

Blockchain becoming the rage at US business schools

5 November 2017, by Luc Olinga



Bitcoin has been a game changer in more than just the currency markets, as more business students going into the finance industry are studying bitcoin's "blockchain" technology which is expected to be applied to many sectors

US business schools are beefing up training in the software that underlies digital currency bitcoin, a technology expected to be a game changer in many industries.

The move makes sense as more students seek careers in financial [technology](#), or "fintech," which has captivated leading Wall Street banks and been called "the most important technology since the internet."

In January, the Haas School of Business at the University of California at Berkeley will offer its first ever course in blockchain software.

The Haas [school](#), which is near San Francisco and Silicon Valley, will handpick 60 students from the departments of business, engineering and law and split them into groups of six to explore possible applications of the technology.

"When people think about blockchain they think about cryptocurrencies," said Haas school lecturer Greg LaBlanc, who sees the technology as potentially disrupting many sectors.

"We believe it will have the biggest impact on contracting, logistics and supply chains, healthcare, public administration, assets clearing, property, transactions," he said.

"Pretty much every function of businesses are going to be affected by this."

'Very transformational'

Blockchain runs by recording transactions as "blocks" that are updated in real time on a digitized ledger that can be read from anywhere and does not have a central recordkeeper.

It was originally developed as the accounting method for bitcoin. But while that cryptocurrency remains controversial with some players in finance, bankers increasingly see exposure blockchain as a must.

Blockchain is "something we are very optimistic about," JPMorgan Chase chief financial officer Marianne Lake said on a conference call last month.

Newer technologies could be "very transformational for the financial services industry and we are forward-leaning and optimistic about that," Lake added.

The technology, which lets users trace items back through their supply chains, also could offer a means to limit tainted food problems, or to guard against "blood diamonds" that come from a war-ravaged area.

In finance, blockchain could be used to permit parties to check the solvency of counterparties,

significantly reducing costs.

Training students for that function and other evolving roles in finance is altering curricula at universities and shifting how students structure their programs.

Students who wish to work in trading must learn how to code, while bankers need to understand algorithms and big data to be able to attract new clients and devise strategies for fast-changing markets.

Traditional skills still required

"Anyone who is coming into the financial industry is expected to have some skills in technology," said Stephen Daffron, a founder of Motive Partners, a [private equity firm](#) specializing in fintech investment.

"If they don't understand how to evaluate a company that tries to employ blockchain, then they won't probably be a good fit for us," said Daffron, who lectures at the Yale School of Management.

Barbara Hewitt, senior associate director in the career services office at the University of Pennsylvania, home to the Wharton School, also noted the rising interest in new skills and technology.

"I increasingly see students opting to explore technical minors, such as in computer science, to be well prepared for the growing use of technology in many fields," she said.

But if exposure to fintech has become more important to hireability, traditional skills such as accounting, mathematics and understanding of economics remain the top criteria for recruiters, the schools say.

Companies "want people with strong technical skills, people with management skills," said Abigail Kies, assistant dean of career development at Yale.

At Yale, about 20 percent of 2016 graduates found jobs in finance, according to figures supplied by the

university.

Fritz Foley, a finance professor at Harvard Business School said jobs in this sector still "require strong analytical abilities, an understanding of institutional details, and good judgment."

"These requirements have not changed as innovations have occurred."

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