

Financial Career Insight Series: Investment Banking & Investment Management Internships

Paul McCormick: Trader Morgan Stanley, Barclays, JP Morgan / Financial Careers Coach

Note: This Insight document is relevant to undergraduates and postgraduates alike as it describes details of a common hiring process within the financial sector.

The document should also be read in conjunction with the 'Investment Banking Spring Weeks' Insight document as the early stages of the application process are similar for both programmes and therefore not repeated here. Worth noting that:

- Whereas it is really only Investment Banks that offer first year Spring Weeks it is both Investment Banks and Investment Management firms that offer Internships to second year / penultimate year students.
- Securing an Internship is of course a highly competitive business. Should you be unsuccessful with your applications to large institutions that offer such programmes, direct approaches to medium and small size financial firms, or to companies in related sectors, all of which may not run formal Internship schemes, should be seriously considered. Such approaches can be made during your second term of university after all formal Internship applications have been made in your first term.
- Internships are like gold dust; fast-track offer rates from Internships to an institution's Graduate Programme are often in the 65-70% region.
- Early application is again needed; multiple applications should be submitted by the end of October/mid-November.
- Smart applications, to divisions outside Sales & Trading and Mergers & Acquisitions streams, is recommended to increase your chances of success. See Investment Banking Overview .

When completing the application form, and additionally as preparation for interview, make sure you know:

- The company's history
- Number of employees in the organisation
- The current CEO
- The company's revenue and profits
- The company's and the business stream's strengths



- The countries it operates in e.g. does it have significant presence in Asia?
- Any major recent deals the company has been involved in

As well as internet sources e.g. Google, Wiki etc...the company's annual report is a good source of information especially the Executive Summary which often covers the state of the business well. It is worth also searching for reports on the institution from KPMG and Deloitte.

The 'Careers' section of the company's website is also often useful as Human Resources often produce podcasts. These are more useful than might appear at first as often they cover topics such as the company's 'Values & Ethics' and these are extremely important subjects today after seemingly endless financial scandals. Try and reference these in a genuine way in your application and interview. You are looking for information that is going to differentiate you from the competition.

If your application is strong you will be invited to participate in Aptitude Tests. This topic, and details of these tests, is covered thoroughly in the Investment Banking Spring Weeks . It is worth practicing tests before attempting them in online applications and the Assessment Centre where you may need to re-sit them. As banks often use the same tests, it is often a good idea to print questions and answers and use as constant revision material.

Once through such tests the next step is to be invited for telephone interview, again a subject already covered elsewhere. However, whereas Spring Week telephone interviews are normally handled by HR personnel it is possibly for Internship telephone interviews to additionally involve business personnel and associated topics for discussion. Be prepared for both approaches.

Assessment Centres

Sooner or later in this process you are going to face the all-important Assessment Centre most likely in December, January and February. It is important to come to Assessment Centres with the necessary knowledge.

- Company knowledge: As described above.
- Financial Market Knowledge: You don't need to know everything about everything. You don't need specialist knowledge. But you do need to know basic concepts about a broad range of subjects such as Bonds, Foreign Exchange and Equities. You also need to know about current financial news whether that be why the oil price is where it is or the basic outlook for US Interest Rates! As a minimum you need to know everything on openingcitydoors.co.uk. This is where, if you are serious about entering this employment sector, you need to incorporate research into your weekly routine from the beginning of your university year so that you can converse easily about financial topics when needed. It does not take a huge commitment of time. '[The Daily Shot](#)' blog is another great place to start.



Note: Being informed in this manner demonstrates your commitment to your career and the industry and is a requirement to succeed. However, it is worth remembering that banks are looking for raw potential as much as the 'finished article'.

The Assessment Centre is going to differ from institution to institution but most are going to involve some sort of group activities and interviews.

Interviews

You are likely to have at least two interviews by both Human Resource and business personnel.

Human Resource personnel are going to ask questions about you and your application. They want to know about you as an individual, your strengths and weaknesses and your motivations for applying.

You will likely face the same sort of questions you receive in a [telephone interview](#) but in more depth:

For the rest of your working life the one interview 'opener' you should be prepared for is ["Tell Me About Yourself?"](#)

A very popular style of financial interview questioning is Competency Based Interviews. It is Human Resource folk who are more likely to ask you CBI questions rather than business personnel because the former are trained interviewers; the latter interview as a supplement to their 'day job' and may be asked at very short notice to interview you. It is even possible that such a business person hasn't seen your CV. This is where you pull out a couple of copies of your CV in impeccable condition, protected by whatever folder you need to do so. Not only does this look very impressive but it structures the whole interview accordingly as you both walk through your CV. (Having copies of your CV available at interview is a tip for life. Often employers don't have that CV you sent in 4 weeks ago to hand!)

It is not just a question of thinking in advance of good answers to interview questions. To handle CBI questions well you need to have relevant experience. This means being involved in relevant activities and university clubs, preferably in a position of responsibility, where you will encounter the problems and dilemmas which will give you lots of material to call on to answer these types of questions. Rather than solely joining LUIFS or similar, aim for a position on the committee. This way you get to make the contacts, network with new people, and encounter the dilemmas that can provide those anecdotes and experience that you will need at interview.

Questions On Your Capabilities

It's all about having multiple examples at your fingertips that you can draw on for each capability so you can assure the interviewer you have the appropriate abilities.

Various questions could of course be asked here. Take a STAR approach in answering:



- Situation
- Task
- Action
- Result

Try and answer these questions with a little depth because if it's not clear what your contribution was to the situation the interviewer will likely press you on it and, at the end of the day, you want to make sure you have delivered this information to shine. Like any interview, they won't know the information about you unless you tell them!

As a minimum be prepared for "Give me an example of....."

- ".....where you have demonstrated outstanding leadership"
- ".....a time where you have exercised your ability to be a great team player"
- "..... when you had to deal with a difficult team member and how you approached this"
- ".....a time you utilised your ingenuity to solve a complex problem"

Think about relevant skills pertinent to each activity and dilemma and present your case during questions in a clear quantitative way: Instead of saying "Through the charity work I do I like helping others", say "I raised £750 for XXX charity by XXX activity which was enough to fund three new places at the local hospice". Don't be generic in your answers; be specific. Remember to use STAR!

With all your responses to interview questions never begin a sentence with an "Um" or "Er". Pause for a few seconds before speaking. Make hand movements, smile and make eye contact. Like a duck on the water, you might be vigorously paddling away underneath but your outward expression needs to be serene and confident!

Typical Investment Banking and Investment Management interview questions and how to structure answers are covered below:

[Investment Banking Interview Questions – Part 1](#)

[Investment Banking Interview Questions – Part 2](#)

Group Exercises

Most Assessment Centres are going to also involve some sort of group exercises which vary, of course, by institution. During these make sure you fully participate but don't attempt to take charge



of the whole procedure. Be collegiate. Begin by introducing yourself and inviting everyone else also to do so. Try to organise a timetable with the group. Indeed volunteering to be the timekeeper for the group is an easy win (as you must avoid running out of time to complete the exercise) but make sure your contribution is not solely a timekeeping one! Listen to others intently when they do their part of the final presentation or similar; don't just think "I've done my bit" and switch off. Body language is very important.

Work with the group, and build on other people's ideas ("I like that idea. Let's take that further and..."). Give everyone a chance to speak, and ask the opinion of the quieter and more thoughtful members of the group. Address the group when speaking, not just an individual you view as your main competition. If there is someone who is trying to dominate, be confident and assertive enough to correct this ("Excuse me John, I think you should pause for a moment and ask the rest of the group their opinions..."). The team activities are about finding an optimal solution, not an ideal one; don't turn perfectionist or obsessive. Accept whatever consensus arises.

Quick Tips:

- Make multiple (15-20) Internship Applications by end October. Continue in early November.
- Be aware of Internship closing dates – see Graduate, Internship & Spring Week Application Deadlines .
- Familiarise yourself with all material on openingcitydoors.co.uk
- Follow the '[The Daily Shot](#)' blog.
- Be familiar with all Financial Career s including the Financial Career Master Resources .

Additional Resources relating to this topic:

[The Unofficial Guide to Banking](#)

[Mergers and Inquisitions](#) - advice on how to get into Investment Banking in US also useful for UK

[WikiJob Investment Banking](#)

[Investment Banking Interview Questions – Part 1](#)

[Investment Banking Interview Questions – Part 2](#)

[Your Financial Market Graduate Covering Letter](#)

[Graduate Telephone Interviews](#)

[Your Financial Market Graduate CV](#)

