



SUCCESS STORY FOR FINANCIAL SERVICES

## Spotcap

Spotcap is shaking up the banking landscape with its proprietary credit platform, which provides short-term loans to small businesses online. Powered by market-leading Kofax Kapow™ Robotic Process Automation (RPA) software and a unique credit assessment algorithm, Spotcap empowers businesses with tailored finance, allowing them to focus on what really matters – their business.

### Challenge

If you run a small business, then you know that securing a loan can make all the difference in taking operations to the next level. And you’ve probably also experienced how much of a struggle it can be to obtain funding from traditional financial providers.

Spotcap was founded with the aim of disrupting the business lending landscape. The company provides efficient financing for small and medium-sized enterprises (SMEs) of all kinds— from retailers who need a capital injection to buy extra stock at peak seasons to marketing agencies with creative advertisements to produce.

Karl Sponholz, COO of Spotcap, stated, “SMEs have long been underserved by banks when it comes to acquiring financing. Part of the reason for this is that it takes considerable expense and effort to process loan applications using conventional methods—and as most SMEs are only looking for relatively small lines of credit, it simply isn’t an attractive proposition for traditional lenders to take on this business.

“We knew that if we could offer a more efficient way to provide finance to SMEs, we had an opportunity to shake up the lending industry. Our idea was to create an entirely online and automated credit platform, which would make it fast and efficient for businesses to apply for loans and for our teams to process and approve applications. To turn our vision into reality, we first built our proprietary credit platform and then needed to find the right technology to support it.”



*Founded in 2014, Spotcap provides flexible and accessible funding solutions to small and medium-sized businesses. Spotcap employs more than 120 people and is headquartered in Berlin, Germany, with a local presence in Spain, the UK, the Netherlands, Australia and New Zealand.*

### Products in Use:

- ◆ Kofax Kapow™

### Focus:

- ◆ Customer onboarding
- ◆ Robotic Process Automation

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Karl Sponholz, COO, Spotcap

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## Solution

Spotcap has developed a proprietary credit algorithm which assesses the financial condition of a business to provide deep insight. Unlike traditional lenders, who typically make credit decisions based on historical financials and credit scoring, Spotcap uses predictive models to evaluate real-life business and cash flow data alongside conventional credit and financial information—providing a holistic picture of a company's performance and creditworthiness.

What's more, Spotcap's service cuts out the need for paperwork and manual processing. To apply for a line of credit, business owners simply enter some personal and business information online. There's no need for customers to set up meetings with a credit advisor or put together stacks of documentation to support their application.

The end-to-end process is fully automated, and in most cases Spotcap can provide an offer to a customer within minutes of receiving their application online. Once an application has been approved, Spotcap will offer the business a credit line, ranging from €10,000 all the way up to €250,000.

So how does the company enable this game-changing approach to lending? With the help of some cutting-edge technology, including the Kofax Kapow RPA software.

Sponholz commented, "Kofax Kapow was one of the very first solutions we purchased; it's an absolutely critical component of our platform. What sets Spotcap apart from a typical credit provider is the efficient way we can turn around a loan offer, and the robotic process automation capabilities that Kapow delivers are key to enabling our quick and efficient service."

For every application that it receives, Spotcap must analyze thousands of data points in order to make a decision about whether to offer or withhold a loan. With Kapow, the company has built and deployed hundreds of robots. Spotcap uses Kapow robots and supporting application program interfaces (APIs) to automatically extract data from a wealth of sources, including customers' accounting software, company registers, tax authority records, credit databases, e-commerce websites and more. The Kofax software then integrates all of this data and transforms it so that it can be readily used by Spotcap's credit assessment algorithm.

"With Kapow, we can gather and integrate data in real-time, and without the need for human intervention," said Sponholz. "What this means is that while a customer is online, we can process their application and get back to them with a decision in just a few minutes."

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***"Spotcap exists to empower SMEs with tailored finance, allowing them to focus on growing their business without having to worry about financing. We can do this with the solutions we have built in house, and with help from leading technologies such as Kofax Kapow."***

Karl Sponholz, COO, Spotcap

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Having successfully harnessed Kapow to power efficient and automated lending operations, Spotcap is turning its attention to streamlining internal processes—empowering its teams to work more efficiently.

Sponholz remarked, "We work with big volumes of data and it takes a great deal of manual effort to manage it all. Many of our people find their time consumed by repetitive tasks, such as importing data into spreadsheets or copying and pasting information into different business systems. We plan to use Kapow to automate most of these activities; the technology is very powerful and we want to take full advantage of its capabilities, freeing up our people to focus on more rewarding work, with impactful results for our SME clients."

## Results

Kapow has been quick to prove its value at Spotcap; delivering a full return on investment in under a year, and giving teams the agility to bring new ideas to life fast.

"All of us at Spotcap were very excited about Kapow from the get-go, and it has certainly lived up to our expectations," stated Sponholz. "We find it very easy to work with the software; we can prototype and deploy new robots rapidly—with many taking just a few hours to build. This kind of agility is a great benefit, as we can bring new ideas to life very quickly and cost-effectively."

"Recently, we worked with Kofax to run a one-day robotic process automation workshop, where we invited attendees to 'build a bot'. We had a great response and even non-technical users were able to easily get to grips with Kapow and come up with some really inventive solutions for automating tasks."

Spotcap has clearly hit on a winning formula with its innovative approach to business lending. Since launching in 2014, the company has secured more than €100 million in funding and now operates in five countries.

Sponholz commented, “We have grown by almost 300 percent between 2015—2016. Today, Spotcap ranks among the top 30 fintech companies in Europe and the top three in Germany. Kofax Kapow has been with us since the very start of this journey, and has played a key role in our success.”

As business has boomed, Spotcap has been able to count on the impressive flexibility of Kofax Kapow to keep pace with rising demands.

“We’ve been able to scale our processes and systems quickly as the business grows,” noted Sponholz. “Kapow makes it easy to scale up our operations, so we can take on more customers and extend more lines of credit in a very efficient way.”

By offering a more efficient way for businesses to access credit, Spotcap empowers SMEs to focus on what really matters— their business.

Sponholz concluded: “Spotcap exists to empower SMEs with tailored finance, allowing them to focus on growing their business without having to worry about financing. We can do this with the solutions we have built in house, and with help from leading technologies such as Kofax Kapow. By making it easier for smaller companies to access the financing they need, we are empowering them to take their businesses to new heights and strengthening the economy as a whole.”

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