New Report Identifies Financial Constraints Facing Next-Generation Companies

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- A new report, *Closing the Gaps: Financial Services Needs of Next-Generation Companies*, was released today by the World Economic Forum.
- The report catalogues key financial services needs and potential strategies for meeting those needs and highlights the challenges facing next-generation companies.
- "Next-generation" companies are distinguished by market-leading growth, non-legacy business models and footprints that extend rapidly beyond home markets.
- More information about the report is available here

New York, USA, 20 February 2013 – A new breed of innovative, fast-growing next-generation companies (NGCs) – propelled by pioneering business models, groundbreaking products and streamlined customer offerings – is invigorating global competition. However, these NGCs are little understood and often underserved by the world's financial services industry, according to a new report released today by the World Economic Forum. The report, *Closing the Gaps: Financial Services Needs of Next-Generation Companies*, lays the groundwork for closing those gaps.

Due to NGCs' unique characteristics – high growth, never-before-seen business models and multi-country operations – their financial services needs often differ from those of traditional companies. These characteristics create new challenges and gaps in accessing financial products and services. Based on primary research and World Economic Forum consultations, the report catalogues key financial services needs and potential strategies for meeting those needs. It highlights the challenges facing NGCs – from excessive compliance demands to unsuitable product features. Six categories of financial products and services were assessed in detail.

"The report outlines what various parties – financial services providers, governments and regulators, and the NGCs themselves – can do to reap the full benefits of this significant area of opportunity," explained Giancarlo Bruno, Senior Director and Head of Financial Services Industry, World Economic Forum USA.

The report, prepared in collaboration with The Boston Consulting Group (BCG), highlights NGCs' remarkable ability to expand quickly beyond their home markets, unshackled by legacy technologies and traditional concepts of "the customer". NGCs often bring needed products and services to unserved markets, and foster new knowledge and capabilities among players in their sectors by deploying new business models – offering fresh products, streamlined services and interactive customer platforms.

"NGCs form a burgeoning global market for financial products and services that is waiting to be tapped," said Ranu Dayal, Senior Partner and Managing Director of The Boston Consulting Group (BCG). "They represent a story that has remained largely untold, until now."

Notes to Editors

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