



Joint Press Release

Funding Societies and SMU collaborate to develop a case on P2P Lending for small businesses

Singapore, 12 Aug 2020 (Wednesday) - Funding Societies, Southeast Asia's largest digital financing platform, and Singapore Management University (SMU) have come together to develop and publish a case study explaining the role of FinTech and Peer-to-Peer (P2P) lending for small businesses. This is the first such case covering a P2P lender that SMU has developed, and involved in-depth research into the industry and the workings of the homegrown FinTech.

The case is authored by faculty members of SMU's Lee Kong Chian School of Business (LKCSB), which has been enhancing its course offerings and teaching material in Digital Business, as part of its aim to better equip students for the digital transformations that are occurring in the business world. It comes at a timely juncture as the P2P industry is expanding steadily, making competition fiercer than ever before. In recent years, several platforms similar to Funding Societies have entered the market while others are now being acquired by larger companies.

Authored by Associate Professors of Marketing Hannah Chang and Michelle Lee, and produced by the University's Centre for Management Practice, the published case titled [*Using Fintech to Support Small Businesses in Singapore*](#) examines how FinTech companies can stand out in the trade with an innovative service, and how they can, through careful market segmentation and targeting, gain a competitive edge in acquiring and retaining customers. It focuses on Funding Societies' innovative use of technology to reduce customer pain points, and also analyses the FinTech's outreach efforts employed to educate the Micro Small and Medium Enterprise (MSME) segment on how its products can close financing gaps unserved by traditional financial institutions.

An excerpt from the case hints at the added value that FinTech platforms like Funding Societies bring to this overlooked segment through the use of technology:

Debt crowdfunding, also referred to as peer-to-peer (P2P) lending, represents an alternative source of loans for businesses to borrow money. P2P companies are different from banks in that they operate through online platforms, utilise data analytics and algorithms for credit risk assessment, and have much shorter turnaround times for loan approvals than the banks. Moreover, while banks lend money to companies using customer deposits, P2P companies play the part of a matchmaker by enabling individual investors to put money directly towards funding a particular loan.

In just five years, Funding Societies has disbursed over S\$1.5 billion in funding across more than 2.6 million business loans across Southeast Asia. Back in the day as one of the industry's pioneers and offering only one product out of Singapore, Funding Societies has today flourished into the only homegrown P2P lender with multiple SME financing products and licensed in three countries -

Singapore, Malaysia, and Indonesia. The company has also been shortlisted for the Singapore digital wholesale banking license in a consortium with AMTD, Xiaomi, and SP Group.

“While relatively young in Singapore, P2P lending has become a major form of alternative financing for SMEs and alternative investment for the public, because of its accessibility and convenience. As it continuously evolves, we believe it will become mainstream finance, attracting and nurturing more local talent, and further contributing to the local FinTech space as a whole,” said Kelvin Teo, Co-founder and Group CEO of Funding Societies.

Associate Professor Michelle Lee, who is also Associate Dean (Undergraduate Matters) at SMU LKCSB, said, “P2P lending is a burgeoning area within FinTech and every business student ought to have some understanding of the industry. This case provides them with that understanding and prompts them to think deeply about how a company in that space can compete effectively. It sharpens their thinking about a firm’s value proposition vis-à-vis direct and indirect competition, as well as how a competitive advantage can be sustained.”

“Since its inception, SMU has held to the principle of preparing students well for industry and this has meant ensuring the currency of its curriculum and teaching material. This case is one example of how that is brought about,” she added.

The case is available here: https://cmp.smu.edu.sg/case/4406*. Other financial institutions which SMU has published cases on include Ant Financial, Nium, and DBS.

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**Note: A complimentary copy of the published case is available to the press upon request. Kindly note that the copy is strictly for internal use only and not for further dissemination.*

About Funding Societies

Funding Societies | Modalku is the largest SME digital financing platform in Southeast Asia. It is licensed in Singapore, Indonesia and Malaysia, and backed by Sequoia India and Softbank Ventures Asia Corp amongst many others. It provides business financing to small and medium-sized enterprises (SMEs), which is crowdfunded by individual and institutional investors. In 5 years, it has helped finance over 2.6 million business loans with over S\$1.5 billion in funding. It was given the MAS FinTech Award in 2016, the Global SME Excellence Award at the United Nations’ ITU Telecom World in 2017, Brands for Good in 2019, recognised by IDC as amongst the 5 fastest growing FinTechs in Singapore, and the Stevie® Award in 2020.

Read our company story here: <https://blog.fundingsocieties.com/our-story/>

About Singapore Management University

A premier university in Asia, the Singapore Management University (SMU) is internationally recognised for its world-class research and distinguished teaching. Established in 2000, SMU’s mission is to generate leading-edge research with global impact and to produce broad-based, creative and entrepreneurial leaders for the knowledge-based economy. SMU’s education is known for its highly interactive, collaborative and project-based approach to learning.

Home to over 10,000 students across undergraduate, postgraduate professional and postgraduate research programmes, SMU is comprised of six schools: School of Accountancy, Lee Kong Chian School of Business, School of Economics, School of Information Systems, School of Law, and School of Social Sciences. SMU offers a wide range of bachelors', masters' and PhD degree programmes in the disciplinary areas associated with the six schools, as well as in multi-disciplinary combinations of these areas.

SMU emphasises rigorous, high-impact, multi- and inter-disciplinary research that addresses Asian issues of global relevance. SMU faculty members collaborate with leading international researchers and universities around the world, as well as with partners in the business community and public sector. SMU's city campus is a modern facility located in the heart of downtown Singapore, fostering strategic linkages with business, government and the wider community. www.smu.edu.sg

About SMU Centre for Management Practice

The Centre for Management Practice (CMP) was established to position SMU as a university that collaborates closely with industry, to inform and learn from the world of management and practice. This is accomplished by furthering the case methodology to enrich education at SMU and other organisations across the globe, and translating selected academic outputs to practice-oriented knowledge that can be consumed by a non-academic audience.

Case Writing Initiative

The Case Writing Initiative (CWI) was set up in August 2011 with the ambitious goal of filling a critical need to develop business case studies based on an Asian setting for use in international curriculums. Business cases provide both research and learning opportunities to faculty members, students and those in industry. The process of working collaboratively with businesses on case studies enables faculty members to be grounded in both theory and practice. They develop a richer understanding of the business context in their subject matter and its application to real world situations. The cases developed by faculty members are used in class to illustrate key theoretical concepts and frameworks. From the students' perspective, they provide an opportunity to make decisions that require critical thinking and debate. From the corporate perspective, they present a contribution to management education and allow for a different perspective on existing business issues.

To date, CWI has published over 285 cases, with another 50 in the pipeline. These cases have won several prestigious international awards, and been adopted by leading universities and corporates schools worldwide. The cases are distributed by the Case Centre and Harvard Business Publishing.

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