Codat helps Clearco bolster its underwriting arsenal

Clearco is the fastest, most affordable way for direct to customer and SaaS founders to fund their business and the largest eCommerce investor in the world. Qualified companies get $10K - $10M , using data science to identify high-growth funding opportunities in less than 24 hours.

What problems were Clearco trying to solve

Clearco was already collecting financial data from their small business customers, such as sales transactions, advertising spend and banking transactions. Customers shared this data, via APIs, from the digital financial tools they use to run their business — such as Google AdWords, Stripe as well as their bank account.

In order to create more accurate valuations, Clearco was looking to bolster its underwriting arsenal with additional financial data sources to help further inform decisions, and Codat was the natural selection for accountancy platform data.

Codat helps the alternative funding company go beyond sales transaction and banking data to get a holistic view of the financial health of applicants and performance of existing customers.

How did Codat help to solve these problems

Clearco obtains read-only access to its customers accounting software platforms
Clearco are able to understand the unit economics of their customer in a more holistic way, by looking at the key financial statements, such as P & L (or income statement) and their Balance Sheet.

Clearco are able to keep on top of financial performance
Clearco are able to keep on top of financial performance using soft metrics and metadata that can be used to distinguish the operational nuances of their customers. This includes using aged financial reports to keep an eye on late payments to vendors, observing notes posted against outstanding bills and obtaining a view for the general hygiene of their customer's books.

Clearco's customers are able to share their accounting data via an API
Customers are able to share their accounting data in keeping with the digital experience that was already available to them via alternative API's. In most cases customers will connect their accounting software via a secure Oauth process hosted by the underlying accounting system, a feature of Codat's white labelled auth-flow.

How are Clearco's customers benefiting?

An elevated user experience

Clearco's customers benefit from a streamlined and intuitive application that does not require the manual upload of financial statements, removing one of the most burdensome elements of any financial application form.

Following the successful submission of these applications, customers then benefit from a machine learning underwriting model, where Clearco is able to generate offers of capital in a timely fashion powered in part by the accounting data provided via Codat.

Ongoing synchronisation

Approved customers benefit from not having to manage the contribution of their financial data on an ongoing basis — as Codat's API allows for a continued synchronisation of the accounts.

> **"**
> Accounting data is a critical part in making the best investment decisions for Clearco's customers.
>
> Codat's API allows us to quickly assess accuracy and risk while at the same time maintain our streamlined application process. **"**

Ben Brideaux, Director of Operations
CLEARCO

How are Clearco benefiting?

Increased accuracy for risk decisions

Clearco have benefited from obtaining the rich contextual data found within their customers' financial accounts. This will help them mitigate their risk, reduce missed opportunities resulting from an absence of data, and deploy capital faster.

Real time monitoring

They will also be able to proactively anticipate their customers' needs through the on-going and real-time monitoring of their financial performance.

Get in touch

For more information or to get started please visit codat.io or alternatively contact us at info@codat.io