Instructions

# 1. Choose a FinTech domain that you find relevant or interesting.

**Note:** We covered a number of FinTech domains in class this week. If you already have a company in mind that you want to research, skip ahead to Step 3.

* Payments/Billing
* Capital Investment
* Investment Management
* Wealth Management
* Enterprise Solutions
* Insurance (InsurTech)
* Mortgage/Real Estate
* Personal Finance/Deposits/Online Banking
* Lending
* Blockchain and Cryptocurrencies
* Regulation Technology (RegTech)
* Open Banking
* Robo-advising

Remember that because FinTech is an evolving field, different FinTech reports may use different names and definitions for various domains and sectors (e.g., CB Insights, Investopedia, Accenture). In addition, you may come across lists of FinTech domains online that are either longer or shorter than the list above; there is no one comprehensive list.

# 2. Choose a company (or project) within your chosen Fintech domain.

Use online research to identify the trends in your domain, and choose a company that is successful or otherwise interesting to you. For example, if you chose Wealth Management, you may want to look at online journals, periodicals, reports, and websites about the future of Wealth Management, or how FinTech is changing or disrupting Wealth Management.

Your company could be:

* A new, emerging FinTech company that is doing well in a particular domain. Examples include Square, Plaid, Lemonade, RobinHood, and Coinbase.
* A large incumbent financial or technology company that is doing something interesting and new with technology. Examples include Goldman Sachs’ Marcus, JP Morgan’s JPMCoin, Facebook Libra, and Apple Card.
* A smaller start-up that is not yet wildly successful, but that you find promising and interesting. This may include a FinTech company in your local area or a company with a new idea that you would like to learn more about.

##### **[Define the space]**

Q: Is Investment Management different from Wealth Management different from Robo-Advising?

A1: Evolution of Financial advice

A2: https://www.merceradvisors.com/insights/financial-planning/wealth-management-asset-management-difference/

“Comprehensive wealth management is a holistic approach to the entire spectrum of an individual’s personal finances. This includes day-to-day financial planning, retirement planning, tax preparation strategies and tax planning, and even estate planning for passing wealth on to your heirs”

|  |  |  |
| --- | --- | --- |
| Needs | Wealthfront | Betterment |
|  |  |  |

##### **Ideas:**

### Wealthfront

### Pricing: 40bps for Premium Accounts (100k+) 🡪 this is crazy when 10yr under 1%

### Betterment

### [Disco]

### Democatization of not Financial Advice, but the pursuit Financial Wellbeing. Remove friction, increase transparency; from offer data, then advice, to now tailed data intelligence

**3. Conduct your research, using the case study template as a guide.**

We recommend that you use the case study template below in order to focus your research. You may lengthen, shorten, or––if necessary––remove sections from the template to accommodate the information available about your company.

**Note** If you have chosen a project within a larger company (such as the Apple Credit Card), you may want to focus your research on the origins and scope of the project rather than on the company itself.

**Case Study Template**

# TITLE

## Overview and Origin

\* Name of company

\* When was the company incorporated?

\* Who are the founders of the company?

\* How did the idea for the company (or project) come about?

\* How is the company funded? How much funding have they received?

## Business Activities:

\* What specific financial problem is the company or project trying to solve?

\* Who is the company's intended customer? Is there any information about the market size of this set of customers?

What solution does this company offer that their competitors do not or cannot offer? (What is the unfair advantage they utilize?)

\* Which technologies are they currently using, and how are they implementing them? (This may take a little bit of sleuthing–– you may want to search the company’s engineering blog or use sites like Stackshare to find this information.)

## Landscape:

\* What domain of the financial industry is the company in?

\* What have been the major trends and innovations of this domain over the last 5-10 years?

\* What are the other major companies in this domain?

## Results

\* What has been the business impact of this company so far?

\* What are some of the core metrics that companies in this domain use to measure success? How is your company performing, based on these metrics?

\* How is your company performing relative to competitors in the same domain?

## Recommendations

\* If you were to advise the company, what products or services would you suggest they offer? (This could be something that a competitor offers, or use your imagination!)

\* Why do you think that offering this product or service would benefit the company?

\* What technologies would this additional product or service utilize?

\* Why are these technologies appropriate for your solution?

**4. Write the case study.**

Write the finished case study report in a markdown README.md file, using the above case study template. Your report should be sufficiently long to ensure you provide all relevant information about the company or project in a thorough manner.

Be sure to cite your sources in an addendum at the end of the report. List all websites, podcasts, blogs, or articles that you consulted in order to write the report, and provide links. Your list should be thorough and account for all sources you used, but it does not need to be a formal works cited page.

**5. Upload your case study to your git repository.**

You learned some technical aspects of FinTech this week, including how to set up and populate a git repository. As a final step, take your finished case study and upload it to a repository to share with your instructor and class.

**Resources**

**FinTech Companies and Domains**

For an overview of some of the most successful companies across FinTech domains, check out these resources:

* [The 11 Biggest FinTech Companies in America 2019, Forbes](https://www.forbes.com/sites/jeffkauflin/2019/02/04/the-10-biggest-fintech-companies-in-america-2019/#5e6a3bc932b9)
* [World FinTech Report 2019, Capgemini](https://fintechworldreport.com/)
* [The Most Innovative FinTech Companies in 2019, Forbes](https://www.forbes.com/fintech/2019/#5264de5a2b4c)
* [The Future of FinTech and Banking, Accenture](https://www.accenture.com/us-en/insight-future-fintech-banking)
* [Hottest FinTech Startups, Business Insider](https://www.businessinsider.com/top-fintech-startup-companies)
* [Top 10 FinTech Companies to Watch in 2019, TheStreet](https://www.thestreet.com/technology/fintech-companies-14891479)
* [33 FinTech Companies and Startups to Keep in Your Back Pocket, Built In](https://builtin.com/fintech/fintech-companies-startups-to-know)
* [Scanning the FinTech Landscape: 10 Disruptive Models, McKinsey & Company](https://www.mckinsey.com/industries/financial-services/our-insights/banking-matters/scanning-the-fintech-landscape)

**Research Material**

As you research your company, you may find these types resources to be useful:

* The company’s website
* The company’s blog
* Company press releases (These can often be found on the Press page of the company's website, or via Google search.)
* Websites of competitors
* FinTech blogs and/or podcasts
* Interviews with the company’s founders, CTOs, or project leads
* Reports devoted to the particular FinTech domain you are focusing on (e.g., FinTech in the mortgage industry)
* [Forbes](https://www.forbes.com/fintech/#39ae67bc13f1)
* [McKinsey & Company](https://www.mckinsey.com/featured-insights/fintech)
* [Reuters](https://www.reuters.com/news/archive/RCOMUS_Fintech)
* [TechCrunch](https://techcrunch.com/tag/fintech/)
* [Deloitte](https://www2.deloitte.com/us/en/pages/risk/articles/fintech-trends-insights.html)
* [Built In](https://builtin.com/fintech)
* [FinTech Weekly](https://www.fintechweekly.com/)
* [KPMG](https://home.kpmg/us/en/home/industries/financial-services/fin-tech.html)
* [Stackshare](https://stackshare.io/)
* [Crunchbase](https://www.crunchbase.com/hub/fintech-startups#section-overview)
* [Angelist](https://angel.co/finance-technology)

**Submission**

* Create a repository for this homework on GitHub.
* Upload the README file containing your case study report to this repository.
* Submit the link to your GitHub repository to Bootcamp Spot.

##### Andy Rachleff Interview 4/18/2017

* Founder @Benchmark (1983 – 2005); Wealthfront founded 2008; Pivoted in 2011; 2017 returned as CEO
* AUM: $5B
* Idea for W at Penn Endowment meeting 🡪 Investment team was using bespoke tools and spreadsheets; felt this should be automated 🡪 Democratizing access to sophisticated financial investments
* W still “all-in” on automated; Target audience is “young people” (a la Charles Schwab in 1970s) average age 32 years old; Now Schwab’s average client is now 58 (grew with the baby boomers, 3trn AUM)
* W wants to grow with Millenials and be as successful as Schwab
* W better tax efficiency; ability to sell employer’s stock
* W new service
* “Serve a niche incredibly well”; “We want to build the best service for young people”
* Traditional small RIA – economics are not there with the sub-$3-5M accounts
* “We want to reform this industry, this is a really sleazy industry”
* Read: Demystifying Venture economics, Part 4 (by Andy)
* Product / Market Fit – Crossing the chasm; start with a beach head (niche market), then expand into adjacent markets. Started with SV engineers at internet companies, (FB and LinkedIn employees); Investment professionals are 7-8% of clients
* Incumbents can not stymie W’s growth; once start-ups get PMF, then can not get them out of the way; unless you have a network effect, which AM does not; Incumbents would need 5 years to catch up
* In 2015, Schwab enters automated service market; W started this in 2011; claimed to be same as W; Schwab claim to offer tax-loss harvesting 4/1 but could not; Schwab is cannibalizing their clients
* W’s P/M fit: building features specific to “young people”; particular to people in their 30s
  + Introduced 529 plans
  + Introduced selling plan feature (sell stock)
  + PATH (Financial Planning experience through software)
* Others are adding planners; Hiring a good financial planner requires a $1M minimum; planner will interview to get inputs into commercially available software package; schedule 2nd interview to review results; young people do not like such meetings
* W uses APIs to connect to financial accounts; planning will be quicker, more interactive, more tailored and more in-depth
* W delivering features faster, will differentiate among young people
* P/M Fit – heuristic – are you growing exponentially organically
* Mark’s 2x2 matrix: Right v. Wrong & Consensus v. Non-consensus

##### Andy Rachleff Interview 3/11/2021