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Pursuing a Career in Finance

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Pursuing a Career in Finance

- What types of finance careers are possible
- Who are employers looking for
- Where will you be happy and successful
- How to get a finance job



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Types of Finance Careers

- Banking
 - Investment, Commercial, or other
- Corporate Finance
- Other



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Corporate Finance (i-banking)

- Help companies raise capital
 - Equity, debt, convertibles, preferred, asset-backed or derivative securities
- Typically a matrix organization of industry and product groups
- Work on client (or transaction) team
- MBAs hired at the Associate level



Sales & Trading

- Institutional Sales
 - Convey information about particular securities to institutional investors
 - Requires strong sales skills and product knowledge
- Trading
 - Equities, bonds, currencies, options, futures
 - Commercial banks, investment banks and large institutional investors



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Research

- Responsible for making buy and sell recommendations on securities
 - Equity and Fixed Income
 - “Buy-side” vs. “Sell-side”
- Fewer positions in research than other Wall Street jobs
- Industry experience a plus



Asset Management

- In general, buy-side firms have a three-segment professional staff consisting of:
 - Portfolio managers who invest money on behalf of clients
 - Research analysts who provide portfolio managers with potential investment recommendations
 - Marketing and sales professionals who distribute the investment products to individual and institutional investors



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Principal Investing

- Hedge Funds
- Private Equity
- Venture Capital



Commercial Banking

- Providing banking services to individuals, small businesses and large organizations
- Positions include:
 - Credit Analyst
 - Loan Officer
 - Branch Manager
 - Trust Officer
 - Mortgage Banker
 - Sales



Corporate Finance

- Work directly for a company to help it find money to run the business, grow the business, make acquisitions, plan for its financial future and manage any cash on hand.
- Type of company can vary from a large multinational company or a smaller player with high growth prospects.
- Jobs typically fall into one of the following categories:
 - Corporate Finance
 - Treasury
 - Asset Management
 - Investor Relations
 - Strategic Planning



Types of Finance Careers (cont.)

- Other:
 - Financial consulting practices
 - Ratings agencies
 - Non-profits
 - Financial journalism
 - Public sector
 - SEC, Federal Reserve, etc
 - World Bank, Ex-Im Bank, etc



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Who Are Employers Looking For

- Employers are looking for people with:
 - Knowledge of and commitment to industry and company
 - Intelligence and basic skills
 - Ability to add value immediately
 - Personality traits that enhance team



Knowledge and Commitment

- Employers spend a huge amount of money to hire and train new people, so they want people who:
 - Understand industry and market dynamics
 - Are committed to working in the industry
 - Understand company competitive advantages
 - Are committed to working for company



Intelligence and Basic Skills

- While the prioritization of necessary skills differs from job to job, ALL employers are looking for people who have proven:
 - Intelligence
 - Analytical & problem solving skills
 - Oral & written communication skills
 - Teamwork and leadership skills
 - Organization skills and results orientation
 - Detail focus complemented by ability to see the whole picture
 - Client impact (internally and/or externally)



Ability to Add Value

- Employers want people who can add value immediately by:
 - Applying skills, knowledge and experience from previous jobs
 - Applying lessons learned in school
 - Utilizing a distinguishing core competency



Personality Traits to Enhance Team

- Employers want people who will enhance the working environment and team effectiveness as a result of their:
 - Maturity
 - Confidence (complemented by humility)
 - Poise and presence
 - Sense of humor
 - Emotional IQ



Where Will You Be Happy and Successful

- The type of job that will allow you to be happy and successful will depend on:
 - Whether you are more successful working on pop quizzes or term papers
 - Whether you prefer breadth or depth
 - What motivates you (work/life balance, money, achievement, power, excitement, etc)
 - Whether or not you like competition, travel, selling, number crunching, public speaking



Where Will You Be Happy and Successful (cont)

- The type of firm that will allow you to be happy and successful will depend on many factors including:
 - Corporate culture and core values
 - People who will be your teammates, managers, mentors and role models
 - Management systems in place
 - Location of firm



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How to get a Finance Job

- Students will get jobs if they:
 - Prepare;
 - Use initiative and polite persistence;
 - Show skills, characteristics, commitment and confidence employer is looking for; and



Preparation

- Prepare personal inventory of relevant strengths, weaknesses, and ways in which you can add value immediately
- Research the industry, companies and types of jobs in which you are interested
- Keep up with the market and current events by reading the WSJ and other periodicals
- Take relevant classes in finance, accounting, negotiations, etc



Preparation (cont)

- Network with friends, family, classmates, alums, old colleagues, etc
- Prepare for interviews:
 - Anticipate interview questions and practice responses;
 - Think of selling points you want to stress;
 - Be prepared to provide examples to support your points; and
 - Think of good questions to ask interviewer.



Initiative and Polite Persistence

- Send resume and **short** cover letter explaining:
 - Who you are;
 - What sort of job you are seeking;
 - Why you are the best candidate for the job; and
 - When you will follow up on your letter.
- Call **once** to follow up on the letter (leave a **clear** message with name, purpose of call and your phone number)



Initiative and Persistence (cont)

- Send an e-mail (with resume attached) to follow up on unreturned telephone calls.....”you will be in city X on day Y and wonder if you could stop by for no more than 15 minutes”
- Send short, specific, formal, typed thank you notes following up on any meetings or conversations



Skills, Characteristics, Commitment and Confidence

- You should be prepared to prove basic skills:
 - Analytical and problem solving skills
 - Oral and written communication skills
 - Teamwork and leadership skills
 - Organizational skills and results orientation
 - Ability to focus on details, while maintaining big picture perspective
 - Client impact skills (internally and externally)



...Skills, Characteristics, Commitment and Confidence

- You must prove certain characteristics:
 - Intelligence
 - Poise and maturity
 - Sense of humor
- You must prove commitment to industry and firm
- If you are from a foreign country, you may need to prove green card or willingness to start in home country
- You must show confidence



The Bottom Line

- Finding a job requires that you:
 - Invest significant time and effort immediately;
 - Do not expect other people to invest time and effort or to do the work for you;
 - Always think about the employers' perspective (their goals, their schedule, etc); and
 - Ensure that any communication (written or oral) is something you would be proud to see in print on the first page of the Washington Post.



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Online Resources

WetFeet

Vault

Hoovers

H1Base

VBIC

Internships.com

Internships USA