



Stanford eCorner

Looking Ahead to Their Next Venture

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Video URL: <http://ecorner.stanford.edu/videos/1037/Looking-Ahead-to-Their-Next-Venture>

The world is headed in the direction of a global, inter-connected economy in which enormous amounts of money are transferred around the world. Currently, there are outrageous margins on currency exchanges so there is an opportunity in offering transfers at respectable margins.



Transcript

There is an enormous amount of money that gets transmitted around the world. The fact is that there are a billion of people in the world today who live in countries other than their country of birth and basically as we're heading towards a global interconnected economy there is going to have to be a greater ease of people moving money from various countries to one another. The most outrageous margins that exist in this business are a lot of the money transmitters from developed to developing countries where you know the amount they charge is almost criminal. If you sent \$300 from the US to Mexico through Western Union the fees are something on the order of about 40 bucks. It's like 13%, 15% in some cases 20%, 25%, all sorts of hidden currency conversion fees and fees to the sender, fees to the recipient. So I think there should be some way to offer products where you have respectable margins but that are much better for everybody involved and I think that's the challenge that we are working on with a number of these different businesses.