The Investment Banking MBA Associate

Every year, thousands of fresh MBA graduates join the ranks of the investment banks across the world. Some of them used to be investment banking analysts and decided to come back to the industry after earning their MBA. However, the large majority of MBA associates do not have any prior investment banking or even financial experience. Below is a list of tips for those fresh MBA associates.

1. Do not be fooled by titles - there is not much difference between analysts and associates

MBA associates are usually disliked by investment banking analysts. One of the reason why is that MBAs are usually not keen on doing grunt work that they consider “below their level”. In reality, beyond title and pay, there is not much difference between the work done by an analyst and an associate. Even if you are much more experienced, older, and have graduated from a top business school, you still need to do your fair share of grunt work - see tip #2.

2. Analysts will control your life - treat them with respect

Analysts know better than MBA associates; they are better technically and they know how to work the system. This is why they often dislike MBA associates’ arrogance (sometimes); they are more senior and paid more, but often clueless when it comes to building models or dealing with senior bankers. They truly resent wasting their time explaining everything to MBAs. So analysts need to be your allies; buy them lunches, get to know them, learn from them, and praise them in front of senior bankers when they do a good job. This is a good investment; your analyst friends will probably save your life by fixing your models and helping you navigate office politics.

3. No one cares about your Harvard/Stanford/Wharton MBA

Sure, a top MBA is impressive. This is partly why you got the job in the first place. However, now that you have joined the ranks of investment banking, your degrees are irrelevant. In banking, an MBA associate is synonymous with ‘lack of technical ability’, so it’s best not to mention your degrees, especially to junior bankers. The only thing that will get you paid in investment banking is hard work, a great attitude, and strong social skills.

4. Get up the learning curve ASAP - MBA associates are the first ones to get fired in a downturn

Don’t avoid the grunt work - get involved in models and technical aspects of the job ASAP, even if this involves staying very long hours at first. Investment banking is unforgiving; if you still can’t build a model one year into the job, you won't last long. Banks cut staff every year, and remember that you are at a significant disadvantage compared to those who have come up through the analyst ranks.

5. If Banking is a stepping-stone to something else, start planning your exit on Day One

If your goal is to stay in banking for a couple of years and then move to the buy-side, back to the industry or anything else, plan early. It's very easy to get "gobbled up" by investment banking so you should be constantly talking to people and remind yourself of your ultimate goals. Having an objective also makes the lifestyle more bearable.

6. Use your MBA network internally

Use your MBA to build a support network internally. Ask your alumni for advice and introductions to other people. A support network is particularly key at bonus time or redundancy time.

7.The MBAs has its advantages!

MBA associates tend to have a tough first two years. However, they tend to perform very well once they make it to Vice-President level and above, when soft skills become much more important than technical skills, and when the focus is on building relationships with clients and managing people.