



# Pulse of Fintech podcast transcript

## Episode 1: Closing the digital skills gap

Podcast with Anton Ruddenklau, Global Co-Head of Fintech, KPMG and Jason Pau, Chief of Staff, International to the Chairman and CEO of Ant Group

### *Musical intro*

**Hello and welcome to the first edition of KPMG's Global Pulse of Fintech podcast series. Over the next few months, we'll be exploring the findings of our latest Pulse of Fintech report and speaking to some of the Fintech leaders and entrepreneurs driving growth in the sector. My name is Perdita Avery your host for this podcast series and in this episode, I'm delighted to be able to introduce KPMG's Anton Ruddenklau who is chatting with Jason Pau from Ant Group about how they are looking to close the digital skills gap in financial services. Over to you Anton.**

### **Anton Ruddenklau, KPMG:**

My name is Anton Ruddenklau. I'm the global Co-Head of FinTech for KPMG International. With me today is Jason Pau, who is the chief of staff, international, to the chairman and CEO of Ant Group. We're here to talk about a really interesting, exciting and ambitious initiative from Ant Group called the 10x1000 program. It's a program for FinTech aiming to generate greater inclusion, sustainability, and innovation across markets. So welcome, Jason.

### **Jason Pau, Ant Group:**

Yeah. Thank you so much, Anton. Thank you for this opportunity to let me talk about this program, and also thank you personally, for joining us as one of our judges for our FinTech foundation program that we just concluded in May. 10x1000 Tech for Inclusion, actually started in 2018 when we co-launched with the IFC. Our mission all along has been to close the digital skills gap and to enable every learner to drive digital economic growth. Our vision for this program, and it's a philanthropic initiative, is to train 1000 emerging talents and tech leaders, not only across emerging markets, but also the globe, every year for the next 10 years. Our goal is that in 10 years, we would have been able to train 10,000 emerging talents and tech leaders on FinTech, but it's actually a bit more than that. We're also looking to build a community. We see this as not just a one-time learn and then you leave.

We really think the power is going to be in the community, a global community of FinTech practitioners and also leaders.

### **Anton Ruddenklau:**

Going back a few years from when you decided to kick off the program, how did you realize the gaps in the market? Just tell us a bit more about the genesis of what you're trying to fill within digital economies.

### **Jason Pau:**

Ant Group's origin started in 2004 with Alipay and in the last 17 years of our journey, we realized really that digital skills, tech skills, are really the heart of what can drive this new era of digital growth and digital innovation, digital transformation. As we worked with partners globally, we identified, really in 2018, that that need is evermore present. Let me just make a comment. I think COVID-19 has also shown the world how important digital skills is. I think we're staring in the face, this idea, this concept of the digital divide, and I think we all need to work harder, being in the business of FinTech that we are in, to ensure that this digital divide doesn't persist. In fact, we're in an era where the digital dividend should be available to all.

### **Anton Ruddenklau:**

I know that you run different streams on the program. You have a stream for CXOs and founders. You've got another stream that we've supported more recently, which is capstone. I'm wondering if you can give us a little bit of a flavor on the priorities and the objectives for that particular part of your program and how it's worked so far?

### **Jason Pau:**

Let me actually get into the pain points a little bit more and then I'll address the capstone. The pain points that we see through this experience, through the stream that we've launched, is really four pain points. The first is around the mindset. Today I think there is a widespread adoption and availability of technologies,

whether it's AI, blockchain, cloud computing, you name it, but I think we realized that those are only tools. One of the pain points that we're hoping to solve is how can we provide case studies? How the mindset should be developed in adopting these technologies to drive key things like inclusion, sustainability, green.

The second is tech. A lot of people or companies are just figuring out how to apply tech to solve business problems. So, the application of tech itself, is another pain point that we're hoping to solve with this training program. A third is on the community. The world is progressing at different paces in terms of the option of FinTech, both from a consumer side and also from a business side. I really do think that the strength of FinTech globally, has not reached its potential yet. And lastly, it's global curriculum. I think today there's a few countries that probably dominate in terms of its experience in deploying FinTech, and I think that the curriculum in which a learner would go through, benefits vastly if it's a truly global curriculum. That's another thing that we're hoping to do with the 10x1000 program.

On the capstone... Let me thank KPMG and Anton yourself for your leadership in joining this initiative with us. It was fantastic. The capstone had three different areas to focus on. One is sustainability. One is innovation and one is inclusion. I'll be very honest. We were absolutely surprised by the quality of the capstone projects. Each of these teams took one of these topics and worked together to identify a problem and then come up with a solution, a product that could be taken to the market. Some of the interesting themes that really came out during this process, youth was one of them.

How can we drive financial literacy access to the youth? Such an important topic. The second is climate change. We had teams working on developing carbon trading markets using FinTech. Third is the unbanked. How do we bring the unbanked, the informal sector, those that have not been reached by traditional financial services into financial services, leveraging FinTech. Lastly is I think the broad topic of digital transformation, and how do you help incumbent financial institutions leverage FinTech to drive greater access. The capstone itself was really great for us to take a peek into some of these amazing minds across Asia as we were working together on this project.

#### **Anton Ruddenklau:**

Yeah, I found it a good experience. I like when people create things, there's a certain buzz around being creative and collaborative. It was interesting, you used the phrase FinTech a few times, which means different things to different people, but in your cohort, you had legacy banks, community financing and banking organizations, the FinTech in its classic sense. It's a real mixture of backgrounds and even ages actually. If we take it then back to the CXOs and the founders, ,

what are you seeking to address with them and how are you going to help them in their journey?

#### **Jason Pau:**

There is a lot on the executives minds these days, whether they're in a bank, whether they're a startup, whether they're in a medium or large sized FinTech or FinTech related business. I think companies today are really understanding that ESG is as critical to their business, their true north, as is any part of their business, because I think we all agree that [inaudible 00:11:33], social responsibility governance, these are all things that need to be part and parcel of how these businesses are designed and managed. As leaders of these organizations, how to do that well, how to do that in a sustainable manner that delivers impact, is top of mind. Of course, technology today gives us the tools to do it even better, so I think that's one is ESG.

I mentioned it before, is youth. I'll be very straight forward. Most of the individuals that are running large businesses, or even founders, startups, they're not generation Z. We do know that today's younger generation are at the very, very tip of what's driving consumer behavior. CXOs really need to take a step back and take a step down really, and listen to what this young generation wants, needs, and how they think. I think youth is a big one.

And business models and monetization. Call it the holy grail of how businesses run in the FinTech industry. How do you monetize your user base? How do you do in a way that's sustainable? What business models are working and not working? It's constantly evolving. I think that's one that's top of mind.

Then a final one is on investment, call it corporate finance. Today there are myriad of options in terms of how to raise capital, deploy capital, partner up. CXOs, CEOs are constantly thinking, "What avenues should I take in one?" That's also speaking to the really hot IPO activity over the last years. These are some of the topics that we've surveyed from our CXOs, and hopefully what we can deliver through the next program.

#### **Anton Ruddenklau:**

That certainly makes sense. The last point of investment is an interesting one. Obviously, Pulse of FinTech is showing a record half year investment in 2021, and some interesting things, a lot of the FinTechs scaling and staying private for longer, some are IPO'ing. But actually, if you look at the private capital markets, they're taking listed companies private in record numbers this year so far. It's a real transition in our capital markets right now as I'm sure you must see through your business, given you got such a good lens. If I go one step further beyond your perspectives on the CXOs, what have you learned so far from the program and what has surprised you that you didn't anticipate that you would see in the program?

**Jason Pau:**

I think we've been surprised at how resilient everyone is today. There is a strong desire for collaboration across companies, across sectors to solve problems. The second one is there is a very strong passion from these practitioners to really learn the latest in technology and how to deploy it to solve problems. That's something that we're excited about. I think that's something that [inaudible 00:17:23] industries should be excited about, because that really speaks to the potential for greater collaboration, as I mentioned before within this global community.

Two more specific things. I wouldn't say that they surprised me, but it was very clear. The availability of technology is not even. Although it's accessible, it's not even. A second one, I think that we're all grappling with is, certainly COVID has helped, how do you educate the market so that they're comfortable changing behavior? That continues to be one of the challenges, that our learners are grappling with, as they're designing products and services for their users, how do you push consumer behavior to adopt new technologies?

**Anton Ruddenklau:**

Yeah, that certainly resonates. I know with Ant Group; you have a strong focus also on SMEs and really helping the SMEs digitize. That must be another key market for you as you move forward, given, you could arguably say a lot of SMEs around the world are underserved.

**Jason Pau:**

Yeah, that's right. I think that SMEs is a broader topic. We're just in the initial innings of what we're calling the digital era. We're glad that more and more companies are seeing the value in it, and more and more companies are seeing the value, not only for

themselves, but especially in how they deliver services to users that they've had, but also users that they haven't had before. One of the key trends here is how is digital transformation going to drive inclusion? That's something that we're very focused on.

**Anton Ruddenklau:**

Yeah. It certainly resonates here in Southeast Asia when you look at the likes of Philippines and Indonesia, fast growing digital economies, but so many people don't have access to, what I would say, would be basic services. That's a really good intention from Ant Group. If people want to get involved in the 10x1000 program, how do they do that?

**Jason Pau:**

Thanks Anton. 10x1000 Tech for Inclusion, we're just getting started. This last few months was our first launch of our online platform. What we're really hoping to build here is a global community, an open community. The easiest way to do it is to get in direct touch with us, to head over to our website, 10x1000.org, and please reach out. We're really looking forward to working with more partners around the world.

**Host:**

**That was Jason Pau, the Chief of Staff to the chairman and CEO of Ant Group, speaking to KPMG's Global Co-Head of Fintech, Anton Ruddenklau.**

**Join us again soon where we'll have more insights and interviews from our Pulse of Fintech report, and remember you can read the our fintech findings in more detail at [home.kpmg](https://home.kpmg).**

**Thanks for listening.**

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