# SoFi - Social Finance: New leaders carves out the long-term future

## Overview and Origin of SoFi

In 2011 four students the Stanford Graduate School of Business wanted to provide more affordable options for students who were accumulating student debt. 12 years later Sofi has done that and so much more. Together, Mike Cagney, Dan Macklin, Ian Brady and James Finnigan began a pilot program to lend 100 students. They secured $2 million funding from the Alumni lent approximately $20,000 to help fund their education. The birth of SoFi and it’s incorporation began in August 2011.

12 years later Sofi has done that and so much more. Mike Cagney was the CEO of Sofi. In September of 2012 SoFi raised $77.2 million seed money. The majority of the funding coming from Baseline Ventures, with assistance from Renren, a company similar to a Chinese version of Facebook.

SoFi CEO Anthony Noto is the "Perfect Storm" to lead SoFi into FinTech dominance in the future. The SoFI vision is clear once you know the experiences that drives his passion. Noto combines the discipline of his experiences West Point, business acumen from Wharton University, his experience at Goldman Sachs, His CFO experiences in the NFL, and social media expertise at Twitter, and combines all of lead the vision Social Finance well into the future.

Anthony Noto felt financial stress at the age of 3, when his parents divorced. He grew up on food stamps and free lunches. His family struggled to get the things they wanted. This is what drove him into West Point and collage. On now it is what drives him to reach as many people as possible, educate them and provide a path to financial independence. 4.7 millon members and counting

\* Name of company

SoFi Social Financial

\* When was the company incorporated?

August 2011

\* Who are the founders of the company?

Mike Cagney, Dan Macklin, Ian Brady and James Finnigan

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

Four students who attended The Stanford Graduate School of Business​ wanted to provide more affordable options for students who were accumulating student debt. Together, Mike Cagney, Dan Macklin, Ian Brady and James Finnigan began a pilot program to lend 100 students approximately $20,000 to help fund their education.

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

Originally 40 alumni lent about $2 million to (SoFi Tapping Alumni to Help With Student Loans, n.d.)

## Business Activities:

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

Educating

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

Low risk Young professionals and veterans

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

Sofi has their own Bank charter. They are one stop shopping for all personal banking and finance. Touts no service fees or over draft fees. Only fees are on the crypto exchange. The are FDIC insured. Excellent branding with a 20 year lease for SoFi stadium.

On stop shopping for all your financial needs. 80% of all consumers have more than one banking solution. Sofi can fill a need here.

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

## Landscape:

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

Sofi original focus was Student Loans and refinancing. However, Sofi has grown into a One Stop Shop for all most all personal banking needs, including Investment banking, Wealth Management, Blockchain and Cryptocurrencies, Personal Finance, Deposits and Online Banking. Also

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

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

## Results

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

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

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

## Recommendations

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

The Path Forward

Build consumer trust by helping to legitimizing blockchain technologies. Educate on real would use and focusing on establishing much needed regulation in the Blockchain sector. Continue to focus on growing the membership by developing easy to use digital platforms tools and educating customers.

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

Digital will only continue to become more and more popular; trust and ease-of-use platform are key to grow SoFi. 80% of consumers …

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

\* Why are these technologies appropriate for your solution?

Addendum

<https://www.fool.com/investing/2021/07/02/why-sofis-leadership-is-a-company-strength/>

<https://investors.sofi.com/overview/default.aspx>

<https://en.wikipedia.org/wiki/SoFi>

<https://www.cnn.com/2021/11/11/perspectives/sofi-ceo-veterans-financial-future/index.html>

childhood

<https://builtin.com/company/sofi>

<https://archive.nytimes.com/bucks.blogs.nytimes.com/2012/04/03/sofi-tapping-alumni-to-help-with-student-loans/>

founded

stats

<https://www.mckinsey.com/industries/financial-services/our-insights/banking-matters/consumer-trends-in-digital-payments> 90% pf American use digital payments

<https://www.marketwatch.com/story/sofi-stock-rockets-after-ceo-buys-5-million-in-shares-11671042645>

stock purchase

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# Bibliography

*SoFi Tapping Alumni to Help With Student Loans*. (n.d.). Retrieved 12 17, 2022, from http://bucks.blogs.nytimes.com/2012/04/03/sofi-tapping-alumni-to-help-with-student-loans/