

***FinTech for Executives:
Understanding and Managing Innovation in Financial Technology***

May 6—8, 2019

Session 1: Innovation

Learning objectives:

The definition and importance of innovation

How technology acts as a mechanism for innovation

Is financial services innovation different?

- The Economist: To Do With the Price of Fish. Available at: <http://www.economist.com/node/9149142>

Session 2: Disruptive innovation in Financial Services, Platforms in Financial Services

Learning objectives

Understanding disruptive innovation; strategies for upstarts and prescriptions for incumbents

Redefining disruptive innovation in the platform era

Key fintech platform strategies

- HBS: (2 articles): Clayton Christiansen: Disruptive Technologies, Catching the Wave (1995). Available on Portal
- What is Disruptive Innovation (about Uber not being a disruptive innovator) (2005) – Available at: <https://hbr.org/2015/12/what-is-disruptive-innovation>
- Eisenmann, Parker, and van Alstyne: Strategies for Two-sided Markets (article, not book). Available on Portal

Sessions 5-8:

- “Bitcoin: A Peer-to-Peer Electronic Cash System” www.bitcoin.org
- Smart Contracts 12 Use Cases for Business & Beyond” *Chamber of Digital Commerce* (2016). Available on Portal

Session 9: Fintech VC

Learning objectives

How early stage investing works: active investing and path dependency

Special topics for fintech startups (investor and entrepreneur view)

How to evaluate a fintech startup

- Sequoia Pitch Deck. Available at: <https://www.slideshare.net/PitchDeckCoach/sequoia-capital-pitchdecktemplate>

Session 10: Pirate Booty Case and case questions

- Pirate Booty Case (Available on Program Portal)
- Case Questions: one page bullet point answers due BEFORE class

1. Would you invest in Pirate Booty? Why or why not?
2. What is the biggest operation risk at Pirate Booty?
3. Pirate Booty does not have its own banking license. Advantage or disadvantage?

Session 11: Fintech Valuation and Unicorns, Lending Club

Learning objectives:

Should fintechs be valued like techs or like fins?

Pitfalls of unicorn valuation

The case of Lending Club, from infancy to unicorn; was it all regulatory arbitrage?

- Gornall and Strebulaev. Stanford Business Journal. Available at: <https://www.gsb.stanford.edu/insights/silicon-valleys-unicorns-are-overvalued>
- Damodaran, The Dark Side of Valuation. <http://people.stern.nyu.edu/adamodar/pdfiles/country/darkside.pdf>
- Corkery, Michael (2016). As Lending Club Stumbles, Its Entire Industry Faces Skepticism. Available at: <https://www.nytimes.com/2016/05/10/business/dealbook/as-lending-club-stumbles-its-entire-industry-faces-skepticism.html>

Session 12: Global Fintech financial inclusion and implications: Digital India

Learning objectives: by exploring the case of "Digital India" we address the following

Fintech and financial inclusion around the world

How local conditions (political system, economy, demographics) shape fintech developments

Broader implications of using AI in fintech

- Digital India (government website) www.digitalindia.gov.in
- Bose, Abhijit (2017). Indias Fintech Revolution is Primed to put banks out of business. Available at: <https://techcrunch.com/2016/06/14/indias-fintech-revolution-is-primed-to-put-banks-out-of-business/>
- Sachdeva, Rishabh (2017). Indias demonitization experiment. Available at: <https://medium.com/hello-qs/indias-demonetisation-experiment-cc5e15dd1d1d>
- Chakravorti, Bhaskar. (2017). Early Lessons from India's demonetization experiment. HBR <https://hbr.org/2017/03/early-lessons-from-indias-demonetization-experiment>
- Dowd, Maureen. (2017). Elon Musks Billion dollar Crusade to stop the AI apocalypse. Vanity Fair. Available at: <https://www.vanityfair.com/news/2017/03/elon-musk-billion-dollar-crusade-to-stop-ai-space-x>
- Knight, Will (2017). Meet the Chinese Finance Giant that is secretly an AI company. Tech Review. Available at: <https://www.technologyreview.com/s/608103/ant-financial-chinas-giant-of-mobile-payments-is-rethinking-finance-with-ai/>