I have heard a lot about Investment Banking (IB) and I want to do an internship in it, but I am an Evening MBA student. What should I do?

To answer this question I will begin with a caveat. If you’re not really sure; if you’re fishing and if you’re half-hearted, weak-hearted or are not fully committed to the ordeal (that’s what it is), then this would be a good time to think about other areas such as Consulting, Corporate Finance, General Management et al. Before you start out, please read Jack Rolfe & Paul Troob’s Monkey Business. I will be glad to lend it to you if you need it, and don’t find it in the library or on Amazon.com. Life is still to a great extent really as you find in the book. Understand what this industry needs and does to people in it and ask yourself if this is what you want to do.

Assuming you have read the book and still are seriously interested, or it has piqued your wild side to sign up for this base jump off the nearest cliff or you want to step in uninhibited, God help you (But then again, God helps those who help themselves, I guess!). Be that as it may, hopefully, this small note I have put together will serve as a starting point to understand what makes IB a hard place to get into, and even more so for evening MBAs, and what you can do about it. That said I would be remiss to not mention that the easiest and fastest way to land on Wall Street is if you have a long lost uncle or some benevolent friend who works there and can get you a shot at an interview. If that is the case, congrats, you're off to a good start. For the rest of us hoi polloi who need a little help, Andrew Kleeman’s presentation takes us through the ins and outs and the dos and don’ts of trying to get an internship in general. While the basics remain the same, I cannot say enough of the unique beast that IB is. “Yes!” there is a lot more money to be made in IB and “Yes!” it’s lot more glamorous from the outside. But, what points are often missed are the enormous amount of grunt work and the awful lifestyle you have to bear in IB (no pun intended). IT IS NOT EASY.PERIOD.

A regular Day MBA trying to get into IB knows the route- go to finance club meetings, meet Bankers when they come on campus, network with them, do the Wall Street forum, keep flying into NYC at the drop of a hat and network the hell out of anyone who you remotely think- looks, walks or talks like a Banker (only later realizing that even if a person’s last name is Banker he might not have anything to do with Wall Street). The Finance Club would be the first, best and probably the only place to start for learning the mechanics behind the IB recruiting process and Second Years who have interned in Banking during the summer are the best resources to start with to learn about the industry, Banking and recruiting. Attend every finance club meeting and learn as much as you can. Information is Key. Day MBAs have an inherent advantage in this point, in that they are better organized and often help each other out- whether it is regarding timing of corporate presentations, sharing the burden of research or passing on essential contacts. Infiltrate their ranks by making yourself useful and hopefully making some friends.

I am undecided. I want to keep my options open. I am debating between Consulting and Banking? What should I do?
The people who manage to successfully get an internship in either Banking or Consulting over the summer are ones that have been focused on them right from the beginning. If you are undecided, then you have about 1 or 2 days from when the Fall semester starts to decide, ‘cos the Banks will be on campus right from the start of the semester, and once you jump into the flow, you can’t swim against opposite currents. Consulting and Banking have unique recruiting processes and both are mutually exclusive. It’s almost humanly improbable (but not entirely impossible, though you wouldn’t be human if you did it) to do both and still do a quality job in sincerely convincing recruiters in both arenas that you’re passionate about B or C. Keeping both options open seems fine, but the value of pursuing one or the other is greater than the value of the option to choose (in Real options jargon). Talk to second years as quickly as possible and get on with one or the other.

**Why has it been difficult for evening MBAs to get into IB?**

Broadly speaking, IB is a pure internship based recruiting effort. By that I mean, any other career like Consulting, Corp fin etc. will probably take you in for Full-time even if you haven’t done an internship in them. But, Banks almost solely recruit through their internship programs and even in those they tend to prefer people with previous Banking/Accounting/Consulting/Legal experience or some relevant exposure to Banking or similar fields.

Most Evening MBAs at Michigan are in the auto space and essentially this would mean they start out at a disadvantage, as I did, by being engineers or some disguised form of that e-word in the auto area. This would imply that we have two things going against us: career-switching and evening MBA. These two reasons have been primary barriers to entry for switching into IB while being an evening MBA.

In addition, typical IB recruiters have gone through the day MBA program and have no clue about the evening MBA program or what it entails. So you will have to do some creative story telling to explain what it means and such, and how it actually might be more beneficial towards the summer internship yada yada yada.

**I really want to get into finance and IB seems exciting. What is it anyways? Is it hard?**

As a career switcher from engineering into finance, I won’t be able to answer this question with the knowledge of a grey beard, but here is my two cents based on my summer experience. It’s an extremely grueling, grunt-work based career, or at least something exactly like that in the first few years of your life, with an infinitely inelastic and steep learning curve, amazing exposure and lots of benefits that could lead to exciting career opportunities later on in the corporate world or at the very least hefty remuneration (which however would seem not so hefty when you divide by the ridiculous hours you will be putting in). As a young associate (which is what an entry-level MBA will be coming in at) in Banking one would be supporting Vice Presidents (VPs) and Managing Directors (MDs) on their sales pitches to companies through the ubiquitous pitch books and in deals through various other documentation such as S-1 prospectuses during IPOs, High Yield/Bank Loan Offering Memorandums, Fairness Opinions, Credit Memos etc. There will be a fair amount of valuation and the level of complexity will depend on the industry coverage group/product group you will be in. Essentially though, it will not be any high tech modeling, just Plain Jane DCF and good ol’ multiples- both trading and transaction. If you want to do exotic structuring, Real Option valuation, Venture Capital type companies or some such exquisite stuff then this is absolutely the wrong field.
About getting in being hard- yes it is hard; but not at all impossible. As I mentioned above, I was a career switcher and an evening MBA and I did it. So if you set your mind and heart on it, you can do it too. It’s all about your passion, priorities in life and how you project yourself. Along with that you will need a thick skin and a certain personality to leave your creativity at home to pursue a template-driven universe. Nonetheless, the hurdles are multi-fold and one must be cognizant of them before getting into the pitch of the battle. I have had recruiters say straight to my face that I am an engineer and it would be hard for them to put me on the closed list. The excuse being given that: Engineer’s are good with numbers and analysis, but not so good at understanding businesses and strategy!!

Therefore understand the nature of the hurdles, understand your competition and proceed accordingly. Your war plan needs to have a section devoted to how you’re gonna address all the concerns of recruiters. After all they want to make sure they don’t end up with a Lemon, right! So to prevent adverse selection, they are willing to let go of some high quality people from non-Banking oriented backgrounds. A Bank is essentially a high-flying frat club (that explains the high percentage of ivy leaguers, I guess), so approach it like you would a frat club rush, if you know what I mean.

If the pay is so high and the future prospects are great, why aren’t people lining up a block long and arbitraging the system out into orbit?

Many factors play a role in this; first and foremost this career not for anyone and everyone. It requires a certain kind of personality to get in and succeed. The hours are long and grueling, ranging from 18 hours on a normal weekday to regular all-nighters. For the first few years of your life, you don’t own weekends and holidays and you are at the beck and call of VPs and MDs who have little interest in finding out why you have to leave by 9:00 p.m. on a Friday night to catch up with your family who are on the verge of forgetting your face by now. The lifestyle absolutely stinks and you have to be willing to put your life on hold to be in this industry. For more information on this and other operational aspects of this industry, refer to Troob & Rolfe’s Monkey Business and also Vault Guide to Finance.

This industry is a no-excuses, caffeine-charged, adrenaline-junkie place with deals being the medals one wears proudly on his/her chest. The hierarchy is pretty rigid with the organization built in the shape of a nice little pyramid. Actually, it’s more like the Great pyramid of Giza, with MDs at the very top and Analysts at the very bottom of the food chain. Associates are half a notch higher than the analysts, or so they are led to believe! Burn Rate and Turnover are astronomically high in this industry. Teams are usually small and everyone around is a Type A+ personality. Bankers are known for their ego and believe me, these people are synonyms for the word EGO!

That being said for the lifestyle and the culture, there are many benefits to being in this industry; not the least of which are the learning and the exposure you get in such a short period of time. You work on high profile million dollar deals with the prospect of high remuneration at the end of the year. If that’s all you expected, you also develop valuation skills, industry knowledge and knowledge of capital markets which could position you towards a more rewarding and less strenuous life in the corporate world later on, if you so choose to do so. You get to interact with C-level executives from various clients, and can build your own rolodex for life after the Bank (which hopefully will come sooner than later).

So before you jump on the bandwagon, ask yourself if this is what you really want to do and tread cautiously. Opportunities outside Banking are great too, so explore them and find your fit.
Assuming I am ready to tackle this world, what’s the recruiting process like?

Banking is a completely different animal when it comes to recruiting for an internship. There is a steady burn rate even in the internship process and you could almost plot the exponential decay to characterize the number of people starting out searching for internships and finally ending with offers. Getting a job in Banking is a 6/7 month process, or for the few who are extremely committed but didn’t make the internship cut, a 1 year process all fraught with uncertainty and frustration but hopefully worth it in the end. The process begins right at the start of fall semester with Banks coming to campus for presentations and holding office hours. Each Bank will usually come about 4 or 5 times to campus. Each visit is a crucial opportunity to get your name on the attendance sheet, meet with the Bankers from various Banks and network with them. As an evening MBA it is extremely difficult to make all the events, but I cannot stress how important it is to make every one of these presentations. With the Banks, the process is one of courtship. Even one opportunity missed is enough to lose a shot at the interview.

Following this, one has to make regular pilgrimages to New York City to pay obeisance to the Bankers and undertake informational interviews with the Banks. Informational interviews have nothing to do with information. They are interviews, and essentially are opportunities for you to tell your story to the Bankers and ask them quality questions that don’t seem like they are wasting their time. They are opportunities for you to tell the Bankers why you want to be a Banker, why their Bank and the rest of your life story all in about 2 minutes. You have to do as many of these at each Bank as possible. Meeting as many people as you can at each Bank and getting them to know you and like you is the only way you can get them to think about you when they are planning to fill the closed lists for the interview schedule in January.

Once again, the process is one of pure courtship and one has to be extremely aggressive to make sure he/she(!) gets noticed among the sea of people who are pounding the pavement outside the Banks. Remember, it’s “grading on the curve” and there is always someone else who will be trying to be more aggressive than you are and the Day MBAs have a time advantage on their hand in this regard. But a word of warning on this front- being aggressive does not entail elbowing others, stepping on other people and acting outright mean. These are definite no-nos.

This entire process makes it even tougher on evening MBAs as it would mean missing work on weekdays and flying out to NYC regularly. So identify your priorities in life and proceed accordingly.

What skills does it take to be a Banker?

Being an ex-Banker is the surest way of getting a shot at the interview. Barring that, this industry is an extremely rigorous Dog-eat-Dog world, and during the recruiting process, the firms are gauging to see if candidates will be able to take the heat at work, putting in long hours on boring, completely unglamorous paperwork and other such idiotic stuff. NO! Banking is not all about sexy financial modeling and creative problem solving. Granted there is some valuation, but in all probability you will not be using any of those complicated Black-Scholes models or the creative Real Option Trees and such which the Michigan tuition is buying us. Process, Process, Process… these are the keywords on the job. Creating pitchbooks for your VP, pulling together Public Information Books, drafting Offering Memorandums all have only one thing in common: Microsoft Word/PPT. 90% of the work is unglamorous. But then you live off the 10% that is, so there is some reason to be optimistic, I guess!
Creativity is a word that’s best forgotten when you are an associate. You will not be rewarded for creativity, heck you might even get yelled at if you tried to be creative. So, forget that left brain stuff, or was it right brain, whichever…you get the point, I presume. It’s all about the template and following orders under duress while not making mistakes. So, people with an army background, will find themselves completely at home in this industry and you will no doubt find a whole bunch of them there.

It’s a work hard, play hard mentality, by which I mean one would work till 11:00 in the night, go out, party it up at one of many NYC’s fine nightlife spots and then come back to work to spend the wee hours of the morning on some arcane reserve accounting for some darned oil company.

All that being said, some of the items (non-exhaustive) recruiters will be trying to gauge in you are:

- Why the heck do you still want to be in this industry, i.e. will you be able to work without throwing your hands up one night and walking out on the team when they need you; especially when you have been going on 1 hour of sleep and mostly Red Bull in almost 72 hours? So, if you have done something like this in the past, it’s favorably looked upon.

- What got you interested in Banking? You need a rock solid story for this part of the puzzle. Half-baked stories about liking finance and strong analytical skills and such will not clear the net, so to speak.

- What are your transferable skills, i.e. what do you bring to the table that makes you a great candidate? Yes, Banks do look at grades. They want to take the proverbial rocket scientists who are entirely willing to not do rocket science. The ironic refrain you’ll commonly hear will be: “Banking is not rocket science…” So in that context, they might look at your GMAT scores, your grades in core classes and all other activities you do. Hell, some of them even go as far back as your High School grades!!! So if you have something to flaunt, flaunt it.

- Why you and why not Joe Schmoe who is sitting in the student lounge? Again, story…

- Do I know you? Networking, Networking, Networking… this industry is a mafia and runs solely on relationships. It’s not about analysis and modeling, its all about who you know. If you can’t ingratiate yourself, schmooze and build relations it will be a hard sell. The recruiters will be judging your every move, to see if you will be one who is comfortable in any kind of setting interacting with people and be one whom they will be able to put in a team and in front of a client. Sophistication, etiquette and ability to schmooze are key points they will be looking for in you.

- Are you thick-skinned? They will stress-test you and probably put you down once or twice and poke at you to see if you crack. Believe me, it will feel awful. Any sign of weakness is fatal.

- Are you passionate about Banking? Is this something you really want? They will grill you every which way to figure out if you are bluffing or if you really want to do this. Bankers are good judges of people and any Banker worth his salt will have a bloodhound ability to sniff out when people are bluffing or being not very sincere, so you have to practice your story till you can say it cold even when you are woken up from a deep slumber and still make it seem like its not canned.

All that said, how did you (i.e. me) go about it?
I did the honorable thing; I burned my bridges, quit my old job, moved into the day program last fall and focused on getting my internship. That said, I started out late and thus began at a considerable disadvantage, having missed lots of on-campus presentations and office hours. Hence, I was completely off the radar of a lot of the Banks and they wouldn’t touch me with a ten-foot pole. In spite of that, I flew out to NYC about 5 or 6 times, not counting the Wall Street Forum and spent 3 to 4 days on each trip trying to meet with the Bankers. The idea is to do informational interviews with the Bankers on their turf, which essentially means you go out to NYC and peddle your story of why you want to be a Banker and hope to God they believe it.

Bankers are very busy people with extremely fickle schedules. So this will mean most of them will ask you to come into town and send them a note or give them a one week or two-day notice. This implies you need to have the time, the flexibility and the ability to board a flight on a short notice, fly out to NYC and pound the pavement during extremely cold NYC days.

I did all of that and still found myself on just 1 closed list, albeit several waitlists-Close, but no Cigar! As Andrew ably pointed out, as an Evening MBA, you can’t bid and this was one of the reasons why I had decided to move into the day program. So, I used the ability to bid to my advantage and bid my way into some of the interview schedules.

As expected, the interviews are two-parts: technical and fit. And one can learn more about this from the UBS coursepack you get when you join the finance club. Banks have an extremely short interview cycle. Typically 2 rounds on 2 separate days and you hear yes or no from them within a few hours. Instant gratification at its best, I guess.

**What are my backups if half-way I figure out I don’t like it and want to do something else?**

If you enter the pool and discover it to be too cold to your taste, but still want to swim, then there are dozens of opportunities that are available to the taking, such as- Financial Management Associate (FMA) Programs, Financial Leadership Rotation Programs (FLRP), Treasury programs etc. The process will not be as intense for these opportunities, though they will likely be equally competitive.

While, you have to get into Banking recruiting with the madness of a crazed elephant in “must”, its also unwise to jump in without a bungee cord attached. Since my intentions were to get into Banking either in the summer or for the full-time, my backups were the FLRP programs at major oil companies and energy companies. Your choice depends once again on your situation and your keenness to still get back into the hunt during full-time in spite of being stricken down during the summer internship process for Banking.

All that said; happy hunting. Go Blue.

*In case you have more questions, please feel free to contact me. However, I might take some time to respond, so please bear with me.*

**Disclaimer:** All opinions in this note are entirely for histrionic effect and are intended solely for informational purposes. No claims are made as to the validity of my statements and if you still want to use them, don’t sue me because of the results you achieve. You are welcome to disagree, take umbrage and feel insulted with what I have said. But that said; please form your own opinions wisely.
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