

Finance

Career Paths: Financial Services Industry

- **Investment Banking:** Investment banks underwrite (distribute securities issued by firms) and trade financial instruments for both corporations and local governments, privately place securities and assist corporations in mergers and acquisitions. The main divisions of investment banking are:
 - **Corporate Finance:** Provides corporations with mergers and acquisitions advice and underwriting services; deals specifically with all types of corporate restructuring transactions and with capital markets, such as equities, bonds, derivatives etc. and with their issuance and initial pricing.
 - **Institutional Sales and Trading:** Responsible for selling securities to institutional investors, where the securities are those underwritten by the bank or those bought and sold as part of the bank's trading operation.
 - **Research:** A full service investment bank is also a serious research organization, providing sell-side research reports and buy/sell recommendations on a wide range of debt and equity securities.
- **Asset Management:** Asset management (buy-side) involves investing "other people's money," whether through a pension fund, mutual fund or working directly with high net-worth individuals.
- **Commercial Banking:** Commercial banks are a significant funding source for mid-sized to smaller businesses, in addition to providing individuals with traditional banking services. Recent changes in federal regulations allow commercial banks to offer those services traditionally offered by investment banks. Positions range from credit analysis to analysis of asset backed financing.
- **Securities Sales and Trading:** The retail market is where brokers are the salespeople with the responsibility to get stocks and bonds into the portfolios of individual investors. Traders actually conduct the transactions.

Career Paths: Corporate Finance (Non-Financial Services Firms)

- Within a corporation, Corporate Finance refers to two distinct areas, financial management and treasury functions.
 - **Corporate Financial Analyst:** Working within a corporation, corporate finance deals with the analysis and valuation of both internally developed projects and external growth opportunities, including business development and mergers and acquisitions.
 - **Treasury Analyst:** Treasury functions include determining capital structure, raising capital in external markets and risk management.

Skills Desired:

Critical, detail-oriented thinking, with strong quantitative skills. Candidates should be able to forecast scenarios, analyze them and recommend a course of action. The ability to create and use financial models is essential. All employers seek leadership skills and the ability to work in teams. Strong oral and written communication skills are also desirable. Personal computer proficiency and information technology skills are recommended.

- Corporate financial analyst positions require an understanding of managerial accounting, and supply chain or operations background can help in project analysis. MIS coursework may help with both internal systems and general analysis tools.
- Treasury positions require knowledge of financial markets, capital structure and other fiscal policies and risk management.
- Investment banking associate positions require an understanding of financial statements, an ability to analyze those statements and an ability to translate financial and other information into opinions about credit quality and relative pricing of equity securities.

Job Titles:

Financial Markets and Institutions

- | | |
|----------------------|-------------------------------------|
| • Securities Trader | • Financial Analyst |
| • Research Analyst | • Value Based Management Consultant |
| • Investment Banker | • Management Consultant |
| • Private Placements | • Investment Banker |
| • Securities Analyst | • Commercial Lender |
| • Portfolio Manager | |

Corporate Finance

Financial Management

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|------------------------|------------------------|
| • Business Development | • Corporate Accounting |
| • Corporate Analyst | • Corporate Growth |

Treasury

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| • Treasury Staff | • Long Range Planning & Investment Analyst |
| • Planning & Budgeting Analyst | |

Resources:

Recruiting

On-campus recruiting takes place for corporate finance jobs in financial management. All industry sectors are represented in the mix of recruiters – retail, transportation, hospitality, manufacturing, banking, and financial services. In addition, companies recruit on-campus for local positions in securities sales and commercial banking.

The search for positions with investment banking firms is one of the most challenging searches of all. Firms typically can choose from the best and the brightest. Students interested in top investment banks outside of the Twin Cities will need to develop job lead opportunities. Students have effectively used the alumni network to identify colleagues within firms of interest who can provide information and might serve as an advocate.

MBA Program Semester Portfolio Information Sessions

Graduate Business Career Center: Panels on MBA Career Options

Web

At the Business Career Center's webpage, www.csom.umn.edu/bcc, click on "Graduate Students" on the left hand side.

Then, click on "Wetfeet Press" in the right hand column.

Enter your X500 ID and password to login.

Click on the Wetfeet.com logo. If you are asked to pay, then you are in the wrong section.

On the right hand side of the webpage, click on “[Download](#) the latest versions of a selection of WetFeet's pioneering and award-winning Insider Guide series.”

Here you will see multiple relevant guides including:

Careers in Management Consulting
Careers in Marketing and Market Research
Careers in Brand Management
Guide to the Top 25 Financial Services Firms
Careers in Asset Management & Retail Brokerage
Careers in Consumer Products
Top 20 Biotechnology/Pharmaceutical Firms
Careers in Accounting
Careers in Advertising and Public Relations
Careers in Nonprofits and Government Agencies
Careers in Specialized Consulting: Health Care, Human Resources and Information Technology

Careers in Supply Chain Management
Careers in Information Technology
Careers in Human Resources
Careers in Venture Capital
Careers in Investment Banking
Careers in Manufacturing
Top 25 Consulting Firms
Careers in Biotech and Pharmaceuticals
Careers in Entertainment and Sports
Careers in Health Care

Print

Career Information Guides

Available in the Graduate Business Career Center

The Fast Track : The Insider's Guide to Winning Jobs in Management Consulting, Investment Banking, and Securities Trading

by Mariam Naficy. Paperback - 320 pages 1 Ed (October 1, 1997)
Broadway Books; ISBN: 0767900405 List Price: \$16.95

Journals

- Wall Street Journal
- Financial Times
- CFO
- Institutional Investor

Professional Affiliations

Financial Executives International

Twin Cities Chapter

http://www.financialexecutives.org/eWeb/startpage.aspx?site=ch_twc

An association of senior financial executives designed to promote networking and career development programs among high-level finance professionals in a broad range of industries.

Financial Women International

North Central District

<http://www.financeinfo.us/associations/women/financial-women-international-north-central-district-131077.html>

An organization for professional women in the financial services industry, its mission is to empower its members to obtain professional, personal and economic goals.

Minnesota Treasury Management Association

www.mtma.com

An association developed to provide a forum for the exchange of ideas, concepts, and techniques to improve corporate money management.

Certifications

Certified Financial Analyst (CFA)

The Chartered Financial Analyst (CFA®) Program is a globally recognized standard for measuring the competence and integrity of financial analysts. Three levels of examination measure a candidate's ability to apply the fundamental knowledge of investment principles at a professional level. The Association for Investment Management and Research (AIMR - www.aimr.org) administers the CFA exam annually.

Chartered Market Analyst (CMA)

The Chartered Market Analyst (CMA) Designation is the highest credential that is offered by the American Academy of Financial Management. The CMA program is administered by college professors (on-site) at AACSB accredited business schools. The CMA Credential and/or executive education is for persons with at least 3 years of experience in financial analysis and/or portfolio management who will and continue to manage significant assets or act as analysts in the financial world.

Professional Portfolio: Finance

Course Information

Career Path 1: Financial Services Industry (FSI)

Highly Recommended Courses

ACCT 6100	Financial Statement Analysis (4 cr)
FINA 6241	Corporate Finance Analysis and Decisions (4 cr)
MGMT 6031	Industry Analysis and Competitive Strategy (4 cr)
FINA 6121	Debt Markets, Interest Rates, and Hedging (2 cr)
FINA 6322	Financial Performance and Security Analysis (2 cr)

Suggested Courses

Finance

FINA 6122	Financial Management of Depository Institutions (2 cr)
FINA 6242	Advanced Corporate Finance Analysis and Decisions (4 cr)
FINA 6321	Portfolio Analysis and Management (2 cr)
FINA 6323	Advanced Security Analysis (2 cr)
FINA 6324	Securitization Markets (2 cr)
FINA 6541	Derivatives, Futures, and Options (4 cr)
FINA 6622	Financial Risk Management (2 cr)

Accounting

ACCT 6160	Accounting for Mergers, Acquisitions and Derivatives (2 cr)
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Entrepreneurship

ENTR 6023	Financing Business Ventures (4 cr)
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International

FINA 6621	International Financial Management (2 cr)
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Marketing

MKTG 6082	Brand Management (4 cr)
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MIS

IDSc 6421	Financial Information Systems and Technology (2 cr)
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Career Path 2: Corporate Finance

For Corporate Finance, students should give serious consideration to a second area of expertise in either Consulting, MIS, or Supply Chain & Operations. See the Professional Portfolios for these areas for specific course suggestions.

Highly Recommended Courses

ACCT 6100	Financial Statement Analysis (4 cr)
FINA 6241	Corporate Finance Analysis and Decisions (4 cr)
MGMT 6031	Industry Analysis and Competitive Strategy (4 cr)
FINA 6242	Advanced Corporate Finance Analysis and Decisions (4 cr)

Suggested Courses

Finance

FINA 6121	Debt Markets, Interest Rates, and Hedging (2 cr)
FINA 6322	Financial Performance and Security Analysis (2 cr)
FINA 6324	Securitization Markets (2 cr)
FINA 6541	Derivatives, Futures, and Options (4 cr)
FINA 6622	Financial Risk Management (2 cr)

Accounting

ACCT 6160	Accounting for Mergers, Acquisitions and Derivatives (2 cr)
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Entrepreneurship

ENTR 6023	Financing Business Ventures (4 cr)
ENTR 6037	Corporate Venturing (2 cr)

International

FINA 6621	International Financial Management (2 cr)
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Remember: Employers want more than functional skills. To differentiate yourself, consult the document “Building Your Portfolio.” There you will find suggestions for additional classes that can add international exposure, provide a strategic framework and build entrepreneurial skills, among others.