Dushyant Shahrawat, CFA  
Managing Director, FinTech Associates LLC

Dushyant is a 20-year veteran of the financial services industry, a CFA charter holder and a MIT Sloan Fellow. Over his career working at Fidelity Investments, ThomsonReuters, TowerGroup and CEB, he has advised executives at financial institutions, technology firms, VCs, regulators and startups, on strategy, product development, regulation and tech strategy.

He is a well recognized thought leader and passionate about technological innovation, and how new digital models are transforming our lives. From 2014-2015, he was a MIT Sloan Fellow studying Innovation and Entrepreneurship across the MIT and Harvard ecosystem. He is a mentor/advisor at the MIT Media Lab helping student-led startups raise capital, develop go to market strategies, and foster partnerships with the financial industry.

Dushyant has been quoted in print media, appeared on TV and Radio, been invited to speak at industry conferences across 20 countries, guest lectured at NYU Stern and Columbia, and chaired several conferences. He serves on the Advisory Board of multiple FinTech startups (Exim Chain, Innosect, StockViews), Institutional Investor’s Chief Investment Officer Forum, Mercy College’s Center for Ethics and Leadership, and assists MIT’s Media Lab with entrepreneurship efforts.
POP quiz: *Do you recognize this man?*

- #1 Youtube blogger on the planet
- 42 million subscribers
- 10 billion views
Customer Influencing, Acquisition and Servicing is increasingly taking place through digital channels, and often via non-financial firms.

Brand Identity is being determined by the ‘wisdom of crowds’, and not your firm’s ads and marketing efforts.

In the Digital World, Customers are realizing and responding much faster to conflicts of interest, price gouging, and vendors that just pay lip service.

The Economics of the Internet is changing businesses and decisions.
THE LONG TAILED HYPOTHESIS CHANGED THE MUSIC INDUSTRY FOREVER

The "hits"  The Long Tail – niche content
Change is Coming to Finance

“Silicon Valley is coming.... Online lenders are reducing traditional ‘pain points’ and making loans in minutes, which might take banks weeks.”
- Jamie Dimon, JPMorganChase CEO

“Up to half of the world's banks will disappear through the cracks opened up by digital disruption of the industry”
- BBVA Chairman/CEO

“$11 billion (out of $150 billion) in profits is at risk of leaving the banking system in the next 5+ years from online marketplace lenders”.
- Goldman Sachs report
1. My Story...

2. What You Must Know About Financial Services

3. The FinTech Revolution

4. Career Opportunities and Skill Sets Required

5. Personal Career Advice

6. Reading Recommendations
1. My Story...

a. Professional Background
   • 20 years in financial services, deep domain knowledge
   • Worked for Financial firms (Fidelity Investments), IT Vendors (ThomsonReuters), Management Consultancy (CEB), founded startup (FINTECH Associates)
   • Career analyst/ advisor to Finance executives, ‘eyes and ears’ to a changing world
   • Opportunity to speak in 20 countries, 200+ events, quoted in press, appeared on TV

b. Family
   • Grew up in India, Army brat, lived in 12 cities in 20 years
   • Emigrated from India for graduate school 22 years ago
   • Married to high school sweetheart, live in Boston with two kids

c. Education
   • BA in Economics, MBA (Finance) from Northeastern, CFA, HBS Exec, MIT Sloan Fellow
   • Recently completed MIT Sloan Fellowship (goals: step outside hamster wheel, re-engage with academia, new innovations, understand digital change)
2. What You Must Know About Financial Services

a. Three Segments of Financial Services
   - Banking: Retail, Wholesale (aka Commercial)
   - Capital Markets: Buy-side (Investing), Sell-side (Investment Banking, Trading)
   - Insurance: Property & Casualty, Life & Annuity

b. Market Size:
   - In the US, Banking largest in terms of consumers, size of revenue. Insurance also big, but narrower product set (P&C, L&A mainly). Cap Markets very sophisticated, most developed in the US/western Europe vs other regions
   - Worldwide: Banking most established, Insurance picking up, CM will take time to take off, because its most complex & sophisticated.

c. Rate of Growth
   - Different story across developed vs developing markets
   - In developed nations, Retail Banking is shrinking, Insurance stagnant, CM growing somewhat in pockets (more buy-side, less sell-side). In developing, Banking is growing, massive opportunities in CM.
2. What You Must Know About Financial Services

d. Number of Jobs, Growth, and Most Lucrative Opportunities
   - Banking has most jobs, followed by Insurance, CM employs least
   - Job growth most in pockets, no clear patterns evident. Overall, job growth in traditional Finance is declining.
   - Most lucrative jobs: remains CM, but very competitive and squeeze on pay.

e. Role of Technology
   - Banking historically led the way (1st in kiosks, call centers, web, now mobile). Insurance always back of the pack, 4-5 years behind other sectors. CM leads charge in select areas, like Trading technology, advancements in High-speed trading.
   - What’s changing about IT usage: IT coming out of the background and taking its rightful place, no longer merely supporting the front-office, but leading the charge in creating new business models, reducing friction, transforming processes, changing the economics of the business.

f. What’s new and exciting (especially for your career aspirations)
   - Era of Data analytics: using sophisticated statistical tools and modern computing power to crunch massive amounts of info to a) make better predictions, b) manage risk better, and 3) improve sales and marketing.
   - People with knowledge of Finance and Technology: ability to integrate both disciplines.
3. The FinTech Revolution

1,000 Companies
$12.7B Funding

See the updated scan and more:
venturescanner.com/scans/financial-technology
Startups Are Riding the Internet’s Evolution

- 1994: Publishing
- 1998: Brochureware
- 2002: Ecommerce
- 2010: Personalized, Contextual service
- 2015: What’s Next??

What’s Next??

Ecommerce

Brochureware

Publishing

Major Firms Are Investing Billions into Startups... Largely for Strategic Reasons
Investor Base Has Broadened... 894 Distinct Investors Are Active

Investors in Fin Tech: Then and Now

I HAD A STARTUP

BEFORE IT WAS COOL
...And it's not just in the US

Figure 6: Five-year Growth in Fintech Investment ($M)

Source: Accenture and CB Insights
Four Factors Are Driving This Innovation

- Loss Of Investor Trust And Confidence In Financial Firms
  - *John Oliver’s Video*
- Hi-Tech Innovation (Cloud, Social Media, Cheap Hardware)
- Abundant Availability Of Cheap VC Capital To Fund Startups
- FSI’s Unable To Meet New Digital Expectations Set By Google/Amazon
FinTech Startups Can be Categorized by What They are Trying to do

- Replacing Brick and Mortar with Digital Service Model
- Eliminating Friction (Costs, Convenience)
- Improving Risk Assessment Using Alternative Measures
- Transforming Customer Experience
- Serving Neglected Markets or Customer Segments

Reference Startups

- Betterment
- TransferWise
- Lenddo
- Moven
- modernLEND
Five Sectors are Witnessing the Most Activity

**PAYMENTS**
- Non-financial firms most active here

**REMITTANCES**
- Big opportunity to reduce friction and fees

**LENDING**
- Retail P2P, small business, alt-lending are popular themes

**DIGITAL WEALTH**
- Robo advisors’ best use case of smartly using technology

**BLOCKCHAIN**
- Ignore Bitcoin, think Block Chain
- Exchanges, Wallets, Merchant services
4. Career Opportunities and Skill Sets Required

a. Four job opportunities for you

- Financial Companies
- FinTech Startups
- FANGs with Financial Ambition
- Consultancies, Market Research

b. Interplay between Tech & Finance, future jobs will be less in the back-office, but more on leading business model change

c. Look for Connections between Finance and Other Industries

d. Data Analytics is Essential
   - Learn new statistical models (R, Hadoop)

e. Good Design Management is Key. Thank you Apple!

f. Programming is Crucial, Get Experience, or Be Exposed to People Good at it.
5. Career Advice

a. 3 things I look for in candidates: Passion, Ability and Attitude

b. Great communication skills! English proficiency. Ability to articulate succinctly and clearly, both speaking and writing

c. Be sincere, modest, curious and genuine

d. Build relationships… for the long-term. Never forget family, your bedrock of support

e. Seek genuine feedback

f. Always be learning (that’s why I went back to school at 40)! Keep reinventing yourself

g. Match your ambitions with what you’re suited to… don’t be Don Quixote chasing windmills
6. Reading Recommendations

Thank You!
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