DIGITAL TRANSFORMATION IN THE FINANCIAL INDUSTRY
Module 5, May-June 2019

Andrey Shemetov
av1shemetov@sberbank.ru

Course description

The aim of this course is to provide understanding of key changes in financial sector and biggest challenges businesses face today. Financial organizations are moving in the direction of technology development and the importance of technological platforms is increasing.

We start with the overview of financial system and history of transformation in business models. Also we discuss economic opportunities and risks in FinTech, bargaining power and regulatory issues. We continue with technological platform transformation and dark pools. Then we consider trends of algorithmization and robo-advisory. Finally, you will be tasked with a business problem to solve as a case study.

Course requirements, grading, and attendance policies

The course grade is based on group presentations (50%) and final exam (50%). Active class participation may contribute to the grade when it is on the margin (note that quality rather than quantity of your interventions will count).

The group presentations take place at the final class. All students will be divided into groups of up to 5 people. The groups should prepare 10-minute presentations (up to 7 slides) based on the pre-assigned questions. Each member of the group should participate in the presentation to receive the grade, which is the same for all students in the group.

Course contents

Class	Topic
1	**Business models in Financial Sector** **Introduction**: financial system, impact of financial innovations on society, history of business models, availability of products, disappearing exclusivity, individual solutions **FinTech and Banks:** existing fintech risks, banking ecosystems, venture industry, market strategy
2	**Technological Platform Transformation:** guest speaker, example of platform transformation, external challenges **Dark pools and technological platforms:** dark pools, regulatory environment
3	**Algorithmization and Robotization in Financial Industry:** algorithmic trading, robo-advisory **Pre-exam case "What would you do if you were a CEO of a large company?":** IT platforms and systems

Course materials

There are no required texts but if you want to have a supplementary reading, additional materials below could be useful:

- Stoeckli, E., Dremel, C., & Uebernickel, F. (2018). Exploring characteristics and transformational capabilities of InsurTech innovations to understand insurance value creation in a digital world. Electronic Markets.
- Lee, I., & Shin, Y. J. (2018). Fintech: Ecosystem, business models, investment decisions, and challenges. Business Horizons.

Academic integrity policy

Cheating, plagiarism, and any other violations of academic ethics at NES are not tolerated.