Introduction

Over the past decade, technological innovation has transformed the financial services industry, and further disruption in the near future is almost a certainty. The new generation of Financial Technology ("FinTech") start-ups is tackling many realms of consumer financial services, including mobile payments, foreign exchange, marketplace (online) lending, saving and investing, financial advice (robo-advisers), and 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) 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.

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 either propose and develop a prototype for a new venture or analyze an existing early-stage venture. At the end of the semester, each team will present its project to the class.

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 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 3-4 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) 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, and then focus on a specific FinTech venture. This venture can be: i) an idea that your team began developing prior to the course, ii) a new idea that your team wishes to explore, perhaps to see if it might lead to a viable start-up for you or others to pursue, or iii) an existing early-stage startup that you are not directly involved with but wish to analyze.

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. 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, often in the form of a mock meeting where you are playing the roles of people working in the firm. In prior years there have been some great speakers, and students have told us that the sessions with our guests were one of the highlights of the course. 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 unless I specifically request that you use them.

Cases, readings, and assignments
We'll be covering some cases during the course. You should read these and 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
I'll be posting current articles during the semester that we will discuss in class. 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:

<table>
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<tr>
<th>Weights for grading</th>
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<tbody>
<tr>
<td>Short assignments and cases</td>
<td>40 %</td>
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<tr>
<td>Class participation</td>
<td>20 %</td>
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<tr>
<td>Final project</td>
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<tr>
<td>- Group presentation / slide deck</td>
<td>25 %</td>
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<tr>
<td>- Individual lessons learned</td>
<td>10 %</td>
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| - Peer assessments           | 5 %   | 40 %

Office hours
My office hours will be Tuesdays, 2:30 – 4:00 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 assistant
There will be a TA for the class, and contact information will be posted in Canvas. You can contact the TA 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 EMBA section of this course in Spring 2018. Are MBA students eligible to enroll in that section?

**A:** Yes, I’ll be teaching a section of this course in the Friday/Saturday program in EMBA in Spring 2018 (B7255). The content will be about the same, although some of the guest speakers will be different. There are a few seats being held for MBA students – others can enroll if there’s room after EMBA 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 8-12, 2018), and is open to both MBA and EMBA students. PECF examines the important role of start-ups, but that is not its primary focus. In contrast, the course herein (FT-CFS) focuses on start-ups, allows students to dig deep on a de-novo project, and teaches the tools to create prototypes for a possible 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!