

Fintech

Financial technology (Fintech) is used to describe new tech that seeks to improve and automate the delivery and use of financial services.

At its core, fintech is utilized to help companies, business owners and consumers better manage their financial operations, processes, and lives by utilizing specialized software and algorithms that are used on computers and, increasingly, smartphones. Fintech, the word, is a combination of "financial technology".

Term was initially applied to the technology employed at the back-end systems of established financial institutions. Since then, however, there has been a shift to more consumer-oriented services and therefore a more consumer-oriented definition. Fintech now includes different sectors and industries such as education, retail banking, fundraising and nonprofit, and investment management to name a few.

Fintech also includes the development and use of crypto-currencies such as [bitcoin](#). That segment of fintech may see the most headlines, the big money still lies in the traditional global banking industry and its multi-trillion-dollar [market capitalization](#).

Key players in the field

Stripe: SW platform allowing online payments

Ripple: Facilitates int'l payments including a cryptocurrency

Coinbase: crypto custodial service and personal wallet; new currencies

Robinhood: Commission free trading of stocks, ETFs, options, crypto

Chime: no fee checking with other benefits like round ups; mobile only

Plaid: Connects payment apps/personal finance apps to users bank accounts for tracking

SoFi: Started as student loan refinancing; now into other financial services

Credit Karma: Free credit monitoring now tax filing and savings accounts

Opendoor: Home sales; 6 cities all cash offers can close in 2 weeks

Root: Auto and Renters Insurance

Resources for continued learning

[Forbes Top 50 list 2020](#)

[PwC's Fintech 2020 Report](#)

Private Equity

Private equity is an [alternative investment](#) class and consists of capital that is not listed on a public exchange. Private equity is composed of funds and investors that directly invest in [private companies](#), or that engage in [buyouts](#) of public companies, resulting in the [delisting](#) of public equity. Institutional and retail investors provide the capital for private equity, and the capital can be utilized to fund new technology, make [acquisitions](#), expand working capital, and to bolster and solidify a balance sheet. A private equity fund has [Limited Partners](#) (LP), who typically own 99 percent of shares in a fund and have [limited liability](#), and [General Partners](#) (GP), who own 1 percent of shares and have full liability. The latter are also responsible for executing and operating the investment.

How does PE work?

Private equity firms raise money from institutional investors and accredited investors for funds that invest in different types of assets. The most popular types of private equity funding are: Distressed funding (vulture financing), Leveraged Buyouts, RE private equity, Fund of funds, Venture Capital.

[Top PE Firms based on Assets Under Management](#)

Blackstone – 94 portfolio companies, invests across market sectors; \$571B in total assets under management (AUM)

Neuberger Bergman Group LLC – Alternative investments a primary part of its \$356B AUM

Apollo Global Management - \$331B AUM; Distressed investments and opportunistic buyouts a focus

Carlyle Group - \$224B AUM; HQ is DC, unlike most others.

KKR - \$218 AUM, Large scale leveraged buyouts a speciality, Portfolio holdings of note: Fiserv Inc., Optiv

Bain Capital - \$105B AUM, Canada Goose, Michaels, NortonLifeLock are key portfolio holdings

CVC Capital Partners - \$81B AUM, but \$135B funds committed by investors.

Warburg Pincus - \$58B AUM, invested in 190 companies with particular focus in China;

Vista Equity Partners - \$52B AU; SW, data and Tech enable orgs exclusive focus. Closed a \$16B Tech fund, biggest ever raised by independent PE firm

EQT AB - \$41B **EURO** AUM; Based in Sweden, Flying Tiger Copenhagen best known portfolio company in US.

Resources for continued learning

[Beginner's Guide to PE](#)

[Investment Banking vs. Private Equity](#)

[Career Guide to PE Jobs](#)

1-3% of MBAs get in directly out of their program – [transparentcareer.com](https://www.transparentcareer.com)

Venture Capital

Venture capital is a form of private equity and a type of financing that investors provide to [startup](#) companies and small businesses that are believed to have [long-term growth](#) potential. [Venture capital](#) generally comes from well-off investors, investment banks and any other financial institutions. However, it does not always take a monetary form; it can also be provided in the form of technical or managerial expertise. Venture capital is typically allocated to small companies with exceptional growth potential, or to companies that have grown quickly and appear poised to continue to expand.

Though it can be risky for investors who put up funds, the potential for above-average returns is an attractive payoff. For new companies or ventures that have a limited operating history (under two years), venture capital funding is increasingly becoming a popular – even essential – source for raising capital, especially if they lack access to [capital markets](#), bank loans or other debt instruments. The main downside is that the investors usually get [equity](#) in the company, and, thus, a say in company decisions.

Active Venture Capital Firms:

Accel – Focuses on understanding entrepreneurs as individuals; originality

Andreessen Horowitz – Silicon Valley based, 4.2B AUM; invests across stages

Benchmark – Early-stage investing in tech, primarily; investments typically \$3-5M

Bessemer Ventures – Global firm; primarily invests in early stage.

Founders Fund – SF based; Invests in science and tech companies mainly, across stages

Index Ventures – Active in tech and biotech; focused on entrepreneurs looking at global businesses

Sequoia Capital – Partners with companies across all sectors and stages of growth.

Tiger Global Management – 10 yr investment horizon and focus on global internet and technology firms.

Resources for continued learning

[Getting a job in VC](#)

[Why Venture Capital?](#)

[How to break into VC](#)

1-2% of MBAs get in directly out of their program – [medium.com](#)

Basics of Venture Capital; Stages of Investment

In a venture capital deal, large ownership chunks of a company are created and sold to a few investors through independent [limited partnerships](#) that are established by venture capital firms. Sometimes these partnerships consist of a pool of several similar enterprises. One important difference between venture capital and other [private equity](#) deals, however, is that venture capital tends to focus on emerging companies seeking substantial funds for the first time, while [private equity](#) tends to fund larger, more established companies that are seeking an equity infusion or a chance for company founders to transfer some of their ownership stakes.

Start Up stage - Newly formed companies without significant operating histories are considered to be in the start-up stage. Most entrepreneurs fund this stage of a company's development with their own funds as well as investments from angel investors.

Seed or Early stage- Seed or early stage rounds often involve investments of less than \$5 million for companies that have promising concepts validated by key customers but have not yet achieved cash flow break-even. Organized groups of angel investors as well as early stage venture capital funds usually provide these types of investments.

Growth Stage - Growth stage investments focus on companies that have a proven business model and either are already profitable or offer a clear path to sustainable profitability. These investments tend to be in the \$5-20 million range and are intended to help the company increase its market penetration significantly.

Late Stage - Late stage venture capital investments tend to be for relatively mature, profitable companies seeking to raise \$10+ million for significant strategic initiatives (i.e. investment in sales & marketing, expansion overseas, major infrastructure build-outs, strategic acquisitions, etc.) that will create major advantages over their competition.

Buyouts and recapitalizations - Buyouts and recapitalizations are becoming more prevalent for mature technology companies that are stable and profitable. In these transactions, existing shareholders sell some or all of their shares to a venture capital firm in return for cash.

Historically, almost all wealth was in land. Today, real estate remains an integral part of the global economy. Understanding real estate investment and development is crucial to economic, financial, and social conditions across the globe.

Today there are more than 5 million people working in various parts of the real estate industry in the United States. Real estate has many wide-ranging career opportunities associated with it, both directly and indirectly. Many real estate jobs require licensing—such as a real estate license, continuing education, or other certifications or degrees.

Real estate careers can be associated with the financial side of the industry by way of a mortgage brokerage, loan processing, underwriting, credit analysis, foreclosure management, loan funding, and investment. There are also a number of important and high-paying jobs available on the title insurance, appraisal, escrow, property management, and legal sides of the business, in addition to residential and commercial brokerage sales.

Top recruiting firms (12Twenty Data)

[CBRE](#): World's largest commercial real estate services and investment firm.

[JLL](#): leading professional services firm that specializes in real estate and investment management.

[Bank of America](#): Second largest bank in U.S. with 240,000+ employees

[AIG](#): Global insurance company with diversity awards for women and LGBTQ.

[PulteGroup](#): Among America's largest homebuilding companies with operations in more than 40 markets.

[Welltower](#): Provides capital to leading senior housing operators and health systems.

[Prudential](#): PGIM is one of the world's largest real estate investment managers.

[Wells Fargo](#): Ranked #1 commercial real estate lender in the U.S. since 2009.

[JPMorgan Chase](#): Real Estate Banking team works with investors, operating companies, investment funds and REITs.

[Marriott International](#): Hospitality company with 7,300 properties in 30 leading hotel brands spanning 134 countries and territories.

Resources for continued learning

[University of Notre Dame's Fitzgerald Institute for Real Estate](#)

[Real Estate Career Path Overview](#)

[MBA Real Estate Career Blog](#)

2-4% on average of MBAs get in directly out of their program –
poetsandquants.com

Corporate social responsibility (CSR) is a self-regulating business model that helps a company be socially accountable—to itself, its stakeholders, and the public. By practicing corporate social responsibility, also called corporate citizenship, companies can be conscious of the kind of impact they are having on all aspects of society, including economic, social, and environmental.

In addition to doing good, corporate social responsibility can also improve a company's bottom line by impacting everything from customer loyalty to employee recruitment. Eighty-seven percent of consumers would make a purchase based on a company's advocacy and 90% of millennials would take a pay cut to work for a company with shared values.

Roles within CSR departments include: Sustainability, monitoring and evaluation, reporting, employee engagement, community investment, partnerships and events, marketing and communications or public relations.

Companies of note: (most socially responsible companies)

[Walt Disney Company](#): The Disney Team of Heroes initiative is committing \$100 million over the next five years to kids and families in children's hospitals around the world.

[LEGO](#): Company donated 520,000 LEGO sets in 2018.

[Natura Cosméticos](#): World's largest (and first publicly traded) certified [B Corp](#).

[Novo Nordisk](#): Large pharma company transitioning to a zero environmental impact business model.

[Microsoft](#): Microsoft has donated \$1.4 billion in software and services to nonprofits worldwide.

[Google](#): Collects data from employees who self-identify as LGBTQ or have a disability to improve their workplace experience.

[Dell](#): Some CSR initiatives include girl's coding camps and solar-powered classrooms.

[Ben & Jerry's](#): They advocate for their farmers, seeking out fair trade agreements.

[Levi Strauss & Co.](#): Since 1983, the company's foundation has donated more than \$60 million in grants to HIV/Aids organizations.

[Starbucks](#): Hired 22,000 military members and spouses and have committed to hiring 25,000 veterans by 2025.

Resources for continued learning

[How to Start Your Career in CSR \(Forbes\)](#)

[10 Tips for a Career in Corporate Social Responsibility \(Blog\)](#)

[CSRwire](#)