

## Career Shot: Investment Banking

Courtesy of Career Leader

Investment bankers (sometimes referred to as "I-bankers") provide financial advice and services to corporate clients. They advise corporate CFOs and CEOs on various financial matters.

Investment bankers' client companies may be large and established, or they may be new ventures that are "going public" -- that is, selling stock to the public in an initial public offering (IPO) to acquire the capital they need to grow.

Investment banks themselves may be large or small. Moreover, they may be either:

- "full-service" banks, which offer financial advice and service to a wide variety of industries (such as real estate)
- niche ("boutique") firms, which serve only a specialized part of the financial services market (such as the entertainment field or the high-tech industry)

Most investment banks are located in New York, London, or Hong Kong, and are called "money center banks." "Regional investment banks" -- some with excellent reputations in the industry -- are located in other cities throughout the world.

In investment banking, many people work 100 hours or more during an average week, which means working over evenings and weekends. Investment banking consumes their lives. These individuals make a lot of money, and in return they become "wholly owned subsidiaries" of the banks where they work. But most investment bankers love finance and the fast pace that characterizes the industry. In fact, they love that speed so much that many of them would consider the three-to-six month time period of the average management consulting assignment to be too long!

Investment bankers typically start their careers with gathering and analyzing data (and proofreading documents to ensure the accuracy of every number). They then move up the following "rungs" of the career ladder:

- preparing and helping to deliver presentations to clients, developing and maintaining client relationships, "selling" the bank's services, running the bank itself, or parts of it, such as the mergers and acquisitions (M&A) group. As you might imagine, successful investment bankers need a lot of personal polish, confidence, and a great handshake.

### Getting Your Foot in the Door

If this work sounds interesting to you then investment banking might be just the industry for you. But how do you start? Here are some ideas:

- **Get selected for an analyst training programs.** The most typical and best entry point is one of the analyst training programs that large, "full-service" banks offer recent college graduates. Each year, these firms send representatives to a small select group of universities to recruit members for their next analyst "class."
- **Contact investment-firm recruiters.** If a particular investment bank isn't scheduled to come to your campus, find out who's responsible for the firm's overall undergraduate recruiting effort and write directly to that person. In your letter, make your case for why he or she should interview you. For example, explain that you are really very, very interested in investment banking, and in that bank in particular (describing why, and how they're different from other banks), describe your skills and academic awards, leadership roles you've had, and quantitative ability.
- **Network with regional investment banks.** These banks have less structured recruiting programs. Thus newcomers to the field can shine on their own merit -- not as part of an entire school's applicant pool. However, regional banks tend to recruit much less actively than the full-service banks.

### If You're Still in School

If your graduation is still a few years away, consider getting a summer internship in investment banking. Though few formal internship programs exist at that level, you might be able to use your personal connections (or your innate assertiveness!) to find a meaningful work experience for a few months. The very process of searching for an internship would introduce you to people in the industry. You could then contact these same individuals later, when you do graduate. Moreover, a dedicated search would strongly signal your enthusiasm for the work.

This part about passion for the work is crucial. The biggest difficulty investment banks have in the recruiting process is finding people who are really committed to their industry -- despite the horrendous hours. Quantitative skills are only half the recipe for success.

And as you might imagine, successful investment bankers need a lot of personal polish, confidence, and a great handshake. After all, CEOs want to entrust important financial matters to people who exude leadership and confidence. You don't have to have all of these qualities right now. However, if you're convinced you could never develop them, investment banking may not be for you.