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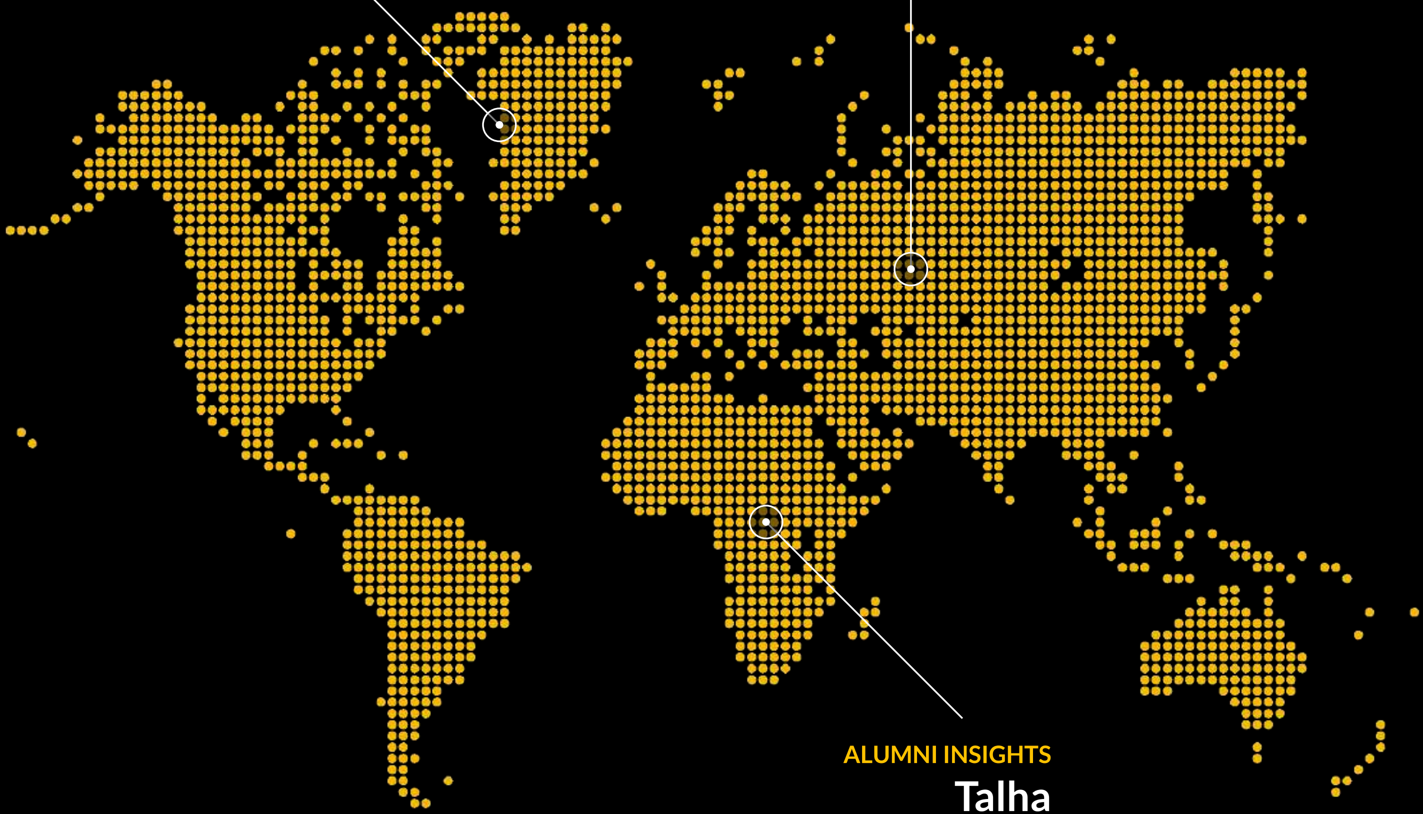
BUSINESS STRATEGY
A New Era Of Sports

INTERVIEW
Kuba Soltysiak



ALUMNI INSIGHTS
Talha Siddiqui

Volume 3

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Editor's Letter

Here at Waterloo Business Review we have a three-fold mission: to engage, educate, and empower undergraduates to pursue their greatest potential. Through our online publication, we hope to provide content that will equip students with the business acumen to help them build their knowledge to thrive in a transforming professional environment.

We ensure that every single article that we share with you will provide thoughts on leadership and offer you valuable perspectives that you can apply to your everyday life.

Andrew Dai

Andrew Dai
Editor-in-Chief

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Our dedicated and passionate team is focused on growing and establishing the Waterloo Business Review in the Waterloo and Kitchener business community.

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Business Strategy:

The Streaming Wars: When Consumers Become The Casualties

Katrina Hermanns

Illustrated By
Lynn Zhu

The Market

Technological developments have played a significant role in shaping our society, and continue to challenge the status quo and drive change. Applications like Uber, and platforms like Airbnb not only provide us with new products and services to consume, but also fundamentally change the way we interact with businesses, technology and one another. In the entertainment industry, over-the-top (OTT) media services have transformed the way we watch television and movies, and our expectations around content quality and delivery. OTT services deliver content over the internet, as opposed to cable, broadband or satellite, which are more traditional methods commonly used by competitors. By using internet delivery, OTT services have made their content accessible on computers, phones, smart-TVs, streaming devices and gaming consoles - and thus allowing it to be consumed anywhere there is internet available. Since Netflix's launch in 2007 the OTT market has grown immensely, resulting in the establishment of a number of new platforms and applications, such as Hulu, Amazon Prime Video, Disney+, Apple TV and Quibi, to satisfy the substantial growth in consumer demand for these products and services.

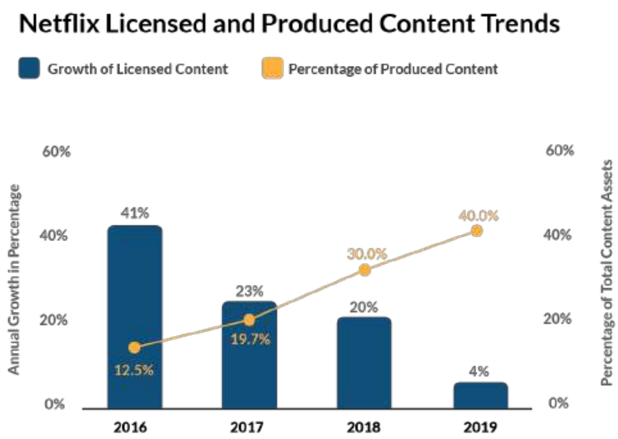
As the OTT market has grown both in the number of consumers and competitors, it has transitioned towards a stage of market saturation, which is a situation that arises within a market when the volume of a product or service has been maximized. As competition has become more fierce in the OTT market, competitors have become focused on monetizing the content

Exit Dates to Original Hosts for Netflix's Top Licensed Content

that they own, and producing captivating original content. This is a shift from the market's original model, which saw streaming services mainly offering licensed content from many different producers, as well as some of their original content. The shift from licenced to original content means that consumers must subscribe to an increased number of platforms, at a higher cost, in order to see the content that they want. Additionally, the content and user experience being delivered is of lower quality as the platforms shift their focus to producing a larger volume of content. Based on the changes to convenience, cost, content quality and user experience, consumers may be left asking if this shift has not only changed the value proposition of OTT services, but also destroyed the high value features that attracted them in the first place.

Fragmented Content and Increased Costs

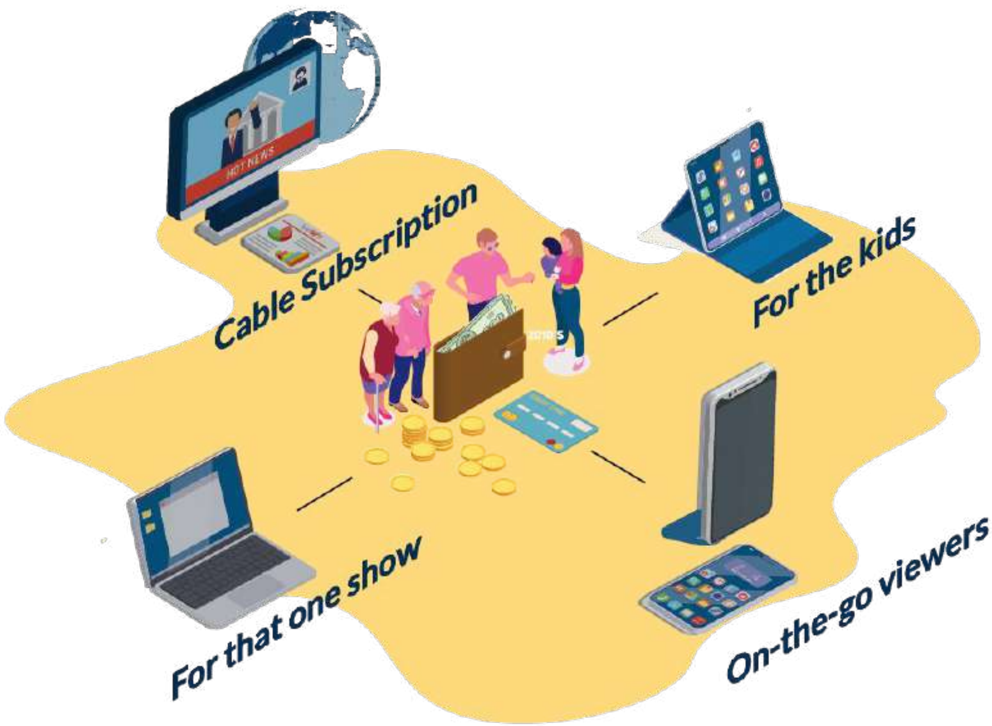
One of the key differentiators between streaming services and traditional cable television is the shows that they are able to offer. Cable TV offers bundled content, with specific packages containing restricted network content. On the other hand, streaming services have the ability to negotiate contracts for existing content while also offering their own original content, which in turn allows them to offer stronger breadth and quality of content that they offer as compared to traditional cable. This is what allowed Netflix to offer shows such as The Office, Friends, and an array of Disney movies in addition to their original shows. However, the classic content that was once featured on multiple streaming services is being pulled in order to be featured on new platforms created by the content's owners. One of the most well known examples of this was when Disney removed their content from Netflix's platform in order to create their own streaming service, Disney+.



This content shift is demonstrated further in Netflix's budget, as their rate of spending on licenced content has decreased steadily every year since 2016 when they reported an increase of 41%, while in 2019 they reported an increase of just 4% even though their market share had been steadily growing (Savitz, 2020).

On the other hand, the value of Netflix's original content was up 63% in 2019 (Savitz, 2020). The increased spending on original content is indicative of the shift in focus from licenced to original content. As OTT services begin to move towards offering exclusive content, the market is beginning to look a lot like the fragmented bundled TV subscriptions that consumers left behind when they originally subscribed to streaming services.

The value proposition offered by OTT services was originally their breadth of content and competitive price. However, as the market has become saturated and fragmented, consumers are subscribing to a greater number of streaming services at a greater cost. In 2016, 56% of consumers subscribed to just one SVoD service while in 2019, 76% of consumers were subscribed to two or more services (Guttmann, 2019). As platforms shift away from a model of opportunistic content licensing and towards content exclusivity, consumers are forced to subscribe to more services in order to view the content they are interested in. This problem becomes even more prominent in households with varying age groups and interests, as younger consumers are more likely to subscribe to Disney+ while millennials and Gen X tend towards services that offer a premium on-the-go experience (Westcott, Ciampa, Loucks, & Srivastava, 2019). A 2019 study done by Langston Co. showed that this fragmentation has not gone unnoticed by consumers, who have two main concerns about streaming services: they worry that they are losing the all-encompassing

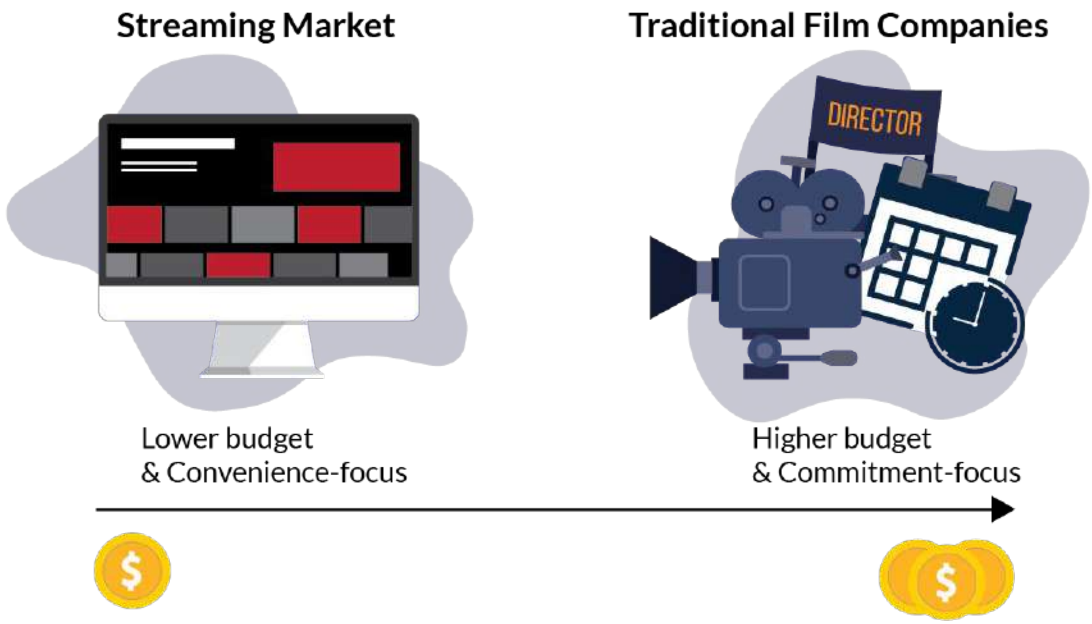


content model that they love, and they are frustrated with the rising costs. Consumer's concerns over rising costs are not unwarranted. As consumers subscribe to more services, their monthly costs are becoming much closer to the price of bundled TV. Between 2014 and 2017 the average monthly cost of cable TV stayed relatively stable, around $53 a month (Vermond, 2020). In comparison, consumer's average monthly expenditure on streaming services increased by over 280% between 2014 and 2018 (Shaulova & Biagi). Although the average consumer spends $37 per month on streaming services in 2019 (Consumers Spend on SVOD, 2020), which is less then the cost of cable, consumers only see a future where this cost increases due to the increasing number services they are subscribing to. The increasing cost associated with subscribing to streaming services goes against the original value that these services offered. 75% of streaming consumers say that they are not willing to spend more than $30 a month on streaming services, which shows that they are looking for streaming services to be the lower cost alternative to cable TV (Consumers Spend on SVOD, 2020).

As a result of the market's saturation and fragmentation, analysis has shown an increase in subscription fatigue, a term created to describe consumer's frustrations with the cost and overhead of subscribing to multiple streaming services (Westcott, Ciampa, Loucks, & Srivastava, 2019). This indicates that consumer's content and pricing needs are not being met by the current streaming solutions.

Disrupting Old Hollywood Traditions

The shift away from opportunistic content licensing and towards content exclusivity is also changing the traditional layout of Hollywood content creation and impacting the quality of content that is delivered to streaming consumers. Movie studios who traditionally developed and sold content to streaming services have now been acquired by the streaming companies themselves. The market has seen aggressive mergers and acquisitions (M&A), which were used to gain access to bigger content libraries. Examples include Disney acquisition of 21st Century Fox and the merger of CBS and ViaCom. Rather than offering a range of content produced by different studios, which is rotated over time, each of the services are now tied to working with the studios within their portfolio which makes it more difficult to quickly pivot to niche subjects without acquiring other businesses. This forces consumers to pick



from the data driven style of content that the service offers.

The major issue with this M&A strategy is that traditional film and streaming platforms have two fundamentally different logics around how content should be organized and produced. Streaming services are not producing major franchise films, which typically feel too expensive for a laptop screen. Instead, they focus on producing lower budget films, and release more frequently than a traditional movie studio would. For example, films by independent studios such as Marvel's Avengers: Endgame had a production budget of $356 million (Rubin, 2019), while Netflix's first film with a budget greater than $100 million was released in 2017. This demonstrates that the streaming market is taking over the lower and middle chunks of the film business and leaving the upper range alone (Fritz, 2018). The differentiating factor between tackling the middle market vs. the upper end of the market is the logic and mindset that the studios use. Traditional film companies focus on commitment logic, whereas streaming services emphasize convenience logic. Convenience logic focuses on producing a broad range of content, which means that streaming platforms rely heavily on consumer data to produce a broad content library and present users with recommendations. In 2019 Netflix released 371 new, original shows and movies, which is more content then the entire U.S TV industry released in 2005 (Bridge, 2019).

On the other hand, traditional studios use commitment logic to spend time developing and implementing ideas in order to commit to a single artistic vision. The committed, focused approach used by traditional studios usually involves a higher budget, and subsequently higher quality films. The leading cable TV series in 2019 was Game of Thrones, which had a budget of 15 million dollars per episode and an 89% rating on Rotten Tomatoes (Watson, 2019). In comparison, Amazon Prime's series The Man in the High Castle had a budget of $9 million per episode and a rating of 82% on Rotten Tomatoes (Watson, 2017). Although the difference in ratings between these two series is not astounding, there is a consistent trend where content produced by independent studios have higher ratings. This trend of lower quality content is also seen in the award nominations and wins. In 2020 Netflix's myriad of content received 24 Oscar nominations, but only won 2 awards (Whitten, 2020). In contrast, Warner Studios received 11 nominations for their film Joker, and won 2 awards (Whitten, 2020). This means that although OTT consumers are given a long list of recommendations, the content is not the high quality television shows and pay per view movies that were originally promised by streaming services.

Placing User Experience on the Back Burner

Although content is at the forefront of streaming services' value proposition, the

"Although most user's don't explicitly evaluate user experience when deciding to subscribe to a streaming service, consumers weigh user experience to be just as important as content (Langston, 2019)."

platforms themselves also offer consumers unique tools and experiences that are not offered with traditional cable television. These tools and experiences fall under the concept of 'user experience'. User experience describes all aspects of a user's interaction with a product, which includes all of the possible user touch points from marketing and graphics to the service's engineering and design (Norman & Nielsen). Most consumers don't think about their experience when using a product unless it is frustrating or cumbersome, as their expectations are a flawless, pleasant experience. Although most user's don't explicitly evaluate user experience when deciding to subscribe to a streaming service, consumers weigh user experience to be just as important as content (Langston, 2019).

Netflix has two main features that have changed the game for consumers. The first feature is their sophisticated recommendation algorithm which not only tracks what you watch, but the time of day, how long you watch for, your click interactions within the platform, and on what devices you watch (Netflix, 2020). The accurate recommendations that Netflix makes provides users with a personalized service which is hard to replicate with traditional television. The second feature is their automatic play and bookmarking feature. By automatically playing the next episode and saving your spot when you leave part way through, Netflix provides an experience that requires little thought and action, which is exactly what users expect when they kick back to watch a show. In comparison, Hulu and Prime both launched with poor designs, which felt cumbersome next to Netflix (Levenson, 2020). Although Hulu and Prime are continuously improving their user experience, Netflix continues to trump both of them in number of users, and user retention (Rieck, 2020).

As the battle for quality content heats up, new services are focusing more on content, and less on user experience. Quibi, a streaming service that launched in April of 2020, promises its users micro content that is 5 to 10 minutes in length. This value proposition appeals to users who are looking to consume content while commuting or waiting in line. However, Quibi's platform failed to think about the user experience that their customers want. The platform only allowed users to watch content on their mobile devices. The backlash they received prompted a fix to be released to allow for Chromecast and Airplay integration. User's found that the Quibi experience didn't match their need to watch content at home and on the go, and a month after launching the Quibi app had fallen out of the 50 most downloaded free iPhone apps, leaving the platform with only 1.3 million active users (Sperling, 2020).

Users have voiced that the user experience on a streaming platform is just as important as the content quality, and these claims have been displayed in Netflix's success and Quibi's lackluster launch. The fragmentation of the streaming market is pushing streaming services to focus on content production, as shown by the increase in the amount of original content on streaming platforms in recent years (Langston, 2019). However, this has come at a price for the user, as new platforms are focusing less on the user experience, and existing platforms seem to be maintaining existing features, but are not making drastic improvements.

It only takes a quick Google search to reveal the vast amount of options that users have available to them in the OTT market. With the launch of five new major streaming platforms in the past 12 months (Reilly, 2019), market saturation is becoming more apparent as consumers are forced to pick and choose which services they subscribe to in order to access the content they want. Ultimately, the fragmentation that is forcing users to subscribe to multiple services at a greater cost is causing the streaming market to look similar to the bundled cable TV market that streaming services originally set out to challenge. The result is that streaming platforms no longer offer the range of content and low cost that they once did, and consumers are impacted as they pay more for lower quality content and a customer experience that is not continuously innovating. Moving forward, streaming services will need to take a holistic approach in order to retain and win consumers. Having captivating content is not enough to win in the streaming market, rather the services need to offer an experience to their consumers which involves the cost savings and breadth that they originally promised, as well as quality content and an immersive user experience.

WATERLOO BUSINESS REVIEW

Business Strategy:

Alternate Credit Analytics: Putting The Inclusivity Back Into Banking

Navya Mehta

Illustrated By
Zia Baig

From 28.9 million US households failing to qualify for $2000 of incremental credit (FDIC, 2015), to 44 million adults being credit-unscorable citing absence of credit histories, poor access to credit undermines mobility and equity in our societal fabric. Such inequity exacerbates racial, ethnic, and economic fractures as low-income consumers are often unbanked due to inflexible minimum account requirements, hidden service fees, and eroded trust in formal institutions. In addition, over 15% of African-American and Latino consumers lack credit histories compared to 9% of the Caucasian pool. Such exclusion is principally responsible for the adoption of fringe banking including loan-sharks and usurers that use egregious one-time transaction costs and higher interest rates for preliminary financial services to perpetuate a cycle of indebtedness. Credit is seen as the cornerstone of sustainable development evidenced by a 27.9% rise in US job creation with microcredit (Brown, 2010) and 176% increase in average income through the Grameen Bank (Shahidul, 2014). Pioneered by big data analytics, the use of alternate risk modelling in credit analysis will serve to herald inclusive credit-worthiness. Given user behavioral data provides granular insights across social media interaction, utilities, and housing, can analytics help level the gaping inequalities plaguing formal credit markets? Or would it instead abet this very inequity by unearthing and penalizing critical financial pain-points for underserved communities?

Fundamental credit exclusion stems from profit-maximizing banks portraying risk-averse behaviour to avoid the small loans market. This is motivated by higher perceived default risk for such communities due to "thin-file" inadequate credit histories. The absence of real-estate-based collateral, coupled with higher overhead costs for small-scale lending creates a business need to avoid this market segment, as the risk exceeds the bad-rate cutoffs (the probability of default). Alternate risk modelling is vital in "enhancing" behaviour characteristics for such "thin-file" applications, allowing distinguishment for default predictions and identification of truly credit-worthy underbanked individuals. Primarily, new consumer-facing data sources yield better insight into payment behaviour than traditional tabular credit histories limited to interactions with formal banking channels. Such alternate data spans utilities (usage and payment patterns for gas, electricity, and water), telecom (billing histories ranging from TV and mobile to broadband), fringe lending (histories of alternate credit arrangements spanning payday loans, cheque-cashing etc.), and social media interaction amongst others. The relevancy of alternate insights was addressed in a pilot initiative by the Commercial International Bank (CIB) to create credit scoring for drivers based on their customer ratings and comments (Loufield, Johnson, & Ferenzy, 2018). This study led to not only the integration of a novel segment into their lending portfolio but also the achievement of the lowest segment-wide default rates observed. Other preliminary successes include Fair Isaac (FICO Expansion Score) that uses membership, bankruptcy, judgment, and asset data to cover almost 70% of traditional unbanked consumers, or LexisNexis that leverages address history and professional licensure for over 90% coverage.

Using FairIsaac alternate scoring for each score bracket, early tests measuring repayment rates against defaults showed promising empirical evidence in Figure 1. As expansion score increases, the ratio of repayment to default significantly increases, establishing credit worthiness. As a result, the newer models clearly exhibit significant levels of risk separation. Oliver Wyman aptly summarizes the intended consequence of alternate data being better default recognition with more confidence and accurate probabilities (Caroll & Rehmani, 2017), as presented in Figure 2. "Thin-file" credit histories yield flatter default risk curves due to the inability to distinguish applicants on fewer data points leading to a rejection for a majority of the applicant pool. Alternate data, by spearheading newer comparison frontiers (like the extent of social media interaction, utility payments, mobile usage statistics), adds more predictive power to existing credit records. This added separation helps achieve a steeper risk curve that identifies true delinquency risk and enables a larger percentage of the lending pool to fall within the bank's risk practices.

Expansion Score	Credit Card	Auto Financing	Mortgage
520-539	1:4	1:7	2:2
540-559	2:0	1:8	2:7
560-579	2:6	2:6	3:6
580-599	6:0	3:3	4:5
600-619	7:2	4:1	6:8
620-639	11:6	5:5	10:0
640-659	15:7	6:3	12:3
660-679	22:8	9:2	18:6
680-699	28:5	11:6	23:1
700-719	33.9	16:1	27:7

Figure 1: Fair Isaac Good:Bad Ratio Results (Schneider & Schutte, 2007)

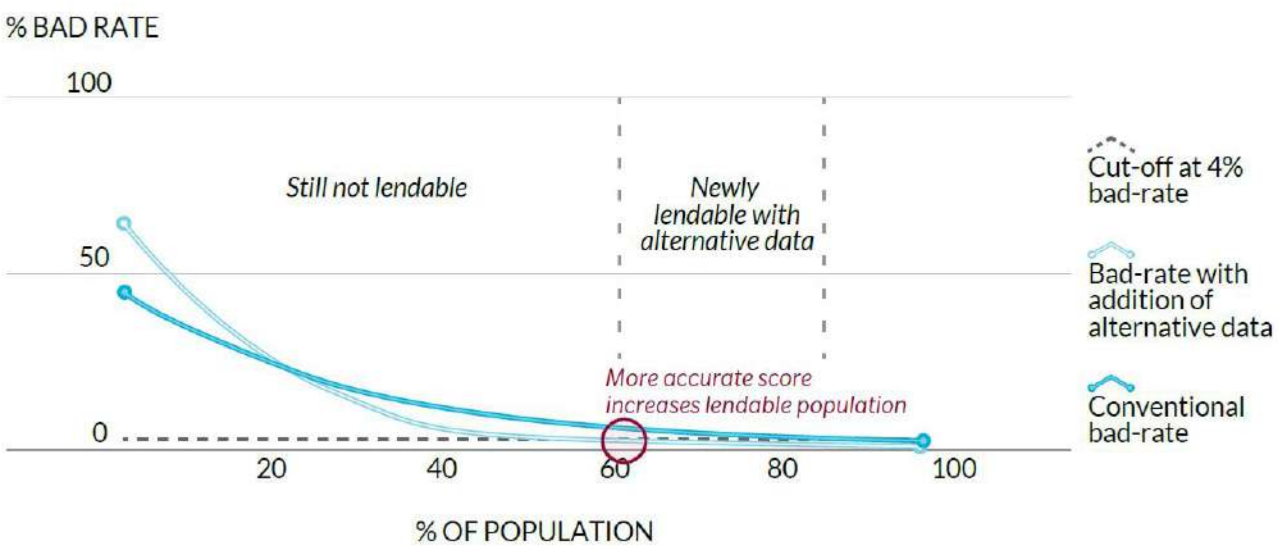


Figure 2: Risk Separation with Alternate Data (Carroll & Rehmani, 2017)

In addition, the improved separation stems from alternate data's ability to eliminate arbitrary "lumping" policies in formal credit. "Lumping" refers to reporting practices where events with vastly varied triggers are assumed to yield equivalent predictive value. For example, foreclosures arising out of illness and crippling medical bills are not statistically equivalent to those caused by a national economic collapse, or from poor real-estate investing. However, using them as a single proxy value for delinquency unfairly penalizes customers for "Black-Swan", or unpredictable and infrequent, events out of their control. Specifically, a study by the Federal Reserve found that most customers with impaired credit did not engage in credit-harming behaviour again (Bos & Nakamura, 2013). Furthermore, in an experimental lending to customers with negative details on credit reports, defaults were under 27% for two years, suggesting the events causing the impaired credit often involved circumstances beyond control that do not reflect the individual's true default probability. Alternate data has the ability to identify instances when "lumping" has occurred, principally through the recognition of newer confounding variables collected that may differ across previously similarly-reported events. Such variables offer high information entropy through granular separation of historic events to better predict future default.

Additionally, alternate analytics is beneficial in retracting the length of the time-frame used to ascertain credit-worthiness. Historically, for applicants with limited credit histories, banks have had to rely on long histories with limited data-points, a method which can unfairly penalize periods with significant financial distress. As the National Consumer Law Center (NCLC) notes in the aftermath of the Foreclosure Crisis of 2008-2009, over 4.5 million families facing foreclosure had their credit scores significantly degraded in the United States, with those mortgage defaults being vital factors for traditional credit models for the subsequent decade (Wu, 2013). Traditional modelling hence serves to entirely exclude over 70% of defaulters from credit markets for 10-year horizons (Hedberg & Krainer, 2012) with scores not returning to pre-foreclosure levels for over seven years (Brevoort & Cooper, 2010). Primarily, access to utility and telecom payment patterns and fringe banking histories provides a more recent and detailed perspective on delinquencies, or the lack thereof. This larger pool of information allows alternate models to apply preferential weighting that can possibly better characterize present credit reliability of the applicant, hence not overly skewed by historic outliers that no longer reflect the individual's financial health.

However, the implementation of alternate analytics is often constrained, linked to practical considerations on precision. In an initiative where NCLC reporters ordered their own "alternate" credit data from four major data brokers, 13 of 15 reports studied were riddled with inaccuracies, including personal identifiers (address, mobile details etc.), employment sector classification and salary estimates. Such errors stem from difficulties in data assimilation to link often-incomplete consumer data across several information sources ("fuzzy matching"). The consequence is resultant noise in the dataset that causes greater estimation errors in credit models and yields them unfit for deployment at scale. Secondly, alternate modelling also spurs the potent risk of exacerbating inequality by capturing key financial distress factors for underserved individuals. For example, the inclusion of utility payment patterns can unravel defaults on 30-60 day windows, often involving low-income households with volatile incomes delaying summer and winter bill spikes to manage other critical expenses like rent and food. In addition, use of educational data is mobility-impeding and can discriminate against groups affected by systemic racism, as over 36% of non-Hispanic whites have a college education, whilst only 16% Hispanics and 23% African-Americans do in the United States. Similarly, over 40% non-Hispanic whites have managerial or professional employment histories as opposed to 30% African Americans (Wu, 2013). In addition, since individuals are likely to interact with others of similar socio-economic, cultural, or racial background, the use of social media histories is self-fulfilling by grouping entire social sects into high-risk buckets. The issue was most recently pronounced by Lenddo, a credit firm attempting to judge individual credit-worthiness as a function of their social media interaction (friendships, messages, networks etc.) with any existing loan defaulter. Given residential housing segregation, the inclusion of telecom location data may also magnify societal inequity and asymmetry by serving as a proxy for race or income.

This tendency for alternate modelling to reiterate societal bias draws to the black-box argument in machine learning. The difficulty in recognizing exact factors driving probability estimates combined with ingrained biases in training data create vehicles to perpetuate discrimination, or as Cathy O'Neill poignantly puts, "weapons of math destruction". The mitigation of these pitfalls for alternate modelling have prompted novel scoring designs, particularly "second-chance scoring", pioneered by UltraFICO. "Second-chance scoring" presents a voluntary opt-in service that re-evaluates only those applications rejected from traditional modelling by using custom analytics to verify the possibility of re-approval at better rates. Hence, new analytics can only benefit, not harm, the applicant's credit-worthiness. By leveraging partnerships with Finicity, Experian, and the National Consumer Telecom and Utilities Exchange, UltraFICO presents an equivocally revolutionary product to responsibly integrate behavioral analytics to redefine credit.

To conclude, by harnessing the volume, velocity, and variety of big data, alternate analytics presents disruptive solutions to the fissures plaguing modern banking. From capturing enhanced behavioural insights, resolving pre-existing "lumpings", and refactoring prediction time-frames, this information paradigm can fundamentally restructure the cornerstones of credit-worthiness and democratize the narrative of social mobility. While model biases, discrimination and data precision issues hold this optimistic narrative in contempt, novel "second-chance scoring" designs refocus on the up-side that the reimagination of risk modelling heralds. As FairIsaac, UltraFICO, and LexisNexis begin to dominate this landscape, conventional consumer banking truly stares right at the precipice of a paradigm.

Interview:

Kuba Soltysiak And The World Of Entrepreneurship Through Acquisition

WBR: Could you walk us through your story, and the background behind Red Oak?

Growing up I had several entrepreneurs in the family, and I was always a technical, geeky kind of guy. I enjoyed building remote control cars, boats, and things like that. Ultimately though, I wanted to be an entrepreneur. Coming out of business school at Schulich, I wanted to launch business, but at the same time I saw the opportunity students have when they're finishing undergrad to get these high profile professional jobs like consulting and investment banking.

After seeing how interesting consulting could be, I started working with a consulting firm called Satov, and worked with them for four years. I would argue consulting is the best possible job you can have coming out of undergrad, because you're spending a few months at a time working with different companies. All the while, I was exploring ideas about things I could launch on my own. After pitching a start-up idea to some guys at Satov, they instead suggested that I could buy an existing business and fix it up. Since I'd worked there for a few years, I realized that was a skillset I had already developed. As I met more people that had done that, I realized: (1) it's doable, and (2) it's a lower risk and higher reward approach to entrepreneurship. You can find a developed business model that already has a product market fit, and that has found its first clients. If you see that it's a good business, then you can buy it and expand it.

So, in my mid-20s, I decided that was a great path to take, but I didn't really have the credibility to raise ten or twenty million dollars, which is what you need to buy a business. So, I ended up going to Imperial Capital, a Toronto-based private equity firm with about $1B AUM. I did M&A with them, portfolio companies interventions with them, and some in-house consulting. The opportunities you get with private equity firms give you great high-level exposure to the specifics of which companies to invest in, which CEO is and isn't performing, and what you need to do to change a team. More importantly though, I was exposed to a lot of CEOs who were running our portfolio companies. However, in most cases, these weren't the original founders. Instead, they saw an opportunity to grow a smaller business organically or saw an opportunity to consolidate an industry. Thinking further, it was clear that these guys were having the most fun, as they were building out these niche companies, and taking on the coolest projects. For me, that's how I confirmed it was what I wanted to do. Shortly after my experience at Imperial, I completed a one-year MBA at INSEAD.

Afterwards, I launched Red Oak Succession Capital, gathered a group of twenty investors, and now we have up to $20M in equity capital to deploy.

WBR: Throughout university you operated a small business, whereas students around you were taking on more conventional roles at corporations. In your opinion, how do you believe this contributed to your skillset and set you apart from others in your undergraduate class?

I think the most important skill I learned from running a business is managing people. In one project, I scored work to do somebody's website. At the time Flash was the hot technology. However, because I didn't know how to do it myself, so I had to find someone that knew how to use it. Getting them to consistently deliver on time though was a challenge. For example, one time I hired somebody to do some flash development, but he wouldn't come through on time. The problem is the project depended on him, and I couldn't submit it to my client without getting it done. Management ability is key.

The ability to sell is another skill that I learned that contributed to roles in consulting and private equity. At the end of the day, all of these roles are sales roles. That is, you're selling consulting services, you're convincing a CEO to sell you his company, or convincing him to follow the strategy that you're recommending.

Analytical skills are also very important. The ability to understand financial statements and concepts like supply curves from economics all come into play at some point too. The nice thing about entrepreneurship is that you end up using every class you take in undergrad in some way.

WBR: Later into your undergrad, you pursued a role in consulting. Could you speak to your decision to pursue this pathway over others, as well as some of the skills you built with this role?

The last summer of my undergrad, I did an internship in finance doing foreign exchange trading and derivatives. At the time, I thought I was a very analytical person, as I liked finance theoretically. However, when I spent the summer with them, I saw what daily life looked like: sitting in an office tower on the phone, modelling payouts for option strategies. Ultimately, I realized what I really wanted to do was manage businesses, and lead organizations, and this was far removed from that.

Finishing up the summer before my last year, I researched the options, and consulting very much appealed to me. The opportunity to see businesses from the inside, to work with CEOs and senior management teams on tricky situations really drew me in. So, I put all of my efforts into consulting. It's amazing to be just out of school at 22, and be helping implement meaningful changes in organizations. Something more is that you get to work with and learn from incredibly smart and experienced professionals.

I learned tonnes, from what it's like to meet with senior people, to how to work an initiative through the bureaucracy of a big bank, or how to go into a $100M revenue manufacturer and get things done.

I also learned several technical skills, from how to optimize operations, to thinking about business economics, to how to grow into new markets.

Running Red Oak right now, I'm sometimes asked by CEOs, "What do you know about my industry?" Since I spent four years in consulting, going to a new company every two to three months, I can always find relevant experience to point to. Healthcare? Oh, I've worked with dental facilities, and laboratories. Suddenly it really adds up over a few years. That plus the ability to speak with senior people has been huge.

WBR: You eventually pursued an MBA internationally at INSEAD after Imperial Capital. What role do you think this experience played in your life?

Most people pursue an MBA three to five years into their working life. I did mine basically eight years into work, so I did mine fairly late. Consulting and private equity are very intense roles – you're working late, almost every weekend, and some stress is involved. I thought it would be good to have some time off, go to Singapore and France, spend half a year in both places, meet other ambitious people from all over the world, and have fun with it. My number one goal was to have fun for sure.

My second motivation was that I always liked education, and always found it valuable. Having a master's degree of some sort was also one of these things that I wanted to do for personal reasons. It was a great investment, but also partly for the ability it offered to take on new experiences.

Afterwards, I found that it does add some credibility. When speaking with business owners, and with investors, they see it as the basic business education. While the textbooks are the same as undergrad, I got a lot more traction from investors because of it, and certainly have more reputation with the business owners I reach out to.

WBR: Could you briefly explain what entrepreneurship through acquisition is and how it differs from the conventional start-up model?

Like doing a start-up, entrepreneurship through acquisition is a path to owning and running a business, but instead you're acquiring an existing company. There are a few ways to buy a business. For example, by $5MM in pre-tax profits, there are a lot of private equity type buyers out there for them. Financial buyers can buy those businesses because at a size like $5MM in EBITDA, you have a proper management team, including a CEO who is a hired professional with a stock option package. So, somebody with a cheque like a private equity firm could buy it, and the whole firm could keep running just like it did.

However, when you get to smaller businesses, the problem with selling them very often is that the entrepreneur is tied to running the company. Often, the owner is the president, and is critical to all the relationships with key clients and employees. There also often isn't much of a management team that's built out. In other words, it's much harder for private equity investors to buy them. That's what creates the opportunity in the market for search funds, as they are buyers with both the money to purchase those businesses, but also the capacity to step in and manage the company day-to-day.

As a result, there are actually quite a lot of investors that are willing to back acquisitions by young entrepreneurs. You put together a bunch of investors who will provide together up to $20MM to buy a company that I will run. They see it as a great way to get an ambitious, talented person with a good professional track record, and they'll get strong returns because of backing somebody like that.

They also get the opportunity to invest in an established business. In most search fund acquisitions, they aren't growth companies in the traditional start-up company sense, where for example you might expect to get 10X the business in a few years. They tend to be in more under the radar traditional industry niches, but are profitable, steady, and recurring. For example, I'm looking at a company that outsources internal accounting functions. Very often, they're run by entrepreneurs that may not be educated in business school. So, search fund entrepreneurs can step in and consolidate an industry, or take a smaller player in it and accelerate its growth.

WBR: What advice do you have for entrepreneurial students and individuals who are interested in starting something for themself, but may not have the technical background to build a product like an app on their own?

Often, people think of entrepreneurship as one big category. However, there are actually three types.

The first type of entrepreneur builds a business from the ground-up. This is the venture capital route to entrepreneurship. With this path, people aim to build companies that may be a unicorn, or worth hundreds of millions. We're going to put together a strong team, invest hard, and don't need to make money in the beginning since they're aiming for high growth. They're deliberately building with intentions to go big.

There's a second type of entrepreneur that builds a business to generate cash flow, run a bit as a lifestyle business. They have some ambitions in their mind, but they may not have the funding, or ability to turn that ambition into a concrete plan of how to expand it. You have tonnes of those entrepreneurs. For example, you can look all around you with people running a cleaning company, or an auto repair shop. They're far from being a Mark Zuckerberg of course, but they're certainly all entrepreneurs. There's a conscious decision between the two.

The third type of entrepreneur is the one that buys a company. The search fund is one way to do that. Other ways include self-financing or working with a private equity firm to step into one of their businesses. The approach you want to take ultimately depends on your personality, the industries you like, the type of business you want to be involved in, and the lifestyle that you want.

WBR: How has your definition of success changed over time?

I've always liked carving my own path and considered my career as an adventure. I enjoy taking on outside the box projects and ideas. I noticed a pattern of that now, both in personal life and in the professional life as well. I think it's mostly about enjoying your life and having fun. As you get a little bit older, success changes depending on how it fits into your overall family life as well. The good thing about careers in business is that you'll make a decent living with any path, so you'll never have to worry about having to pay the bills. It's mostly a question of what you want to do all day, what makes you feel fulfilled.

Fall 2020 Internship Opportunities

Red Oak Succession Capital is looking for sharp, entrepreneurial, and hard-working individuals to join our team to help us find and acquire a business to operate. This is a great opportunity to learn how to identify and analyse private company investment opportunities, approach owners and shareholders, and negotiate transactions. You will develop the skills for a future career in entrepreneurship, private equity, investment banking, or consulting. You will also learn how to go about raising capital and acquiring a business yourself in the future. For more information, please visit http://redoaksuccession.com/careers/

WATERLOO BUSINESS REVIEW

Business Strategy:

Tesla And Its Electric Bubble

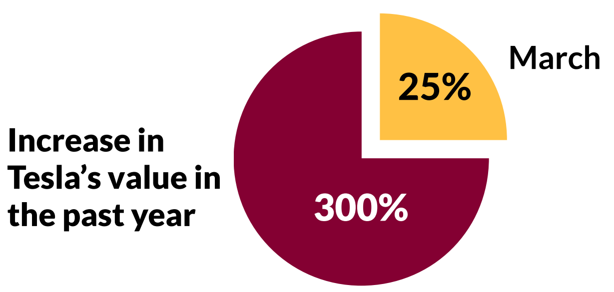
Waleed Khalid

Illustrated By
Lyn Michelle Cruz

Off to the Races

While 2020 for most companies has been plagued with shortcomings, demise and downfall due to the COVID-19 outbreak, Tesla has emerged as a winner on financial markets. In March alone, the S&P fell more than 30% with a lot in the near future unknown and up to sheer speculation. In the past year, Tesla's value has increased by more than 300% with more than 25% in March alone. Like a lot of things, Tesla's heroic growth and performance may just be too good to be true. However, under the radar, Tesla is challenged by a lot of obstacles. Enhanced by long-term preventative internal factors mitigating its long term growth, Tesla is in a bubble with a lot of revelations to be made clear in the near future- perhaps leading to a burst.

Tesla's Value Increase In the Past Year



Tesla has emerged as a premier company in the growing Electric Vehicle (EV) industry. Founded in 2003 by Martin Eberhard and Marc Tarpenning on the premise of building electric vehicles, Tesla has grown in the past 17 years defying odds and pushing boundaries, making technological advancements and breakthroughs in the relatively new EV industry. However, Tesla has grown at unprecedented levels recently, enough to warrant substantial concerns indicating the company being overpriced.

As numerous and established automakers prepare to enter the evolving EV market, estimated to grow at over 22% annually until 2027, EV companies must be able to meet the demands of this evolving sector to withstand unprecedented competition and disruption. There are five key drivers imperative to achieve success in this industry: brand, customer experience, production strategy, talent and business model. Though the ability to meet such demands varies on a company-to-company basis, Tesla has systemic weaknesses which beg the question: is the company overvalued? Poised with numerous faults within its internal production process, rising competitors, a less than optimal business environment and underlying weak finances- it is clear that a lot of Tesla's faults are overlooked, an oversight which has led to the bubble the company finds itself in today.

Five Key Drivers

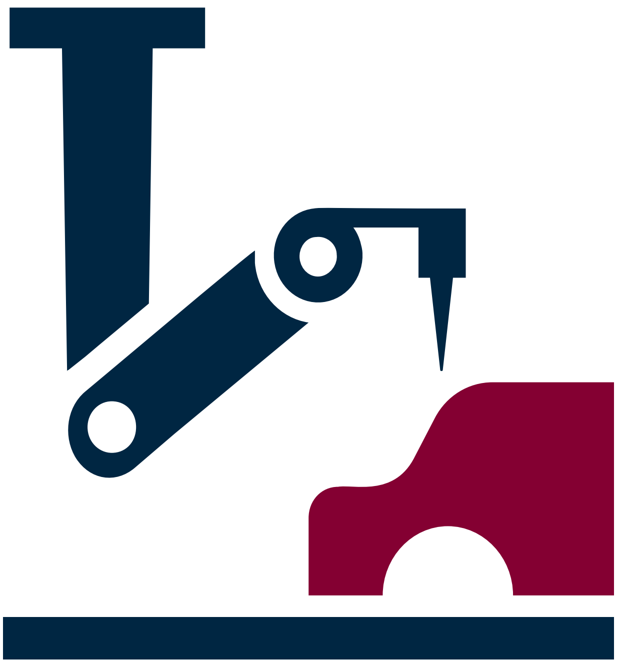
Road Blocks

In its short but tumultuous history, Tesla has had a poor track record of production- particularly in upholding standard, consistency and quality. From January 2018, over the course of more than twenty months, 66% of new vehicles had problems. These issues ranged from issues with paint, panel gaps, scratches and even improperly attached seats. While issues can be expected for new cars, there is a reasonable expectation for issues to be rectified in the near future, something that has not been the case for Tesla. Despite attempts to take control over supply chain production processes, old problems remain consistent today, suggesting a lack of attention and care in production as the company pursues production quotas. Recently, Tesla has been pushing for the mass production of its Model Y vehicle. Unsurprisingly, this has not been without fault. In addition to recurring past issues, this time around many vehicles are having issues with rear tail lights and loosened or improperly installed seatbelts. This has prompted many customers to outright refuse delivery, taking advantage of Tesla's 7-day return policy. For Tesla and CEO Elon Musk, this is a major concern and setback which has not warranted equal concern from shareholders and investors.

> **“It is extremely important for us to ramp up Model Y production and minimize rectification needs. I want you to know that it really makes a difference to Tesla right now.”**

One large area of concern is Tesla's methods of production, in particular its over reliance on automation. Since its early days, the company has leveraged the use of automation and advanced technologies- a primary factor of differentiation between itself and other automakers. Though ambitious, Tesla has suffered from over reliance on robots to automate not only the stamp, paint and welding processes but the entire final assembly which has inherently contributed to many of the challenges the production process faces today. Current and future Tesla Models are growing more and more complex- in such production processes, only humans can adapt to the rapid change and modifications sometimes necessary, something which has been neglected.

“Yes, excessive automation at Tesla was a mistake. To be precise, my mistake. Humans are underrated.”



Source: Bank of Canada, 2023 interest rates

Evidently, such a track record has resulted in vast recalls; taking away from the image and consumer trust that both Tesla and the EV industry needs.

Speed Deceleration

In addition to underrated use of human talent; Tesla simply doesn't use its workers efficiently. While as much as 95% of the Model 3 was automated, compared to traditional OEM’s, Tesla uses more employees per vehicle manufactured- showing a disarray and failure in human management. NUMMI, a joint lean manufacturing plant between Toyota and General Motors opened in 1984 is the premier industry example for strong manufacturing. Tesla’s factories similar in size, produce ⅕ the capacity of NUMMI and on average leverage 8-14 employees per vehicle manufactured, ⅐ the efficiency of NUMMI .

Meet the Contestants

Inevitably, Tesla’s growth and surgence in the growing EV market will soon be further challenged by rising competitors. As more customers look to buy EVs, combined with ambitious global climate change goals, conventional automobile manufacturers are investing and preparing to compete in the EV sector. In 2020 alone, Audi, Toyota and BMW will introduce a combined 14 new EV models. Further ahead, by 2022, Ford is projected to have 40 different EV models! As large original equipment manufacturers (OEM's) enter the market, the true state of supply and demand becomes rather concerning. For a company like Tesla whose entire focus is on EV's, incoming OEM's have greater access to capital and global positioning vs. Tesla. In the world's largest EV market, China, Tesla has benefited from special dispensations on behalf of the Chinese government. Despite this, Tesla is losing to specialized EV companies such as Warren Buffet backed, BYD company- who until 2019 was the world's largest EV manufacturer. As competition heightens by 2025 the industry by projects to have a surplus in supply, in excess of 5 million EV units. Unfortunately, with increased competitors carving their own competitive advantages, the road ahead simply isn't smooth.

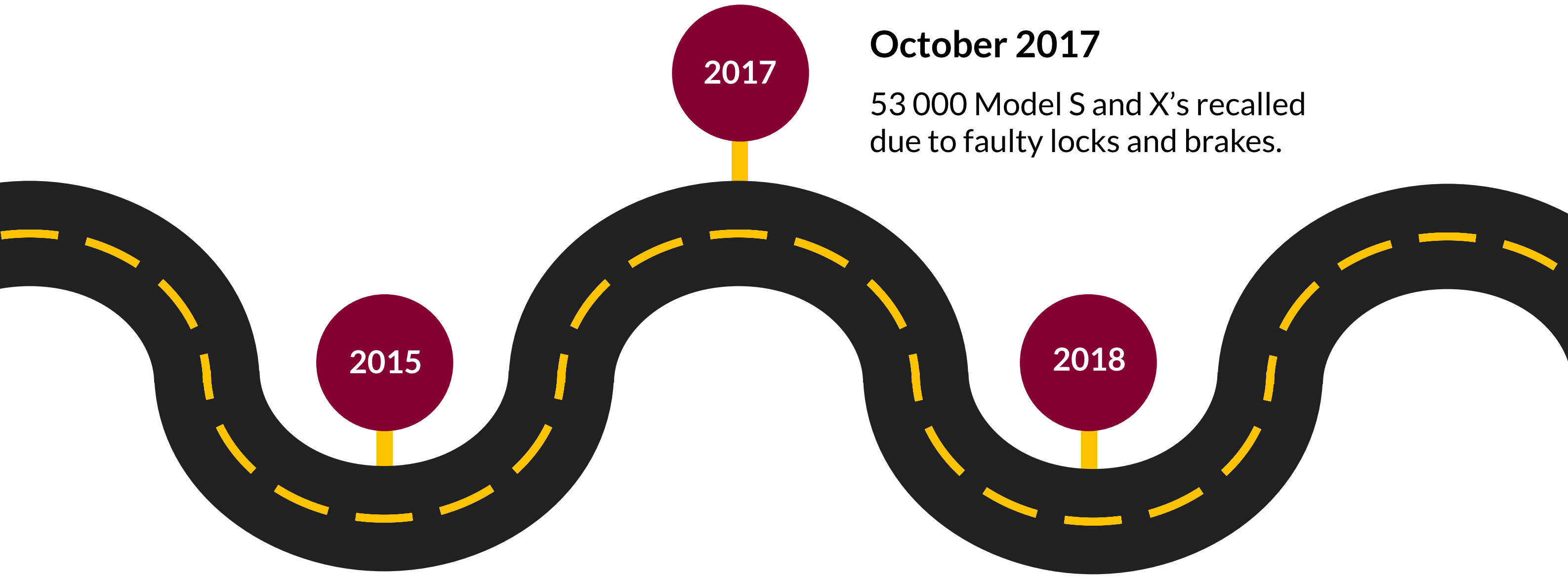
Recalls:

1. In March 2018, Tesla recalled 123,000 of its model S cars to rectify power steering bolts that had excessively corroded. (It makes the car harder to drive at lower speeds and therefore also makes parallel parking more difficult.)

2. In 2017, Tesla recalled 53,000 Model X and Model S vehicles due to malfunctioning parking brakes and a faulty locking mechanism.

3. In 2014 the company recalled 20,222 Model S sedans due to a charging defect that posed a fire hazard. This was followed by another recall of 90,000 vehicles of the same model due to a defect in the front seat belt assembly in 2014 the company recalled.

Timeline



October 2017

53 000 Model S and X's recalled due to faulty locks and brakes.

November 2015

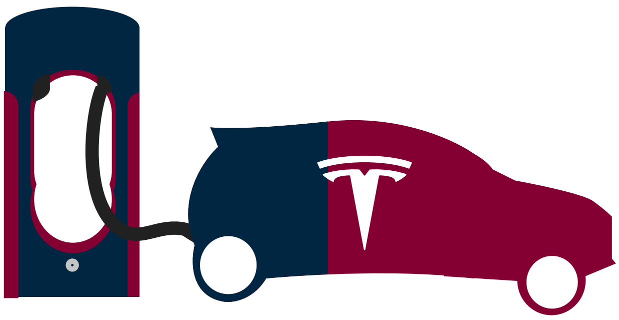
More than 100 000 Model S sedans recalled for multiple issues.

March 2018

123 000 Model S cars recalled to rectify power steering error.

Burning Out

As the company is entering a new and seemingly critical era, having a supportive business environment is imperative to its sustainability and growth. Internally and externally, Tesla has had both frail support and vast shortcomings. Feeble top-down management is often blamed as Tesla ranks higher than competing companies in job stress and turnover. At an annualized executive turnover rate nearing 30%, almost double the average of similar companies, it's clear Tesla has problems within its leadership and management-indicative through chaotic production, inconsistencies and unusual executive departures. Unlike single high level exits, Tesla has had the misfortune of losing entire divisions over the past few years. Long-term negative implications of such instability include increasing long-term costs, loss of human capital and adverse effects on overall company and staff morale. Further, Tesla's vulnerabilities within the business environment are not just limited to Twitter and internal leadership; for a growing and evolving industry, business development, support, investment and incentive from the government are also crucial. Unfortunately, the EV environment has lacked the incentives it needs early on to grow in North America. In terms of monetary support, following the recently elected provincial government, almost 60% of EV Zero Emissions rebates were scrapped back in 2018 .



Further, already lacking the initial support from governments critical to growth, in the North American market the EV industry's scope is quite limited. Within such an industry, private investment is integral in long term growth. The EV infrastructure is a business venture supported with large levels of funding in the Asian and European markets, however, the same cannot be said for North America. With rapid technological change and advancement; driven by consumer choice, both public and private investment in infrastructure systems is needed to support business. In the US, according to The Centre for American Progress, the US needs to add almost 500 000 new public charging outlets by 2025, however, only about 50% of the funding exists to deploy and create the adequate infrastructure. In the US, this gap amounts to $2.3bn. In order for segments with the EV market to grow, private investment is needed and only possible through government incentive and support.

A number's game

The relatively new EV industry is certainly expensive. OEM's are yet to develop efficient economies of scale and become consistently profitable. The bottom line for Tesla thus far has been a weak showing on financial statements. Operating in a new and expensive market, Tesla has been strapped for cash resulting in liquidity concerns and overwhelmingly bad leverage. In fact, many have speculated the company may turn to financial markets to raise more money- an endeavour which would likely reduce investor confidence. Interestingly, Tesla, the world's second largest automaker by market cap has no true PE ratio- given that it has yet to be profitable on a consistent or annual basis. Poor financials and stark contrasts between the books and the market suggest Tesla may be in a bubble. It's fair to consider Tesla as a unique company, not quite the average automaker but also not a tech company. Looking at the company's Enterprise Multiple (EM), it is computed by dividing EV by EBITDA. In Jan 2020, the average EV/EBITDA for the S&P was 14.14. Generally, a value under 10 is interpreted as healthy and above average, indicating that investors' willingness to pay up for securities has never been higher. US equities such as Tesla are overpriced and simply too expensive for justification. As of June 2020, Tesla's EM is ~63x. In comparison, Ford is at 23x, BMW at 9x, and Toyota is less than 1x. Comparing Tesla to tech giants such as Apple (19x) and Facebook (18x) suggests the same- Tesla is indeed overpriced. Further, the EV industry is simply too far at the moment from profitability. Most OEM's in fact lose money from the sale of EVs. It often costs $12 000 or more to produce comparable EV's to conventional automobiles. Currently, the cost of production is simply too high and research suggests competitive production costs to be essentially non-existent for another 5-7 years, through which time more and more OEM's enter the EV market. Though Tesla is indeed unique, bold and one of a kind; investors cannot keep on looking past glaring internal

factors and external developments, both inhibiting and questioning its long term growth. Poor production, rising competition, a weak business environment and concerning financial position warrant fair questions to Tesla pertaining to it's value- and ultimate capability to be a profitable EV company. Considering the facts, and drawing analysis from developments, Tesla is showing clear failures across segments including its brand, customer experience, production strategy, and talent and business model, failures which may ultimately signal Tesla's downfall.

WATERLOO BUSINESS REVIEW

Business Strategy:

A New Era Of Sports: Inside The Digital Realm Of Gaming

Selina Sun

Illustrated By Vedant Patel

Introduction

The emergence of electronic sports, most commonly known as eSports, has been one of the most influential disruptions to the entertainment industry. Its dominance has contributed to its increasing popularity that is expected to grow to 495 million viewers worldwide in 2020. eSports is becoming the new way of gaming during these unprecedented times. This industry has seen an emergence of viewership throughout quarantine which has helped their operations to remain largely unaffected and support their success in generating revenue. Despite the downfall of numerous industries, eSports will continue to thrive amidst the growing concern of the COVID-19 pandemic which will further promote the growth of this billion dollar industry.

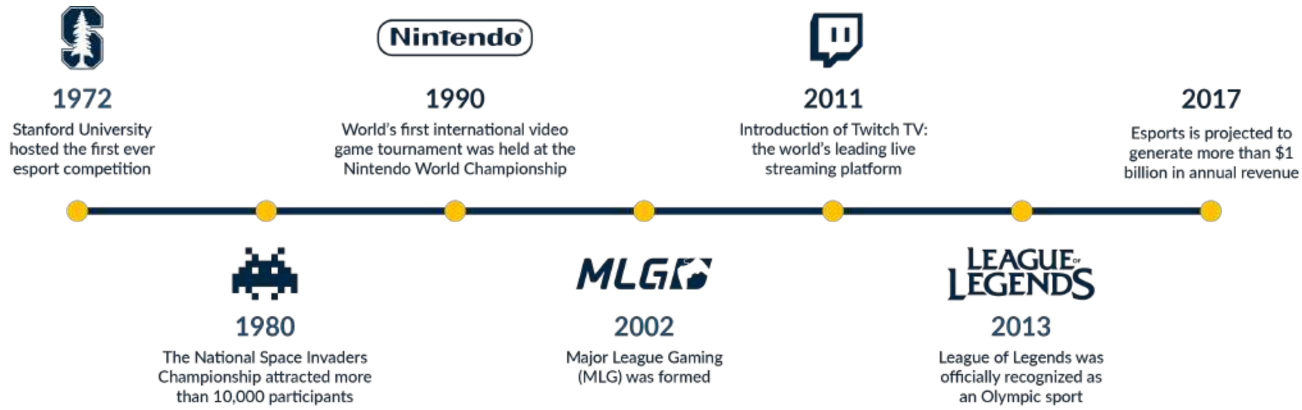
Background and history

ESports has been one of the fastest growing sports in the world in recent years despite being around for decades. Since the 1990's, eSports has been recognized as one of the most observed games in the world. ESports are video games that are played in a highly competitive and organized environment, varying from team-oriented online battle arenas, first-person shooters, real time strategy, and sports-oriented games that mimic traditional live sports.

There are many reasons contributing to the rise of eSports within the past few years, the most notable being that traditional sports' viewership has been declining at a rapid rate. Major League Baseball viewership has fallen by 7% since 2015 due to the presence of similar leagues around the world and because the lengthy duration of the games takes away from the excitement of the audience. League of Legends (LoL) has become one of the most established eSports communities and the largest spectator sports in the world with over 100 million players in 2017.

In 2013, the International Olympic Association (IOC) confirmed that League of Legends would officially become an Olympic sport. Overall, the popularity of eSports has been exemplified through the growth of its global customer base which is expected to gain another 200 million viewers by 2023.

Timeline



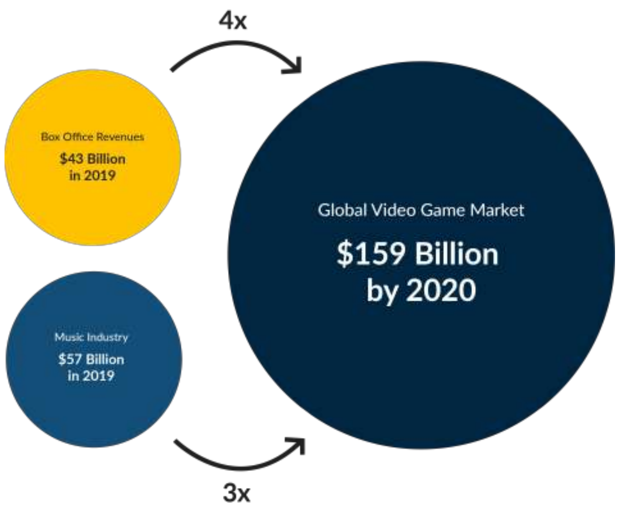
Normalization in Mainstream Media

The eSports industry has been continuously thriving amidst the COVID-19 pandemic and is projected to grow exponentially within the next few years. The pandemic is leading to the adoption and normalization of eSports as it is driving younger demographic groups towards eSports for entertainment rather than traditional sports. According to a survey conducted by Deloitte, 56% of the people ages 13 to 21, found that they were more receptive to non-traditional sports like eSports, as they were more relevant to their generation. Educational institutions have even begun to integrate eSports as universities like the University of California-Irvine and Kent State University are offering eSports scholarships for students while some high schools are offering eSports leagues as part of their physical activity programs.

Likewise, the University of Waterloo has implemented eSports intramurals as part of their recreational sport opportunities. Globally, this would represent tens of millions of new consumers for the industry. Overall, the pandemic has allowed eSports to continue to attract a young, high-income audience that appeals to advertisers and content creators.

According to Goldman Sachs, the online audience for eSports, is larger than HBO, Netflix and ESPN combined. The global video game market is forecasted to be worth $159 billion by 2020, almost quadruple the amount of box office revenues with $43 billion in 2019 and triple the amount of music industry revenues with $57 billion in 2019. With over 2.5 billion gamers worldwide and predicted growth to over $300 billion by 2025, the eSports market was bound to surpass their competitors in the entertainment industry. Now that cinemas are closed, many people are turning to home entertainment through eSports during this period of self-isolation. The growth of the eSports market further indicates how the normalization of eSports is evolving to the point of becoming more popular than mainstream media.

Visual Illustrating Esports' Dominance in the Entertainment Industry



The global video game market is forecasted to be worth $159 billion by 2020, almost quadruple the amount of box office revenues with $43 billion in 2019 and triple the amount of music industry revenues with $57 billion in 2019.

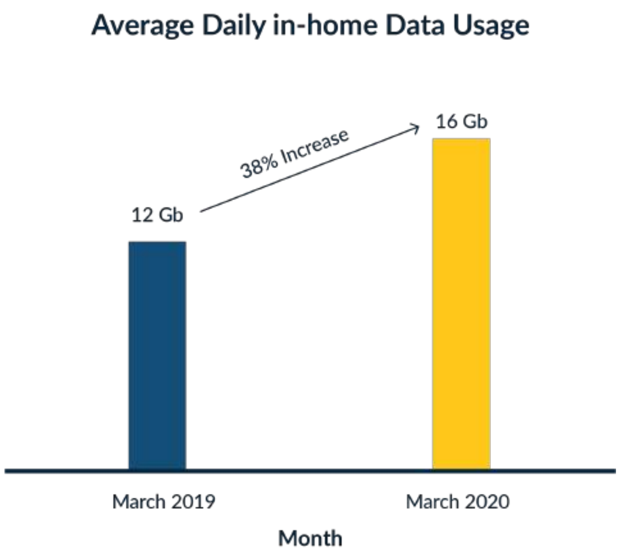
The Endless Potential of Video Game Streaming

The normalization of eSports is evident in the success of video game streaming, an Internet exclusive marketplace that provides an interactive online platform for audiences to engage with their favorite gamer personalities. Twitch TV currently dominates as it provides a unique form of entertainment by broadcasting live eSport competitions to mass audiences. They have been successful in growing their fanbase and attracting potential sponsors which lead to their acquisition by Amazon for $970M in 2014. As of May 2020, they were considered one of the world's biggest streaming websites with over 7.4 million active streamers according to Statista. The increasing popularity of online streaming has allowed players to pursue a career and make a living in playing video games, an option that did not exist a few years back. Players participate in competitions where they can win prize money and generate income from sponsorships, coaching fees, and ad revenue from their live streams. The introduction of Twitch Prime in 2016 allowed users with Amazon Prime to directly subscribe to streamers, increasing revenue for broadcasters. Live streaming platforms have also introduced a number of changes to benefit streamers such as microtransactions through the streaming platform's currency, Bits, as another method of providing monetary compensation. The pandemic has only accelerated the success of pro video game streamers who have seen a 25%-30% increase in viewership since the beginning of quarantine and 13,000 viewers per game. During the peak of the COVID-19 crisis, 43.27 million hours of the top 50 games were viewed on Twitch in a single day on March 21st, increasing by 31% within two weeks. Video game streaming provides viewers with the opportunity to interact with their favourite gamers by offering a real-time chat feature. This allows fans to chat with each other as well as the streamer during the live session. In addition, followers cast their votes on polls to help the streamer decide the next game to be played or a specific path the streamer should follow in the game. These valuable interactions and user-generated content provide a unique social atmosphere for spectators and are one of the many reasons why people enjoy watching eSports. Just like how one would watch traditional sports at a competitive level, eSports fans support their favourite players who have spent countless hours perfecting their gaming skills. By doing this, viewers are also watching to develop new skills and strategies by observing pro gamers perform highly complex and reflex-intensive stunts.

With more people working from home and students learning online, live streaming platforms will continue to see an increase in viewership as eSports is becoming more normalized across the globe.

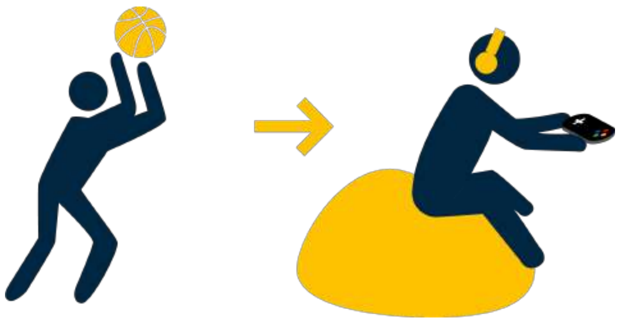
Digital Infrastructure

The COVID-19 pandemic has kickstarted an economic recession, severely impacting many industries with a lack of digital infrastructure. The future of these industries is unknown as the pandemic has reshaped the workplace to accommodate working from home and remote learning. Digital connectivity is critical to business continuity. The retail industry has suffered disruptions to their supply chain operations which continues to hinder their productivity. eSports was already well-positioned in the video gaming market before the pandemic as seen through its strong infrastructure, promoting easy access to connect with people across the world. Their business operations can occur online by relying on Internet connectivity as the foundation of their business model. With over 4.57 billion active internet users as of April 2020, eSports can easily utilize their network infrastructure to facilitate purchases, run live gaming tournaments, connect players with one another and immerse fans in the gaming experience. The COVID-19 pandemic has further perpetuated this through mandatory lockdowns and temporary lay-offs. According to Statistics Canada, almost 20% of Canadian businesses have laid off more than 80% of their staff. With more people working from home and students learning online, it is a natural byproduct to see an increase in web traffic. A report by Statista also indicates that since the COVID-19 outbreak, average daily in-home data usage has increased significantly by 38% from 12 gigabytes since March 2019 to 16.6 gigabytes as of March 2020.



This was observed across all device categories with gaming consoles and smartphones increasing the most. There is a clear correlation between the number of people staying at home and the increase in online gaming. According to a March 2020 survey conducted by Statista, video gamers reported that they spent 45% more time online gaming during quarantine. Likewise, an April 2020 survey confirmed 37% of young adults between the ages of 18-29 expected to spend more time on video games due to the lockdown. Given the circumstances and the restrictions set in place due to the coronavirus, the eSports market can anticipate to see these trends increase even more.

From Courts to Consoles



Professional sports leagues have suspended all their live games to prevent the spread of the virus, the most notable event being the 2020 Summer Olympics which have delayed their activities until 2021. As a result, sports leagues around the world have capitalized on the growth of virtual technologies during the pandemic by turning to the digital sector to find new ways of engaging fans. NASCAR recently replaced its live racing events with a virtual iRacing Series, attracting a peak of 1.3

million viewers. This simulation platform allows their professional NASCAR drivers and game enthusiasts to navigate and race on a digital track from the comfort of their own homes while establishing a lively environment for their viewers. Their eNASCAR Coca-Cola iRacing Series hosts the world's best simulation drivers competing for more than $300,000 in prize money. By doing this, NASCAR is able to retain viewership and fill the void of a live event while viewers can gain a sense of normalcy during unpredictable times.

Likewise, traditional sports have suffered major financial losses ranging from salary cuts for their athletes to competition cancelations. Major sporting leagues like the NFL, NBA, NHL, and MLB have been partnering with eSports to offer online competitions. For the first time, since the Boston Marathon bombings in 2013, The National Basketball Association (NBA) has postponed all scheduled games until July 30th, Occurring just moments after star player, Rudy Gobert, tested positive for COVID-19. The NBA was also the first major sports league in North America to suspend play. Instead of hosting live games, they have made the switch to virtual gaming with their eSports NBA 2K Players Tournament, a collaboration between the NBA, NBA Players Association and 2K publisher Take-Two Interactive Software. The virtual NBA 2K20 game featured their most distinguished NBA players such as Kevin Durant competing head-to-head on Xbox One consoles. Fans and enthusiasts can stream the tournaments on the ESPN App, NBA.com, the NBA App, and 2K and NBA social media platforms including Twitter, Twitch, YouTube, and Facebook. In the wake of the coronavirus, sports leagues are leveraging the strong digital infrastructure and low-cost marketing of eSports to recreate the excitement and quality of a live event remotely.

Software Downloads

The COVID-19 pandemic has also temporarily delayed the production of gaming hardware as a result of factories facing supply chain disruptions. Consumer electronics companies are unable to effectively manufacture their video games as more and more people are working from home. Nintendo has issued a warning that a situation of prolonged remote working will impact its processes as this will create a shortage of their physical products.

However, they have noticed a shift in their business model from physical to digital sales as Nintendo sold nearly half of their games online within the first few months of 2020. They managed to achieve 48.5% of their software sales as downloads as schools, workplaces, and electronics stores and outlets remain closed. In addition, Nintendo has been making huge headlines from the successful release of their new “Animal Crossing: New Horizons” eSports game during the pandemic. They have sold over 13.5 million copies since March, making it the most popular Switch game since the initial release of the console. Nintendo’s stock has gained nearly 7% on the year while Japan's benchmark Nikkei 225 has dropped around 17%.

Likewise, game developers like Epic Games, can still work remotely in creating quality games that their users will enjoy. They have been regularly making updates and patches to their Fortnite game to ensure their users can stay engaged during the pandemic. This is mainly because of the innovative gaming experience approach Epic Games has set for users. Developers are continually updating the game to perfection as they are mixing in new features. In addition, Fortnite’s free-to-play model has allowed them to generate over $1 billion in revenue from in-game purchases.

Conclusion

To conclude, the entire world has been brought to a standstill by the COVID-19 pandemic. Many expect it may take years until even a semblance of normality can be re-established. However, the rise of eSports will accelerate the overall market back to its original point because of the normalization of eSports, the potential of video game streaming, and digital continuity even amidst a global pandemic. Live video game streaming provides interactive and social aspects for the eSports community that traditional broadcasting cannot offer. Overall, the innovative and agile infrastructure of the eSports industry has helped them to pursue profitability and become commercially sustainable while providing a solid platform with long-term business strategies.

WATERLOO BUSINESS REVIEW

Business Strategy:

Bitcoin, A Facilitator Of Money Laundering

Joyce Ren

Illustrated By
Amy Li

Introduction

Bitcoin is a type of cryptocurrency that was first launched in 2009 by an pseudonymous person under the name Satoshi Nakamoto. It has since then become one of the most well-known cryptocurrencies today. A reason why it is so successful can be attributed to its use of blockchain technology. Blockchain is essentially a chain of blocks that contains information pertaining to a Bitcoin transaction. As bitcoin is intangible, its balance is stored on a public ledger which is transparent to all of its members. Each users' balance as well as the transactions they perform are verified then stored on the public ledger, known as blockchain.

Bitcoin has taken over much of the cryptocurrency market and became the largest and most prominent form of digital currency today. A 2020 survey by HSB showed that 36% of U.S small-medium sized businesses accept Bitcoin including Wikipedia, Microsoft, Burger King, and AT&T. However, with its increasing popularity, concerns for Bitcoin have increased throughout the years due to its growing involvement in illegal activities; one of which is money laundering. Bitcoin can facilitate this illegal activity through its pseudonymity, decentralization as well as business' lack of incentive to implement the Anti-Money Laundering compliance.

Pseudonymity perpetuates money laundering

There are three main stages of money laundering: placement, layering, and integrating. Placement is when the illegal money is first introduced into the financial system, relieving the launderer of holding physical large amounts of cash. The second stage of layering occurs when a criminal tries to complicate the link between the laundered money and the source, as best as they can. This is a crucial step because the inability to cover up the track of illegal sources puts the individual at legal risk. Lastly, integrating is where the laundered money gets returned to the criminal from a seemingly legal source. Laundering cryptocurrency also requires the individual to go through these three stages. However, Bitcoin can make this process easier

through its pseudonymity, or its ability to disguise a user’s identity as well as its ability to avoid placing the laundered money in a legitimate financial institution while its "unclean". A common way to launder fiat money is smurfing. Smurfing is a method that criminals use to avoid regulatory detection by breaking up the dirty money into small bits, so it does not pass the reporting threshold. Since it is hard for the criminal to hide the link between themselves and the money, this step helps criminals to obscure the source of the money so its illegitimacy remains concealed. This action is risky in that if an individual’s action is suspected, the associated financial institution can hold them responsible automatically as their identity would be known.

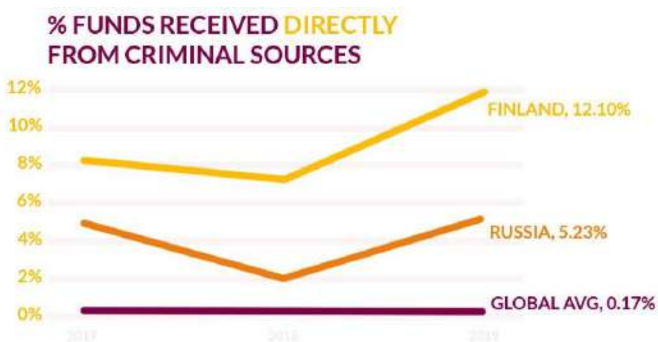
Bitcoin on the other hand has an advantage as its pseudonymity systematically creates a layer between the individual and the illegal money. When users obtain an address, they will also receive a public and private key; the latter is first generated randomly using numbers and letters, from there a public key is derived through an algorithm. The public key is similar to a bank account, to spend the money inside, you need the private key to prove your ownership of the account. For instance, when sending money between accounts, person a and b would exchange their public keys. Then person a can send money to person b by encrypting it using person b’s public key. Since only person b has the corresponding private key, only person b can decrypt the transaction. As you may see, both parties’ underlying identities are hidden throughout the entire transaction. However, if a person utilizes the same public key to receive Bitcoin and this address becomes linked to the user’s identity, all the transactions will be linked back to them. To enhance bitcoin’s pseudonymity, individuals can use different addresses for each transaction so that even if one address gets linked to them, others will remain hidden. Bitcoin’s pseudonymity enables its users to separate the money from its users, because finding the source of the illegal money does not mean that the criminal behind the scene will be revealed automatically. This also gives the persona in question an incentive to launder through Bitcoin because even if the cryptocurrency is found to be fraudulent, individuals themselves can still get away with their crime. This is a reason why Bitcoin is attractive to Bitcoin launderers -- their identity becomes a sequence of random letters and numbers, making their underlying identity disguised even if the bitcoin is found to be illegitimate.

Furthermore, many existing methods criminals use when adding layers to laundered fiat money require them to go through a central authority; the criminal may need to perform multiple transactions with its illegal cash through a bank or purchase an expensive asset through a central authority. This increases the risk of money laundering since the criminal's identity will most likely be known to the central authority who may also find the money faulty. In contrast, Bitcoin users can avoid going through a central authority altogether while the money is still illegitimate through a peer-to-peer network. A peer-to-peer network refers to "the exchange of cryptocurrencies or digital assets via a distributed network", it allows both sides to perform transactions without the involvement of intermediaries. It is decentralized and is frequently conducted internationally. Through this platform, individuals can send the illegal money to an unsuspecting third party, for instance an accomplice, who can then send the fund to their next placement. Most cryptocurrency money laundering schemes end with the clean bitcoin funneled into exchanges in countries with little or no Anti-Money Laundering regulations. It's here that they can finally be converted into local fiat. The privacy provided through the peer-to-peer network lowers the cost of transactions as well as the risk of getting caught. The peer-to-peer network feature helps individuals to launder money as it avoids the need to go through a central authority, decreasing the risk of getting caught.

Argument II: Bitcon's decentralization makes it difficult for governments to regulate it

While governments around the world have stepped in to assert regulatory power over Bitcoin, Bitcoin and other digital currencies remain unattached to any jurisdiction or institution due to their decentralization. Though this can be beneficial to users who seek privacy, this decentralized status could result in legal complications. The regulation of Bitcoin varies largely by country. Since it is decentralized, its classification also varies, with some countries recognizing it as legal tender, property or even commodities.

The United States Federal Government and State Government have been focusing on Bitcoin at an administrative agency level instead of a federal level. This means Bitcoin is overlooked by federal agencies such as the Securities and Exchange Commision (SEC) and the Internal Revenue Service (IRS). In comparison, Finish economists felt like there was no need for governments to regulate Bitcoin due to how decentralized it is, contrary to its European counterparts. Asian countries such as China banned cryptocurrency exchanges altogether. It is not hard to see that some countries have tighter regulations on cryptocurrency and it is this variation that creates a loophole for money launderers. This can be further supported by a 2020 cryptocurrency crime and money laundering report by Ciphertrace where it found that “74% of the bitcoin moved in exchange-to-exchange transactions were cross-border”.



Criminals are known to take advantage of the discrepancies between regions with stronger vs weaker anti-money laundering (AML) regulations . This can be supported by the graph to the left where Finland received the highest percentage of funds directly from criminal sources. Since Bitcoin is not regulated globally but rather by country, cybercriminals can take advantage of this arbitrage, especially when it is easy to make international transfers using Bitcoin.

So what makes it hard for governments to regulate Bitcoin? There are two reasons: Bitcoin decentralization, and the absence of a central authority. Since the very concept of Bitcoin came out of a mystery, many customers want to protect their autonomy, how the regulators govern Bitcoin without discouraging customers from using Bitcoin is a problem that needs to be solved. A line can be drawn between Bitcoin and fiat money; the government is more comfortably regulating fiat money as it is centralized and the national bank is the sole issuer of it. Governments can regulate it in various ways, including its value as well as the amount supplied in the economy. In contrast, Bitcoin is harder to regulate due to its decentralized nature. For instance, the Internal Revenue Agency perceives crypto as a lucrative source of revenue, hence simply ridding the world of Bitcoin potentially means a decrease in revenue for governments. Inevitably, governments across the world will have to develop regulations gradually, during which individuals can exploit loopholes in the various of these regulations. Below is a map illustrating the level of regulation countries have on cryptocurrency.

Argument III: Problem with AML compliance

The aims of an anti-money laundering compliance program are to expose fraud, money laundering, tax evasion, and terrorist financing within a company. To reach this goal, there are three main steps: sophisticated reporting, detecting risky customers and compliance officers. Companies have an incentive to implement AML compliance not only because it increases the safety of their business but also to avoid penalty costs. From 2004 to 2010, 110 financial institutions in the U.S were fined for failing to meet AML compliance. The most well-known penalties were monetary fines: HSBC - $1.92 billion, Standard Chartered - $327 million in 2012, and BNP Paribas - $8.9 billion in 2014. Although there is an increase in AML regulation, businesses are reluctant to follow them because of its cost. For traditional "Know Your Customer" (KYC), which falls under the AML compliance, companies had to pay money to register with the regulatory body, it will also need to finance the verification process as well as increasing the size of the compliance team. For crypto entities, they will need to hire additional compliance staff to ensure ongoing monitoring due to an imbalance in the demand and supply of compliance professionals. With the new release of AMLD5, the European Union's 5th Anti-Money Laundering Directive, "exchanges have already started to relocate their business to less regulated areas". There have been instances of companies deciding that the burdens imposed by compliance with AMLD5 are too much to bear and have relocated or shut down operations completely in response. Deribit for instance is a Bitcoin trading platform that chose to relocate its headquarters from the Netherlands to Panama as a result of the change in AML compliance. KyberSwap, a non-custodial exchange with the second largest market share, also moved from Malta to the British Islands in response. The high cost of AML compliance can result in the relocation of businesses, since these businesses are typically conducted online, users can still access these services, hence defeating the purposes of tighter AML compliance.

In addition, when exchanges follow AML compliance, the process can be undesirable for customers. KYC refers to the set of procedures that company's implements to ensure the identity of its users/customers. For most cryptocurrency exchanges, the KYC process contains four steps: customer acceptance policy (CAP), customer identification program (CIP), continuous monitor and risk management. Customer acceptance policy is the stage where companies determine what documents they will need from the associated customer. Customer identification program is where the company confirms the identity of the user with its CAP and the company then monitors users' transactions, ensuring that regulatory compliance is met.

Customers may find the user experience undesirable at two points throughout the process. One is after the company has determined the information it would require from the client. The customers are expected to deliver them to the exchange institution, a problem arises here due to potential data breaches. For clients who have to mail their items either physically or through the internet, they endure the risk of exposing their confidential information. Even if the information gets safely delivered to the institution, users still face the risks of a data breach where institutions fail to secure the confidential information obtained. A recent data breach of Binance, the world's largest cryptocurrency exchange by trading volume, experienced a data breach that could "affect up to 60,000 individual users who sent their KYC information to the company between 2018 and 2019". Users have a reason to dislike AML compliance since from a user's perspective, Bitcoin is supposed to be decentralized and pseudonymous, data breaches arising from AML compliance pose a risk to the cryptocurrencies' fundamental competency. The second undesirable experience occurs when cryptocurrency exchanges suspend user accounts due to changes in AML compliance. When there is a change in AML compliance, some cryptocurrency exchanges would suspend user funds until they provide the appropriate information. This has occurred to Binance, where its "Singapore platform threatened to suspend a user for withdrawing to a coin mixing service" in an attempt to 'appease' the regulators by strengthening its AML compliance. A recent case also reported that LocalBitcoin, a major global peer-to-peer crypto exchanges based in Finland, allegedly suspended its accounts with little explanation, simply calling it an "enhanced due diligence process". From the little support the company offered, users found apparent connections to the Europe Union's new AML compliance.

According to Digital market news, "it is studied that two-third of crypto exchanges fail to strongly comply with the regulations". Reasons behind this include cost, competition amongst cryptocurrency exchanges and complex structure which increases customer drop-out rate. Despite the regulator's effort to implement tighter AML compliance, companies are reluctant to follow AML compliance from a business perspective as well as from a consumer's perspective. Some companies fail to strongly comply with the regulations, while some do not comply at all, this in return eases the process of money laundering.

Conclusion

Bitcoin perpetuates money laundering due to its pseudonymity, decentralization, and business non-compliance. Regulatory authorities face two main difficulties: how to encounter individual pseudonymity and how to implement regulations without discouraging users and businesses from using Bitcoin. Government's increasing grip on Bitcoin has already caused a stir with users claiming that "time and time again throughout Bitcoin's first decade, we have seen exchange after exchange promise a service without any KYC/AML compliance only to attain a certain scale, draw the attention of regulators, and force compliance restrictions on their users [through] withholding their funds from them until" the customer sends the appropriate documentation. Since Bitcoin was launched in 2009, a time after a great global financial crisis caused by inept government regulation, governments need to be even more careful and regulate Bitcoin in such a way that does not harm user's autonomy while also preventing money laundering.

In summary, the government is still new to regulating Bitcoin, as Bitcoin and its underlying technology evolve overtime, so will governments' regulations, how effective Bitcoin will be for the purpose of money laundering depends largely on the future.

Waterloo Business Review aims to use the Alumni Insights initiative to gauge experiences and takeaways from past students and curate them into unique articles, ultimately supporting our mission to

Educate, Engage, & Empower.

Alumni Insights

waterloo business review

A School of Accounting and Finance Student-Run Initiative

Alumni Insights:

Ismail Mian

Illustrated By:
Amy Li and Lynn Zhu

Leveraging Experience - An Interview with Alumnus; Ismail Mian

INTERVIEW: Ismail Mian, PJT Partners

Waterloo Business Review had the opportunity to sit down with alumnus Ismail Mian over the summer to speak to him about his work experiences, as well as his time at the School of Accounting and Finance (SAF), to gain insight into careers in capital markets. Ismail graduated from the Accounting and Financial Management (AFM) program in 2018 and now works in New York City as an Investment Banking Analyst at PJT Partners within the Strategic Advisory group. He previously completed several internships and co-op terms across investment banking and public accounting prior to graduating from the University of Waterloo.

Ismail was born in Pakistan and attended several international schools before completing high school in Canada. Growing up, his family moved around a lot due to the busy nature of his father's career in a senior leadership role as a Chartered Accountant (CA). Early on, Ismail gained exposure to the world of accounting and was inspired to study something in business. He had the intention of pursuing a CPA designation, which ultimately led him to the Accounting and Financial Management (AFM) program at the University of Waterloo. Although Ismail arrived at Waterloo with the intent of pursuing a career in accounting, his outlook changed after he took his first finance course, which sparked his interest in capital markets. At the end of the course, he consulted his professor who encouraged him to further explore his interest and get involved with on-campus finance extracurriculars.

Ismail's first co-op experience was in the assurance & advisory practice at PwC, where he had the opportunity to audit asset management clients, his first real world exposure to finance. Following his co-op experience in assurance, Ismail decided to transition to finance, and pursued related experiences in the School of Accounting and Finance to best position himself for the highly competitive investment banking recruiting processes.

Following that, he had a diverse set of co-op and internship experiences within different investment banking product and industry groups at CIBC Capital Markets, BMO Capital Markets and Lazard. Ismail explained that the dynamic work environment and robust learning experience was what drew him in, "From the perspective of somebody just starting their professional career, you get given a lot of exposure and responsibility very early on with each day offering the opportunity to work on something new and unique."

Leveraging public and private data, bankers form holistic views of businesses, and construct financial models to value them, two skills which are incredibly transferable. Ismail described his experience within CIBC's Equity Capital Markets (ECM) group as a hybrid between investment banking industry coverage and sales & trading, which gave him exposure to market developments and the pricing process. As Ismail continued to explore areas of interest within finance, he took on a more coverage-based role within BMO's Global Metals & Mining group. After which, he completed a summer internship in San Francisco within Lazard's Technology Mergers & Acquisitions group. Ismail credits the co-op program for allowing him the flexibility to explore different areas of interest within finance and equipping him with the skillset required to succeed within a full-time role.

Upon graduation, Ismail joined PJT Partners in the London, UK office where he worked as an industry generalist across both restructuring & special situations as well as mergers & acquisitions before moving to New York. He elaborated, "I have been very fortunate to have had the breadth and diversity of experiences that I have, especially at such an early point in my career. I have gotten to develop a truly global perspective through my upbringing and the opportunities I have had to work in some of the world's largest financial hubs."

Reflecting upon his time at SAF, Ismail has one key piece of advice to current students. From both a professional and personal perspective, it is imperative to develop a strong support system including mentors, peers, friends and professors with whom you can bounce ideas, share advice and leverage resources. "Go out of your way to meet new people and make new friends in SAF and across the broader University of Waterloo community, especially early on in your first year. There are a lot of very intelligent, interesting and friendly people that have different strengths and perspectives from yours." He elaborated, "Having people who are personally invested in your success and being surrounded by people that are working towards the same goals as you will make everything so much easier and a lot more enriching."

In Ismail's experience, some of the best learning opportunities came from outside the classroom. Notably the Student Investment Fund (SIF) and Student Venture Fund (SVF). These funds allowed Ismail to gain greater exposure and build meaningful relationships with likeminded students while also receiving mentorship. Ismail also participated in several case competitions during his time at SAF, placing first for both the Pacific Venture Capital and Battle on Bay competitions. "I am a massive advocate for students entering as many competitions as they can. Not only are they a great way to test your skillset against your peers but they are also a fantastic way to travel with your friends for free." Leveraging the competition subsidies SAF has to offer can enhance the overall experience a student has in their undergraduate careers from both personal and professional aspects.

Overall, Ismail's time at SAF and his early career have solidified his belief that students should actively begin exploring their interests as early as possible and strive for new experiences to get out of their comfort zone. "The major advantage SAF students have is that the co-op program pushes us to start thinking about recruiting and networking way earlier in our university lives than any other school. As finance recruiting timelines become increasingly accelerated, having a plan early on to position yourself for the role you want is extremely beneficial. It's unrealistic to expect students to know exactly what they want to do the day they get to university but SAF is a platform they can utilize to really explore their interests before committing to a career path."

Lastly, Ismail's message to current students is to utilize all of the tools the university offers and place an emphasis on being well rounded. "In my experience, the most successful people I have come across are, of course, intelligent and hardworking but they are also very balanced and well rounded. Higher education is really an opportunity for personal growth on all fronts so while it is good to work hard and excel professionally, it's even more important to figure out what you enjoy doing and having memorable life experiences. There are many avenues to pursue what you like whether it be joining sports leagues on campus, using the exchange program as a tool to travel the world or making lifelong friends through extracurricular clubs. Make sure you have fun along the way and it will also help you professionally more than you think."

Sep 2013 Began studies at the **University of Waterloo** in the Accounting and Financial Management program

Jan 2015 First of two work terms at **PricewaterhouseCoopers** as an Assurance Associate

Sep 2016 First Investment Banking work experience at **CIBC** in the Equity Capital Markets (ECM) group

May 2017 Joins **Lazard** as an Investment Banking Summer Analyst, San Francisco, in the Technology Mergers & Acquisitions Advisory group

Sep 2017 Joins the inaugural **UW Venture Fund** as a Senior Associate & Team Lead overseeing Early Stage Tech Investing

Jan 2018 **1st place** at the **Battle on Bay** case competition with e-commerce as the theme, this marked the third consecutive year with SAF taking home first place

Jul 2018 Begins full time at **PJT Partners**, London, UK, in Restructuring and M&A

Alumni Insights:

Talha Siddiqui

Illustrated By:
Amy Li and Lynn Zhu

Building your Future - An Interview with Alumnus; Talha Siddiqui

INTERVIEW: Talha Siddiqui, CPP Investment Board

Waterloo Business Review had the privilege of sitting down with alumnus Talha Siddiqui over the summer to speak to him about his work experiences, as well as his time at the School of Accounting and Finance (SAF), to gain insight into careers in capital markets. Talha graduated from the Accounting and Financial Management (AFM) program in 2018 and now works in Toronto as an investment analyst at CPP Investment Board (CPPIB) in the relationship investments group. He previously worked as an investment banking analyst at Goldman Sachs in their Los Angeles office upon graduating from the University of Waterloo.

The Relationship Investments Group at CPPIB sits within the Active Equities Group, an entire department of public equities. The Relationship Investments Group "invests globally in public, and soon-to-be-public, companies, externally managed funds, as well as securities, focused on long-horizon structural changes, which can include earlier-stage private companies." In his current role as an analyst in relationship investments, he explained that his responsibilities can be divided into two categories; evaluating new investment opportunities and asset management. Concerning assessing new investment opportunities, his primary task is to evaluate entire investment opportunities through being involved in the diligence process, reading up on the industry, analyzing financials, and building financial models for potential investments. On the asset management front, his group has several portfolio companies, and his role is to monitor the progress of these companies. He is responsible for looking at stock price fluctuations, reading recent filings, and updating the financial models. In addition, CPPIB has board seats in these companies and they must go through the board material notes and help support the board member from the fund with a seat. To support their board members, Talha's group presents their thoughts on board materials and pose potential questions the individual can ask in the boardroom during future meetings.

Talha mentioned that when he was in high school, he initially knew he wanted to do something related to business and settled on accounting, which ultimately led him to the AFM program at the University of Waterloo. He explained that although he had an initial focus on accounting, he chose to keep an open mind to explore the various career opportunities available to him through the School of Accounting and Finance. Slowly, as he took more accounting and finance courses, he became more interested in finance. He attributes a lot of that interest to the professors he had, who helped spark his interest in finance. In particular, Talha explained that professors Garvin Blair, Steve Balaban, Andrew Ecclestone, and Ranjini Jha all played instrumental roles in his decision to pursue a career in finance. He said Professor Blair was his first finance professor and he helped spark that initial interest in finance through his passionate descriptions and remarks on the capital markets and investment banking. Talha mentioned that he has had a close relationship with Professor Balaban, who he had the privilege of working with on the CFA Institute Research Challenge. Additionally, Talha was a teaching assistant for one of Professor's Balaban's courses. Talha attributes a lot of success to him, as he has been a continuous mentor for him throughout his undergraduate career.

Upon identifying his passions and interests, Talha began to increase his extracurricular involvement by joining the Student Investment Fund, which solidified his plans to pursue finance upon graduation. He explains that the skills and knowledge he gained from his time on the Student Investment Fund translated directly to his co-op terms in finance and his full-time work now at CPPIB. In addition, the Student Investment Fund introduced him to Professor Ecclestone and Professor Jha, who also guided Talha on his path to becoming a finance professional. Further, the exposure to upper-year students on the fund helped Talha build his professional network and identify the different careers he could pursue within finance. Through networking with upper-year students and speaking to his professors, he recognized that pursuing investment banking full-time would be the best fit for him with regard to his goals and interests.

When reflecting on his time as a SAF student, Talha explained that he thinks the School of Accounting and Finance equipped him well for a career in finance. He mentioned that his experience as a SAF student gave him a strong network of individuals to interact with and learn from. This included professors who were passionate about finance and his peers who were all motivated and like-minded individuals. When he was recruiting, his peers and upper years both really helped him significantly. Those elements of his time at the School made his experience great.

Additionally, he believes that his background in accounting has been extremely beneficial in his finance career. He explained that an analyst's primary responsibility is to prepare the financial model by going through the financial statements and annual report. He explained, "once I got into the weeds of some of the accounting line items, I found myself opening up my notes from school." He went on to further explain, "there are definitely a lot of nuances of accounting that are essential to your career in finance." He exclaimed that his exposure and knowledge of accounting helped set himself apart, as many seniors in his different co-op and full-time positions asked him to walk them through accounting implications.

Looking back at his undergraduate career and his time in the AFM program at Waterloo, one of the biggest things that he wishes he would have taken more control of was being proactive. His biggest piece of advice for current students is to continuously seek opportunities where you get to explore a specific area that you are interested in. He explained, "If you're interested in finance or another career path, it is crucial to figure out ways that you can get involved and really learn more early on." Additionally, he believes it is critical to discover ways to differentiate yourself and highlight the unique characteristics that set you apart from others. "When you go to AFM at Waterloo and broadly the School of Accounting and Finance, everyone around you is very smart and you always need to be looking for ways to differentiate yourself because that will ultimately be [what you can lean on] when you eventually start recruiting."

Sep 2013	Began studies at the University of Waterloo in the Accounting and Financial Management program
Jan 2015	Began first co-op term as a financial analyst at Nestle Waters North America
Feb 2017	Placed 1st in the local round of the CFA Institute Research Challenge
Nov 2017	Placed 2nd place globally at the Harvard Stock Pitch Competition
Jan 2018	Started a co-op term as a private equity intern at Altas Partners in Toronto in generalist private equity Graduated with distinction from the Accounting and Financial Management program at the University of Waterloo
Jul 2018	Joins Goldman Sachs, Los Angeles, as an Investment Banking Analyst covering West Region advisory
Sep 2019	Joins CPP Investment Board as an investment analyst in the relationships investments group in Toronto

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