

IT Business Value und kritische Erfolgsfaktoren von FinTech Unternehmen

Bachelorarbeit

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Bachelor Thesis - IT Business Value and Critical Success Factors of FinTech Companies

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1 Introduction

The importance of IT deployment in the company experiences significant changes. Isolated IT systems considered as solutions for individual and technical issues or challenges were substituted by centralized and ubiquitous information technologies. Over time the environment of IT systems become more complex as integrative architectures have gained popularity (Mutsaers et al.; 1998). Nowadays, digitization influences the core business at a strategic level for a majority of organizations. Whereas IT primarily served on an operational base in the past decades and the value generation was mainly inside the back office of companies, this system consolidation is replaced by IT services as an assets (Samulat; 2014). Therefore IT Business Value (ITBV) becomes relevant at a corporate level while IT strategies need to align digitization of business and IT resources are able to create values in companies (Shannak; 2012). This thesis aims to provide further insight into the topic by answering the following research question:

1. *How is it possible to measure IT business value of FinTechs?* and
2. *What are the critical success factors of FinTech companies?*

The first research question is associated with the second one and vice versa by implementing performance measures to the phenomenon of financial technologies. Accordingly, the objective of this thesis is to enable a FinTech analysis of value generation contributing to the strategic objectives of the organization. If a company wants to integrate IT components in their business, the information technologies cannot be mediocre to business value. How successful the IT is used inside the company has to be determined. Therefore a systematic approach to measure the parameters has to be built in. CSF lead to an appropriate decision support in this thesis.

In order to answer the research questions, chapter two of the thesis provides the theoretical background to the topic at hand. It consists of a literature review and subsequent definitions of the most important terms and findings. Thus ITBV, the digital economy and the special characteristics of FinTech companies will be explained. Chapter three goes on to introduce the model used to explain the ITBV of FinTechs. According to this, an own presentation of ITBV in the digital economy called *FinTech business value* will be introduced. In chapter four the discussion if and when FinTechs are able to be successful goes along with a Strength-Weaknesses-Opportunities-Threats (SWOT) analysis. Thus the focus is on CSF of FinTech companies in comparison to traditional financial institution. In the end, theoretical and practical implications will be explained. Chapter five introduces a set of limitations to this thesis. Thereafter chapter six provides further implications of the research. Finally, chapter seven provides suggestions for future research, summarizes the findings and closes on a conclusion.

2 Theoretical Background

This chapter comprises important definitions and terminologies used in this paper. Relevant theoretical foundations of ITBV (2.1), digital economy (2.2) and FinTechs (2.3) will be introduced. First, we explain relevance of ITBV in organizations and explains how companies can achieve value with application of IT. Second, we analyze the digital economy and the use of SMACIT technologies in companies. Finally, we distinguish between FinTech solutions in financing, payments, asset management and other FinTechs. Sources of the literature review for this thesis are internet-based as: AISEL, IEEE Xplore, ScienceDirect, SpringerLink, Google Scholar, as well as the online catalog of the TIB/UB. For the first examination, we used buzzwords such as "FinTech", "digital transformation" or "business value of IT". From these results, to identify the relevant sources, we read the abstracts of the sources, if available, and further searched with the help of forward - and backward research. The selected literature sources are analyzed according to other relevant sources by the method of [Webster and Watson \(2002\)](#). In addition to the sources found, recent online articles were added to underline current approaches.

2.1 IT Business Value

For a well-marked understanding of ITBV, the term will be dissolved in the first part. We answer the question of what ITBV defines and how it can be measured to be valuable information used for precise business decisions supporting.

Following [Melville et al. \(2004\)](#) IT concepts relevant for ITBV research conclude in

7 Conclusion

In this thesis, at first, an introduction into ITBV has been made presenting the integrative model by [Melville et al. \(2004\)](#). As the transition to FinTechs, in the beginning, a variety of digital technologies used in the recent decade in many companies was introduced under the term of SMACIT. The elaboration of SMACIT technologies in chapter two shows the wide-spread information of technologies exceeding a niche market's relevance as every company is required to pay attention to digital business. Thereafter, the concept of FinTechs was introduced. For a deeper understanding, the FinTech services of financing, payments, asset management and other FinTechs such as InsurTechs were introduced. In order to answer the research questions

- 1. How is it possible to measure IT business value of FinTechs? and*
- 2. What are the critical success factors of FinTech companies?*

in the third chapter a model of digital transformation in business ties productivity, capital and labor in one concept. Integration of technologies compounds organizations and customers in various aspects. This proposed combination of FinTechs in the ITBV is able to define the role of modern financial technologies in value-adding banking areas and new areas. Because the market is dynamic and characterized by fast pace and constant emerge, chapter four shows the variety of opportunities and obstacles of introducing FinTech services in an organization by analyzing strengths, weaknesses, opportunities and threads compared to traditional financial services. The limitations and implications of this research are comprehensively mentioned in chapter five and six. All in all, ITBV is a precaution of success in the digital environment of the world moving to an 'Industry 4.0' and explaining the ubiquitous but still progressing technologically on a daily basis inside of companies and in the everyday life of customers. FinTech is less a buzzword than a real opportunity for business to fill gaps of traditional banking services and an complementary service as well as directly substituting them with innovative IT business values. This proposed combination of FinTechs in the ITBV has low scientific evidence. Therefore, more recent approaches, pointing out strategies to measure should be researched sufficiently. Benefits and limitations of FinTech approaches should be further explored in order to make them more attractive for practical use.