

A Personal Journey – The Esme Oxford University Fintech Programme

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I had long thought about studying, but as a busy consultant I felt I was learning through my assignments. However, two factors came together which made me rethink my need to study. Firstly, with the digital finance revolution the pace of change in the financial services industry is incredible. This change is driven by financial technology, digital transformation, supported by changing demographics, technology, and communications. Secondly, the COVID-19 pandemic meant that I became less busy with consulting assignments as donors reallocated funds, and financial institutions hired more selectively.

It took time for me to decide to invest in the course for two reasons – firstly, to see spending £2,650 on a six-week e-learning course as an investment, secondly, I had not studied academically for years, and not at as reputed an institution as Oxford University's Saïd Business School¹. Getting back to study, even for a short course as this, was intimidating.

Taking the course for me was part of a personal journey in understanding the ongoing changes in the financial services sector, and to assess exactly how I am relevant in this brave new world. Through my consulting work, as a judge on the Think Business Banking Awards and my interactions with innovation labs and financial technology companies – I had long been rethinking how financial services fits together. I had been unlearning and learning anew. A sometimes painful, but also liberating process.

This learning journey was assisted through reading – the Fintech Book² and books by Brett King³ and Chris Skinner⁴ were always by my side. However, these books were focused on the financial technology

¹ Photo credit istock.com/John Wreford

² Chishti, Susanne & Janos Barberis (2018), "The Fintech Book", Wiley.

³ King, Brett (2018), "Bank 4.0", Marshall Cavendish

⁴ Skinner, Chris (2014), "Digital Bank, Strategies to Launch or Become a Digital Bank", Marshall Cavendish

revolutions in the USA, the UK and Asia. I found them only partially relevant to the circumstances of the evolving financial markets in which I work. Indeed, references to financial technology in Africa invariably focused on M-Pesa, and even then, typically at a high-level. The personal reflections continued.

At this point I started to interact with financial technology and the fintech ecosystem of incubators, innovation labs and accelerators. This was fascinating and took me back to my earlier work when *MicroSave* was a successful action learning program from 2001-2008⁵. However, it was also frustrating as I saw that emerging financial technology companies were typically weak, building products searching for a market – rather than building products fulfilling real needs, and that they typically failed to connect with financial institutions.

This learning, plus the COVID-19 pandemic led me to start to write blogs⁶. In these blogs I explore how financial services can be re-imagined. How they can be made relevant for real people. This does not mean that wealth-tech, blockchain, reg-tech, central bank digital currency, are not relevant. But it reflects my belief that financial technology will evolve differently in Africa than in other parts of the world. Perhaps a subject for a future blog.

The Oxford University Fintech Course

So, I decided to take the Esme Oxford University Saïd Business School - Financial Technology Course⁷. A short description of the course and how it operates. The course is six weeks long, it is pitched at an intermediate level – inasmuch-as it provides coverage over depth, though a wealth of references facilitates further self-study. This was occasionally frustrating, but it is understandable. Nevertheless, there is a degree of academic rigour. I spent around ten hours per week taking the course.

Modules are introduced through web pages, but supported through short videos with academics, regulators and fintech practitioners and additional well referenced materials. Throughout the course the student is assisted in their learning journey with multiple choice tests to test understanding. Each week contains a scored personal reflection, scored collective interactions and exercises. Participants are divided into small teams take part in a Capstone Project, an exercise in planning a financial technology project. Tutors answer most course questions, and success coaches respond to any other issues.

I enjoyed the learning methodology and in particular the Riff platform, a platform which enabled participants to interact, both through texts and if required through video chat rooms. The discussion especially in the early weeks was vibrant⁸.

Vibrancy came in part because of the diversity of participants. There were participants from the fintech sector, drawn from neo banks and payment service providers, investors, and alternative lenders; there were participants from the financial sector, there were a few students from consultancies, academics, and policy makers.

The geographic focus was largely on the UK, the USA then Asia. There was limited content on Africa mainly in the first week, a financial inclusion example citing M-Pesa. In terms of technical content – the modules covered the following:

⁵ Hitchins, R. (2008). *MicroSave project completion report*. Nairobi, Kenya: FSD Kenya – available from <https://bit.ly/39c8QFK>.

⁶ Blogs available from www.firstprinciples.consulting

⁷ For more details on the course including its next start date <https://bit.ly/3p9p1Js>

⁸ The discussion on Riff became less vibrant over time, particularly as work on the Capstone Project increased

The Esme Oxford University Said Business School – Fintech Course

MODULE 1 - The Context⁹: Introduction to disruptive change and opportunities in fintech and financial innovation.

MODULE 2 - Policy and Regulation: Views from policy makers and regulators: understand how new regulation is being created or adapted to support the growth of fintech innovation ecosystems.

MODULE 3 – Incumbents: Views from incumbents: appreciate the complex challenges traditional financial institutions face as they digitally transform into nimble, digitally-enabled operations.

MODULE 4 - Entrepreneurs Part I: Views from entrepreneurs: garner insights into start-up successes and their challenges in a highly competitive, fast-moving industry.

MODULE 5 - Entrepreneurs Part II: Continuing our exploration of fintech from an entrepreneur's view, we investigate peer-to-peer (P2P) lending; digital identity; AI in finance and more.

MODULE 6 - Investors, Academia and The Future: Views from investors and academia: acquire perspective from VCs around investment trends; VC filters and techniques.

So now we return to my personal journey and my lessons from the course, and my insights for Africa.

Firstly, I passed, in fact I performed well. I did not need to be apprehensive about the level of the course, the methodology, the interactions with participants, or at least for me – the relevance of the course. I suspect for those deeply emersed in the fintech world, more advanced courses in specific areas of interest will return greater value.

Secondly, I found my years of experience in the financial services sector, and in digital finance, remains relevant, and my personal journey and reflections in reimagining financial services were largely confirmed. The course provided additional depth, content, and the ability to reflect on areas of interest at the policy level – such as digital identity, informed consent, financial conduct, sandboxes, and central bank digital currency.

Thirdly, the course demonstrated that successful financial technology is usually built around addressing pain points from the perspective of the consumer, the business, or increasingly the financial service providers themselves. The course re-iterated the importance of digital design espoused by Skinner and King.

Fourthly, the course left me slightly depressed. The course underscored the need for supportive regulatory and policy regimes to be established for financial technology across Africa. African regulators and policy makers are cognisant of the digital revolution and are responding, but much is needed to create the structures, policies and environments that are going to facilitate financial technology in Africa.

Of necessity, this will involve coordination between multiple regulators in a country, recognition and support of new actors, thematic regulation, mechanisms to regulate financial conduct, and greater consultation and responsiveness from official bodies.

On the positive side there is much greater international coordination and understanding – through multiple mechanisms – the BIS, AFI, the FATF, the G20 and the work of the Cambridge Centre for

⁹ These details are extracted directly from ESME's course overview accessed 24.01.2021.

Alternative Finance (CCAF) – but this experience must be translated to national policies that work together to promote and stimulate innovation.

So, was it worth the money, and what did I gain from the course?

Yes, the course was worth the money. It would have taken much longer in self-study to achieve the same results, and in the consulting world, time is money. In terms of the gains from the course:

- i. A certification from Oxford University Said Business School: Certification from Oxford University, even for a short course - helps brand building, especially for a consultant. Furthermore, it signals the intent to remain relevant in a changing environment.
- ii. A greater understanding of the fintech revolution: The coverage of the course looks beyond the markets I know so well, so it widened my appreciations of the opportunities of financial technology. It gave me a better appreciation of how banks and fintechs can and indeed must work together.
- iii. An increased network of professional contacts: Contact with the Esme team, Oxford academics, neo and transforming banks – and the great team I worked within on our Capstone Project, Piotr, Paolo, Timi and Charif.
- iv. A significant reading list to work through, and a useful point of reference for future consulting assignments.
- v. Energy and enthusiasm in difficult times. Doing something positive to build human capital is incredibly important.
- vi. Working through the Capstone project – reinforced the project/product development process for financial technology. Having developed a wide of products and services for financial institutions during my consulting career – it is very useful to update my own methodologies.
- vii. An appreciation of my relevance as a designer of digital products and services.
- viii. A greater ability to make informed reflections on where Africa is in its own financial technology transformation, the importance of retail level technologies, and the transformation potential of blockchain.

As a final remark: I am happy to talk to anyone thinking through whether to take a future Esme Oxford University fintech course, get in touch with me on my email below.

This blog is one of a series of blogs, should you wish to sign up to receive additional blogs, please write to David Cracknell at david@firstprinciples.consulting. David Cracknell is the Director of First Principles Consulting Limited, based in Nairobi, Kenya. He advises financial institutions, governments, policy makers and donors on financial services, including digital finance, policy and regulation, and inclusive finance.



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