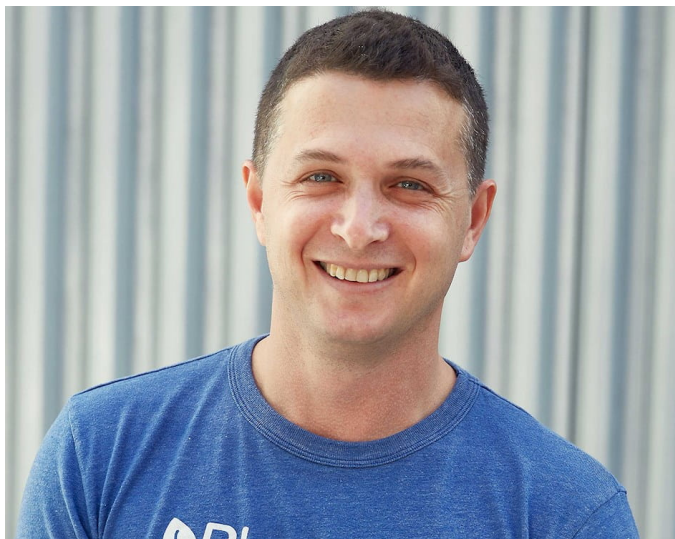


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A Lifeline for Small Businesses

A Lifeline for Small Businesses



BlueVine founder and CEO Eyal Lifshitz, '09

A thriving alumnus-founded fintech startup in Silicon Valley has helped 155,000 small businesses access PPP funding during the COVID-19 crisis.

By LeeAnn Shelton

September 29, 2020

Innovation

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Eyal Lifshitz, '09, founded fintech company [BlueVine](#) with a mission to deliver better financial services to small businesses everywhere. This year, as the COVID-19 crisis hammered Main Street businesses, that mission was put to the test like never before. He and his team knew they had to step up to the challenge.

From their Silicon Valley headquarters, the seven-year-old startup and its banking partners would ultimately provide more than 155,000 small businesses with access to \$4.5 billion in Paycheck Protection Program (PPP) loans in a matter of months—more funding than most regional banks and some of the top 10 banks were able to provide.

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towards the tail end of the PPP, the larger businesses had already gotten their funding from the large banks, but the smaller businesses were still waiting in line. That's where we really stepped up. Those small businesses weren't small to us," Lifshitz said.

A Passion for Small Businesses

Amid the frenzy, Lifshitz could relate to his customers' voices on the other end of the phone. He grew up in an entrepreneurial family—watching his father operate a physical therapy practice, and his grandfather run a small electrical lighting company. "It's part of why I'm passionate about helping small businesses, which is why I started BlueVine," Lifshitz explained.

His own startup journey took shape after he graduated from Booth's MBA program, while he was working as a principal at venture capital fund Greylock IL. Lifshitz often found himself assessing potential fintech investments, and he realized there was an opportunity to launch a company that provided financial services to the kinds of small businesses his father and grandfather ran. He knew that leveraging technology could democratize access to financial services that otherwise wouldn't be available or friendly to mom-and-pop shops.

"In the beginning, as an investor, I was thinking to myself, 'Oh, let's hire a CEO, another entrepreneur to do this.' I wasn't thinking even about myself," Lifshitz said. "But I realized I was really passionate about it, and I felt nobody else would be able to execute on my vision the way I could. It was the mission and opportunity that made me willing to jump into the cold water."

"We thought, let's solve the real problem here, which is really delivering end-to-end banking for them. Get them access to the products they need, that are designed for them, all in one place."

— Eyal Lifshitz

BlueVine launched in 2014 with its first product, a modernized, tech-forward approach to invoice factoring. Later, the company expanded its credit offering to also include lines of credit and term loans. But eventually, the team realized there was

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“We thought, let’s solve the real problem here, which is really delivering end-to-end banking for them,” Lifshitz said. “Get them access to the products they need, that are designed for them, all in one place.”

In the beginning of this year, BlueVine started offering its own checking accounts and then in the summer, it introduced a robust bill pay product, all with the goal of empowering business owners with the right services, all in one.

Stepping Up during an Hour of Need

Similar to other fintechs, BlueVine isn’t itself a bank—the company has built relationships with multiple banking partners that store the deposits and provide a regulatory framework. BlueVine’s innovation is twofold: First, leveraging big data, machine learning, and AI to streamline client onboarding and underwriting to give customers faster access to capital. And second, building a flexible, full-stack financial platform that allows it to combine all the various financial services a small business would need into one customer-facing digital account.

Those critical early investments in technology allowed BlueVine to jump into action during the COVID-19 crisis. Relying on its platform, the company stood up a loan process in less than 10 days. In addition, it integrated dedicated technologies such as optical character recognition to automatically process and digest payroll documents. Finally, the company hired a team of interns in Tel Aviv, Israel, to work through what were, in North America, nighttime hours and to complement its US-based teams who were working 14+ hour days.

“We didn’t start from scratch. We had a lot of very sophisticated technology already built in.”

— Eyal Lifshitz

“We had, at some point, everybody in the company processing loans. Engineers, marketing people, HR people, everybody,” Lifshitz said of their all-hands-on-deck approach. “We didn’t start from scratch. We had a lot of very sophisticated technology built in.”

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Small businesses right now are recognizing that they need to be able to transact online,” Lifshitz explained. “The typical small business owner, pre-COVID, went to the bank at least once a week, on average. And part of it is because they can’t get what they need online, or through digital capability. That clearly doesn’t work in the COVID world, right?”

Looking Ahead

Even as he’s grown BlueVine from an idea to a thriving late-stage startup, Lifshitz still finds time to reconnect with the Booth community. He recently joined a virtual student event for the Chicago Booth Fintech club to share his experiences as a founder, and has frequently chatted with current students taking New Venture Strategy, taught by clinical professor of entrepreneurship [James E. Schrager, PhD '93](#).

And he’s using his own education from Booth to quickly gain BlueVine a legion of fans: since its founding in 2013, BlueVine has funded or served over 180,000 small businesses and provided \$7.5 billion in financing. The company now employs almost 300 people, and secured \$240 million in equity financing, most recently closing a \$102.5 Series F round last November.

“We’re going to continue on that journey with the goal of really becoming the small business banking provider in the country. We believe that spot hasn’t been taken,” Lifshitz said. “And we’re talking about your main street small businesses—your restaurant, your plumber, your contractor. The people that the banking system has been ignoring and underserving.”

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