

A general synthesis of our discussion – it became more of a discussion: I asked him about the financial industry, as I gradually became more doubtful about the purpose of people in investment banking and their role in the world. As we are learning the different financial models in class, I do doubt their purpose in different scenarios such as IBD or M&A. I asked him, that if model is necessary, is it more of a tool being used to actually try to get the valuation of a company, or is it more of a responsibility distribution tool for people to build consensus. Or in other words, the things that I'm learning and doing now outside of Comm school, are they actually useful? If I'm able to produce a model that can predict 99.99% correct using machine learning, will they appreciate it?

I need this interview/discussion to actually clarify what I'm doing, and this topic is really meaningful to me. I do want to keep it confidential though. Mr. Touve told me about his experience as a professor and his previous experience in the financial industry, though not directly as an investment banker. He first asked me a question, that when facebook tried to value instagram, they valued it at 2 billion even though ins that time was just a small company with 15 workers. You can't do that using the DCF model that we learned in class. He told me that in the real world, what we are learning is something that his dad also learned in the 60s. However, new things come up and there are many other things people do today. In that case, it is more about the competitive landscape of the internet industry. If they didn't acquire, others would acquire. The potential in them can't be modeled by the traditional methods. Indeed, DCF brings consensus, but people change that over time and there are many things waiting for me to learn before I make my conclusion like that.

We also talked about AI usage. I asked him about how AI is changing the industry. He actually told me about the fact that he's using a lot of AI with his work. However, he doesn't quite know about how that's impacting the interns. I told him about how people in COMM school right now can't get jobs not because of AI directly replacing them, but AI making the seniors and juniors in the companies much more efficient so that they no longer need interns. He responded thoughtfully to that concern and told me that while AI is certainly increasing efficiency, especially for tasks like research, data processing, and basic analysis, it does not eliminate the need for people who can think critically and make judgment-based decisions. He emphasized that much of the value in finance, consulting, and venture ecosystems comes from interpretation, communication, and trust. Models, whether traditional financial models or machine learning models, are tools that help inform decisions, but they do not make the decisions themselves. He pointed out that even if a model could achieve extremely high predictive accuracy, decision-makers would still need to understand why it works, what assumptions it relies on, and how it fits into the broader strategic context. In that sense, the usefulness of models is not only in producing outputs, but in supporting reasoning, facilitating discussion, and helping people align around a shared understanding of uncertainty.

It was a great discussion. I'm more clear about what I'm going to do in the future. However, again, I do want to keep it confidential instead of posting it to my website or sharing with other people. This is more of my personal standpoint of the industry, that would affect the internship that I apply in the future.

