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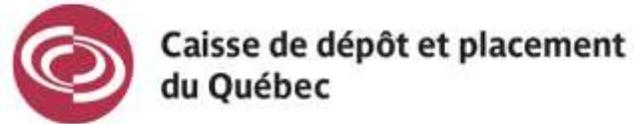


# Thomas Gagné, CFA

Responsable comité FinTech  
CFA Montréal

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**TRIASIA**

**Sameer Somal, CFA**

Chief Financial Officer  
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Founder and CEO

Henebry Blockchain & Cryptocurrency Consulting



**CFA  
Montréal**

# The FinTech Revolution & Digital Reputation

Presented by:

**Bobby Henebry, CFA**

**Sameer Somal, CFA**

**Thursday November 29<sup>th</sup>, 2018**

- 1. The FinTech Revolution**
- 2. Introduction to Online Reputation Management**
- 3. Big Data, IoT, Robo Advisory Blockchain & Cryptocurrency**
- 4. Digital Reputation: Build, Repair & Monitor**
- 5. Summary & Conclusions**

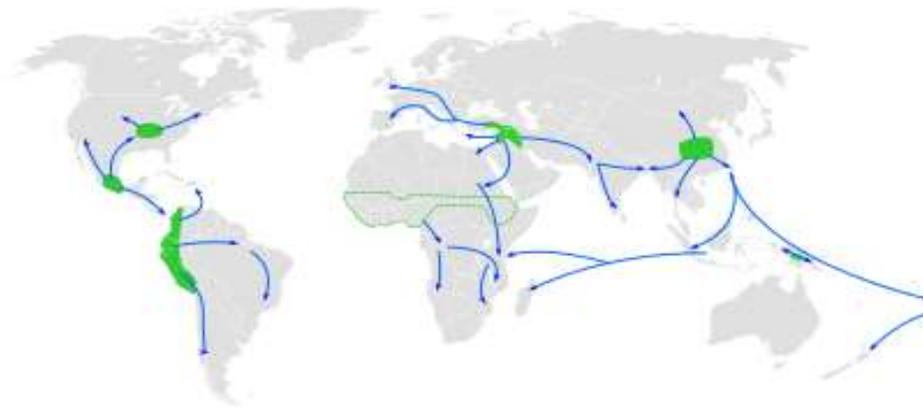




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**Section 1:**  
**The FinTech Revolution**



1976  
By Ron Wayne



1977 - 1998  
By Rob Janoff



1998  
Translucent Version



1998 - 2000  
Monochrome Version



2001 - 2007  
Aqua Version



Current  
Chrome Version



# Every 2017 Internet Minute



**Uber**

The world's largest taxi company, owns no vehicles.

The world's most popular media owner, creates no content.

**Facebook**

**Amazon**

The world's most valuable retailer strives for no inventory.

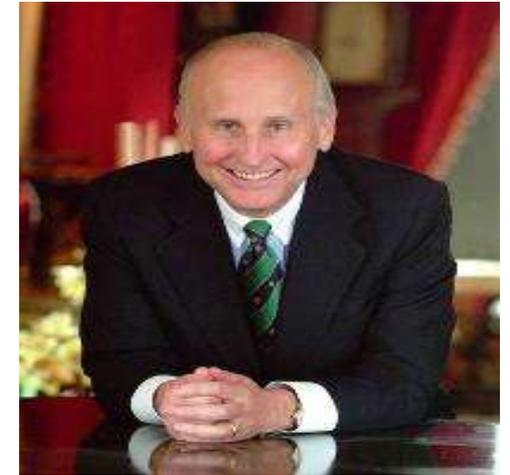
The world's largest accommodation provider, owns no real estate.

**Airbnb**

Our *Blue Ocean Strategy* is Education.

*“The average lifespan of a company listed in the S&P 500 has significantly decreased from 67 years in the 1920’s to 15 years today.”*

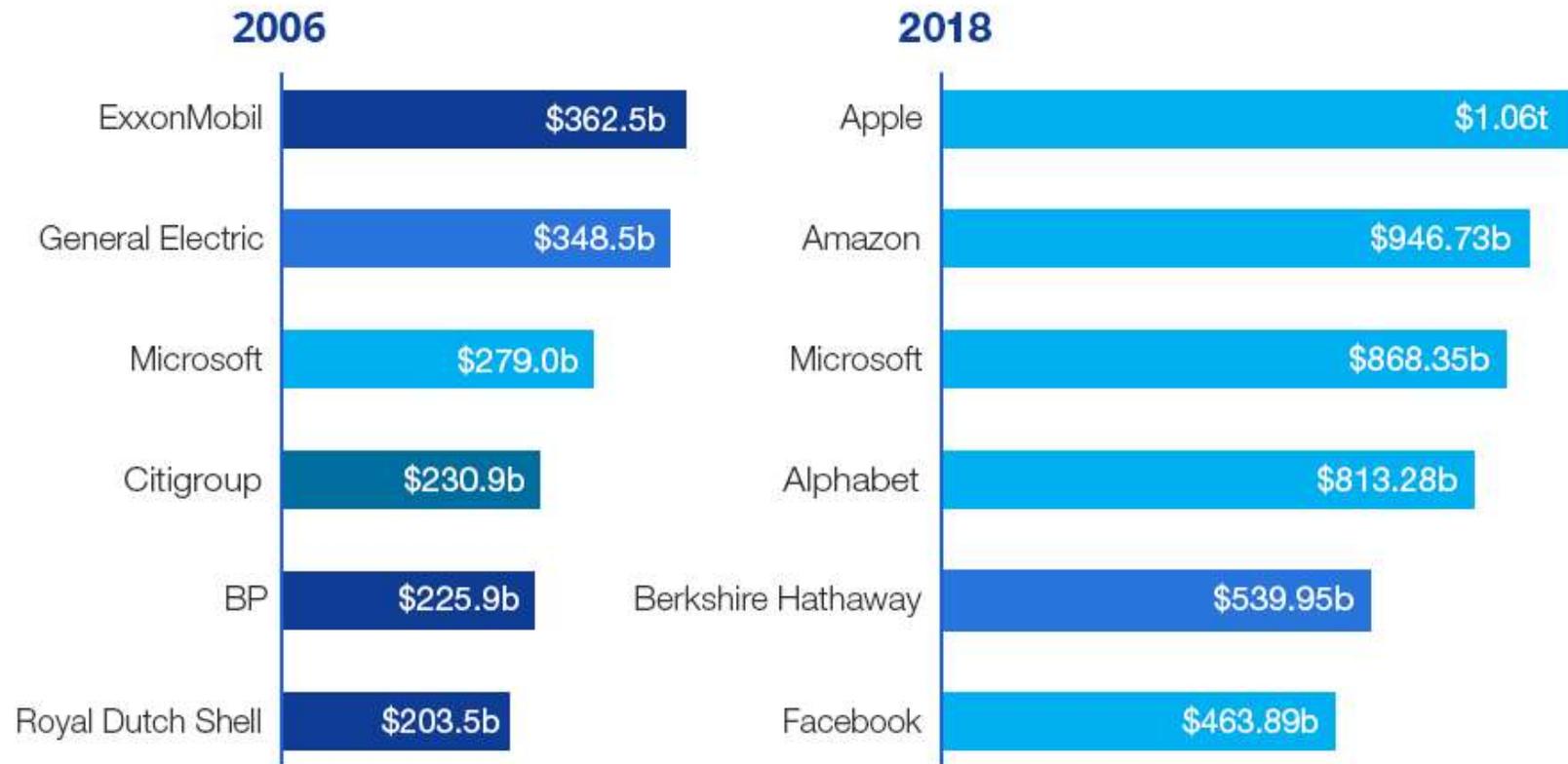
*-Richard Foster  
Yale University*



# World's Most Valuable Public Companies

Market capitalization of the world's most valuable public companies

● Tech ● Oil/Energy ● Financial Services ● Conglomerate



^Market Capitalization as of Sep 2018

## Emerging Markets Will Surpass Mature Markets by 2017



+US, Western Europe,  
Japan, Canada,  
Australia, NZ  
Source: IDC, 2014

## % of TOTAL DIGITAL UNIVERSE

Emerging Markets Mature Markets



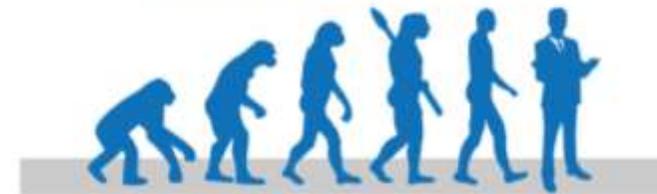
# Where did the word “FinTech” originate?

- FinTech was the original name of the Financial Services Technology Consortium, a project initiated by Citicorp.



- In the early 1990s, the bank was trying to overcome a reputation for resisting technological collaboration with outsiders.

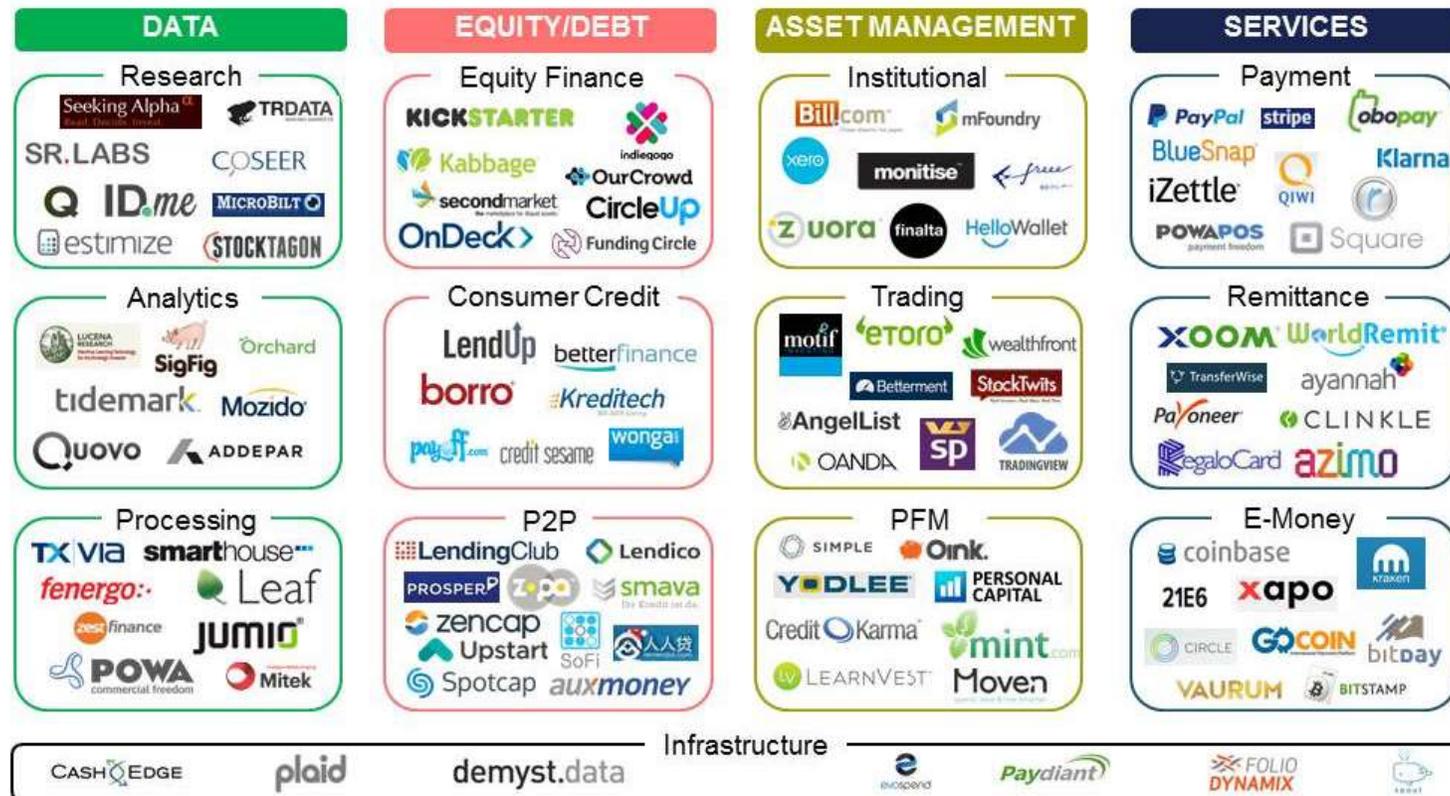
FINTECH: THE EVOLUTION



- FinTech has disrupted all aspects of the industry—banking and capital markets, asset management, insurance, and payments/transfers.
- The lending and payments sector is anticipating a high level of disruption with the emergence of online platforms that facilitate lending and borrowing between individuals and businesses.



Global investment in FinTech rapidly increased from \$930 million in 2008 to \$31 billion in 2017.

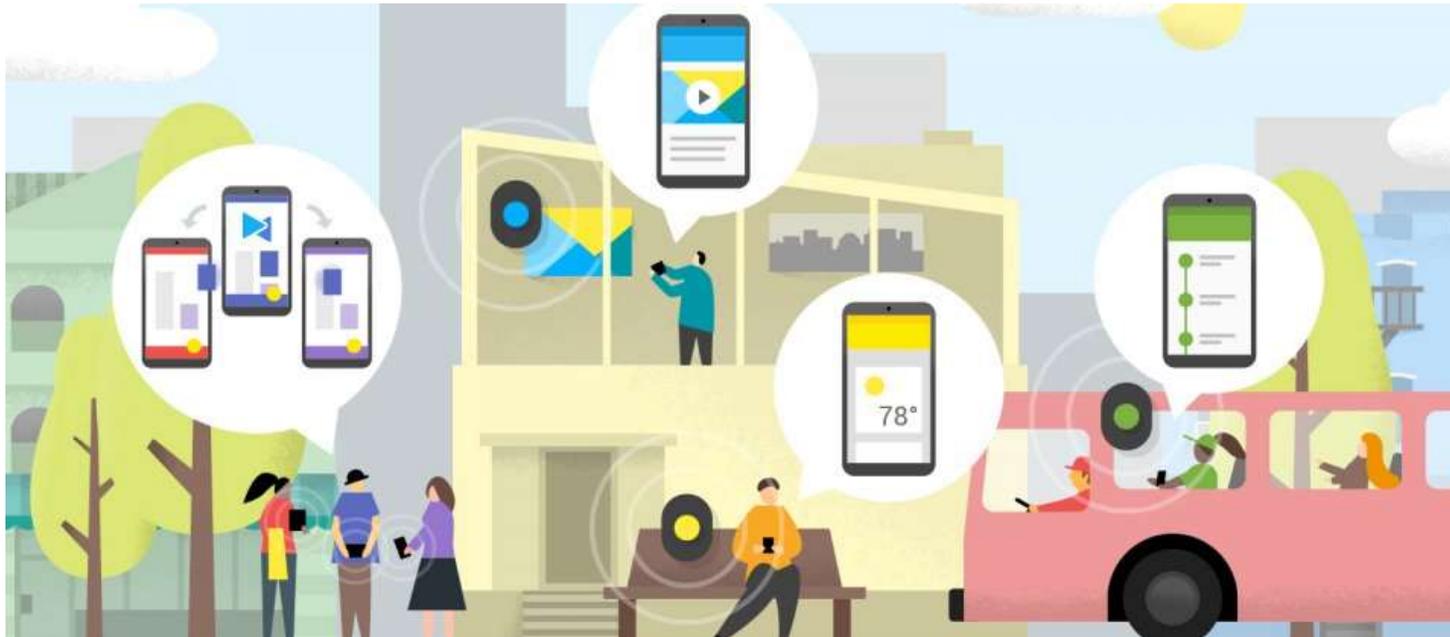




**Section 2:**  
**Introduction to**  
**Digital Reputation**

# What is Reputation?

Comprised of impressions emotions and perception, a reputation can be defined as the estimation in which a business, person or thing is held by a particular community or the public at large.



- The emergence of social media allows negative comments to be shared and circulated among large numbers of internet users. The confidence of existing and prospective clients depends on positive press.
- Businesses and individuals must take proactive measures to prevent and address unfavorable or defamatory content.



# Why is ORM important? Cont.

- Burson-Marsteller, a leading global public relations and communications firm, found that 95% of CEOs surveyed believe that corporate reputation plays an important or very important role in the achievement of business objectives.
- Only 19% of these same executives had a formal system for measuring the value of their corporate reputation.



Burson•Marsteller



“Identity will be the most valuable commodity for citizens in the future, and it will exist primarily online.”

—Eric Schmidt, Google



- People perform searches for a plethora of reasons, including finding a restaurant in a new city, buying gift for mom, and researching their next financial advisor.
- Every second there are 63,000 searches, and every day there are 5.5 billion.
- Every internet search done on a law firm or attorney yields a Search Engine Results Page (SERP).





## Privacy mode

Private browsing, privacy mode or incognito mode is a privacy feature in some web browsers to disable browsing history and the web cache. This allows a person to browse the Web without storing local data that could be retrieved at a later date. [Wikipedia](#)

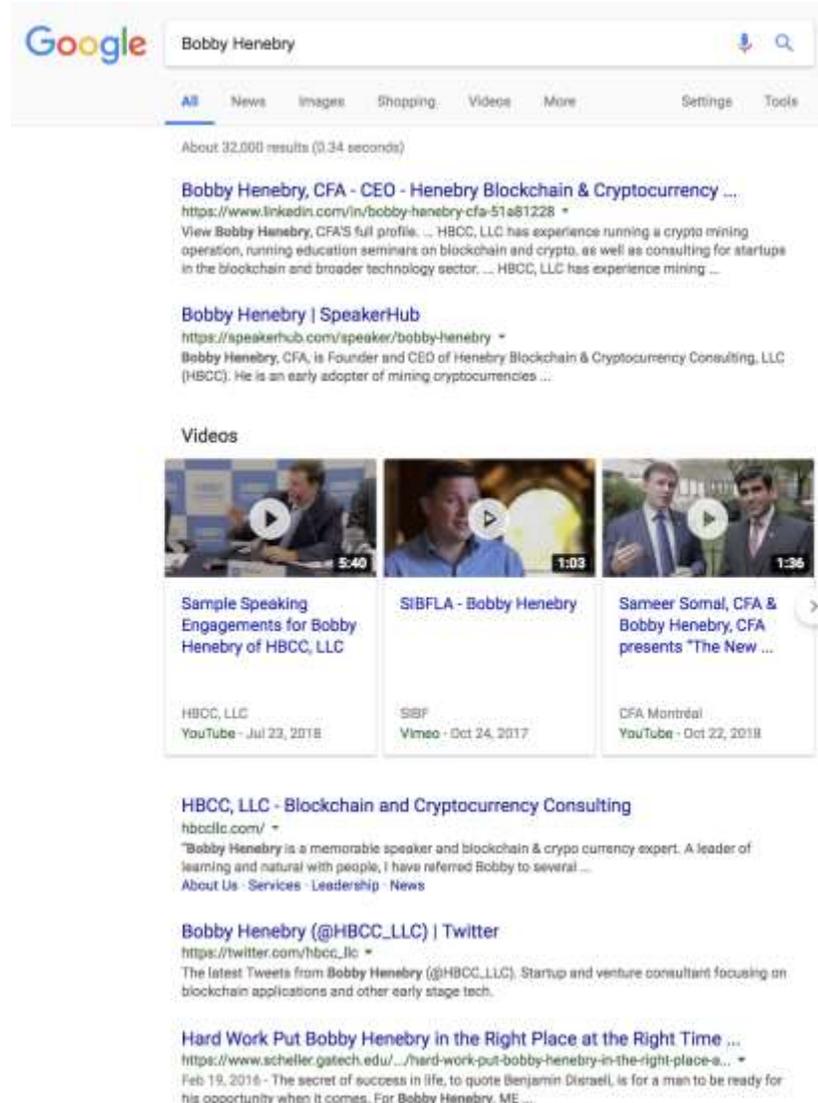
People also search for

- Safari
- Google Chrome
- Opera
- Web browsing history
- Chromium

[View 5+ more](#)



Feedback



The image shows a Google search results page for the name "Bobby Henebry". The search bar at the top contains the name and a magnifying glass icon. Below the search bar are navigation tabs for "All", "News", "Images", "Shopping", "Videos", "More", "Settings", and "Tools". The search results indicate "About 32,000 results (0.34 seconds)".

The first result is a LinkedIn profile for Bobby Henebry, CFA - CEO - Henebry Blockchain & Cryptocurrency. The snippet includes the URL <https://www.linkedin.com/in/bobby-henebry-cfa-51e81228> and a brief description of his role and company.

The second result is a SpeakerHub profile for Bobby Henebry. The snippet includes the URL <https://speakerhub.com/speaker/bobby-henebry> and describes him as the Founder and CEO of Henebry Blockchain & Cryptocurrency Consulting, LLC (HBCC).

The "Videos" section displays three video thumbnails with their respective titles and durations:

- Sample Speaking Engagements for Bobby Henebry of HBCC, LLC** (5:40) - Source: HBCC, LLC, YouTube - Jul 23, 2018
- SIBFLA - Bobby Henebry** (1:03) - Source: SIBF, Vimeo - Oct 24, 2017
- Sameer Somal, CFA & Bobby Henebry, CFA presents "The New ..."** (1:36) - Source: CFA Montréal, YouTube - Oct 22, 2018

Below the videos, there is a result for the company website: **HBCC, LLC - Blockchain and Cryptocurrency Consulting** ([hbccllc.com/](http://hbccllc.com/)). The snippet describes Bobby Henebry as a memorable speaker and blockchain & crypto currency expert.

Another result is for Bobby Henebry's Twitter profile: **Bobby Henebry (@HBCC\_LLC) | Twitter** ([https://twitter.com/hbcc\\_llc](https://twitter.com/hbcc_llc)). The snippet mentions he is a startup and venture consultant.

The final result is an article snippet: **Hard Work Put Bobby Henebry in the Right Place at the Right Time ...** (<https://www.scheller.gatech.edu/.../hard-work-put-bobby-henebry-in-the-right-place-a...>). The snippet quotes Benjamin Disraeli and mentions Bobby Henebry, ME.





## Section 3:

# Big Data, IoT, Robo Advisory Blockchain & Cryptocurrency

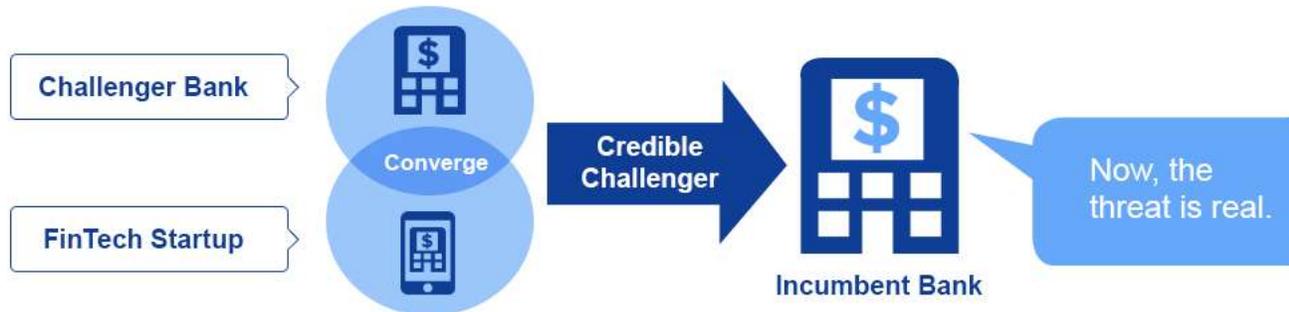
- FinTegration
- Blockchain
- Digital Payments
- Artificial Intelligence
- Robo Advisory
- Strategic & Synergistic Acquisitions



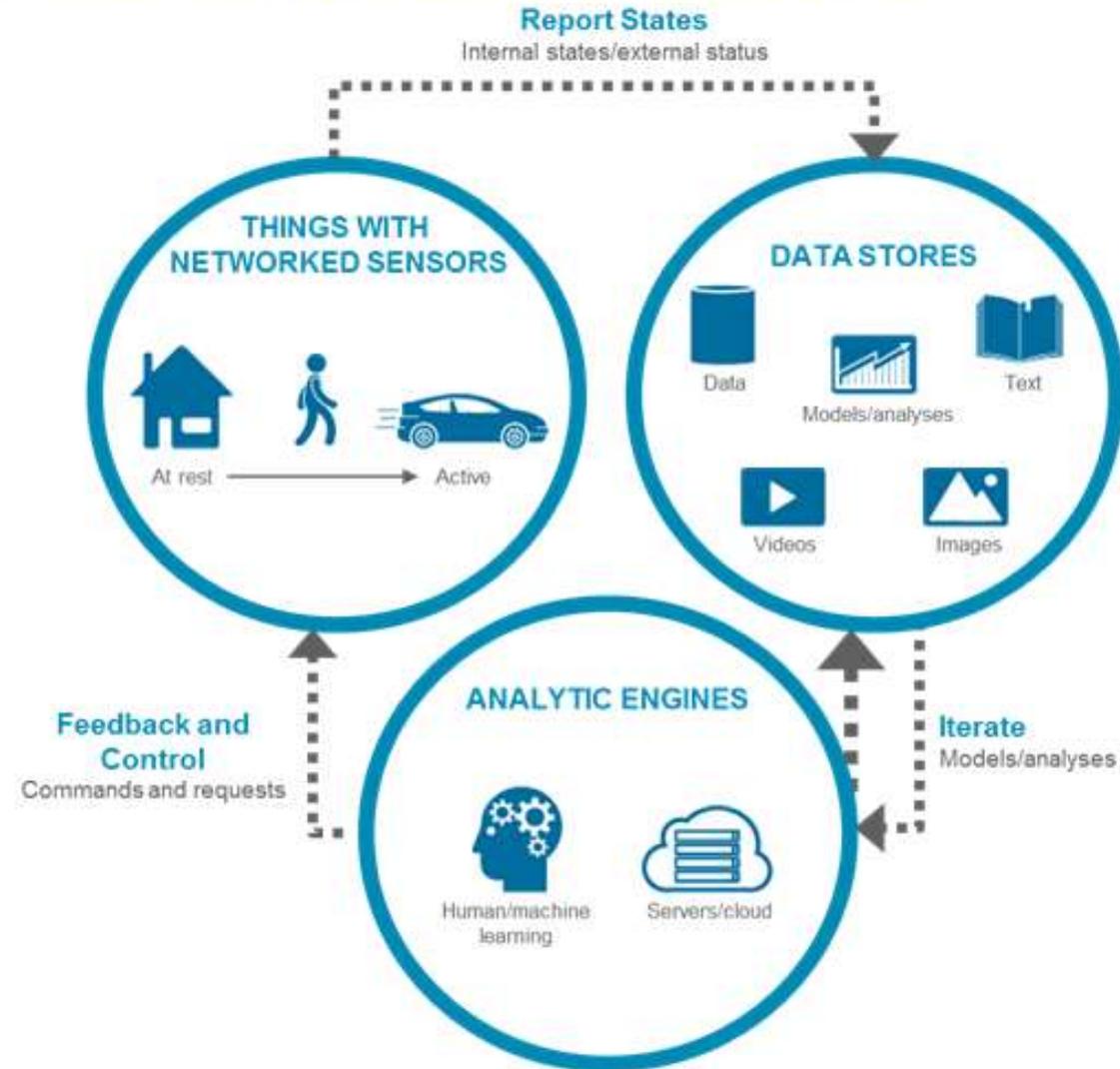
## Old World



## New World



## Interaction Between the Three Components of the Internet of Things



- You cannot have FinTech payments in social media via mobile wallets without thinking beyond mobile to IoT.
- Everything is becoming smart, and smart things need smart payment methods. Timothy Li, CEO of Kuber Financial, says, “The Internet of Things, wearables, smart home, and connected car will bring massive change to the Fintech industry forever.”

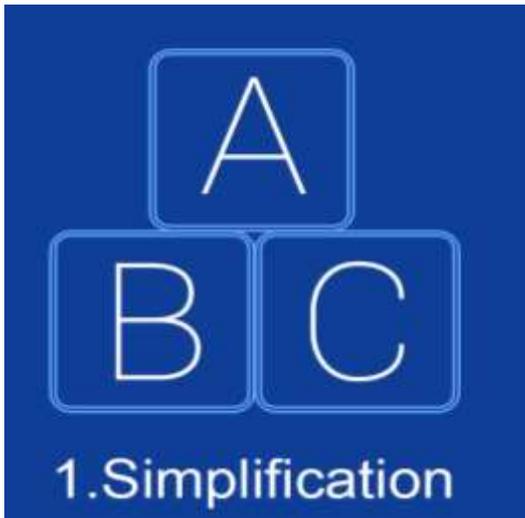


# Big Data is FinTech's "New Oil"

- For the financial services industry, the value of customer data analysis cannot be overstated. The sector is becoming highly competitive, and only outsourcing big data analytics solutions will keep FinTech enterprises "in the game."
- Many businesses outsource their business analytics so they can focus on other operations. It's more efficient and cost effective to have consultants to perform the statistical analyses and propose solutions and recommendations.



Four areas that can be significantly improved with big data analytics services:



## Leveraging Big Data Analytics, AI and Machine Learning Across FinTech

### Investment Management

- Develop automated advisory solutions.
- Combine multiple data points ( social media, search data etc.) and provide visual insights.
- Identifying anomalies.



LTP

Note: Company list is not exhaustive and is focused on startups

## Leveraging Big Data Analytics, AI and Machine Learning Across FinTech

### Risk Management

- Enhanced fraud & authentication solutions.
- Eradicate vulnerable access points.
- To integrate device identification biometrics, behavior analysis.



LTP

Note: Company list is not exhaustive and is focused on startups



## Leveraging Big Data Analytics, AI and Machine Learning Across FinTech

### Credit Scoring

- ▲ Gather customer data from multiple available sources.
- ▲ Customize scoring models.



LTP

Note: Company list is not exhaustive and is focused on startups.

## Leveraging Big Data Analytics, AI and Machine Learning Across FinTech

### Marketing

Customer Acquisition	Customer Retention & Loyalty
----------------------	------------------------------

- ▲ Customize acquisition: Focus on digital channels.
- ▲ To improve digital touchpoints to engage consumers.
- ▲ To create complete customer preference profiles by going beyond transactional data.
- ▲ Develop personalized, contextual offerings.

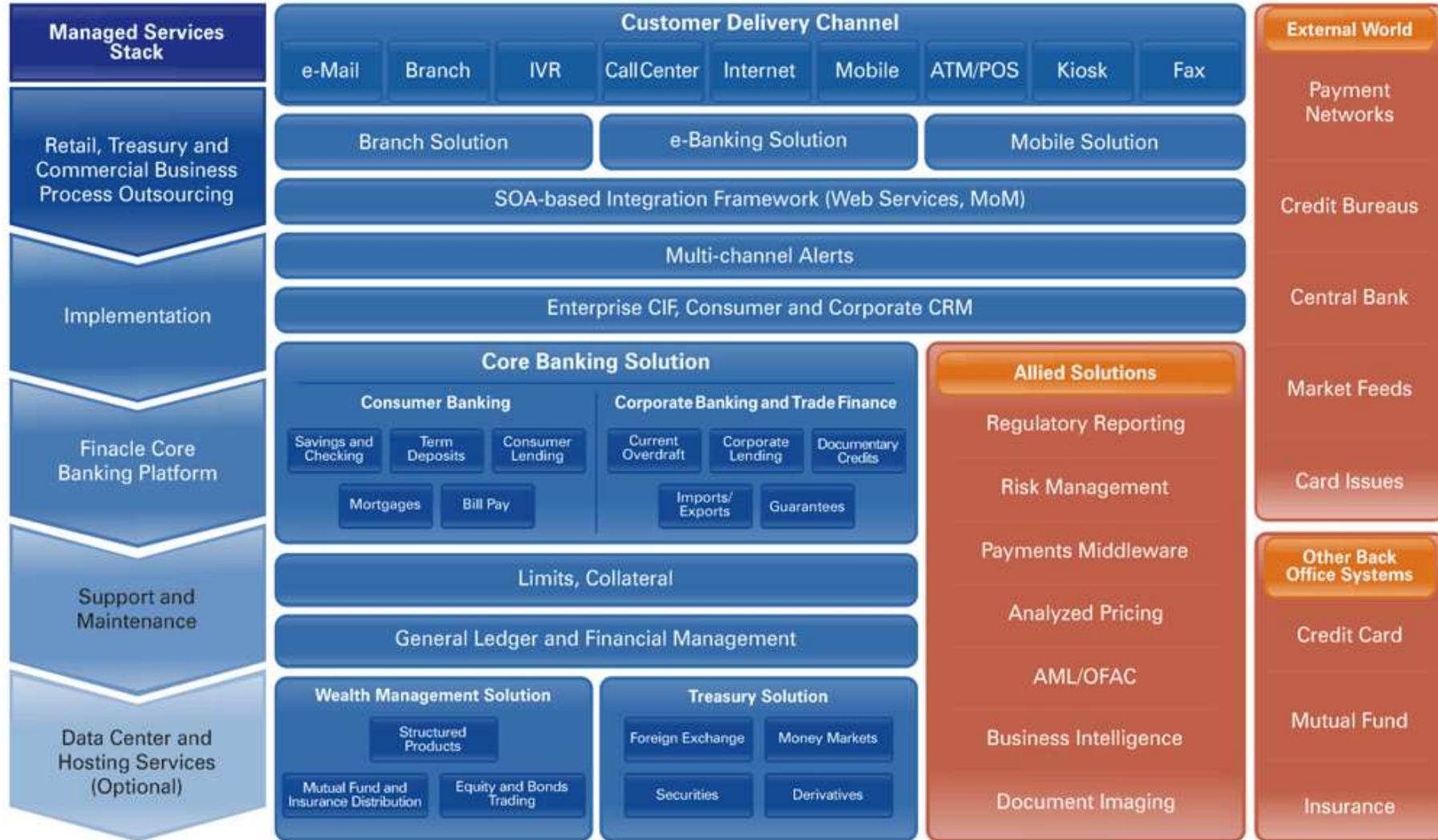


LTP

Note: Company list is not exhaustive and is focused on startups.



# Bank in a Box: Framework



The financial services sector handles sensitive information about individuals and enterprises. With the emergence of FinTech, more data is now available in digital formats, which makes it easier to analyze and generate insights, but also makes the data more susceptible to security breaches.

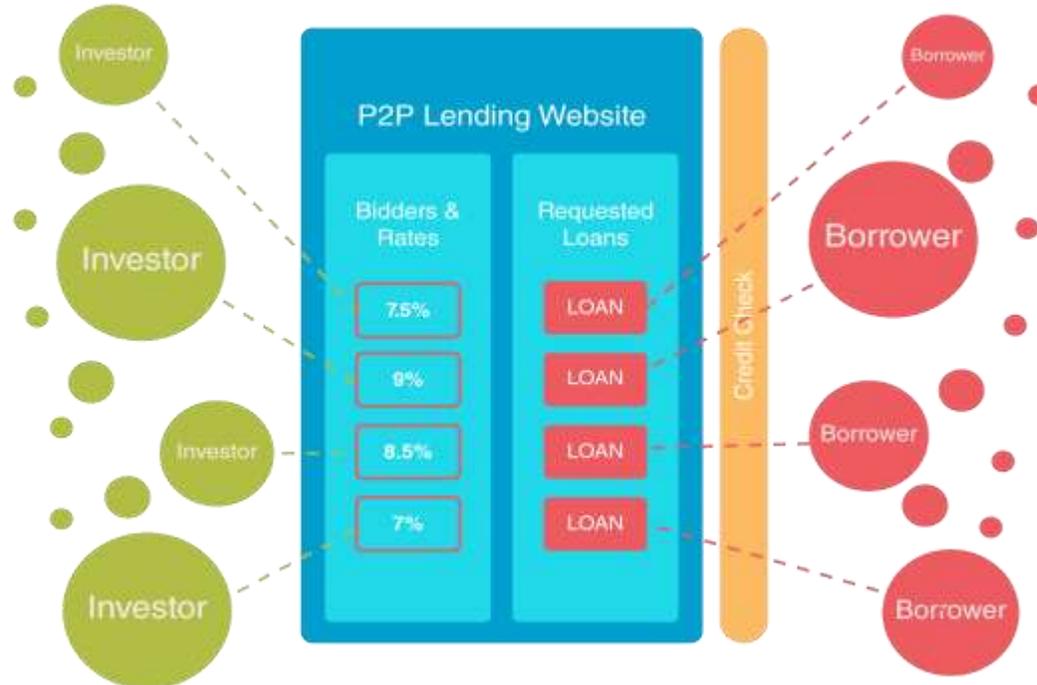


The risks will likely persist for the foreseeable future due to the following forces:

- Use of third-party vendors.
- Rapidly evolving, sophisticated, and complex technologies.
- Cross-border data exchanges.
- Increased use of mobile technologies by customers.
- Heightened cross-border information security threats.



Peer-to-peer lending, sometimes abbreviated P2P lending, is the practice of lending money to individuals or businesses through online services that match lenders with borrowers. Since peer-to-peer lending companies offering these services generally operate online, they can run with lower overhead and provide the service more efficiently than traditional financial institutions.



## 05/INFOGRAPHIC

### How they work Robo advisors?

These are the automatic machines that offer financial advice and portfolio management.

 [Share on Pinterest](#)

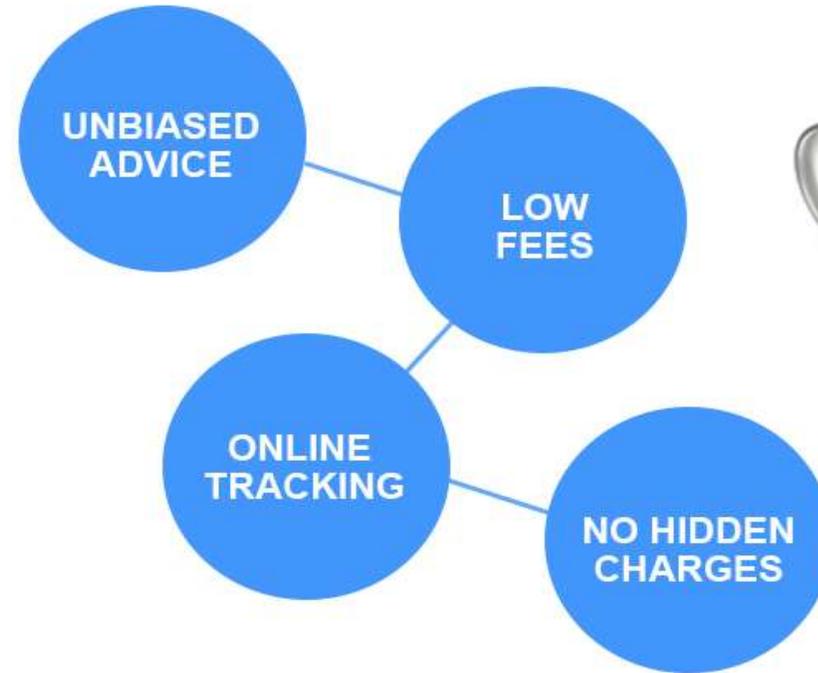
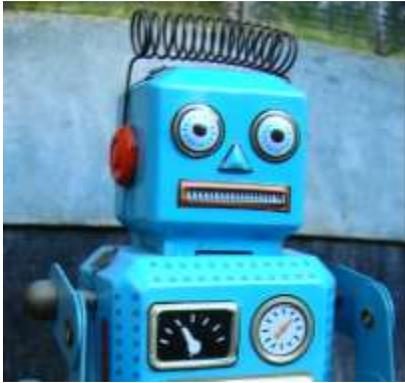


# What is a Robo Advisor?

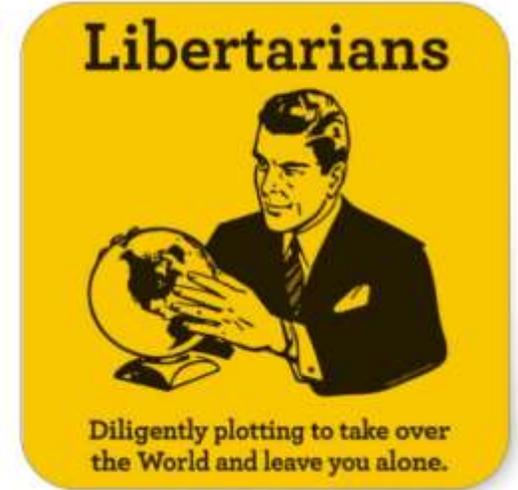
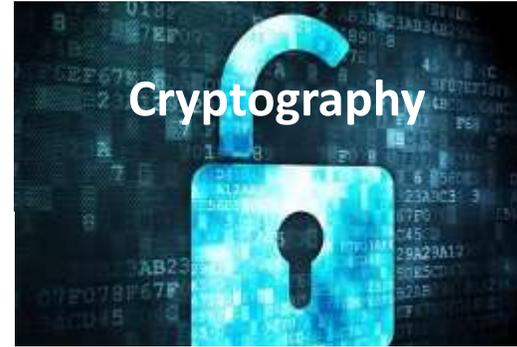
- “Already, artificial intelligence is all around us, from self-driving cars and drones to virtual assistants and software that can translate or invest” according to Klaus Schwab, Founder and Executive Chairman of the World Economic Forum.
- In the financial services industry, Robo Advisors are defined as “an online wealth management service that provides automated, algorithm-based portfolio management advice without the use of human financial planners”.



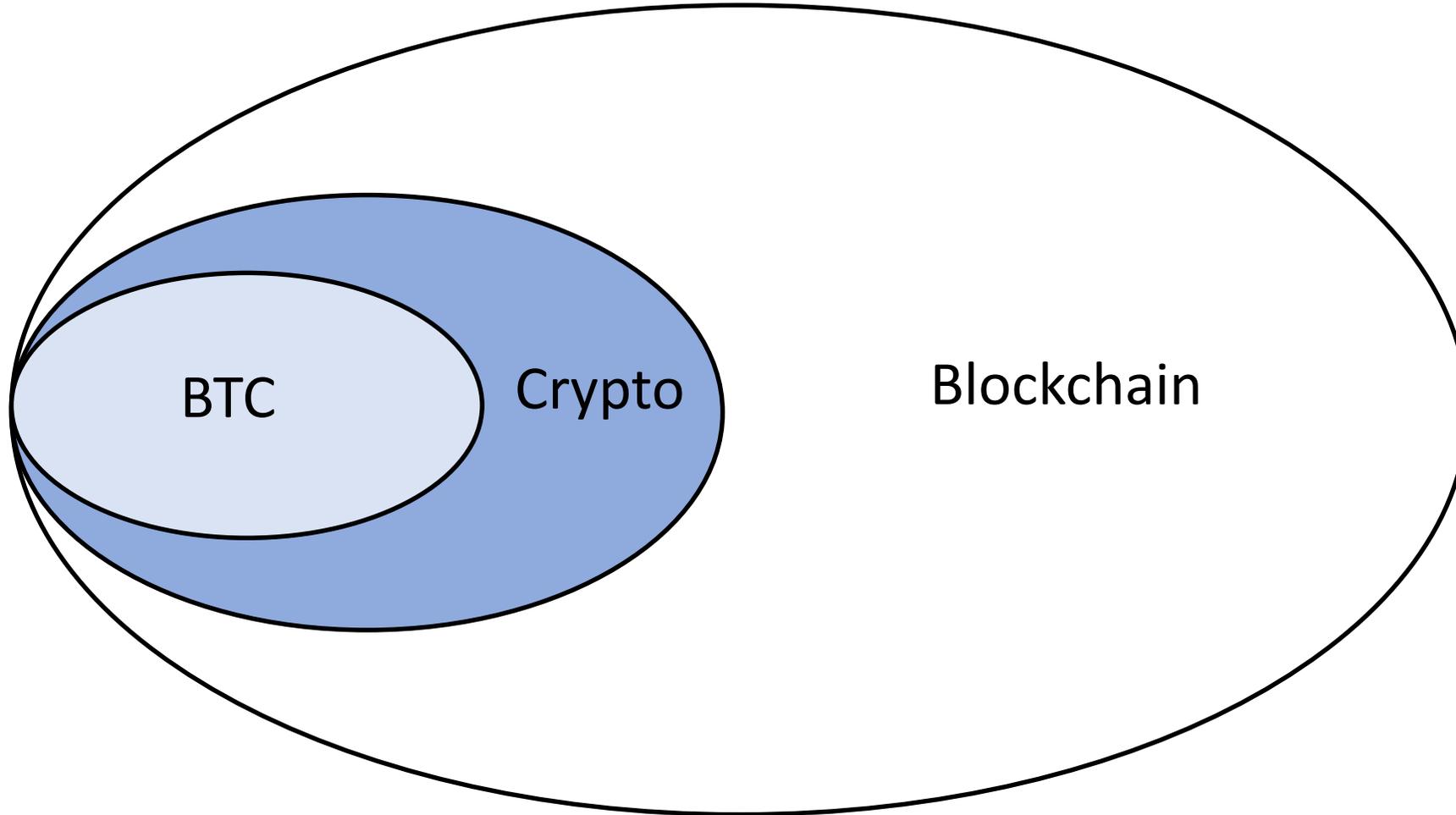
# Advantages of Robo Advisors



# Diversity of Blockchain / Crypto Ecosystem



# An Important Distinction



# What are Cryptocurrencies

- Open source **digital asset** as a medium of exchange
  - Uses **Cryptography** to transact and create additional units of currency
- Makes something digital **scarce** (no duplication or copying)
- Control is **decentralized** through distributed ledger of a Blockchain



- *A public, decentralized peer-to-peer ledger*
- Transactions (“Blocks”) are valid once added to Chain
  - Sequential
  - Immutable
- Tampering is immediately evident. And the Blockchain is regarded as “safe” because **everyone in the network has a copy.**



# Traditional Gold Mining – Proof of Work



**Capital Expenditures**



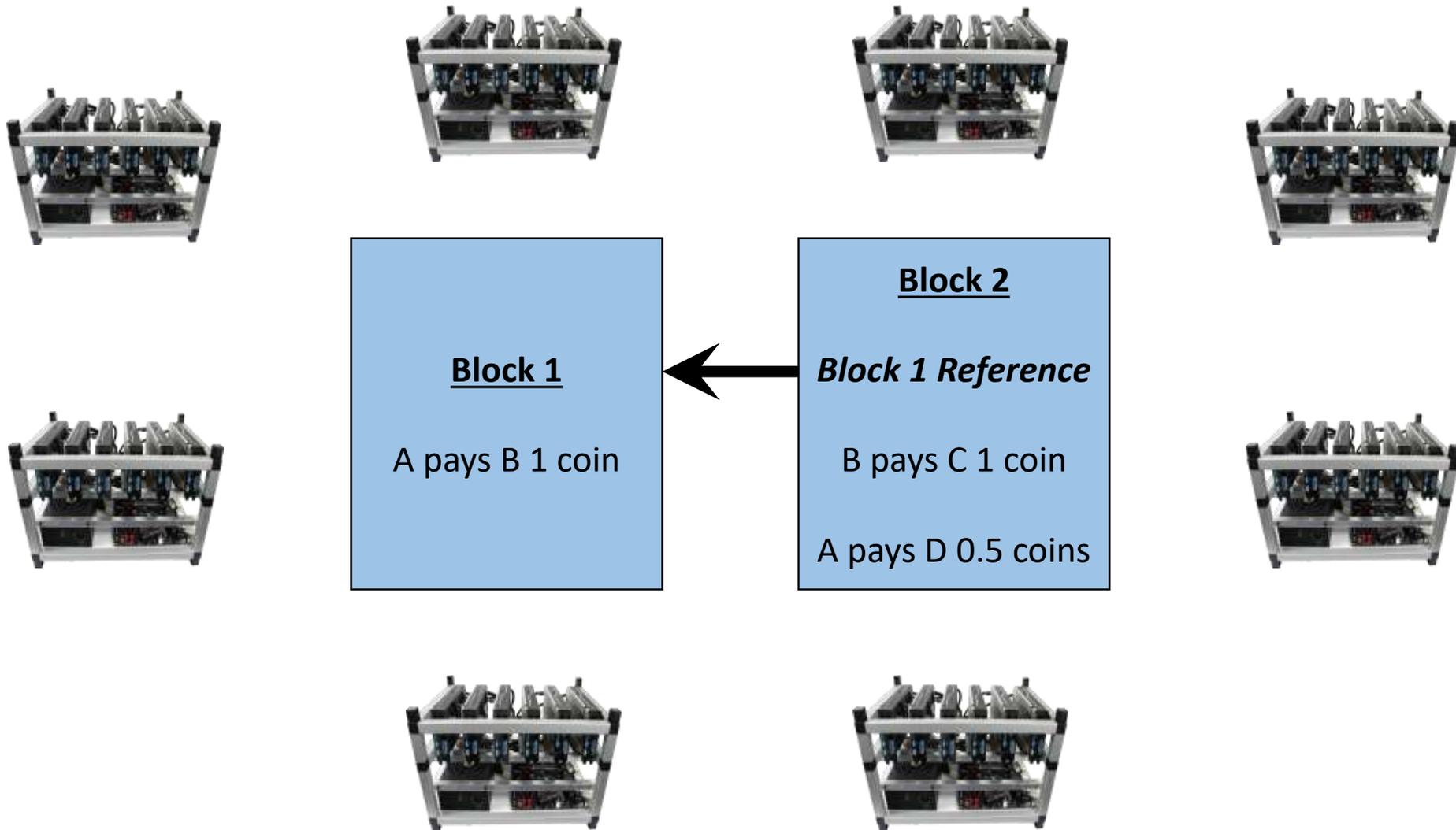
**Revenue,  
Currency....  
GOLD**



**Variable Expenses**



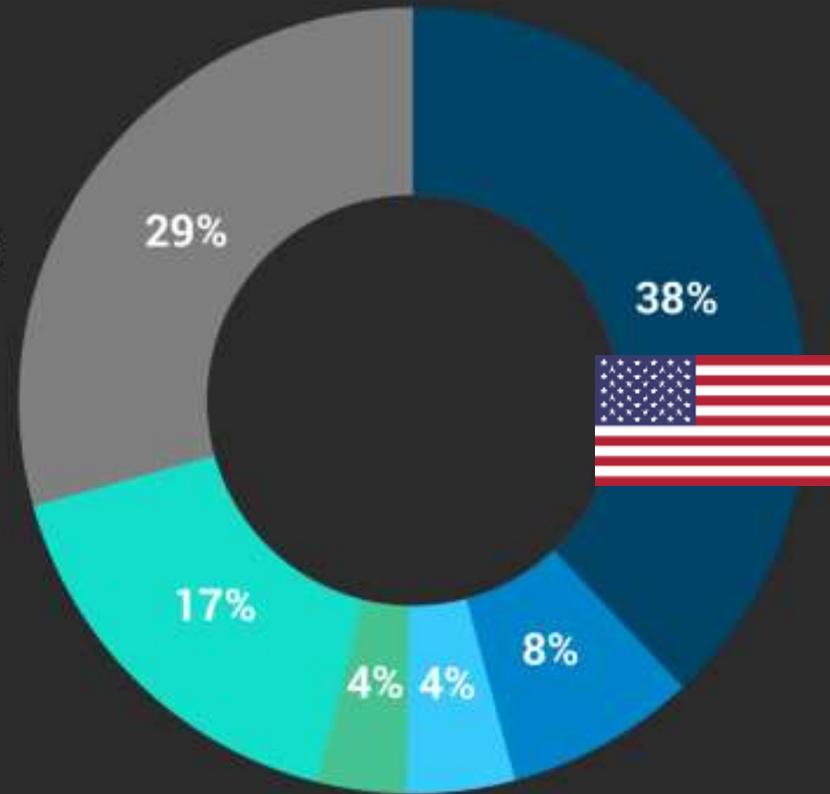
# How Blockchain Works



## Where Recently Funded Blockchain And Blockchain-Adjacent Startups Are Based

Location of companies that raised venture rounds between 2017 and late-February 2018.

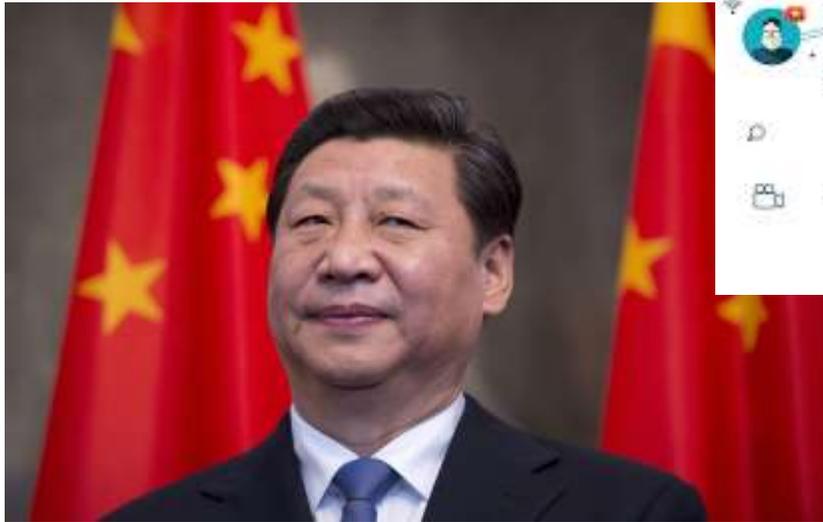
- United States
- United Kingdom
- Singapore
- Switzerland
- Unknown
- Other



crunchbase news

NOTE: <https://techcrunch.com/2018/03/03/2018-vc-investment-into-crypto-startups-set-to-surpass-2017-tally/> (March 3, 2018)





In September 2017, China banned ICOs and exchanges trading cryptocurrencies. Current market is now over-the-counter, while People's Bank of China runs trials on its own prototype cryptocurrency.

“Distributed ledger technology has incredible promise for the financial industry.”  
– Jay Clayton, SEC Chair (4/5/18)

NOTE: <http://fortune.com/2018/01/17/china-bitcoin-cryptocurrency-crackdown/> and <https://www.coindesk.com/sec-chief-not-icos-bad/>





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**Section 4:**  
**Digital Reputation:**  
**Build, Repair & Monitor**



facebook



```
75CC init  
6744264  
00000000  
00000000
```



- Build: Noah's rule - "Predicting rain doesn't count; building arks does".
- Build your online reputation through digital assets, strong profiles, SEO and thoughtful marketing.
- A strong online web presence mitigates the impact of negative posts and drives sustainable growth in revenue.



# High-Quality Content

- High-quality, unduplicated content on a law firm's website blog has a significant impact on SEO and search engine ranking.
- High-quality articles, blogs, and social media updates encourages client and prospect engagement.
- Readers will pause to consume the content, understand the educational message and consider commenting, liking and sharing.



- Website
- Blog
- Microblogs
- Forums
- Interviews
- Guest blogging
- Webcast
- Podcast
- Bookmarking sites
- Social media



- Review the online issue and determine if this is a one-time issue or if it has the chance to become an ongoing or long-term problem.
- When negative posts from a dissatisfied customer, ex-employee or legal matter affect a business or individual's online reputation, repair work must begin immediately.



# ORM Repair Issues

- Competitor stratagems
- Consumer feedback websites
- Court case filings
- Defamation bloggers
- Embarrassing images & videos
- Erroneous information
- Erroneous profiles
- Legal documents
- Mistaken identity
- Name changes
- Negative news or editorials
- Purported scam reports
- Past employee slander
- Scandals
- Slander & hate websites



# Repair: General Example

- A partner at a firm was erroneously accused of harassment and negligence from a disgruntled ex-employee.
- While the charges were dismissed, when prospective or current clients Google the firm, defamatory content appears on page 1 of search results.
- The defamatory articles adversely affects the reputation of each attorney.







## CFP Board Sanctions Houston Advisor

AUGUST 25, 2017 • KAREN DEMASTERS

Certified Financial Planner Board of Standards Inc. has sanctioned a [REDACTED] financial advisor after he took money from his clients' retirement accounts, CFP Board announced Friday.

[REDACTED] pled guilty in June to a charge of mail fraud filed by the U.S. Attorney for the Eastern District of Texas. CFP Board issued an interim suspension of his right to use the CFP designation because he failed to answer an order to show cause issued by the board.

[REDACTED], who was president of [REDACTED] & Company, convinced five clients to take money out of their IRAs and give it to him for investment. Once he had control of the money, [REDACTED] used \$1.9 million of clients' money for his own benefit, according to the U.S. Attorney.

In at least one case, [REDACTED] wired money to the client each month in the same amount as the client previously had received from her IRA.



- Opportunity cost of not just negative information, but losing prospective clients when they view information on the wrong company.
- LLC vs. LLP
- Your company name is part of another name:
  - ❖ Dividend Advisors vs. Dividend Capital Wealth Advisors



# Repair Solutions

- We conduct a thorough analysis and share a client-specific ORM report.
- Based upon our assessment and subsequent client feedback, we provide the time frame required to suppress the negative links.
- Pricing is determined by the number of negative keywords, validity of the negative content, and prominence of the hosting website.



- Former Miami Gulliver Preparatory School headmaster, Patrick Snay sued the school for age discrimination after his contract was not renewed in 2010.
- In November 2011, the case was settled for \$80,000 with a confidentiality agreement.
- Unfortunately, Snay shared this confidential information with his daughter.



## CLIENT'S DAUGHTER'S FACEBOOK POST

” [T]he plaintiff shall not either directly or indirectly, disclose, discuss or communicate to any entity or person, except his attorneys or other professional advisors or spouse any information whatsoever regarding the existence or terms of this Agreement ... A breach ... will result in disgorgement of the Plaintiffs portion of the settlement Payments.

“ Mama and Papa Snay won the case against Gulliver. Gulliver is now officially paying for my vacation to Europe this summer. SUCK IT

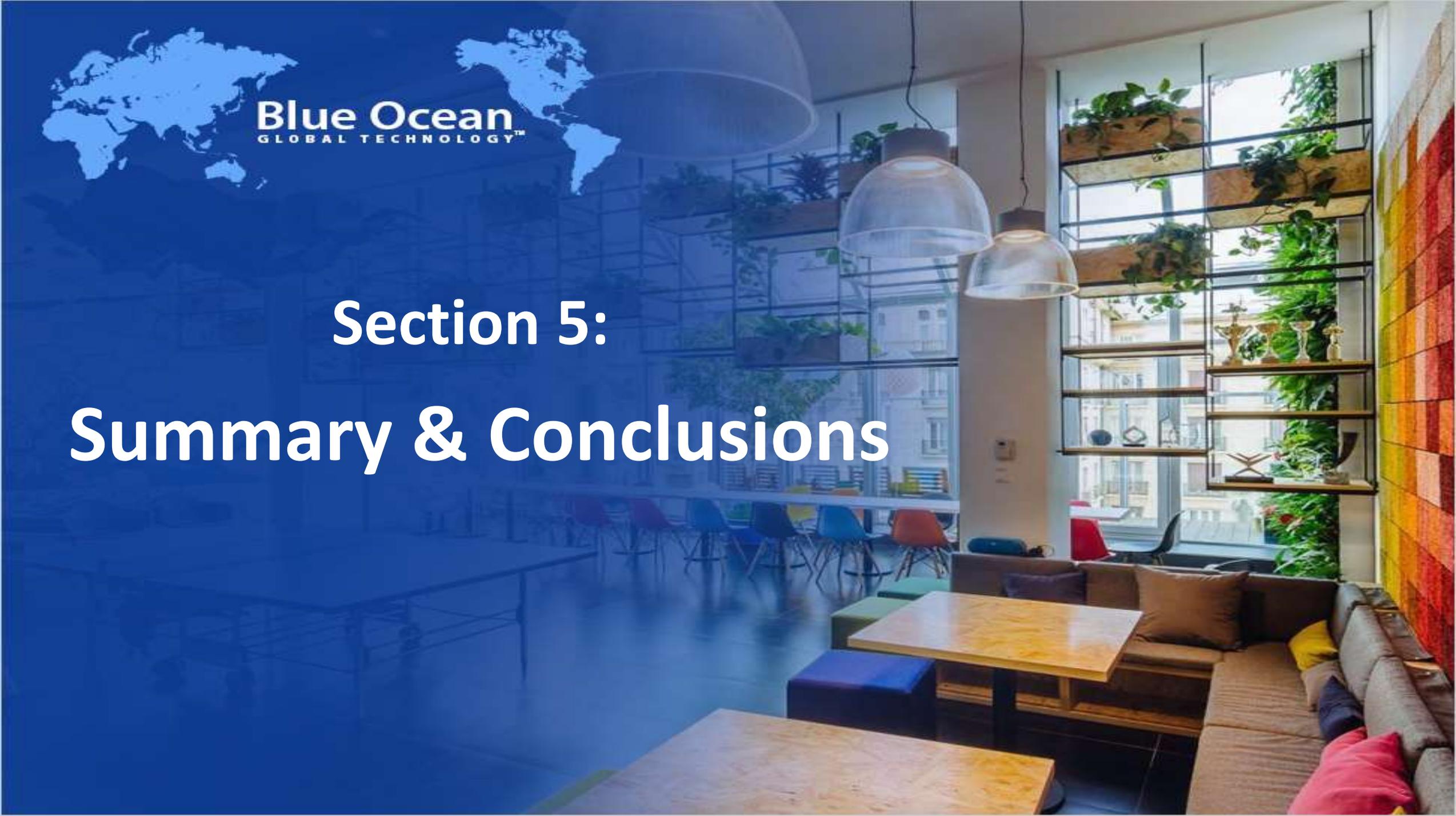




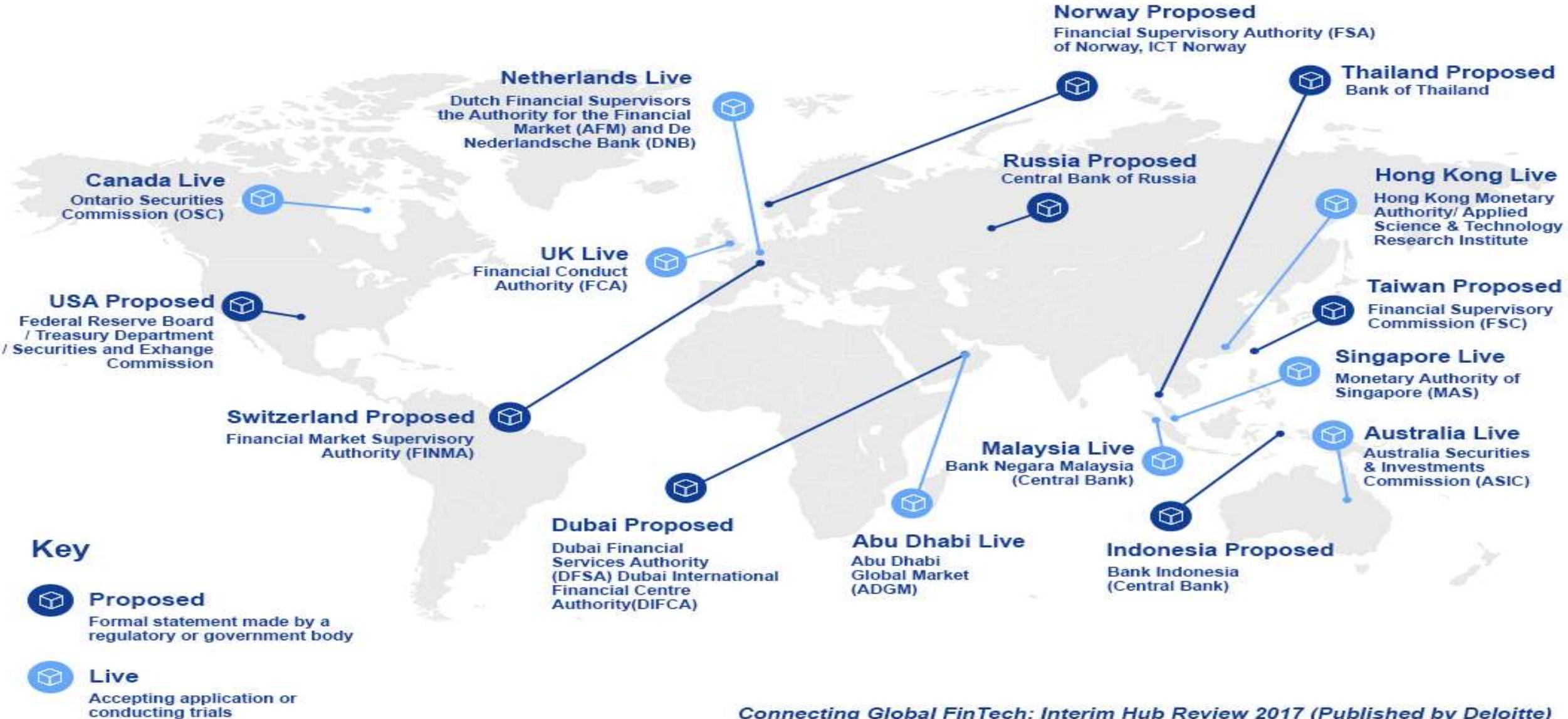


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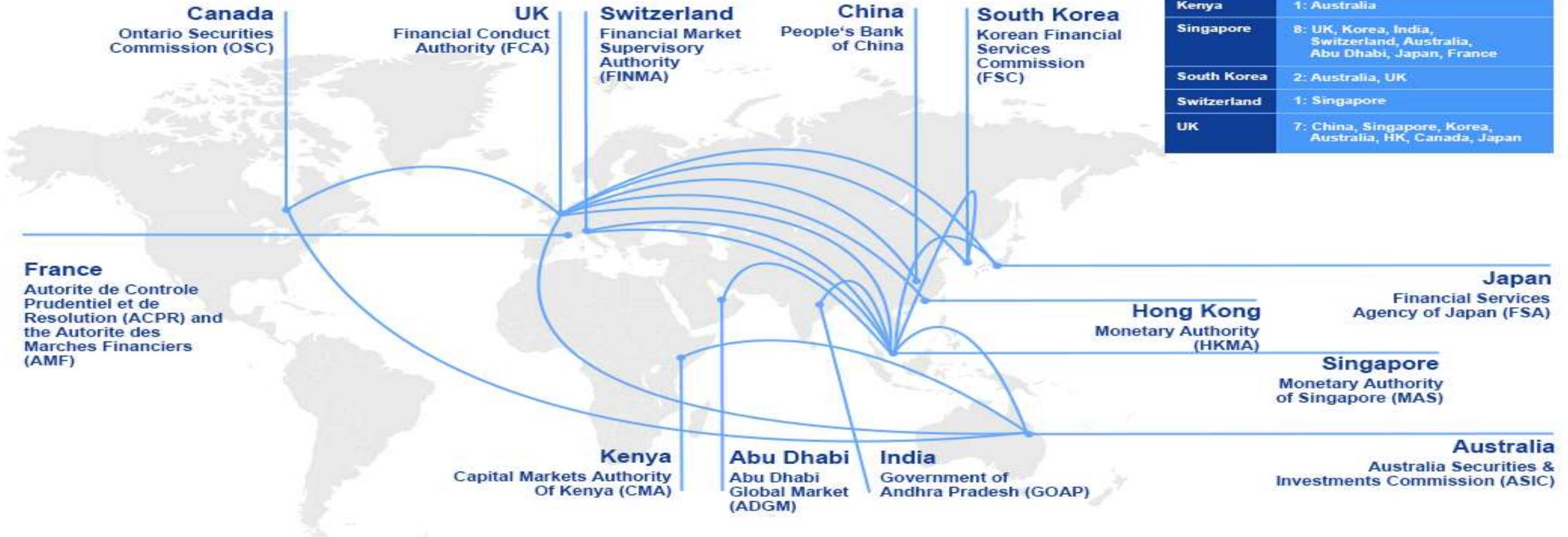
# Section 5: Summary & Conclusions



# Map of Regulatory Sandboxes



# Map of Regulatory Collaboration



**Canada**  
Ontario Securities Commission (OSC)

**UK**  
Financial Conduct Authority (FCA)

**Switzerland**  
Financial Market Supervisory Authority (FINMA)

**China**  
People's Bank of China

**South Korea**  
Korean Financial Services Commission (FSC)

**France**  
Autorite de Controle Prudentiel et de Resolution (ACPR) and the Autorite des Marches Financiers (AMF)

**Kenya**  
Capital Markets Authority Of Kenya (CMA)

**Abu Dhabi**  
Abu Dhabi Global Market (ADGM)

**India**  
Government of Andhra Pradesh (GOAP)

**Hong Kong**  
Monetary Authority (HKMA)

**Japan**  
Financial Services Agency of Japan (FSA)

**Singapore**  
Monetary Authority of Singapore (MAS)

**Australia**  
Australia Securities & Investments Commission (ASIC)

Location	Agreements with other regulators (in order of agreement date)
Abu Dhabi	1: Singapore
Australia	4: UK Singapore, Canada, Kenya
Canada	2: Australia, UK
China	1: UK
France	1: Singapore
Hong Kong	1: UK
India	1: Singapore
Japan	2: UK, Singapore
Kenya	1: Australia
Singapore	8: UK, Korea, India, Switzerland, Australia, Abu Dhabi, Japan, France
South Korea	2: Australia, UK
Switzerland	1: Singapore
UK	7: China, Singapore, Korea, Australia, HK, Canada, Japan

- Integrate PR Decisions and Resource Allocations
- Balanced Communication
- Prepare for Crisis & Plan for Reputation Repair
- Manage Risk & Consider Ramifications
- Respond with Care & Diplomacy



## Learn to See Your Online Reputation as a Valuable Asset

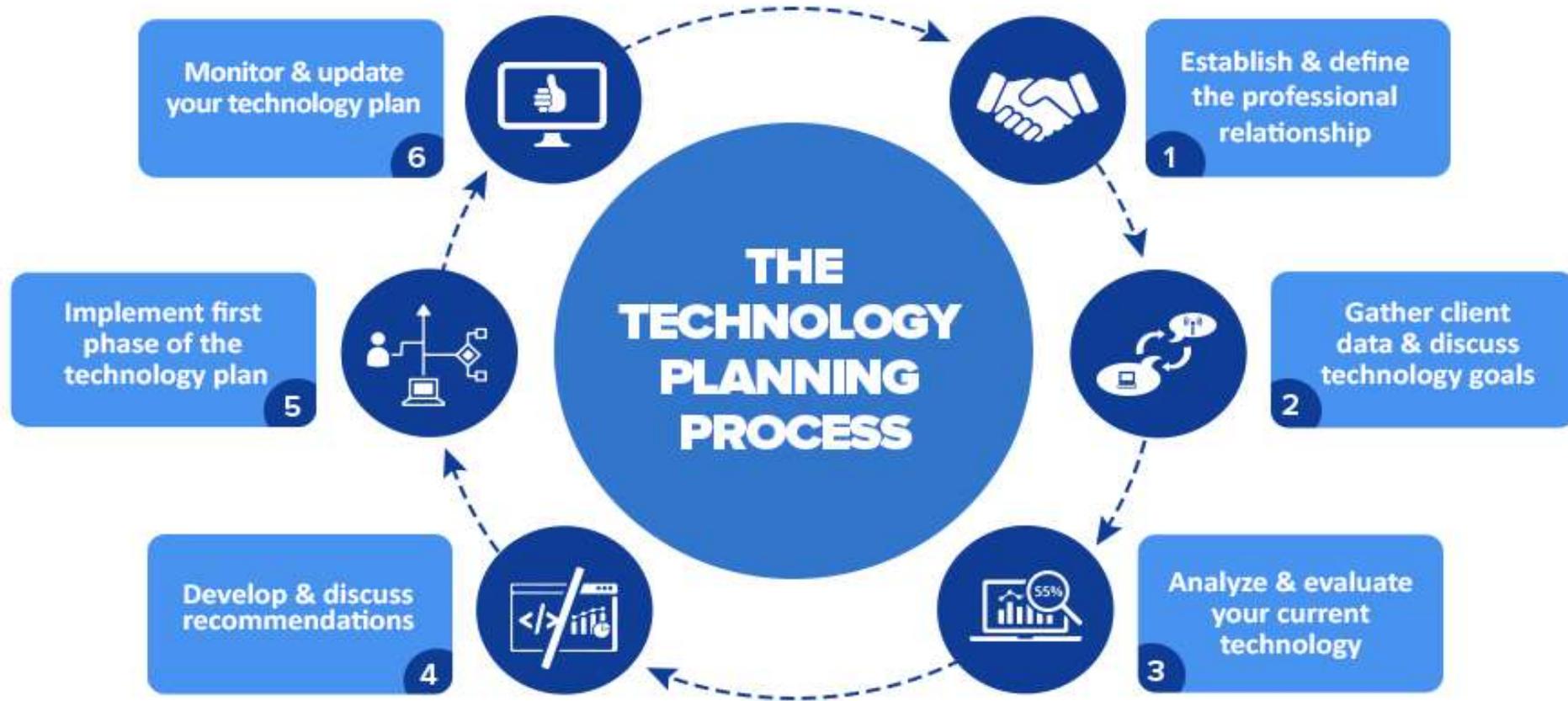
- Successful firms understand that an increasing number of new clients will resort to online research to evaluate their capacity for representation.
- Almost everyone relies on the opinions of through word-of-mouth or what they find online through google and your website.



- Social media has become one of, if not the most effect tool for sharing information  
Active posting of pictures or links across popular social media communities, such as LinkedIn, Facebook, Twitter, and Google+ will help direct traffic to your website.
- According to a recent survey, “54% of people will visit the website after reading positive reviews and 73% of consumers think that reviews older than 3 months are no longer relevant.
- Social media plays a very crucial role for B2B companies to combat negative reviews.



# Where Do I Begin?



Five questions that financial professionals are asking themselves.

1. If all transaction, agency and management fees were slashed to zero, where do you provide value and generate revenue?
2. How much of your business model and operations can not be described by an algorithm?
3. Which customers and services will FinTech companies attract?



4. How do you measure trust and how will trust change for your customers in the face of the FinTech Revolution?
5. Understand how FinTech impacts traditional Competition vs. Collaboration.



# Utilize FinTech & Build More Relationships



- Reputations are everything: our life opportunity set is a function of our reputation.
- FinTech and digital reputation are quickly becoming the foundation for survival and growth.





*“It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you’ll do things differently.”*

*-Warren Buffet [1930 – present]  
Chairman & CEO, Berkshire Hathaway*



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**bhenebry@hbccllc.com**

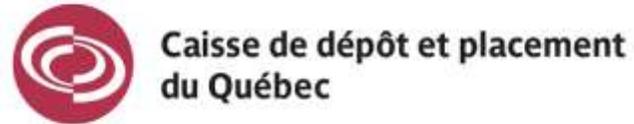


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