

# Gamble that paid off: quitting Wall Street to co-found unicorn Konfío



*“When I told my parents **I was returning to Mexico**, they weren’t happy. They couldn’t believe **I was leaving the great job I had in New York.**”*

This is what **Francisco Padilla**, a **Tec de Monterrey** graduate in **Computer Technologies**, remembers about when he decided **to quit** his job on **Wall Street** to join his current partner **David Arana** to undertake a startup in Mexico.

It was in **2013** when **Francisco and David** began their journey by creating **Konfío**, an **artificial intelligence** platform that offers **loans** to entrepreneurs who been turned down by the **banks**.

Today, **Konfío** has become the **fourth unicorn company** in Mexico. It was born when its founders **took a risk by returning to the country** where they were born.



width="900" loading="lazy"> **From avoiding unemployment to becoming an entrepreneur**

After graduating in 2007, Francisco moved to the United States to work. He experienced the **financial crisis of 2008** firsthand at his job on **Wall Street** in **New York**.

This crisis, the biggest since the **Great Depression of 1929**, crippled credit, affecting the world economy.

*“There were **staff cuts** every week. As an **immigrant**, you could be sent back the next day. You had to **show that you brought value** and you deserved another week,”* he recalls of his time at the company **MicroStrategy**, whose largest global client was **Citibank**.

There he met **David Arana**, a Mexican who had studied mathematics at the Massachusetts Institute of Technology (**MIT**) and worked at **Deutsche Bank**.

Arana identified an **opportunity** in **banks’ fear of giving out loans** and decided to offer a financial solution to companies, but in a different location: **Mexico**.

*“When I learned that David was returning to Mexico to create an **online credit platform**, I joined the project.”*



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### **His gamble to contribute to Mexico**

Francisco's parents, both systems engineers, advised their son **not to quit** his job in the United States.

However, Francisco had a very clear **motivation** in mind: *"My goal of returning to Mexico is to **contribute to the country**,"* he said.

*"(David) understood the **financial side** very well, and I understood how to make **large-scale technology** for banks. So, we built a **website** using **artificial intelligence** so that businesses could apply for financing through **self-service**."*

*"We took on the task of ensuring it was an **unsecured loan** to make it **flexible**, which meant there was operational risk that we managed to contain with artificial intelligence,"* he adds.

**Thus, in 2013 [Konfío](#) was born, a platform that offers financing and management services to help entrepreneurs in Mexico.**

*"We want Konfío to continue to grow. We've helped 35,000 entrepreneurs since the company was born. Our goal is to bring it to 120,000 in the short term."*

**The beginning, with "drastic losses"**

Francisco says that the money for the loans came from their **own savings**. In **January 2014**, after working 7 months on the platform, they gave their **first loan of 10,000 pesos** to a Mexican micro-entrepreneur.

*“Where do we get the money from? From our savings. We gave them automatically. The first time we calibrated the system, **we had drastic losses**, but it was double or nothing,”* he says.

*“Konfío’s premise was: **if we get a thousand customers, a thousand will have been served**,”* he adds.

By **2016**, Francisco and David had already closed their **first round of investment** and began the task of finding **new offices**. However, there was no **budget to buy furniture**.

*“‘Where do we sit?’ said David and I. We left our desk for other people and grabbed 2 computer boxes, one TV box, and made a desk out of boxes.”*

In 2016, **Konfío** had its **first round of investment**. They concluded it with **8 million dollars**.

Early investors taught them about credit and unit economies, when to give discounts, when not to, and the value of building long-term relationships with customers.

*“That same round was joined by the Kaszek Ventures fund, owned by Hernán Kazah, the **co-founder of Mercado Libre**. He was looking for Latin American companies for Latin Americans. We were his first investment in Mexico,”* he says.

***“We left our desk for other people and grabbed 2 computer boxes, one TV box, and made a desk out of boxes.”***

**Its mission: empower small and medium-sized enterprises**

Konfío’s operation is based on **3 pillars**:

- **Financing** in a flexible way;
- **Software-based business solutions**; and
- **Payment components** such as company credit cards.

As time went by, they added people to the team, such as **Pablo Mazzucchi**, an Argentine **Master of Science** graduate from **Tec de Monterrey**.

*“I joined Konfío when **David told** me about his **mission to empower SMEs**, the lack of access to credit, and how we can **help them** using **data and technology**,”* says Pablo.

*“**Konfío’s** original solution is to **finance** in a **flexible** way with a number of **requirements** and **speed** that doesn’t exist anywhere else in the country,”* he says.



**Mazzucchi**, Director of **Machine Learning** at Konfío, points out that the intention is to empower small and medium-sized enterprises.

*“**Empowering SMEs and solving all the inconveniences** that entrepreneurs may face so that they can focus on their business. The ultimate goal is to be **SMEs’ allies**,”* Mazucchi explains.

Today, Konfío is an **all-in-one platform for companies**, offering collection, payment, billing, and credit solutions. Their staff is **MIT** trained, and they work closely with **Google**.



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### **The fourth Mexican unicorn**

After an **investment round** at the end of **September 2021**, Konfío had a **valuation of 1.3 billion dollars**, which makes them a **unicorn company** in the business world.

**Unicorns** are those tech companies that reach a **value of one billion dollars** in the **stages of capital raising**.

In July 2021, ***The Financial Technology Report’s*** list of the **top 100** financial technology (fintech) companies put Konfío in **18th** place.

In 2020, the company **Kavak**, a car rental, sales, and financing company, was **the first Mexican company** to achieve that status.

**Bitso**, a currency and cryptocurrency exchange platform, and the **Clip** company, which offers payment processors and terminals for card payments, became **unicorns** in **2021**.

*“It makes us proud that this has happened in Mexico, that there is real innovation in the country, but at the same time, it’s a huge commitment to ensure that it lasts, endures, and multiplies in our society.”*

### **The responsibility of being a unicorn company**

Francisco recounts that **some investors** joined the **project**, and as they continued to grow, they began to measure how much their **customers benefitted**.

*“Yes, we were **making an impact**, and yes, we were getting **stronger**, but at the end of the day, a business is going to want to do a lot of other things. In the end, we see ourselves as a **technology business** more than a **financial company**,”* he says.

It was then that they took on the task of complementing the solutions they currently offer. By **the end of 2020**, they entered the **software sector** with the **purchase** of a **company** called **Gestionix**.

Similarly, in **August 2021**, Konfío acquired **Sr. Pago**, a **B2C** or **Business to Customer** tool to grow its **offering** of **billing solutions** along with the launch of its **corporate card** and business payment portals.

*“Some of us run races, and after **1 kilometer**, you feel a **lot of emotion**, you start out with a lot of energy, and people are cheering you on.*

*“But, if you accelerate and continue at that **pace**, you’re **exhausted** after **20 kilometers**. You need to **have restraint** and **understanding**. (At Konfío) we’ve had to use that strategy,”* says Francisco, who adds that they **didn’t make a fuss** about the **announcement of being unicorns**.

### **The future of Konfío**

Their objective, adds Francisco, is to continue **supporting large and small entrepreneurs** in **Mexico**, offer a unique **workspace**, and he doesn’t rule out the possibility in the **future** of looking to other countries in **Latin America**.

*“We want Konfío to **continue to grow**. We’ve helped **35,000 entrepreneurs** since the company was born. Our **goal** is to bring it to **120,000** in the **short term**. That would mean a **lot of impact** and **support** for the **country**,”* Francisco said.

*“We’re the **first unicorn in Mexico co-founded by a Tec graduate**, and that’s a source of **pride for me**. The Tec prepared me for everything. People who graduate from the Tec are well prepared and very well received because they know how to adapt, think fast, and invent solutions,”* he says.

Francisco reflects on that moment when he decided to quit his job on Wall Street and return to his country as an entrepreneur.

*“**Returning to Mexico** for me is about offering people the kind of **place** where I would’ve liked to work the day I finished college.*

*“It makes us **proud** that this has happened in Mexico, that there is **real innovation** in the country, but at the same time, it’s an enormous commitment to ensure that it lasts, endures, and multiplies in our society,” Francisco concludes.*

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