Beyond the seven-figure salary

Investment bankers work long and irregular hours in a highly stressful environment, reports CHARMIAN KOK

WHEN one thinks of investment banking, the first things that come to mind are the tales of seven-figure salaries and images of the high life that the job offers. It comes with waiting and dining high-profile clients. It is no wonder then, that the industry has become the top career choice for many of the brightest fresh graduates around the world. But before jumping onto the bandwagon, here is a brief guide to what the job entails.

What do investment bankers do?

In short, investment bankers help companies to raise capital by issuing and selling securities in the capital markets. They also advise clients on mergers and acquisitions, placements, restructuring and listing on stock exchanges.

According to Jennifer Goh, a consultant in the front office banking division at recruitment consultancy Robert Walters Singapore, there are client coverage bankers as well as execution bankers. "Client coverage bankers need to be known as the bankers who write and dine the clients, establish contacts and bring the deals through the doors, while execution carries out the deal to completion."

Ms Goh explained, adding: "The Singapore market is fairly small, therefore most of the firms to which one applies are investment banks here. There are client coverage bankers as well as execution bankers. Sometimes, it's hard to differentiate between truth and folklore from the investment banking world. Here are some things to take note of:

Exposure to high profile clients

Due to the nature of their jobs, investment bankers get to meet a lot of high-profile, dynamic and influential individuals. "You get to rub shoulders with some of the who's who in the industry," shared Ms Goh.

However, working hours for investment bankers are known to be long and irregular, with 100-hour work-weeks being very common. The constant long working hours and stressful environment might take a toll on one's health and personal or social life.

"The demands and nature of this industry will inevitably keep an investment banker's lifestyle very much skewed towards work," warned Ms Goh. "To be prepared to be very devoted, committed and passionate about one's job is investment banking."

What do you need to get in?

Gary Lai, manager of Robert Walters' front office banking division in Singapore, admits that in hiring fresh graduates, investment banks place a strong emphasis on academic track record and the schools that students graduated from. However, aside from grades, an outstanding involvement in extra-curricular activities that exemplifies leadership qualities is just as important.

"Prior knowledge in finance or accounting is not required, as investment banks hire employees with educational backgrounds as diverse as philosophy and engineering. Furthermore, banks often have structured training programmes which will ensure that its bankers have the necessary knowledge and technical skills to perform their jobs."

As most probably known, the salary compensation for investment bankers is potentially enormous. According to Ms Goh, fresh graduates can expect to receive around $90,000-$100,000 per year, excluding additional allowances and bonuses.

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Mr Lai's advice is to research, work on the resume and re-evaluate if one is really cut out for the job. "Everyone wants to get into investment banking for the money and prestige. But these alone are not enough to carry anyone through years of late nights and mental toughness." Mr Lai adds, "A fresh graduate who comes with these skills and is analytically and numerically inclined but does not come with a first class honours may come up tops against someone who only possesses a first class honours.

"In Mr Lai’s words, a strong team player, having strong analytical skills and good time management skills are critical to being a good investment banker. Due to the high pressure environment and long working hours, time management skills are crucial."

Mr Lai also advises banks to ensure that the job is more suited for someone who is fresh out of school, self-driven, loves the fast-paced life and has little commitments.

For all investment banking hopefuls, Mr Lai’s advice is to research, work on the resume and re-evaluate if one is really cut out for the job. "Everyone wants to get into investment banking for the money and prestige. But these alone are not enough to carry anyone through years of late nights and mental toughness. We would advise candidates to do their homework and research to ensure that the qualities and aptitude be an investment banker in the first place."