

# Cashcow Using Network effect

In early 2017, four professionals from different expertise got together to set up a company and they christened it Cashcow. Working on an online cab aggregator model the company within a span of just 15 months has already helped disburse Rs 350 crore worth of loans and 30,000 credit cards.

Cashcow brings retail banking products to customer's doorstep through its network of Certified Advisors. It brings value to the banks and financial institutions by solving the distribution problem, while helping customer get personalized service and effective financial advice. Cashcow does not charge any fees from the customer, as the startup's revenue comes from banks and NBFCs. The startup has raised its Angel round from fintech-focused accelerator ISME-ACE.

The company has tied up with 55 banks, NBFCs and Fintech Lenders and has its presence in more than 15 cities with a network of around 3000 Financial Advisors. Cashcow is, currently, offering personal loans, business loans, home loans, mortgages and credit cards.

So far the startup has successfully disbursed loans worth Rs 350 crore and 30000 credits cards, and become operationally profitable

clocking around two crore as its monthly revenue.

Gaurav Goyal, co-founder of Cashcow and Alumnus of IIT Delhi, says that there is a huge supply demand mismatch in the loan service business which we wanted to fill. "There are hundreds of experts across the country sitting idle or working below their potential. Be it retired officials and women who don't wish to work full time. For many Cashcow has opened up a door to realize their true earning potential. 'The Network Effect' has created so much potential for employment. Here someone generates a lead, there is an agent who fulfills a lead on the ground," he says.

## The model

When a customer applies to Cashcow, he is assigned a personal certified Advisor, who helps the customer for identifying a correct

lender for his profile. With the help of technology layer, the customer is shown the probability of his loan happening with various lenders. The trained Advisor helps the customer in understanding various offers & benefits of various lenders.

## Success Based Models

Banks have tried serving leads from online players but the success rate of is less than 1% due to the poor quality of leads. So the lenders have started preferring success based model ((where a bank shares revenue only on the success of a lead) rather than CPL (cost per lead) model. Cashcow's model has resulted in more than 30% success rate for some of the banking products.

RBI data shows that more than 90% of the loan book is captured by banks, remaining pie is where NBFCs and fintech lenders are competing. Unfortunately, loan application process of most of the banks is mostly offline, only a few banks have come forward with in-principle approval APIs (also called as soft approval). Some NBFCs have started rolling out their full set of APIs which include soft approval and digital disbursement too.

"Eventually, three factors will drive the fintech lending space - Fastest, Cheapest and Variety. Currently, we are able to meet two factors, which are 'Variety' and 'Cheapest' and for the 3rd one, 'Fastest', the banks and NBFCs have to work equally hard with us.", Gaurav concludes.



(L to R) Co-founders of cash cow Manish Aggarwal, Sarfraz Nawaz, Gaurav Goyal and Mustafa Patanwala.