



Prifysgol Cymru

Y Drindod Dewi Sant

University of Wales

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Assessment A - Review the Innovation History

Module code : ACPA7005

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**“Dad, can I have
some money?”**

Review the Innovation History

Task

Review the recent innovation history of a company of your choice that is involved in manufacturing, product development or service provision, anywhere in the world.

Categorise the innovation developments which have taken place in terms of Satell's typology and analyse them in relation to

1. **The extent to which they have shifted the company's market position;**
2. The extent to which they have influenced the company's internal structures and management processes;
3. The extent to which they have been technology dependent (and which technologies);
4. The extent of their success;





- Launched in 2012
- A financial technology (Fintech) company
- Founded by a small group of parents
- Offering an innovative combination of a prepaid debit card with an **educational App**

(gohenry, 2021)

“We’re on a mission to make every kid smarter with money”

(gohenry, 2021)

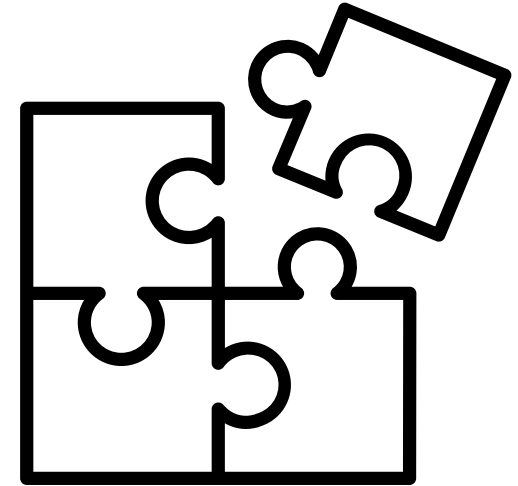
Pre-Innovation Status < 2012:

- Financial education not introduced to the English national curriculum until 2014 (Tes Magazine, 2021)
- Bank accounts and debit cards available to children but lacked financial education or interaction
- Bank accounts were highly restrictive



Why gohenry?

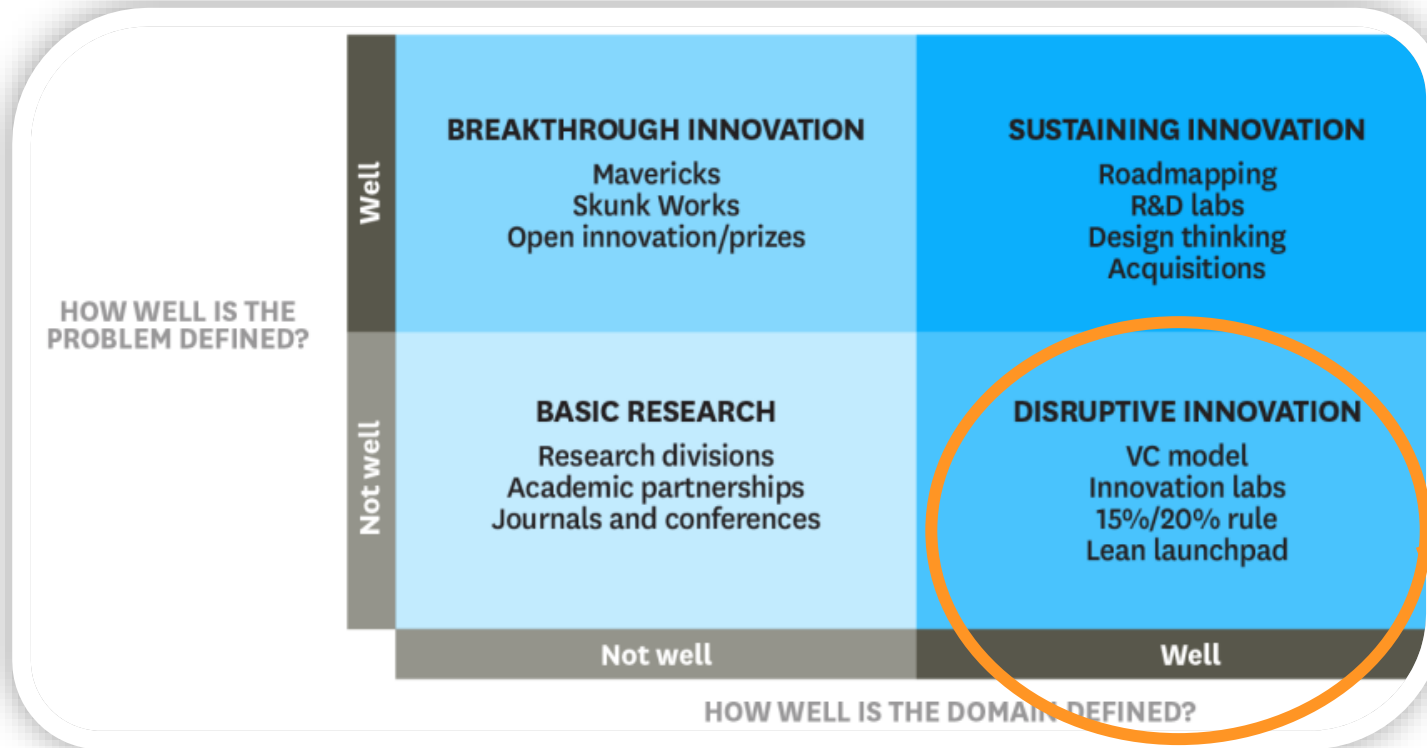
- Real life application
- Morality / Ethics
- Impacting on our lives



What is the innovation?

The autonomous development of children's financial education with unhindered parental control

gohenry Satell



- How well is the problem defined?
- How well is the domain defined?

Disruptive Innovation

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Financial Education

Financial literacy: a combination of awareness, knowledge, skills, attitudes and behaviors necessary to make sound financial decisions and achieve individual financial wellbeing (Atkinson & Messy, 2012)

Financial Conduct Authority Survey in 2006:

- Making ends meet
- Keeping track of personal money
- Planning ahead
- Choosing financial products
- Staying informed about financial matters



Additional FCA Survey in 2013: No improvement

- Overall:

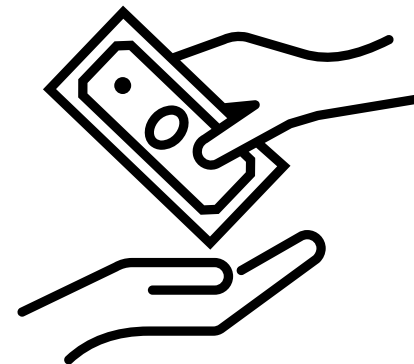
- 37% have no plans to contribute to additional pension
- 70% no provision to cover for sudden drop in income

- Younger people (20s – 30s)

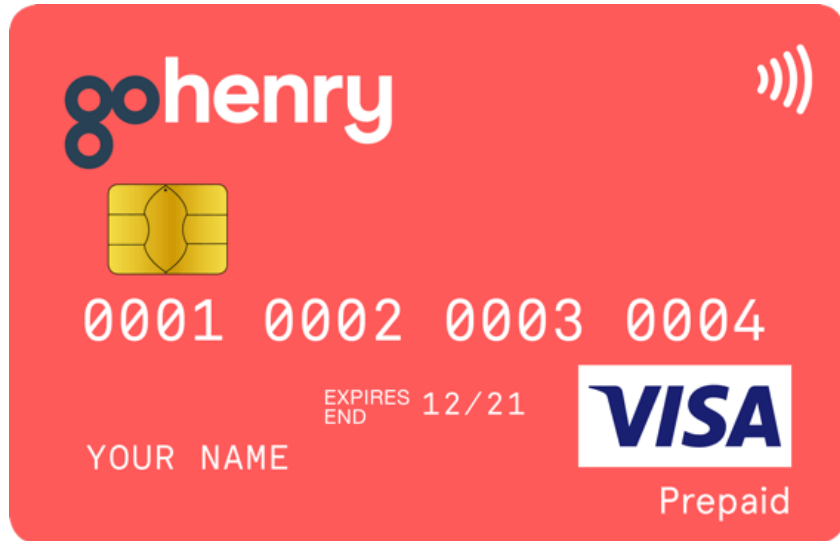
- less knowledge and poor at planning ahead
- 43% lack understanding of inflation
- 14% thought it was best to start paying into pension in their 50s



Huge financial knowledge gaps!

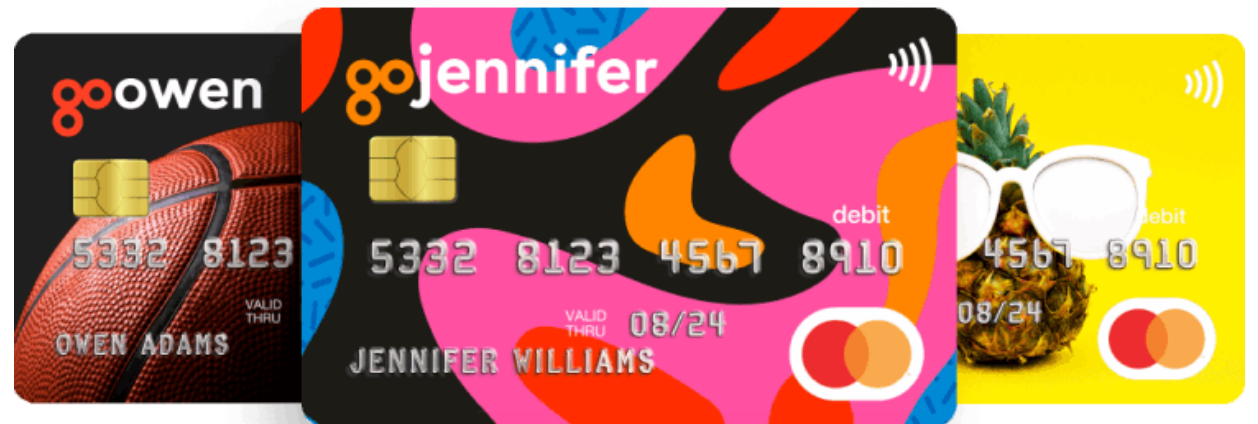


gohenry

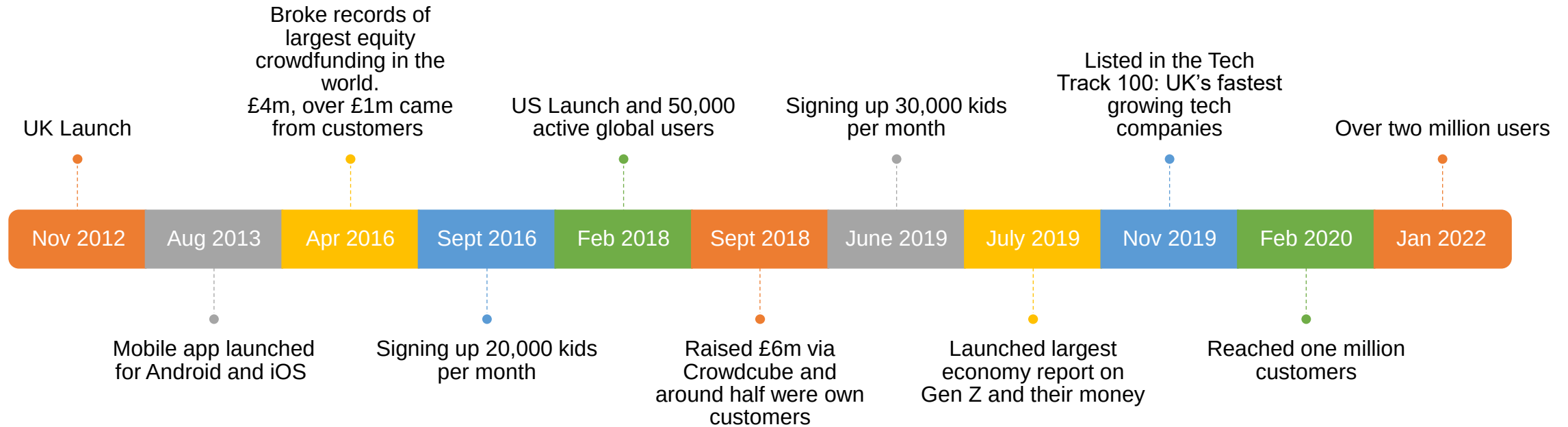


- Parents not always the best educators
- Children learn good and bad money habits from parents
- Parents who are financially illiterate often have low incomes and poor finances. If their children do not learn to manage money well, this can reinforce cycles of deprivation (Lewis & Lidney, 2015)
- Children expose to money issues at a very young age (Lewis & Lidney, 2015).

Need for tools to teach kids how to be good with money!



Milestones



Review the Innovation History

Task

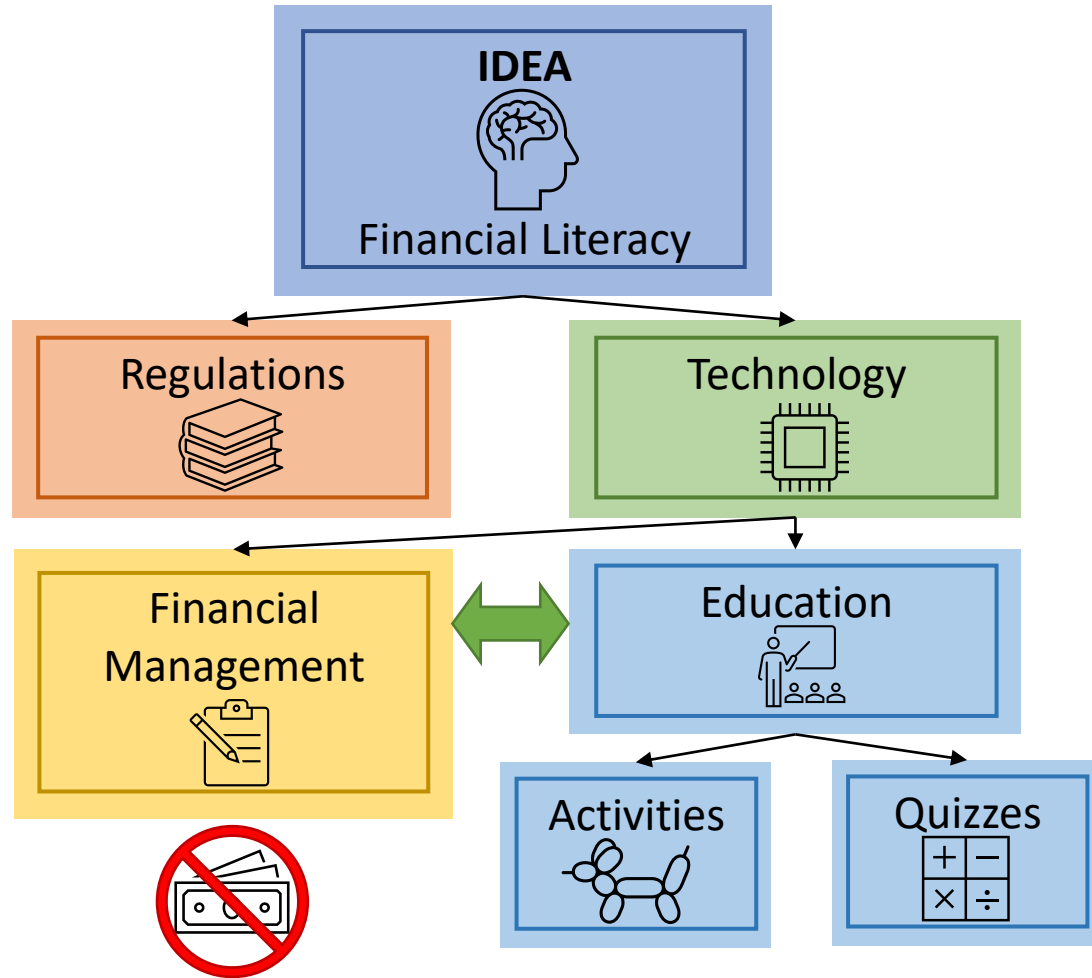
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The Tech behind gohenry



What is FinTech?

FinTech Characteristics

“Designed to be a threat to, challenge, and eventually usurp entrenched traditional financial services providers by being more nimble, serving and underserved segment or providing faster and/or better service”.



Financial
Education



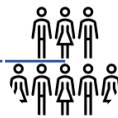
Banking



Investments



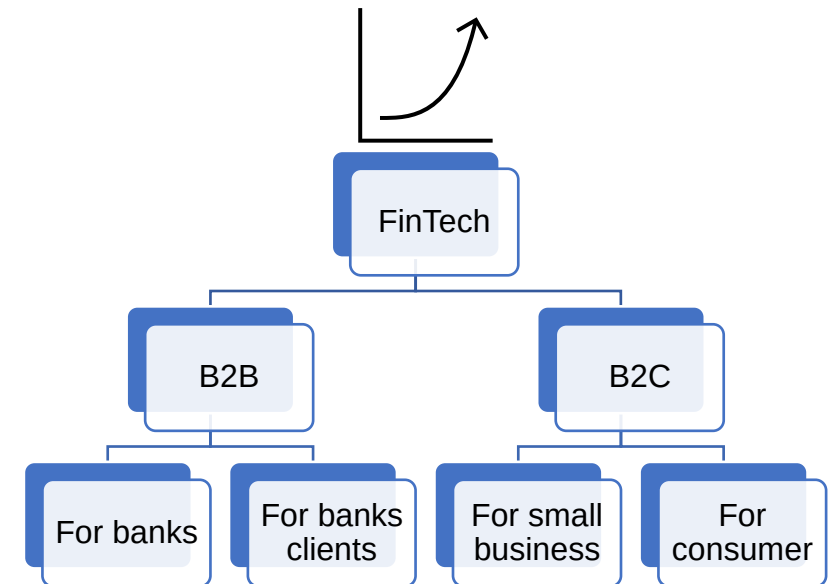
Cryptocurrencies



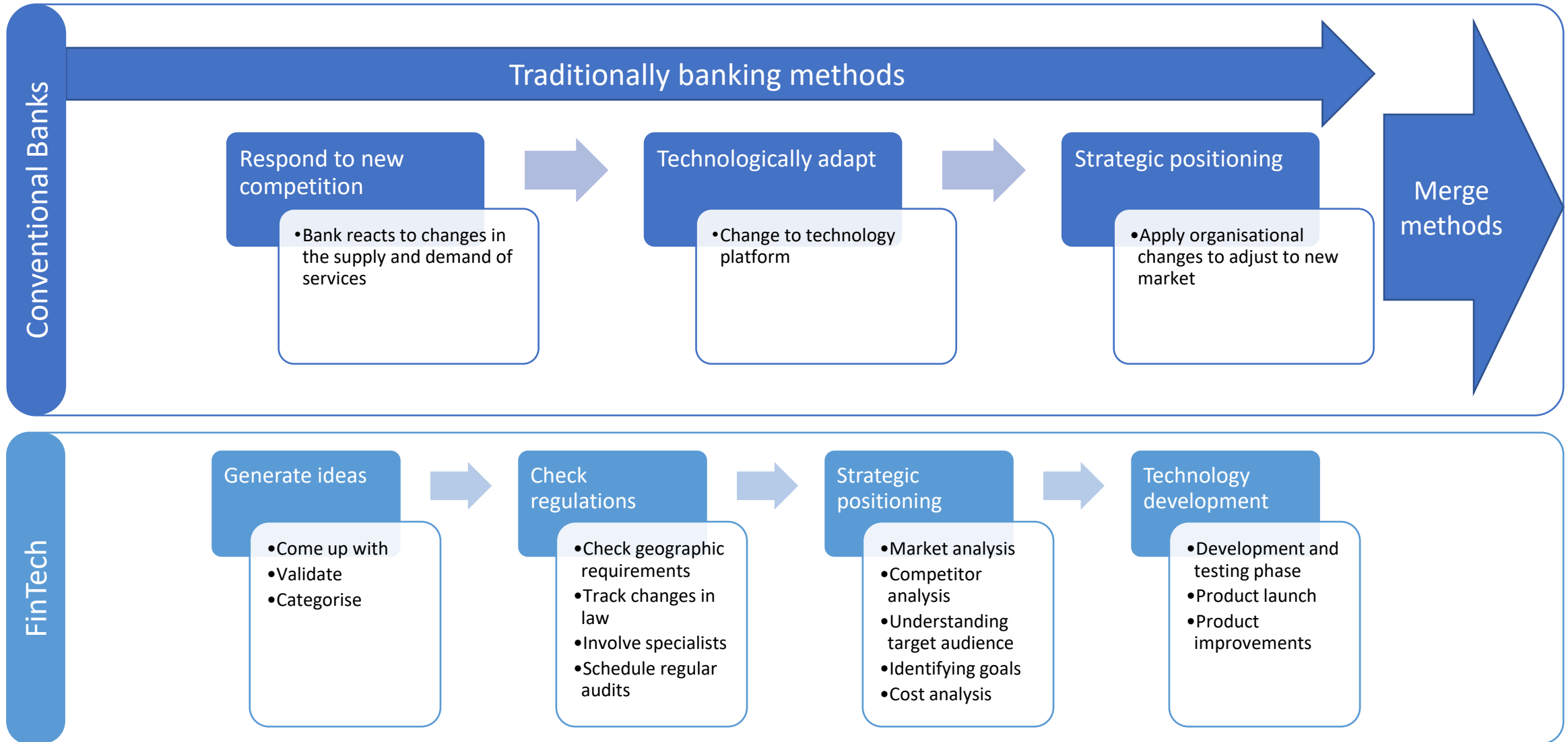
Crowdfunding



Research



Innovation & Digital Transformation



Digital Application – Money Mission

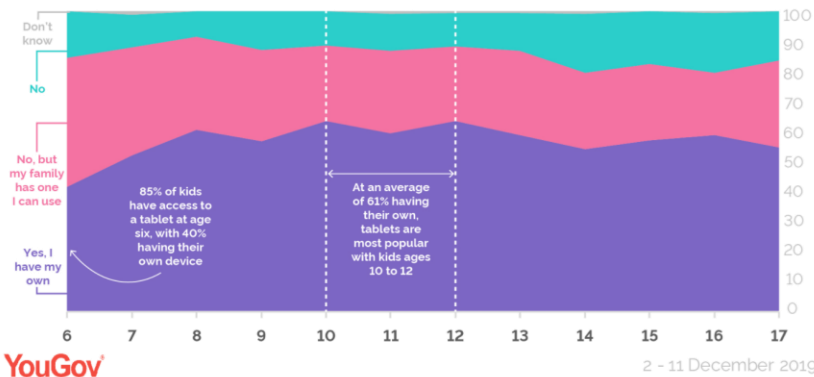


Technology Availability

gohenry consumer target is for ages 6-18 years old...

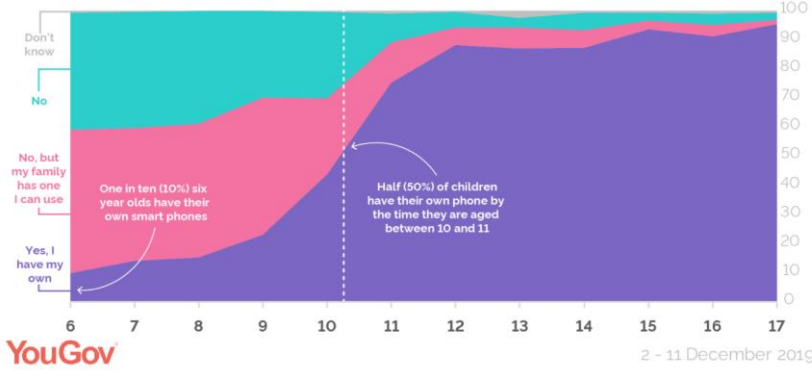
What age are British kids given their own tablet?

Do you have access/ are you able to use any of the following devices? (% of 2,160 GB children aged between 6 and 17, answers for "tablets/iPads" shown)



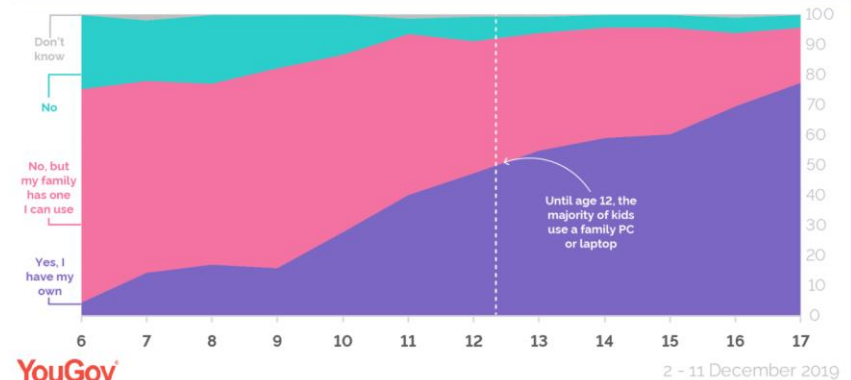
When do British kids get their own smart phones?

Do you have access/ are you able to use any of the following devices? (% of 2,160 GB children aged between 6 and 17, answers for "smart phones" shown)



When do British kids get their own computers?

Do you have access/ are you able to use any of the following devices? (% of 2,160 GB children aged between 6 and 17, answers for "laptops/computers" shown)



- At aged 6, 85% of children have access to a tablet.
- 40% have their own.

- Most children in Britain have their own smartphone before the age of 12.
- 10% of six-year-olds already have one.
- Another 49% of 6-year-olds have access to a family smartphone

- Only 5% of 6-year-olds have their own laptop.
- PC/laptop ownership is low until secondary school.

Summary

The extent to which gohenry have been technology dependent.

- **Regulatory** – how fast regulations are able to adapt to the technology demands and FinTech drivers
- **Accessibility** – how much access does the demographic have to a physical technology device
- **Education** – how technology is transforming into explorers and teachers/parents into guides



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While there is a growing focus on foundation subjects within UK schools such as Maths, English and core Science, financial management continues to be on the peripherals.

Financial education in UK secondary schools is taught as a module within Maths and doesn't have a dedicated subject matter.
(FINANCIAL EDUCATION IN SCHOOLS: Policy into Practice, 2017)

The lack of financial education has been directly linked to a growing debt epidemic within young people.

On average **young adults** aged between **16 - 24** will accrued debt of **£2,000** (£1,909). However, an average **89%** of people aged **16 – 24** have **not received any financial guidance**. (Beans, 2021).

With an apparent lack of financial education within public schools' independent education is becoming widely adopted.



Responsibility of financial education has fallen to children's guardians. Since 2012 there has been dramatic uplift of platforms with the sole focus on financial educations within children and young adults.

Apps such as World of Money, Investmate, Penny, Savings Spree are now all offering financial education. This market is expected to increase **30%** year on year to an estimated **€70.55** billion (USD) global turnover (Technavio, 2021)



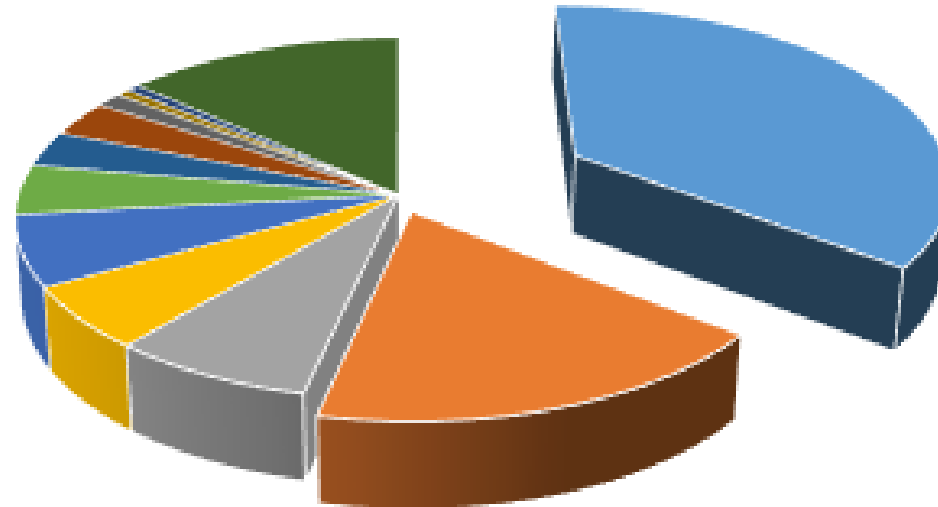
Whilst gohenry has proven to be one of the most popular applications on the market, its user rating over a small pool was still relatively low only coming 4th out of 5 competitors sampled.



The use of credit is necessary for low-income families to navigate successfully through turbulent financial times (Sue Lewis, 2015). However, with only **11%** of young people being given a **financial education** the used of financial services is often the cause of financial problems (Beans, 2021).

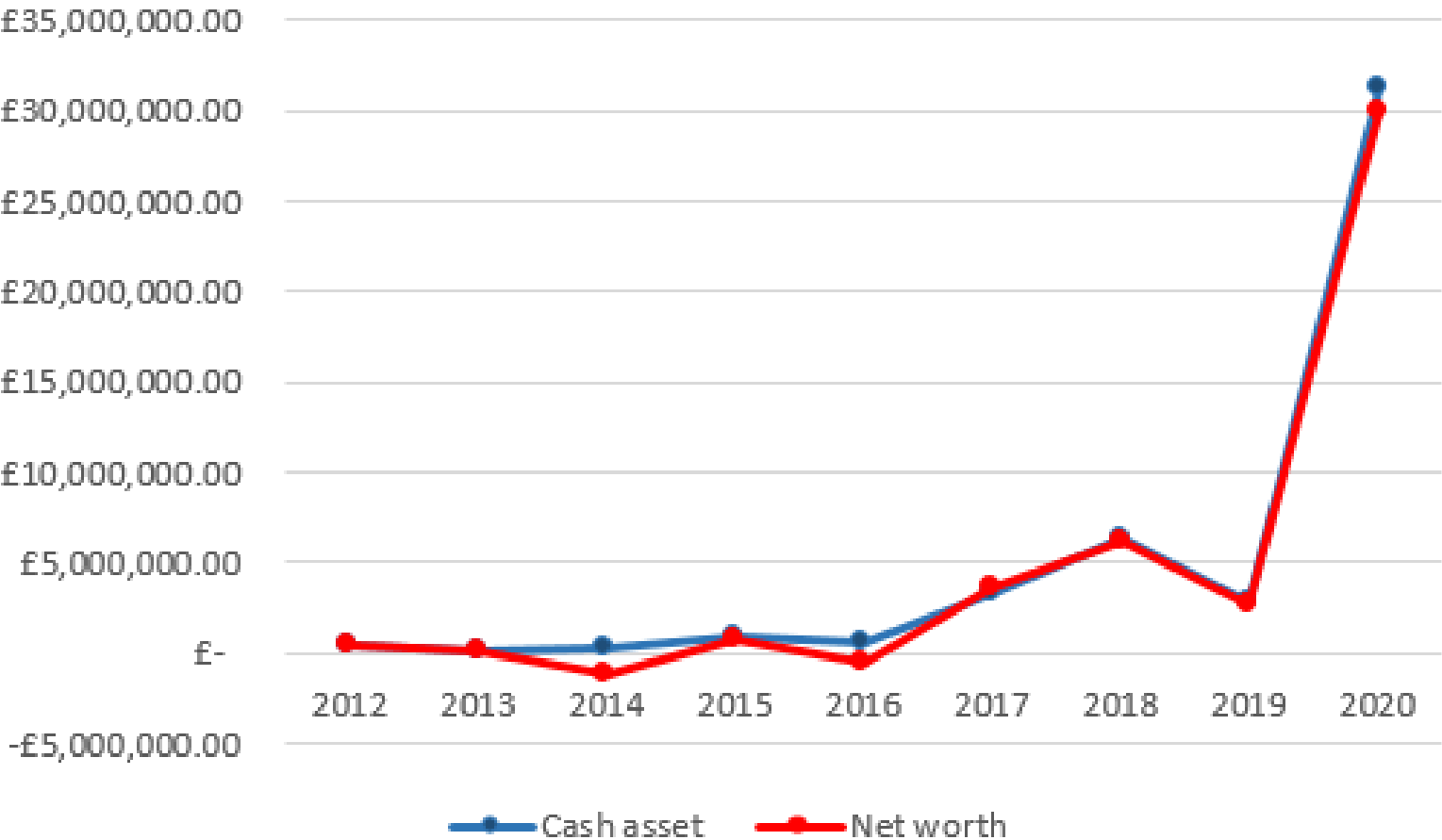
% Credit used by population in 2013

- Credit Card
- Authorized Overdraft
- Store Card
- Personal Loan
- Catalog Finance
- Car Finance/Hire Purchase
- Payday Loan
- Unauthorized Overdraft
- Home Credit
- Credit Union Loan
- Other
- No Credit Products



Success of gohenry is shown in the adopters who have used the technology-based education software. Since its **inception in 2012** the number of users have exceeded **1 million users in February 2019** up from **500,000 users in 2018**. (Roberts, 2020)

gohenry's success has been attributed to its innovation in actively involving children in big financial decisions such as making a financial plan, prioritizing money, saving and investing etc (Burton, 2022) This has been the focus of the platforms development however has at times required considerable investment and risk.



gohenry's popularity has grown, in part, due to the ongoing financial turmoil that has exposed weaknesses in financial planning.

Despite an initial fall in 2019 the company has experienced exponential increases since.

(Anon., 2021)

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Task

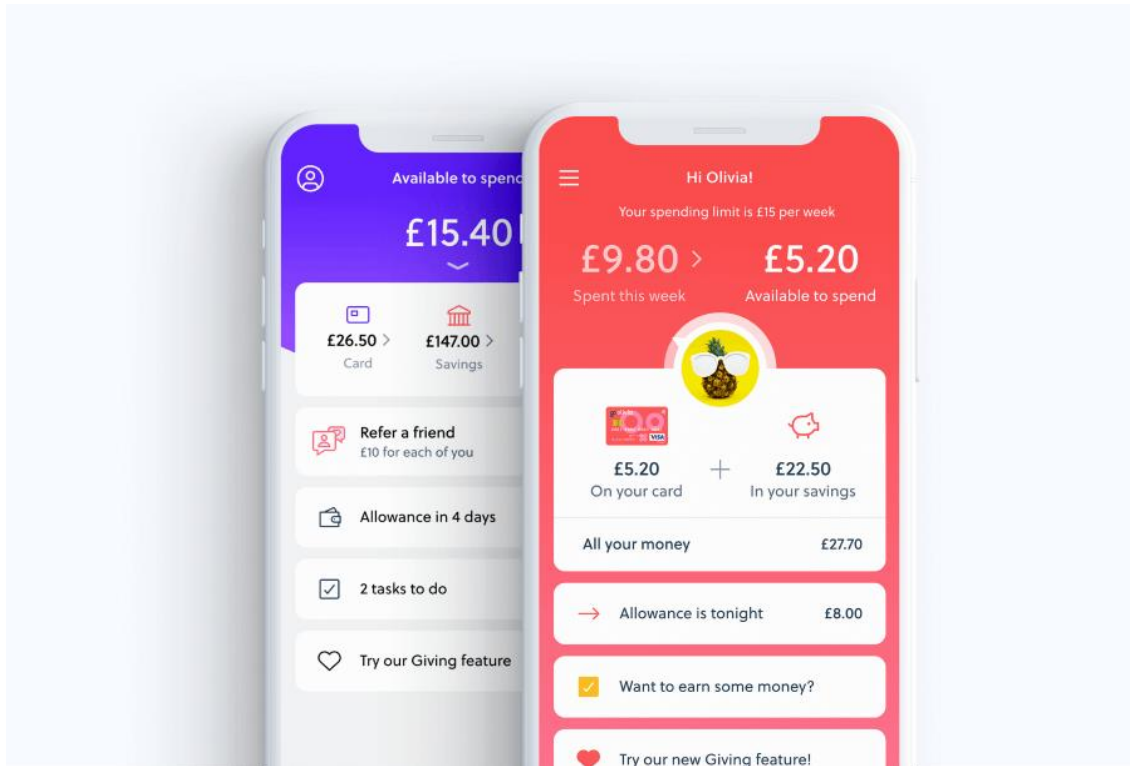
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What is the gohenry innovation in a nutshell?



The amalgamation of education, banking and technology with the goal of educating children to use the next generation of financial products in what is becoming a cashless society.



“Knowledge and understanding of financial concepts and risks, and the skills, motivation and confidence to apply such knowledge and understanding in order to make effective decisions across a range of financial contexts, to improve the financial well-being of individuals and society, and to enable participation in economic life” (OECD, 2014).

Garg, N; Singh, S. (2018)

"Financial literacy is an important life skill for a student to have,"

"Ensuring our students have the skills to manage their finances and perhaps one day own a business will pay dividends for our state."

Govenor Ron de Santis.
Trujillo, D. (2022)

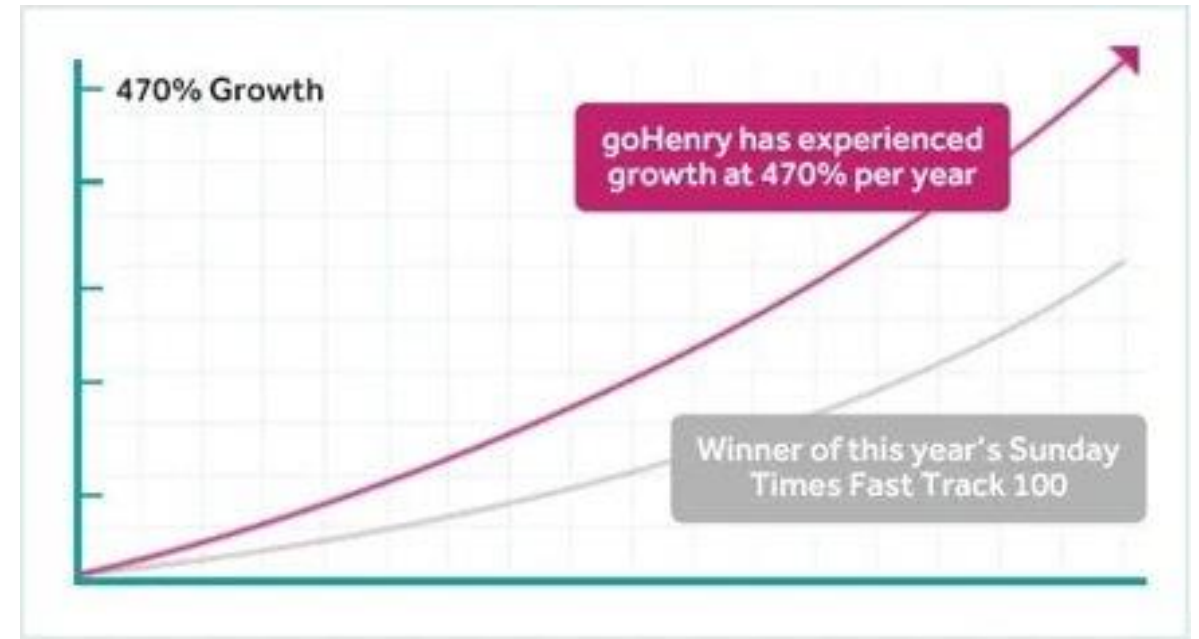


Trust and Technology.

FIS & gohenry focus

- Emerging trends
- Tokenization
- Payment security
- Virtual payments

Fidelity Information Services. (2022).

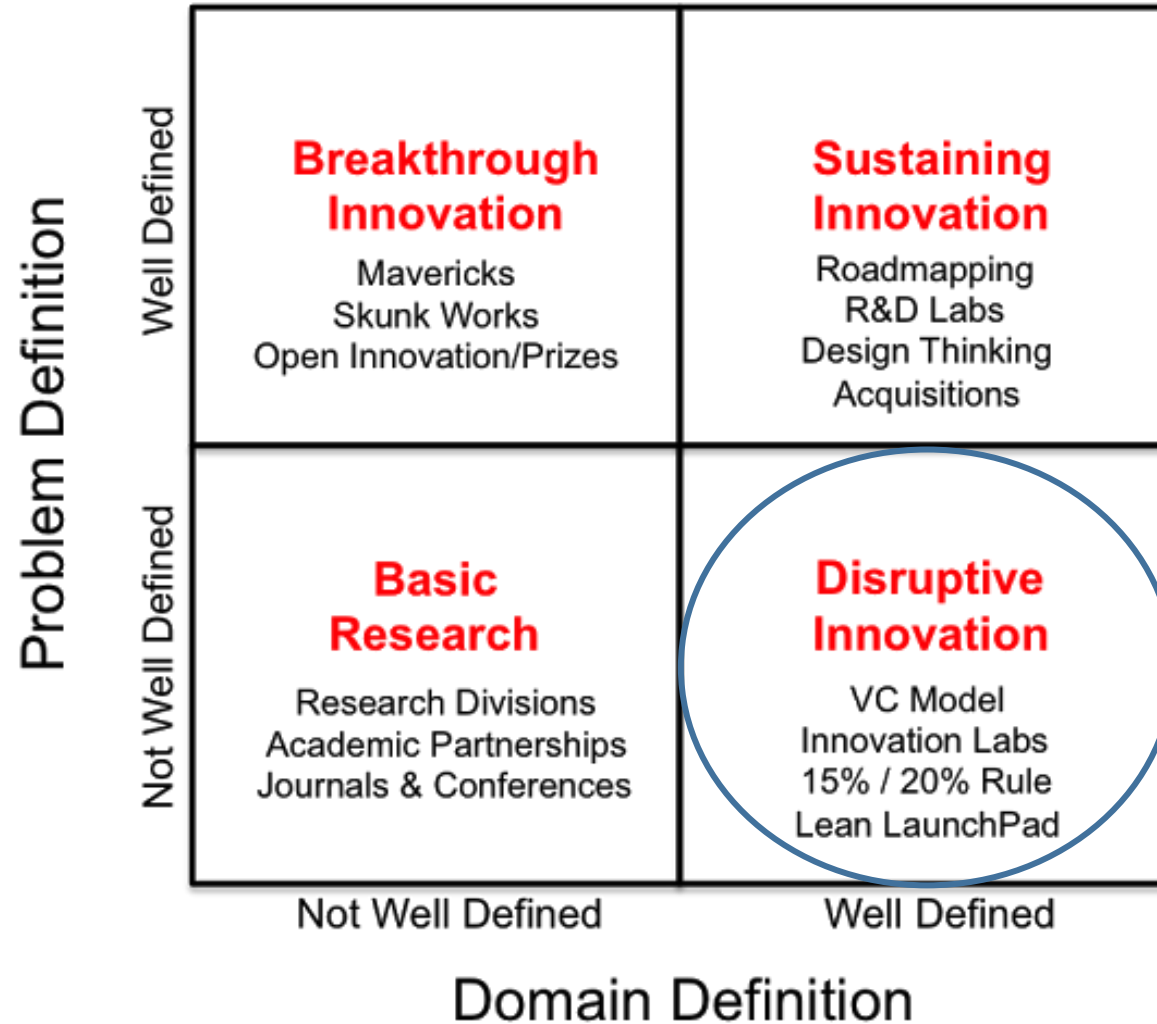


Conversion Rate Experts :

- Quick growth
- "Winner takes all"
- First-mover advantage
- Lean and structured optimization
- Mobile dependable from the get-go.

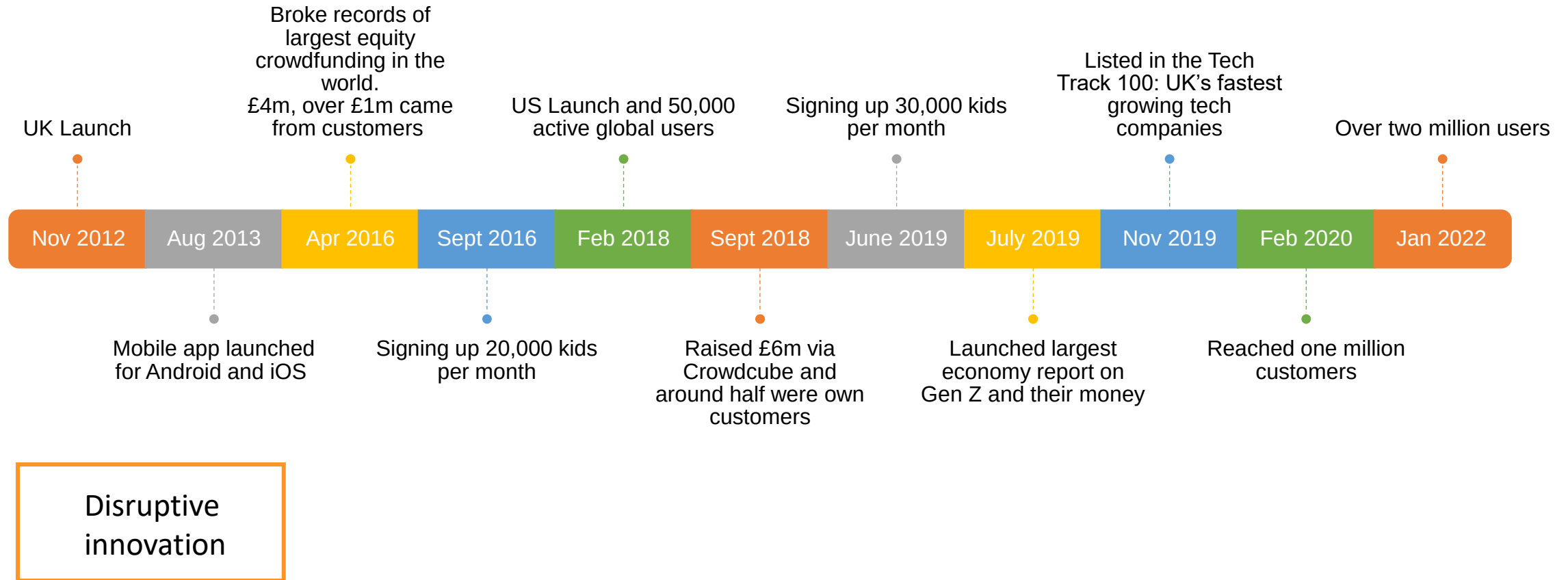
Conversion Rate Experts,. (n.d.).

Innovation Matrix



Disrupt the financial market with a new model.

Milestones



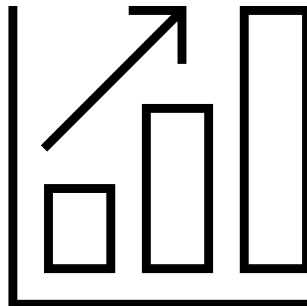
Room for improvement?

Application feedback is low when compared to competitors.

Early days of gohenry took censored financial risk on crowd funding to become first to market. Contrary to the teaching provided

Users (parents) complain that costs are prohibitive to low-income families. Contrary to the advertising gohenry implies "financial education for all"

Broader financial services (non-traditional) may be needed as an optional extra - stocks & shares, peer to peer lending, social lending etc.



2 million
members (and
counting!)

92% of parents say their kids are more money
confident, thanks to GoHenry



(gohenry, 2021)

BEST CHILDREN'S
FINANCIAL
PROVIDER

gohenry



Smart Money People. (2022)

UK INSIGHTS

75%

of young people think that having good money
management skills will help in their future career.

- financial knowledge
- financial behaviour
- financial attitude

(Atkinson & Messy, 2012)



Participants Roles

Richard Burnell – Introduction, Company of study: Brief introduction/pre innovation status, Innovation to be reviewed.

Fernando Mantilla-Duran - The need/question the innovation was looking to solve, the circumstances that led up to the innovation needs

James Monks - Innovation details: an in-depth review of the innovation that was being implemented. Outline the technology, ideology, process that made this innovation unique in its field.

Neil Lawrence – Project plan, Quantitative and qualitative analysis of the innovation.

Sara Ladd – Innovation Conclusion, Presentation assembly and genral support.

All team members – References, Team meetings.



Thanks for Listening

Questions?



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