COVER LETTER

Application for the NBER Entrepreneurship Research Boot Camp 2018

Applicant's name:	**Ivika Jäger**
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Recommendation letter by:	Per Strömberg

CURRICULUM VITAE

IVIKA JÄGER

EDUCATION

2014 –present	Stockholm School of Economics. **PhD in Finance**, expected graduation in 2019.
2010 – 2012	Stockholm School of Economics. **MSc in Business and Economics**, specialization in Finance.
2007 – 2010	Stockholm School of Economics in Riga. **BSc in Economics and Business**.

TEACHING EXPERIENCE

2016/17,17/18	**Teaching assistant, Finance II: Corporate Finance** (BSc in Economics and Business, taught by Ramin Baghai)
2016/17,17/18	**Teaching assistant, Finance** (BSc in Retail Management, taught by Cristian Huse)
2015/16	**Teaching assistant, Corporate Finance** (MSc in Finance, taught by Bo Becker)

RESEARCH

2018	(in progress) **"Secondary markets for equity crowdfunding"**, with Ed Saiedi (KTH)
2017-18	(in progress) **"Financial implications of data breaches"**, presented at the PhD Tutorial at the World Finance Conference in July, 2017
2018	**"Liability Structure and Risk-Taking: Evidence from the Money Market Fund Industry"**, with Ramin Baghai and Mariassunta Giannetti (both at Stockholm School of Economics), available at: https://ssrn.com/abstract=3093519
2016	"**Pricing the Higher Order Co-Moments in the Brazilian Stock Market"**, with Carolina Magda da Silva Roma, Robert Aldo Iquiapaza and Aureliano Angel Bressan (all at CEPEAD/UFMG)

PROFESSIONAL EXPERIENCE

Sep–Dec 2015	**CASE WRITER at Headway Advisory** (Paris, France) Writing a case on the topic of M&A valuation and corporate takeovers for a global student competition organised by BNP Paribas, reviewing a case written by another case writer related to venture capital funding and asymmetric information.
June 2013 – Aug 2014	**PROJECT MANAGER / ANALYST at Friendly Finance Group** (Tallinn, Estonia) Company: an international consumer finance provider. Main responsibilities: establishing the GRC processes on the group level, monthly corporate reporting, valuation of overdue and non-performing consumer loans, financial budgeting and forecasting, analysis of the loan portfolio.
Sep 2012 – May 2013	**INTERN (Ace Manager project) at BNP Paribas** (Paris, France) Main responsibilities: finalising the business cases together with academic advisors for a global student competition (Ace Manager), on campus promotion.
6 months over 2008-11	**INTERN/ANALYST (Corporate Finance) at Evli Bank,** (Tallinn, Estonia) Main responsibilities: corporate presentations, business analysis, macroeconomic and industry overviews, fundamental analysis and peer group valuation.

LANGUAGE SKILLS

Estonian: Native English: Fluent Swedish: Basic

COMPUTER SKILLS

LaTex, Python, R, Stata

List of completed PhD courses by the applicant

Advanced Financial Statement Analysis (University of Oulu)
Applied Contract Theory - Corporate Finance
Continuous Time Finance
Discrete Time Asset Pricing
Econometrics I
Empirical Asset Pricing
Empirical Corporate Finance
Essential Classroom Communication
Macroeconomics I
Management and Analysis of Big Data (Stockholm University)
Mathematics I
Mathematics II
Mathematics III
Microeconomics I
Microeconomics II
Topics in Corporate Finance

ESSAY

Ivika Jäger

I am a fourth year PhD student in Finance at the Stockholm School of Economics and I wish to apply for the ERBC. I believe attending the boot camp would greatly benefit my PhD studies and preparation for the job market next January, it was also highly recommended by a friend who attended a few years ago.

I am very interested in the topics of digitalization and the role of data in the economy which relies on the continued development of information technologies. Since the wide-scale adoption of computers and the emergence of the internet, the economic landscape has started to shift away from the traditionally large industries. The once dominating industrials (e.g. General Electric and Royal Dutch Shell in the mid-1990's) have been replaced by new technology firms (e.g. Apple, Alphabet, Microsoft) as the most valuable public companies. Furthermore, the trend towards data driven services and automated internet-connected appliances continues to alter the business as well as domestic landscape.

In my opinion, a large part of innovation in the technology sector takes place through entrepreneurial activity – when there happens to be an individual with an idea and ambition to alter the status quo. This seems to be especially important in the financial services sector which has undergone dramatic structural and operational changes in the last few decades, e.g. the shift from branch-based to internet banking. The incumbent financial institutions, though, have little incentive to push through really major innovations which could generate social welfare but be detrimental to the firm's profits, as clearly illustrated by the international money transfer business. The role of entrepreneurial undertakings in challenging the financial service providers has thus been crucial, resulting in a new area – fintech – that is of interest to practitioners and academics alike.

Young fintech start-ups continue to circumvent existing regulation posed on the different players in the financial sector and steal away their business by offering the same or similar services at lower prices. The latter is possible as the star-ups make use of new technological solutions which are more efficient than the financial conglomerates' legacy systems that are costly to replace. For the incumbent firms, it is then a trade-off between the costs and risks of adopting new technologies early and the forgone revenues if choosing to delay the changes.

Those interests and opinions have led to my planned job market paper. My ambition is to investigate the adoption of new technologies in the financial services sector, to pinpoint the large structural shifts in the industry, analyze which firms have been the early adopters of new technologies and whether the decision has paid off, and perhaps discuss the implications for the future as there are still many financial frictions that will be challenged by emerging fintech start-ups.

Furthermore, I think the risk side of digitalization has received relatively less attention compared to the discussion of all the growth boosting and value creating opportunities the technological advancements enable. This could be largely due to the relatively high complexity of the systems which an average person cannot comprehend. However, the increasingly more frequent and higher impact information security incidents reveal the vulnerable side of relying on computers while the expanding importance of social networks in the society brings further attention to data privacy issues.

Hence, I aim to dig deeper into the technological changes and their impact on firms as well as data security matters in my future research. As a more specific example, I wish to emphasize the risk perspective in my future work through analyzing the tech-reliant parts of the financial system, such as the payment system through which the money flows take place, and their exposure to cybercrime.

Thinking about new technological solutions and their link to entrepreneurial finance has led to the project I am currently working on that relates to secondary markets for alternative investments, such as crowdfunding. The goal of this project is to evaluate the risks and potential benefits of creating liquidity for such early stage investments through a secondary marketplace offered by the crowdfunding platforms. On one hand, it has been shown by previous research that the ability to trade the investments afterwards reduces the liquidity premium charged by the investors. On the other hand, however, the governance and information asymmetry issues may offset the benefits of liquidity at that stage of the business.

Participating in the ERBC would, thus, be of great value and help advance the progress of my research. The extensive syllabus covered in the boot camp's program would give me a structured and relatively concise overview of the entrepreneurship literature which I am sure I would not find elsewhere given the vast amounts of research available online. A better understanding of the existing and acknowledged research, consequently, would help me with positioning my own research and perhaps give ideas how to adjust the focus and punchline of a paper so that it would be more impactful and appealing to a wider audience. Finally, the opportunity to network and discuss the ideas I am working on with researchers interested in the same field would definitely be motivating and could lead to fresh research questions and collaborations.

I thank you for your consideration and am looking forward to your, hopefully positive, decision regarding my application.