



OneConnect Financial
Technology Co., Ltd.



3 Digital Trends Southeast Asian SMEs Anticipate in 2023

OneConnect Financial Technology keeps abreast of digital trends that SouthEast Asian SMEs will be focused on for the coming year.

Anticipating Digital Transformation within SouthEast Asia

The world is undergoing a digital transformation which rapidly alters how companies create & deliver products, as well as how they communicate with their customers. This global digital transformation can be seen rapidly taking place within SouthEast Asian markets. A 2021 report by Bain & Company and Facebook found that eight out of ten customers in SouthEast Asia interact with their preferred product or service providers digitally. Additionally, the report showed significant year-on-year growth in digital users within countries like the Philippines, Singapore, Malaysia, Indonesia, Thailand, and Vietnam.

However, not all aspects of these markets will equally share the advantages of going digital. Many Small and Medium Enterprises (SMEs) in SouthEast Asia struggle to overcome obstacles connected to the adoption and use of digital technology, preventing them from fully benefiting from the opportunities presented by the new economy. The pressure is on for SouthEast Asian SMEs, and their need to adopt digital trends which can enable greater access to capital and enable additional growth. Among these digital trends include aspects of sustainability in operations, embedded finance concepts, and the digitalisation of various business functions.

1 Addressing Sustainability Matters through Digital Adoption

While related to the global effort of conservation through practices such as reducing carbon emissions, sustainability-related agendas have featured as a turnkey benefit from digital business transformation. For instance, SMEs in the building and facility management industries have embraced the utilisation of software and machine learning to reduce emissions and increase cost efficiency. As a result, these pursuits have enabled the use of data-driven insights and improved supply chain integration as a way to enable enhanced overall sustainability for their business operations.

2 Empowering Greater SME Functions through Embedded Finance

Another rising digital trend within SouthEast Asia, embedded finance enables greater exposure for traditional businesses seeking to offer their customers bundled financial product support through insured service protection or through digital wallet access. Applicable through a variety of novel concepts, embedded finance support is fast gaining popularity among a broad range of industries in SouthEast Asia, with many service providers employing proven and dependable digital service platforms as a way to minimise their time to market. To support the deployment of these novel ideas, SMEs require dedicated expertise and proven software development ability that can remain flexible to cater to a robust array of customer needs.





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Increasing Digitalisation Across SouthEast Asian Business Sectors

As is the case with embedded finance services, banking services can be incorporated into non-financial applications and other digital experiences via the process of digitalisation. Applicable across a broad scope of industries and services, the process of digitalisation enables improved transactions and interactions, contributing to quick, easy, and seamless overall business processes. Digitalisation in lending also streamlines manual procedures and automates other more complicated ones. As an ongoing trend, digitalisation has evolved into an industry standard for retail lending throughout the banking industry. As it continues to improve lending procedures, digitalisation will enable more convenient loan access to SMEs in need of funding.

Harnessing the Need for Innovation Amidst Continuing Digital Trends

OneConnect Financial Technology focuses on effectively harnessing the popularity of digital trends most relevant to SMEs, as a way to enable the continuing growth of the digital banking industry across SouthEast Asia. Providing best-in class digital banking solutions for financial institutions to improve their continuing support of SMEs, OneConnect leverages insight from these digital trends as a way of staying several steps ahead in anticipating the direction of economic growth for the region.

We offer financial institutions tech-enabled solutions and business services by combining significant financial service sector knowledge with cutting-edge technology. These solutions support the digital transitions that our clients are pursuing to boost profits, control risks, raise productivity, boost service quality, and save on operational costs. Providing a full suite of cloud-based core banking systems, digital lending, and other on-site, market-ready products. Among these which effectively provide support for digital lending facilities are Finovo and our Smart Lending Platform.

Supporting Regional Economic Growth through Tech-Enabled Digital Lending Facilities

As an example of how OneConnect is able to support our clients in their provision of digital lending services, **Finovo** offers an end-to-end retail banking and SME risk-management system. It aids retail banks and SMEs in streamlining their loan operations, enhancing post-lending performance, and improving credit analytics.

Similarly, our **Smart Lending Platform** can support our clients with an end-to-end digital lending system. It aids SMEs and retail lenders to grow their online lending businesses and lower operational expenses while upholding risk management criteria. Channel management, loan applications, anti-fraud and credit risk modelling, and pre-disbursement checks are all included in this. In addition, when compared to the conventional method, automated application processing would successfully cut down on manual labour by up to 90%.

If you're curious to know how our products can enable digital transformation within your existing lending processes, [click here to learn more.](#)

