

Financial Career Insight Series: Vendors & Ratings Agencies

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With regards to the Vendor sector, this Insight document could be called 'Best Kept Secrets: Business & Finance Careers You Never Knew Existed'. A significant part of the financial world comprises of Investment Banks and Investment Management firms, with both sectors dealt with in other Insight documents. However, at least as many people work in financially related jobs outside these two sectors than within! Part of the whole Opening City Doors mission in working with Exeter University students is to bring awareness of such sectors to those considering financial careers.

Many students want to work in Investment Banking and that is commendable, but be aware of the extremely competitive nature of this sector with 125 applicants for every position; more than that for the likes of Goldman Sachs and Morgan Stanley. You may be an excellent student but you will compete against the very best UK and International graduates for those places.

Financial market jobs resemble something of an iceberg. What you can see is the 10% of the iceberg that sits above the water. This represents Investment Banking and Investment Management Graduate Programmes: Graduates naturally tend to sail towards here. To keep the iceberg analogy going, this can sink your career start due to its fiercely competitive nature, especially if you apply to the most popular business divisions i.e. Sales & Trading and Mergers & Acquisitions. The 90% of the iceberg that sits below the waterline, not so visible, represents the rest of the graduate financial job market where smart job hunting tactics, targeting such firms, significantly increases your chances of success. The rest of this document is about that 90%.

The Vendor Sector

What does Vendor mean? Literally a person or company offering something for sale. In this case it means companies selling services to banks and asset managers. What are they selling? Generally financial data and technology whether that be risk management and trading systems, live equity, bond and foreign exchange prices not to mention company and market research and news. It involves compliance and regulation, ticker tapes, datafeeds and databases.

Furthermore, it is a constantly developing environment requiring delivery of ever-changing products and solutions.

The two largest Vendors are Bloomberg and Thomson Reuters. Bloomberg employs 15,000 employees. Thomson Reuters Financial & Risk Business employs 20,000. These are global numbers



but both, and most, Vendor firms have an extremely significant London presence. Beyond these two huge Vendors sit layers and layers of companies all servicing the London investment community.

Above all else, despite its size, it is not a sector that is well known to graduates. If you are interested in a career 'that has something to do with financial markets' then it is worth further exploration especially if your CV is not quite up to Goldman Sachs standards.

What Sort Of Roles Are There?

As in any company in the City, and in all the Vendors, the following roles as an absolute minimum need filling:

Sales / research / analyst / human resources / IT developer / IT support / project management / business management / finance / marketing.

You might be an account manager negotiating a multi-billion dollar contract with a large investment bank or in a business development role showing a fund manager your latest portfolio manager system. You might be in a regulation role exploring the implications to the firm and its clients of impending new financial laws or you might be in a support role assisting clients. Furthermore, it is likely that an individual would start in one role but being doing something quite different five years later as they navigate their career accordingly. It is an extremely versatile and broad sector. Moving from the Vendor sector into Investment Banking is possible depending on the role and the sector.

There are at least 300 different Vendors servicing the financial community and they are a great way into the City. Vendor companies will not be visiting universities via the 'Milk Round' yet all these firms have multiple vacancies due to organic growth, individuals getting promoted or leaving for elsewhere.

The larger Vendors will run formal advertised Graduate Programmes so, although it is of course quite a competitive situation to get hired there, the odds of employment won't be the 125-1 against of getting into Investment Banking. The majority of Vendors will not run formal hiring schemes and so they are open to a more direct approach which includes:

- Checking the company's website for advertised vacancies; a full list of Vendor companies can be supplied (see below).
- Contacting companies via University Alumni who work in this sector using LinkedIn.
- Directly contacting the company.

Rating Agencies

Another interesting sector is the Rating Agencies. What do these companies do? Credit rating agencies assess the relative credit risk of specific debt securities or structured finance instruments



and borrowing entities (issuers of debt), and in some cases the creditworthiness of governments and their securities. They offer interesting careers in themselves but can also be stepping stones to Investment Banking careers. They do run formal graduate schemes, which are competitive of course, but they are certainly worth consideration particularly if you have a finance or maths background and the idea of a credit analyst or risk analyst role appeals to you. Having CFA Level 1, or at least be studying for the qualification when you apply, would be very relevant for your application.

There are three major players:

Standard & Poor's (S&P), Moody's and Fitch Ratings, control around 95% of the market. S&P and Moody's have around 40% each and Fitch has 15%.

With regard to roles and career paths, Rating Agencies usually recruit graduates into data analysis jobs. Trainees typically start in research teams focusing on industry sectors and/or financial products. Fitch has a structured graduate programme. Moody's and Standard & Poor's recruit according to need. Because the graduate programmes give a grounding in fundamental research and a broad understanding of particular industries, many who start out in rating agencies gravitate towards research roles in other parts of financial services including Investment Banks.

Quick Tips:

- Explore the Vendor sector for a variety of jobs associated with the financial markets
- Approach via formal and informal channels
- Approaches can be made at any time of the year for medium and smaller size companies
- Rating Agencies are another interesting sector
- Be familiar with all Financial Career Insight documents including the 'Master Resource Guide'

Additional Resources relating to this topic:

[Wikipedia Financial Data Vendor](#)

[Opening City Doors Networking 1:](#)

[Opening City Doors Networking 2:](#)

[Opening City Doors Networking 3:](#)

[Smart Job Hunting: You Tube](#)

