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A Q&A with Steve Polsky, Founder and CEO of Juvo

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Since emerging from stealth in September 2016, Juvo has been on an impressive growth trajectory. The company, whose mission is to establish financial identities for the billions of people worldwide who are creditworthy yet financially excluded, has increased the number of mobile subscribers it reaches via partnerships with mobile operators from 100M to 500M across 25 countries and four continents.

Earlier this year, Juvo announced a $40M series B round led by Wing and NEA that will enable it to expand and deepen its product offerings, as well as to continue to build best-in-class teams in data science, financial services, and consumer mobile services. Peter Wagner, one of our partners, has joined Juvo's board.

The following is a Q&A that we conducted with Steve Polsky, Juvo's CEO, who reveals his inspiration for creating the company and talks about the impact it is having. Before starting Juvo, Steve was a founder or early executive at a number of startups, including VoicePlex, Amber Networks, Edusoft and Flixster, where he was President and COO.

Steve, where did the inspiration for Juvo come from?

Juvo is the culmination of 20 years and five start-ups from telecoms to consumer internet, both for profit and double-bottom line. During this time, I witnessed, firsthand, the profound role that communications plays- and the profound effect that mobile technology was having around the world, from rural Guatemala to the streets of China. I also realized that the timing to create a mobile-focused fintech business was perfect. The capabilities of machine learning and data science, coupled with the progression of cloud computing and the rise of smartphones, had created the ideal conditions for launching a concept like Juvo.

Prior to founding Juvo, I knew that I wanted to use all my years of experience across the telecoms

and consumer-internet industries to create something that would have a significant global impact. After Flixster was acquired by Warner Brothers, I knew I had one more big challenge in me, and more than anything I wanted to be able to say that I had made a real difference through my work. This motivation is a big part of how Juvo came to be.

How does Juvo develop financial identity scoring for mobile customers?

Juvo was founded with an overarching vision: to establish financial identities for the billions of people who are creditworthy, yet financially excluded. Nearly 80% of mobile users across the globe, or about 5 billion people, are prepaid subscribers. Yet the majority of them are unbanked or underbanked, and don't have access to basic financial services. Instead, they rely on cash or informal financial services, which can be unsafe, inconvenient and expensive.

Juvo leverages the ubiquitous reach of mobile devices and its proprietary Identity Scoring technology to create financial identities for prepaid customers. Identity scoring is a much broader perspective than credit scoring because it takes into account behaviors, preferences and lifestyle. Juvo uses machine learning to analyze customers' digital footprints, creating identity scores that can then be used to walk them up the pathway to mobile financial services. You can see the impact this has on this video (https://vimeo.com/206612409) we made of a mobile customer called Jackie, who lives in Jamaica

What are the benefits to the mobile operators you work with?

The mobile network operators with whom we partner see a lift in Average Revenue Per User (ARPU) and lower churn, resulting in a significant increase in lifetime value. They also benefit in other ways. One is that we help change the nature of the relationship between the mobile operator and their customers. Most people purchase prepaid SIMs at the corner store, meaning that the mobile operator knows very little about them. By working with Juvo, operators can create an identity based relationship with their customers. Another benefit is that they can use these new insights to target personalized services to customers, driving greater loyalty and use of higher value services.

You've deployed Juvo in a rapidly growing number of countries. What feedback have you had from mobile users?

The most exciting feedback is the deep penetration and high engagement that we're seeing with the Juvo offering. When we line up all of our launches from day zero to day 300 post launch a very striking pattern emerges. Over the course of the first six months, we've repeatedly seen that between 25-30% of all the smartphones in the market will have transacted with us. And over time, we're seeing increasing re-engagement. It is incredibly rewarding and exciting to see these adoption stats across very different markets and economic conditions, and to be able to measure the benefits and changes in behavior related to our identity scoring.

How big a market opportunity are you pursuing?

Nearly 80% of the world's mobile subscribers are on prepaid mobile plans where they typically top up in very small increments, often 40 cents to a dollar at a time. This pattern leads to a significant inefficiency in the way mobile services are offered. Mobile operators often decline service to their very best customers who have inadvertently reached zero balance on their mobile accounts. The application of Juvo's Identity Scoring data science recognizes the value of each individual subscriber, enabling operators to extend the right amount of credit to each and every subscriber. By recognizing the true value of each customer, operators are able to say yes by all means make that call or use that data instead of saying no until the cash is received. There is about $100BN of value to be captured by addressing this inefficiency. Juvo makes it easy for operators to extend credit to prepaid users, driving significant ARPU lift and churn reduction.

That's the first step. The next step is to use Juvo's Identity Scoring technology to walk mobile customers up a path to all kinds of financial services. A trillion dollars is already spent every year on telecoms services. If you view these prepaid top-ups as financial transactions, then you can begin to build models that really understand customers' value and walk them up that path. That's what we set out to do at Juvo.

How do users discover Juvo?

All of the operators we work with are well known brands in their markets. We partner very deeply with them. The key is to be in front of the customer in time of need.

What's your business model?

We structure our business model to be very aligned with our operator partners. We raise revenue

and reduce churn for them, and are paid on that basis. From our experience and the use of data science, we've shown that the best way to build the business and to drive value for our operator partners is to provide our service at no additional cost to end subscribers – essentially with zero interest and zero fees. We've proven that there is more value created in reducing barriers to consumption rather, than charging additional fees. Zero interest/zero fees leads to the optimal result for everyone involved.

We talked about your experience prior to Juvo at the beginning of the interview. What are the most important lessons you learnt from prior roles that have shaped your leadership of Juvo?

There are so many things! You really need to deeply understand mobile operators, consumer behavior, data science, and financial services. There's a lot to this puzzle. That's where experience is very valuable. The average age of our team is a little bit older than many startups. The people who join have often been successful at other places and want to work on something where they are going to have a big impact on people's lives.

Culture is also vital. Earlier in my career, I used to feel that working on the culture of a company soon after launch was a luxury. I felt like first you had to prove that you had a right to survive and then you get to the cultural stuff. And I definitely learned from other people along the way that actually if you pay attention to culture early on it really impacts who you attract as employees.

So we deliberately focused on culture at the start and that has really helped us to build the company with a team that has an appetite for pushing boundaries and finding solutions to the seemingly impossible. Our team is made up of people with a strong desire to learn and adapt continuously, who thrive in an environment that fosters open communication and collaboration, and who want to grow and innovate. They also think globally and believe passionately in team success. Our focus on culture has helped us attract and retain top talent in Silicon Valley.

Juvo has raised a new round of funding in August. What are the next big priorities for the company?

We've proven Juvo's service works, and that it works repeatedly in very different market conditions. We've proven that we can scale it. And we've proven that it delivers results repeatedly.

Now we want to do it in more and more places, and to serve more people in the markets we are already in. We also want to expand our services. For instance, in Paraguay we are facilitating peer-to-peer payments between customers using Juvo. The new funding we have announced will enable us to move forward even faster on this exciting journey.

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http://wing.vc/blog/a-q-a-with-steve-polsky-founder-and-ceo-of-juvo
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