

TDH BUSINESS RESILIENCY

Operational assessment scorecards proven
to de-risk and accelerate partnerships.

PROBLEM

—Digital operational resiliency is now a key focus for regulators in the UK, EU and US.

Regulated financial institutions need to measure and report on the counter-party risk for the fintechs in their supply chain to comply with regulatory demands.

SOLUTION

—TDH's Business Resiliency Scorecard
validates your business capabilities by:

- Demonstrating that you are assessing and tracking your operational and regulatory obligations.
- Connecting with leading global financial firms and investors.
- Publishing key indicators to be easily matched with industry needs.
- Offering adaptable assessments to meet the specific needs of your company.

TDH Business Resiliency

- TDH assessments help Financial Institutions understand a FinTech's ability to partner with them and grow.

TDH scorecards assess two key areas.

COMPANY ASSESSMENT

Helps buyers understand a fintech's ability to survive, partner with them, and grow, by analysing their business model, customer engagement, team management and financial management.

TECHNOLOGY ASSESSMENT

Helps buyers understand the overall product quality and user experience they are likely to have with the fintech's solution by analysing its design, build, deployment and support.

KEY FEATURES

—Proven to deliver innovation adoption at a 30% lower engagement cost than traditional approaches.



COMPLIANT

Helps Financial Institutions to comply with the European Banking Association's (EBA) regulatory Outsourcing Guidelines and the FCA's Rules on Operational Resiliency.



TRANSPARENT

48 comparable metrics enable Financial Institutions to make confident and accurate decisions more effectively and quicker than before and FinTechs to benchmark their performance.



DATA-DRIVEN

Offers both quantitative and qualitative options. All assessments based on algorithmic data-driven analysis.



RIGOROUS

Built from academic research and industry expertise for rigorous performance benchmarking.

MAPPED TO BSI STANDARDS

TDH Business Resiliency assessments support FinTech firms by providing them with a consistent understanding of what financial institutions will need from them before entering into partnership arrangements

TDH assessments map to PAS 201:2018 the guide for FinTechs on the terms and approach used by many financial institutions for collaboration and commercialisation of new fintech propositions.

- The FinTech Delivery Panel (FDP) was formed in 2017 at the request of HM Treasury to help sustain and accelerate the growth of the fintech sector in the UK
- PAS 201: 2018 was developed by BSI Standards Limited in response to an FDP commitment to drive collaboration between FinTechs and financial institutions



PAS 201:2018 vs TDH Business Resiliency

A comparison of the due diligence FI's requirements, as defined by the Fintech Delivery Panel, with TDH Business Resiliency Scorecards

	Criteria	PAS	TDH	TDH Section	Comments	Description (of the Criteria)
Proposition & Market Positioning	Proposition Overview	✓	✓	Company Profile & Product Description		A short summary pitch deck that explains what your proposition is by answering What is the problem (for customer or FI) that you are solving and What is your solution and how does it help to solve the problem.
	Customer pain points addressed and example use cases	✓	✓	Company Overview – Product & Market Description		A clear articulation of the customer pain points being addressed and for which segments ideally bringing to life with specific use cases
	Market insights	✓	✓	Company Overview		Explain your view of the market and assessment of the opportunity. Setting the market context can help align thinking between the parties involved
	Competitive positioning	✓	✓			Articulate your competitive space; when comparing to competitors, make clear on what dimensions you are better or worse
Business & Team	General	✓	✓	2:3: Team Management 4: Key Company Metrics		The people involved in the collaboration are as important as the technology itself. Provide a team make-up, key individuals and insight and the intellectual capital within the startup.
	Team make-up	✓	✓			Who holds key roles, team size and organizational structure. What resources would be assigned to the engagement, where are people located geographically, who are the key people and brief resumes.
	Development model	✓	✓	3.1: Design		An overview of the mid-term business plan of the company and how much of the development of the service will be handled in house, compared to outsourcing
	Branding	✓	☐		Part of the contract negotiations	Options around whether the final product will be branded by the fintech itself, co-branded with the FI, or white labeled
	Advisers and investors	✓	✓	4: Key Company Metrics		Information the existence of an advisory board and its members. Identifying potential conflicts of interest. Any investors in the startup will be also of interest, including the stake held and any special terms that may apply.

PAS 201:2018 vs TDH Business Resiliency

A comparison of the due diligence FI's requirements, as defined by the Fintech Delivery Panel, with TDH Business Resiliency Scorecards

	Criteria	PAS	TDH	TDH Section	Comments	Description (of the Criteria)
Legal Regulatory & Commercial	General	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Scorecard	The TDH Scorecard demonstrates that a fintech is "fit and proper"	It's paramount for fintechs to understand the structure of the agreements they are entering into. AT the same time, the FIs should opnly engage with fit and proper partners as they have various regulatory obligations to be satisfied.
	Non-disclosure, PoC and pilot agreements	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Part of the contract negotiations	There are usually requirements to draw up appropriate legal agreements between the two parties. They are often "mutual" meaning there are restrictions and protections afforded to both the FI and the fintech.
	Company legal structure and conduct	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4: Key Company Metrics		An explanation of the legal structure and set up of the fintech including identification of holding companies, subsidiaries and other related companies. The fintech must demonstrate that there are no aspects relating to the fintech which disregard appropriate controls, activities, or processes relating to : anti-bribery and corruption laws and regulations; AML, tax avoidance or terrorist financing law and regulations; sanctions relating to restricted countries or individuals; and regulatory rules and requirements.
	Conflicts of interest	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4: Key Company Metrics		Any engagement will need to operate on the principle that they identify and manage conflicts of interest fairly and effectitfly.
	Company financials	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	2.4: Financial Management		Evidence of financial performance and ongoing viability in terms of: capital availability, funding stage and sources; existing revenues and debts; P&L, balance sheet; cash flo; existing engagement commitments; resourcing levels; and financial forecasts and growth/scaling plans.
	Commercial model	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Part of the contract negotiations	An explanation of the commercial terms including the proposed use, by either party, of brand or marketing collateral and aspects such as: proposed pricing model, user or enterprise level, etc.
	Intellectual property agreements	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Part of the contract negotiations	An understanding of the the two businesses will work together and provide clarity about items like IP.
	Fraud prevention	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Explanation of policies that need to be in place	Details of business resilience plans in place.
	Business resilience	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Explanation of policies that need to be in place	Demonstration of regulatory compliance and required approvals, along with disclosure of any information that may give rise to regulatory concern.
	Other ethical policies	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	ESG Ratings		Explanation of sustainability policy, including economic, ethical and environmental considerations.

PAS 201:2018 vs TDH Business Resiliency

A comparison of the due diligence FI's requirements, as defined by the Fintech Delivery Panel, with TDH Business Resiliency Scorecards

	Criteria	PAS	TDH	TDH Section	Comments	Description (of the Criteria)
Information Security & Data Protection	General	✓	✓	2.4: Risk Management 3.1: Build 3.2: Design		There is a need to ensure that both customer data and FIs data are safe and adequately protected through appropriate physical, procedural and technological protection and controls
	Information security, back-up and archiving	✓	✓	3.1: [Design] System Architecture		An explanation of activities and responsibilities relating to: capturing, storing or disposing of records, customer transactions, data or assets; supporting or maintaining facilities or infrastructure containing or processing any information whether on-site or off-site; and having remote access or connectivity or access to their data or premises.
	Payment security	✓	✓	3.2: [Build] Security	TDH assesses this point, but it's up to Fintech to provide the correct documentation	A description of activities and responsibilities of the fintech where they undertake any aspect of the end to end payment process. Evidence where required of registration with the respective card schemes and demonstration of compliance with the Payment Card Industry Data Security Standard.
	Physical security	✓	✓			Explanation of the activities and responsibilities where you have access to, manage, processes or store the FIs assets; or unescorted access rights to the FIs premises.
	Access rights and control:	✓	✓	3.2: [Build] Governance & Security		Explanation of the activities and responsibilities where you have access to, manage, processes or store the FIs assets; or unescorted access rights to the FIs premises.
	Data protection	✓	✓	3.2: [Build] Security		Description of the activities, protections, controls and responsibilities relating to compliance with GDPR regulations.
	Records management	✓	✓			Description of the activities and responsibilities of the fintech which cover creating, using or storing and deleting the FIs records.

PAS 201:2018 vs TDH Business Resiliency

A comparison of the due diligence FI's requirements, as defined by the Fintech Delivery Panel, with TDH Business Resiliency Scorecards

	Criteria	PAS	TDH	TDH Section	Comments	Description (of the Criteria)
Technology	General	✓	✓	3: Technology Assessment		An understanding of the technologies being applied, how they can be scaled and the future roadmap and support arrangements
	Platform readiness	✓	✓	3.1: Design		The readiness of the fintech's product or platform will help to drive the type of discussion had with the potential partner. The fintech should be clear about the current state of the product or service that is being or has been developed (eg alpha, beta, MVP, market ready)
	Technology architecture	✓	✓	3: Technology Assessment	TDH assesses this point, but it's up to Fintech to provide the correct documentation	An explanation of the technology architecture. This information should be documented in detail along with high level architecture diagrams, showing system connectivity as well as data flow. An architecture diagram should also detail differences between development, test and production services.
	Development roadmap	✓	✓			An explanation of the direction of the solution during the proposed period of the contract. The roadmap should be in as much detail as possible over the near term (6-12 months) with an indication of future direction beyond this.
	Support arrangements	✓	✓	3.4: Support		Definition of support arrangements including details of SLAs, change control processes, support times, escalation and reporting arrangements
	IT resilience	✓	✓	3.4: Support		An understanding of the scenarios/responsibilities where there is provision of IT solutions or services, which, if lost, would disrupt one or more critical activities. This would include arrangements for recovery and resiliency and contingency testing.

www.disruptionhouse.com

For more information please contact:

Rupert Bull

+44 771 027 5952

rupert.bull@thedisruptionhouse.com

Usha Back

+44 798 427 1994

Usha.back@thedisruptionhouse.com