Introduction
Ross Career Services (RCS) created the Career Path series to assist students with the career search process. Each Career Path handout examines a common business functional area in which Stephen M. Ross School of Business graduates pursue jobs each year. The first four steps of RCS’s recommended career search process are detailed for each specific business field.

Corporate Finance Overview
The term “Corporate Finance” is often used to describe two separate areas. The first is within a corporation, where finance professionals work on a wide variety of projects pertaining to the financial needs of their firm, including financial and cost analysis, internal audits, treasury functions, and business development. This work can be characterized as a combination of cyclical work (i.e. budgeting) and project work.

The other area is within commercial and investment banking. The corporate finance divisions of these banks serve the financial needs of corporate clients by providing financing, investing options and other services (see Career Path handout on Investment Banking). This document focuses on the non-banking side of corporate finance.

Steps for Developing a Finance Career

Career Search Step #1: Conduct Self-Assessment
As discussed in CareerLeader, there are certain interests common to individuals in finance, regardless of their particular department or area. Solving problems using quantitative analysis often dominates the profile of individuals in this field. Corporate financial managers also enjoy managing projects from beginning to end, and managing people throughout the process.

Specific skills and interests sought by recruiters include:

- Analytical/problem solving/quantitative
- Leadership
- Initiative/record of achievement
- Interpersonal/team building
- Assertiveness
- Confidence
- Maturity
- Good verbal and written communication skills

A career in corporate finance often provides intellectual challenge. Management of people and processes can be seen as rewarding, and the positioning of corporate finance within a company may be one of power or prestige, but it depends on the organization. The pay scale for corporate finance jobs is competitive, and upward advancement can lead to very senior level management within the firm. There may also be a greater sense of security in corporate finance versus Wall Street, combined with greater work-life balance and less travel than in other functional areas.

Career Search Step #2: Investigate Possible Career Opportunities
Once you've decided on corporate finance as your field of choice, you must decide on which environment is best for you. Corporate finance in banking will allow you to be more deal and reward oriented and will require more marketing and sales skills. Careers with large insurance companies require strong analytical and marketing skills. The job in a large corporation may require more
Most corporate finance positions fall into this range

accounting skills and lead toward a career in general management. You need to understand the special nuances of each job and know what it takes to succeed in each. As a general reference, the picture above illustrates the wide variety of opportunities that fall within corporate finance.

**MBA Career Opportunities**

<table>
<thead>
<tr>
<th>Financial Analyst</th>
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<tbody>
<tr>
<td>Capital Budgeting</td>
<td>Evaluate capital proposals and lease vs. buy decisions by comparing discounted cash flows. (May consider whether to acquire a new piece of equipment, and then decide whether to lease or buy).</td>
</tr>
<tr>
<td>Budgets</td>
<td>Forecast revenue for annual budget and analyze the most recent monthly and quarterly performance against forecasts (look at actual results vs. projected, and determine reasons for variances).</td>
</tr>
<tr>
<td>Projects</td>
<td>Complete projects for different functional areas of the company. (For example, doing a competitive analysis, analyzing the costs of certain component parts to decide whether it is better to manufacture them in house or to purchase them from outside, valuing a prospective acquisition, determining the feasibility of entering a new market, and locate the best price for a new product launch).</td>
</tr>
<tr>
<td>Industry Specific</td>
<td>Within various industries, a financial analyst may support one or more brands or product lines, providing financial support when a new product launch or promotion strategy is being considered.</td>
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### Cost Analysis

<table>
<thead>
<tr>
<th>Role</th>
<th>Description</th>
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<tbody>
<tr>
<td>Manufacturing</td>
<td>Work in a plant or closely with manufacturing to understand the costs of products and locate opportunities to reduce costs and improve processes. Also work closely with marketing on pricing decisions.</td>
</tr>
<tr>
<td>Service</td>
<td>Usually works closely with marketing, determining the cost of providing a service and helping to make pricing decisions.</td>
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### Treasury

<table>
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<tr>
<th>Role</th>
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<tbody>
<tr>
<td>Financing</td>
<td>Assess the firm's funding needs and work with banks to fill those needs through internal sources or in the capital markets (commercial paper, bonds, equity, etc.).</td>
</tr>
<tr>
<td>Investments</td>
<td>Determine how to invest the firm's excess funds.</td>
</tr>
<tr>
<td>Risk Management</td>
<td>Monitor and manage the firm's foreign currency and/or commodity exposure.</td>
</tr>
<tr>
<td>Pensions</td>
<td>Monitor and manage the firm's retirement funding investment program</td>
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</table>

These positions may be limited, and in many companies are not available for entry level unless a person has significant experience in capital markets.

### Corporate Development / Business Development

<table>
<thead>
<tr>
<th>Role</th>
<th>Description</th>
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<tbody>
<tr>
<td>New Product Development</td>
<td>Analyzes new business opportunities from both finance and marketing perspectives. Helps team create business case, develops financial models, and creates presentation for management team.</td>
</tr>
<tr>
<td>Mergers &amp; Acquisitions</td>
<td>Works closely with management team. Runs valuation model and performs due diligence activities. May also be involved in the integration of acquisitions.</td>
</tr>
</tbody>
</table>

These positions vary significantly with the type of industry and company. It is important to research these opportunities thoroughly.

The above are very general descriptions of the entry level positions in finance within a corporation. Every company has its own financial organization. The key skills of financial analyst and cost analyst are analytical skills, team work skills (so much of their job may involve interacting with people from different parts of the company), communication skills and leadership skills. The treasury analyst needs analytical skills, knowledge of capital markets and communication skills. Typically, treasury tends to be a very centralized function, and treasury people do not interface as much with different parts of the company, but may have a great deal of contact with people outside the firm (bankers, underwriters, etc.). Within each organization, Business Development and Corporate Development take many shapes. The general rule is that Corporate Development is a centralized function (much like treasury) while Business Development is housed within business units. Both jobs require analytical skills, team skills, a general management perspective and strong communication skills.

**BBA Career Opportunities**

BBAs will also have opportunities as either Financial Analysts or Cost Analysts, but may have projects which are more limited in scope than coworkers with an MBA education and previous full-time work experience.

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Career Search Step #3: Research and Conclude on Immediate Postgraduate Employers
Top organizations for corporate finance range from consumer products companies (Proctor & Gamble) to technology companies (Intel and Hewlett-Packard) to automotive companies (Ford). The opportunities are numerous, and success depends on your level of persistence and determination in seeking them out.

There are many companies which recruit on campus with corporate finance positions available. Search iM pact to help you develop a target list. Attend the company presentations and learn more about the scope of the financial function - there may be some excellent opportunities to gain experience in a variety of functional areas with some of the smaller companies.

Career Search Step #4: Develop a Career Search Strategy
On-campus recruiting offers a variety of firms to explore for corporate finance. Do not exclude an off-campus search as the need for qualified individuals crosses numerous industries and geographies. There are several key steps to developing your career search strategy:

- Research. Read as many publications as possible that discuss financial markets and events: the Wall Street Journal, New York Times, Institutional Investor, Business Week, Economist, Fortune and other financial publications. When reading, learn about the industry and the players in it. Do you know what the importance of capital budgeting is to a corporation, or the significance of issuing debt vs. equity, or the ramifications of different M&A structures on the acquiring company’s cash flow and earnings? Your knowledge level must be high enough so that you are comfortable conversing on any and all corporate finance topics. Utilize iM pact and Kresge Library resources, including Wet Feet Press and the Finance Career Packet, available on reserve.

- Network. Start the search off-campus and early. Conducting informational interviews will give you vast amounts of knowledge in your area of interest and help in the overall career search process. The field is very competitive with the best business students from other schools beating down everyone’s door. Utilize alumni contacts and iM pact listings.

- Join the Finance Club. Take advantage of your peers and their past experiences.

- Courses. The typical courses for MBA candidates include the finance core, valuation, options & futures, and advanced valuation. Other finance electives are encouraged in specific areas of interest.

- Be sure to attend corporate presentations to broaden your exposure and knowledge.

- Focus on grades and look for opportunities to participate in extracurricular activity.

Finally, your search should make full use of the resources provided by RCS. RCS sponsors workshops that can help you market yourself to target firms, including resume and cover letter preparation, and interview skills. Office hours are available for counseling on all aspects of the career search and skill development process. Career consultants and staff members with experience in corporate finance can provide specific functional perspective, answer your questions, review your resume and cover letter, and perform mock interviews.

Frequently Asked Interview Questions
The corporate finance interview requires a careful self-assessment in terms of skills and experience. Recruiters will want to know your life story and why you made the choices you did. They are interested in knowing certain things:

1. Is there a fit between you and the organization?
2. Have you excelled in past endeavors?
3. Do we want to work with you? Importantly, companies will want to understand why you want a career in finance and why a particular industry is of interest.

Also, they will want to know if you clearly understand the particulars of the job for which you are interviewing. Make sure you research this and have a thorough understanding of the position.

A background in finance or a related field will help you get the job, but it isn't imperative. Even if you do not have any finance experience, the important thing is to demonstrate transferable skills. Demonstrate a strong technical ability through your MBA, sell all other relevant skills you possess and show your motivational ability to excel at a job that really excites you.

Commonly asked questions:

1. Tell me about yourself / walk me through your resume.
2. Why did you decide to get an MBA?
3. Why are you interested in finance?
4. What is your role in group projects?
5. How would your MAP group describe you?
6. Give examples from your past where you have demonstrated the following characteristics: motivation, inspiration, intelligence, leadership and creativity.
7. Explain why you went from engineering to obtaining an MBA and why the finance area?
8. How does your background relate to finance?
9. Tell me something that differentiates you from your classmates.
10. What is your definition of success?
11. Tell me about a personal event in which you took a risk, physical and/or financial.
12. What do your superiors think of you? Your subordinates?
13. What do you think will happen in the economy over the next five years?
14. What was the least favorite part of your most recent job?
15. How would you compare us with our competitors?
16. What other firms are you considering?
17. Tell me what I should be looking for in a candidate. (Now)Tell me why I should hire you?
18. How do you prepare for an exam?
19. What are your strengths/development needs?
20. Give me an example of a situation where you made a difference.
21. What is your favorite/least favorite class?
22. How would you value a convertible bond? A currency option? A company? A project?
23. Tell me about the best/worst team that you worked on, and what made it the best/worst team.
24. Tell me something about yourself that is not on your resume but that we should know about.
25. Industry specific questions.
Bibliography of Information Resources

- MBA CareerLeader or BBA CareerLeader, found on the Career tab on iMpact profiles
- Wet Feet Press, Kresge Library
- Vault Career Guides, Kresge Library