



# Careers in Business

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# Careers in Finance

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## Commercial Banking

The traditional activities of commercial banking include lending to businesses and individual customers and providing other "retail" services to individuals (such as chequing and savings accounts, car loans, home mortgages, and automatic teller machines).

Commercial banks include small independent banks, "retail branches" of larger banks, huge money center banks and banking holding companies. A small independent bank is, in essence, a small entrepreneurial enterprise that provides loans and liquidity to businesses and individuals in the community. Getting to know customers, reviewing loan applications, knowing how to tactfully decline those that do not pass muster, managing bank personnel: these are the bread and butter work of the independent banker. A big commercial bank, in contrast, is a global business. Its activities include lending to large corporations all over the world, moving money to different overnight "parking places" where it can earn the most interest, trading in foreign currencies, managing huge infrastructures, and dealing with thousands of personnel.

Whether they are large or small, however, all commercial banks have one thing in common: they lend money. As part of that loan process they must persuade potential customers to borrow money from them rather than from another bank. They do so by offering better terms (lower interest rates) or larger sums, and by forming relationships with their customers, much like salespeople do. In other words, they "sell" loans, which are simply agreements to "rent" money. In a competitive environment, which banking certainly is, a commercial lender must therefore have excellent sales skills, because if he or she doesn't make the sale, someone else will.

In a large bank, the "selling" of loans takes place both externally (with the customer) and internally (with the bank's credit committee). Banks do not like loans to "go bad." Securing the assets of a bankrupt business is not nearly as profitable as lending to a business that repays the loan, with interest, right on time. So the lender, who has a relationship with the outside business customer, must convince a group within the bank that the profits involved in lending to that customer justify the risk, and that the risk is manageable. There is, naturally, a tension of sorts between the lender and the committee. The lender wants to "make the sale" (since part of his or her compensation is tied to how much money is lent). The credit committee, on the other hand, likes to play it safe. As a result, many lenders dread going before the credit committee and having their "package" picked apart and scrutinized from every angle.

Large corporate lenders travel a great deal, advising and entertaining potential customers (CEOs, CFOs, and treasurers in client companies). If the bank has an international presence, they may work with senior government leaders (e.g., the Minister of Finance) in the country in which they are based. Small independent bankers stay closer to home, becoming active in community activities, donating time and money to local charitable organizations, sponsoring Little League teams, and so forth. Both kinds of bankers, however, are ultimately engaged in the same task: making sure that customers turn to them for money.

Depending on the particular bank, retail and commercial credit, chequing, and lending activities may be managed separately. For example, it's not unusual for a distinct small-business product group to exist. Separate groups also handle regular loans, mortgage loans, and insurance products. Trusts and Estates is also a segregated service—for example, trust officers can work with business owners to make sure a family business is smoothly transferred from generation to generation. In other words, as you move up the ladder, you can specialize in a particular product area.

Regardless of where you sit in the hierarchy, you'll have to coordinate with specialist senior officers when selling specific products and services. If you're successful, you'll go from being a loan officer to a Relationship Manager—providing a seamless interface between clients and the bank's services, products, and groups.

### **Loan Officer**

Many bank executives launch their careers as loan officers, and it's still a good starting point. Loan Officers determine, based on a bank's criteria and ever-improving intuition and instinct, which small businesses and individuals get loans and which do not. Because you're the primary business developer for the group, you have to love the sales aspect. There's a fair amount of schmoozing in this job, either at the local Chamber of Commerce and Rotary or overseas in emerging markets. If you prefer to crunch numbers in private and deal with people occasionally, this isn't the job for you, but an accounting whiz with sales skills and diplomatic tact will thrive.

### **Branch Manager**

This is a great way to learn the industry. Branch Managers are sort of like the principal of an elementary school. You cannot be an imperious executive, but if you manage operations well and take good care of your upper management, staff, and customers, everyone will be happy to reward you. Many Branch Managers have been promoted from the position of Loan Officer.

### **Trust Officer**

Become a Trust Officer if you have a flair for financial counselling and if you like hobnobbing with high-net-worth individuals. Being a trust officer involves helping clients with trust services, estate planning, taxes, investing, and probate law. Warning: sooner or later you'll find yourself in the middle of family squabbles, jealousies, disinheritances, and lawsuits. The job requires diplomacy, tact, deference, and a better, more current understanding of tax law than most attorneys need. However, a stint as a Trust Officer is a good stepping-stone to a career as a Private Asset Manager.

## **Corporate Finance**

Finance professionals in a corporate setting handle many different activities. At the Chief Financial Officer (CFO) level, the work includes the following: helping the company choose an investment bank for a debt or equity offering; helping the CEO determine whether to take the company public (and when) or whether to buy back the company and take it private; arranging lines of credit with banks; determining the value of a company targeted for potential acquisition or the value of a segment of an existing business for potential sale; working with accountants on the company's annual audit; forecasting profits and losses; interacting with the investment community; reviewing budgets; and helping set the company's overall strategy. Clearly, the CFO of a company is involved in virtually every aspect of the business.

At lower levels, finance professionals work in the areas the CFO oversees. They work with the CPA firm doing the audit; perform their own audits; track cash flow; prepare and review budgets; work with managers to determine the profitability of certain lines of business; work with information specialists to help design systems that accurately and fairly allocate costs; monitor investments in retirement plans; prepare quarterly financial statements; trade the firm's capital for the most favourable return; and so forth. Some finance professionals in corporate settings remain in individual contributor roles, but most move into management positions, often relatively early in their careers.

Although conditions vary at different companies, people going into corporate finance generally start their careers either as Staff Accountants (for the corporate-reporting function) or as Financial Analysts (for a business group or function). In both roles you'll supply management with the information it needs to make smart, opportune decisions.

Staff Accountants consolidate information for the official corporate financial reports—primarily comparing the present to the past. Financial Analysts, on the other hand, are assigned to either a product line or business unit. They help management set up profit objectives, analyze current unit results, and anticipate future financial performance. Over time, Financial Analysts and Staff Accountants eventually specialize in one of the areas described below.

### **Divisional Financial Services**

In this area, you work with each division's business team to prepare financial plans, make forecasts, and compare actual financial results to forecasts. You may also evaluate the financial consequences of alternative strategies. Responsibilities include everything from analyzing new business opportunities to restructuring a business or developing a capital-spending program. The primary concerns are to find better ways of using company assets, reduce costs, and research ways to develop better forecasts. Financial services evaluate the risks versus potential return of any course of action and develop recommendations so that managers can pick the most profitable strategies, depending on their goals.

### **Treasury**

The treasury department is responsible for all of a company's financing and investing activities. This department works with investment bankers who help the corporation raise capital with stock or bond sales or expand through mergers and acquisitions. Treasury also manages the pension fund and the corporation's investments in other companies. The department also handles risk management, making sure that the right steps are taken to safeguard corporate assets by using insurance policies or currency hedges.

### **Cash Management**

This is a company's piggy bank. The cash management group makes sure the company has enough cash on hand to meet its daily needs. The group also sees to it that any excess cash is invested overnight by picking the best short-term investment options. And it negotiates with local banks to get regional business units the banking services they need at the best price.

### **Corporate Development and Strategic Planning**

Corporate development involves both corporate finance and business development. (For more on these types of jobs, refer to the Business Development career profile on page 45). Finance experts in corporate development study acquisition targets, investment options, and licensing deals. Often they assess the best firms to buy or invest in, such as pre-IPO cutting-edge technology companies with complementary products that could either extend the company's product line or mitigate a potential future competitor. Corporate development jobs require planning and analysis know-how and the kind of skills that investment bankers, working merger and acquisition deals, put to use.

## **Investment Banking**

**Investment Bankers** (sometimes referred to as "I-bankers") provide financial advice and services to corporate clients. They advise corporate CFOs and CEOs on matters such as whether to issue or buy back stock or debt, acquire other companies (and how much to offer for them), sell part of their current company (and at what price), and so forth. These companies may be large and established, or they may be new ventures that are "going public" -- that is, selling stock to the public in order to acquire the capital they need to grow.

Investment banks themselves may be large or small and may be either general-service or niche "boutique" firms that serve only a specialized part of the financial services market (such as the entertainment or high-tech industries). Most investment banks are located in New York, London, or Hong Kong, and are called "money center banks". There are also "regional investment banks", some with excellent reputations in the industry, in other cities throughout the U.S. and in other countries. "Full-service" investment banks have specialty groups that offer advice and service to specific industries (such as real estate).

Investment Bankers love finance and the fast pace of the industry. Their love of speed is so great, in fact, that many would consider the three- or six-month time period of the average management consulting assignment to be long! In investment banking, work weeks of 100 hours or more are common, meaning that people often work evenings and weekends. Investment banking consumes their lives. The pay is very high, and for that pay they become "wholly owned subsidiaries" of the banks for which they work.

An Investment Banker typically starts out in a job gathering and analyzing data (and proofreading to ensure the accuracy of every number). He or she moves to preparing and delivering presentations to clients, then

progresses to developing and maintaining client relationships, "selling" the bank's services, and, ultimately, running the bank itself (or parts of it). Personal polish, confidence, and a great handshake are all necessary attributes for a successful Investment Banker. While the various groups within an investment bank support each other, the work and responsibilities in each group vary.

### **Corporate Finance**

Investment Bankers are like financial consultants for corporations—which is precisely where the Corporate Finance Group comes into play. As a member of Banking or CorpFin, you serve the Sellers of securities—Fortune 1000 companies in need of cash to fund growth, and private companies that are looking to complete an IPO—by buying all the shares or all the bonds a company has for sale, which are then resold by your firm's sales force to Investors on the market.

Many investment banks divide their corporate finance departments into industry subgroups, such as technology, financial institutions, health care, communications, entertainment, utilities, and insurance, or into product groups such as high-yield, private equity, and investment-grade debt.

As an investment banker in corporate finance, you will underwrite equity and debt (bond) offerings, help firms devise and implement financial strategies, analyze their financial needs (such as how to structure balance sheets and when and how to proceed with funding initiatives), and work with the sales and trading departments to determine valuations for new offerings.

### **Mergers and Acquisitions**

Welcome to the Black and White Ball of the I-banking business. Mergers and acquisitions embodies the glitz and glamour of investment banking, where stakes are Monte Carlo-high and players were dubbed "Masters of the Universe" by Tom Wolfe. The M&A department advises companies that are acquiring other companies or are themselves being bought, and works with advisory teams and lawyers to structure deals. M&A frequently works with its own corporate finance group to arrange the appropriate financing—usually a debt or equity offering—for a transaction. In many cases, all of this happens on a very tight timeline and with extreme secrecy.

If you are seeking a career in M&A, you will likely help advise firms on merger and acquisition strategies, determine target-company valuations, help the target of a hostile acquisition arrange a defensive strategy, conduct due diligence on a target or acquiring company (examining the financial results and other business factors that affect the value of an acquisition), negotiate the price, terms, and conditions of an acquisition or merger, and work to structure deals.

### **Public Finance**

Public Finance and Corporate Finance, serving the Sellers of securities, perform the same functions. However, Public Finance works strictly with public entities, including city and state governments and agencies, bridge and airport authorities, housing authorities, hospitals, and the like. Unlike CorpFin, when structuring deals, Public Finance must assess (and often circumnavigate) numerous political and regulatory considerations, such as how to obtain and maintain tax-exempt status for the financial instruments the clients will use.

To work in Public Finance, you must be prepared to advise public entities on capital-raising strategies and portfolio management, arrange project finance, assist municipal entities in restructuring their debt, determine valuations for debt/bond offerings, and underwrite tax-exempt notes, bonds, derivatives, and other municipal securities.

### **Sales and Trading**

Sales and Traders sell and trade securities. See page 34-35 for description of these job functions.

### **Research**

Research departments are generally divided into two main groups: fixed-income research (bonds) and equity research. Both types of research can incorporate several different efforts, including quantitative research (corporate financing strategies, specific product development, and pricing models), economic research (economic analysis and forecasts of U.S. and international economic trends, interest rates, currency

movement), and individual company research. These are "sell-side" Analysts (as the banks they work for "sell" or market stocks to Investors), rather than "buy-side" Analysts, who work for the institutional Investors—mutual funds, pension plans, or rich private Investors. It is vital to the investment bank that both fixed-income and equity research groups stay on top of emerging new companies in the industry, and relay such information to the sales force, Traders, and investment bankers with an alacrity never thought humanly possible.

As a Researcher, you'll meet with company management and analyze a company's financial statements and operations, provide written and oral updates on market trends and company performance, attend or organize industry conferences, speak with the sales force, Traders, and Investment Bankers about company or industry trends, develop proprietary pricing models for financial products, make presentations to clients on relevant market trends and economic data, offer forecasts and recommendations, and watch emerging companies.

## Financial Planning and Stock Brokerage

Careers in financial planning and stock brokerage cover a fairly wide range of activities and roles including:

- **Retail Stockbrokers** who sell stocks, bonds, and other investment instruments to individual clients; Independent Financial Planners who help clients make decisions about how much life insurance they should have, what kinds of mutual funds they should invest in, how much they should allocate toward retirement and paying for their children's education, etc.; Individuals who make investment decisions on behalf of clients whose funds they manage (including trust fund accounts); Private bankers or private client services providers.

Financial planning and stock brokerage differ in terms of the training and legal licensing required, the breadth and depth of responsibilities, and the method of compensation. What they have in common is that they focus on the finances of individual clients -- in contrast to investment fund management, which deals with making investment decisions for entire groups of people (such as Investors in a mutual fund, or employees whose retirement funds are being invested). As such, they are professional service businesses, like medicine or law.

- **Financial Planners** who focus on helping clients make decisions about long-term financial issues. They typically charge on an hourly or a flat basis (although some who offer advice regarding mutual funds charge a percentage of the assets invested).
- **Stock Brokers** who advise clients about which individual stocks and bonds to invest in. They earn their fees on a commission basis: for every purchase or sale they make, the brokerage house with which they work charges a fee and pays them part of that fee. Given that Brokers work on commission, people sometimes fear that Brokers put "making the sale" above the client's best interest. (Of course, if Brokers "churn" clients' accounts -- that is, make trades for no good reason -- they are in violation of Securities and Exchange Commission regulations, and are operating against their long-term interests, since they depend on referrals for new business).
- **Personal Investment Managers** who are compensated based on the amount of money they manage (their "assets under management"). As a result, they have no personal interest in making trades that might not be in the client's best interest. On the other hand, since they are paid a percentage of clients' assets regardless of how active and involved they are in a client's investments, some clients are concerned that there is no incentive for them to work as hard as they can.

Given that Financial Planners and Stock Brokers are in a position to either help or hurt clients dramatically, and given that they labour against the suspicion that they may really be serving their own interests first, they need extraordinarily good interpersonal skills. Gaining clients' trust is critical for retaining them as customers and obtaining new referrals from them. Because their clients are not the highly skilled Investors with whom institutional securities salespeople interact, it is particularly important that Financial Planners and Stock Brokers

know how to communicate information well. And given that clients can sometimes become very emotional when it comes to their own money, Planners and Brokers must be able to navigate their relationships with customers in a sensitive and diplomatic manner.

## **Investment Management (Portfolio Management & Securities Analysis)**

This profile will discuss the career areas of portfolio management, securities analysis, credit analysis, and quantitative analysis in both "buy side" environments (such as mutual fund management companies) and "sell side" environments (such as investment banks that sell securities to large institutional Investors). The areas of financial advising, stock brokerage, investment banking, and sales and trading in investment bank settings are covered in other profiles.

The terms "Investment Manager" and "Portfolio Manager" will be used interchangeably, although the meaning of these titles can vary somewhat from one financial services setting to another. Nevertheless, we will use both to refer to professionals who make investment decisions concerning the buying and selling of securities for their organizations. Investment Managers may work for mutual fund companies, banks, insurance companies, or other financial services organizations. The largest employer of Investment Managers is the mutual fund industry. In a mutual fund firm, the Investment Manager who is responsible for making investment decisions typically is called a Portfolio Manager. ("Portfolio" refers to the group of securities a particular mutual fund holds at any given time.) He or she works with a team of Analysts and Traders: Analysts perform the research necessary to determine the most attractive investment opportunities, and Traders perform the actual transactions involved in buying and selling the securities. Portfolio Managers most frequently come to their position from the field of securities analysis, so we will examine this career area first. Three terms are frequently used to describe different types of security analysis roles: Security Analyst, Credit Analyst, and Quantitative Analyst. A professional who does any type of analysis within the three groups mentioned is generally called a Securities Analyst. However, the term also more specifically refers to someone who researches individual companies to make recommendations for the purchase or sale of their stocks. Credit Analysts are specialists who research the credit risk (and investment benefit) involved with the purchase of specific bonds or other "fixed-income" securities. Quantitative Analysts are also specialists on the bond side of investing: they employ mathematical models to identify strategies for the optimal purchase and sale of fixed-income securities.

### **Credit Analysts**

Credit Analysts may come from a variety of backgrounds. Most have undergraduate or graduate degrees in business or a related field. The skills of credit analysis are typically learned "on the job" from more senior analysts. The work requires comfort with mathematical analysis in general, an understanding of corporate financial report analysis, and familiarity with the technical world of fixed income credit ratings. Quantitative Analysts typically have a strong background in mathematics. Most have advanced degrees in areas such as applied mathematics or computer science, or even physics and engineering.

### **Securities Analysts**

Securities Analysts, in the specific definition of the term, typically have a more broad-based business background, and many hold an MBA. While they may employ mathematical analysis in reviewing companies, they also approach business problems more qualitatively, considering factors such as a company's position within its industry, its market, its financial health, and the quality of its management. In all but the smaller investment management firms, Securities Analysts typically specialize in one or more industries, becoming experts on the dynamics of those industries. They follow industry events closely and stay in touch with top management at the companies in which they have, or are considering making, an investment.

Securities Analysts are found both in "buy side" environments, such as mutual fund companies, as well as "sell side" environments, such as investment banks that sell large blocks of stocks to institutional Investors. On the sell side, they tend to specialize in a specific industry and, with enough time and focus, can eventually come to be known as "gurus" on that particular industry. In fact, the most successful of them are highly visible and highly valued figures on Wall Street.

Securities Analysts can specialize on the buy side as well, but in small or medium-sized investment management firms they may be expected to cover several industries. Given the relatively "calm" pace of business on the buy side in relation to the hectic pace of Wall Street, some Securities Analysts make the transition to the buy side after learning their craft in a major sell-side bank.

### **Portfolio Manager**

In the investment management firm, the Portfolio Manager is often seen as the "king or queen of the hill", the one who makes the final decisions about securities in the mutual fund portfolio. In some settings, there is a career progression from Securities Analyst to Portfolio Manager. In other firms, the Securities Analyst role is seen as a senior career position on par with that of the Portfolio Manager: successful Securities Analysts become highly valued (and well-compensated) "stars". Financial services professionals with their eyes set on a portfolio management role and who enter securities analysis as a first career should understand and carefully examine the career path structures of different investment management organizations.

## **Securities Trading**

People often talk about securities "sales and trading" in one breath, as if they were really one thing. This is not the case, however. Although the functions can work closely together, they are separate and distinct. When the securities salesperson makes a sale, he or she works with a Trader in that security to carry out the transaction. But the actual buying and selling of securities is done by the Trader. The security itself can be a stock (share of equity of a company), bond (share of a company's debt), commodity (oil, gas, precious metals, corn, etc.), or other item (foreign currencies, "futures," "options," "derivatives," etc.). The Trader's job is to execute the sale at the most advantageous price, and in the process make money for the investment bank or investment management firm for whom he or she works.

Traders on the "buy side" – investment management, versus investment banking or brokerage -- work with Portfolio Managers and Analysts who are looking to buy a security they think will appreciate in value so that their firm can sell it later at a profit. Similarly, Traders working for investment banks who are trading for the bank's own account (that is, they are not executing trades for customers of the bank) buy and sell securities in the hope of making a profit for the bank in that process. One difference between the two is that investment management firms operate under certain constraints, namely, the promises they have made to the shareholders (and to the Securities and Exchange Commission) about what securities a given portfolio will hold. So a Trader may believe that a certain non-investment grade ("junk") bond or speculative stock is a great buy, but not be able to purchase it because it falls outside the realm of what is allowed into the portfolio. ("Hedge fund" Managers, who trade in the market and manage the money of very wealthy Investors, on the other hand, are allowed to take any and all risks with those funds.) The "sell side" Trader who is trading for the bank does not operate under these constraints.

Some Traders execute trades requested by customers of the bank who want to buy or sell particular securities. If the order is to buy, the Trader looks for the opportunity to do so at a price the customer specifies (or better), and if the order is to sell, the Trader looks for a Buyer who will pay the specified price. In some instances, the Buyer will be the bank itself, but for the most part the market supplies the interested purchaser.

Traders, then, have to be market-savvy, skilled in quantitative analysis, aggressive, competitive, decisive, and, above all, comfortable taking risks. They have to be able to negotiate with other Traders and "play poker" with millions of dollars in any given "hand". Traders generally enjoy the risk-taking nature of their work, and they relish pitting their intuition and knowledge against the market. Traders who like their work find it exciting and will tell you that it is not a job for the faint-hearted or for those who can't let go of their mistakes. When the market is very active, the pace is fast and furious, and the Trader has to move quickly and decisively, making a trade and then moving on to the next without worrying about the last. When the market closes at the end of the day, the good Trader tries to learn from his or her successes and errors so that the opening bell the next morning brings a clean slate. Traders who lose sleep worrying about or regretting their decisions have brief careers.

Traders who are not aggressive competitors are a rarity. There is a bare-knuckled business where only the strongest survive. As compared with investment bankers, most of whom are graduates of top MBA programs and who come with polish and "presentation," most Traders do not have MBAs, some do not have college degrees, and some (although the number is dwindling) have not even finished high school. They are simply bright, confident, competitive people who love the financial markets and making money. More particularly, they love trading and the thrill of the trading floor. When the market closes and the trades of the day are all checked out, the Trader's day is done. Unlike those who work in investment banking, those who trade limit their working hours to the time the market is open. This aspect of the career can be a major attraction.

### **Floor Trader**

Floor Traders run around the floor of an exchange (for example, the NYSE), swapping tickets and making trades. Floor Traders are responsible for locating the Buyers and connecting them with the Sellers (or connecting the Sellers with the Buyers). As prices change quickly in a turbulent market, Traders are under constant pressure to get deals executed at the prices their clients (or their employers) specify. If a Trader can't find somebody to buy or sell at a specified price, the buy or sell order won't go through, and nobody profits: not the Buyer, not the Seller, and not the Trader (or the Trader's employer), because there's no commission. Traders work during an exchange's hours of operation, usually without breaks.

### **Desk Trader**

Nasdaq is what might be called a "virtual" stock exchange, as there is no physical building where Traders meet to make deals with each other. Brokers have a "Nasdaq desk", which means they can trade on Nasdaq. That desk is actually a bank of Traders, all staring intently at their computer screens to see how the market is shaping up, speaking into several phones at once in a mad rush to find Buyers or Sellers whom Brokers or online Investors have requested. (Trades made through an online account, such as at Charles Schwab or TD Waterhouse, go directly to the Trader, bypassing the Broker.)

## **Institutional Securities Sales**

When many people think about the selling of stocks and bonds, they think of Stockbrokers -- people whose customers are individual Investors in the financial markets. We talk about Stockbrokers in the Financial Planning and Stock Brokerage profile -- page 32. Institutional Securities Salespeople, however, both work for an institution (typically an investment bank/brokerage firm) and sell securities (stocks and bonds) to other financial institutions, rather than to individuals. Their customers might be mutual fund firms such as Fidelity or Putnam, pension fund firms such as TIAA-CREF, or some other "buy-side" investment institution (such as a hedge fund, which has a small number of Investors but a large amount of money to invest).

Institutional Securities Salespeople typical broker deals in the millions of dollars, whereas Stockbrokers deal in the thousands. Customers considering making such large investments are understandably demanding, and thus an Institutional Securities Salesperson must have a great depth and breadth of knowledge about industries and financial markets. In fact, unlike individuals who sell stocks, bonds, and other investment vehicles (whether to individuals or to institutions), Institutional Securities Salespeople must pass examinations and be licensed before they can work independently. Many choose to develop expertise in one industry sector, such as transportation or telecommunications, so that their knowledge will always exceed that of their customers. Investment management firms (which sell mutual funds to the public) and pension and hedge funds all pay their Institutional Securities Salespeople -- their Fund Managers, Analysts, and Traders -- handsomely for their expertise.

Institutional Securities Salespeople also must have a great deal of sales savvy. They must use all of the techniques and strategies that salespeople use in any other field (although within the somewhat strict bounds set forth by the Securities and Exchange Commission). That is to say, they must entertain their clients and prospective clients by wining and dining them, golfing and sailing with them, taking them to sports and cultural events, buying them Christmas presents, and so forth.

**Securities Sales Representative (Broker)**

Securities Sales Representatives, or Brokers, act as intermediaries between Buyers and Sellers, making money from commissions. In some cases, such as when trading stocks, bonds, and options, they need to be registered as agents of an investment house. Brokers give advice to customers and then make deals happen. Usually they specialize in a particular type of security, such as futures, options, or bonds. Those who do well make a lot of money and may get a larger office and an assistant, but the work remains fundamentally the same. Brokers are sometimes called Dealers, Investment Advisers, Investment Counsellors, or Investment Representatives, but the work is the same.

**Branch Manager**

Senior Sales Representatives who have proven themselves on the trading floor may become Branch Managers. Branch Managers hire salespeople, fire those who don't do well, and make sure that Brokers meet sales and revenue targets. While Branch Managers make additional income in the form of commission overrides (a percentage of the commissions made by the Brokers working under them), they're responsible not just for their sales, but their office totals.

**Private Equity Investment (Including Venture Capital and Leveraged Buy-Out)**

Private equity financial services professionals arrange for the financing of businesses from non-public sources, typically from groups of private Investors and/or organizations that wish to invest in business opportunities that are not available in the public markets. Those working in venture capital firms (and venture capital areas within larger firms) seek out new companies (or business plans for new companies) that offer exceptional promise; they then participate in the funding of those ventures. Those working in leveraged buy-out (LBO) firms seek to acquire controlling interests in existing businesses whose earning potential is not being fully realized. In both cases, private equity professionals seek to increase the value of their firm's portfolio companies and then sell them, or turn them into publicly held companies at substantial profits. For those working in venture capital firms, this typically means ensuring that the portfolio company receives the funding and expert advice necessary to become a stable and competitive business. Those working in leveraged buy-out firms typically take an even more active role in the acquired company, often by introducing a new management team and making fundamental changes in the organization's structure, business processes, strategy, and policies.

Private equity financial services firms tend to be quite small compared to other types of financial services firms and are composed of highly skilled financial services experts. Recruiting tends to be done through networking rather than through more structured and public hiring channels, although the large growth of the venture capital industry over the past several years has led to some increase in formal recruiting on MBA campuses.

Entry-level positions are typically at the Analyst level, where the major responsibility is to review business plans to identify those few proposals that will be passed on to the principals of the firm for investment consideration. One may also enter the private equity industry "laterally" from related deal-oriented financial services industries such as investment banking; from management consulting; or from the managerial level in an industry that is of interest to the hiring private equity firm.

The role of the venture capital professional has been described as a cross between the "deal maker" role of the investment banker and the "business maker" role of the entrepreneur, with perhaps more emphasis on the "deal maker" aspect. The successful Venture Capitalist must, first of all, find a good deal. This often means looking over as many as two hundred potential deals in any given area before choosing one to invest in. One venture capital professional we know said, "I'm not doing my job unless I am on the telephone for most of the day". Venture Capitalists must be skilled networkers and communicators; having a "big Rolodex" is seen as a major asset in this profession. The same pressure to find the one exceptional opportunity amid many mediocre or poor ones is a part of the leveraged buy-out professional's job as well. In addition to being able to network and communicate well, the LBO professional must have sophisticated analytical skills in order to accurately value companies. He or she must also be able to understand the dynamics of a particular market and assess a company's chances of competing successfully within that market.

Once an attractive deal is identified, the private equity investment professional generally works to structure the deal with a syndicate of investment firms, the founders of the company being leveraged or invested in, and, sometimes, other early-stage Investors. He or she must help align the interests of all of these parties so that the ultimate good of the company being bought out or invested in will be served. Because these negotiations are seldom clear cut, the private equity investment professional must have a great deal of patience, perseverance, and psychological insight, as well as strong negotiation skills.

Once the deal has been structured and executed, the hardest work lies ahead: making the portfolio company succeed. Private equity professionals typically take positions on the boards of directors of their portfolio companies and help guide their management. One common misconception about the venture capital industry, however, is that the venture capital professional often takes an operating role in the portfolio company. This is, in fact, an exception to the rule. Both venture capital and leveraged buy-out firms often bring new managers to their portfolio companies, but these are typically seasoned managers who have substantial experience in operating roles within the portfolio company's industry.

## Asset Management

Asset Managers manage money—other people's money, and gobs of it. Generally, they convert that money into assets—stocks, bonds, derivatives, and other types of investments—and try to make that money make more money as fast as possible. Mutual funds, for instance, hire Asset Managers; so do corporations with lots of money sitting around, banks, and high-net-worth individuals.

Asset Managers have one simple goal: Invest other people's money wisely and profitably. Asset Managers use a combination of investment theory, quantitative tools, market experience, research, and plain dumb luck to pick investments for their portfolios, ranging from high-risk stocks to commercial real estate to cash accounts. As soon as they've picked their basket of investments, they've stuck their necks out on the block. And the ax will fall if the portfolio doesn't beat its benchmark—a peer group (competitor funds with the same investment objective), a third party index (such as the H&Q Tech Index, or the S&P 500), or a broad market index (such as the NYSE).

The work is stressful, but there's plenty of it. At the start of a new century, investment capital is flooding the market at a record rate, thanks to a decade-long bull market and the aging of baby boomers, who've finally woken up to the fact that they haven't saved a dime in 20 years.

How big is the flood? Between 1990 and 1999, the amount of capital invested in mutual funds alone rose from \$1 trillion to more than \$5.5 trillion. That's more than \$35 billion of new capital per month. And that doesn't include other forms of managed assets, such as private banking accounts, retirement funds, real estate investment trusts, or cash from rich corporations.

Wherever you find large amounts of accumulated capital, you can be sure an Asset Manager is right around the corner. Even companies such as General Motors or General Electric have their own investment experts who put cash to work until the company needs to invest in a new factory or a Madison Avenue ad campaign.

As an Asset Manager, you can't just bet your hunches. The profession requires excellent quantitative and analytical skills—if you hated statistics, you may want to look elsewhere.

But asset management isn't just a matter of adding up the numbers. It requires the organizational skills—and nerve—to make split-second decisions with millions of dollars riding on the line. And although the profession has seen tremendous growth in the last decade, it's still tough to break into, especially for those who have only an undergraduate degree. Sometimes MBAs work as Fund Managers right out of school, though more often they start as Analysts in order to prove they have the right combination of caution and chutzpah to make a great Asset Manager.

## Financial Research

Financial "research" is not the academic type—it's an analytical function that involves a good deal of number crunching. If you're adept with numbers and interested in business, this might be a good career to explore.

Financial Researchers analyze companies' financial statements and operations, report on market trends and company performance, attend or organize industry conferences, develop proprietary pricing models for financial products, offer forecasts and recommendations, and watch emerging companies.

In the investment-banking world, researchers specialize in either fixed-income research (bonds) or equity research (stocks). The work they do varies from quantitative research to economic research to individual company research. It's the researcher's job to stay on top of an industry, and to relay his or her knowledge to those who can act on it: the sales force, Traders, or Investment Bankers.

Financial research opportunities are not limited to investment banks. Mutual funds, commercial banks, venture capital firms, hedge funds, insurance companies, and pension funds all hire Researchers to analyze the marketplace and direct their investments. Large companies in various industries hire people with financial research backgrounds to work in corporate development. Quite a few Economists and other Researchers also work for various branches of government.

## Careers in Information Technology

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IT jobs break down into two general categories: back-end and front-end work. Back-end work involves supporting networks and databases. Front-end concentrates on improving the user-interface realm, such as the design and navigation of a website. Though careers in IT depend on the needs of a company, some of the more common IT jobs are described below.

### Information Systems Management

Information systems management refers to both the management of the technical system and the management of the people who operate that system. It includes those who write the code that makes up the system, those who input data into the system and run analyses, those who maintain the system in the network operations center and fix it when it crashes, those who design the architecture of the system, those who make certain that the various parts of a system can "talk" to each other, and those who manage the entire information systems operation. Professionals in this last role are sometimes called Chief Information Officers (CIOs).

Information systems management takes place in two settings: within operating companies that have one or more professionals responsible for managing the data essential for running the business; and in consulting firms that offer services in information systems. Several of the larger public accounting firms have either moved into this area of consulting or have spun off information systems consulting operations. Obviously, information systems are more critical for success in some industries than in others. In financial services, transportation, telecommunications, and some areas of the government, for example, information systems are absolutely essential. But in any industry they are an important part of a company's success. Some accounts credit the quick gathering and analysis of sales data on Tylenol with the decision not to completely kill the product (with brand name recognition worth millions of dollars) following the deaths of several people at the hands of product that had been tampered with. Had the systems to collect that information not been available, or taken weeks or months to acquire and analyze, the company might have been forced to kill the product completely, thereby losing millions of dollars.



### **Network Engineering**

Network engineering involves building and maintaining a company's back-end technology. Network Engineers implement a local area network (LAN) for intra-office communication and a wide area network (WAN) to support an Internet connection, and they make sure that all workstations, hubs, servers, routers, and switches work.

Network Administrators and Systems-Support Staff help improve a company's efficiency and output by building and upgrading employees' computers, downloading software, backing up information, setting up e-mail accounts, and so forth. "Net Admin" staff also spends a significant amount of time responding to emergencies such as hacker attacks or virus threats, troubleshooting new applications, and fielding a never-ending barrage of computer-related questions from staff members.

### **Quality Assurance**

The quality assurance (QA) team is the last line of defence against mistakes before a website or product is available to the public. They work with the Software Engineers, Systems, and Applications Programmers to find bugs that could halt a computer system. QA develops testing procedures that simulate the many ways in which a program could be used.

In Web companies, QAs check a site's features, interface, and navigation, ensuring they are bug-free and fully functional before they are posted. In computer hardware companies, QA Engineers oversee the production process, ensuring that a flawless machine is consistently assembled. In both cases, a QA Technician locates the sources of problems so Developers can remedy them before distribution.

### **Project Manager**

The Project Manager (PM) oversees the work done by members of the programming team. He or she takes on numerous responsibilities during the course of a project. The PM ensures programmers finish their assignment on time and within the specified budget. Since the team reports directly to the PM, it is his or her responsibility to make sure all members are cooperating with one another.

The project management role is part Technical Consultant, part Manager. PMs must understand all of the technical components used in the development process. They work with upper management to make the final decision on how a project advances. PMs must also be expert negotiators, have excellent communication skills, previous time management, and financial forecasting experience. Corporations say this is the hardest programming position to fill. Qualified applicants are difficult to find and many do not last through their first PM assignment. However, those individuals who can successfully work under these conditions are always in demand. Educational background is not as important as getting the job done right. That being said, many PMs have a bachelor's degree in computer science and sometimes an MBA.

### **Product Manager**

As Product Manager, you will guide a team that is charged with a product line contribution as a business unit. This extends from increasing the profitability of existing products to developing new products for the company. You will build products from existing ideas, and help to develop new ideas based on your industry experience and your contact with customers and prospects. You must possess a unique blend of business and technical savvy; a big-picture vision, and the drive to make that vision a reality. You must enjoy spending time in the market to understand their problems, and find innovative solutions for the broader market.

You must be able to communicate with all areas of the company. You will work with an engineering counterpart to define product release requirements. You will work with marketing communications to define the go-to-market strategy, helping them understand the product positioning, key benefits, and target customer. You will also serve as the internal and external evangelist for your product offering, occasionally working with the sales channel and key customers.

A Product Manager's key role is strategic, not tactical. The other organizations will support your strategic efforts; you won't be supporting their tactical tasks.

### Key Responsibilities:

- Managing the entire product line life cycle from strategic planning to tactical activities
- Specifying market requirements for current and future products by conducting market research supported by on-going visits to customers and non-customers
- Driving a solution set across development teams (primarily Development/Engineering, and Marketing Communications) through market requirements, product contract, and positioning
- Developing and implementing a company-wide go-to-market plan, working with all departments to execute
- Analyzing potential partner relationships for the product

### Requirements:

- 3+ years of software marketing/product management experience
- Knowledgeable in technology
- Computer Science or Engineering degree or work experience a strong plus
- This position requires travel to customer and non-customer sites in North America and Europe (25%)

## **E-Commerce**

### **Internet New Media/Web Design**

New Media Developers for Internet companies design, produce, and maintain the actual content of the business web site. They work either as employees for established companies, freelance consultants or owners of their own Web development businesses that provide Web design and support services to Internet companies.

Business on the Internet is a visual and audio experience where content and promotion merge to form the experience of the end user at the Web site itself. Consequently, the design and presentation of the web site is a central business concern. The New Media Designer is, ideally, someone who has a strong aesthetic sense, the instincts of an advertising professional, and the programming ability to realize his or her artistic vision in an electronic format.

All three of these elements (artistry, advertising sense, programming ability) are important and contribute to the challenge of the "Webmaster" position. New Media Designers are likely to have dominant skills in one of these areas and develop others as their careers progress. Some designers would be (or were) Graphic Artists in a non-Internet world, others would be print or radio/TV advertising designers, and still others skilled programmers with an artistic bent. The element that all have in common, as we shall see in our discussion of deeply imbedded life interests for members of this profession, is a strong need for creativity and a love of "blank page" challenges.

### **Web Production and Web Producers**

Web Producers play different roles in different organizations. In some cases, they code the text and graphics that are on a site. In other cases, they coordinate across departments to make sure a website's content works the way it's supposed to. That is, they make sure links lead where they are supposed to lead; online forms function the way the programmer intended; and everything else that's on the site works the way it was intended.

Producers coordinate between various Web developers to make sure the site supports the company's business objectives. Producers work with users to define the look, feel, and products offered through a site; coordinate between the design, content, and programming teams to make sure the site functions effectively; and track user behaviour and work with other departments to incorporate what they learn into the site's general operation. In a sense, the producer orchestrates the other developers to ensure everything works as harmoniously as possible to improve the company's business.

### **Content Development**

Content Developers often work out of the Web production department. They create the content—whether text, audio, or video clips—that visitors see when they access a website. Content Developers write, edit, shape, and

publish articles, features, and other information on a website. They also work with programmers to define and build, for instance, a salary calculator or interactive game. Often, Content Developers are responsible for the look and feel of a particular area within a site, adding information, moving information around, sending newsletters to users, and so on.

## Internet Marketing

Marketing (along with business development) has emerged as one of the driving functions of the Internet organization. The Internet marketing information below will be similar to the (non-Internet) marketing and marketing management CareerLeader® profile. But, internet marketing differs from traditional marketing due to Internet company features such as start-up environment, strong entrepreneurial cultures, the technology for "real-time" market feedback, lack of marketing training programs, limited budgets, and the demand for rapid execution of marketing programs in a business that is running on "Internet time".

The Marketer must study the behaviour of the potential consumer; identify the visual and linguistic images that will capture the attention of the consumer; use the most effective statistical modeling to help tease out patterns of buying behaviour; and lead in implementing a marketing plan. Up-to-date knowledge of technology changes that affect product/service delivery is also required.

Marketing must also work closely with the company's production or service delivery areas to ensure that product or service specifications are aligned with market demands. Marketing decisions must be informed by an understanding of the company's finances and of the costs and profits associated with a particular product or service. The marketing function is also involved in the company's long-term strategic planning and must assess factors such as the dynamics of changing markets and the potential that new business alliances may bring.

The marketing function may be split into a Product Manager and a Marketing Manager role. The Product Manager liaises between the Engineering and the Sales/Marketing departments, the person who manages product or service specifications, and technical enhancements for the end product. The Marketing Manager is focused on selling, advertising, and promoting the product.

## Internet Business Development

Business development is currently one of the most prominent functional roles in Internet companies. Alliances, joint ventures, licensing arrangements, and novel agreements to co-market products and services are at the heart of how business will be accomplished in cyberspace. The Vice President of Business Development is charged with identifying, seeking out and executing these key alliances and joint ventures before competitors arrive on the scene.

Business Developers must work closely with both Marketers and Product Developers. As feedback from initial experience in the market calls for a change in product or service design or brings the need to gain access to a new technology, Business Developers must respond with new alliance, new licensing or new acquisition plans. This rapidly shifting landscape demands the ability to be constantly alert, think creatively and act quickly.

One of the most important skill sets for a business development role is strong general business analytical experience. The ability to analyze and understand markets, market trends and the implications of developing market situations for company strategy. Internet companies are also showing a preference for individuals who have actually worked on business deals in previous work settings (many young professionals are finding that their previous investment banking (particularly mergers and acquisition), venture capital or private equity experience is being considered valuable in this regard). A definite plus after these two skill areas is a good feel for the product or service being offered and an interest in the developing technology that will shape the delivery of this product or service. A degree in technology is not required, but a willingness, and preferably a strong interest in, keeping continually abreast of the technology related to your business is essential.

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# Careers in Marketing

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## Marketing and Marketing Management

All businesses must have a strategy and a process for the marketing of their products or services, and all but the very smallest must have professionals dedicated solely to this function. Marketing, along with sales, production, and finance is one of the core functional areas in most companies. Many businesses, including some of the largest in the world, rely on marketing strategy to drive company profits. Executives working in this function take a prominent place among the senior management of any business organization. In fact, in many "marketing driven" companies, such as large consumer-products companies, the most senior General Managers typically advance to their positions from the marketing function.

Some companies define marketing positions broadly, encompassing everything from market research and strategy to advertising, promotions, and public relations. Other companies have large marketing departments, with marketers dedicated to one of these roles. And still other companies contract out many marketing functions to firms that specialize in advertising, public relations, and market research. What follows are descriptions of some common marketing roles.

The marketing function interfaces with a company's other major business functions. Marketing strategy will determine the company's sales strategy and the allocation of sales resources, for example. Marketing must also work closely with the company's production or service delivery areas to ensure that product or service specifications are aligned with market demands. Marketing decisions must be informed by an understanding of the company's finances and of the costs and profits associated with a particular product or service. The marketing function is also involved in the company's long-term strategic planning and must assess factors such as the dynamics of changing markets and the potential that new business alliances may bring. Given the scope of business concerns that the marketing function is involved in, it is often thought of as a "microcosm" of the entire business enterprise. Marketing Managers must have strong skills in business analysis and a broad-based appreciation for business as a whole. Experience in this discipline is thus seen by many to provide the best training for a general management role.

The job of the marketing professional is to ensure that a company's products or services become the consumer's top choices in the marketplace. The marketer must therefore be many things: a Psychologist who studies the behaviour of the potential consumer; an Artist who can identify the visual and linguistic images that will capture the attention of the consumer; an Analyst who is able to use the most effective statistical modeling to help tease out patterns of buying behaviour; and a Manager who can lead a team of marketers and professionals in other functional areas in implementing a marketing plan.

Marketing professionals often develop strengths in specialty areas such as marketing research, marketing strategy, and creativity (as it relates to language and imagery associated with a product), or in general management. Some approach marketing as an extension of sales, using direct interaction with customers and the intuition they've developed by working "in the field" to inform their decisions. Others rely on sophisticated analyses of market dynamics to guide their marketing plans. Still others combine both approaches.

Sometimes different marketing styles can lead to specific careers within the field. Professionals with a more analytical approach to the discipline may gravitate toward roles such as Director of Marketing Research. Those who like to combine both a sales approach with analysis may head for a position as Vice President of Sales and Marketing. The more creatively inclined may choose to work with advertising firms or actually join an advertising firm. The point is that the marketing role is quite multi-faceted.

People enter marketing careers in different ways. Entry-level positions are available to individuals with Business or Liberal Arts undergraduate degrees, or to those who have had sales experience. Both analytical ability and creativity are key skills for entry-level positions. For mid-level and higher marketing management positions in larger organizations, an MBA degree is quite valuable, since most MBA programs provide coursework in two areas that are important in marketing: strategic planning and organizational behaviour.

## Product Marketing

Product Marketing is typically defined as the group that plans the go-to-market strategy, responsible for launch planning, determining appropriate vehicles for awareness and lead generation, and providing product content to marketing communications and the sales channel.

Typically, 54% of Product Marketers report to a Director of Marketing, although 32% report to a VP.

Product Marketers spend the majority of their time delivering product content in support of the sales effort. Product Marketing is heavily involved in positioning and market messages, defining a marketing plan, and creating the collateral and sales tools. Few Product Marketing Managers spend time on operational metrics, making buy/build/partner decisions. In effect, product marketing is less about defining the product and more about delivering it to market.

Yet 58% of Product Marketing Managers are responsible for writing market requirements, a job typically associated by the title of Product Manager. See the following website for insight into salaries in Product Marketing in Canada. <http://www.pragmaticmarketing.com/publications/survey/annual-product-management-and-marketing-survey/?searchterm=survey>

## Brand Management

Brand management is the key function in the consumer-products industry. Traditionally considered the best training ground for people interested in long-term marketing careers, leading consumer-products companies such as Procter & Gamble, Clorox, and General Mills are often compared to Ivy League colleges because of their rigorous admission standards and strong training programs.

Brand Managers assume responsibility for a brand or a brand family. They might be likened to small business owners, but that isn't an accurate comparison because they rarely need to get their hands dirty in day-to-day operations. Instead, they focus on the big picture: distilling the brand's essence, mapping out the competitive landscape in the brand's category, identifying market opportunities, and communicating (through a public relations agency or advertising firm) the unique benefits the product delivers to consumers.

Although they usually don't undertake heavy-duty research themselves, Brand Managers guide market-research studies by setting the agenda and criteria and by choosing stimuli, such as product-benefit statements, pictures, product samples, and video clips. Once the research is complete, Brand Managers analyze the data that's been collected and develop a marketing strategy—a short-term business plan for the brand. The strategy may call for a new ad campaign or new products or it may outline a bold new vision for the brand. Brand Managers then ensure that other functions (promotions, market research, research and development, and manufacturing) are working in concert to implement the strategy they've articulated.

In a consumer-products company, successful performance in entry-level staff roles can lead to the Assistant Brand Manager role. The Assistant Brand Manager works under a Brand Manager who has ultimate responsibility for the marketing of a particular product. Brand Managers are similar in many ways to General Managers, in that they have profit-and-loss responsibility for the product and, in the case of a high-revenue product, management responsibility for a large team dedicated to that product, as well. The Brand Manager can move on to various titles, such as Group Manager, in which he or she has responsibility for the overall management of a group of related products. From there, he or she may go to various general management positions that involve running whole business areas within the company. Ultimately, the marketing professional can assume the most senior management position with the company itself.

Professional titles and specific roles in marketing may vary, depending on the organization. In non-consumer product companies, for example, the title comparable to Brand Manager may be Product Manager. In some manufacturing environments, the Product Manager is quite involved with the manufacturing process itself and is often the one who "shepherds" the product from conception to marketplace. In certain firms with highly technical



products, Product Managers must have a technology background, even an engineering or computer sciences degree. In other such firms, technical background is not as important as general analytical and management expertise. If you have an engineering or computer-related degree and genuinely enjoy technology but are interested in a marketing career, you will have a competitive advantage as a Marketer in a technology-oriented organization. But if you do not have a technical degree and most of the Product Managers and Senior Managers in the company you are considering do, think carefully about whether there will be enough career advancement opportunity for you there.

## Market Research

For a company to capture a market, it first must understand that market. Whether the intended target for the product is individual consumers or businesses, the company must know what motivates consumers, what their needs and purchasing habits are, and how they view themselves in relation to the rest of the world.

Market Researchers use surveys, studies, and focus groups to collect data on a brand's target. Some companies have their own market-research divisions. Others hire specialized firms to conduct research for them. Ideally, Market Researchers should have both qualitative and quantitative analytical ability because their job depends on gathering data from human subjects, besides crunching numbers and interpreting the results.

Businesses use the information that Market Researchers gather in various ways. They may organize a focus group to find out what consumers think about a new product, to test the effectiveness of an advertising campaign, or to find out how people use a website. Alternatively, they may commission a survey of 1,000 middle-income households to find out what people are willing to spend on an environmentally friendly dishwashing liquid.

Ideally, Market Researchers should have both qualitative and quantitative analytical abilities, because their jobs depend on gathering data from human subjects as well as crunching numbers and interpreting the results. A background in psychology or statistics may be required for market-research positions.

## Business Development

Business development (also known as biz dev) is exactly what it sounds like: it involves figuring out how to build or develop a business. You can find business development jobs in all industries—at start-ups as well as established, bricks-and-mortar companies. What the work entails depends on how established a company is and on its business model.

Business development people constantly ask: "What ten things will have the biggest positive impact on my company's business, and how can we make them happen"? Their objective is to expand the market reach, revenue, or membership base of their companies in ways that make the most of their companies' resources and capabilities. Biz dev executes the company's strategy by "doing deals" with complementary businesses. Exactly what that means varies from company to company. A deal might be a co-branding initiative, a technology- or content-licensing arrangement, an e-commerce partnership, or some combination of the three.

Business development involves varying degrees of sales and strategy. In some companies, business development people may focus on getting new corporate sales accounts, while in others they may lead new product development. At larger companies such as AOL Time Warner, Cisco, or Microsoft, one of their many responsibilities may be to decide which smaller companies the company should acquire next to ensure that it retains its market strength in the future.

Working in business development is an excellent way to become adept at business strategy while gaining hands-on experience in negotiating deals and managing partner relationships. Business development jobs are also highly cross-functional, requiring close collaboration with various internal and partner-company teams such

as sales, engineering, and marketing to ensure that a deal is consummated. With its focus on strategy, biz dev steers the direction of a company—the deals forged today determine what the rest of the company will be working on tomorrow.

## Advertising Account Management

Advertising professionals fall into two categories: the "creatives" and the Account Managers (sometimes called the "Account Executives"). "Creatives" dream up the ideas for advertising campaigns that companies use to persuade people to buy their products and services. Account Managers are the people within an advertising agency who are responsible for maintaining the relationships with client companies and working as liaisons between the client (the "account") and the "creatives". If the client approves the preliminary advertising idea, the Account Manager works with the agency's "creatives" as well as with photographers, filmmakers, and related professionals, in producing the finished advertisement. Meanwhile, the Account Manager remains in touch with the client, smoothing disagreements and reassuring them that the campaign will be successful in boosting sales.

This process is fraught with tension. An advertising campaign can be a huge expense for a client and to some extent can make or break a product or even the business itself. The people in the client company (often the Product Marketing Managers) who have approved the ad campaign have a lot at stake, as does the advertising agency itself. One agency executive likened the client/agency advertising team to a group of people all roped together, jumping out of an airplane and hoping the parachute opens. The Account Manager frequently must act as a group Psychiatrist, smoothing relations between the creatives, who often bring both artistic sensibility and sensitivity, and Product Managers, whose ownership of the product gives them both power and high anxiety. The Account Manager also acts as a Translator, communicating the client's wishes and helping the creatives hone their many ideas down to one or two that they then present to the client. At the senior level, Account Managers will also "pitch" advertising ideas to new firms whose business they hope to gain.

## Public Relations and Communications

All organizations need to effectively communicate their mission, initiatives, goals, and important events both internally to employees and externally to customers, business partners, and the general public. Keeping a company's image, brand recognition, and reputation positive and in the public eye is a key part of an organization's overall business strategy. All but the smallest of organizations thus need to have a coherent public relations strategy. The Director of Public Relations (PR) or Communications does the following: plans and delivers press releases, conferences, other media events, and newsletters to internal and external constituencies; represents the organization at industry conferences; responds to inquiries from the press and public concerning the organization's activities; monitors the media for information about or relevant to the organization; responds to media reports about the organization when appropriate; and anticipates events that are likely to draw attention to the organization and its activities.

Public Relations personnel manage communications with the media, consumers, employees, Investors, or the general public. They are the spokespeople for their own company or for client companies, if they work for a public relations firm. They may write press releases to promote new products or to inform the investment community of financial results, business partnerships, or other organizational news. If they're in media relations, they may respond to information requests from journalists, pitch stories to the media, or even ghostwrite op-ed pieces about the company. In general, the goal of the public relations specialist is to portray the company in a flattering light, publicize its products and services, uphold its public image in a crisis, and generate positive buzz around its business and corporate practices.

Internally, the communications/public relations professional plays a key role in keeping employees informed about company activities and inspired to achieve company goals. This is accomplished by publishing internal newsletters and holding employee information sessions and other events. Smaller or more financially



constrained organizations may out-source much of the communications/public relations function to consulting firms. Even the largest organizations typically call on external public relations firms for events planning or other specialized services. Professionals in this field may therefore work within a company's internal communications/public relations department, in a communications consulting firm, or as a Director of his or her own consulting business. Typically, a PR professional first works for a company under the tutelage of more senior officers and then becomes an independent consultant, either with or without partners.

## Marketing Consulting

Several consulting companies have practices, which specialize in consumer product/marketing oriented work. There are also some consulting firms doing exclusively marketing projects (ZS Associates). As a Consultant, expect to aid companies with market entry strategies, product positioning studies, and market segmentation analysis. The work is more strategic and less tactical than as a Brand Manager. You will be doing research and making recommendations. Your assignments will be shorter and will span a variety of industries. Large consultancies recruit on campus; an independent job search is required for smaller firms.

### Skills needed to succeed in marketing

You need to be a leader and motivator, able to work with or lead a team, be a creative problem solver, have good communication, interpersonal and analytical skills, and be an action-oriented initiator. Brand companies will want you to demonstrate creativity and an interest in their product. They will want you to be capable of running a business and being a good General Manager. Consulting positions will be less concerned with marketing creativity. They will want you to show skills in strategic thinking, intellectual curiosity and analytical aptitude.

### Lifestyle

Most marketing positions will require a 50-65 hour week. Some travel is required to visit ad agencies or go into the field for sales training. Many companies have casual dress. You will often be running cross-functional teams with members from other departments who are much more senior to you in age and tenure at the company. Companies have different titles, but you will typically spend two to four years as an Assistant Brand Manager before promotion to a Brand Manager and then a Group Director.

## Careers in Strategic Management

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### Consulting

#### Industry Overview

So, you want to be a Consultant? Or, more likely, you think you'll spend a few years as one and then move on to other things. You're not alone—there are more than 250,000 Consultants in the U.S. Consulting firms are traditionally among the largest employers of top MBA and college graduates, and they are an attractive alternative career option for people who've toiled in industry for a number of years.

Consulting is a high-paying, high-profile field that offers you the opportunity to take on a large degree of responsibility right out of school and quickly learn a great deal about the business world. It's also a profession that will send you to the far corners of the country—and leave you there for days and weeks on end while you sort out tough questions for a client that's paying your firm millions of dollars.

In essence, Consultants are hired advisors to corporations. They tackle a wide variety of business problems and provide solutions for their clients. Depending on the size and chosen strategy of the firm, these problems can be as straightforward as researching a new market, as technically challenging as designing and coding a large

manufacturing control system, as sensitive as providing outplacement services for the HR department, or as sophisticated as totally rethinking the client's organization and strategy.

Management Consultants must be skilled at conducting research and analyzing it. Research means collecting raw data from a variety of sources including the client's computers, trade associations in the client's industry, government agencies, and, perhaps most importantly, surveys and market studies that you devise and implement yourself. It also means interviewing people to gather anecdotal information and expert opinion. The interviewees may be anyone, from industry experts to the client's top executives to the client's lowest-level employees. All this data must then be analyzed, using tools from spreadsheets to your own brain. The idea here is to spot behaviour patterns, production bottlenecks, market movements, and other trends and conditions that affect a client's business.

Your ultimate job is to improve the client's business by effecting changes in response to your analysis. That's the hard part, because it involves convincing the client to accept your recommendations, often in the face of opposition from client executives who resent outsiders upstaging them with the boss or resistance from company employees who have something to lose from change. To succeed you'll need excellent people skills and the ability to put together a persuasive PowerPoint presentation. Finally, you'll need the ability to handle disappointment if your solution fails or the client decides not to even try implementing it.

One good thing about the advice business: Companies always seem to want more. As evidence, the consulting industry has been on a sustained growth binge for well more than a decade. One other thing about the consulting business: The product really is the people, and firms compete on the basis of who's the smartest and the hardest working. As a result, each firm wants to hire the best and the brightest. If you're one of them—you probably know if you are—you'll have a good shot at landing one of these competitive jobs.

### **Current Trends**

Consultants and their clients are in a state of constant change. The typical client now requires more sophistication from its Consultants' in-house skills and is more demanding in its requirements. For example, some clients now possess in-house strategy groups and have clear ideas of what their business means and the direction in which to head. This increased sophistication means a number of new developments in the industry, which in turn will impact your decision to enter the industry.

### **Specialization**

Until recently, the conventional wisdom at firms like McKinsey was to develop generalists who applied their learning across industries and geographies. That strategy is evolving. Clients increasingly demand that Consultants come in with prior knowledge of their industry. While most of the larger firms still hire generalists, they now ask Consultants to specialize earlier in their careers, often only two or three years after starting at the company. They sometimes also hire industry experts who might follow different (and possibly accelerated) career tracks than typical Consultants.

Outside of the large consulting firms, more boutique consultancies are springing up. These boutiques have as few as two or three employees (and as many as 150 or so) and offer highly specialized expertise, for example consulting to the telecom industries, or providing expertise in marketing. Some of these firms are created by laid-off consultants or by those disaffected by recent mergers.

### **Implementation**

Many clients no longer want to pay for mere strategic musing. Hence, many strategic consulting firms now stay on to ensure implementation of their recommendations. That is, clients want the strategic recommendation to contain an implementation plan – a roadmap to put the strategy into play – and they often want the Consultants to be available for the implementation, at the very least by phone and more often on a part-time basis on the client site.

Of course, differences prevail. Strategy Consultants lack powerhouse information technology skills, and systems players have a hard time convincing clients they can think “outside the box.” But the success of strategy/systems hybrids like Booz Allen Hamilton suggests that convergence adds a successful competitive

advantage – which means more competition for all consulting firms. Web consultancies have had an especially difficult time in convincing clients that they have the same implementation capabilities (or even the same strategic skills) as larger and more established competitors, as evidenced by the bankruptcy declarations of web consulting firms like Scient.

### **Cyclical nature**

Consultants like to estimate future revenues for other industries. As a result, speculation abounds about the consulting industry's own revenues. In the late 1990s, aggressive penetration of emerging markets by corporations (where Consultants assess new markets) and rapid changes in client industries (privatization, IT changes, and globalization) were responsible for the marked growth in consulting.

But as the ultimate service industry, consulting depends heavily on the prospects of large corporations. Though global recessions create many issues for Consultants to address, companies tend to cut outside costs (including Consultants) when budgets are lean, which makes consulting companies vulnerable to layoffs and cost cutting.

The rough economy of 2001-2002 was not kind to consulting firms. Growth among the 50 largest firms, after exceeding 20 percent per year in the late 1990s, slumped to a piddling 2 percent in 2001, according to Kennedy Information's Consulting News. These numbers reflect the fact that consulting spending has decreased as of late. Companies spend less on consulting budgets, so projects are smaller and the competition to get projects is fierce. In addition, recently there have been fewer pure strategy projects on the market. This is because among consulting projects, strategy projects are considered a luxury, unless a company really needs to turn things around.

Despite this recent downturn, it's safe to say that consulting will never disappear — it will simply shift in emphasis. In the 1980s, business process reengineering was all the rage. Growth projects in strategy and IT kicked off the 1990s, and the e-business boom hit in the late 1990s. Pundits haven't yet agreed upon the next great consulting trend, but it may be turnaround consulting. During economic downturns, consulting firms frequently attract distressed clients who need advice to cope with their economic situation.

### **Consulting, or Outsourcing?**

When is someone who's called a Consultant and employed by a consulting firm not actually a Consultant? Traditionally, consulting firms offered client companies business advice. In the 1990s, many firms moved away from advice and towards system implementation—in which, in addition to advice, the Consultants helped install new systems and integrate them with clients' existing systems. Now consulting firms are moving even further away from the traditional definition by relying increasingly on outsourcing for revenues. This model sees consulting firms taking on specific business functions like IT and HR for client companies. Firms like Accenture, Cap Gemini Ernst & Young, and IBM are seeing major growth in these offerings.

### **Business Process Outsourcing: reliable, but no golden goose**

The number of clients willing to pay for elaborate strategic projects is dwindling – but consulting firms need to keep revenue high. Public firms also need to show consistent revenue growth, lest their stock tank. One specialty that offers the possibility of this revenue growth is Business Process Outsourcing, or BPO.

BPO is the practice of outsourcing a non-core capability – for example, human resources services, call centers, treasury services, or training employees how to use Access. For example, General Motors outsources its travel expenses and corporate card charges – massive in a 100,000 person company – to a travel specialist. One of the largest outsourced capabilities is printing. In 2001, printing services represented a \$150 billion dollar market, according to CFO Magazine. Since most companies don't want to run their own printing plants, they hire a Consultant to help outsource their non-core services. Consulting firms determine what needs to be outsourced in a company, locate the appropriate providers and manage the process for clients. Accenture is an example of a firm that launched a major business endeavour into outsourcing. (For those of you enthralled by consulting history, the Mitchell Madison Group, a McKinsey offshoot, made its name in BPO before being acquired by USWeb/CKS in June 1999. Web consultancy USWeb/CKS rebranded itself as MarchFIRST but subsequently went out of business in 2001).

BPO is a growth field, but it's not a particularly profitable field. It's a service line that doesn't offer as much room for differentiation, meaning more competition for BPO clients and lower profits. Furthermore, Consultants tend to find BPO assignments tedious.<sup>1</sup>

### **How It Breaks Down**

Even though there are thousands of consulting organizations across the country, these firms can be tough to get a handle on. Why? Most are privately held, work directly with other businesses rather than with your average consumer, and tend to be intensely private about the names of the clients they work with and the actual work they do. Nevertheless, if you want to get a job in the industry, you're going to have to know which firms do what and be able to say in clear and convincing terms why French vanilla is oh-so-much-better than vanilla with little specks of vanilla bean sprinkled throughout.

To help you understand the consulting landscape, we've divided the industry into six different categories: the industry elite, the Big Five, boutiques, information technology (IT) consultancies, human resources specialists, and the independents. Most players in the industry belong to one or more of these categories.

### **Industry Elite**

The rich and famous of the consulting world. These companies focus on providing cutting-edge strategy and operations advice to the top management of large corporations. They generally hire the best candidates from the best undergraduate, MBA, and other graduate programs. Slackers need not apply. Players in this group include: A.T. Kearney, Bain & Co., Booz Allen Hamilton, the Boston Consulting Group, McKinsey & Co., Mercer Management Consulting, and Monitor Group, to name a few.

### **Big Four**

These were the consulting operations of the Big Five accounting firms, all of which—except for Deloitte Consulting—were spun off and/or sold. Although these firms provide some of the same strategy and operations advice as the elite, they tend to put a stronger emphasis on implementation work, particularly in the IT world. The players are Accenture, Deloitte Consulting, Cap Gemini Ernst & Young, BearingPoint (formerly KPMG Consulting), and IBM Business Consulting Services (formerly PricewaterhouseCoopers Consulting). Four of the Big Five (now referred to as the Big Four with the demise of Andersen) got out of the consulting business, partly because of SEC concerns over possible conflicts of interest, which have led to overly rosy audits of firms that are consulting clients of the accounting firm performing the audit. This was an issue in Andersen's dealings with Enron.

### **Boutique**

Firms that specialize along industry or functional lines. Although often smaller, these firms may have top reputations and do the same operations and strategy work the elite firms do, but with more of an industry focus. Representative players include: Advisory Board Company and APM (health care); Corporate Executive Board (cross-company research); Marakon Associates (strategy), Oliver Wyman (financial services); MarketBridge, formerly Oxford Associates (sales); PRTM (high-tech operations); Strategic Decisions Group (decision analysis), Roland Berger Strategy Consultants (strategy and operations); Braun Consulting, formerly Vertex Partners (strategy).

### **IT**

Although Internet consulting firms have suffered in the past, Information Technology Specialists can still find jobs in the consulting world. The technology practices of the Big Five and Big Five-related firms (Accenture, Deloitte Consulting, Cap Gemini Ernst & Young, BearingPoint, and IBM Consulting Services) have slowed but not disappeared, and tech giants such as IBM have snatched up struggling e-consultancies (Mainspring in this case), not to mention one of the Big Four (Pwc Consulting was gobbled up by IBM in 2002). IT consulting focuses on providing advice, implementation, and programming work on issues related to computer systems, telecommunications, and the Internet. Representative players include American Management Systems, Computer Sciences Corp., DiamondCluster, EDS, and the current and former Big Four-related firms.

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<sup>1</sup> Chung, Eric, Slepicka, Jim and the staff of Vault. [Vault Career Guide to Consulting](#). New York: Vault Inc, 2002.

## **Human Resources**

This area of consulting focuses on personnel issues such as employee management and evaluation systems, payroll and compensation programs, pensions, and other benefits programs. Representative firms include The Hay Group, Hewitt Associates, William M. Mercer, Sibson & Co., Towers Perrin, and Watson Wyatt Worldwide. In addition, several of the Big Four firms have practices devoted to this area.

## **Independents**

One-man or one-woman shops. By sheer numbers, independent Consultants far outnumber the larger firms—fully 45 percent of all consultants are reported to be independents. They typically have some sort of industry or functional specialty and get hired on a project basis. If you have an MBA and several years of useful and topical business experience, there's no reason not to hang out a shingle yourself.

## **Consulting Versus Other Business Careers**

### **Investment banking**

A lot of undergraduates and MBAs ask the “consulting or banking?” question. There are similarities between the two careers – including the high pay, long hours, and client focus – but the two tracks are very different.

It is very difficult to describe investment banking in a paragraph or two, but we'll take a shot at it anyway. In short, investment banks help companies raise money. Companies need money (capital) to grow their businesses, and investment banks sell securities (stocks or bonds) to public Investors in order to generate these funds. Investment banks might also help a company to merge its assets with that of another company, manage and invest the money of wealthy individuals or institutions, or buy and sell securities to make money for itself.

One advantage of investment banking over consulting is pay. New Analysts can make \$60,000 to \$70,000 in their first year, while MBA-level Investment Bankers can make \$150,000 to \$200,000 in total compensation for their first year. Bonuses often sweeten the pot. Another very attractive feature of investment banking is that the work is very high profile. Since all of the deals become public, the work your team does will make it in The Wall Street Journal and other publications. For example, if you work for Merrill Lynch and you help TechCo go public, you might read in the newspaper how Merrill Lynch was the “lead underwriter” for TechCo's IPO. Investment banking suits the deal-driven person, one who works off of adrenalin and gets a personal thrill out of chasing and closing a deal. Banking is more heavily quantitative on a regular basis than consulting, though quantitative skills are important for both fields.

The biggest disadvantage is that on average, the hours in investment banking (especially at the junior levels) can be very long. How long? Try 100 hours a week as a realistic possibility. That means working 15 to 18 hours a day and frequent all-nighters. The hours are also less predictable than those of consulting, in general. Deals close or change at a moment's notice. The work tends to be much less flexible for employees with special scheduling needs – parents, for example. On the bright side, investment banking careers require less travel than consulting careers.

## **Consulting Categories**

The types of consulting that firms offer can be divided into five general categories: strategy, operations, information technology, e-business, and human resources. An additional category is boutique consulting, which reflects size (small) and focus (narrow). These categories often overlap, and most consulting firms offer multiple areas of consulting. Clients can now hire one firm, not several, to formulate overall strategy, review operational efficiency, and implement technology solutions.

### **Strategy Consulting**

Strategy consulting aims to help a client's senior executives (for instance, the CEO and Board of Directors) understand and face the strategic challenges of running their company or organization. Strategy Consultants

work with the client's most senior management, since senior management sets a company's strategy and long-term plans.

Historically, strategy consulting firms made their recommendations, presented a "deck" (a report detailing the issues and recommendations), and walked away. Increasingly, however, clients expect Strategists to stick around and implement their suggestions. Consequently, more consulting firms now tout their implementation capabilities. This implementation often involves Internet applications, or what Consultants tenderly call "e-consulting."

**Examples of typical strategy consulting engagements:**

- Analyzing why a clothing retailer generates lower sales per square foot than its competitors
- Understanding why Broadway theatres keep losing money and how the theatres can reposition themselves to profit most from new markets
- Positioning a snack manufacturer to enter China, determining types of snacks most wanted, and assessing the market's willingness to pay for snacks
- Determining the value of a PC manufacturer on a stand-alone basis and suggesting possible acquirers to help divest itself of non-core businesses

**Leading strategy consulting firms include:**

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>▪ Bain &amp; Company</li> <li>▪ Boston Consulting Group</li> </ul> | <ul style="list-style-type: none"> <li>▪ McKinsey &amp; Company</li> <li>▪ Monitor Group</li> </ul> |
|---|---|

**Operations Consulting**

Operations Consultants examine a client's internal workings, such as production processes, distribution, order fulfillment, and customer service. While Strategy Consultants set the firm's goals, Operations Consultants ensure that clients reach these goals. Operations Consultants investigate customer service response times, cut operating or inventory backlog costs, or look into resource allocation. They improve distribution, heighten product quality, or restructure departments and organizations (a specialty of the "re-engineering" craze of the early 1990s).

Unlike Strategic Consultants, who tend to hand off their findings and leave, Operations Consultants generally assist in assuring implementation of their suggestions. Major consulting firms now offer both strategic and operations services.

**Examples of typical operations consulting engagements:**

- Streamlining the equipment purchasing process of a major manufacturer
- Determining how a restaurant chain can save on ingredient costs without changing its menu
- Working with a newly-merged commercial bank to increase its customer response efficiency
- Creating a new logistical database for a tire manufacturer

**Leading operations consulting firms include:**

- Accenture
- Cap Gemini Ernst & Young
- Deloitte Consulting

**Information Technology Consulting**

Information Technology (or "IT") Consultants help clients achieve their business goals. IT Consultants (also called systems consultants) work with corporations and other clients to understand how they can best leverage technology for the organization. They design custom software or networking solutions, test for system and program compatibility, and ensure that the new system is properly implemented.

Most IT Consultants, by definition, boast sharply honed technical skills. But IT solutions must be implemented as an overall part of a business solution. Otherwise, clients are sure to scream for cost-justification and/or fire their IT department heads for wasting money when solutions start to fail.

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### Examples of typical IT consulting engagements:

- Testing an investment bank's vulnerability to hackers
- Converting a commercial bank's mainframe system into an Oracle-based client-server environment
- Implementing a firewall for a retail chain's customer service servers
- Upgrading a major law firm from a word processing application to an operating system
- Troubleshooting on a major SAP software installation (software used by companies to manage accounting, personnel, inventory and other issues)

### Leading information technology firms include:

- American Management Systems
- Accenture
- Cambridge Technology Partners
- Computer Sciences Corporation
- Electronic Data Systems

### E-consulting

The Internet is still a revolution. E-consultants concern themselves with solving problems connected with electronic business (or e-business) and electronic commerce (e-commerce) on a widespread basis. E-business refers to any kind of business conducted online, whereas e-commerce specifically involves a transfer of monetary funds over the Internet.

E-consulting began as web consulting, which involved mostly front-end design work: programming, graphic design, and prototypes. With the proliferation of dot-coms, almost all consulting companies now offer a wider range of services: e-commerce, B2B, valuations, branding, marketing, and so on.

Pure-play e-consulting firms have taken a massive beating. Many, like MarchFIRST, are gone; others, such as Razorfish, are probably not long for the business world. Still others, like Sapient, have hunkered down and are waiting for the next tech upturn.

### Examples of typical e-consulting engagements:

- Transforming a department store's online ordering systems
- Creating online catalogues for a mail order company
- Advising a mutual fund company on how to provide its clients with access to account information online

### Leading e-consulting firms include:

- Digitas
- Razorfish
- Sapient<sup>2</sup>

## Job Prospects

Consulting is not the kind of industry where work is steady, despite the unusually lengthy period of job growth throughout the '90s. The downturn in the economy that hit when the Internet bubble burst left consulting firms bigger than ever and stranded on the beach—this is consulting speak for any period of time during which a Consultant is not staffed on a project. After years of heady growth, revenues in the consulting industry were flat until 2001, with some firms rescinding offers and others postponing start dates.

However, firms indicate they still plan on hiring undergrads, MBAs, and experienced Consultants. But getting an offer won't be easy. Expect competition to be fiercer than ever as the best and brightest, and everyone in between, clamber for open positions. Those with flexibility have the best chances. While IT consulting has stepped to the sidelines, emerging industries such as biotechnology and mobile commerce are replenishing firms' portfolios. As these fields grow, positions for non-MBAs, particularly those with a science background, may become more in demand.

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<sup>2</sup> Chung, Eric, Slepicka, Jim and the staff of Vault. Vault Career Guide to Consulting. New York: Vault Inc, 2002.

## Major Players

### Ranking Methodology

The Vault consulting survey keeps getting bigger and better. For the 2008 edition of the Vault Guide to the Top 50 Management and Strategy Consulting Firms, we selected a list of top consulting firms to include. These consulting firms were selected because of their prominence in the consulting industry and their interest to consulting job seekers. This year, over 2,700 consultants responded to the survey.

The Vault survey was distributed through the firms on Vault's list in the spring and summer of 2008. In some cases, Vault contacted practicing consultants directly. Survey respondents were asked to do several things. They were asked to rate each consulting firm on the survey on a scale of 1 to 10 based on prestige, with 10 being the most prestigious. Consultants were unable to rate their own firm. They were asked only to rate firms with which they were familiar.

Vault collected the survey results and averaged the score for each firm. The firms were then ranked, with the highest score being No. 1, all the way to No. 50.

We also asked survey respondents to give their perceptions of other consulting firms besides their own. A selection of those comments is featured on each firm profile as "The Buzz".

Remember that Vault's Top 50 Management and Strategy Consulting Firms are chosen by practicing consultants at top consulting firms. Vault does not choose or influence the rankings. The rankings measure perceived prestige (as judged by consulting professionals) and not revenue, size or lifestyle.<sup>3</sup>

2008 RANK	FIRM	SCORE	2007 RANK	HEADQUARTERS/ LARGEST OFFICE
1	<a href="#">McKinsey &amp; Company</a>	8.427	1	New York, NY
2	<a href="#">The Boston Consulting Group</a>	8.037	2	Boston, MA
3	<a href="#">Bain &amp; Company</a>	7.809	3	Boston, MA
4	<a href="#">Booz Allen Hamilton</a>	6.600	4	McLean, VA
5	<a href="#">Monitor Group</a>	6.392	5	Cambridge, MA
6	<a href="#">Mercer Management Consulting *</a>	6.236	6	New York, NY
7	<a href="#">Mercer Oliver Wyman **</a>	6.052	7	New York, NY
8	<a href="#">Deloitte Consulting LLP</a>	5.856	10	New York, NY
9	<a href="#">Mercer Human Resource Consulting</a>	5.742	8	New York, NY
10	<a href="#">The Parthenon Group</a>	5.604	9	Boston, MA
11	<a href="#">IBM Global Services</a>	5.564	13	Armonk, NY
12	<a href="#">Gartner, Inc.</a>	5.492	16	Stamford, CT
13	<a href="#">L.E.K. Consulting</a>	5.463	11	Boston, MA / London
14	<a href="#">Accenture</a>	5.403	15	New York, NY
15	<a href="#">A.T. Kearney</a>	5.388	14	Chicago, IL

<sup>3</sup> [http://www.vault.com/nr/consulting\\_rankings/consulting\\_rankings.jsp?consulting2008=2&ch\\_id=252](http://www.vault.com/nr/consulting_rankings/consulting_rankings.jsp?consulting2008=2&ch_id=252)



16	<a href="#">Katzenbach Partners LLC</a>	5.336	19	New York, NY
17	<a href="#">Marakon Associates</a>	5.252	12	New York, NY / London
18	<a href="#">Towers Perrin</a>	5.219	20	Stamford, CT
19	<a href="#">Mercer Delta Organizational Consulting</a>	5.193	NR	New York, NY
20	<a href="#">Roland Berger Strategy Consultants</a>	4.935	17	New York, NY / Munich
21	<a href="#">Cambridge Associates LLC</a>	4.854	23	Boston, MA
22	<a href="#">Capgemini</a>	4.845	27	New York, NY / Paris
23	<a href="#">Hewitt Associates</a>	4.827	18	Licolnshire, IL
24	<a href="#">ZS Associates</a>	4.816	28	Evanston, IL
25	<a href="#">Watson Wyatt Worldwide</a>	4.776	21	Arlington, VA
26	<a href="#">AlixPartners</a>	4.738	NR	Detroit, MI
27	<a href="#">NERA Economic Consulting</a>	4.726	22	White Plains, NY
28	<a href="#">BearingPoint Inc. Management &amp; Technology Consultants</a>	4.717	32	McLean, VA
29	<a href="#">Navigant Consulting, Inc.</a>	4.694	31	Chicago, IL
30	<a href="#">CRA International, Inc.</a>	4.638	24	Boston, MA
31	<a href="#">Gallup Consulting</a>	4.597	40	Washington, DC
32	<a href="#">Lippincott</a>	4.586	NR	New York, NY
33	<a href="#">PRTM</a>	4.573	43	Mountain View, CA / Waltham, MA
34	<a href="#">Giuliani Partners LLC</a>	4.547	42	New York, NY
35	<a href="#">LECG</a>	4.526	29	Emeryville, CA
36	<a href="#">Kurt Salmon Associates</a>	4.509	36	Atlanta, GA
37	<a href="#">Cornerstone Research</a>	4.463	33	Menlo Park, CA / New York, NY
38	<a href="#">The Advisory Board Company</a>	4.453	38	Washington, DC
39	<a href="#">Huron Consulting Group</a>	4.448	46	Chicago, IL
40	<a href="#">Arthur D. Little</a>	4.352	30	Boston, MA / Paris
41	<a href="#">Corporate Executive Board</a>	4.337	34	Washington, DC
42	<a href="#">First Manhattan Consulting Group</a>	4.291	35	New York, NY
43	<a href="#">Alvarez &amp; Marsal</a>	4.285	NR	New York, NY
44	<a href="#">Hay Group</a>	4.261	NR	Philadelphia, PA
45	<a href="#">Diamond Management &amp; Technology</a>	4.223	26	Chicago, IL



	<a href="#">Consultants, Inc.</a>			
46	<a href="#">FTI Consulting, Inc.</a>	4.206	50	Baltimore, MD
47	<a href="#">Analysis Group, Inc.</a>	4.197	39	Boston, MA
48	<a href="#">Mars &amp; Co</a>	4.176	25	Greenwich, CT
49	<a href="#">Aon Consulting Worldwide</a>	3.994	NR	Chicago, IL
50	<a href="#">Putnam Associates</a>	3.961	47	Burlington, MA

Source: Vault 2007 Management & Strategy Consulting Survey

## Strategic Planning and Business Development

Strategic Planners work on projects related to the exploration, design, analysis, or evaluation of specific business plans. These projects can include identifying and evaluating merger or acquisition proposals; analyzing the feasibility of new products or services; and designing or evaluating new service delivery processes, new distribution processes, new vendor relationships, or new business alliances. Business development professionals have an external focus on potential mergers, acquisitions, business alliances, joint ventures, or new market opportunities.

Types of projects will vary by company. Generally, the strategic planning function will work to develop strategies in areas such as distribution, services, pricing, positioning, competition, new investments etc. This may require market research and interviews, analysis of financial data and modeling. You may work in cross-functional teams with other individuals from marketing, finance, operations or the legal department. In general, the positions will require a mix of strategic thinking and actual application of analytical and financial techniques. Think back to your classes in competitive strategy as well as corporate finance and cost accounting to give you an idea of the type of work you'd be involved in.

Skills needed to succeed in strategic planning. Many of the same skills applicable to consulting positions will apply to strategic planning jobs. In fact, many of the applicants for these positions like the nature of consulting work but prefer not to travel, or prefer to specialize in learning the operations of one firm.

You should be a creative problem solver who enjoys ambiguous problems, have good analytical skills, enjoy working on long term rather than tactical issues, have good communication and interpersonal skills and be able to work with or lead a group. Because of the less structured nature of the assignments, you are expected to take initiative and show flexibility in regards to your projects. In general, strategic planning positions will want you to show skills in strategic thinking, intellectual curiosity and analytical aptitude. Strategic planning is less sales oriented later in the career path than consulting.

### Lifestyle

Most strategic planning positions have a general corporate lifestyle. They will require a 50 to 65 hour week. Planning periods may require more hours. Travel varies heavily by company. If a company has many subsidiaries, or you are doing internal consulting to different divisions, travel may be more than 50%. Other positions may require only 10%. Most strategic planning positions pay entry level MBAs \$60-70K per year with a \$5 to 10K annual bonus. Some internal consulting positions may start slightly higher, but salaries and travel will be less than with actual consulting firms.

A strategic planning position may be a temporary assignment within a particular business unit while a new project is being planned or evaluated, or it may be a career position within a central strategic planning unit of a large corporation. After one to two years, the employee is often offered a line management position in an operating unit of the company, which can lead to a line management career. Other organizations, typically larger companies, have a separate strategic planning or business development function that is staffed by professionals whose careers will develop specifically within the strategic planning area.



If you have strong analytical abilities and want a job that will lead to a general management role, strategic planning or business development may be a good early career decision. If you are looking for the variety and intellectual challenge that having many shorter-term projects offer, don't take a position that leads only to a management career path. And, finally, you'll need to decide if you want to work for the strategic planning business or development area of a particular company or whether you would rather work as a strategic management consultant in a consulting firm.

## Research & Development Management and New Product Development

Research and development of new product development are involved in long-term idea generation and planning aimed at developing concepts that will ultimately lead to specific products.

A Director of Research and Development focuses on big-picture creative thinking concerning new products and services. A "Manager of New Product Development" or "Product Manager" helps integrate a new product or service into the company's financial, manufacturing, marketing, and sales areas, as well as is involved in the "launch" of the product.

Professionals in research and development and new product management enter management positions from roles as individual contributors in some area of expertise within the product or service area. In large service businesses, strategic planners and new business development experts working at corporate headquarters may also develop new service programs. Individuals in these positions often base their new programs on analyses of market patterns and feedback from current customers. They often have a strong background in business analysis and many hold MBA degrees.

Professionals in research and development and new product management engage in "big picture" thinking to arrive at new business ideas. This is very much an idea-generation career and attracts people who enjoy and work well in the realm of analysis, concepts, theory, and imagination. The ability to delay gratification is important; professionals in this field may not see the tangible results of their efforts for many months or even years.

## Project Management

Very few people start out as Project Managers. Most are offered an assistant position on a project management team and are assigned responsibility for one aspect of the work. As you gain experience, you may be assigned more and more tasks to manage, until you're ready to lead others in completing an entire project. Other newcomers start out with primarily technical jobs, creating, tracking, and updating the schedule using a software program, reviewing documents, and writing reports.

### Project Scheduler

For larger projects, a Project Scheduler runs the software, inputting all the various information supplied by the management team and updating files as needed. As a technical position, it involves a great deal of computer work and little actual management.

### Assistant Project Manager

Assistant PMs do not necessarily assist the Project Manager directly. Rather, they're usually assigned specific tasks to manage. They meet regularly with the PM to report progress and problems.

### Project Manager

In this position, you may run a project yourself or lead a management team, delegating task management to assistants. PMs report to the "owner" of a project—whether that's a Real Estate Developer, a government



agency, or your company's senior management. You're not paying the money, but you take responsibility for the project's proper completion.

### **Senior Project Manager**

Many large organizations that tackle multiple projects at once (especially construction and engineering companies) employ a Senior Project Manager. The Senior Project Manager supervises a company's various Project Managers, coordinating the allocation of company resources, approving costs, and deciding which projects should take priority.

## **General Management**

General management is defined as a position in which there is complete responsibility, including profit and loss responsibility, for a business or business unit. General Managers typically have cross-functional responsibility and make decisions that involve the coordination and integration of functional areas such as sales, marketing, human resources, finance and production. The General Manager will have reporting to him or her the individuals in charge of sales, marketing, operations, finance, human resources, information systems, etc.

The successful General Manager's attention is constantly shifting. He/she is involved in arranging financing/preparing budgets, hiring new people, firing others, participating in union negotiations, dealing with the parent company and/or important customers, and resolving disputes between individuals or departments. Further responsibilities include planning for staffing needs; thinking about space requirements; considering sales forecasts and their implications for sourcing, production and distribution; etc. And looking to the future, the General Manager is considering industry and demographic trends, the impact of new technologies on the business, the advisability of entering new markets, whether to acquire another company or sell of a division of the existing business, and whether it might be beneficial to enter into an alliance or even merge with another organization, etc.

The seven most common functional pathways to General Management are careers in: Sales and Sales Management; Marketing and Marketing Management; Finance in Corporate Settings; Production and Operations Management; Project Management in Engineering and Science; Strategic Planning and Business Development; and Internet Business Development.

## **Careers in Human Resources Management**

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### **Human Resources Management**

Human resources management is concerned with the recruitment, training and compensation of workers within an organization. A business is only as good as the people that it employs, and it is the job of the Human Resources Manager to ensure that the quality of an organization's workforce remains continually high. Human resources professionals design and manage recruiting programs; design and deliver training programs addressing a wide area of business skills; design and administer complex compensation and benefits systems, counsel employees on a range of work-related issues, and work with managers from other functional specialties to make sure that appropriate staffing levels exist to accomplish the organization's mission. The human resources management function attracts individuals who are interested in the interpersonal aspects of business and many in this functional specialty come from backgrounds, or have a strong interest in, psychology, sociology, counseling, or organizational behavior.

## Corporate Training and Organizational Development

Corporate training and organizational development are specialized areas of human resources management. You may want to review the Human Resources Management CareerLeader™ Profile. Corporate trainers are teachers -- they train business professionals and company staff in areas such as computer applications, sales and management techniques, time management, business strategy, marketing, and finance. Organizational development professionals may teach in similar areas but their work often encompasses professional training that helps an organization create an effective working environment. These latter professionals often focus on team building; organizational design; creating systems for hiring, promoting, and succession planning; executive coaching; change management; and career development.

Career paths in corporate training and organizational development are found both in companies' internal training and development departments and in consulting organizations that specialize in training and development.

Organizational development specialists in consulting firms, usually work with a wider variety of problems and client environments. Assignments are more project-based and of shorter duration. Financial compensation is also generally higher. Consultants generally travel a great deal. At senior levels, they must also be able to "sell" business to new clients in order to become partners in the firm. Corporate Trainers and Organizational Development Specialists come from a variety of backgrounds. They tend to develop specific areas of expertise - - such as team development, executive coaching, succession planning, or organizational design. Regardless of their area of expertise, however, all Trainers and Development Specialists must eventually develop strong communication and presentation skills if they are to advance in the field.

## Entrepreneurship

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Entrepreneurs may or may not be artistic, but they resemble Artists in several ways. First, they are dealing with a "blank canvas", a market opportunity yet to be realized. Second, they have a strong desire to be the creators and owners of something lasting and to have decision-making authority over whatever they create. Third, they are willing to face a greater degree of uncertainty and risk in exchange for the opportunity for greater autonomy and self-direction.

Many Entrepreneurs describe starting their own business as the purest and most rewarding expression of the art and science of business. It gives them the opportunity to establish a working environment that is an expression of their personal values and creative aspirations. By owning substantial equity, they have the opportunity to realize considerable wealth while creating jobs and providing career opportunities for others. Being an Entrepreneur is not an "individual contributor" role. It is a generalist role that demands a combination of skills: creativity, strategic thinking, ability to analyze markets and financial data, leadership skills, and interpersonal effectiveness. An Entrepreneur's biggest initial challenge is to honestly assess his or her abilities and then create a plan to fill in the skill sets that are lacking. Thus, it's important that Entrepreneurs carefully select partners, Investors, board members and eventually, employees whose own skills help compensate for those they may lack.

The entrepreneurial path is appealing to "big picture" creative thinkers with a penchant for market strategy and a strong need for autonomy and control. At the same time, one of the most important ingredients for entrepreneurial success is managerial experience. Brilliant analysis or a great product idea is one thing; knowing how to motivate and challenge a group of employees during periods of long work hours and business uncertainty is another.

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## Non-Profits (Administrators in Higher Education, Government and Human Services)

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Administrators in higher education enter that career path through earning a masters or doctorate degrees in higher education administration, or earning a degree in any of a variety of academic disciplines and enter administration. Career advancement relies on the ability to interact well with others across departments and with people over whom one may not have direct authority. Participation in campus-wide initiatives is often important in gaining the visibility necessary to be seen as a candidate when more senior positions become available. Consensus building, effectiveness on teams and committees, and strong communications skills are necessary.

Administrators in government agencies are often interested in ideas, policy implementation, team environments, and communication. They often work in large, complex, and formal work environments. Administrative success at higher levels requires negotiating levels of bureaucracy and competing factions. An effective network of contacts, confidants, and like-minded colleagues is necessary for keeping in touch with the latest developments and for marshalling the resources needed for one's own projects and initiatives.

Administrators in non-profit human services settings must analyze their markets, establish business goals, marshal the resources necessary to accomplish those goals, and lead the members of their organization. Human Service Administrators must be highly skilled at setting priorities and allocating resources. They also must know how to manage individuals who are motivated by a desire to contribute to the social good -- and to help maintain that motivation even if the funds are not available to offer financial bonuses for a job well done. At top levels (executive director or its equivalent) Human Service Administrators are often also responsible for securing the funding. They must therefore be skilled networkers and "salespeople".

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## Careers in Supply Chain Management

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### **Operations**

The operations department is responsible for ensuring a company operates as efficiently and economically as possible. Exactly which functions it controls depends on the size and structure of the organization. What follows are common operations-related positions you can find at Internet companies, though such positions have equivalents throughout other industries.

#### **Facilities Coordinator**

Facilities Coordinators design the physical environment of an organization. The Facilities Coordinator is interested in how a building's design, layout, furniture, and other equipment affect the efficiency and profitability of the business that uses them. The Facilities Coordinator will buy office furniture and supplies, determine when more space is needed, select appropriate vendors, and are responsible for the facilities budget. Besides having a business management background, the Facilities Coordinator needs to have a keen understanding of how working environments affect employee productivity.

#### **Logistics Engineer**

A business needs to plan how work orders will be distributed throughout its organization. The Logistics Engineer is the person primarily responsible for such planning. He or she is interested in improving the efficiency and accuracy of order fulfillment, and will map out the process from beginning to end, always on the lookout for possible improvements. This is a detail-oriented position that requires strong problem-solving skills and an in-depth analysis of business processes.



### **Project Manager**

Most projects will have a single leader who watches over them from beginning to end. The essential role of the Project Manager is to establish group goals. He or she will also supervise the work of lower-level staff, ensure deadlines are met, put in requests for additional supplies and staff, and keep a particular project on time and under budget. In most cases, the Project Manager will answer to the Operations Manager.

### **Operations Analyst**

An Operations Analyst analyzes how the current operations infrastructure is working. He or she attempts to find areas where the system breaks down, and then finds ways to improve it. Strategies may include changing the work environment, changing employment policies, using different vendors, or changing the process. There is a great deal of administrative work involved. This is a lower-level position that answers to the Operations Manager.

### **Operations Manager/Director**

The Operations Manager or Director watches over his or her department, the size and scope of which depends on the organization involved. A large company may have several Operations Managers. Their job is to determine how the processes in their departments should be implemented and what duties need to be performed. An Operations Manager also hires and manages lower-level staff, selects the vendors, completes departmental financial analyses, and determines the budget. The Operations Manager reports to the VP of Operations or Chief Operating Officer (COO).

Production and Operations Managers must be results-oriented and pragmatic, given that their work of producing and delivering high-quality goods and services takes place in the real world. Their efforts are measurable and concrete, and they must be on the lookout for ways to make production and operations run ever more smoothly and efficiently.

### **Chief Operations Officer (COO)**

One of the Senior Managers in any business organization, the Chief Operations Officer is responsible for making sure that the entire back end of an organization operates as efficiently as possible. (Read WetFeet.com's General Management Career Profile to learn more about senior management roles.) The Chief Operations Officer could be responsible for marketing, programming, customer support, sales, accounting, distribution, legal, or just about any other business function you could think of. While the CEO is supposed to be the visionary for a company, the COO is a company's administrator. Without his or her involvement, a company could fail. The COO is a seasoned professional with many years' experience. He or she reports to a company's CEO and Board of Directors.

## **Quality Assurance and Quality Control**

While many people enter QC or QA departments from manufacturing and production departments, or after working as Developers, many others start their careers in quality control or assurance while still in school, pursuing degrees in engineering or business administration with a concentration in quality management. Many universities and even community colleges also offer specialized certification programs in quality management.

Mid-career moves to QA/QC are becoming more common as the need for quality professionals increases with the growth in international trade and the ISO 9000 program. As with many technology areas, job descriptions in quality assurance and quality control vary from company to company. However, what follows are typical positions with common types of responsibilities.

### **QA Manager**

QA Managers are often assigned to a specific product line, and will oversee that product's full life cycle, developing test plans, implementing test automation, managing the QA Engineers who perform the sampling, and executing the ISO 9000 or other quality-management programs. In many cases, you will also be responsible for client relations as they pertain to the products in your purview, establishing the necessary parameters and testing metrics to ensure total quality in accordance with customer requirements. QA Managers



have degrees in Engineering or Science, and may in some cases also have a Bachelor's degree in Business Administration or an MBA. QA Managers may have experience as QA or QC Engineers, or may take the position directly after school.

### **Director of Quality Assurance**

The Director of QA has the responsibility, accountability, and authority to plan, direct, and administer a company's quality-assurance programs. The job usually entails establishing testing policies, monitoring programs, gathering statistical data, and evaluating in-house programs. As a QA Director, you are also responsible for making sure that your company's suppliers meet necessary quality levels. You are also a key participant in the strategic management and planning process, business and technical development, and policy establishment. Being a QA Director requires a BS in engineering, and an MBA is often desired. Most important, seven to ten years of experience as a QC or QA Engineer is usually required.

## **Manufacturing and Production**

Many people enter the manufacturing and production arena with an engineering degree, usually in mechanical or electrical engineering, though many universities are offering specialized degree programs in manufacturing engineering, process engineering, and robotics. As with many technology areas, job titles in manufacturing may vary from company to company. Roles can become highly technical and specialized. The ensuing descriptions refer to typical positions with common types of responsibilities.

### **Process Engineer**

The Process Engineer is the link between product design and production. Process Engineers work with Manufacturing Engineers and Design Engineers during the product development process to make sure that the product being designed can be manufactured effectively from both a technical and a financial standpoint. There is a good deal of paperwork and administration involved, as process engineering involves much coordination and communication. Usually, a BS or MS degree in Electrical or Mechanical Engineering is required.

### **Manufacturing Engineer**

Manufacturing Engineers are often Managers who oversee several Technicians and are responsible for maintaining a specific part of the manufacturing process. You may also review product and process designs for manufacturing feasibility and be expected to recommend improvements to product quality and manufacturability, based on your direct experience on the line. Manufacturing Engineers usually have a BS degree in Mechanical or Electrical Engineering or in Manufacturing Engineering.

### **Senior Manufacturing Engineer**

In this position, you are tasked with developing and designing the manufacturing process, using your knowledge and experience in manufacturing and your engineering expertise to design and build the most cost-efficient and effective means to produce a product. This is an extremely high-profile position. Experience counts more than education, but an MS in a relevant engineering field is usually desired.

### **Director of Manufacturing**

In a large organization, the Director of Manufacturing may oversee several production facilities and command a large staff. In other cases, the Director of Manufacturing may be responsible for managing Contract Manufacturers, selecting the best production facilities, and communicating with the Contractors to make sure that production rates, quotas, and cost targets are met. Most positions require an MS in an appropriate engineering field as well as five or more years of relevant experience as a manufacturing Engineer or Systems/Controls Engineer.

*"Careers in Business - Occupations" handout contains material written by  
www.wetfeet.com, CareerLeader™ and Vault.com*

