

AUSTRALIAN AI STARTUP CRACKS CHINA PARTNERSHIP OPPORTUNITY

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Rich Data Corporation is no ordinary startup. In just three years, the company has opened offices in China and Singapore, secured a strategic partnership with Chinese tech giant Inspur, and completed a multimillion-dollar Series A funding round.

Formed in Sydney in 2016, Rich Data Corp uses artificial intelligence (AI) and machine learning to help lenders make decisions about whether to give credit to individuals and small businesses. In particular, its technology interprets alternative sources of data to assess people and businesses that might fall outside the usual credit bureau checks.

With the applicant's permission (consent and the ethical use of data is a big part of the company's ethos), Rich Data Corp looks at behavioural data – such as transactions with other organisations – to predict how likely the applicant is to repay a loan.

Rich Data Corp's four founders wanted to use data to solve interesting problems. With experience in the financial services sector, they settled on applying their skills to lending.

A US financial services provider, EZCORP, became one of Rich Data Corp's angel investors. EZCORP asked Rich Data Corp to work with its Canadian offshoot CashMax as a test bed for the Rich Data Corp approach to prediction and decision-making.

'The Canadian lender produced a 10 per cent lift in the size of their lending portfolio with no additional risk, and they were lending into subprime segments,' says Gordon Campbell, Rich Data Corp's Chief Product Officer and Head of Strategy.



Rich Data Corp's Chief Executive Ada Guan presenting to the team at Inspur.

'The knowledge held by the Austrade team has helped guide us towards opportunities and pitfalls in different markets.'

Gordon Campbell, Chief Product Officer and Head of Strategy, Rich Data Corporation

'On that success EZCORP spawned a follow-on project to launch a completely digital neo-lender brand called Rebel Financial.'

Entering the Chinese market

Rich Data Corp's chance to break into China came soon after the trial with Rebel Financial. Through contacts at US-based fintech multinational Diebold Nixdorf, Rich Data Corp was introduced to Inspur.

The world's third largest server manufacturer and a leading provider of cloud solutions to government agencies and enterprises, Inspur manages the IT governance of 110 local government bodies in China. The company has engaged Rich Data Corp to assist banks to use government data to better assess the credit risk of small businesses. This will enable banks to extend credit to more small businesses, a stated mission of the Chinese Government.



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'We are helping banks improve credit assessment so they can confidently lend to small business clients,' says Ada Guan, Rich Data Corp's Chief Executive. 'That's not only validating our approach, but improving it, as the prediction models become more sophisticated the more real-world examples they're exposed to.'

Rich Data Corp has also worked with Midea Smart Home, a division of Chinese home appliance provider Midea Global. Rich Data Corp has deployed an AI engine within the Midea Meiju app that delivers accurate, individually tailored recommendations based on the user's purchasing history and machine learning algorithms.

Austrade help

The fact that two of Rich Data Corp's founders were born in China has been a great help in navigating the new waters. Understanding the complexities of Chinese financial regulations, however, required external assistance from Austrade.

'Austrade provided an excellent briefing on China's regulatory framework around IP protection, and how it applies to foreign technology solution providers,' says Campbell.

'The Austrade team has also connected us with strategic partners that can help us grow our business in China. They introduced us to the Shanghai Landing Pad – another opportunity to refine our offering and expand our network in China.

'The knowledge held by the Austrade team has helped guide us towards opportunities and pitfalls in different markets,' Campbell says.

Next stop: London

After completing a multimillion-dollar Series A funding round in 2019, RDC is preparing to open an office in London, to join offices in Shenzhen, Shanghai and Singapore.

Campbell believes RDC is in a strong position to play a key role as technology continues to disrupt the world of finance. The company is researching AI and credit with the University of Sydney, University of New South Wales and University of Technology Sydney.

'In the future we'll see a migration to new generations of credit products that will need new data to serve new groups of people,' Campbell says. 'There will be fundamental shift in the way people look at data and credit risk. That's why we've got a niche now.'

'We're trying to use every available piece of data in a responsible way to help people access money when they need it.'

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- › strengthen Australia's tourism industry
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