

# ADAPTING TO DIGITAL FINANCE: LESSONS FROM A CRAFT BUSINESS OWNER



## LIFE STORY BASED ON STORYTELLING

*Developed by the Kauno rajono švietimo centras (Lithuania)*

### About me

My name is Asta. I am a 40-year-old owner of a small crafts business. I, along with my husband and our three children, live in a rural village in Lithuania. I am proud of my small crafts business that specializes in traditional Lithuanian handicrafts. These include woven textiles, hand-carved wooden items, and beautifully painted ceramics, all inspired by local folklore. My story of using digital financial services

#### *When did you realize the need to access digital financial services?*

My business also started to attract attention from international customers who appreciated the unique crafts. The demand from abroad sparked a desire to expand my business. I was also planning to launch an online shop. Yet living in a rural part of Lithuania I have traditionally relied on cash transactions. With the aim to expand my business and reach more customers online, I realized the need to access digital financial services, including taking out a small business loan.

### *What was the main reason for using digital financial services?*

As I mentioned before, my primary goal was to grow my business. Then I wanted to explore online marketplaces. So I needed to digitize my financial transactions and access credit digitally to invest in inventory and marketing.

### *How did the learning process start?*

My learning journey was quite natural. I frequently used my smartphone for various tasks and learned about digital financial services through social media. I used free online resources and self-guided tutorials to understand the basics of digital financial literacy. Additionally, I attended a local workshop which was led by volunteers from the tech and financial sectors focused on empowering small business owners with digital skills. I also benefited from the phone call sessions with my niece, who works in finance. She introduced me to the basics of online banking, security practices, and how to apply for credit online

## Lessons learned/experience gained from this situation/benefits

### *What digital financial options did you discover?*

I learned about interest rates, repayment terms, and the documentation required for online credit applications. I learned to compare different credit offers from online lenders, including banks with digital lending platforms and fintech companies specializing in small business loans.

### *Besides the initial research, what was your experience of taking credit online like, e.g. the application process or managing the loan?*

I found the online application process to be surprisingly simple and clear. I filled out the application form on the lender's website, uploaded the required documents, and submitted my application. One advantage of digital applications I appreciated was the quick response time. I received an

acknowledgment of my application within hours and was informed that the approval process would take a few days

### *Was managing the loan online convenient?*

Managing the loan online was convenient for me. I could make payments, check my balance, and monitor my repayment schedule through the lender's app or website. Whenever I had questions, I could use the lender's digital support channels.

## Recommendations, wishes

### *What valuable recommendations can you offer to those who have difficulties while exploring digital financial services?*

First, I have built my confidence and proficiency in using digital financial services. I can also recommend some tips to those who want to take digital loans. First, before applying for a digital loan, I compared interest rates, repayment terms, fees, and customer reviews to find the best lender. Secondly, I tried to avoid taking out digital loans for unnecessary expenses and read thoroughly the terms and conditions of the loan. Another important factor, whenever I wasn't sure about some aspects of the loan application process, I asked for assistance from financial advisors, friends, or family members who have experience with digital loans

## Self-reflection questions

These questions can serve as prompts for introspection and self-assessment, helping individuals gain insight into their financial habits, values, and aspirations.

- 1) Have you ever found yourself in a situation where you realized the need to adopt new financial practices?
- 2) What steps have you taken to educate yourself about digital financial services?
- 3) What has been your experience with applying for and managing loans digitally?
- 4) Have you faced challenges in accessing or using digital financial services?
- 5) In what ways has gaining digital financial literacy influenced your confidence and capability in managing your business finances and planning for future growth?