Exit opportunities at the Analyst level

There are plenty of exit opportunities at the analyst level! Investment banking analysts are a very hot commodity (especially at the top investment banks) and you will get calls from headhunters after a few weeks in your new job, and they won't stop calling. This is because analysts are young, well-trained, ambitious, work very hard and can handle stress. The more deals you have closed and the more prestigious the bank you work for, the more frequent the calls will be.

> Many analysts simply go to another bank after a few years, trading for a better brand name, a better team or faster promotion and bonus opportunities.

> Some analysts simply switch departments to go work in equity research, ECM/DCM, or corporate banking, often in search of a better lifestyle.

> The best analysts at top investment banks often leave to work for hedge funds or private equity funds. This usually happens in their second or third year with the bank, and the process is highly competitive. Essentially PE funds and Hedge Funds are using the banks to train their juniors.

> Some analysts leave banking to go work for clients or other corporates, often within business development or M&A departments, but this is not a very common exit.

> Other exit routes include starting their own businesses after having accumulated some money, joining the family business, or going back to respective home countries to do a variety of jobs.

> Finally, the best analysts often decide to go do an MBA at some of the most prestigious schools in the world (Wharton, Harvard, Stanford, etc.) to change careers or boost their prospects.

Exit opportunities at the Associate level

Exit opportunities at the associate level also abound, but are somewhat narrower than for analysts and include:

> Switching banks or switching departments

> Working for a private equity or hedge fund. However, after a year or so at the associate level, the switch to private equity and hedge fund becomes increasingly difficult. This is because associates start to specialise deeply in investment banking, and their skills start to become less and less relevant to the buy-side.

> Working for a corporation is a more common exit at the associate level, either because they are in search of a better lifestyle, because they cannot manage to go further up the investment banking ladder, or simply because they want to work for a company that is actually making things happen as opposed to simply providing advice.

Exit opportunities at the Vice President level

Exits for Vice Presidents are not many. On one hand they are very specialised and have client responsibilities, but on the other hand they are not senior enough to go into senior management positions. Also, they are highly paid and have a relatively good lifestyle, and few other companies can afford to match their lifestyle. Therefore many Vice Presidents will stay on and try to be promoted all to way to Managing Director. Some exits include:

> Switching banks. For the reasons mentioned above, this is the most common exit. They are high in demand because the number of VPs in investment banks is relatively low, therefore good VPs are highly sought-after.

> Working for private equity and hedge funds. This is not a common exit although it does happen. It is usually the case when bosses and colleagues join a fund or set up a new fund.

> Working for Corporations. For the reasons mentioned above, it does happen but it is not the most common exit.

Exit opportunities at the Director and Managing Director level

Exit opportunities for Directors and Managing Directors are not many, and will largely depend on their network, client base, and ability to generate fees. In addition, if a Managing Director is good at his job, he/she will be earning millions at an investment bank, therefore the incentive to quit is quite small.

> Switching banks. This is the most traditional exit opportunity for a Managing Director. Usually they leave to become the head of a team, or for a promotion to senior management (i.e. becoming the head of M&A) and continue to go up in the investment banking hierarchy.

> Starting their own business. MDs sometimes leave to start their own boutique investment banks, consultancy, or even their own private equity funds.

> Joining senior management of a corporate. Some successful MDs will leave to become CFOs of large companies (such as Vodafone) or in some case even join as CEO.

> Finally, many MDs who have earned sufficient money choose to leave to pursue their own interests, joining the public service / government, travel the world and enjoy their life!