



**BUSINESS
OWNERSHIP
INITIATIVE**
aspen institute

Integrating Technology into CDFI Small Business Lending: The Real Deal

August 3, 2022

Business Ownership Initiative

The **Business Ownership Initiative** works to expand economic opportunity through business ownership. We work closely with micro- and small business practitioners and the institutions that invest in them to build knowledge and strengthen practice. BOI is an initiative of the Aspen Institute's Economic Opportunities Program.

Learn more at as.pn/boi.

BOI's past work on technology

Research Review

New Pathways to Scale for Community Development Finance

The Economic Opportunities Program (EOP) of the Aspen Institute advances strategies (primarily in the areas of workforce development, microenterprise, community-based forestry, and access to capital and credit) that connect the poor and underemployed to the mainstream economy. The EOP facilitates participatory learning among practitioners using applied research to stimulate dialogue and action among funders, policymakers, nonprofit, and community leaders. This paper is one in a series focusing on issues of scale and sustainability in the not-for-profit and community development field. For more information, go to www.aspeninstitute.org/eop.

Funded by: The F.B. Heron Foundation, The Fannie Mae Foundation, and The John D. and Catherine T. MacArthur Foundation

By Gregory A. Ratliff and Kirsten S. Moy with Laura Casoni, Steve Davidson, Cathie Mahon, and Fred Mendez

Scaling Up Microfinance



Technology to Improve Performance

Joyce Klein, FIELD at the Aspen Institute
 Luz Gomez, FIELD at the Aspen Institute

May 21, 2013



Provided by OPPORTUNITYFINANCE NETWORK



THE PROMISE OF SHARED PLATFORMS FOR THE MICROENTERPRISE INDUSTRY: Lessons for Platform Users

Joyce A. Klein | Alan Okagaki | April 2017



Presenters



Joyce Klein
Senior Director
BOI



Tim Ogden
Senior Fellow, BOI
Managing Director, Financial
Access Initiative, NYU Wagner

Agenda

- 3:00 - 3:25 Explore key concepts in technology adoption with key relevance to CDFI sector
- 3:25 - 4:05 Q&A/Your thoughts and perspectives
- 4:05 - 4:15 Solicit your feedback about future webinars/content

Interaction

- Q&A feature
 - Pose your question or “upvote” questions asked by others
- Chat
 - Share your perspectives and experiences on the issues we’re discussing

Thank you

This webinar was developed as part of the Global Inclusive Growth Partnership, a collaboration between the Aspen Institute and the Mastercard Center for Inclusive Growth



Policy, process or technology - which comes first and why?



PHASE 1

PHASE 2

PHASE 3

Collect
Underpants



Profit





PHASE 1

PHASE 2

PHASE 3

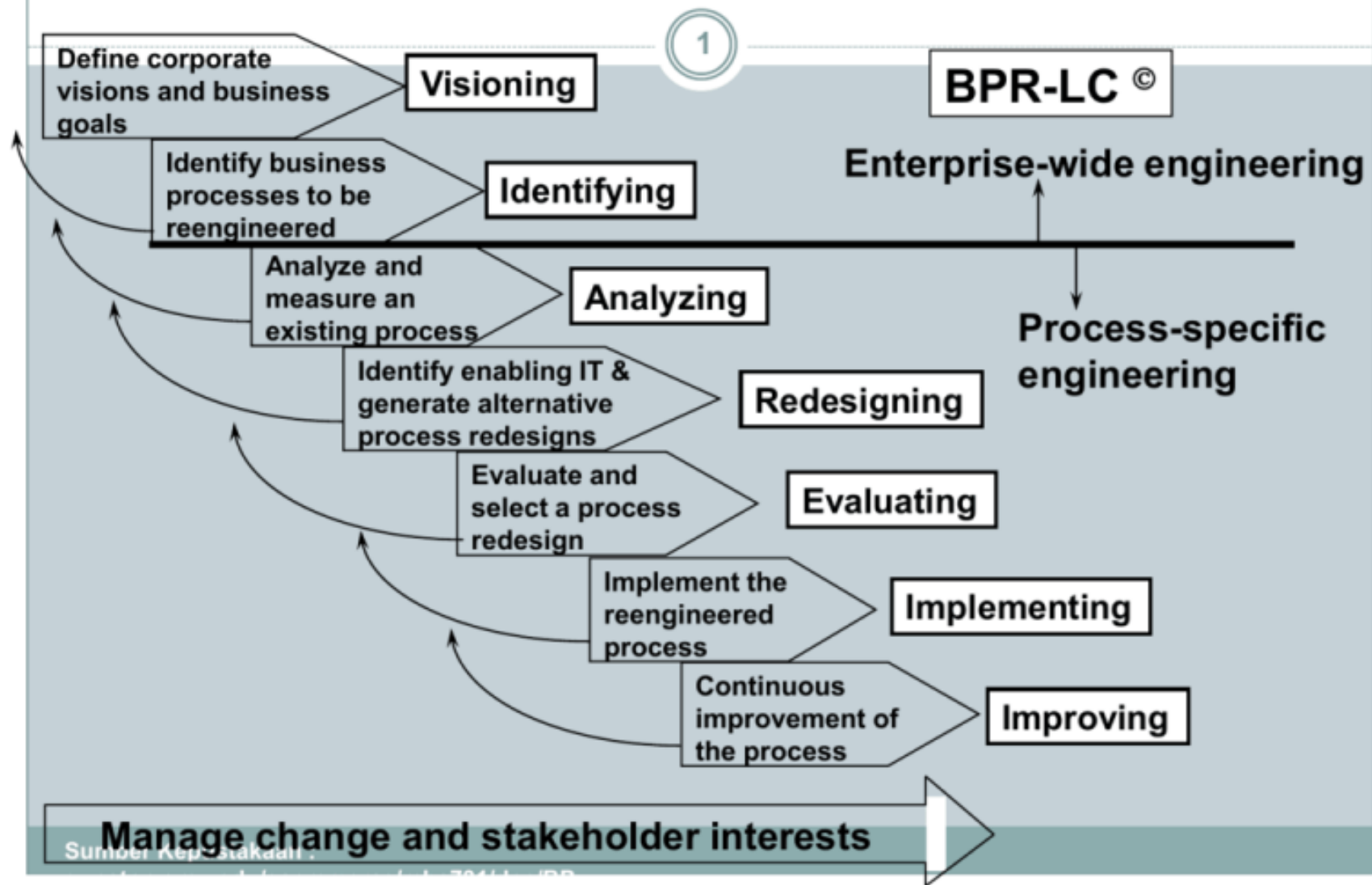
Deploy Technology



- Scale
- Cut costs
- Improve service
- Raise capital



Business Process Reengineering Life Cycle



Sumber: Rep. Stakkaan...

Phase 1



Phase 2



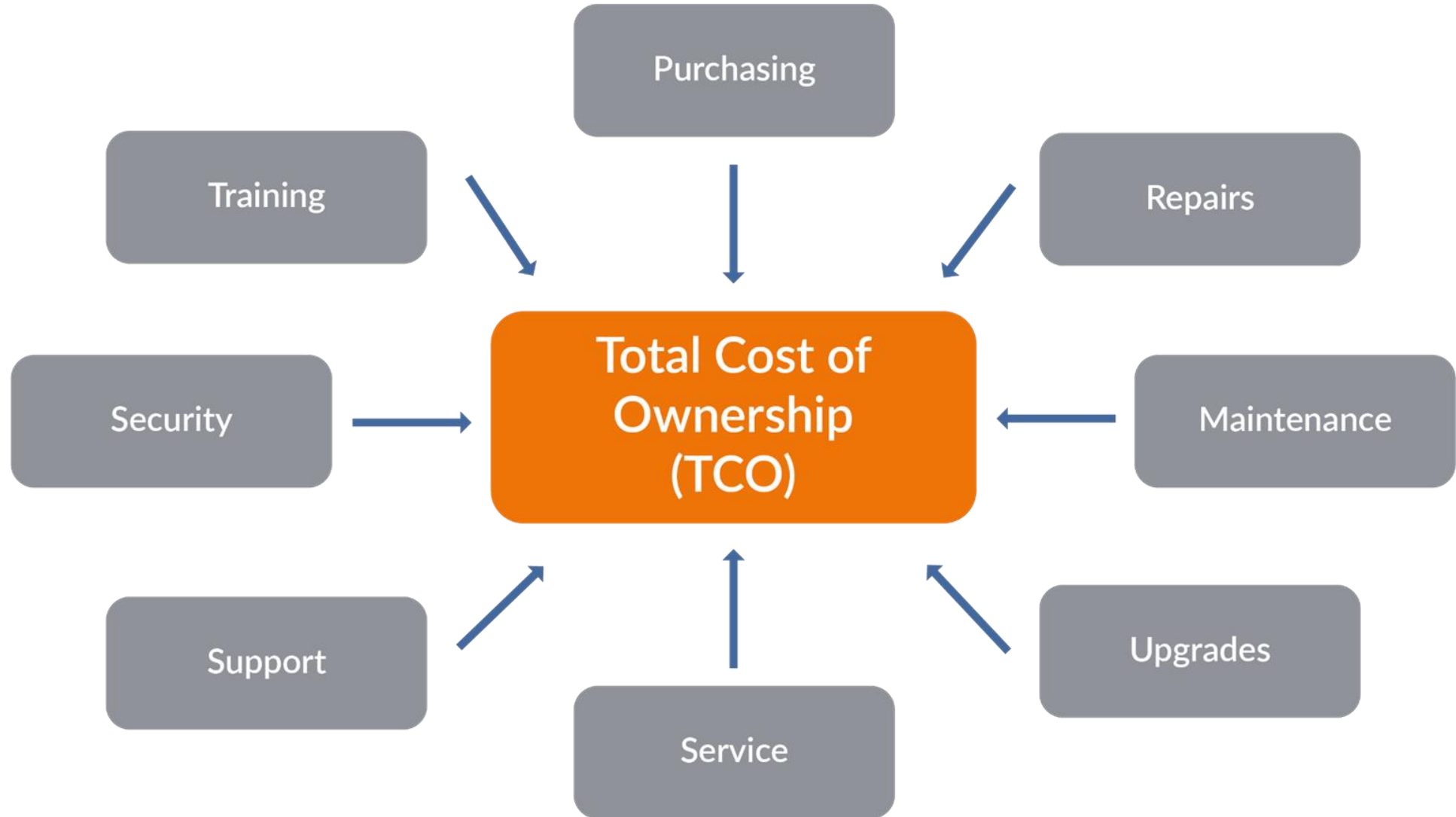
Phase 3



What is total cost of ownership (TCO) and why does it matter?

Total Cost of Ownership





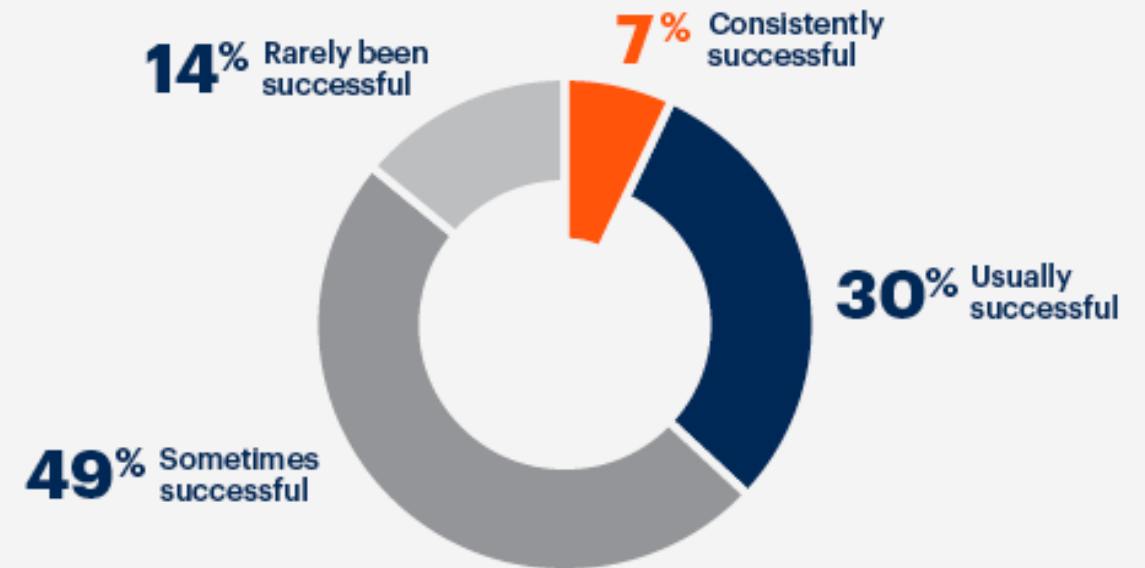
Realizing Value from Technology

Or, why is scale important in realizing the benefits of technology?



The success of the IT department in demonstrating IT's business value

Percentage of respondents



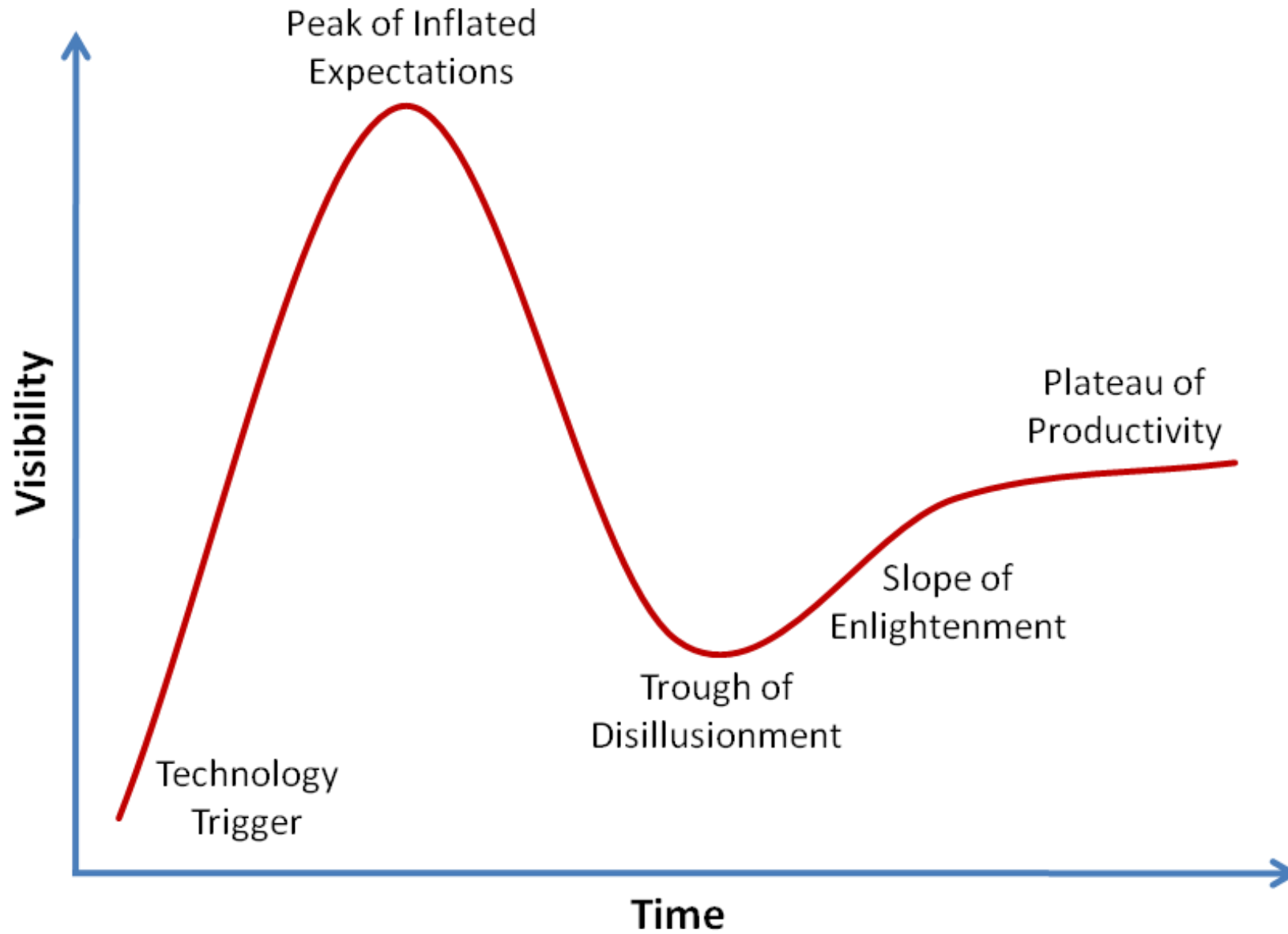
Base: n = 166 Gartner Research Circle members. Base: Excluding "not sure." How successful has the IT department been in demonstrating the business value of IT in your organization?
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Gartner.

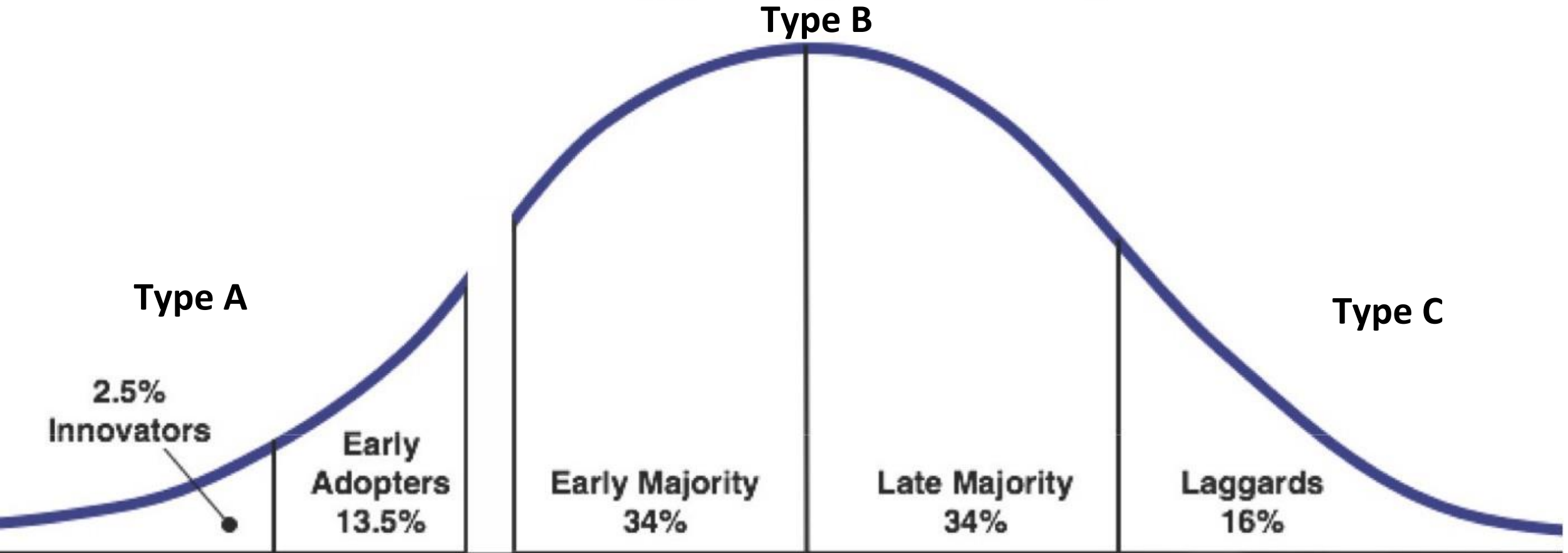
Impact of IT on an Organization

<p>Economic Impact</p> <ul style="list-style-type: none"> • IT changes relative cost of capital • IT lowers the cost of information 	<p>Agency Costs</p> <ul style="list-style-type: none"> • Organizations experience agency costs (the cost of managing and supervising) as they scale • IT lowers cost of managing and supervising by increasing transparency and reducing management “friction”
<p>Transaction Costs</p> <ul style="list-style-type: none"> • IT lowers the marginal cost of “transactions” • IT may decrease or increase the fixed costs of transactions infrastructure 	<p>Organization and behavioral impact</p> <ul style="list-style-type: none"> • IT flattens organizations (decision making is pushed to lower levels/automated) • Fewer managers are needed (IT enables faster decision-making and increases span of control) • IT can decrease or increase the cost of change

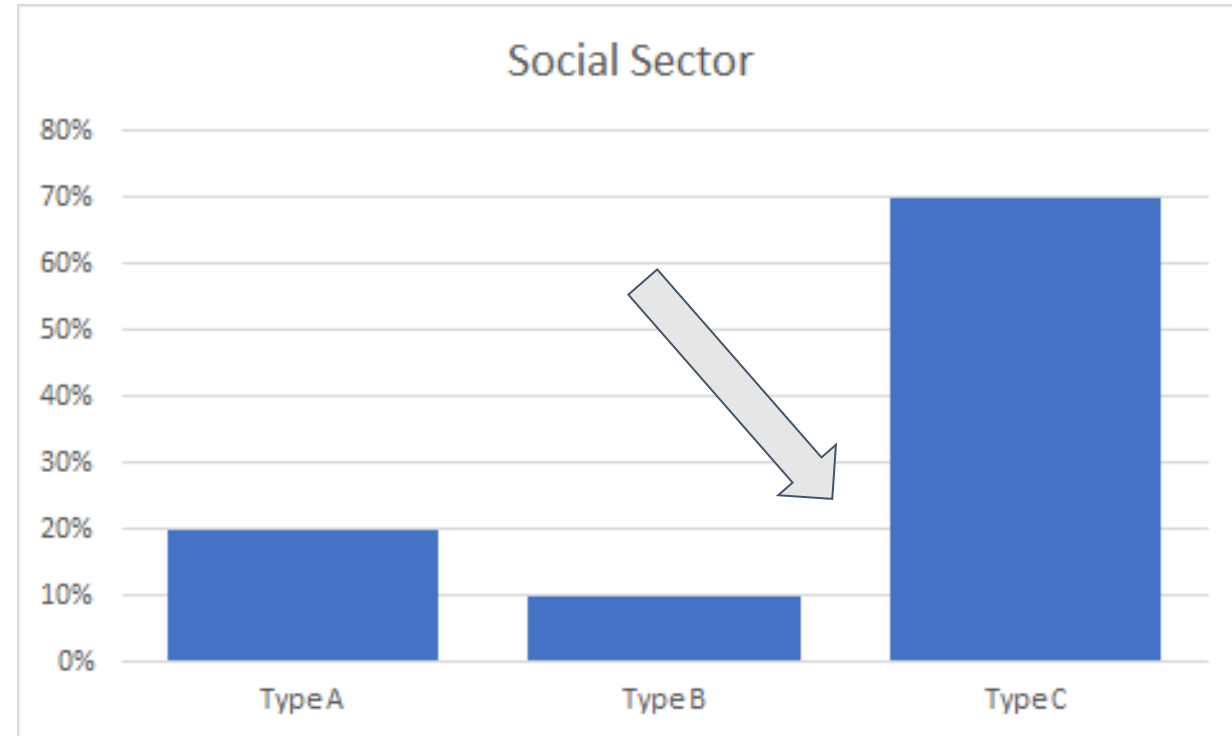
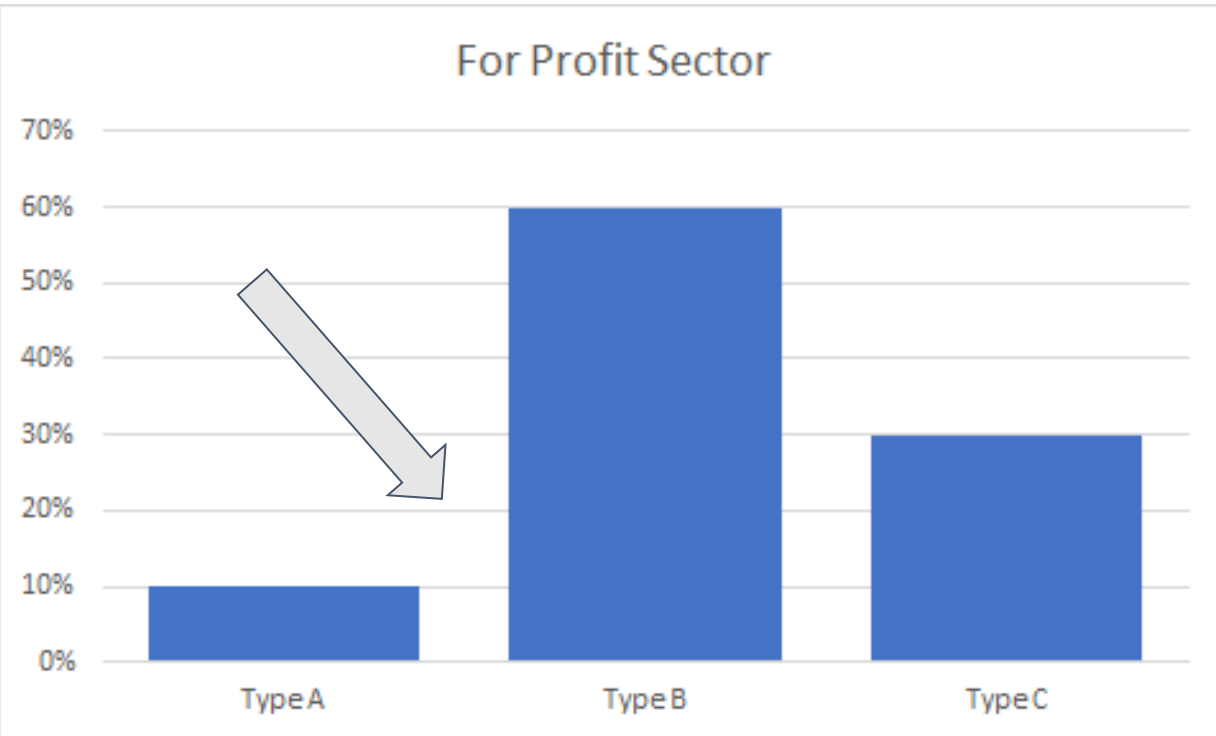
How do public and private funding practices create challenges and what can be done about them?



Technology Adoption Life Cycle



“The Chasm”



Q&A: What questions do you have?

**Chat: What experiences would you share?
What resonates with you, what would you disagree
with?**

Chat: What more would you like to hear on this topic? What information would be useful?

For more on our content and work: as.pn/boi
Twitter: @Aspen_BOI