

## FINTECH ONE-ON-ONE PODCAST 330-YUVAL BRISKER

Welcome to the Fintech One-on-One Podcast, Episode No. 330. This is your host, Peter Renton, Chairman and Co-Founder of LendIt Fintech.

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Before we start today's episode, I want to tell you about a new event from LendIt Fintech. Nexus, the Dealmaker Summit is all about making deals, we'll be bringing together a select group of venture capitalists, bankers, fintechs and debt investors for two days of face-to-face meetings in Miami on February 7th and 8th. Also at Nexus will be LendIt's famous Industry Award Show back in person for the first time since 2019. You can find out more about all our upcoming events at [lendit.com](http://lendit.com).

**Peter Renton:** Today on the show, I'm delighted to welcome Yuval Brisker, he is the CEO and Co-Founder of Alviere. Now, Alviere is a really interesting company, they're focused on Embedded Finance and they're really approaching this in the true kind of potential of what that means. What they're trying to do is allow any company, focusing on major brands, but really allowing any company to offer a range of financial services to their clients.

Yuval's vision, which we get into in some depth in this episode, is really to bring the customers of major brands closer to them to bring financial services as sort of a glue that makes them a lot more loyal and wanting to come back for more. So, we talk about all the different ways they're doing that, how they've approached it, we talk about their unusual beginning and the pivot that they made and much more. It was a fascinating interview, hope you enjoy the show.

Welcome to the podcast, Yuval!

**Yuval Brisker:** Thanks a lot, Peter.

**Peter:** You have a pretty interesting background, this is not your first rodeo so why don't you tell us some of the highlights of what you've done to date.

**Yuval:** It's important to know that I started off as an architect. I studied and I worked in architecture for about ten years, but really quickly found my way into technology kind of right around the time that the big first dot com boom was happening. I started my first company in 2003, after working a little bit in enterprise software I realized that there were, you know, opportunities and problems that needed to be solved then I started a company called TOA Technologies, a company that was in the field service management space and focused on really solving the cable guy problem, the problem with people waiting at home and not knowing when a cable guy would arrive.

This was a big issue in the early 2000s when there was a lot of change in the cable business and really built that company from scratch, from two people in a garage in Cleveland, Ohio all the way through really global leadership in the space. It was a SaaS company, one of the early SaaS enterprise companies, it was an innovator in predictive analytics, really a precursor to what we call today AI or Machine Learning and we grew that company from just the two of us, me and my co-founder, to over

750 people worldwide in over 20 countries with name brand customers, everyone from AT&T to Dish Network to Home Depot to Telefonica to Virgin Media and on and on and on with customers all the way from Australia, New Zealand to Eastern Europe and all across the United States and South America and really had a great trajectory, 40 quarters of straight growth and in the summer of 2014, Oracle came and acquired that company.

TOA Technologies is now Oracle's Field Service Management Solution and I spent about two years integrating the product, my employees and the customers into Oracle I think very successfully. Larry Ellison at some point said that it was one of the most successful acquisitions that Oracle made. And then after two years I realized working for a large enterprise software company really wasn't for me, I had deep entrepreneurial drive and roots and so I left Oracle and started what was really the precursor to Alviere, the company that I am the CEO and Co-Founder of right now.

**Peter:** Tell us the founding story there, what was it that led you to found Alviere.

**Yuval:** Alviere is really a reincarnation of the company that I founded in early 2017 with Pedro Silva, my Co-Founder and our COO, and that company was called Mezu. Mezu was founded to really solve a problem which I'd identified of people wanting to pay each other cash in the farmers' market and to tip a bellboy or a valet, but couldn't do that because they weren't carrying cash anymore. In fact, I myself rarely carried cash at that time and still of course, now most people don't carry cash, but, you know, when I came up with the idea for Mezu the only way of exchanging money without cash was doing so with applications that forced you to actually exchange personal information in order to exchange money.

I thought there has to be a solution that will allow people to exchange money just like they would cash without having to exchange personal information, without having to, you know, give each other their phone number or email address or any kind of even social handle. And so, we founded Mezu with the idea that it would actually provide a safe, secure, private way for people to actually exchange money without having to exchange personal information doing so through a coded mechanism that will allow two people to exchange code rather than personal information. The goal of building something that would be both private and anonymous way of exchanging money turned out to be a real journey for us because, you know, we had to convince regulators and banks and partners to allow us to do that and it took us a really long time to get up and running.

So, we founded to company in January 2017 and the application went live in the summer of 2018, almost 18 months later, and that journey really showed us that there was a big gap in the market for companies who wanted to enable themselves with new business models and new capabilities in the financial services space and that there was no easy path to getting up and running if you had a great idea that included some kind of innovation in the financial technology space. And so, in a way we missed the window, the window of opportunity that would have allowed us to take a stronger position in the payment space.

I'd like to say that when we came up with the idea for Mezu, Venmo was still not a household word, it was really still the purview of mostly colleges and millennials, Cash App was just a side project of Square, but by the time we went live with Mezu, Venmo became like a verb and Cash App became like

the main project for Square and there was no place for us in the market. So, we spent the next 18 months trying to get our app adopted by people and we actually had a million downloads of our app. As quickly as, you know, had people download the app and become customers they were also kind of leaving us and going to Venmo and Cash App so we decided after 18 months that we really didn't have a future in the payment app space. But, we had built an incredible technology, an incredible platform for financial services for our own selves to be able to deliver a whole array of financial services to customers starting with bank accounts, going through merchant payment capabilities, card issuing, credit, debit, prepaid cards as well as, you know, international money transfers.

So, we realized that we had something very substantial in terms of a platform that could enable any company to actually do what we were doing which was providing those services to consumers. Even though we didn't think that there was a room for us to do it, we felt like enabling other brands and other companies to do it with our platform was a much better path. In the summer of 2020, literally mid-pandemic, mid-first phase of the pandemic, we shut down Mezu and we pivoted and started Alviere which is really focused on enterprise customers and delivering a whole array of financial services to customers, large enterprise customers, well known brands that would like to actually deliver financial services and products to their customers.

So, that is the trajectory and so, you know, major pivot after about almost three plus years of operation as Mezu so in that way I think it was quite an interesting and different path. I mean, if you look at sort of companies that pivot, they usually pivot within the first year or a year and a half of their existence, we were already around for over three years and in those three years we built an incredible knowledge of the financial services space and just built incredible partnerships with different vendors and different providers that we needed in order to actually deliver our solution, built a great team and ultimately, built a great platform, that we felt could serve others enormously in this sort of evolution of financial services that's happening in the marketplace.

**Peter:** Right, right. So, let's talk a little bit about that evolution here because you really focus on consumer brands, non-financial brands to enable them to deliver financial services so why focus there? Tell us a little bit about why there and the type of company you're dealing with.

**Yuval:** Our view of the fintech revolution is I think a little bit different than some of our cohorts in the Banking-as-a-Service and Embedded Finance space and if you look at sort of the history of the fintech revolution, I would say that we're kind of third generation fintech where I would say there was really only one true first generation company and that was PayPal. And then, second generation would be all the companies that have emerged post the financial crisis of 2008 to 2010 and we know all those companies, whether it's Square or Robinhood or Stripe or Chime or Revolut, all these companies that really went direct to consumer with their product. I would call them, you know, second generation, meaning those are companies that emerged as wanting to directly disrupt sort of the relationship between consumers and businesses and the traditional financial institutions.

Those companies, some of whom are already ten years old, I would see as second generation and I believe that they have a role and they've definitely helped evolve, you know, some of them are, of course, enormously successful, but I think when you look at the future and sort of bringing the main majority of consumers and businesses into the fintech revolution, it's going to take more than just

those direct-to-consumer, direct-to-business innovators, but actually to bring in sort of the main majority of consumers and businesses into this disruptive wave. I think it's actually going to take the mainstream brands, brands that actually customers trust, not just trust but know and trust, to really sort of reach out to both businesses and consumers and really present them with a different kind of approach to changing away from the traditional financial institutions to a new provider of financial services and products.

And so, our thesis is that instead of trying to convince customers to move their financial lives to completely new brands that they don't know, maybe don't trust, that the true potential is to enable recognized, trusted, well known brands to actually provide financial services, because now they can, to consumers and consumers will have a much more easy path to accepting financial services from well known brands rather than from relatively unknown brands and in that way kind of bring the fintech revolution to the main majority of consumers and businesses rather than, you know, expect them to adopt new brands that they don't really know. You can see that quite clearly in the fact that ten years into the second generation of fintech those companies still have not, you know, become dominant in the financial services space let's say in relation to a JP Morgan or a Bank of America or a Barclays or an HSBC.

Those banks and those institutions still have the majority of the business whereas, you know, the Chimes, the Revolut, the Varos and N26 even though they're not an incredible trajectory, they still have only a fraction of the financial services market from a consumer point of view. So, our question for ourselves is how do you get the rest of the public to actually move from a traditional banking institution broker, from a traditional financial services provider to a brand new model.

Our answer to that is go to where the customers already are, go to the McDonalds, to the United Airlines, some of whom already provide some aspect of financial services, but don't really provide the full array of capabilities. Go to the Toyotas, go to those kinds of companies that already have an established, strong, stable relationship with customers and have brand recognition and enable them to really become financial services disruptors and bring new financial services to market. So, I call it go to where the customers are, that's our thesis and that's our strategy.

**Peter:** Right, right. It's an interesting strategy because we've seen anecdotal evidence of some of the non-financial brands doing this, but we're still in the early innings here. So, I just want to get a little...dig into the weeds just for a minute and talk about how you're actually doing this. You must be partnering with fully licensed banks, FDIC-insured banks to be able to offer a banking-type product, how are you putting these all together. Maybe you can tell us some of the partners you work with.

**Yuval:** Long term, we see ourselves as a relatively independent provider. I think the initial phases of our evolution as an Embedded Finance provider is through partnerships with, you know, existing institutions partially because we need the regulatory umbrella and by the way, there's a limited time scale for that because we've gone on a long term initiative to license ourselves as a money transmitter. So, by Q1 next year, we will be fully licensed as a money transmitter across the United States, we're already licensed in Canada, we're going to be licensed in Europe and the UK so our view is that long term, we will have full independence from the regulatory compliance point of view, but up until this point, we've had partnerships with a number of banks that have provided us with a kind of regulatory

umbrella to be able to operate as an agent of their services and in that way enable our customers to provide bank accounts and money transfer capabilities to their customers.

So, the initial phase of the company was working in partnerships with banks, with processors, with obviously the networks and all the different vendors that are working in the space, but longer term, we see ourselves as a lot more independent. Of course, we still will need to deposit the money in banks, we don't see ourselves as going after banking licenses, for example, we do not want to be a bank. What we want to be is really an intermediary in a way between the banking system and potential customers, but still stay relatively light on the regulatory side, really focusing only on money transmission licensing mostly. But, we have developed also payment processing capabilities, we're now an ISO, we're going to be a PayFac so I think we are building long term capabilities to be very independent in the space, but the one thing we're aiming to be is a bank actually.

We don't want to take on the regulatory responsibilities and we want to give our customers a lot more flexibility on where they actually want to put their money. So, ultimately, what we're going to do is we'll be able to say to our customers to our consumer brand customers, wherever you bank is fine, we can still deposit the money there, but we'll provide you that middle layer, that enabling layer, that will allow you to do all the things you want to do and provide a full array of financial services to your customers, but we won't dictate to you where the money is going to actually going to sit.

**Peter:** I'd like to tease out those different financial services that you're offering and maybe I'd love to find out what are you offering today and what do you expect to be the most popular product going forward?

**Yuval:** So, today, we're offering first thing FDIC-insured bank accounts with the ability to deposit, save money and, you know, move it around basically from bank account to bank account. That's one of the core capability in a sense without which you really can't operate in the space. That I think is quite significant because really that's the foundational component of any financial services relationship that you want to be able to store money and move it around easily and under any umbrella, brand umbrella that you choose and that's really, I would say, the first thing that we offer the companies that we're chasing in terms of customers and by the way, we don't really see them as customers, I think we look at them more as client partners and I can talk about that a little bit later.

Our whole model is focused on partnering with brands to provide financial services to their consumer customers rather than, you know, selling our solution per se and charging for our solution, but really going to market together in a sense and building that kind of revenue that comes from that kind of partnerships and the transactions that are produced from that partnership. So, that's the core product. Above that, we enable all the things that are related with that that is check cashing, the ability to go to ATMs and take money out of the bank through an ATM network, the ability to actually deposit money through partners, deposit cash into the account through a partner network so really all the different potential modes for putting money in and taking money out. And that includes, like I said, the ability to do remote check deposits and stuff like that so really all the things that you would expect from sort of a mainstream bank.

On top of that, merchant payment services. So, we can provide payment processing services and then beyond that, you know, all the types of card issuing. Right now, we only provide three types of cards which is really a regular debit card, a prepaid card and what we call a gift card which is really an incentive prepaid card, those are the three main cards we are issuing right now. Ultimately, and we're working on that as we speak, we'll be providing credit cards and credit services initially to businesses and ultimately to consumers and then beyond that, we're also providing the ability to wire money abroad as well as exchange currency. Through a partnership with CurrencyCloud, for example, we're providing people the ability to send money to over 100 countries around the world.

The next phase we're going to be providing and when I say next phase I mean early next year, I think beginning of February next year we'll be able to provide the ability to buy and sell crypto, not transfer crypto, but within the account buy and sell crypto kind of like you can today on Cash App or on Venmo. You don't move crypto around within those applications, but you can actually buy the asset and hold it within your account and we'll be able to provide that as well. So, a whole array obviously of things going all the way from traditional banking all the way through crypto and I think that's a really interesting facet of what we're doing which is you could say that you could find an individual provider for each one of those things, whether it's a bank account or a merchant processing or a card issuing.

I mean, you've got Stripe doing payment processing, you've got Marqeta doing card issuing, I mean, you can actually find specific companies to do specific targeted activities in each one of the space, but you will not find anybody who can do all of those things under one umbrella in an easy format already in the marketplace and that's kind of our go-to-market differentiating component which is we provide a complete end-to-end platform that incorporates all those different things under one umbrella. If you're looking to start with one and expand into a whole array of other types of services, we're really the best place to go and because the technology is not just there, but it's also state-of-the-art. It's the most modern, it's built with the most flexibility, with the most scalability and it's built in the last two or three years rather than, you know, 10-year old technology.

I think that there is a difference obviously in the world of technology, whether you built something...you know how it always is with technology, whatever is more than two or three years old is really kind of old and I think that as we go the ability to build technology that can stay up to date much easier, especially when the initial view was sort of this expansive view of the world which is let's have a full end-to-end solution as a starting point, let's have a full international ready solution as a starting point not as an afterthought or as an add-on. You know, that positions us completely different than the existing companies that are sort of more vertically focused around payment processing or issuing or bank accounts or crypto either in any one of those together.

**Peter:** Right, right, got it, okay. So, last month you had a major ad campaign, I think it was full-page ad in the Wall Street Journal which you don't very often see fintech companies doing that, tell us little bit about why you did that and what the feedback has been.

**Yuval:** I like the idea of generating a little bit of interesting messaging in front of CEOs and decision makers and people who are reading mainstream publication like the Wall Street Journal and I think that, you know, doing a little bit, something that's a little bit more provocative and lets people kind of wonder and think about what it is that this company is doing, to me is a way of introducing us to the

world. I mean, we've only been around about 15 months, so far, our pivot was in the summer of 2020 and, you know, we're what, December 1st 2021 so we haven't been around for a long time. We've had a very successful first year plus closing enormous deals already, haven't been made public yet, but in the beginning of the year we'll be making them public because those relationships are going to go live to the consuming public.

But, my goal there was really to grab people's attention by, you know, saying provocative things to the audience of people who are reading the Wall Street Journal which we obviously know are almost any business person in this country and in this world is out there referencing the Wall Street Journal at some point and sits on the desk of most CEOs in this country. So, the idea was to grab their attention, give them something to think about, put out messaging that provokes and really challenges also the existing norms and the existing banking institutions and financial institutions out there. Hopefully, we did that. I think we have a very clever campaign that was focused on poking sort of the way, the norms and the ways that people have thought about banking and financial services to date and we'll continue to do that.

I think that we want to be considered as somebody whose company that's really is thinking outside the box and is not, you know, afraid to present an alternative way of thinking for companies that might be interested in embracing new lines of lines of businesses and new ways of going to market. Really, it was about shining a light on what's happening today in financial services that goes well beyond sort of the initial phases of this fintech revolution as I talked about before. So, that was really the idea behind it and I like the idea of print, I think that we're so focused on digital that in my mind we're numb, I think we don't even see better ads anymore. I don't think we blocked most of the digital outreach out of our consciousness in a way because we're so inundated by so much information and so much digital stimuli that I wanted to go back to a more traditional route and do so in a very simple, straightforward messaging, you know, some of the messages that we have out there.

Financial services is now everyone's business, you know, or follow the money and come to Alviere to figure out how to actually engage in this world. Anything a bank can do, you can do better, you know, I mean, these are really provocative messages that will get people to think, you know, who is you, are you the one that we're talking to, you know, the executive sitting in a company that's not a bank because actually that's what we are implying. Our last ad was, you know, bank is just a four-letter word, you know, first thing that we're taking from songs, anything you could do, I can do better, love is just a four-letter word was a Dylan song and so these were ideas that would have a cultural reference as well as a specific provocative stimulus to get people to come to our site and understand what we do and see the potential.

**Peter:** Okay, I'll be sure to link to those in the show notes so people can actually view, see what the ad looks like. Anyway, we're almost out of time, last question, I really would love to get your perspective here. When you look at sort of the future of financial services and obviously the Embedded Finance movement that is really underway for the last couple of years, what's it going to look like at the end of the decade?

**Yuval:** I think we're going to see just a lot more brands, mainstream brands offering financial services, to me, it's just a natural progression. You can see that across almost any disruption on the top of over

the length of time, if you think about Netflix and now, it's Disney Plus, right. Netflix disrupted the world of entertainment, movies, television, major disruption, but, you know, Netflix is already a 20-year old company, it took a while. But, today, I mean it's mainstream, the technology has moved ahead as well as the companies that are more traditional. Disney only launched Disney Plus a year or two ago, but immediately they have a massive audience and people trust their brand and they know that they provide a certain product with high quality and they're subscribing.

I see the same parallel with financial services, the initial disruptors that we spoke about, all these companies that have done incredibly well disrupting in the first sort of phase. I think they're going to see increasing competition from more traditional companies that will look at companies like ours and see an opportunity to launch new lines of businesses that include financial services and bring those services to their audience, to their loyal consuming public. And, ultimately, they will take an incredibly significant part of the market because consumers will be much more comfortable, you know, moving their financial lives to a Walmart and we know Walmart is pursuing this kind of activity with Ribbit Capital to a Target to Toyota, like I said, than potentially going with the Chime or with Robinhood.

It's an interesting, you know, inflection point that we're at right now, where companies like ours can enable those kinds of capabilities and those new lines of businesses which everyone from an AT&T on down. Those companies are now, you know, in the position to embrace that and then take it to their massive audience and convince those consumers to shift, at least, a portion of their financial lives to new lines of businesses that they are going to be providing. So, looking forward ten years, I think we're going to see a lot more diversity in who provides financial services and as a result of that also, a lot more diversity in the kinds of products and the cross fertilization between the core products that those companies provide and the new financial products that they provide.

The biggest strength is that different than a neobank, an AT&T has a core product that can be further cultivated in a way with new financial services and vice versa so there's not a one dimensional dependency on that core product or there's not a one dimensional dependency on the new financial product, but there can be cross fertilization between both products and in a way an evolution into the delivery of the core product with the financial product that they can be riding with. I see it more as a one plus one equals five rather than, you know, one plus one equals two or worse, you know, some level of subtractive combination. So, I'm very optimistic about the future because I think that we're really moving into that sort of crossing the chasm phase where we're going to go into the main majority and that's going to happen with consumer brands and when I say brands I mean a broad definition of brands which is everyone from, you know, automotive brands to telecom brands to retail brands and beyond.

**Peter:** Well, that's going to be super interesting to find out how this plays out, Yuval. I really appreciate you coming on the show today.

**Yuval:** Thank you so much.

**Peter:** Okay, see you.

It really is an interesting idea or vision that Yuval has there around the future of financial services and the fact that major brands will be the ones delivering financial services to their most loyal customers. Now, that will certainly be true in many cases. It's going to be interesting to see whether by the end of the decade or within ten years if the big banks are still the major deliverers of financial services or the big brands really have taken over. It's not a foregone conclusion either way, but Alviere is really trying to make it a possibility that really brands can be the primary deliverer of financial services. It's going to be interesting.

Anyway on that note, I will sign off. I very much appreciate you listening and I'll catch you next time. Bye.

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Before we go, I want to remind you about a new event from LendIt Fintech. Nexus, the Dealmaker Summit is all about making deals, we'll be bringing together a select group of venture capitalists, bankers, fintechs and debt investors for two days of face-to-face meetings in Miami on February 7th and 8th. Also at Nexus will be LendIt's famous Industry Award Show back in person for the first time since 2019. You can find out more about all our upcoming events at [lendit.com](http://lendit.com)