorities, resource constraints	**Be prepared to co-build.** Offer implementation support, flexible integration, and demonstrate quick wins that justify further investment.
Lending NBFCs (Retail, MSME, Housing, Vehicle Finance, Gold Loan, etc.)	Faster loan growth, better portfolio quality, lower acquisition costs, scalable operations	Revenue generation, distribution partnerships, underwriting improvements, automation	Commercial negotiations, portfolio performance concerns, regulatory changes in lending	**Talk business before technology.** Every conversation should answer one question: How will you improve my P&L? Demonstrate stronger unit economics, lower CAC, better conversion, or lower operating costs.

FSP Type	What they are optimizing for	What usually gets their attention	What slows partnerships	Founder playbook
NBFC-MFIs	Field productivity, collections, customer engagement, operational simplicity, portfolio quality	Solutions that improve frontline operations or solve immediate regulatory or operational challenges	Limited technology bandwidth, conservative operating models, uncertainty around change management	**Solve one operational problem exceptionally well.** Most MFIs do not adopt technology because it is innovative—they adopt it when it clearly reduces field effort, improves collections, or addresses a pressing compliance requirement. Avoid pitching full-stack transformation in the first conversation.
Urban Cooperative Banks (UCBs) / Cooperative Banks	Member trust, regulatory compliance, gradual modernization	Low-risk solutions that modernize existing processes without disrupting operations	Legacy systems, board-driven governance, limited digital capabilities, cautious decision-making	**Spend more time building confidence than selling technology.** Expect education to be part of the sales process. Reduce perceived implementation risk and avoid positioning your solution as disruptive.

FSP Type	What they are optimizing for	What usually gets their attention	What slows partnerships	Founder playbook
Business Correspondents (BCs)	Transaction volumes, commissions, agent productivity, cross-selling	Additional revenue streams, higher agent productivity, improved customer engagement	Weak commercial incentives, existing partner relationships, commission conflicts	**If the economics are not compelling, nothing else matters.** Demonstrate incremental revenue, better agent productivity, or stronger customer retention. Keep integrations simple and commercial models transparent.

Example from the FI Lab: A startup that offered automated income verification for gig workers moved quickly through initial conversations with a private sector bank. However, the process slowed dramatically during IT due diligence. The startup commissioned a third-party audit and prepared compliance documents, which turned the delay into a long-term strength.

Lesson: You need to anticipate security or compliance requirements, even if they do not show up in early conversations.

Key takeaways:

- Speed up the partnership by proactively sharing compliance docs, such as ISO, DPDP, and SOC 2, and integration architecture.
- Startups that support internal champions with security or compliance summaries or IT walkthroughs avoid internal delays.
- For PSUs, you must use the waiting period during empanelment to run informal offline pilots, which can be showcased.

Warning signals:

- The stakeholders from the FinTech and partner signed the NDA, but did not share any IT or risk introductions afterward.
- Internal teams, such as risk and IT, share conflicting feedback or disappear post-request.

Phase 3: Align (commercial conversations)

- RFP floated for PSUs: If the startup is partnering with a PSU, you must expect to work through formal RFPs. Some FinTechs influence scope through early pilots, while others opt out of this cycle. This phase does not have a single rule book. The RFP serves as more than a due diligence check. It determines scope, commercial terms, and vendor selection.
- **Commercial alignment:** Pricing, payment flows, and resource commitment reveal how much each party values the partnership.
- **Leadership buy-in:** Final sign-off typically requires clear ownership at the senior leadership level. Champions play a critical role by reinforcing accountability, resolving open concerns, and mobilizing stakeholder support.
- **Optional integration conversations:** Some partnerships need technology hooks early on, while others start offline and digitize later. Either approach can work. What matters is clarity on effort and expectations.

Example from the FI Lab: A conversational AI startup that piloted with an NBFC saw poor adoption. The startup partnered with HR to create a simple regional language-based training module that boosted field agent usage within two weeks.

Lesson: The pilot's success depends on frontline readiness and backend integration.

Key takeaways:

- While pricing flexibility matters, you need to anchor the commercial to scope and pilot value to earn trust.
- Scaling conversations often depend more on internal champions' push than pitch quality.
- Pilots help shape RFP scope in PSUs. Cross-functional alignment, which includes product, digital, and compliance, is key for private banks.

Warning signals:

- You revise pricing repeatedly with no clarity on the final terms or scope.
- The internal champion says "with leadership now," but access to decision-makers is blocked or vague.

Phase 4: Implement (excecution)

- **Scoping the pilot:** You have to define just enough to measure success, but leave room to learn. Scope bloat is real, and clarity helps everyone stay focused.
- **Preparing to launch:** Ground teams matter. If the pilot touches operations, make sure those who will run it are aligned. Materials, training modules, and checklists matter more than one may give them due importance.
- **Going live:** You must expect and anticipate hiccups. The best pilots are those where founders and field teams collaborate to solve problems and not just report them.

- **Monitoring and adapting:** As a founder, you must assess what works and what does not. It is always good to stay close to data and feedback. Pilot pivots are the keys that transform good solutions into great ones.
- **Declaring success:** Success can be quantitative, such as improved conversion, or qualitative, such as a smoother process. Define it together with the partner, and document it well.
- **Expanding the rollout:** Rollouts do not happen on their own. It takes vision, patience, and continued problem-solving. Sometimes, a great pilot does not scale, and an average one does, because relationships mature.

Example from the FI Lab: An invoice based lending startup completed a strong pilot with an NBFC, but scaling stalled. The startup packaged the pilot results into a short deck and offered rollout options. This helped them reignite leadership interest and secured phased expansion.

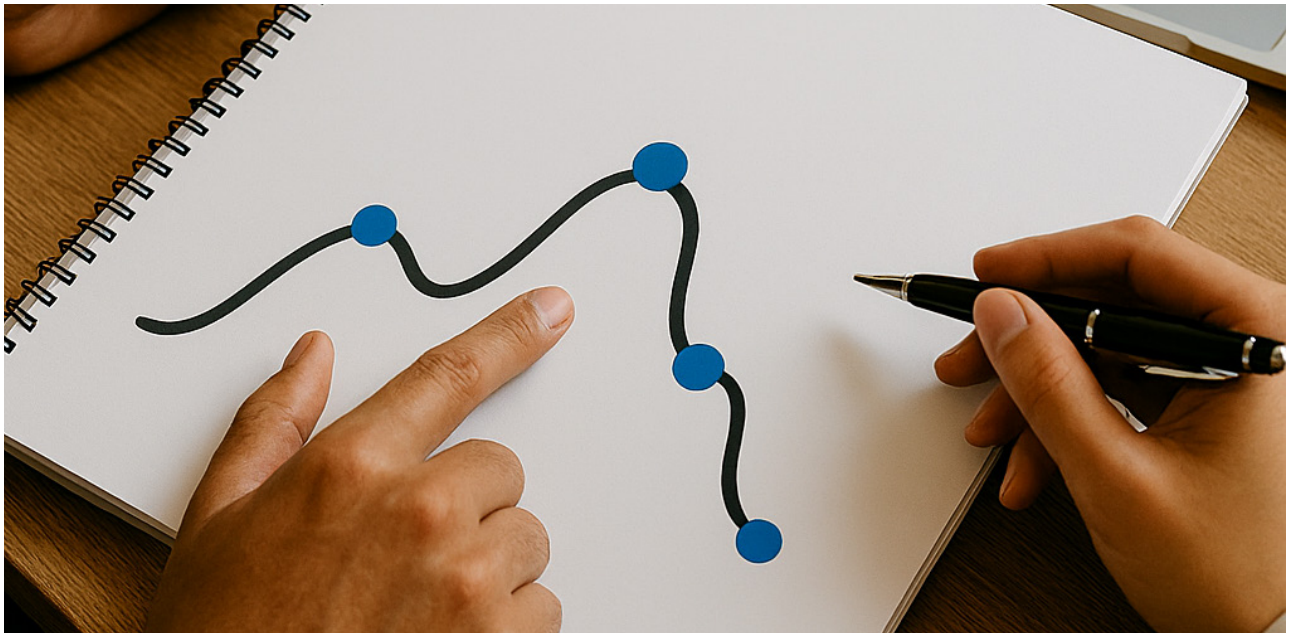
Lesson: Do not assume success speaks for itself. You need to translate outcomes into next steps for your partner.

Key takeaways:

- As a founder, you can de-risk implementation when you define a clear pilot scope, share ownership of KPIs, and schedule regular check-ins.
- Frontline readiness, such as training field teams and co-owning success metrics, is as important as technological deployment.
- Sharing success metrics and documented feedback helps nudge scale-up decisions.

Warning signals:

- The FSP provided no single point of contact during pilot preparation or rollout.
- Post-pilot, the partner agrees on success but avoids timeline or budget discussions for scale.



5.3: Reflections at key stages

Stage	Things that often happen	Suggestions
Outreach 	Emails go unanswered	Be responsive
Pitch 	The excitement fizzles out	Tailor to KRA, not just features
Risk evaluation 	Delays, rework, confusion	Be ready with compliance artifacts
Commercials 	Conflicting expectations	Anchor the scope before price
Pilot preparation 	Teams misaligned	Cocreate checklist, avoid assumptions
Live pilot 	Uptake is low	Field immersion, real-time support
Post pilot 	No next steps	Share lessons and scale the plan clearly

Remember: You must also be aware that some partnerships may stall for reasons beyond your control, such as budget cycles, leadership turnover, and internal politics. The key to successful partnerships is to take these roadblocks in your stride and stay responsive, not reactive.

5.4: A few good questions to ponder upon before you begin

- Who are the real decision-makers and how will you reach them?
- Is your solution over-engineered for what they need?
- What will success look like for them, not just for you?
- Are you set up to support a pilot that serves both technological needs and human realities?
- What will you do if the initial pilot goes quiet for two months?

You will not always have clear answers, and that is perfectly fine. Success is not about following a formula. All successful partnerships focus on ways to develop awareness, resilience, and readiness.

Treat every partnership as a learning opportunity. Some will move fast, while others will teach patience. What truly matters is that you stay curious, ask better questions, and show up with humility and clarity. In the end, this journey extends beyond conversion to cocreation.

Chapter 6:

Navigating gatekeepers and decision-makers



Gatekeepers filter, while decision-makers approve: Engage them both

If you want to build a successful FinTech–FSP partnership in India, you will need more than just the right product or solution. You must be able to get your proposal in front of the right people, at the right time, and with the right message. Within every FSP, you will encounter two key groups: Gatekeepers and Decision-makers. You must understand their roles, motivations, and ways of engagement to move your partnership from pitch to pilot and beyond.

6.1: The two audiences: Gatekeepers and Decision-makers

Every partnership journey starts with a gatekeeper. This could be a mid-level manager, an executive assistant, or a department head. They filter proposals, safeguard senior leaders' time, and ensure only relevant opportunities move forward. Gatekeepers are more than just obstacles; they are your first audience. When you make their job easier by clearly showing how your solution aligns with the FSP's priorities, you increase your chances of progress.

Decision-makers are the senior leaders. They are the CXOs, heads of digital, or business unit heads, who can approve or reject your proposal. They prioritize strategic fit, risk, return on investment (ROI), and long-term value. You must ensure your proposal aligns with their goals and concerns.

6.2: How to build your engagement strategy

If you intend to navigate the partnership landscape within an FSP, you will need more than a compelling solution. This would call for a deliberate and informed approach to stakeholder engagement. FinTech founders often encounter a maze of roles, priorities, and internal politics that can either accelerate or stall their proposals. You can systematically map the organization, tailor communication for different audiences, and cultivate internal champions in the partner organization. This will help you ensure your partnership pitch reaches the right people and resonates with their unique motivations and priorities.



Step 1: Map the organization

Start by researching the FSP's structure. Who leads innovation? Who leads digital initiatives or partnerships? Use LinkedIn, company reports, and industry news to identify gatekeepers and decision-makers. This mapping will help you craft targeted messages and avoid wasted effort.

Step 2: Tailor your communication

a. For gatekeepers:

- Reference current projects or strategic goals in your outreach.
- Share concise case studies or pilot results that highlight operational impact.
- Address immediate pain points: compliance, process bottlenecks, or integration challenges.

b. For decision-makers:

- Ensure strategic alignment, measurable ROI, and risk mitigation to keep a steady focus on the big picture.
- Quantify benefits and show how your solution supports the FSP's long-term vision.
- Be ready with clear, data-backed answers to "why now?" and "why you?"

Step 3: Cultivate internal champions

Identify individuals who are passionate about innovation or frustrated with the status quo. Engage them early with insights or pilot data relevant to their domain. Champions can help you navigate internal politics, refine your pitch, and push your proposal up the chain.

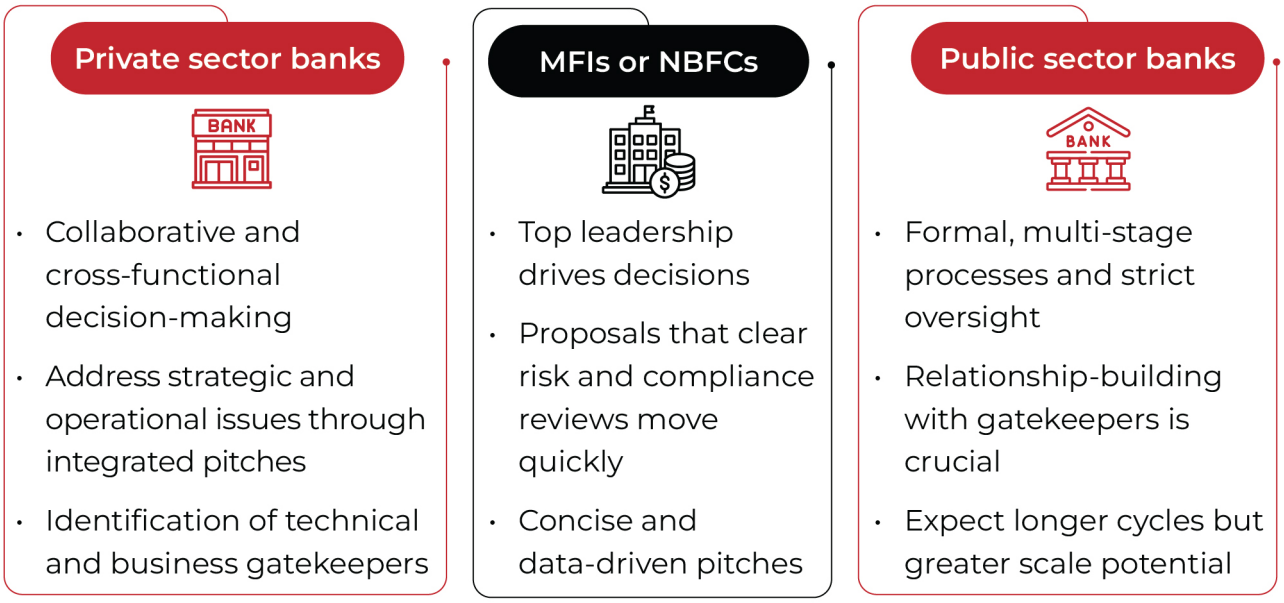


Insight: When champions go beyond their role

Often, a gatekeeper or internal champion becomes personally invested in your success. They may offer presentation tips, prepare you for internal objections, or stay late to help you revise the pitch deck. Value and respect these relationships. They are rare and powerful.

A thoughtful stakeholder engagement strategy can transform your partnership journey from a series of cold outreaches into a targeted, collaborative process. You must invest time to understand the FSP's structure, speak directly to the needs of gatekeepers and decision-makers, and nurture advocates within the organization to lay the groundwork for faster decisions, stronger buy-in, and more sustainable partnerships. Ultimately, this approach will position your FinTech as a trusted, strategic partner that drives meaningful impact.

6.3: Adapting to different FSP types



Process variations and approval hierarchies:

The decision-making process within FSPs differs by institution type and organizational culture. FinTech founders must tailor their engagement strategy accordingly:

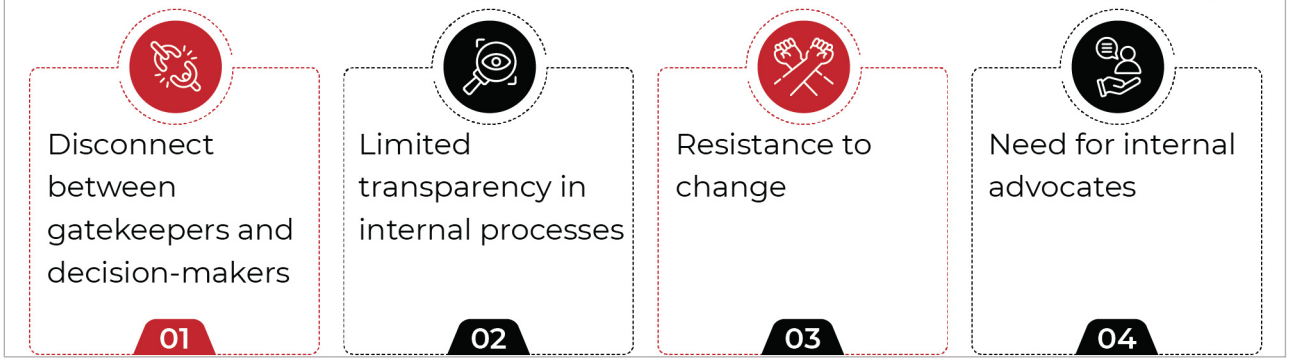
- **NBFCs and MFIs:** In these institutions, the top leadership primarily drives decision-making, with an emphasis on operational efficiency. Once a proposal clears the initial risk and compliance reviews, the leaders typically reach decisions swiftly. FinTech founders must ensure that their proposals align with the FSP's risk management framework and are articulated in a concise, data-driven manner.
- **Public sector banks:** Public sector banks usually operate within a formal decision-making structure, often guided by an RFP-based process. This involves multiple review stages and strict regulatory oversight, which frequently results in longer decision cycles. For FinTech founders, this process can be both a challenge and an opportunity. You must establish strong relationships with the people who manage initial communications. Your proposal is more likely to reach the senior decision-makers once you build their trust.

  Effective relationship-building at these early stages can pave the way for successful partnerships and open additional avenues for collaboration. FinTechs must be patient when they deal with public sector undertakings (PSUs), as even decision-makers may have limited flexibility. Ultimately, partnerships may still need to follow the formal RFP route.
- **Private sector banks:** Private sector banks generally adopt a collaborative, cross-functional approach to decision-making. Key stakeholders typically include teams from areas, such as digital, risk, operations, and marketing. FinTech founders must develop integrated pitches that address quantitative aspects, such as ROI and risk assessment, and qualitative aspects, such as strategic alignment. You must understand distinct roles within these institutions to identify gatekeepers who control initial access and the decision-makers with the final say.

6.3 Common pitfalls and how to avoid them

Although FinTech partnerships offer immense potential, you may struggle to navigate the internal dynamics of FSPs. Many promising collaborations falter due to avoidable missteps rooted in organizational structures, communication gaps, and resistance to change. This section outlines the most common pitfalls FinTechs face when they engage with FSPs. It also provides practical guidance on how to overcome these pitfalls to build more effective and enduring partnerships.

Common challenges



- **Disconnect between gatekeepers and decision-makers:** Gatekeepers often focus on operational details and compliance, while senior decision-makers focus on strategic alignment and long-term value. This disconnect can result in promising proposals being filtered out before they reach the right audience. Thus, you should ensure your messaging addresses both operational details and strategic outcomes.
- **Limited transparency in internal processes:** The communication protocols within FSPs are often unclear, which makes it difficult for FinTech founders to predict how a proposal will be handled and whether it can bypass intermediate layers. Always ask about the decision process and who will be involved.

Decentralized decision-making: a double-edged sword



In some cases, FSPs delegate FinTech partnerships, especially those that target local or regional needs, to branch-level or regional teams.

It can be beneficial for FinTechs, as decisions may be made quickly without going through multiple approvals. However, this also means that FinTechs must invest time to build relationships with gatekeepers across regions.

While faster in some cases, this decentralized model can become exhausting and resource-intensive, especially when trying to scale consistently across a national footprint.

- **Resistance to change:** Established organizations may hesitate to adopt new technologies or processes. FinTech founders must demonstrate how their solution adds value to overcome this hesitation. Use data and real-world examples to demonstrate value and reduce risk.
- **Need for internal advocates:** Even strong proposals may stall without key champions within the FSP. Internal advocates are crucial to bridge communication gaps, accelerate the review process, enhance credibility, and provide valuable feedback. They ensure proposals ultimately reach and resonate with senior decision-makers. Proactively nurture relationships with potential advocates.

Keep in mind: When trust starts to erode



A critical point is when FinTechs feel that repeated meetings allow the FSP to extract knowledge about business processes and systems without any intent to partner.



While such instances have occurred, this behavior is typically driven by individuals rather than the organization.



If such distrust arises, FinTechs must address it via honest conversations to clarify intentions or identify alternate internal champions who are better aligned with genuine collaboration.

FinTechs should build trust, demonstrate relevance, and make it easy for gatekeepers to say yes to get past them. You will need clarity, strategic alignment, and must listen and adapt to win over decision-makers. The most successful FinTech founders treat every interaction as an opportunity to learn, refine, and build lasting relationships within the FSP.

Example from the FI Lab:

A digital credit startup pitched to a private bank's innovation team with a complex product architecture. The gatekeeper found it overwhelming. When the team reframed the pitch around one clear outcome that reduced loan onboarding time by **30%**, the gatekeeper connected them to the lending head.

Lesson: Gatekeepers need clarity, not complexity. Speak their language to unlock introductions.

Chapter 7:

Navigating FSP departments



How can you turn multi-team complexity into partnership momentum?

Building a FinTech–FSP partnership is rarely a straight line. Even with a strong value proposition and leadership buy-in, you will need to navigate multiple departments, each with its own priorities, pace, and decision criteria. This chapter introduces an actionable framework to understand the internal landscape of FSPs, maps the relationship dimensions you must manage, and shares anonymized examples from FI Lab pilots with practical tips from founders who have been through the process.

7.1: Why departmental navigation matters

In most FSPs, whether banks, NBFCs, MFIs, or BC networks, no single department "owns" a partnership. While a business head might sponsor it, various departments, including legal, risk, technology, operations, compliance, finance, and even marketing, may all influence the outcome.

If you ignore one stakeholder group, you can stall the process for months or sink it entirely.

Insights from the FI Lab's experience:

- **Banks** often require cross-functional signoffs even for small pilots, and security or compliance concerns carry heavy weight due to regulatory penalties.
- **MFIs** have simpler structures but are highly sensitive to operational timelines. Delays from the startup side can damage credibility.
- **NBFCs** may fast-track business proposals but slow down at the technology or compliance evaluation stages.
- **Public sector banks (PSBs)** add an extra layer of formal empanelment and RFP cycles that can stretch timelines beyond the pilot phase.

7.2: The four-phase navigation framework

You cannot move a partnership through an FSP in a single step. You need to manage internal champions and navigate a series of departmental checkpoints. Based on the FI Lab's experience, we can understand this journey in four phases: Entry and discovery, evaluation and alignment, approval and contracting, and execution and scaling. The four-phased process helps founders anticipate hurdles, engage the right champions, and keep momentum across stakeholders.

Phases	Phase 1: Entry and discovery	Phase 2: Evaluation and alignment	Phase 3: Approval and contracting	Phase 4: Execution and scaling
Objective	Secure the right entry point, map the FSP's decision-making landscape, and establish relevance	Build consensus across all decision-influencing departments	Convert alignment into a signed pilot or commercial agreement	Deliver a successful pilot and embed it as BAU (business-as-usual)
Core departments	Innovation or startup engagement, business unit heads, FI leadership	Business, IT, Risk, Compliance, Product, sometimes Marketing	Legal, Procurement, Finance, Senior Leadership	Operations, Training, Customer Service, Product, IT
Success factors	• Use warm referrals via partners, accelerators, or existing vendors • Validate whether your entry point has internal influence • Anchor your pitch in a current institutional priority (e.g., RBI compliance, annual KPI targets)	• Customize your pitch to each team's KPIs (ROI for business, risk reduction for compliance) • Share credible third-party validations (pilot data, investor backing, user numbers) • Address compliance and integration concerns early	• Define a clear, bounded pilot scope with KPIs and risk controls • Understand procurement cycles and budget timelines (capex vs. opex can affect approval paths) • Keep senior leadership engaged to maintain urgency	• Assign clear operational ownership on both sides • Train field teams early; ensure rapid support during rollout • Maintain a visible performance dashboard for all stakeholders
Founder tips	Do not stop at the first "yes." Ask, "Who else needs to be in the room?" Even strong gatekeepers can't close deals without connecting you to a business or P&L owner.	Silent blockers are real. If IT or Risk stays quiet in joint calls, proactively ask for their concerns 1:1 to avoid delays.	In PSBs, procurement cycles can be slow—even for small pilots. Negotiate "parallel processing" so legal or procurement runs alongside tech readiness.	Always build redundancy in champions. If your primary sponsor leaves, ensure others can sustain momentum.

7.3: How to manage internal champions

Internal champions are important to navigate through various departments. It is prudent to build and empower them.

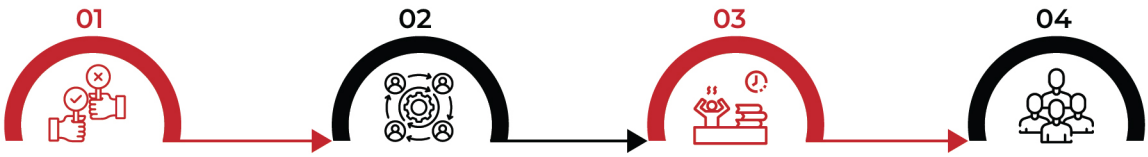
Key engagement strategies with champions:

- **Position the FinTech to solve critical business problems:** Frame the value proposition in terms of cost savings, operational efficiencies, or regulatory readiness so the case resonates beyond a single sponsor.
- **Equip internal champions with advocacy tools:** Provide champions with clear documentation through business case decks, ROI models, and case studies so they can credibly make the case inside their organization.
- **Build trust through consistent engagement:** Regular check-ins, progress updates, and alignment sessions signal reliability and strengthen relationships across multiple levels.
- **Engage cross-functional teams early:** Bring in IT, risk, operations, and compliance teams during the pilot stage to reduce resistance later and expand ownership of the partnership.
- **Demonstrate quick wins and institutionalize support:** Show measurable results through small proofs of concept, then formalize progress through governance structures or steering committees. The momentum does not rely only on individuals.

How can you overcome challenges in champion management?

Even when internal champions are enthusiastic about a FinTech partnership, several factors can hinder progress. A shift in organizational priorities often results in evolving business strategies, which may lead to the FinTech solution being deprioritized. You need to maintain regular communication with champions and ensure it aligns with the organization's changing goals to avoid losing traction. Additionally, champion turnover poses a risk. If the primary advocate for the partnership leaves the organization, it can lose momentum. You can mitigate this risk if you build relationships with multiple champions across various levels, as it reduces reliance on a single individual.

Common pitfalls and how to avoid them



Champion lacks decision power

Provide them with data support, clear case studies, and direct access to higher-level contacts who can escalate the opportunity

Misalignment between departments

Facilitate joint workshops or alignment meetings early on to build shared understanding and resolve conflicts in objectives

Champion is overloaded by other duties

Create shared documents for easy progress tracking and delegate routine follow-ups to your own team to reduce their burden

Loss of momentum between teams

Institute regular cross-team check-ins and follow up after each milestone to sustain engagement and resolve open issues quickly

7.4: Key dimensions of FSP engagement

Successful partnerships do not depend on clearing approvals. They rely on how well a startup manages its relationships across different dimensions within an FSP. Each dimension represents a lens through which departments evaluate the partnership, and overlooking any one of them can derail progress.

Dimension	What to manage	Watch-outs
Strategic alignment	Fit with FSP KPIs or compliance mandates	Without it, buy-in stays lukewarm despite tech merit
Operational fit	Day-to-day usability by FI teams	Field resistance, poor onboarding
Technical integration	Data flow, APIs, security, legacy system compatibility	Shifting IT priorities, mid-project compliance changes
Risk appetite	Comfort with your segment, credit model, or data approach	Regulatory freezes on certain loan types
Decision velocity	Ability to clear multi-department approvals	PSU tender cycles, multi-level private bank sign-offs

7.5: Cross-department playbook for founders

Even with a clear framework, founders will often need practical tactics to move things forward within FSPs. This playbook distills lessons from the FI Lab pilots into simple actions to help you manage stakeholders and avoid common roadblocks.

- **Map before you march:** Identify all stakeholders before setting pilot timelines.
- **Speak their language:** Drive ROI for business, uptime for IT, compliance clauses for legal or risk.
- **Secure multi-level buy-in:** Avoid relying on a single champion, and instead build two to three allies across departments.
- **Document relentlessly:** Scope notes, agreed KPIs, and next steps help survive leadership changes.
- **Prepare for pivots:** Expect tweaks to integration, pricing, or process mid-way.

Founder tip: Keep a "living" one-pager for the FI with scope, KPIs, status, and next steps, which is especially useful when new stakeholders join.

Case in point: A FI Lab startup won approval from a department head and invested heavily in aligning systems. When the head was transferred, the pilot collapsed, as engagement with the operational team or backup champions was minimal.

The takeaway: Avoid relying on a single sponsor; build buy-in at multiple levels.

7.6: Cross-phase navigation

Beyond individual steps, certain principles hold across all phases of a partnership journey. These serve as guiding practices to keep momentum, reduce delays, and build resilience against internal changes within FSPs.

- **Stakeholder redundancy:** Have at least two allies in different departments.
- **Documentation discipline:** Meeting notes and agreed actions prevent resets.
- **Early risk and compliance alignment:** Engage these teams in phases one and two, not only before contracting.

7.7 Conclusion: From pilots to partnerships

Pilots open doors, but you can build true partnerships only when you navigate departments, empower champions, and align with shifting priorities. The four-phase framework helps founders anticipate hurdles, document progress, and keep momentum across teams.

The goal is speed and embedded solutions, so startups survive leadership changes and regulatory cycles. Startups that shift from winning a pilot to building an alliance turn experiments into scalable, long-term collaborations.

Chapter 8:

Building credibility and trust



Build trust before you show technology for FSP partnerships

In FSP–FinTech partnerships, trust determines whether polite interest advances to live commercial scale. For FSPs, particularly regulated entities, credibility is the first filter before your technological prowess, pricing, or innovation enters the conversation. Whether it is a partnership with banks, NBFCs, MFIs, or other institutions, FinTechs must prove their reliability, regulatory compliance, and operational resilience at every step. Trust in a founder like you can open doors and drive deep, sustainable collaborations that speed up growth and unlock institutional scale.

For FinTechs, trust from an FSP opens the path to faster internal approvals, multi-department support, and even referrals to other institutions.

8.1: Why is trust hard-won in FSP partnerships?

The FI Lab engagements show clear patterns:

- **Banks** have long memories of failed vendor pilots. A single compliance slip can undermine years of reputation.
- **NBFCs** face heightened concerns around operational reliability and capital risk, as post-FLDG tightening has shifted greater first-loss exposure onto their balance sheets.
- **MFIs** value speed to deploy and field-tested performance more than advanced technology.
- **PSBs** prioritize innovation over compliance and proven track records.
- **Smaller FIs** may be faster to sign MoUs, but they expect results and scale within weeks.

One founder comments:



> "At the start, NBFCs would onboard in weeks. Now it is a year of conversations. Unless you come with a credible referral and proof, you cannot scale. They have raised the bar for FLDG requirements and compliance checks."

Example from the FI Lab: A lending-tech startup promised rapid customer acquisition for an NBFC but could not deliver the volumes it had committed. Combined with tighter FLDG rules, the NBFC lost confidence and deprioritized the partnership.

Lesson: Over-promising scale without factoring in regulatory constraints erodes trust quickly.

8.2: The four-phase trust-building framework

FI Lab pilots have revealed that successful partnerships typically follow four phases of trust. Each phase has its own objectives, drivers, and pitfalls.

Phases	Objective	Trust drivers	Common pitfalls
Entry: Borrowed credibility	Clear the "filter out" stage and earn a serious internal look	• Introductions through trusted intermediaries, such as the FI Lab, accelerators, and senior FI executives • Proof of work with similar customer segments or regulated entities • Leadership with a track record from banking or financial services	Wrong entry point leads to endless "courtesy meetings" with no decision-making power
Validation: Proof you can deliver	Convert curiosity into confidence through early and tangible wins	• Deliver pilot outputs within agreed timelines • Fix operational glitches before they reach the FSP's leadership • Transparent updates on progress, limitations, and workarounds	Overpromise on tech capabilities leads to forced mid-pilot re-scoping
Expansion: Risk comfort and strategic fit	Build cross-department buy-in and show strategic alignment	• Quantified impact from pilot, such as reduced NPAs, lower opex, and higher lead conversion • Evidence of compliance readiness, such as DPDP and the RBI norms • Flexibility to adapt to internal processes or regulatory changes	Overreliance on a single champion risks loss of momentum if they exit
Partnership Maturity: From vendor to co-creator	Become an embedded problem-solver for the FSP	• Consistent delivery despite leadership changes or market shifts • Codevelop new products or compliance workflows • Being consulted early on new initiatives because you "speak their language"	Momentum plateaus when there is no fresh joint agenda

8.3: Six dimensions of trust in FSP–FinTech partnerships

Trust is not built on one big win. It is earned across multiple fronts. In the FI Lab partnerships, we found six dimensions that consistently shape whether an FSP decides to deepen or drop a FinTech relationship. These dimensions give founders a practical checklist to build lasting credibility.

Dimensions	Insights from the FI Lab	Why it matters
Banks	Referral from a regulator, SRO, NABARD, RBIH, or a respected ecosystem partner.	Lowers perceived engagement risk
Operational competence	Delivery under legacy tech and field constraints	Builds confidence in scaling
Transparency	Admitting early when integrations, FLDG terms, or adoption targets need course correction	Keeps relationships salvageable during issues
Strategic alignment	Linking directly to FI KPIs (NPA control, PSL targets, SHG lending)	Helps in sticking to the financial commitment
Multi thread relationships	Building ties in risk, business, and tech teams	Prevents collapse if one champion leaves
Regulatory readiness	Pre-emptively addressing RBI, DPDP, KYC/AML compliance	Avoids last-minute rejection

8.4: How can you accelerate and sustain trust?

Trust in financial services partnerships is built in two stages: Quick accelerators that open doors and deep foundations that sustain the partnership. Both are essential, and one without the other leads to stalled pilots or partnerships that collapse over time.

Trust accelerators:

- **Credibility transfer:** Enter through trusted industry networks, programs, or intermediaries.
- **Early field wins:** Deliver rapid, visible results that solve a pressing operational bottleneck.
- **Speak the right language:** Frame outcomes that matter to the institution, such as faster turnaround time, reduced costs, and lower risk.
- **Parallel champion building:** Build relationships across business, technology, and risk teams to avoid single-point dependence.
- **Compliance first:** Share data security and regulatory readiness upfront to reduce perceived risk.

8.5: Early warning signals of trust risk

Even well-managed partnerships can show signs of strain. Spot these signals early to help FinTechs address concerns before they escalate into stalled pilots or lost opportunities.

Phase	Signal
Entry	Multiple introductory meetings with no pilot scoping
Validation	Business head is on board, but risk or compliance goes silent
Expansion	Conversations stall after leadership change
Maturity	FI engages competitors for the same use case without looping you in

8.6: Trust is the foundation of partnerships

In FSP–FinTech collaborations, credibility and trust are the foundation that determines how far and how fast a partnership can progress. The FI Lab experience shows that while technology and pricing matter, they only come into play once the FinTech has cleared the initial credibility filter.

Building trust is a step-by-step process: When you want to build trust, you must gain entry through credible referrals, prove delivery through pilots, demonstrate impact for expansion, and sustain value at maturity. Each stage requires a different emphasis, from inherited credibility, compliance readiness, quick operational wins, to multi-department relationships.

For founders, the lesson is clear: Consistent actions, transparency, and alignment with the FSP's priorities gradually build trust. It creates the conditions for innovation to scale.



Chapter 9:

Pilot programs and proof of concept



Chart your path from trials to what actually works

Pilots and proofs of concept bridge vision and validation. For founders, pilots are the first real test of whether a solution can integrate into the workflows of financial service providers (FSPs) and deliver measurable value. For FSPs, pilots reduce risk by providing a safe space to test new technology against legacy systems, regulatory guardrails, and customer realities.

Pilots are double-edged. They accelerate credibility and open doors across the ecosystem. Yet, they also drain resources, stall for months, and never progress to commercialization. The difference often comes down to structure, alignment, and discipline.

This chapter provides practical tools to design pilots that build trust, validate your proposition, and pave the way for scale, without getting trapped in endless "proofs of concept" that never convert.

9.1 How can you design effective pilots?

A strong pilot is focused, time-bound, and aligned with the FSP's priorities.

1. **Define the scope tightly:** Do not try to solve everything. Pick one or two high-impact problems that matter most to your FSP partner. Specificity keeps integration manageable and outcomes measurable.
    a. Examples from the FI Lab:
        i. For an NBFC, focus on reducing disbursement delays.
        ii. For a bank, streamline KYC onboarding instead of reworking the complete lending journey.
2. **Agree on success criteria upfront:** Set clear KPIs before starting. These should combine operational metrics, such as a 30% reduction in processing time, and financial metrics, such as a 2% decrease in delinquency rates. Without this, you risk endless debate about whether the pilot "worked."
3. **Clarify resources and costs early:** Decide who funds integration, support, and troubleshooting. Many FinTechs subsidize pilots or offer discounted pricing to reduce FSP risk, but always outline how pricing evolves after the pilot. Success is an illusion if the model is not commercially viable after scaling.
4. **Anticipate integration risks:** Most pilots fail not because of poor product design, but because of hidden frictions, such as legacy IT systems, compliance concerns, or data-sharing hesitations. You should build in buffers, document decisions, and plan for contingencies.

Warning signals: If the FSP insists on an open-ended proof of concept without timelines, you risk becoming a free R&D vendor. Always streamline pilots to clear goals and end dates.

9.2 How can you set realistic goals and timelines?

The fastest way to lose credibility with an FSP is to overpromise and underdeliver. Instead, frame pilots as disciplined experiments with realistic expectations.

1. **Use SMART goals:** Transform broad aspirations into actionable targets. Instead of "improve customer onboarding," say "reduce loan origination from 10 days to five days within three months."
2. **Phase the pilot:** Break the pilot into setup → testing → evaluation. This reduces complexity, creates interim checkpoints, and reveals bottlenecks early.
3. **Build buffer time for integration:** Legacy IT slows things down, such as API connections, data migrations, and compliance approvals. It includes buffers so you do not have to constantly renegotiate deadlines.
4. **Monitor with milestones:** Define milestone markers, such as target transaction volume, regional rollout, or successful integration of a module. Track these visibly through dashboards or regular check-ins to keep both teams aligned and accountable

Warning signal: When all the involved parties repeatedly miss milestones but none of them escalate, the pilot drifts rather than scales.

9.3 How can you turn pilots into partnerships?

A pilot is only valuable if it leads to the next step.

- **Document lessons and results:** Provide the FSP with structured evidence, such as dashboards, cost-benefit analysis, and customer feedback. Do not leave success subjective.
- **Push for institutional buy-in:** A single department cannot validate your pilot. Use early wins to engage risk, compliance, or strategy teams. Broader buy-in reduces dependency on a single champion.
- **Negotiate the post-pilot roadmap early:** Before the pilot ends, outline what scale-up requires, such as budget allocations, new regions, or expanded use cases. Without this, pilots often fail to convert and "end quietly.".
- **Manage founder discipline:** Not every pilot will, or should, scale. Learn to identify when an FSP is delaying without commitment. Your strategic withdrawal can save resources better than chasing a dead-end.

9.4 Lessons

- **Speed varies by FSP type:** Public sector banks may take 12 to 18 months to pilot. NBFCs take under six months, while MFIs often expect results in weeks. You must match your timelines accordingly.
- **Resource drain is real:** Founders often burn months on unpaid pilots. You must push for shared costs or at least defined commercial next steps.

- **Early champions matter but are not enough:** Founders must build bridges beyond your first sponsor to reduce the risk of a "single point of failure."
- **Proof beats pitch:** Pilots with tangible customer or cost outcomes convert faster than those focused only on technology demos.
- **Founder discipline matters:** A sloppy pilot weakens credibility faster than a failed one. FSPs would remember which founders deliver on timelines, track progress rigorously, and resist scope creep. Ask, as a founder, have I kept the pilot focused on benefiting FSP, or have I used it to experiment at the FSP's expense?

A pilot is more than an achievement. It is where the partnership proves its merit. The pilot's goal is to demonstrate how your technology functions in a controlled environment. It also creates measurable value within the complex, regulated, and often unpredictable operations of a financial service provider. Pilot projects should define the scope clearly, establish success criteria upfront, manage timelines with discipline, and plan for scale from the outset. This approach allows them to evolve from short-term experiments into sustainable, commercial partnerships.

Chapter 10:

How to overcome common challenges and scale partnerships



Scale that comes from resilience and not perfection

Building partnerships between FinTechs and FSPs always comes with unexpected barriers. Even strong pilots can stumble when operational hurdles, shifting priorities, compliance concerns, or new decision-makers enter the picture. What separates those who scale from those who stall is less about flawless execution and more about resilience, the ability to anticipate challenges, adapt quickly, and keep momentum alive. Based on FI Lab pilots and founder journeys, this chapter distills the lessons, signals, and practical tactics that help turn early wins into long-term growth.

10.1: An FSP perspective on why partnerships fail

Even with goodwill on both sides, many partnerships stall before reaching scale. From the FSP's vantage point, the common causes include:

- **Misaligned expectations:** All the stakeholders involved in the partnership have different priorities or risk appetites that never fully converge.
- **Integration gaps:** Stakeholders use technology or processes that do not mesh smoothly, which creates friction for staff and customers.
- **Weak communication:** The stakeholders delay updates, leave escalation paths unclear, and rely on single-threaded contacts that break down under pressure.
- **Regulatory hurdles:** The stakeholders face last-minute compliance concerns that stall or reset timelines.

Prevention strategies

FSPs believe that partnerships can be successful if founders:

- Get feedback directly from FSPs on failed pilots or partnerships, and document patterns;
- Use root cause analysis after every setback, not just major failures;
- Institutionalize transparent communication cycles and predefined escalation paths;
- Implement debriefs to track failures in their team process to create learning cycles and not attribute blame.

Example from the FI Lab: After-action reviews with FSPs often reveal that what startups saw as a tech glitch or process delay was, in fact, a deeper issue of mismatched expectations or misaligned KPIs. As a founder, you need to build structured failure debriefs into your process to transform setbacks into institutional learning.

Warning signals:

- The partner stops requesting progress updates or meetings.
- Compliance or legal teams emerge late in the process.
- Champions avoid escalating decisions upward.

10.2: Adapt to changing FSP needs

Financial institutions are not static. Their regulatory requirements, market pressures, and business models keep evolving. FinTechs that expect a partner to remain unchanged after onboarding will inevitably face friction.

How and why FSP needs to shift:

- New compliance rules or market guidelines, such as the RBI digital lending mandates or UPI interoperability;
- Internal reorganizations where decision-makers change, priorities shift, and even previously championed projects can stall;
- Market events, such as demand surges and regulatory crackdowns, impact operational priorities.

Adaptive tactics:

- **Change management:** Build flexible integration and reporting systems that can adapt to new requirements.
- **Feedback loops:** Maintain structured check-ins, even if no immediate issues exist.
- **Shared roadmaps:** Realign on vision, milestones, and KPIs at regular intervals.

Key factors for successful partnerships include:

- Flexibility in process and technology;
- Proactive market and regulatory scanning;
- Willingness to cocreate solutions, not just deliver the status quo.

10.3: Moving from pilot to full implementation

Many FinTechs encounter new obstacles when they attempt to transition from proof of concept to enterprise-wide implementation.

Where do FinTechs typically go wrong?

- Success metrics in the pilot do not map to the partner's true north KPIs for full deployment.
- Resource requirements and risk-sharing escalate unexpectedly at scale.
- New stakeholders or compliance gates emerge post-pilot.
- Stakeholders lose interest, or their ownership dissipates.

Best practices for smooth scaling:

- **Success stories after setbacks:** Document and use every recovery from past failures as proof points for new implementations.
- **Implementation frameworks:** Lay out timelines, milestones, and responsibilities upfront. Use "go/no-go" decision gates, not just open-ended next steps.

- **Resource planning:** Identify resources or capacity gaps early, both your own and the partner's, and offer solutions, which can include staffing, training, and automation.
- **Action planning:** Develop transition and action plans that include escalation procedures, go-live support, and contingency plans.
- **Scale-up strategies:** Collaboratively build out plans for incremental rollout to allow both partners to course-correct along the way.

Recovery frameworks and actionable scale plans are just as critical as the minimal viable product (MVP) or initial pilot itself.

Framework: The 4Rs of resilient scaling

Underscored below are the 4Rs that make up a simple guide FinTechs can use to navigate the transition from pilots to scale:

- **Recognize**: Identify red flags and root causes early through feedback loops and structured reviews;
- **Realign**: Bring FSP leadership and new stakeholders back to shared KPIs and roadmaps and reset expectations;
- **Resource**: Anticipate new needs, such as staff, training, technology upgrades, and present proactive solutions;
- **Roll out**: Scale in stages, with "go/no-go" checkpoints that allow recalibration rather than abrupt halts.

Example from the FI Lab: One startup secured a pilot as it quickly customized its API for a mid-sized bank. But when the bank decided to scale the solution enterprise-wide, the startup faced delays because documentation, compliance sign-offs, and training frameworks were not ready. In contrast, peers that had invested in "scale-up playbooks" that covered compliance, resourcing, and governance could transition into full roll-outs smoothly.

Warning signals:

- Pilot KPIs are celebrated but not linked to enterprise KPIs.
- Stakeholders rotate, but knowledge transfer is inconsistent.

10.4: Expanding scope and impact

To scale a partnership, you cannot simply pursue numbers alone. You must increase depth, sustainability, and measurable value across an expanding portfolio.

What are some strategies you can apply?

- **Strategic diversification:** Expand across new geographies, customer segments, or product verticals, but ensure each new partnership meets a unique need or complements your portfolio.
- **Tiered engagement:** Focus resources on partners who offer the greatest collaborative or growth potential and understand that not all partnerships are created equal.

- **Portfolio management:** Shift from a one-off partnership mindset and start to manage a diverse, balanced set of relationships, using dashboards to track performance, risk, and alignment.

How can you manage multiple partnerships?

As a founder, you need to:

- Create a system to track all partner KPIs, engagement status, and red flags;
- Develop clear governance and escalation pathways across the partnership portfolio;
- Use regular strategy reviews to identify where to deepen investment or where to unwind underperforming relationships.

Key metrics and impact measurement

- **Growth:** Growth metrics track the number of active partnerships, share of revenue or users per partner, and partnership activation time.
- **Successor impact:** The impact is measured by partner retention rate, resource allocation effectiveness, new customer segments reached, and social inclusion metrics.
- **Health:** Health indicators monitor the distribution of portfolio risk, compliance health, and internal resource utilization.

Best practices

- Align KPIs with both your business objectives and those of your partners;
- Invest in scalable technology to support multi-partner integrations and real-time monitoring;
- Periodically review, tier, and adjust your partnership portfolio for sustained alignment and impact.

10.5: Growth metrics and monitoring

Strong growth and impact measurement form the backbone of strategic partnership management. Without clear metrics, neither you nor your FSP partners can assess what works or what needs attention.

Growth metrics

- Number of new partnerships established in the last quarter or year;
- Activation and onboarding time for new partners;
- Revenue, user, or loan book growth that can be attributed to partnerships.

Impact and success indicators

- Specific KPIs aligned to business outcomes, such as loan repayment rates, cost reduction through operational partnerships, and acquisition of first-time borrowers;
- Innovation metrics, such as the speed of new product launches with partners;
- Social or inclusion indicators for underserved or new segments.

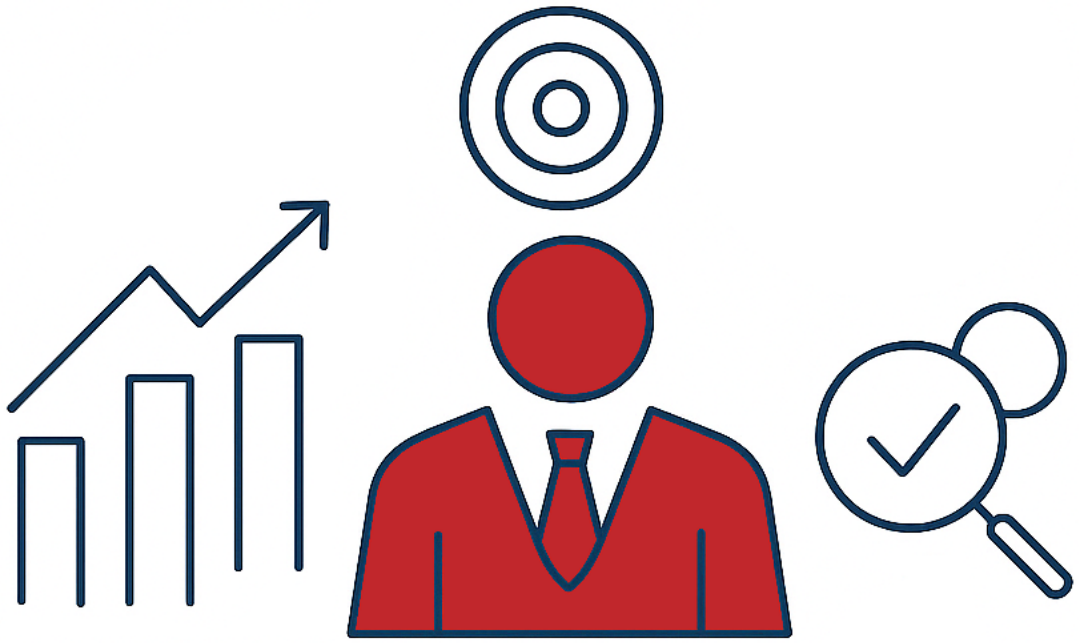
Some tools and tips to monitor your partnerships

- Centralized dashboards that will cover all partnerships' performance metrics;
- Scheduled portfolio review meetings with clear actions and follow-ups;
- Dynamic feedback loops to update internal approaches based on real-world data and partner input.

You can overcome partnership challenges and scale successfully through disciplined learning, rapid adaptation, and systematic portfolio management. Founders who proactively address failures, adapt to evolving needs, and plan meticulously for scaling can convert pilots into enduring partnerships and maximize both financial returns and social impact.

Chapter 11:

How to measure your success



What gets measured gets scaled

As a FinTech founder, you may often mistake activity for achievement. A signed MoU, a demo day, or even a pilot can feel like victory. In reality, these are just milestones. True success lies in whether your partnership creates durable institutional change and measurable value for the financial service provider (FSP), your startup, and the customers you serve.

At the FI Lab, data reveals a harsh reality. Outreach efforts rarely translate into actual commercial partnerships, and most conversations stall at the pitch stage. Only a limited number transform into pilots, and an even smaller fraction survives the leap to commercialization. Public-sector banks can take between 12 to 18 months to launch a pilot, NBFCs can move in under six months, while MFIs often expect to go live in weeks.

This chapter introduces a three-horizons framework to measure partnership success. It shifts the question from "Did we close a deal?" to "Could we change how this institution and ecosystem work?"

11.1: The three-horizons approach

Horizons	**Transactional wins:** Short-term	**Institutional shifts:** Medium-term	**Systemic outcomes:** Long-term
Introduction 	At this stage, success is measured by momentum. Can you move from outreach to live engagement, and does your pilot deliver what you promised?	Success at this stage means you are no longer just a vendor who runs a pilot. Your solution begins to shape how the institution itself operates.	The highest form of success is when the partnership produces a visible impact for customers and sets a benchmark for the wider sector.
What to track 	• Speed of conversion from outreach to meeting and pilot remains limited. Most conversations do not progress to the pilot stage. • Early pilot KPIs have faster disbursements, lower NPAs, and reduced collection costs.	• Expansion beyond the initial department, such as from digital to operations and risk • Adjustments in workflows, compliance steps, or reports to accommodate your solution • Dedicated budget lines or staff assigned by the FI to sustain your product	• Customer outcomes: You have successfully served more borrowers, achieved faster approvals, improved repayment rates, and shown higher insurance penetration. • Sectoral influence: Other FIs adopt or replicate your model after they see results.

Horizons	**Transactional wins:** Short-term	**Institutional shifts:** Medium-term	**Systemic outcomes:** Long-term
	• Commercial intent includes MoUs, NDAs, empanelment, or inclusion in an RFP.	• Referrals to peer institutions, such as FIs introduce you to others as a credible partner	• Regulatory or policy recognition: Your solution is cited by the RBI, NABARD, or the NRLM as a credible approach.
Illustration 	A credit platform that works with an NBFC celebrated its first INR 50 lakh in two-wheeler loans disbursed. The volumes were modest and provided proof that the NBFC supports the model and moves further.	An SHG digitization start-up began with the NABARD pilot. The real success came when NABARD embedded SHG workflows into its RRB strategy and later introduced the start-up to the Canara Bank and NRLM.	A collection startup pilot with a small finance bank under the PM SVANidhi scaled to more than 10,000 merchants. The bank saw NPA levels fall, other banks took note, and the model influenced how the program was rolled out nationally.
Warning signal 	Multiple meetings and demos, but no NDA signed, often means you are stuck in evaluation purgatory.	Your champion keeps you involved. Yet, no other department is involved. Overdependence on one executive makes the relationship fragile.	Your pilot hits its KPIs, but customer adoption is low. Institutional praise without customer traction is hollow success.

Why do these horizons matter?

Earlier chapters showed how to navigate gatekeepers (Chapter 6), build trust (Chapter 8), and overcome scale barriers (Chapter 10). This framework looks at outcomes.

- Horizon 1 shows the engine is running;
- Horizon 2 proves how you are embedded in the FI's fabric;
- Horizon 3 demonstrates how you create a durable customer and ecosystem impact.

Together, they help you not to mistake any activity for success.

11.2: Practical tools for founders

You need to have a success dashboard that will track a handful of metrics under each horizon.

Guiding questions:

- Short-term: Are we moving from pilot to commercialization faster than before?
- Medium-term: Has the financial insititution changed any internal processes because of us?
- Long-term: Are peers replicating our model, and do regulators recognize it?

Signals to watch: Silence after empanelment, dependence on one champion, or lack of customer adoption are red flags.

Avoid vanity metrics: Do not use MoUs, media mentions, or showcase invites as signs of success. These recognitions do not matter unless they lead to adoption or outcomes.

11.3: Lessons from the Lab

- **Referrals are multipliers:** The fastest progress happened when FIs themselves introduced startups to peers.
- **Stickiness beats pilots:** MFIs scale fast if a solution works, and PSBs require repeated validation before embedding.
- **Scale is rare but transformative:** Even with limited pitch-to-pilot success, one scaled partnership can reach lakhs of customers.
- **Depth matters:** Success collapses if tied to one executive. The strongest cases-built buy-in across digital, risk, and business teams.

The real test of success is not whether you could have a meeting or even ran a pilot. Success is determined by whether your presence changes how the institution works and how customers experience financial services. You can measure progress in a way that is honest, practical, and focused on what truly matters if you account for transactional wins, institutional shifts, and systemic outcomes.

Annexes:

Stage-wise checklists



A.1: Partnership readiness assessment

Partnership readiness checklist:

- Clear objectives: Defined partnership goals and success metrics
- Alignment: Shared vision, values, and target outcomes
- Roles and responsibilities: Agreed upon for both sides
- Resource commitment: Secure people, technology, and funding
- Leadership buy-in: Internal champions and decision-makers onboard
- Trust and communication: Open channels and agreed escalation paths
- Cultural fit: Compatible working styles and ethics
- Due diligence: Review partner's reputation, compliance, and risk
- Operational readiness: Prepare processes, data, and IT systems
- Monitoring: Reporting and evaluation mechanisms in place
- Barriers identified: Define risks and mitigation plans
- Urgency: Clear drivers to launch the partnership now

Tip: Your partnership is only as strong as its weakest link. Investing time in readiness pays dividends in long-term success.

A.2: Pitch preparation

1-minute pitch template:

"At [startup name], we help [FSP type] solve [problem] by [solution], which delivers [key metric]% improvement in [target metric], and enables [strategic goal]."

Pre-pitch checklist:

- Identify the FSP's top two challenges;
- Align solutions with strategic priority;
- Quantify measurable benefit;
- Clarify the differentiation from alternatives;
- Identify internal champion;
- Address compliance requirements.

A.3: Value proposition builder worksheet

Step 1: Identify FSP type

- Public sector bank
- Private bank
- MFI
- NBFC or Neobank

Step 2: Map key pain points

List the top two to three urgent problems they face:

1. _____

2. _____

3. _____

Step 3: Define your solution

Core solution: _____

_____

_____

Key advantages:

1. _____

2. _____

3. _____

Step 4: Quantify benefits

Metric 1: _____

Metric 2: _____

Metric 3: _____

Step 5: Draft value statement

"At [startup], we help [FSP type] solve [problem] by [solution], delivering [metric]% improvement in [area], to enable [goal]."

Step 6: Stakeholder mapping

Gatekeepers: _____

Decision-makers: _____

Internal champions: _____

A.4: Navigate the checklist of different FSP departments

Practical checklist:

- Identify all key departments and their priorities before major meetings or pitches.
- Map likely champions and secondary influencers within each team.
- Prepare department-tailored materials, such as business case, risk controls, and IT integration plan.
- Provide ongoing support and communication to champions, especially after initial excitement.
- Capture and address objections department by department to build trust and unblock bottlenecks.

A.5: Self-check: Where do you naturally lead?

Use this checklist to explore your dominant leadership domain. Select the one that best describes your primary focus based on actual decisions you have led or owned.

Domain	Indicators	Your notes
Technology or product 	You drive product architecture, oversee tech stack choices, lead platform integrations, or manage the engineering team directly.	Example: _____
Finance, risk, or compliance 	You have structured lending or insurance products, engaged directly with NBFCs or investors on risk models, or handled compliance documentation.	Example: _____
Operations or execution 	You manage daily operations, drive KPIs, handle partner implementation, or lead the hiring and organization design process.	Example: _____
Strategic partnerships 	You have closed MOUs or pilots with NBFCs, FIs, or large platforms. You can handle external storytelling and pitch decks.	Example: _____

Action prompt:

Write down three examples where your leadership in this domain directly shaped a product, decision, or partnership.

A.6: Executive team diagnostic

Review your current leadership team against these key roles. Mark gaps for immediate or future hiring.

Role	Responsibility	Do You Have It? (✓/X)	Notes
CFO 	Financial planning, lender-facing compliance, FLDG structuring		
CTO 	Product roadmap, architecture, API readiness		
CS / Legal Head 	Licenses, contracts, regulatory interpretation		
Partnership Lead 	Banking, NBFC, platform engagement a relationship mgmt.		



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