

Overview: Corporate Finance (1 of 3)

DEFINITION OF CORPORATE FINANCE

The acquisition and allocation of a corporation's resources, with the objective of maximizing shareholder wealth

TERMINOLOGY

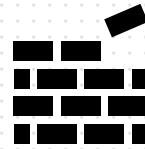
Synonyms

- Financial planning and analysis (FP&A)

Related Terms

- Capital investment
- Capital structuring
- Capital financing / sourcing capital
- Capital budgeting
- Capital expenditures
- Future cash flows
- Discounted cash flow (DCF)

CORPORATE FINANCE



Capital Investments

- What projects should we invest in?
- How can we maximize our return?



Capital Financing

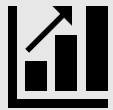
- How should we fund our capital investments?
- How can we optimize our capital structure (debt vs. equity)?



Dividends & Return of Capital

- How and when should we return capital to investors?

Snapshot: Corporate FP&A (2 of 3)



CORPORATE FP&A

DEFINITION

A group within a company's finance division that provides senior management with a forecast of the company's profit and loss and operating performance for the upcoming quarter/year

HELPFUL INFO / TIPS

- Many companies offer flex work options for internal finance professionals
- More stable, defined career progression
- Not a meritocracy – promotions may be delayed depending on decisions of others / bureaucracy
- Look for companies that offer rotational leadership programs (e.g. rotate departments every six months for two years before deciding on a niche/specialization)



40 hrs
Typical workweek



Month/Quarter End
Busy season



50 – 65 hrs
Busy season workweek



LOW
Likelihood of travel (first year)

FIRST-YEAR RESPONSIBILITIES:

- Prepare presentations for review meetings
- Input data into financial templates/models
- Create supporting schedules to financial statements
- Draft investor slide decks/Q&A documents
- Extract data from ERP systems
- Analyze budget vs. actual vs. past performance and communicate findings (variance analysis)
- Compile and report KPI's (key performance indicators)

SOCIAL DYNAMICS

<i>Significant amount of teamwork</i>	YES
<i>Significant amount of client interaction</i>	N/A

\$80K

AVG STARTING SALARY
**Salary varies by company size*



Snapshot: Corporate FP&A (3 of 3)



CORPORATE FP&A

SAMPLE COMPANIES



EXIT OPPORTUNITIES

- MBA (career pivot)
- CFO

RECRUITING

Clubs

- Fin. Society
- Corporate Fin. and Advisory Association

Interviews

- Behavioral: measure cultural fit
- Technical (*sometimes*): measure industry expertise
- *Note: Be sure to speak with your recruiter to better prepare for interviews*

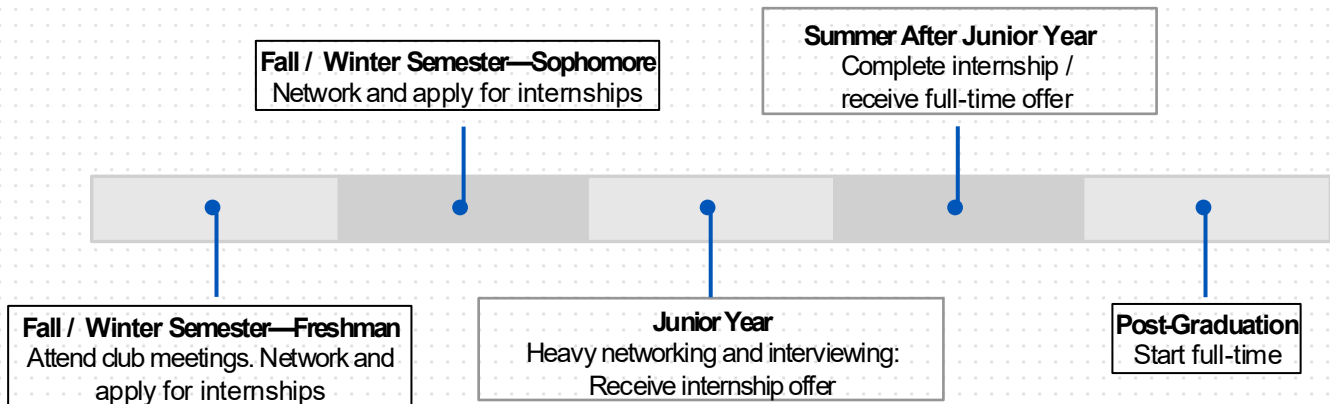
Other

Job availability for recent grads	MEDIUM
Intensity of interview prep	MEDIUM
Importance of networking calls	MEDIUM
Internship required	PREFERABLE – OFTEN REQUIRED
Minimum GPA Typical GPA	3.4 3.6
Separate recruiting channel for underrepresented candidates	YES

Recruiting Timeline

*Note: This is a general timeline – speak with Brian Voigt for alternate timelines

———— Specific to BSAcc
----- Specific to MAcc



Overview: Financial Services

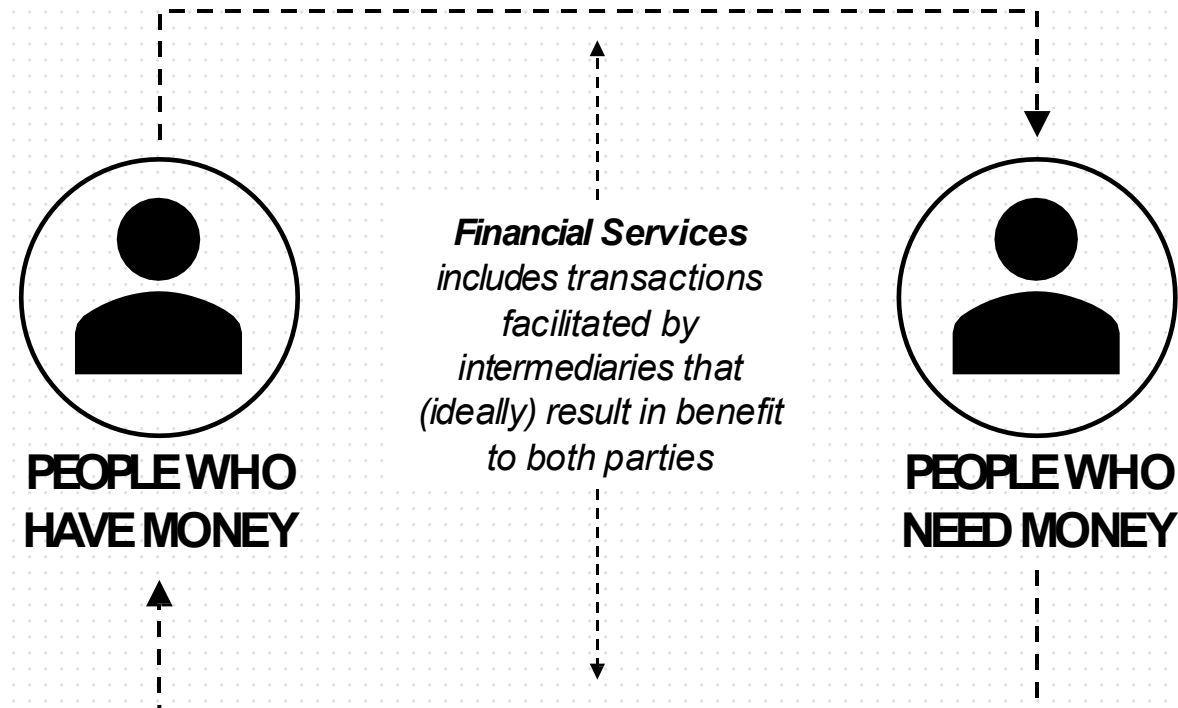
DEFINITION OF FINANCIAL SERVICES

Professional services involving the investment, lending, and management of money and assets

TERMINOLOGY

Related Terms

- Financial institutions
- Transaction services
- Investment banking
- Asset management
- Private banking / wealth management
- Private equity / venture capital
- Capital markets
- Financial instruments
- Deals



Snapshot: Investment Banking (1 of 2)



INVESTMENT BANKING

DEFINITION

Division of a bank/financial institution that provides underwriting (capital raising) and M&A consulting services, acting as intermediaries between investors and corporations

HELPFUL INFO / TIPS

- The interviewing process is quite strenuous and extremely competitive; recruiting requires significant preparation; have a good back-up plan
- Networking is critical to get into IB; the Investment Banking Association is useful here; you should be doing several networking calls / meetings a week *well in advance* of recruiting season
- The term "bulge bracket" bank refers to the largest and most prestigious investment banks
- You will usually work weekends in investment banking
- Base salary varies widely by bank. Bonuses range from 40% to 100% of your base salary in a typical year.



70 – 100 hrs*

Typical workweek

**Always on call*



Always Busy

Busy season



N/A

Busy season workweek



Low**

Likelihood of travel (first year)

***Travel increases greatly with promotions*

FIRST-YEAR RESPONSIBILITIES:

- Prepare and revise presentation slide decks (writing/formatting)
- Conduct company/industry research
- Perform valuation analysis and financial modeling (usually in Excel)
- Reformat financial statements and benchmark key performance metrics/update status reports
- Sit in and take notes on client calls

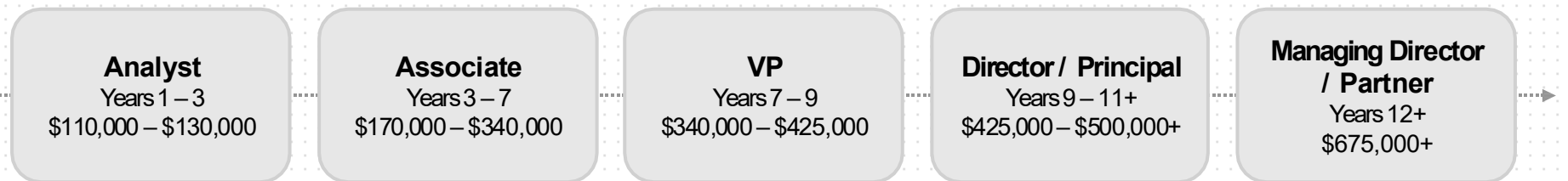
SOCIAL DYNAMICS

Significant amount of teamwork	YES
Significant amount of client interaction	YES

\$112K

AVG BYU STARTING SALARY*

**BASE SALARY – NOTE THAT BANKING BONUSES CAN BE SUBSTANTIAL*



Snapshot: Investment Banking (2 of 2)



INVESTMENT BANKING

SAMPLE COMPANIES



EXIT OPPORTUNITIES

- MBA (career pivot)
- Private Equity
- Venture Capital
- Hedge Fund
- Corporate development

RECRUITING

Clubs

- Finance Society
- Investment Banking Club

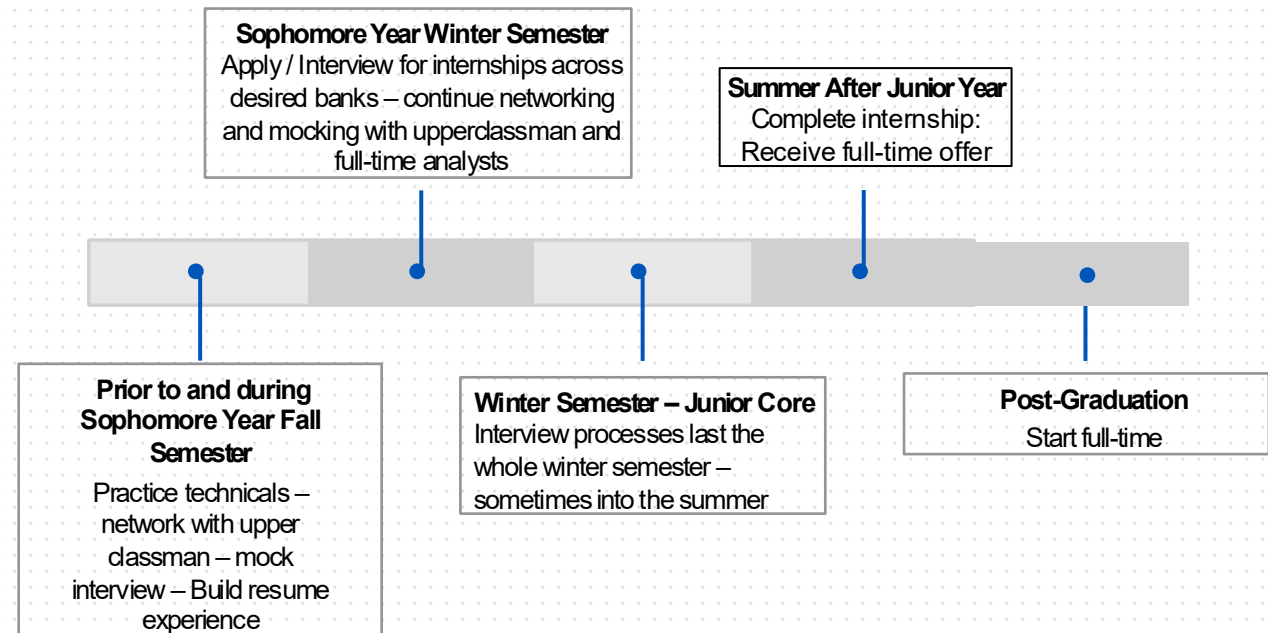
Interviews

- Behavioral: referred to as "qualitative" or "soft" questions; measure cultural fit
- Technical: referred to as "quantitative" questions; usually related to accounting/valuation; interviews are technically heavy
- Interviews often include questions about current market events

Other

Job availability for recent grads	VERY LOW
Intensity of interview prep	VERY HIGH
Importance of networking calls	VERY HIGH
Internship required	YES
Minimum GPA Typical GPA	3.6 3.8
Separate recruiting channel for underrepresented candidates	YES

Recruiting Timeline



Snapshot: Private Equity Real Estate (1 of 2)



PRIVATE EQUITY REAL ESTATE

DEFINITION

- An investment class where firms raise private capital (from pension funds, endowments, and high-net-worth individuals) to acquire, develop, manage, and eventually sell physical property assets. Unlike REITs, which are often passive and publicly traded, REPE is an **active** investment strategy. Firms look to "create value" by renovating properties, improving leasing operations, or developing raw land, aiming for high double-digit returns (IRRs).

HELPFUL INFO / TIPS

•**Master the "Capital Stack":** You must understand the relationship between Senior Debt, Mezzanine Debt, and Preferred Equity. In REPE, the "math" is often about how much leverage (debt) you can safely apply to a deal to juice the returns for equity investors.

•**Case Interview Dominance:** REPE interviews almost always include a "timed modeling test." You will be given a property's rent roll and T-12 (trailing 12-month) financials and told to build a pro-forma in 60 minutes.

•**Know Your "Asset Class":** Decide if you are interested in Multifamily (apartments), Industrial (warehouses/logistics), Retail, or Office. Each has completely different drivers (e.g., e-commerce growth drives Industrial; demographic shifts drive Multifamily).



60 – 70 hrs
Typical workweek



Always Busy
Busy season



70 - 80+
When closing a deal



Low – Medium*
Likelihood of travel (first year)
**Travel increases greatly with promotions*

FIRST-YEAR RESPONSIBILITIES:

- Conduct market research on property sectors and regional trends.
- Perform financial modeling (DCF, IRR, and Cash Flow modeling).
- Manage the due diligence process for new property acquisitions.
- Assist in asset management of current portfolio holdings.
- Prepare investment memoranda for the investment committee

SOCIAL DYNAMICS

Significant amount of teamwork	YES
Significant amount of client interaction	YES

\$94K

AVG BYU STARTING SALARY
**BASE SALARY – NOTE THAT BONUSES CAN BE SUBSTANTIAL*

Junior Analyst
Years 1 – 3
[Salaries vary widely]

Associate
Years 3 – 5
[Salaries vary widely]

Senior Associate
Years 5 – 8
[Salaries vary widely]

Director / Principal
Years 8 – 12+
[Salaries vary widely]

Partner / MD
Years 12+
[Salaries vary widely]

Snapshot: Private Equity Real Estate (2 of 2)



PRIVATE EQUITY REAL ESTATE

SAMPLE COMPANIES



EXIT OPPORTUNITIES

- MBA (career pivot)
- Work for Brokerage, PE shop, RE-IB
- Real Estate Investment Fund
- Entrepreneur
 - Start own firm or fund
 - Start own commercial business

RECRUITING

Clubs

- Finance Society
- BYU Real Estate club (BREA)

Interviews

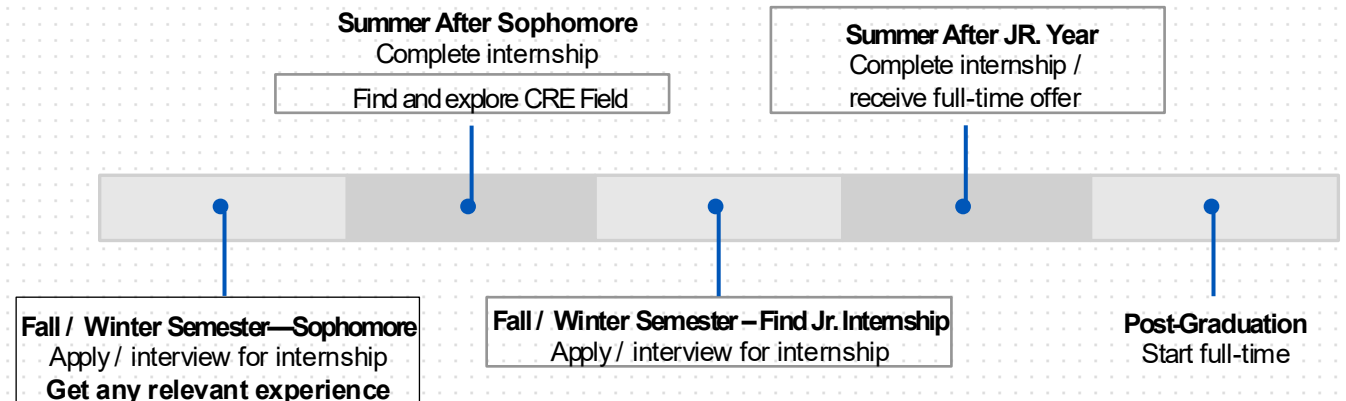
- Behavioral: measure cultural fit
- Technical: measure industry expertise (interviews are technically heavy)
- *Note: Be sure to speak with your recruiter to better prepare for interviews*

Other

Job availability for recent grads	VERY LOW
Intensity of interview prep	VERY HIGH
Importance of networking calls	VERY HIGH
Internship required	NO
Minimum GPA Typical GPA	3.7 3.9
Separate recruiting channel for underrepresented candidates	NO

Recruiting Timeline

*Note: This is a general timeline – speak with Troy Carpenter alternate timelines



Snapshot: Asset Management (1 of 2)



ASSET MGMT

DEFINITION

- *Asset Management*: management of assets on behalf of organizations, including asset acquisition, use, and disposal, as well as risk and cost management

HELPFUL INFO / TIPS

- Asset management focuses on managing *institutions'* money, while private banking / wealth management focus on managing *individuals'* money
- If you are interested in investing but not interested in the work-life balance of investment banking, this could be a better fit (although equity research can be quite strenuous as well)
- Base salary varies widely by firm/bank. Bonuses typically range from 30% to 70% of base salary.



40 – 80
Typical workweek



Post-Quarter End
Busy season



60 – 80
Busy season workweek



LOW
Likelihood of travel (first year)
†Travel increases greatly with promotions

FIRST-YEAR RESPONSIBILITIES:

- Create draft asset portfolios for review by managers
- Sit in on client calls/meetings
- Update spreadsheets/dashboards related to holdings/portfolios
- Create financial valuation models
- Draft memos/create reports summarizing current events in the markets
- Conduct industry/market research

SOCIAL DYNAMICS

Significant amount of teamwork	YES
Significant amount of client interaction	YES

\$94K

AVG STARTING SALARY

*BASE SALARY – NOTE THAT BONUSES CAN BE SUBSTANTIAL

Junior Analyst

Years 1 – 3

[Salaries vary widely]

Analyst

Years 3 – 5

[Salaries vary widely]

Senior Analyst

Years 5 – 8

[Salaries vary widely]

Portfolio Manager

Years 8 – 12+

[Salaries vary widely]

Fund Manager

Years 12+

[Salaries vary widely]

Snapshot: Asset Management (2 of 2)



ASSET MGMT

SAMPLE COMPANIES



GRANDEUR PEAK FUNDS
ELEVATED GLOBAL INVESTING*



EXIT OPPORTUNITIES

- MBA (career pivot)
- Private Equity
- Venture Capital
- Hedge Fund

RECRUITING

Clubs

- Finance Society

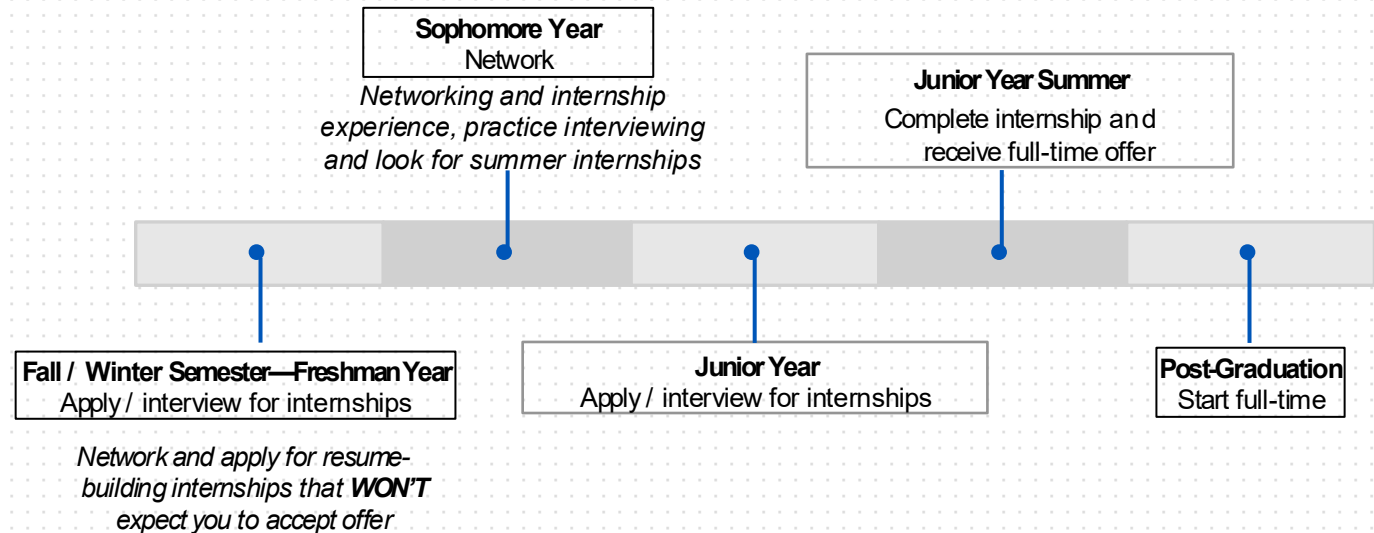
Interviews

- Behavioral: measure cultural fit
- Technical: measure industry expertise (interviews are technically heavy)
- *Note: Be sure to speak with your recruiter to better prepare for interviews*

Other

Job availability for recent grads	VERY LOW
Intensity of interview prep	HIGH
Importance of networking calls	VERY HIGH
Internship required	YES
Minimum GPA Typical GPA	3.7 3.8
Separate recruiting channel for underrepresented candidates	YES

Recruiting Timeline



Snapshot: Equity Research (1 of 2)



EQUITY RESEARCH

DEFINITION

- *Equity Research*: production of analysis, recommendations (buy/hold/sell), and reports on investment opportunities of interest to investment banks/institutions/their clients

HELPFUL INFO / TIPS

- The Chartered Financial Analyst (CFA) designation is highly recommended
- Equity research analysts can work at sell-side firms (investment banks) or buy-side firms (hedge funds, mutual funds)
- If you are interested in investing but not interested in the work-life balance of investment banking, this could be a better fit (although equity research can be quite strenuous as well)
- Though hours and base salary are comparable to IB, equity research analysts' bonus potential is not as high and typically ranges from 10% to 30% of base pay.



50 – 80 hrs
Typical workweek



Post-Quarter End
Busy season



75 – 100
Busy season workweek



Low†
Likelihood of travel (first year)
†Travel increases greatly with promotions

FIRST-YEAR RESPONSIBILITIES:

- Create draft asset portfolios for review by managers
- Sit in on client calls/meetings
- Update spreadsheets/dashboards related to holdings/portfolios
- Create financial valuation models
- Draft memos/create reports summarizing current events in the markets
- Conduct industry/market research

SOCIAL DYNAMICS

Significant amount of teamwork	YES
Significant amount of client interaction	YES

\$100K

AVG STARTING SALARY

*BASE SALARY – NOTE THAT BONUSES CAN BE SUBSTANTIAL

Junior Analyst

Years 1 – 3

[Salaries vary widely]

Analyst

Years 3 – 5

[Salaries vary widely]

Senior Analyst

Years 5 – 8

[Salaries vary widely]

Portfolio Manager

Years 8 – 12+

[Salaries vary widely]

Fund Manager

Years 12+


[Salaries vary widely]

Snapshot: Equity Research (2 of 2)



EQUITY RESEARCH

SAMPLE COMPANIES

HSBC  J.P.Morgan



BANK OF AMERICA 

Morgan Stanley



EXIT OPPORTUNITIES

- MBA (career pivot)
- Private Equity
- Venture Capital
- Hedge Fund

RECRUITING

Clubs

- Finance Society

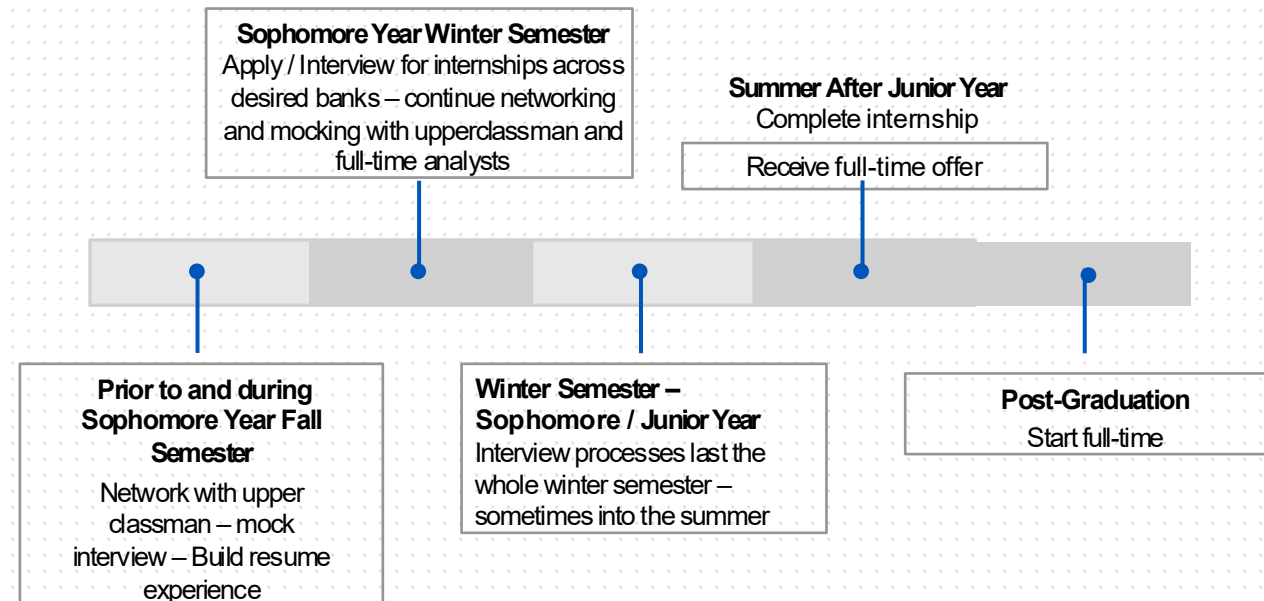
Interviews

- Behavioral: measure cultural fit
- Technical: measure industry expertise (interviews are technically heavy)
- *Note: Be sure to speak with your recruiter to better prepare for interviews*

Other

Job availability for recent grads	VERY LOW
Intensity of interview prep	HIGH
Importance of networking calls	VERY HIGH
Internship required	YES
Minimum GPA Typical GPA	3.7 3.8
Separate recruiting channel for underrepresented candidates	YES

Recruiting Timeline



Snapshot: Private Equity / Venture Capital (1 of 2)



PRIVATE EQUITY / VENTURE CAPITAL

DEFINITION

- Private Equity: investment class composed of funds/investors that directly invest in private companies/engage in buyouts of public companies (usually accompanied by restructuring)
- Venture Capital: form of private equity/financing that investors provide to startup companies/small businesses that are believed to have long-term growth potential

HELPFUL INFO / TIPS

- The interviewing process is strenuous and extremely competitive; recruiting requires significant preparation; have a good back-up plan
- Most professionals get into PE/ VC via an external route (e.g. starting in IB or consulting and/or obtaining an MBA)
- Networking is required to get into PE/ VC (very few, if any, firms recruit at BYU); the PE/ VC Club may be useful here; you should be doing several networking calls a week *well in advance* of recruiting season
- Bonuses are significant, typically 50% to 150% of base pay. Base salary ramps dramatically with seniority.



70 – 90 hrs
Typical workweek



Always Busy
Busy season



N/A
Busy season workweek



Low – Medium*
Likelihood of travel (first year)
**Travel increases greatly with promotions*

FIRST-YEAR RESPONSIBILITIES:

- Create/maintain portfolio summary report
- Collect/analyze monthly/quarterly portfolio performance drivers
- Draft diligence summary memos for new investment opportunities
- Conduct cash flow modeling
- Draft sourcing emails
- Create/maintain pitch decks

SOCIAL DYNAMICS

Significant amount of teamwork	YES
Significant amount of client interaction	YES

\$100K

AVG **BYU** STARTING SALARY
**BASE SALARY – NOTE THAT BONUSES CAN BE SUBSTANTIAL*

Junior Analyst

Years 1 – 3
[Salaries vary widely]

Associate

Years 3 – 5
[Salaries vary widely]

Senior Associate

Years 5 – 8
[Salaries vary widely]

Principal / VP

Years 8 – 12+
[Salaries vary widely]

Partner

Years 12+
[Salaries vary widely]

Snapshot: Private Equity / Venture Capital (2 of 2)



PRIVATE EQUITY / VENTURE CAPITAL

SAMPLE COMPANIES

PETERSON PARTNERS

HGGC™

TOWER ARCH
CAPITAL

SORENSEN
CAPITAL

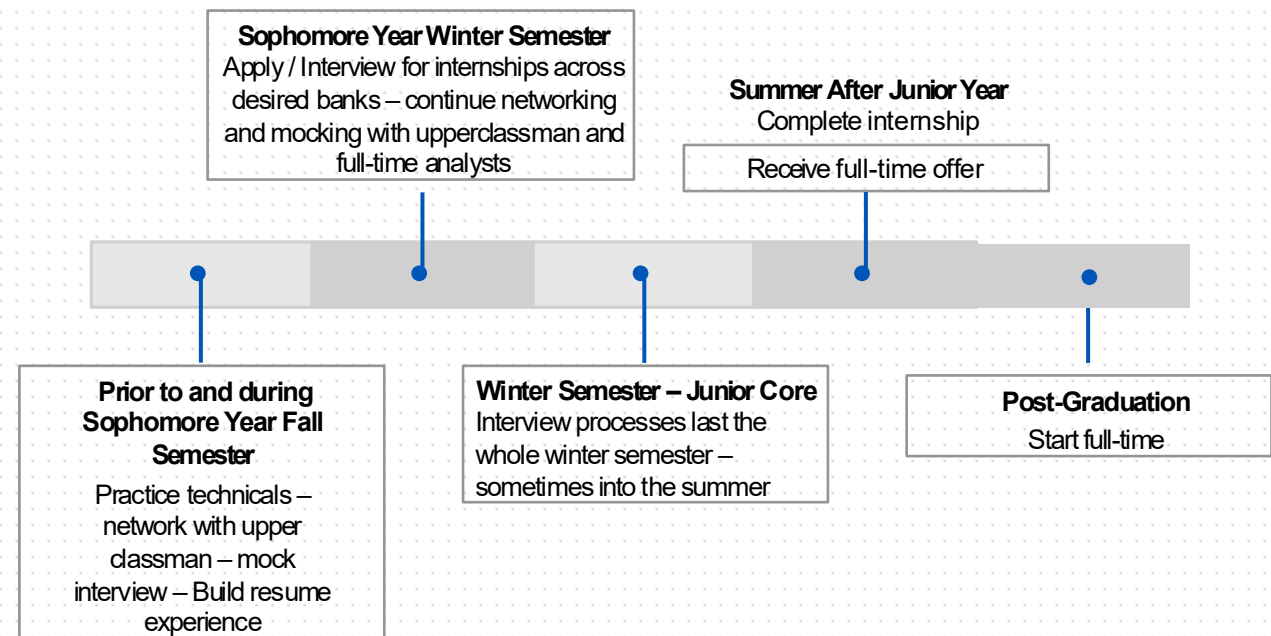
EXIT OPPORTUNITIES

- MBA (career pivot)
- Work for portfolio company
- Hedge Fund
- Entrepreneur
 - Start own PE/ VC firm
 - Start own commercial business

RECRUITING

Clubs	Interviews	Other	
<ul style="list-style-type: none"> • Finance Society • Private Equity & Venture Capital Club 	<ul style="list-style-type: none"> • Behavioral: measure cultural fit • Technical: measure industry expertise (interviews are technically heavy) • <i>Note: Be sure to speak with your recruiter to better prepare for interviews</i> 	Job availability for recent grads Intensity of interview prep Importance of networking calls Internship required Minimum GPA Typical GPA Separate recruiting channel for underrepresented candidates	VERY LOW VERY HIGH VERY HIGH NO 3.6 3.9 NO

Recruiting Timeline



Snapshot: Private Banking / Wealth Mgmt (1 of 2)



PRIVATE BANKING / WEALTH MGMT

DEFINITION

- *Private Banking: personalized financial services and products offered to the high-net-worth individual (HNWI) clients of a retail bank or other financial institution*
- *Wealth Management: broader category dealing with optimization of a client's portfolio given her/his aversion to/comfort with risk*

HELPFUL INFO / TIPS

- Asset management focuses on managing *institutions'* money, while private banking / wealth management focus on managing *individuals'* money
- It is common for people who start in private banking / wealth management to develop social capital and then start their own firm later in their career
- Wirehouse brokers (private banks, etc.) are different in nature than Registered Investment Advisors (RIAs)



40 – 50 hrs
Typical workweek



EOY / Pre-Tax Season
Busy season



50 – 70 hrs
Busy season workweek



Low*
Likelihood of travel (first year)
**Travel increases greatly with promotions*

FIRST-YEAR RESPONSIBILITIES:

- Design / produce reports and other communications for use with clients and prospective clients
- Analyze data using various software platforms
- Assist clients with market and stock research/conduct market sizing analysis
- Prepare account performance measurements for clients
- Participate in client meetings
- Assist in preparation of balance sheets and financial plans

SOCIAL DYNAMICS

<i>Significant amount of teamwork</i>	YES
<i>Significant amount of client interaction</i>	YES

\$74K

AVG STARTING SALARY

**BASE SALARY – NOTE THAT BONUSES CAN BE SUBSTANTIAL*




Snapshot: Private Banking / Wealth Mgmt (2 of 2)



PRIVATE BANKING / WEALTH MGMT

SAMPLE COMPANIES



EXIT OPPORTUNITIES

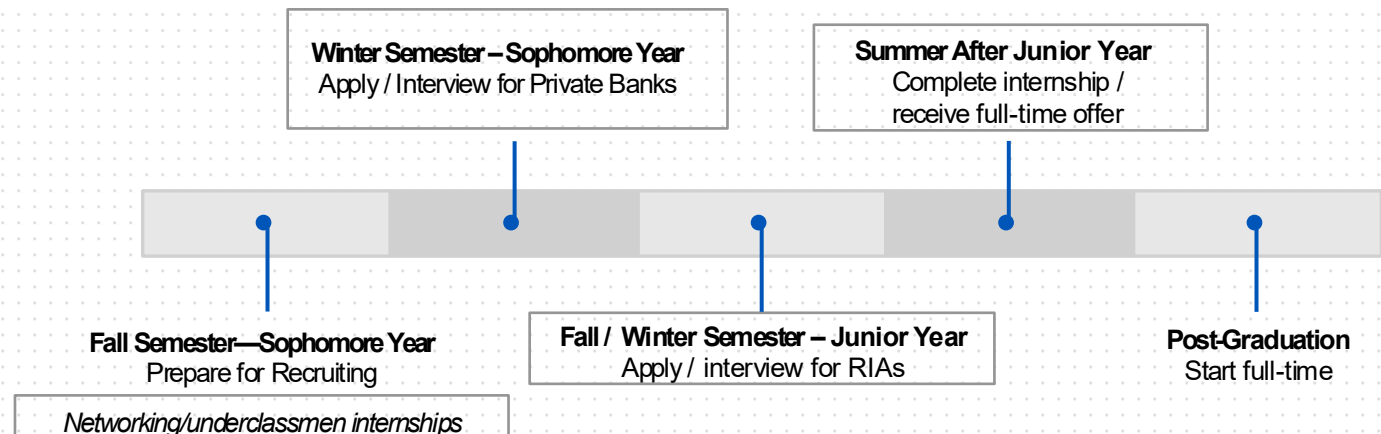
- MBA (career pivot)
- Entrepreneur (start own practice)
- Manage single Family Office

RECRUITING

Clubs	Interviews	Other	
<ul style="list-style-type: none"> • Finance Society • Private Banking & Wealth Management Club 	<ul style="list-style-type: none"> • Behavioral: measure cultural fit • Technical: • <i>Note: Be sure to speak with your recruiter to better prepare for interviews</i> 	Job availability for recent grads	LOW
		Intensity of interview prep	MED
		Importance of networking calls	MED – HIGH
		Internship required	PREFERABLE, OFTEN REQUIRED
		Minimum GPA Typical GPA	3.4 3.6+
		Separate recruiting channel for underrepresented candidates	YES

Recruiting Timeline

*Note: This is a general timeline – speak with Brian Voigt for alternate timelines



Overview: Management Consulting (1 of 3)

DEFINITION OF MGMT CONSULTING

Practice of helping clients solve complex business problems and improve their performance

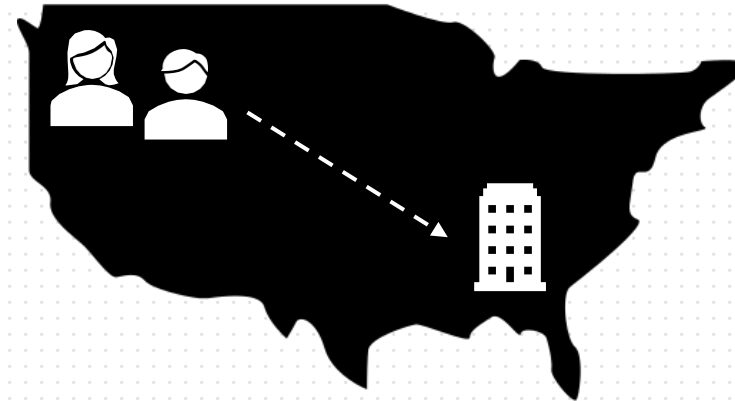
TERMINOLOGY

Synonyms

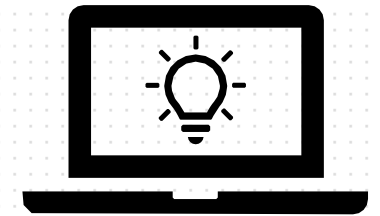
- Strategy consulting

Related Terms

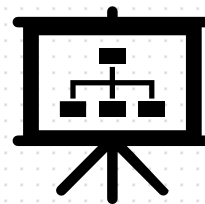
- Business strategy
- External consultants
- “Big Three” consulting firms
- Market sizing
- Change management
- Strategy & operations
- Staffing model (global vs. local)



Hired by client with complex problem

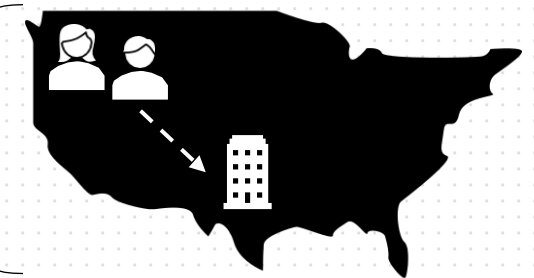


Research solutions



Present solutions

*Repeat process
with new clients
every 3-12 months*



Snapshot: Management Consulting (2 of 3)



MANAGEMENT CONSULTING

DEFINITION

Advising companies on the optimal ways to strategically manage and operate their businesses

HELPFUL INFO / TIPS

- The interviewing process is strenuous and extremely competitive; recruiting requires significant preparation; have a good back-up plan
- Networking is critical to get into management consulting; the Management Consulting Association may be helpful here; you should do several networking calls a week *well in advance* of recruiting season
- The “Big 3” consulting firms refers to the largest/most prestigious firms in the industry: McKinsey, Bain, and Boston Consulting Group (BCG)
- Bonuses can vary widely by firm, but typically range from 15% to 30% of base salary.



50 – 80 hrs
Typical workweek



Always Busy
Busy season



N/A
Busy season workweek



Very High*
Likelihood of travel (first year)
**Depends on client; travel Mon-Thurs*

FIRST-YEAR RESPONSIBILITIES:

- Conduct market research
- Build financial models
- Participate in meetings and presentations to clients
- Produce memos and slide presentations for clients
- Attend and participate in team meetings

SOCIAL DYNAMICS

<i>Significant amount of teamwork</i>	YES
<i>Significant amount of client interaction</i>	YES

\$100K

AVG BYU STARTING SALARY*

**BASE SALARY – NOTE THAT BONUSES CAN BE SUBSTANTIAL – BASE VARIES SUBSTANTIALLY BY FIRM SIZE*



Snapshot: Management Consulting (3 of 3)



MANAGEMENT CONSULTING

SAMPLE COMPANIES



EXIT OPPORTUNITIES

- MBA (career pivot)
- Corporate Strategy
- Investment Banking
- Private Equity / Venture Capital
- Hedge Fund
- C-suite

RECRUITING

Clubs	Interviews	Other	
<ul style="list-style-type: none"> • Finance Society • Management Consulting Association (MCA) 	<ul style="list-style-type: none"> • Behavioral: measure cultural fit • Case: management consulting is famous for its rigorous case interviews, which present hypothetical business situations to determine how you approach/solve certain problems 	Job availability for recent grads Intensity of interview prep Importance of networking calls Internship required Minimum GPA Typical GPA Separate recruiting channel for underrepresented candidates	VERY LOW VERY HIGH VERY HIGH PREFERABLE BUT NOT REQUIRED 3.8 3.9 [ACT: MIN 30] YES

Recruiting Timeline

