



Directors are Vice Presidents who have been promoted to the next level, usually after three years at the VP level. Managing Directors are Directors who have been promoted to the next level as well. But while the promotion to director is quite straightforward, the promotion to Managing Director is a highly competitive process and many Directors do not make it to the top. Also, there is no automatic promotion to Managing Director after a set number of years - they will only get promoted when they have shown the ability to generate substantial fees for the firm. This can take a year or two, but sometimes much more.

## **What does an investment banking Director or Managing Director do every day?**

Director-level bankers' role is very much client-facing, and they now take direct responsibility for profit generation and also for setting the strategies that can help maximise those profits. Their main roles is as follows:

- Directors will be involved in the critical parts of the M&A transactions such as fee negotiations, deal tactics, senior-level client meetings, etc.
- Directors will also be involved in day-to-day marketing to clients and potential clients. They will be in charge of deciding which ideas to pitch to clients, and on which clients they want to focus.
- Managing Directors have very similar responsibilities; however, they are typically in charge of the most important clients and have a larger responsibility for managing their own teams and setting the overall strategy of their team.

## **Who do investment banking Directors and Managing Directors work with?**

Vice Presidents are the usual point of contact for Directors and Managing Directors when on an M&A transaction, but they do interact with everybody in the firm. Most importantly, they also interact with the senior management of the department (Head of Investment Banking), Country Heads, Managing Directors of other sector teams and other geographies, and also Managing Directors in other departments such as Equity Capital Markets, Debt Capital Markets, and many others. Their

role is not only to generate fees for their own team and department, but also to sell all the products that the bank has available to maximise overall revenues, for which they get partial credit.

### **Do investment banking VPs work long hours?**

Managing Directors and Directors usually do not spend much time in the office, and typically leave quite early. They might spend most of their day meeting or calling clients, and the rest of their job can be managed over the phone or Blackberry. However, this is not a relaxing lifestyle. Managing Directors are under constant pressure to satisfy their clients, manage great numbers of relationships, and are constantly communicating by phone, Blackberry, or on the plane. In addition, they are ultimately responsible if anything does not go to plan; their job will be on the line if they do not generate sufficient profits. While they do not have to work on models and pitchbooks overnight, it's a different kind of pressure that can be quite intense as well.

### **What is the next step for Managing Directors?**

Managing Directors' goal is to generate as many fees as possible, which will be directly reflected in their bonuses. The natural next step for successful Managing Directors is for them to become team heads, country heads, product heads, and ultimately head of M&A or investment banking; potentially, they could make it to the CEO level. Of course, not many Managing Directors can arrive at those senior positions. Many are satisfied by simply staying at the Managing Director level and enjoying multi-million bonuses in good years.

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