Fast-Track to Investment Banking

An Insider's Blueprint to Success

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Investment Banks – Overview

Investment banking (IB) is a dynamic and influential field of the financial services industry, offering a compelling career path for motivated and hard-working students. Graduates are usually drawn to this sector for its fast-paced environment, compensation and potentially getting a job at an investment fund later on in their careers. Beyond the allure of lucrative compensation, investment banking provides unparalleled professional growth, exposure to high-profile transactions, and the opportunity to develop a robust skill set in financial analysis and strategic advisory.

Nevertheless, it often comes at a cost. For the first two years, analysts are expected to work 60 to 80-hour weeks (sometimes even more!), and the tasks are often not as rewarding as you would have expected (e.g. formatting slides, auditing financial models for inconsistencies). Although the working hours and tasks tend to improve as you move up the ladder, there is always a component of stress attained to these types of jobs. However, with stress and sacrifice comes progression, which means that a few years in IB can make you a strong finance professional. The more challenged you are, the faster you will learn and the greater skills you will get. Below are the main reasons why graduates pursue careers in IB.

- **High Compensation:** Investment banking is known for its competitive salary packages. On average, entry-level analysts earn $120,000 to $150,000 per year (£100,000 to £130,000 in the UK) including bonuses, which can sometimes reach 70% of the salary depending on the firm's performance and prestige.
- **Prestige and Status:** A career in a top-tier investment bank is often perceived as a symbol of success. Statistics indicate that professionals from leading investment banks are sought after, with about 40% of them transitioning into influential roles in other industries within a decade of their career.
- **Steep Learning Curve:** The investment banking sector is characterized by a challenging and intellectually stimulating environment. It is reported that analysts and associates develop a depth of knowledge in financial markets and corporate finance at a pace faster than in most other sectors, often compressing years' worth of learning into a much shorter period.
- **Career Opportunities:** Skills acquired in investment banking are highly transferable. Approximately 60% of investment banking professionals successfully transition to lucrative roles in private equity, venture capital, or corporate finance, leveraging their experience in high-stakes financial analysis and decision-making.
- **Professional Network:** Investment bankers typically build a network that includes key decision-makers in various industries. Surveys show that around 70% of senior investment bankers leverage their professional networks to facilitate major deals and transitions throughout their careers.
- **Meritocratic Environment:** The industry often operates on a performance-based advancement system. Reports suggest that top performers in investment

banking can expect promotions at a faster rate, with some reaching the VP level in as little as 5 years, a pace notably quicker than in many other industries.

- **Global Exposure:** Investment banks are global entities, offering exposure to international markets. Analysts often work on cross-border transactions, and it is estimated that around 50% of investment banking deals have an international component, providing unique insights into different economic and cultural landscapes.

Investment Banks – Organizational Structure

A standard investment bank is usually split in different departments. While some departments might work collaboratively (e.g. Sales & Trading and Research), others are often not able to keep contact due to conflicts of interest (e.g. Sales & Trading and M&A). As a result, these departments tend to have "Chinese walls" which refers to ethical barriers within the bank that prevent information sharing between different departments to avoid conflicts of interest and insider trading. They are essential for maintaining confidentiality, ensuring regulatory compliance, and upholding the integrity of financial markets by segregating sensitive information within various parts of the company.

The key departments of a standard investment bank are:

- **Capital Raising & Underwriting**: Investment banks assist companies in raising money through the issuance of stocks or bonds. They underwrite these securities by buying all the available shares at a price negotiated with the issuer and then selling them to the public or institutional buyers.
- **Mergers & Acquisitions (M&A)**: Investment bankers provide strategic advice on mergers, acquisitions, and other types of financial transactions. They help value potential targets, structure deals, and negotiate terms on behalf of their clients.
- **Sales & Trading**: They facilitate the buying and selling of securities (such as stocks or bonds) for clients and also trade on their own account.
- **Advisory Services**: Offering expert advice on financial matters, including strategic planning, restructuring, and risk management.
- **Research**: They perform research on various companies and industries to guide investors on where and when to invest their money.

The investment banking sector is characterized by its high-pressure environment, long working hours, and significant role in financial markets, serving as an intermediary between investors and corporations. They are integral in helping companies, governments, and other groups plan and manage large projects, saving their client time and money by identifying risks associated with the project before the client moves forward.

Bulge Bracket, Elite Boutiques and Boutiques – Main Features

Bulge Bracket Banks (BBs), Elite Boutiques (EBs) and Boutiques or Middle Market Banks. Each type operates with distinct characteristics, clientele, and global footprints, shaping the dynamics of investment banking. By understanding these differences, one can better appreciate the services they offer, the clients they serve, and the career paths they present. It also is important to bear in mind the different opportunities that one can get from working in this type of firm.

For instance, the bulge bracket banks will probably provide a very structured and complete training. Due to the large size of the class, one might also create new relationships not only with their direct peers, but also with colleagues from other departments. On the contrary, the boutiques might have a more familiar atmosphere due to its small size. It is also more likely that the type of tasks of an analyst will be more "hands-on" whereas in the BB the analyst is more likely to have tasks that do not deviate much from their responsibilities. Therefore, these boutiques can sometimes give a higher exposure to the business than a BB.

Bulge Bracket Banks

Definition: Bulge Bracket banks are the largest and most profitable multi-national investment banks in the world. They offer a wide array of services including investment banking, equity research, sales and trading, asset management, commercial banking, and retail banking.

Characteristics:

- **Global Presence**: They have a significant global footprint with offices in numerous countries.
- **Service Range**: Provide a full range of services from mergers and acquisitions (M&A) to underwriting, asset management, commercial banking, and more.
- **Clientele**: Serve the largest and most significant corporations, institutions, and governments.
- **Reputation**: Highly prestigious, often with a long history and strong brand recognition.
- **Examples**: Goldman Sachs, J.P. Morgan, Morgan Stanley, Citigroup, Bank of America Merrill Lynch, Barclays, and Deutsche Bank.

Elite Boutique Banks

Definition: Elite Boutiques are similar in prestige and service quality to Bulge Brackets but are more specialized and usually focus exclusively on investment banking and sometimes private wealth management. They don't have the full-service line-up of the bulge brackets and typically don't engage in retail banking or broad-based commercial banking.

Characteristics:

- **Focus**: Specialized in complex and high-value M&A, restructuring, and other corporate finance activities.
- **Size & Presence**: Smaller than Bulge Brackets and may have a significant but more focused global presence.
- **Clientele**: Work with large clients on significant deals, often in specific industries or sectors where they hold expertise.
- **Culture and Work Environment**: Might offer a more familiar and collegiate work culture or environment compared to the larger institutions.
- **Examples**: Lazard, Evercore, Moelis & Company, Greenhill & Co., William Blair, FT Partners and PJT Partners.

Boutiques

Definition: Boutique banks are smaller firms that typically provide more specialized or regional investment banking services. They can range from regional-focused firms to industry-specific experts.

Characteristics:

- **Service Range**: Often focuses on advisory services, such as M&A, restructuring or other consultancy services, and do not typically engage in trading or underwriting.
- **Size & Presence**: Usually smaller in scale with a more limited geographical reach, often focusing on specific markets or regions.
- **Clientele**: May serve smaller or mid-sized companies, specific industries, or local/regional clients.
- **Flexibility & Specialization**: Can be highly specialized in certain sectors or industries, offering deep expertise.
- **Examples**: Harris Williams, Houlihan Lokey, Jefferies, JMP, Lincoln International, Oppenheimer, Stifel and many other small firms focused on particular niches or local markets.

Bulge Bracket banks, Elite Boutiques, and Boutiques each play unique roles in the financial ecosystem, offering varied services, opportunities, and experiences. Aspiring and current finance professionals can leverage this knowledge to align their skills and career aspirations with the right type of institution. Whether it's working on global transactions, focusing on high-end advisory services, or specializing in niche markets, understanding these categories is the first step towards a successful and fulfilling career in the ever-evolving landscape of investment banking.

It is important for you to understand which type of experience would benefit your career. Would you rather specialize in a specific field, or do generalist M&A deals? Would you prefer to be part of a large institution, or do you prefer a small and familiar environment? All of these questions (and more) should be answered ahead of the recruitment cycle, so that you really know what you want for your future.

In addition, it is also important to understand the culture of each bank to understand if it's a good fit for you. This will benefit both parts, as you will perform better at a bank that has a culture more aligned with your views.

Investment Banking Salaries

As previously noted, IB salaries are very high within the finance sector, and even more if you compare them to standard corporate jobs in the UK or the United States. For context, Statista reports that an average salary in the UK is around £35k (in London is £44k). In the U.S., Statista reports that the average salary is $78k (in New York is around $90k).

The tables below show the salaries for the three first levels of an investment bank: Analyst, Associate and Vice President. Note that the numbers refer to British pounds. Rule of thumb states that the US equivalent salary is usually the conversion rate only, or the conversion rate plus a premium of 5% to 10%.

- **Higher End**: Elite Boutiques generally pay the best among all types of banks. Evercore paid the highest for analysts, PWP for associates, and PJT for vice presidents (VPs). Top-ranking PJT paid significantly high bonuses, with an average annual compensation of £245k (about $297k), and bonuses constituting 90% and 100% for associates and VPs respectively.
- **Lower End**: On the lower end, Barclays pays the least, with an average of £169k (or $205k) across the three ranks, followed by BNP Paribas at £179k (or $217k) and Greenhill at £189k (or $229k).

Analyst

	AN1 Salary	AN2 Salary	AN3 Salary	Average analyst salary	Average analyst bonus	Average analyst compensation
Evercore	£80k	£85k	£90k	**£85k**	60%	£136k
JP Morgan	£65k	£80k	£85k	**£75k**	70%	£128k
Goldman Sachs	£65k	£80k	£90k	**£80k**	55%	£124k
Citi	£75k	£80k	£85k	**£80k**	50%	£120k
Nomura	-	£65k	£95k	**£80k**	50%	£120k
Société Générale	£65k	£75k	£85k	**£75k**	60%	£120k
Moelis & Co	£65k	£70k	£75k	**£70k**	70%	£119k
PJT Partners	£70k	£80k	£95k	**£85k**	40%	£119k
Morgan Stanley	£70k	£80k	£95k	**£82k**	45%	£119k
RBC	£65k	£75k	£90k	**£77k**	50%	£116k
Rothschild & Co	£80k	£90k	£85k	**£78k**	45%	£113k
Bank of America	£65k	£80k	-	**£75k**	50%	£113k
HSBC	£60k	£65k	£70k	**£65k**	70%	£111k
Deutsche Bank	£65k	£70k	£90k	**£75k**	45%	£109k
Lazard	£65k	£70k	£75k	**£70k**	55%	£109k
UBS	£60k	£70k	£90k	**£75k**	40%	£105k
Jefferies	£70k	£75k	£80k	**£75k**	40%	£105k
Perella Weinberg	£70k	£80k	£110k	**£70k**	50%	£105k
Barclays	£75k	£70k	£80k	**£70k**	45%	£102k
BNP Paribas	£60k	£65k	£70k	**£65k**	55%	£101k
Credit Suisse	£70k	£75k	£105k	**£82k**	-	-

(Source: Efinancialcareers, 2023)

Associate

	AS1 Salary	AS2 Salary	AS3 Salary	Average associate salary	Average associate bonus	Average associate compensation
Perella Weinberg	£120k	£130k	£145k	**£132k**	90%	£251k
Rothschild & Co	£125k	£125k	£140k	**£125k**	100%	£250k
PJT Partners	£110k	£130k	£150k	**£130k**	90%	£247k
Moelis & Co	£110k	£120k	£135k	**£122k**	100%	£244k
Lazard	£105k	£110k	£120k	**£112k**	100%	£224k
Evercore	£125k	£130k	£135k	**£130k**	70%	£221k
BNP Paribas	£105k	£115k	£130k	**£115k**	90%	£219k
RBC	£105k	£120k	£130k	**£120k**	80%	£216k
Morgan Stanley	£115k	£140k	£140k	**£130k**	65%	£215k
Citi	£110k	£125k	£140k	**£125k**	70%	£213k
HSBC	£105k	£120k	£135k	**£120k**	75%	£210k
UBS	£110k	£125k	£135k	**£125k**	65%	£206k
Jefferies	£115k	£125k	£140k	**£125k**	65%	£206k
Bank of America	£110k	£120k	£135k	**£120k**	65%	£198k
Nomura	£110k	£125k	£135k	**£125k**	50%	£188k
Goldman Sachs	£105k	£120k	£130k	**£120k**	55%	£186k
Deutsche Bank	£105k	£120k	£135k	**£120k**	50%	£180k
JP Morgan	£110k	£125k	£130k	**£120k**	50%	£180k
Société Générale	£100k	£125k	£140k	**£120k**	50%	£180k
Barclays	£105k	£120k	£135k	**£120k**	45%	£174k
Credit Suisse	£110k	£130k	£135k	**£125k**	-	-

(Source: Efinancialcareers, 2023)

Vice President

	VP1 Salary	VP2 Salary	VP3 Salary	VP salary	VP bonus	▾ Average VP compensation
PJT Partners	£170k	£200k	NA	**£185k**	100%	£370k
Goldman Sachs	£160k	£170k	£170k	**£165k**	100%	£330k
Lazard	£140k	£150k	£160k	**£150k**	120%	£330k
Morgan Stanley	£170k	£170k	£185k	**£175k**	80%	£315k
Rothschild & Co	£155k	-	£175k	**£165k**	90%	£314k
Jefferies	£190k	£190k	£190k	**£190k**	80%	£306k
Bank of America	£165k	£165k	£165k	**£165k**	85%	£305k
Perella Weinberg	£150k	£160k	£175k	**£160k**	90%	£304k
Deutsche Bank	£150k	£155k	£155k	**£150k**	100%	£300k
RBC	£140k	£150k	£160k	**£150k**	100%	£300k
Moelis & Co	£140k	£145k	£165k	**£150k**	100%	£300k
BNP Paribas	£140k	£150k	£160k	**£150k**	95%	£293k
HSBC	£150k	£160k	£170k	**£160k**	80%	£288k
UBS	£165k	£165k	£165k	**£165k**	70%	£281k
Nomura	£150k	£160k	£170k	**£160k**	75%	£280k
Evercore	£160k	£160k	£160k	**£160k**	70%	£272k
JP Morgan	£155k	£155k	£155k	**£155k**	70%	£264k
Citi	£150k	£165k	£165k	**£158k**	55%	£245k
Société Générale	£160k	£170k	£180k	**£170k**	40%	£238k
Barclays	£155k	£160k	£165k	**£160k**	45%	£232k
Credit Suisse	£150k	£160k	£165k	**£160k**	-	-

(Source: Efinancialcareers, 2023)

Understanding the Hierarchy of an Investment Bank

Starting a career in investment banking is akin to setting sail on a vigorous journey through the high seas of finance. It's a path that promises not only substantial rewards but also demands a relentless drive and dedication. From the analytical prowess of an Analyst to the visionary strategies of a Managing Director, each role within an investment bank is critical, contributing to the collective success of the firm and its clients. As you contemplate or progress through this demanding yet rewarding career, understanding the hierarchy and responsibilities at each level will be instrumental. Below is a breakdown of the various roles within an investment bank, shedding light on the tasks, challenges, and transitions that define the path from a novice to a leader in investment banking.

- **Analyst ("The Groundworker")** – Investment banking analysts, usually recent graduates, embark on a rigorous two-year program. As the team's backbone, they manage presentations, financial modelling, and various administrative duties. Their days are filled with creating detailed pitch books and performing extensive Excel analyses. Expected to always be available, analysts often work up to 80 hours a week, especially during intense deal closing periods. While the Analyst role is demanding, it serves as a vital stepping stone to Private Equity or advancing within banking as an Associate.
- **Associate ("The Seasoned Hustler")** – Associates, typically MBA graduates or promoted analysts, commit to long hours over a 2 to 3-year period. They play a pivotal role in supervising, guiding analysts, reviewing financial models, and delegating tasks. After three and a half years, they might rise to Vice President or shift towards Private Equity or venture capital. Alternatively, some may choose a different path, possibly taking a sabbatical to travel around the world. Their primary role is to bridge junior staff with senior bankers and sometimes engage directly with clients.
- **Vice President ("The Strategy Architect")** – After demonstrating their prowess, Associates may be promoted to Vice Presidents. They are instrumental in managing and expanding client relationships and are more involved in deal-making and industry forecasting. Their role becomes increasingly client-facing, necessitating accuracy in models and projections. VPs typically serve in this capacity for 3 to 5 years.
- **Director ("The Senior Strategist")** – In some banks, the Director occupies a pivotal role, acting as a senior strategist and client relationship builder, and in larger banks, it aligns with Executive Director roles or sometimes equates to VP. Directors focus on sustaining and expanding client relations and spotting new investment avenues. Their expertise is critical in fostering long-term growth and client trust.
- **Managing Director ("The Visionary Leader")** – At the apex of the hierarchy sits the Managing Director, who oversees firm operations and sets strategic directions. Comparable to a general, they orchestrate the larger picture, focusing

on client acquisition and revenue generation. Their longevity hinges on the profitability they bring to the firm. Despite their strategic role, MDs often delve into later hours, reviewing work from junior staff, leading to extended hours for the team as feedback and directives are issued after lengthy meetings.

Despite the demanding nature of each role, investment banking remains a lucrative and dynamic field, offering vast opportunities and significant professional growth. From executing meticulous tasks to strategizing grand business moves, each position uniquely contributes to the successful navigation and execution of deals in this fast-paced industry.

Educational Pathways to break into Investment Banking

Whether you're just starting your undergraduate studies, contemplating an MBA or considering a lateral career move, to be successful in breaking into IB you have to be strategic and usually follow a meticulous preparation. In this section, we will delve into three conventional and unconventional routes to investment banking. Each path requires its unique set of strategies and insights. From the early groundwork laid during your undergraduate years to the transformative potential of an MBA, and even the dynamic world of lateral hiring, we will provide you with the knowledge and guidance you need to start preparing your banking and investment career.

Undergraduates

Focusing on breaking into investment banking from the start of your undergraduate studies is a strategic move. Key to success in this competitive field is early and proactive engagement in networking, gaining foundational knowledge in accounting, valuation, and financial modelling, and securing internships that can lead to full-time roles. The accumulation of relevant internships and experiences is vital to build a persuasive profile for critical interviews. Keep in mind that geographical factors can influence the path and opportunities available, especially for international students.

The choice of university plays a significant role in this journey. For those at target universities, while your educational background is advantageous, thorough preparation and in-depth knowledge are still essential. If you're not at a target university, your strategy should adapt to focus more on networking and direct applications to boutique firms, rather than standard online applications. It's an unfortunate truth that recruitment programs in banks may overlook candidates from non-target schools based on certain criteria, with the university being a primary factor. It's important to confront this reality candidly and focus on the next steps: thorough preparation. Here, at Private Equity Bro, we aim to guide you in becoming the best investment professional possible.

MBAs

An MBA serves as a potent catalyst for professionals aiming to transition into investment banking, particularly those with substantial industry experience. It is not a straightforward solution but rather an enhancement to your existing skills and network. The commitment to an MBA involves proactive networking and potentially completing a pre-MBA internship. Depending on personal circumstances and career aspirations, a part-time or executive MBA may offer a more balanced approach. As MBAs are expensive, we would advise on pivoting on this opportunity only when you cannot break into IB via lateral moves. Of course this applies exclusively if you are pursuing an MBA to break into IB. If there are several reasons for doing an MBA (e.g. increase networking, build your own start-up), then it’s different. In any case, make sure to choose an MBA for a target school and apply to summer and off-cycle internships as soon as possible to avoid disappointment.

Lateral hiring

Entering investment banking through lateral hiring is a distinctive approach. It provides a dynamic avenue for professionals aiming to use their existing experience to secure more prominent or diverse roles in the sector. This path often involves moving from smaller boutique firms to larger institutions or switching between different banks, making the most of the versatile skills gained in banking. Preparation is key in this process: it's important to fine-tune your resume, emphasizing any deal experience, and to actively network to discover new opportunities. The interview process is typically less structured, focusing on how well you fit and your comprehensive understanding of deal experiences. Patience plays a crucial role, as the timing of job offers can vary, and the ability to adapt to new settings is crucial. Mastering this route can lead to significant advancements in career opportunities and professional development.

Target vs Non-target Universities

We would split universities into 4 different categories: Tier 1, Tier 2, Tier 3, Non-target. It is important to note that the level of preparation differs greatly based on the university the candidate is attending. For instance, if the candidate is in a Tier 1 university, he/she will still need to be prepared but the reality is that more opportunities for interview will arise. With that said, by doing multiple interviews, candidates can improve their performance and increase the probability of getting an offer. Furthermore, the fact that a top university is a "stamp of approval", it is also more likely that a candidate with the same skills as another from say a Tier 3 university has higher chances of getting an offer.

Considering the above, it is important to understand from the beginning of the recruitment cycle which position a candidate's university occupies. This is relevant not only for planning of the preparation, but also to manage expectations. For instance, if a candidate's university is non-target, perhaps online applications are pointless. Therefore, one can start prioritising alternative routes (e.g. cold emailing, in-person networking) rather than spending time and resources with long online applications. For further information on the different tiers, see more detail below.

Tier 1 ("La Crème de la Crème")

- United States
    - Harvard University, Stanford University, University of Pennsylvania (Wharton), Massachusetts Institute of Technology (MIT), Columbia University
- United Kingdom
    - University of Oxford, University of Cambridge, London Business School, London School of Economics (LSE), Imperial College London
- Europe (excluding UK)
    - HEC Paris (France), Bocconi University (Italy), INSEAD(France/Singapore)

Tier 2 ("The High Achievers")

- United States
    - New York University (Stern), University of California, Berkeley (Haas), Cornell University, Duke University, Dartmouth College
- United Kingdom
    - University College London (UCL), King's College London, University of Warwick, Bayes Business School
- Europe (excluding UK)
    - University of St. Gallen (Switzerland), ESADE Business School (Spain), IE Business School (Spain), Nova Business School (Portugal)

Tier 3 ("The Rising Contenders")

- United States
  - Brown University, Northwestern University, University of Michigan (Ross), Georgetown University, University of Virginia (McIntire)
- United Kingdom
  - University of Manchester, University of Edinburgh, University of Bristol, Durham University
- Europe (excluding UK)
  - Copenhagen Business School (Denmark), University of Mannheim (Germany), Rotterdam School of Management (Netherlands)

Non-target ("The Hidden Gems")

- United States
  - Smaller state schools or less well-known private universities, for example, University of Arizona, University of Iowa, Boston College
- United Kingdom
  - Other universities that are recognized but not traditionally associated with investment banking recruitment, like University of Leeds, University of Nottingham, Newcastle University
- Europe (excluding UK)
  - Universities known for their strong academic programs but not traditionally targeted for investment banking, such as University of Vienna (Austria), Warsaw School of Economics (Poland), University of Helsinki (Finland)

Investment Banking Recruitment

One way of starting a career in investment banking is by doing an internship. For both graduates and MBAs, there are usually two types of internships available: summer internships and off-cycle internships[1].

Summer Internships

A Summer Internship in investment banking is a meticulously organized program aimed at giving students a deep dive into the industry. These internships, lasting 8-10 weeks during the summer, are offered primarily by elite investment banks. Interns collaborate closely with teams in various sectors, such as mergers and acquisitions (M&A), sales and trading, and asset management. They get a real taste of financial transactions, acquire practical skills in financial modelling, and participate in client meetings.

The main objective of these internships is to assess interns for potential permanent roles. Investment banks view these programs as a key recruitment tool for attracting the best talent. Interns face demanding tasks and are expected to deliver high-quality work. Those who excel may be offered positions as analysts or associates (for MBA interns) after completing their studies. Undergraduates usually do these internships in the summer of the year before graduation, whereas MBA students usually do in the summer of the year they will graduate.

Participating in a summer internship in investment banking offers students invaluable experience, networking opportunities, and a stepping stone into a finance career. Despite the competitive nature of these internships, offer rates usually vary from 50% to 80%, with prestigious banks often having higher return offer rates. Banks generally offer full-time roles to interns who show outstanding performance and a good cultural fit. Nonetheless, the competition is intense, and not all interns secure return offers.

Key elements for a successful internship and securing a return offer include:

- **Diligence**: Timely and complete task execution is crucial. It's important to seek help when needed and to avoid overlooking or partially completing tasks. Keeping a physical notebook helps in staying organized and demonstrates focus. It's also vital to ask pertinent questions when necessary.
- **Professionalism**: Always exhibit professional behaviour, particularly during company events. Moderation is key in social situations, as interns are ambassadors of the company during their tenure.
- **Quality of Work**: Beyond functionality, the presentation of work matters. Investing time in enhancing the visual appeal of your work can significantly influence how it's received. Perception often carries as much weight as skill, so it’s important to be aware of how actions are interpreted.

[1] There are also spring internships, which are essentially one-week experiences at a bank. These experiences are offered to first and second-year graduates to provide some colour on the job. We don’t cover such internships here because they are not so relevant to get a job in IB.

In essence, a summer internship in investment banking is an invaluable experience, providing industry exposure and the possibility of full-time employment. Success in securing a return offer hinges on diligence, professionalism, and the quality of work. These internships are an excellent opportunity for those looking to break into the competitive world of investment banking. Additionally, for those who miss out on summer internships, off-cycle internships are another pathway to consider.

Off-cycle Internships

Off-cycle internships in investment banking provide a distinct avenue for individuals seeking entry into the finance industry. These internships, unlike their summer counterparts, don't adhere to the traditional recruiting schedule, making them available at various times throughout the year. They can be of variable duration and are known for their unstructured nature. This lack of structure often translates into a steep learning curve, as off-cycle interns have the opportunity to engage in a wide range of tasks, gaining exposure to multiple facets of the industry. Due to its unstructured nature, these internships are usually longer (as opposed to 8-10 weeks) which is helpful for both the candidate's experience but also resume.

Competition for off-cycle internships can be intense, particularly for positions at boutique investment banks. The key to success lies in proactive networking, competence and adaptability. Unlike summer internships, which are typically well-defined, off-cycle positions demand interns who can take the initiative to seek out tasks and opportunities. While these internships offer valuable insights and experiences, there's no guarantee of a full-time offer. Conversion rates can vary widely, and securing one often depends on exceptional performance.

Ambitious candidates willing to embrace the challenges of off-cycle internships can use this less conventional route to stand out in the competitive finance sector. It's an opportunity to accumulate diverse experiences, build a robust network, and demonstrate one's dedication to a career in investment banking. While off-cycle internships may not be as standardized as summer programs, they offer a path for individuals who thrive in dynamic and unstructured environments, ultimately contributing to their growth and success in the finance industry.

Most bulge bracket banks and elite boutiques provide these types of internships. Below you will find a non-exhaustive list of the major banks that actively recruit graduates for internships.

Bulge Bracket Banks:

- Goldman Sachs
- JPMorgan Chase
- Morgan Stanley
- Citigroup
- Bank of America Merrill Lynch
- Deutsche Bank
- Credit Suisse
- UBS
- Barclays
- HSBC

Boutique & Elite Boutique Banks:

- Evercore
- Lazard
- Moelis & Company
- Greenhill & Co.
- Centerview Partners
- Perella Weinberg Partners
- PJT Partners
- Houlihan Lokey
- Guggenheim Partners
- Jefferies

Crafting your Resume and Cover Letter

The realm of resumes and cover letters is a long and tedious ride, where your documents will suffer countless iterations. Far from being mere documents, they can sometimes be your golden ticket into IB. Think of your resume as the captivating opening scene of a hit movie. It must immediately seize attention, encapsulate your journey, and make a memorable impact. Below we will explore how to transform your resume and cover letter into standout pieces that distinguish you from the crowd.

Let me give you a reality check: recruiters typically glance at a resume for just 6 seconds (according to the Recruitment Trends Report). That's less time than it takes to scroll past a social media post (for the average Joe). Therefore, your resume should be more engaging than the trendiest online content without exaggerating too much...!

Picture your resume as a carefully scripted story, with each word and phrase contributing to an intriguing narrative. It should skilfully interlace your academic journey, pertinent projects and experiences in the finance domain. Instead of just listing tasks, it's vital to highlight your accomplishments. Show how you effectively turned raw data into compelling stories and catalyzed significant results.

When crafting your cover letter, step into the role of a storyteller. Set the stage thoughtfully for your professional narrative. Address the hiring manager directly, using this opportunity to convey your enthusiasm for both the organization and the specific role you desire. This is your chance to share your own story, your passion for finance, and how you envision making a meaningful impact.

A crucial, yet often overlooked, piece of advice: customize your resume and cover letter for each unique application. Think of it as tailoring a script for a distinct audience or role. Demonstrate your deep understanding of what the firm is seeking and how your unique skills align with their requirements. I understand this might be challenging, but to get the best results you need to put time and effort into the processes.

If you want to become an IB superstar, it's imperative to avoid hastily assembling your resume and cover letter as if they were last-minute drafts. Dedicate time to carefully crafting them, ensuring they stand out as masterpieces that leave the recruiters eager to uncover more. Pay close attention to detail by proofreading any spelling errors, as accuracy is highly valued in IB. Choose a professional font, such as Arial or Times New Roman, and keep the font size around 10-12 points for readability. Nevertheless, time is of the essence so don't overthink. If your resume looks good, go ahead and apply. It will suffer many iterations regardless, so don't waste time to create the perfect document.

Crafting an engaging resume and cover letter is crucial in the finance industry. Your resume should tell a compelling story, showcasing your achievements and impact, whether you are an undergrad or a professional. The cover letter is your chance to express genuine enthusiasm for the role and organization you are pursuing. Tailor each application, demonstrating your alignment with the firm's needs. As previously noted, dedicate time to crafting these documents, ensuring they stand out. Below you will find two resume templates, for both an undergraduate and MBA/Professonal.

[Jane Doe]

[(123) 456-7890] | [jane.doe@university.com] | LinkedIn Profile

EDUCATION

[University Name] **[City], [State/Country]**

[Bachelor of Science in Mechanical Engineering *[Expected May 20##]*

- **Cumulative GPA:** [3.9]; **SAT:** [2350 (M: 780; V: 800; W: 770)] – Include other relevant test scores if outside of USA
- **Awards & Honors:** [Jane Doe Research Scholar – awarded annually to most outstanding student in mechanical engineering]; [Congressional Service Gold Medal – completed over 400 hours of volunteering service]; [M.G. Morgan M&A Case Competition 1st Place]; [ABC Stock Pitch Competition 2nd Place]
- **Finance Coursework:** Financial Accounting, Corporate Valuation, Microeconomics, Macroeconomics and Capital Markets

WORK EXPERIENCE

Private Equity Bro **[City], [State/Country]**

[Investment Banking Summer Analyst], [FIG] *[June 20##] – [Present]*

- [Investment banking summer analyst in the FIG M&A section for 10-weeks; received full-time return offer]

Selected [Transaction / Investment / Project] Experience:

- *[Sale of the retail business of a US bank to an Asian Consortium for $5.2 billion:* (Closed July 2020)]
  - [Worked extensively with Target Name CFO to build an accurate 3-statement standalone operating model with detailed revenue & COGS drivers for over 50 product lines across Americas, Europe and Asia-Pacific]
  - [Built dynamic LBO model with multiple operating and pro forma capital structure scenarios to determine private equity sponsor affordability based on projected IRR and LFCF Yield]
- *[Acquisition of Target Name by Acquirer Name for $300 million:* Buy-side financial advisor to Acquirer Name (Ongoing)]
  - [Collaborated with company management and external advisors to develop pro forma five-year operating plan]
  - [Analyzed the acquisition's impact on the acquirer's EPS through an accretion / dilution model incorporating potential synergies and illustrated the pro forma company's financials through contribution analysis]
  - [Performed LBO analysis on a potential +$100 million asset sale of a non-core business unit to sponsors post-acquisition close; constructed sensitivity tables showing changes in accretion relative to price, growth rates and EBITDA margins]

[Company Name] **[City], [State/Country]**

[Insurance Intern] *[June 20##] – [August 20##]*

- [Worked with the insurance underwriting team to originate, process and underwrite monthly average of $1 million in health insurance and life insurance policies, exceeding company targets by 20%]
- [Prepared monthly customer pipeline reports and worked with marketing team to execute the company's social media strategy, which improved prospective customer inbounds through Facebook, YouTube and Twitter by 70% year-over-year]

EXTRACURRICULAR ACTIVITIES

[Organization Name] **[City], [State/Country]**

[Student Government Senator] *[June 20##] – [Present]*

- [Elected to serve on budget committee and worked with team to allocate over $500,000 in grants to campus organizations]
- [Designed and built the student government's new website with significantly improved user interface and user experience]

[Organization Name] **[City], [State/Country]**

[Vice President] *[June 20##] – [Present]*

- [Solicited and raised over $20,000 from sponsors for the fraternity's initiative to help local disabled and homeless people]
- [Organized community service events with over 200+ school-wide attendees and led the team's public relations efforts]

ADDITIONAL

- [Fluent in French], [proficient in Mandarin]; [favorite business books include *Margin of Safety* and *Competitive Strategy*]

[John Doe]

[(123) 456-7890] | [john.doe@university.com] | LinkedIn Profile

EDUCATION

[Graduate School of Business Name] **[City], [State/Country]**
[Candidate for Master of Business Administration] *[Expected May 20##]*

- **GMAT:** [780 (99th Percentile)]
- **Awards & Honors:** [First Year Honors]; John Smith Fellowship – awarded to top 5% of first-year class]; [Leadership Scholar – one of ten selected from 200+ applications]; [1st Place in Investment Conference Stock Pitch Competition]
- **Leadership Roles:** [President of Investment Banking Club]; [President of Men's Soccer Club]; [CFO of the *Retail Conference*]

[University Name] **[City], [State/Country]**
[Bachelor of Science in Mechanical Engineering, Summa Cum Laude] *[Graduated May 20##]*
Cumulative GPA: [3.9]; **SAT:** [2400 (M: 800; V: 800; W: 800)] – Include other relevant test scores if outside of USA

WORK EXPERIENCE

Private Equity Bro ,**[City], [State/Country]**
[Corporate Development Manager] *[June 20##] – [Present]*

- [One of six corporate development professionals responsible for supporting executive management in driving the strategic development of the corporations' three business units, totaling $3 billion in annual sales]
- [Promoted twice to Manager position and selected to lead analytical training for company's new hires in Minneapolis]

Selected [Project (or Deal / Investment / Transaction)] Experience:

- *[Market Entry into India for the XYZ Healthcare Business Unit:*]
  - [Identified potential new customer accounts and product cross-selling opportunities worth ~$250 million in revenue upside; invited to present results to corporation CEO and Board of Directors]
  - [Developed detailed new market entry strategy for the healthcare unit's entry into the India pharmaceutical market and identified list of suppliers for ~210 compounds at 10% lower cost]
  - [Built bottom-up market model to estimate the Indian market demand and targeting strategy for the drug portfolio]
  - [Led a cross-border team (US, Japan, India) composed of Corporate Development, Marketing and FP&A to initiate supply chain development, detailed analysis of bill of materials, and inventory re-engineering, which reduced variable and fixed costs associated with production by $23 million (+200bps improvement to India EBITDA margin)]
- *[Optimizing B2B Unit's North America Commercial Operations to Boost Sales:*]
  - [Analyzed sales force compensation structure inefficiencies and proposed alternate structure with better-aligned incentives to executive management; resulted in division-wide implementation and increased sales by 22%]
  - [Managed a team of 11 analysts and consultants to enhance the unit's North America performance tracking and reporting capabilities; efforts resulted in a 3x wider information coverage]
  - [Shortlisted 10 attractive high-growth acquisition targets and performed commercial due diligence to analyze strategic fit]
- *[Business Process Redesign for Consumer Business Unit's Promotional and Pricing Operations:*]
  - [Collaborated with marketing team to create 3-year pricing and promotion strategy for a portfolio of 127 SKUs; modernized the company's marketing infrastructure with the latest AI-driven technology to build a new pricing system]

[Company Name] **[City], [State/Country]**
[Summer Intern], [Group Name] *[June 20##] – [August 20##]*

- [Assisted a Fortune 100 industrial manufacturer to develop turnaround strategy to avoid breach of debt covenants]
- [Designed a model to optimize classroom scheduling for an education operator with 42 private schools; improved capacity utilization by 10%]

ADDITIONAL

- [Fluent in Spanish], [proficient in Mandarin]; [favorite business books include *Margin of Safety* and *Competitive Strategy*]
- [Avid skier having skied across US, Europe and Japan], [PADI-certified scuba diver]; [fan of *Game of Thrones]*

Acing the Interviews and Assessment Centres

Stepping into the world of investment banking is a long and tough process, but it's worth it. If you have a stellar Tier 1 resume, you will most likely get interviews by applying online. If not, you might want to consider networking your way up to the interviews. There is no hard evidence about referrals, but it is widely said that 90% of job vacancies never become public. This means that a lot of people don't even get the opportunity to get a job with such companies.

However, this seems rather logic if you think about it. If you attended a good school and got a competitive position (e.g. M&A at Goldman Sachs), once there is an opening you might send a message to your friend Josh or Mary to see if they are interested. They are both good professionals but didn't make it to IB. They probably now have a couple years of experience, in addition to the same top university that you attended. If 5 of your teammates reach out to a few people, the company might easily get 10-15 "highly filtered" top candidates. With that said, why announcing online to receive hundreds of applications to then have to filter them to probably get to a similar number?

Back to the recruitment process, applying online is just the first step. One needs to make sure that their CV is highly polished and understand their tier to adjust the strategy (e.g. applying online to a bank, applying with referral, skipping the online application and cold emailing and meeting people at smaller firms). Once that's done, preparation is of the utmost importance to excel the interviews and assessments centres. I would split the preparation into 6 different categories:

- **Research Thoroughly**: Dive deep into the firm's history, culture and recent transactions. Did you know that candidates who demonstrate knowledge of the firm's deals increase their chances of success by up to 40%? Understand the firm's position in the market, its competitors and recent industry developments.
- **Practice Makes Perfect:** About 70% of assessment centres include case studies and financial modelling tests. Regular practice can significantly improve performance. At Private Equity Bro you can find plenty of resources, but you can also check websites such as Wall Street Oasis for real-life case examples.
- **Soft Skills Matter**: In a survey, 85% of hiring managers in finance stated that soft skills are equally or more important than hard skills. Showcase your ability to communicate effectively, work in teams, and adapt to dynamic situations. Remember that the interviewers want to see if you would pass the airport test[2].
- **Mock Interviews**: Engaging in mock interviews can improve your performance by up to 50%. Seek feedback from a diverse range of people – peers, mentors, or industry professionals – to get a well-rounded view of your interview style. Remember that interviewing is all about practice. It is tough in the beginning, but

[2] The "airport test" in job interviews, especially in investment banking, is an informal way for interviewers to assess if they would enjoy being stuck in an airport with the candidate. It's not just about technical skills and qualifications; it evaluates how well a candidate fits into the team culture and their interpersonal skills. The test is a measure of personal compatibility and the ability to engage in pleasant, casual conversation, reflecting the importance of soft skills and personal interaction in professional settings.

as you have more, you will develop a “thick skin” and an interview will just be another conversation for you.

- **Be Yourself**: Authenticity is key. While 30% of candidates try to fit a perceived ideal profile, successful candidates are often those who are true to themselves and clearly articulate their unique value proposition. Be authentic and genuine, the results will follow.
- **Ask Insightful Questions**: Candidates who ask relevant and thoughtful questions at the end of the interview are 40% more likely to be remembered by interviewers. Prepare questions that reflect your understanding of the firm and its industry.

Remember, interviews and assessments are as much about learning as they are about evaluating. Each experience is a stepping stone towards your goal. Stay persistent, reflective, and always aim for improvement.

Essential Skills to Master

Financial Modelling

In investment banking, financial modelling and valuation are indispensable skills. During recruitment and interviews, candidates are often evaluated on their ability to construct and interpret financial models. This includes proficiency in building models from scratch, understanding various valuation methods like Discounted Cash Flow (DCF), Comparable Company Analysis (CCA) and Precedent Transaction Analysis. A strong candidate should demonstrate an ability to translate complex financial data into coherent models that can inform investment decisions and strategies. In interviews, you may be asked to discuss a model you've built, explaining the assumptions and methodologies used. The key lies in showcasing your analytical skills, attention to detail, and the ability to apply theoretical knowledge to real-world scenarios. It's not just about crunching numbers, it's also about narrating a financial story that underpins a potential investment or deal. It is equally important to do financial modelling certifications not only to enhance skills, but also for resume building purposes. This is even more relevant if there is lack of M&A/Deal experience. The FMVA is a good example of certificate, but there are others that can also be completed.

Mergers & Acquisitions (M&A)

Candidates are expected to have a solid understanding of the M&A process, including deal sourcing, negotiation, transaction structuring, and post-merger integration. Interview questions often revolve around past deal experiences, understanding of regulatory environments and the ability to evaluate synergies. Adeptness in assessing risks and benefits of a merger or acquisition, along with the capability to navigate complex financial and legal frameworks, is crucial. Demonstrating knowledge of recent M&A trends and case studies can also be advantageous. Interviewers look for strategic thinking, problem-solving skills, and a knack for identifying potential deal breakers. The ability to articulate these points clearly and concisely during an interview can set you apart as a strong candidate in this highly competitive field.

Market Analysis and Due Diligence

During recruitment, investment banks look for candidates who can conduct thorough market research, analyze industry trends, and evaluate investment risks. This involves understanding market dynamics, competitive landscapes, and financial health of target companies. In interviews, you may be asked to discuss how you conducted due diligence on a particular company or industry, including the methodologies and sources used. The aim is to assess your ability to gather, analyze, and synthesize information to make informed investment decisions. Effective due diligence requires not only analytical skills but also an eye for detail and a cautious approach to ensure that all potential risks and opportunities are considered. Showcasing experiences where your market analysis influenced a successful investment decision can significantly strengthen your profile. In addition, you need to be able to explain in a plain, simple and concise way, so that the audience (interviewers) remains engaged with you.

Social Skills

Social skills are often ignored in high-finance which, in my opinion, is utter nonsense. While technical skills are crucial, the ability to communicate effectively, build relationships and work collaboratively in teams is equally important. During interviews, recruiters assess candidates' interpersonal skills, their ability to articulate thoughts clearly, and their capacity to work under pressure. This includes gauging your emotional intelligence, adaptability, and how well you can connect with clients and colleagues. Questions may focus on past experiences of working in teams, handling conflicts, or managing client relationships. Demonstrating strong social skills suggests that you can thrive in the collaborative, often high-pressure environment of investment banking, and maintain robust client relationships – a key to success in this industry. Be genuine and show your interest in investment banking in a natural way. The more "real" you seem, the more likely people are to empathize with you and invite you to the following stage.

Next Steps of your Successful Finance Career

Navigating the world of investment banking it’s a journey filled with challenges and opportunities at every turn. But here's the thing - you've got what it takes to make it happen. The ball is squarely in your court, and how you play it will shape your career in this competitive industry. Whether you're diving into financial modelling, mastering the nuances of M&A, or building your network, every step you take is a move towards your goal. It's about putting in the hard work, staying focused, and seizing the opportunities that come your way.

At Private Equity Bro, we understand the hurdles and high stakes involved in breaking into investment banking. That's why we're here - not just as a resource, but as a partner in your journey. We've walked this path and know the shortcuts, the pitfalls, and the winning strategies. Our doors are always open for your questions, concerns, and curiosities. Whether you need insights on a complex financial model, advice on navigating the recruitment process, or just a sounding board for your career plans, we're here for you.

And the best part? Our guidance comes without a price tag. We believe in empowering the next generation of investment banking professionals with knowledge and support, free of charge. So, take the leap, ask the tough questions, and push your limits. With Private Equity Bro by your side, you're not just preparing for a career in investment banking, you are setting the stage for success. Remember, in this fast-paced world of finance, your ambition, coupled with our expertise, is a winning combination. Let's make it happen, together.