Introduction

Over the past decade, technological innovation has transformed the financial services industry, and further disruption in the near future is almost a certainty. Financial Technology (“FinTech”) start-ups are tackling many realms of consumer financial services, including mobile payments, foreign exchange, marketplace (peer-to-peer) lending, saving and investing, financial advice (robo-advisers), and property/casualty, health, and life insurance.

The goal of this course is to understand the economic and technological forces driving this change and to learn how to harness them in a responsible way. The curriculum is organized by product areas within consumer financial services, focusing on those that are most active and most prone to innovation through start-ups: i) payments, ii) consumer credit, iii) saving/wealth management, and iv) insurance. For each area, we’ll cover the underlying economics, the technology, the public policy issues, the competition, and the potential for collaboration between start-ups and the incumbents. Note that we will not cover in depth the topics of cryptocurrencies and blockchain - if these are your primary interests, there are other courses focusing specifically on these topics.

This course is designed to be interactive, and is aimed to deepen your understanding of the economics of FinTech and encourage your creative and entrepreneurial spirit. A key component of the course is a collaborative team student project: each team will propose and develop over the semester a prototype for a new venture (see details below).

In addition to the project, the course will include cases, lectures, class discussions, and guest speakers, designed to teach you economic principles and put you in the shoes of
managers, entrepreneurs, and decision-makers addressing challenges facing the industry.

**Who should take this course?**
If you want to better understand how and why tech start-ups are transforming consumer financial services and think creatively about a problem and how to solve it, this course is for you. In terms of careers, this course would be beneficial to those of you working or planning to work for i) a FinTech venture (now or later in your career), ii) an existing financial services firm, including those in asset management, banking, and insurance, iii) a Venture Capital (“VC”) firm, or iv) a consulting, investment banking, or private equity firm, where you need to understand and value companies that provide financial services to consumers. The course will also be helpful to those of you interested in identifying, launching, and managing innovative ventures in related industries.

**FinTech at Columbia**
Given Columbia Business School's strength in finance and economics and our location in the financial capital of the world (sorry, London!), our school's potential to be a leader in FinTech is undeniable. This class is one of a set of courses and programs being developed in this area.

**Course structure, deliverables, grading, and pre-requisites**
The course will include a course project, lectures, class discussions, guest speakers, case analysis, and short assignments. It will be highly interactive, and you are expected and encouraged to take part in class discussions.

**Course Project**
You will work in teams of 4-5 students on the course project. Each team will choose a particular consumer financial service, in one of the areas of: i) payments, ii) consumer credit, iii) saving/wealth management, and iv) insurance. Your team will perform an analysis of the current landscape, underlying economics, and scope for innovation in your chosen industry. You will then propose, explore, and develop (at least on paper) your own idea for a new FinTech venture.

Each team will present to the class twice during the semester. The first will be a brief progress report around mid-semester. The second will be a final presentation during one of the last two classes of the semester. A guest from a NYC venture capital firm will be present at the final presentations to listen and provide team feedback. In addition to turning in your team’s PowerPoint deck, each of you will write a brief (2-3 page) individual write-up of lessons learned.

**Guest speakers**
We will have a number of sessions with outside experts, including venture capitalists, founders of early-stage start-ups, and seasoned executives in financial services. Many of these sessions will be interactive ones, sometimes in the form of a mock meeting where you are playing the roles of people working in the firm. The course calendar will include additional details.
Culture
This course adheres to Columbia Core Culture and has very high conduct standards. I expect you to be present, prepared, and actively participating in class, and of course I pledge the same. If for some reason you need to miss class, please let me or the TA know in advance via e-mail. There should be no electronic devices used during class time, with the exception of Poll Everywhere polls (see below).

Class participation
The class will be interactive, and class participation is part of the grade for the course. Please bring your name cards to class and expect (friendly) cold calling. We will use the Poll Everywhere interactive technology for classroom responses and class discussion, and also to help keep track of attendance.

Cases, readings, and assignments
Cases, readings, and other assignments will be posted on Canvas. There will be regular weekly written assignments. Some of these will be done individually and others by your team. You should be prepared for class discussion ahead of time. I'll use a “cold caller” app to choose some random names to start the case analysis.

Course materials
There is no textbook. Class notes will be distributed during each class and then posted on Canvas.

Course grading
Grades will be based on short assignments, class participation, and a final project, as follows:

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<th>Weights for grading</th>
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<td>Short assignments and cases</td>
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<td>Class participation</td>
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<td>Final project</td>
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<td>- Group presentation / slide deck</td>
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<td>- Individual lessons learned</td>
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Office hours
My office hours will be Tuesdays, 2:30 – 4 pm (either in person or by Zoom video call), and other times by appointment. I'll also generally be available immediately after class sessions. Please feel free to reach out to me via email to find another time to meet or with any questions or feedback about the course.

Teaching assistants
There will be at least one TA for the course. The TA(s) will be attending class, and their
contact information will be posted in Canvas. You can contact the TA(s) with questions related to readings, assignments, calendar, etc.

**Course pre-requisite / co-requisite**
Capital Markets and Investments is a co-requisite – it must have been taken either prior to or during the same semester as this course.

**FAQs**

**Q:** I understand you are teaching an MBA section of this course in Spring 2019. Are EMBA students eligible to enroll in that section?

**A:** Yes, I’ll be teaching a section of this course in the MBA program (B8255) in Spring 2019 on Wednesdays from 2:15 – 5:30 pm. The content will be about the same, although some of the guest speakers will be different. There are a few seats being held for EMBA students -- others can enroll if there’s room after MBA bidding.

**Q:** How does this course relate to the other course you teach (together with Prof. Eric Johnson): B8744: The Psychology and Economics of Consumer Finance (PECF)?

**A:** Both courses relate to consumer financial services, but they focus on different areas. PECF uses the tools of behavioral economics to understand consumer behavior and the consumer financial services industry. It is an interdisciplinary course that spans marketing, economics, and finance. It’s taught as a block week (January 14-18, 2019) and is open to both MBA and EMBA students. In PECF, we do spend some time on FinTech innovation, but that is not its primary focus. In contrast, the course herein (FT-CFS) focuses on start-ups, allows you to dig deep on a de-novo project, and teaches the tools to help you explore creating a new venture. There is some overlap between the two courses. If you have a general interest in the area, you might want to pick just one of these courses. But if you’re passionate about the topics covered and don’t mind seeing some of the material a second time, feel free to take them both.

I look forward to a fun and productive semester with you!