MBAs Are Flocking To Fintech Start-Ups Pioneering Blockchain, Artificial Intelligence

And amid the fintech frenzy, b-school grads are crafting business plans

Written by Seb Murray [http://www.businessbecause.com/resume/seb-murray] | MBA Careers | Tuesday 29th March 2016 00:29:00 GMT

Last Friday at Imperial College Business School in London, a throng of MBA students huddled around professor Njuguna Ndung’u, the former governor of the Central Bank of Kenya.

Njuguna had been waxing lyrical on the simple technology behind a mobile phone that has revolutionized access to finance in the developing nation.

But the MBAs might look a little closer to home. “London is soon expected to become the hub of global fintech,” said professor Andrei Kirilenko, director of Imperial’s Center for Global Finance and Technology.

As digital technology redefines financial services, business school students are keen to explore start-ups which are at the forefront of the fintech

RELATED INDUSTRY STORIES


As an example Ismail Ahmed is CEO and founder of WorldRemit (https://www.worldremit.com/), a London cash transfers start-up valued at $500 million. "WorldRemit owes to the connections I was able to make at London Business School," says the MBA graduate. WorldRemit enables around 400,000 transfers each month to more than 50 countries.

Jesse Moore, CEO and co-founder of M-KOPA (http://www.m-kopa.com/), says: "We're just getting started." M-KOPA sells solar home systems through mobile money to 300,000 East African households. Jesse launched the Kenyan venture in 2012, five years after an MBA at Oxford University's Said Business School.

"We're proving that solar power for the off-grid world will be transformative for customers, good for the planet and profitable for investors," Jesse says. M-KOPA has raised around $40 million in funding.

MBAs are crafting business plans for fintech ventures in areas such as payments and "robo-advising," says Antoinette Schoar, professor of entrepreneurial finance at MIT Sloan School of Management. "A number of students are launching start-ups," she says.

Daniel Macklin set-up SoFi (https://www.sofi.com/), the peer-to-peer lender, which is valued at $4 billion, with a group of classmates from Stanford's Graduate School of Business.

"Business school gave us that advantage to be able to develop and incubate an idea in a safe environment," he says. Since creation in 2011, the San Francisco start-up has funded more than $7 billion in mortgages, personal loans and student loan refinancing, and raised about $1.8 billion in venture capital, attempting to shake up banks in the process.

"Banks are not people's best friends. People are crying out for better solutions, delivered by better and quicker companies, and SoFi does that."

At Columbia Business School, robo-advising start-ups have also emerged from the fintech frenzy, says Regina Resnick, associate dean for careers.

Jon Stein for example, who graduated from the Columbia MBA in 2009, founded Betterment, which uses algorithms to deliver investment services.

Betterment highlights a wider fintech trend at elite business schools. MBAs are enticed by fintech start-ups, even if they aren't founding them, says David Yermack, chair of NYU Stern's finance department. "Students are looking for jobs in this area."

Matthew Applegate, a Wharton School MBA, was chief of staff to a JPMorgan Chase executive. Now however, he's banking on fintech. "There are many fintech career opportunities available for MBAs," he says, from start-ups to big banks and venture capital firms.

"Fintech — apps and digital services for banking and making payments — is a growing area. There are a lot of start-ups using technology in the finance industry looking for MBAs," says Sue Thorn, director of careers at Warwick Business School.

Adair Morse, assistant professor of finance at UC Berkeley's Haas School of Business, agrees: "There is a lot of demand from employers and start-ups here [in Silicon Valley] for people who understand fintech."

One of the most popular areas for MBAs is the blockchain (http://www.businessbecause.com/news/future-of-fintech/3797/blockchain-frenzy-forges-mba-careers) — distributed ledger technology that sprung to prominence with bitcoin, the divisive digital currency.
“My students realize that,” says Campbell Harvey, finance professor at Duke's Fuqua School of Business, who teaches a course on the subject. “It's on offer as a finance course. But it's not really. There's a major project to develop an idea for a cryptocurrency venture,” he says.

At University of Cambridge's Judge Business School (https://www.jbs.cam.ac.uk/home/), “quite a few” students are interested in starting up their own fintech companies, according to Raghu Rau, professor of finance.

Raghu gives the example of a CIBS MBA graduate exploring blockchain technology to make processing IPOs easier. “He's trying to persuade a big bank to give him backing for it.”
This UWA MBA Wants To Bring Digital Innovation To Healthcare
Posted on 24-03-2016 | 0 comments

How My MBA In Australia Got Me Into McKinsey & Company
Posted on 23-03-2016 | 0 comments

Join the network today to get the latest news, updates, and jobs from the business school world!

Terms & Conditions (/terms-conditions)
Privacy Policy (/privacy-policy)
About (/about)
Contact Us (/contact-us)
BusinessBecause Team (/businessbecause-team)