

Investment Banking Basics



What is Investment Banking?



- Banks advise companies on buying or selling companies and assets while helping them raise money through the debt and equity markets.
- Bankers spend a lot of time “pitching” purchase and sale ideas to companies, meaning they create and analyze Excel models to determine how the resulting financials would appear, and then create attractive charts and graphs in PowerPoint to convince the company to use their idea (and pay them for executing).
- Houston banks primarily work as coverage groups, meaning they follow companies in a certain segment such as Oil & Gas. New York banks have specialized “product” groups – M&A, DCM, ECM, Lev Fin that work on a variety of industries.
- Houston banks can work with NY counterparts on executing a deal – executing a deal is what you want on your resume.

Bulge vs. Boutique



- A “bulge bracket” bank is one that offers the entire spectrum of services to their clients, i.e. M&A, capital markets, financial products, sales and trading, etc. These banks have “big balance sheets” which means their corporate banking wings are able to lend money to clients. IB and Corp. banking are not related, but investment bankers at bulge bracket banks leverage this lending capability to win business.
- A boutique bank typically provides advisory services only, namely M&A and sometimes restructuring. They range from local to global, but do not have a balance sheet. They leverage their independence and ideas to win business. Since they don’t have corporate wings making loans, they can take part in restructuring debt of bulge bracket banks if their client goes into bankruptcy.

Fall IB Recruiting Timeline



August						
Su	M	T	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

September						
Su	M	T	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

October						
Su	M	T	W	Th	F	Sa
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

November						
Su	M	T	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

December						
Su	M	T	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

January						
Su	M	T	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Info Sessions
Coffee Chats

Week on Wall Street
Office Visits

Dinners / Happy Hours
Interviews



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Note on Info Sessions



- Typically consists of a 30-45 minute PowerPoint presentation followed by Q&A.
- The Q&A can be painful, but some of the banks take it personally if you don't ask anything.
- Come up with a handful of questions and rotate who asks the questions.
- Presentations are typically followed by a meet and greet. Sometimes with alcohol, sometimes not. Sometimes on campus, sometimes at a bar near campus. Don't drink too much!
- Be respectful of your classmates and don't dominate the half moon conversations.
- Goal of the info session is to not stand out. If they remember you, that is typically a bad thing.
- The goal is to get business cards so you can send thank you emails the next morning and then ask them to meet for coffee after Week on Wall Street.

Note on Coffee Chats



- You should be meeting with second year students prior to Week on Wall Street.
- Bankers expect you to start reaching out after Week on Wall Street. You are not expected to conduct coffee chats after the resume drop (around December 1).
- Based on this timeline, you will have 7 weeks for coffee chats.
- You should aim to have 3-4 coffee chats with each bank you are interested in.
- If you are interested in 18 banks, you should aim to conduct 6-7 coffee chats per week.
- Our goal is to prepare you to be ready for coffee chats prior to WOWS so you the weeks after aren't so jam packed.

Note on Office Visits



- These are a valuable way to meet several members of a team at one time.
- Some banks are open to you asking to do an office visit, but generally you will be invited to one after your second or third coffee chat.
- The format generally involves sitting you in a conference room for ~2 hours and having bankers rotate through to meet you every 20-30 minutes.
- You should bring copies of your resume with you.
- Send follow up thank you emails to each person that you meet. Be sure to get their cards.
- Not all banks do office visits due to the disruption to their schedules. If you don't do an office visit with a bank, that does not mean you won't get an interview/offer.

Note on Week on Wall Street



- **When: October 10/11-13**
- **You spend a few days in New York essentially doing information sessions with their IB groups, although sometimes the Houston office flies up as well.**
- **25 people are selected to participate based on a basic application sent out very early in the Fall.**
- **Rice Alumni at banks will expect you to take part in this trip if you are serious about IB.**

Note on Interviews



- **Conducted the first week of January. On campus interviews are Monday and Tuesday, final rounds in the banks' offices are Thursday and Friday (sometimes Wednesday).**
- **First round interviews are 30 minutes each. Final round interviews can be anywhere from 2-6 hours.**
- **The interviews will be a mix of technical and behavioral questions.**
- **You will receive study materials from the Finance club. You should be studying and practicing with classmates and second years over the Winter break.**
- **The technical questions are extremely important, but the behavioral questions are often overlooked and can cause people to stumble.**

Note on the Process



- **The banks will ask for your grades in Accounting and Finance. It will make your life much easier if you get A's.**
- **This is an extremely long, stressful, and exhausting process. Prepare for a grueling five months.**
- **Your classmates going through the process will become some of your best friends. These friendships are extremely important and valuable going forward.**
- **While the process is a beating, you have the benefit of having a well defined route to your internship and potentially full time position. The vast majority of people that stick it out for the whole process get an internship.**

Summer Plan



- **Start thinking about why you want to be an investment banker and find parts of your old work responsibilities that translate to what a banker would do, i.e. analysis, transactions, O&G focus.**
- **Start getting comfortable with financial and energy jargon – learn the different verticals and what companies operate where.**
- **Do your CMC Homework.**

Career Management Center

Sue Hochman
Associate Director
Finance Club Liaison



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IB Recruiting - Summer Preparation

CMC Online Course Dates – June 6 -24

- Self Assessment
- Research
- Resume

Summer Enrichment

- Leveling “Pre-MBA” Courses
- Excel Course
- GMAT

Networking

- Alumni
- 2nd Year Students



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Resume Header & Education

MBA STUDENT

555 Elm Street, Apt. 55 • Houston, Texas 77005

mba@rice.edu • 713.555.5555

EDUCATION

201X – 201X	RICE UNIVERSITY, JONES GRADUATE SCHOOL OF BUSINESS Candidate for Master of Business Administration (MBA) degree, May 201X. GMAT [if score is above 700]. GPA [if above 3.5]. Add concentration. List honors, club memberships, extracurricular activities.	HOUSTON, TX
199X – 200X	NAME OF SCHOOL Degree awarded. GPA [score if above 3.5]. List club memberships, honors, scholarships, and/or other activities.	CITY, ST/COUNTRY



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Experience

MBA STUDENT

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EXPERIENCE

200X – 200X	NAME OF COMPANY <i>Give a brief company description—only for smaller, unknown companies, in italics.</i> Position Title <ul style="list-style-type: none"> Accomplishment, result, or activity demonstrating a key skill. [Quantify bulleted statements, if possible (% , \$, etc.) May have more than one sentence per bullet]. <ul style="list-style-type: none"> Accomplishment, result, or activity demonstrating a key skill. Financial Position Examples: Developed financial models such as DCF, Net Asset Value, Dividend Growth, and other equity valuation models or • Managed investment portfolio of \$150mm. Business Dev. Position Example: Targeted new market for company business expansion through introduction of new industry technologies to XYZ market; new business generated 15% increase in new revenue in 2009. Marketing Position Example: Conceptualized and directed the development of new corporate logo and brand logo of additional subsidiary companies. Developed brand identity manual to enforce brand identity standards within company. 	CITY, ST/COUNTRY
200X – 200X	NAME OF COMPANY [Put CITY, ST on this line if all positions in the same location; not per title as below]. <i>Give a brief company description—only for smaller, unknown companies, in italics.</i> Position Title (200X – 200X) <ul style="list-style-type: none"> Accomplishment, result, or activity demonstrating a key skill. Accomplishment, result, or activity demonstrating a key skill. 	CITY, ST/COUNTRY



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Bullets - Tips

- **Be specific, focus on results**
- **Demonstrate knowledge of finance**
- **Find a way to stand out**
- **Focus bullets on key attributes:**
 - Quantitative & Analytical
 - Initiative & Motivation
 - Communication Skills
 - Teamwork & Leadership
 - Interest in Finance



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Bullets

Example 1

Good:

- Designed a complex forecasting model to track and improve overall company projections. *What was the result? Also, need to cut “the” and “a”.*

Stronger:

- Designed and implemented cash forecasting tool for analysis and tracking; ultimately improved monthly and quarterly cash projections by 15% to 28% company wide.

Example 2

Good:

- Researched and projected market conditions and made recommendations to adjust salary structure in response to changing market trends and organizational needs. *Why? For what purpose?*

Stronger:

- Assessed industry and competitor trends, formed recommendations after analysis; created financial and quantitative models based on recommendations and presented results to senior management for organizational improvement standards.

Additional Information

Highlight Leadership, Skills and Relevant Interests

<ul style="list-style-type: none">• Accomplishment, result, or activity demonstrating a key skill.	
199X – 200X	NAME OF COMPANY <i>Give a brief company description—only for smaller, unknown companies, in italics.</i>
	Position Title
	CITY, ST/COUNTRY
<ul style="list-style-type: none">• Accomplishment, result, or activity demonstrating a key skill.• Accomplishment, result, or activity demonstrating a key skill.• Accomplishment, result, or activity demonstrating a key skill.	
ADDITIONAL INFORMATION	
<hr/>	
Languages: List any languages besides English and your proficiency (fluent, conversant, or basic) in the language.	
Certifications: List any certifications or licensures currently held or that are in progress. <i>(Such as Series 7, Wall Street Prep course: Financial modeling – Investment Banking).</i>	
Skills: List any business specific/technical skills. <i>(Such as SPSS, NPV, Monte Carlo, Java, MRP, C and C++ Programs, etc.)</i>	
Leadership: List leadership roles.	
Activities: List outside activities not related to Rice University. <i>(Or member participation, such as YPE or AMA)</i>	
List any hobbies or other interests that you have. <i>(Examples might include: managing own stock portfolio, playing tennis, Skiing, traveling internationally, etc. –consider activities as they relate to career, team-building, etc.)</i>	
 <i>*note: if you do not have information for a sub-section (ie: languages, leadership, etc) under “Additional Information,” then do not include it as a sub-section.</i>	

