Corporate Finance Analyst

• In general, corporate finance is the field of making investment and financial operating decisions for a corporation. Examples may be whether to build a new factory or renovate an old one, add new equipment (and determining whether the equipment should be leased or bought), and how best to structure firm operations—e.g. do we invest greater capital, making the firm potentially more efficient but more greatly levered, or do we instead rely more on labor—permanent and temporary—that can be reduced in economic downturns. Corporate finance professionals can also become heavily involved in M&A—Mergers and Acquisitions—though unlike the investment banker’s focus, which is how to structure an acquisition to maximize shareholder value (often for the short-run), the focus of professionals working at a non-finance corporation will be to take advantage of synergies, eliminate competition, and create long-term growth and profitability. FIN 4030 (capital budgeting), FIN 4370 (securities analysis), and FIN 4310 (multinational finance) are bread and butter courses for this career path; the latter course because you will be confronting international investment decisions. FIN 4340 and FIN 4700 are recommended to perfect your equity analyst skills.

• As a financial analyst at a non-financial or manufacturing corporation, your hours can vary greatly, depending on the corporate culture. But in general, 8-6, 8-8, five days per week, with some long days and weekends when needed, are the norm. You won’t be working seven days per week, 9AM to 11PM, many times to working past midnight or waking up at your desk, as you will do in investment banking. [http://www.vault.com/blog/in-the-black-vaults-finance-careers-blog/a-day-in-the-life-corporate-finance-associate-at-a-pipeline-operation-company-energy/](http://www.vault.com/blog/in-the-black-vaults-finance-careers-blog/a-day-in-the-life-corporate-finance-associate-at-a-pipeline-operation-company-energy/).

• You will likely wear a suit, but that again depends on the culture, and in general, you will be involved in project analysis using spreadsheets and statistical tools, and you will be required to make financial projections, breakdown and cost individual projects, and evaluate alternative operating structures and capital investments. As you progress in your career, you will be tasked with running a team of analysts, so you will have to develop leadership, personnel, organization, and project management skills. You will have to be able to grasp an increasingly bigger picture and quantify that picture to make decisions. And you will have to be able to work on a team throughout your career, and be savvy to corporate politics at the more senior levels.

• The career path is long, twenty years, but it can lead you to becoming a CFO/COO/CEO of a major corporation. These positions are publically visible, and will ultimately require some political and speaking skills. Examples of corporations that would rely heavily on corporate finance decisions would be any of the major airlines, oil companies, major manufacturers, mining and exploration companies, cruise lines, and in any business in which a great degree of capital investment is required. E.g. American Airlines, Exxon, Boeing, Ford, Northrop, Carnival Cruises, Alcoa, Borax, Monsanto, etc.
Commercial/Mortgage Banker

- Commercial Banking is the business of providing loans to commercial enterprises, although the distinction has become somewhat blurred because of the elimination of Glass-Steagall act—permitting these institutions to provide a wide array of financial services. On the sales side, the banker’s job is to make loans and sell financial services to the business community. At the more junior level, a commercial banker is part salesman, part credit analyst. Likewise, the banker must sell the loans internally to bank, properly analyzing the creditworthiness of the customer/project for which the funds will be used. Many of the sales side career paths are part or all commission based, examples are: Commercial Loan Officer, Commercial Workout Officer, Small Business Banker, Mortgage Loan Officer, and Mortgage Broker.

- There are also banking paths that will lead to bank management, or administration of Trusts. Those that pursue the Bank Management Path are concerned with branch operations and compliance issues. Eventually your career path will take you up through regional manager, where you will be responsible or banking operations for an entire region. Trust Officers are concerned with the oversight and management of assets placed under trust, advancement can lead to career paths in portfolio management, or management of trust departments. These are largely salary based positions.

- There are a wide variety of services provided by a commercial bank to businesses. You will likely specialize in one of the service areas. Likewise, most major banks have a training program that will cover a variety of areas including analyzing credit, loan making decisions, and management and compliance training.

- You will need qualitative analysis skills, some quantitative skills, and some sales and interpersonal skills. If you are working with major corporations, or are in a commission based banking career, greater sales and social skills will be required. A fair amount of money can be made at the senior levels of commercial banking, though early-on in your career, it will be nothing to compare with can be made by investment bankers (though commission based activities can be quite lucrative—in its hay day, I knew a mortgage banker working 16+ hours per day that was earning 600K by contracting and selling home loans). The hours are nominally 8-5 for management and trust paths, though they can increase at the more senior levels. For commission based positions, the hours can run much longer.

- For the commercial loan officer/trust officer/bank management career paths, the recommended coursework is FIN 4370, FIN 4030, plus FIN 3350 (personal finance) or FIN 439 (real estate finance). If you pursue the mortgage officer/broker path, you should take Fin 4390, FIN 4930 (real estate investment), and either: FIN 4030, FIN 4370, or FIN 3350. FIN 4370 keeps you most flexible, in that you will understand firm valuation, which is the basis for many finance career paths. However, Fin 4030 makes you strong in project analysis, and FIN 3350 gives you an understanding of personal budgeting, necessary to evaluate potential borrowers. (…taking an extra finance class will never hurt you.)
Financial Advisor/Securities Broker

- Supposedly there is a distinction between brokerage and financial advisory. Brokers sell financial issues and execute trade orders—sometimes providing investment advice—while Financial Advisors (are supposed to) provide unbiased investing advice and assist in financial planning. Many firms have tried to create this distinction by providing fee based financial advisory services only, and not acting in a brokerage capacity. In practice, most financial advisors also act as brokers or direct traffic to in-house brokers, implicitly generating fees from security transactions and portfolio management. Of course, this is the bread and butter activity of brokers.

- If you are working for a pure financial advisory firm—rare—you will also be involved in a variety of aspects of financial planning, to assist individuals or firms, reach their investing goals. If your job involves brokerage, you must sell to remain employed—meaning that you must be generating trades based on your recommendations for your clients, earning commissions for the firm. So you have to have strong people skills (an ability to get along with a wide range of potential clients), good sales skills (you must be able to instill confidence in your clients that you are competent), and ideally, you should know what you are doing. You should thoroughly understand a range of financial assets, their potential risks and return potential, what causes these assets to appreciate in value, and understand how to create portfolio of assets that will minimize risks while meeting your client’s return objectives. In other words, be technically competent, and understand everything we have taught you in FIN 3320, 4370, 4700, and 4500. That’s ideal. FIN 4310 may also be valuable for understanding currency risk; FIN 4400 will help you understand derivatives risk, though these tool are not normally used in most investor portfolios.

- Financial advisors/Brokers are really running their own business, and much of their compensation is commission based. You will spend your first years building a book of clients, if you are competent, they will continue to retain you in later years, as this will turn into easy money. Most of the work goes into finding those clients, then remaining competent enough to service them. If you are ambitious, the sky is the limit as it is in investment banking. I recently had a classmate of mine from the Naval Academy who worked his way up through brokerage to become a Managing Director - Investments at Merrill Lynch for NYC. He was a smart guy, mild mannered, quantitative, nuclear engineer, had management and leadership skills, built a book of business, and worked his way up over twenty or so years to a very senior position.

- Hours. You will work some long hours when you start, particularly if you go to work for one of the major investment houses such as Morgan Stanley. Many institutions are less demanding. It really depends upon the corporate culture, and your goals. In general, once you have built a book of business, you will be on when the markets are open (before 6AM on the west coast), and gone when they are closed. However, you will likely continue to update your knowledge of the markets during your off time. Fundamentally, to be a good Financial Advisor/Broker, you must have a deep interest in the financial markets, the securities traded, and the impact of economic policies/events on market performance.
Investment Banking

- Investment Banking is the business of assisting firms in raising capital by creating financial securities such as stocks and bonds, buying and then immediately re-selling those securities to the financial markets, through a process known as underwriting. For this, the investment bank earns a fee, known as the “underwriter’s fee” or “premium”. It is tamer than it once was due to increased regulation, and due to the fact that it is becoming increasingly quantitative with the growing use of financial derivatives or “structured products”, requiring individuals who are more quantitatively skilled. It also remains one of the most lucrative and competitive professions, and draws individuals with egos. The profession can be adversarial; you will need a strong constitution, as well as a strong intellect and good sales skills, to survive in this field. Because of the competitive nature of the business, and the historical willingness of investment bankers to take risks, it is the field in finance most often referred as the “Wild West”.

- There are a variety of specialty/product areas within investment banking: e.g. Equity, Fixed Income, Leveraged Finance, Mergers & Acquisitions, Corporate Restructuring, Re-Insurance, Structured Products, and Municipal Finance. Within these, Fixed Income and Equities, in particular, there may be many subspecialty desks such as sector, region specific, firm capitalization, domestic/global, etc. In general, each will operate autonomously under a senior managing director as a separate business unit. Oft times, these managing directors have a client list and reputation that will follow them; if they leave, so do the key team members, and likewise, the new managing director will bring in his team (meaning, if you are left over, you may be looking for a job).

- There are two fundamental groups in investment banking that have claim to and divide the underwriter’s fee: the underwriting team, which obtains the client, structures the issue, does the due diligence and creates the marketing documents (the prospectus), and capital markets, whose job it is to market the issue to primary market clients (pension funds, mutual funds, and insurance companies), that will eventually buy the issue.

- Compensation. You will be paid well at the major banks, and you will work for it. As a junior banker (an analyst, meaning you have a bachelor’s degree), you can expect to work seven days a week at most investment banks (some of the smaller, regional banks on the West Coast may be less demanding), and run hours from 9AM to 11-12PM. Weekends are a little better. But it will depend on the bank (my boss didn’t like working weekends, didn’t want to give me a key to get in the office, and I usually wrapped up 7-8pm most nights. We were a regional investment bank in Municipal Finance which also helped (because government works 8 to 5.) However, the real money is for bringing in business—soliciting underwriting clients. Ultimately, many mid-level bankers fail, not because they do not have sufficient technical skills or expertise in the markets, but because they do not have the ability to capture and retain clients. Likewise, if you can sell, you can have the intelligence of a fire hydrant and be successful, because the bank can always find technically capable people to execute the underwriting. That said, most managing directors are very sharp—they earned their positions.

- What will your work consist of as an analyst? Depending on the group you are in, you will be tasked with researching financial statements, doing a study of competitor issues, issue
structuring (that is determining the size and maturity dates for a bond issue or structured product, or number of shares of stock to be issued), forecasting financials and corporate cash-flows, and basically anything they give you. You will also do copying, assembling client proposal materials (a pitch book), and anything that needs to be done. If you are in the capital markets group you will be tasked with providing research for the capital markets team to prepare clients for presentations to mutual and pension fund analysts (a very different and much higher level position than yours). You will be learning the business of investment banking from the ground up.

• What skills and courses do you need? In honesty, this is a very tough field to break into, even for graduates of elite universities. However, you can prepare yourself for a post-MBA move into investment banking by taking the right courses now, ensuring you are competent in finance, and by taking challenging positions in corporate finance, financial advisory, brokerage, trade support, trading, or other capital market related areas, and demonstrating a track record of performance. Many investment bankers only enter the field after completing an MBA, and they do so at the associate level, in which you will be likely have one or two analysts at your disposal. We have also had a few graduates successfully take analyst positions at regional investment banks. If you are interested in investment banking, you must have a thorough knowledge of FIN 4030, 4370, and it is recommended that you take FIN 4310 for international securities, 4400 if you interested in structured products and convertible bonds, and FIN 4500 if you have a greater interest in Fixed Income Securities. FIN 4700 is highly recommended as a second elective, as it will help you perfect analyst skills from FIN 4370.

• Structured Products. A structured product is a hybrid security whose value, unlike a bond or stock, is based on some other index or cash-flow which is probability based. The analysis is quantitative, and requires a sound grasp of statistical techniques, and really, an understanding of calculus and mathematical modeling skills. It is not uncommon to find mathematics, physics, and engineering graduates, working in structured product groups. Programming skills in Visual Basic or C++ are usually required, as well as knowledge of how to access databases. This is not to deter you from applying to a structured product group, but realize they may be seeking significant math skills.
Sell-Side Analyst (think Wall Street/Trading/Brokerage)

- A securities analyst (which is a profession) on the sell side is very different than analyst in I-banking (which is a rank/title, as is associate, VP, and Managing Director). You would begin as a junior analyst or assistant, working for a senior analyst, and over several years (3-5 is often mentioned), work your way to a senior analyst position. Your job as an analyst is to follow market or assets (stocks, bonds, commodities, financial instruments, or currencies) or you might be a market analyst charged with covering market trends/events for specific markets. If you are a stock market analyst, for example, you will be tasked with covering specific stocks (which will likely be within a specific industry group), and you will develop expertise in that industry. Your job as an analyst is to provide investors detailed research on these assets, their competitive positions, analyze the impact of emergent information/events, and provide unbiased buy/sell/hold recommendations to clients. As a junior analyst, you will be doing much of the number grinding, forecasting, and research, at the direction of the senior analyst.

- Analysts work under time pressure, it is said that a report that is a minute late might as well be a year late, and you will be expected to produce a thorough analysis including position recommendations within hours of a major announcement. Senior analysts often deal with clients while the markets are open, while doing research after-hours. The hours can be long: 12 to 14 hour days are not uncommon. But good analysts are extremely well compensated and can literally make millions. [http://www.investopedia.com/financial-edge/0213/a-day-in-the-life-of-a-financial-analyst.aspx](http://www.investopedia.com/financial-edge/0213/a-day-in-the-life-of-a-financial-analyst.aspx)

- Stock market analysts, required skills: must be adept at analyzing financial statements, the markets, and the impact of economic announcements, meaning you must be skilled and educated in all these areas. In particular, you must be able to analyze and forecast financial statements and internalize qualitative information. This is the aegis of FIN 4370. FIN 4700 will help you greatly perfect your equity analyst skills. Likewise, you will need to be adept at using spreadsheets, using/accessing financial databases, and using power point and making presentations. You should have a disciplined, analytical mind, and an ability to simplify complex issues. FIN 4340, 4310 are also good additional choices for this field.

- Fixed income (bond) and derivatives analysts require greater quantitative skills, many have Ph.D.’s, and most have training in math, physics, or engineering. Analysts in these fields must be skilled at mathematical modeling and financial mathematics, as well as having a thorough understanding of economics and the impact of economic information on the markets. Ideal finance courses for these fields are FIN 4400 and FIN 4500, and FIN 4370, because the grounding in securities analysis will train you to think about how to internalize qualitative information, and understand the principles of stock valuation, a valuable compliment. A finance major/minor paired with a degree in math, physics, engineering, or even chemistry, can make you competitive for a junior analyst position. Likewise, a minor in these technical areas will enhance a finance degree.
Buy Side Analyst (Mutual Funds, Pension Funds, etc.)

- Buy side analysts work for money management firms such as mutual and pension funds. Their job differs from the sell side in that their recommendations are not made public, or to clients, but to portfolio managers, and their recommendations are held proprietary by these firms. Buy side analysts are generally not under the same time pressure that sell side analysts are, their performance (and compensation) is based on the number and success of the recommendations that are adopted by firm’s portfolio managers. A buy side analyst who does not have many recommendations adopted will not last long. Not only must buy side analysts have strong analytical skills, but strong interpersonal and sales skills. [http://www.investopedia.com/ask/answers/04/040204.asp](http://www.investopedia.com/ask/answers/04/040204.asp)

- The typical starting point for a buy side analyst is an MBA, though a bachelor’s degree with the required knowledge and experience may be sufficient. Because expertise is valued, as it is on the sell side, a viable strategy is to first seek industry experience in operations or corporate finance within an industry, complete an MBA, and then approach these firms by marketing your expertise. Another is to seek a junior analyst or support position at one of these firms. These analysts will need grunts to support their research; you can be one of them.

- Hours and lifestyle. In general, the hours of the buy side are nowhere near as egregious as the sell side. Buy side analyst hours can run 45 to 70 hours per week depending what is going on. Typically weekends are free, though the analysts often do research at home. Buy side analysts are also in much greater control of their own schedules; again, they are generally not under the same time pressure to make recommendations to emergent information that sell side analysts are, instead, their job is to identify quality stocks/bonds for inclusion in a portfolio. Likewise, instead of spending their days discussing recommendations/strategies with investors, they spend their time conducting research and meeting with corporate executives whose companies they are analyzing/making recommendations about. In a typical month, they will make one or two trips to a corporation they are covering, and may host another 5-6 meetings in their offices with corporate exec’s from these firms. [http://www.lifeonthebuyside.com/buy-side-analyst-good-bad-day/](http://www.lifeonthebuyside.com/buy-side-analyst-good-bad-day/)

- Compensation. The potential compensation for the buy-side is usually not as great as on the sell side, but the compensation can be good: [http://www0.gsb.columbia.edu/students/organizations/cima/files/industry_snapshot_cima.pdf](http://www0.gsb.columbia.edu/students/organizations/cima/files/industry_snapshot_cima.pdf)

- Required Skills/Education: Strong analytical skills, interpersonal skills, and sales skills are mandatory. You will ultimately be meeting with high level corporate executives, and you must be able to sell your recommendations internally to portfolio managers. This is not a job in which you can hide behind a desk. As with being a sell side analyst or investment banker, you must have mastery of the subject matter in FIN 4370. FIN 4340 is valuable if you are on the equity side. FIN 4700 is highly recommended to hone your analyst skills, and FIN 4310 is valuable if you covering international assets.

- Fixed income and quantitative fields. Analysts covering fixed income products typically have quantitative backgrounds, because they are concerned with the response of assets to changes in the yield curve. There are also quant analysts that make portfolio strategy recommendations
based on mathematical modeling as opposed to making specific asset recommendations. Many of these analysts have PhD’s. This is a good area to pursue for math/physics/engineering majors, though a master’s is often required. Also, funds, unlike Wall-street firms, demand greater knowledge of economics and finance. So a background in economics is valued, as is a background in econometrics and statistics. To pursue a quant position, the minimum preparation would be a bachelor’s in or demonstrable knowledge of mathematics, statistics/econometrics, and knowledge of finance. FIN 4400 and FIN 4500 are mandatory.

- Potential growth paths. Many buy/sell side analysts move into portfolio management. Buy side analysts also move to the more lucrative sell side.
Securities Trader (Stocks/Bond/Derivatives)

- There are two types of securities trading: 1) Agency trading: execute orders for clients, obtaining securities at the very best price, with the clients owning the securities and assuming the risk of a capital loss, and 2) Prop trading: taking speculative positions in which the bank/trading firm assumes the risk. Each trader in the latter capacity is running his own business on behalf of the bank, and if he is not making money, he will not last long. This field requires a quick analytical mind, a sound understanding of the economic and qualitative information that will impact the financial markets and instruments being traded, complete awareness of the markets and this information, and good intuition. This is not a purely analytical field, traders must develop a sense for the markets and how they may respond to information releases. Many times, this response is less than logical. [http://www.mergersandinquisitions.com/traders-vs-brokers/]

- Workweeks: On the east coast, most traders start their day 7-7:30AM, about an hour and a half before the markets open, and leave at the close, 4PM, rarely staying later than 5PM. Depending on the desk, the behavior of the market that day, emergent events, it can be busy, absolute chaos, or have lulls. You will have will have to keep track of a number of orders, prices of a number of securities, changes in market behavior, and manage the risk of your book (that is the security positions you have assumed), much as you would have to keep aware of a constant flood of information in a video game. Traders work M-F, as do most of the trading floor support positions (e.g. trade support, research groups, etc.)

- Compensation for successful traders is some of the highest on Wall Street, more recently, exceeding that of many corporate CEO's. But, as in any profession, to remain employed and receive these riches, you have to be successful. [http://www.wallstreetoasis.com/salary/sales-trading-compensation]

- What courses/skills do you need? Ideal courses for equities/derivatives traders are FIN 4370, 4400, 4310 (if trading international issues, currency or currency derivatives), and for bond traders, 4500. FIN 4700 is also a great choice, because you will be managing a portfolio. Additional coursework in macroeconomics and money and banking will be helpful for most traders in understanding the impact of economic information. Finally, traders are now programmers, and are expect to program their own trading models. You need to be competent in using Excel Macros, Visual Basic, C++ and Python.

- Other skills? As mentioned above, a quick mind, ability to analyze patterns, retain numbers, keep track of a constant flood of information, good intuition, and ability to work and think under pressure. When the markets go into freefall, and they will some time in your career, you will have to remain clear headed. Also, traders must be able to let go of the past. If you make a bad trade, you can't continuously beat yourself over the head; there is always another profitable trade out there. You will need to be able to learn from your mistakes quickly, and move on.

- Trading organization, environment, and career path: In general, at most major banks, traders work for a desk, which is a small group that focuses on a specific market. There is a desk head that is responsible for managing the collective risk taken on by the trader's at his desk, and he is evaluated on the profitability of that desk. Many desks comprise a trading floor, and there is a head trader. You might find the floor divided into different regions or floors covering different
types of securities, e.g. equities, fixed income, FX, derivatives, etc. Keep in mind that there is a structural hierarchy, though it will likely vary from institution to institution. And that is your career path, if you want to move up in management. Most traders burn out after a dozen or so years and leave the profession. Other’s move on to take less pressured (and less lucrative) positions at money management firms. Others may move into risk management, which are trading floor police—ensuring that the traders are not undertaking too much risk. The traders (and particularly head trader) hates them, because traders always want to assume more risk.

- There are many ways to enter trading, often firms hire graduates of prestigious MBA programs to enter training programs, but trading can be entered in a variety of ways. If you can show (hard copy proof) that you have been successfully trading on your own portfolio, you may well catch their interest. Several years ago, Barclays bank ran an unpaid training program in which they were training potential traders with bachelor’s degrees for positions. I had a student enter the program; she gritted her teeth on no salary for six months, and then took a lucrative assistant trader/trade support position at Merrill Lynch (Wall Street firm’s love to steal the graduates of each other’s training programs.) Enter a firm as a broker or financial advisor, transfer over to trading after proving your capability. Locate a trade support position. You don’t need a pedigree school to become a trader.

- Other positions: research groups, trade support, IT, and risk management. Research groups are often comprised of PhD’s who amongst other things, are tasked with deriving different trading strategies. Trade support is an entry point into trading for a newly minted undergrad, and you will be working with traders to manage their books. IT is for information technology people who are tasked with keeping the vast databases and trading systems operating, and risk management is usually comprised of PhD’s and ex-senior traders.
Portfolio/Fund Manager

- Mutual funds are heavily regulated by the SEC, and are restricted as to investing strategies and types of instruments they may use. Mutual funds must be publically traded and their reporting is made public. There are other types of entities that employ portfolio managers, e.g. pension funds, endowments, insurance companies. All confront similar regulation by the SEC as do mutual funds. These are all “buy-side” entities.

- Your job as a portfolio manager for a mutual fund, pension fund, etc. is to manage funds to track or beat a benchmark, as according to a fund’s charter. The charter will dictate the strategy and types of investments a fund manager can make.

- How do you get there? There is no clear path, but generally, portfolio managers come from buy/sell side analysts, or quants working for asset management firms, who want to move into portfolio management, and have a successful record of making recommendations. They will probably have an MBA and a CFA. Typically, they are given a few million dollars to manage and go from there. However, this does not preclude others from entering into fund management with substantial finance experience. A few years ago, I was shocked to see an ad in the newspaper offering to train newly minted bachelor’s degrees as fund managers, though I have not seen a similar ad since. From your perspective, this will be a career to set as your goal a few years down the road.


- Hours, day in the life, and remuneration. You are up well before the markets open, and your days will end well after the markets close. You will spend much of your time keeping abreast of events/markets, meeting with analysts and institutional investors or high net-worth investors, possibly conducting interviews with the financial media. Meaning, you cannot hide behind a desk and pick stocks. You must be comfortable in developing relationships and in public speaking. You will have managerial and administrative responsibilities, meaning that you must be comfortable in managing a team. Remuneration can be quite good and will well exceed most corporate careers.

- Recommended electives: FIN 4370 and FIN 4700 for all asset management positions. If you are going to specialize in fixed income, FIN 4500. If you will be involved with international assets (quite likely), FIN 4310. FIN 4400 is generally recommended because an understanding of financial derivatives will be needed for the Series 7 and CFA designations. Also, as with most analyst positions, you should have a sound understanding of macroeconomics and money and banking (you need to understand what the FED is doing).
Hedge Fund Manager

- Hedge funds have much less regulation than mutual funds, so unlike mutual funds, they may use options and take highly leveraged or short positions—there is little limitation on the strategies they may follow. Likewise, in contrast with mutual funds, which are publically traded and available as investment vehicles to the general public, only “high net-worth” investors can invest in a hedge fund, and the reporting is kept private.
- Hedge fund strategies may vary greatly, but in contrast to mutual funds whose investments are constrained by a charter, the objective of a hedge fund manager is generally to yield the highest possible returns. Likewise, because of the restriction on potential investors, hedge funds are much smaller than mutual funds, and thus, more nimble.
- If the path to being a mutual or pension fund manager is varied, the path to hedge fund management is even less structured. It fundamentally depends on the ability of the manager to sell his services and find investors (raise funds). I once met a hedge fund manager who had been a runner of the floor of one of the Chicago exchanges for a dozen years. At age 29, he convinced several wealthy friends that he could anticipate the response of the floor traders and buy him a seat on that exchange. That was the genesis of his fund. More conventionally, if you are interested in becoming a hedge fund manager, you should probably follow the path to becoming a portfolio manager at a mutual fund, and develop a track record and relationships with several high net-worth investors. And you go from there.
- Remuneration and hours. Initially, you will put in massive hours. But the hedge funds I have seen in operation tend to operate 7AM to 5PM. The manager of the fund above only appeared on the exchange floor for trading 5-6 times per month; however, his situation was an anomaly. Remuneration. The sky is the limit, but it will depend on your ability to sell, and your ability to deliver returns.
- Coursework and skills. The same courses recommended for the portfolio manager: FIN 4370, 4700, 4500, 4400, and 4310. Have a sound understanding of macroeconomics and money and banking. Be competent in programing, and using statistical analysis tools (a big plus). This is a great are for quants to go into, e.g. math, physics, engineering, computer science majors.
Financial/Management Consultant

- Consultants advise firms on a variety of issues including the structure of operations, how to financially restructure a corporation, etc. Most advisement involves finance, although you will often be drawn into a variety of disciplines. In general, this is not a pure finance position. You might for example, be making decisions on how to run an airline or newspaper, and rescue it from bankruptcy. Some of the decisions will be how to cut costs and reduce expenditures, increase revenues, obtain short and long-term financing. The decisions may involve recommending layoffs, a financial restructuring, but you could be making marketing recommendations, recommending operating changes, and or recommending changes to the product line. You will be a member of a highly motivated team analyzing all facets of the problem. And you better be a high-energy person, because most of your teammates will be. Consulting, like investment banking, draws talented and ambitious people.

- Training and skills. Course-wise, FIN 4370, FIN 4030, and FIN 4340, are ideal to work on most financial problems; FIN 4310 is good to have when dealing with multinational business issues. However, you really will benefit from having a strong background in all business disciplines: Marketing, Operations and Human Resources Management, Economics, IT, Accounting, and International Business. All disciplines will come in to play. Likewise, management consulting requires social skills, teamwork, strong intellectual and analytical skills, and an ability to think creatively and out of the box. Sales skills will be required at the higher levels. And tenacity, the hours will be long. http://careers-in-business.com/consulting/mc.htm.

- Hours and remuneration. Management consultants can put in enormous hours, though it may vary with the firm. The hours may be more reasonable in the West, but back East, I ran into many consultants that would brag about regularly putting in 80 to 90 hour weeks. In fact, it was considered “Macho” to see who could outlast the other consultants staying at their desks. So you have to love it, and you have to be driven. You may be on the road frequently, and obviously with those hours, be willing to work on the weekends. And though the salaries and bonuses are good, I found that consultants often clocked more hours as investment bankers, while receiving half the remuneration. Why do remain in consulting? Most find it stimulating.

- Personality and Egos. Like investment banking, you will run into some enormous egos in consulting. You will have to be able to look past them. You will also have to be motivated by intellectual challenge and solving problems. And at the higher levels, sales.

- Career path. With a newly minted bachelor’s degree, you will enter as a first year analyst. After obtaining an MBA, you will become an associate, then work your way up to junior and then senior partner. At the partner level, you are responsible for generating business—e.g. sales.
Corporate Treasurer

- Corporate treasurers are responsible for daily cash management of corporate funds, ensuring liquidity and funding of corporate operations, ensuring all surplus cash is invested, managing FX risk, actively trading in foreign currencies and short term money market instruments, working with rating agencies, forecasting future cash-flow obligations, arranging for credit or funding, working with accounting and other departments regarding future obligations, attending key management meetings, etc. The corporate treasurer is drawn into every aspect of company operations that involves revenues or expenditures. If there is an investment project, a new product line that requires funding, a new business venture, a potential law suit settlement, the treasurer is aware of it.

- Hours and pacing. Treasures usually start the day between 7-8AM and will typically end at 6-8PM. It is generally fast paced. As one friend put it “their schedule is given to them, they have so much to do; if you can find a way to save them 15 minutes, they are grateful.” [http://curiousmanager.wordpress.com/2013/05/12/corporate-treasurer-the-real-job-description/](http://curiousmanager.wordpress.com/2013/05/12/corporate-treasurer-the-real-job-description/).

- Courses, training, and skills. FIN 4370, 4500, 4310, and 4400 are all bread and butter courses for the treasurer, and should all be taken. And although you will not be managing an equity portfolio, FIN 4700 may also be helpful. A strong accounting background is a must, so additional corporate and managerial accounting courses should be considered. In general, treasurers must be able retain a tremendous volume of disparate information, think quickly, use their time efficiently, have strong communication skills, and work effectively with other managers. Effective time management skills are a must.

- Career Path. Bachelor’s graduates can go directly into the corporate treasury as analysts or assistants, and work their way up to senior positions. However, corporate treasurers often come from people with accounting backgrounds, control or auditing, or from corporate finance. If you’re in corporate finance, at some point, you will probably want to assume a position in corporate treasury, and be familiar with the wide range of responsibilities that treasurers have. Corporate treasurer is also an excellent stepping stone to CFO/CEO, because you are involved in virtually every key strategic, operational, or financing decision, that a corporation will make.