

Transcript of the 2-17-09 UNC's Kenan-Flagler Business School Corporate Finance Chat

Drew J.: Hello, and welcome to the UNC Kenan-Flagler chat for prospective students in the area of corporate finance. My name is Drew Johnston, and I am currently a first year student at KFBS. Here with me today are Peggy Tate, who works in the admissions office, Molly Frail, who works in the career management center, Rob Loftis and Steve Stindt who are fellow first year students studying finance, along with Meredith Moore and Dan Morris who are both 2nd year students heading to work with Bank of America after graduation. We are happy to answer any and all questions regarding corporate finance here at Kenan-Flagler along with any administrative questions you might have regarding Kenan-Flagler.

Peter G.: Drew, how do you feel about UNC's investment banking connections outside of NC?

Drew J.: Peter, UNC has a very strong and growing presence in a lot of the New York City investment banks that have really helped our students find internships and full time positions with the Wall Street firms. Every year it gets stronger as we place more and more alumni in New York. In addition, we have an extremely strong network with the regional banks, even those outside of NC. UNC is strongly recruited by all of the banks regionally.

Peter G.: Regional expands to where?

Mike M.: Peter - to add, the alums I have spoken with have also noted the broad network on both coasts

Peter G.: Thanks

Drew J.: Peter, well the network is extremely strong in the southeast (Richmond, Atlanta, North Carolina), but UNC has alumni out west as well.

Peter G.: Great because I have interest in alternative energy investment banking out in cali.

Peter G.: But I'm open to all

SteveS: Peter, alt energy banking will likely fall somewhere either in Tech, which will predominantly be west coast based, or energy, resulting in Houston location. While both are achievable, moving west coast will require considerably more effort than finding a banking position in NYC.

Matthew L.: Thomas Weisel just acquired an alt-energy boutique i-bank on the West coast. FYI.

Radhika S.: How has the recession hit the internships?

Drew J.: Radhika, the recession has certainly made the process of finding an internship more difficult than in a more robust economy. It has required the students to put in a little more effort in reaching out to companies that are looking for internships as opposed to sitting back and waiting for companies to come to them. Overall, the students are finding internships successfully, but it just takes a little more legwork on the students' part. The career management center here has done a great job of contacting companies and alumni that can help give our students the opportunities that the recession has taken away.

Radhika S.: ok... but what about IB? are there jobs available on this front?

Dan M.: Radhika, I'm assuming you are asking about full-time jobs. They are still available, although students have to work a little harder to secure an offer. With fewer banks around, the UNC network becomes a crucial part of the process.

ranga b.: Dan and Meredith, good luck with the bank of america assignment. I was with BoA for 2 years as an IT consultant, the work atmosphere is amazing. Im sure you'd have an enriching experience.

Meredith M.: Thanks Ranga! We are both looking forward to it.

John P.: Greetings

Matthew L.: What do the i-banks look for when picking candidates to interview? Do they look for prior work experience? GMAT? undergrad GPA? What is most important?

Meredith M.L.: Matthew, the banks look for a wide variety of qualities in the candidates, and the process involves both your qualifications on paper as well as your interpersonal skills and networking. The banks are on campus several times in the fall to meet students so your interactions with them are very important. In addition to that, though, I would say that your GMAT and your ability to tie in skills acquired in prior work experience to IB is most important.

Matthew L.: thanks Meredith

Peter G.: What type of skills?

Meredith M.: Peter, the skills that are relevant are problem solving, working in teams, being a leader, etc... In other words, skills that most MBAs have in the work experience before business school. It is certainly not necessary to have prior banking experience.

Peter G.: Gotcha ya (on both accounts)

ranga b.: I have a few questions once we settle down on the discussion. They would be with respect to customizing the course schedule.

Rob L.: ranga, please go ahead and ask your questions regarding the course schedule.

ranga b.: Well during course of projects with BoA i often felt the need to look at problems from different perspectives, financial, operational aspects as well as effective ways to market the solution/idea. Now though im interested in strategy consulting, i wish to develop some competencies towards accounting, financial risks & evaluation, probably touch upon a bit on wealth/investment mgmt. How do i do that at KFBS? What would your suggestion be ?

ranga b.: . im looking at some overlap of corp finance topics to augment the consulting competency that i would try to develop and i believe they aren't mutually exclusive anyways .

Drew J.: Ranga, well the core curriculum does a great job of strengthening the incoming students' skills in accounting, economics, statistics, and strategy. Once you get out of the core (which incorporates the first semester), than you can add onto those skills with electives in investment management. There are a wealth (no pun intended) of investment management electives that students interested in IM take that are also taken by students who are just looking to get a touch of those skills as opposed to focusing in it.

ranga b.: great, that's something i'd look forward to. As a supplementary question Drew, is there any specific BoP (bottom of pyramid) in the finance concentration. For example on special economic zones, investment in developing markets etc etc..

Rob L.: ranga, regarding corp finance topics and consulting, the classes at KFBS are flexible enough to allow you to learn about both areas at the same time. If you prefer, you can take classes in different modules to split up the learning. Either way, you will be able to build your skill set in these concentrations.

ranga b. i meant BoP Focus

Drew J.: Ranga, if you are referring to microfinance, KFBS has a club here called Net Impact that focuses on microfinance electives and careers. UNC does offer electives that cover those topics

ranga b.: great..thanks drew. That helps, coz most of the top line growth opportunities are in the developing markets, and i guess i could benefit from a more wholesome approach.

Drew J.: ranga, it is definitely a growing movement here among the students

ranga b.: nice to hear

Toshivv C.: Hi..Has this Financial meltdown caused any reduction in number of students applying/interested in MBA in Finance?

Toshivv C.: ..(continue ..MBA in finance..) based on number of applications this year?

Dan M.: Toshivv, Yes. This is true across MBA programs. At UNC, students interested in finance have expanded their search to include a wide range of industry finance jobs.

Mike M.: Thanks, Dan, saved me from typing my next question ;)

Toshivv C.: ok..so this expansion of search for wider range of industry finance job holds true only for the students graduating this year or next year? Or does it apply for the prospective students as well?

Dan M.: Toshivv, I only know what applies to current students. Many came to school with the intention of doing investment banking or real estate. After an honest assessment of the marketplace, they have chosen to take finance jobs with companies like J&J, Delta, Exxon, etc. As for prospective students, I would recommend keeping an open mind since the landscape has changed so dramatically.

Toshivv C.: ok Thanks Dan !

Toshivv C.: Ok..would it be good to apply for Finance at UNC during this last round of admissions for Class of 2011? Are last rounds recommended considering recession this year?

Peggy T.: Toshivv, we admit applicants during all four of our deadlines, though there are more limited slots available during the last round. It is not dependent on your concentration choice.

Toshivv C.: Thanks Peggy ! Could you tell me a couple of strengths and weaknesses that differentiate UNC Finance from other schools?

Meredith M.: Toshivv, I'll take a stab at that. I think that the Finance program at UNC has strong faculty who are very committed. I would also say that the well rounded nature of the program here also strengthens you as a candidate, which is often overlooked.

Toshivv C.: Thanks Meredith!

Ess: Hi guys, I'm wondering what would be the best way to display my enthusiasm for Corporate Finance when applying. I currently work in IT domain and have six years of professional experience. I am concerned that my current career path (IT) will serve as a distraction from my enthusiasm for a career in investment management/financial markets.

I plan to mention the following to underline my interest:

(a) CFA (Chartered Financial Analyst) Level I examination (coming up in June, and I hope to pass)

(b) My personal investing experience over last three years.

(c) My membership and participation in a US-wide investing group

(d) My conversation with and guidance from multiple professionals in the investment management industry

Is there anything else that I should stress upon, or I can undertake to support my enthusiasm for the new career path?

Peter G.: ESS, what the "US-wide investing group?"

Ess: Hi Peter, I'm a member of American Institute of Individual Investors. I also participate on Motley Fool CAPS (an online portfolio management competition).

Meredith M.: Ess, all of the above are certainly great ways to show your enthusiasm. In addition, I think that it is important to demonstrate your understanding of what exactly the job entails. You will gain this understanding through courses, networking with banking professionals, and your own outside research.

Ess: Thanks, Meredith!

Peter G.: Ess, sounds like you have plenty of finance enthusiasm, so I think you are good on that front.

Ess: Thanks, Peter!

Peter G.: Mathew L, can you tell me about the potential for working at a boutique over a bulge bracket.

Matthew L.: Peter, I'm an applicant, not a student. I just thought I'd share my two cents. I work for a boutique and the level of exposure and experience I got while working there has been much greater than my friends at the bulge banks.

Peter G.: Matthew, that's what I have begun to lean towards because it seems you would get more responsibility early on. How do you find the pay comparison for both salary and bonus?

Matthew L.: IB is good pay where ever you go but never equitable to the amount of hours you will work.

Peter G.: Matthew, true that. But it seems to pay off in the long run if you really stick with it. At least I really see that with all my parents' friends.

Dan M.: Peter G., I'll take your question. There is potential for working at a boutique IB. I worked at a middle-market bank this summer and found it to be a great experience. Several boutique banks recruit at UNC, and I think there will be more boutiques popping up in the next few years.

Peter G.: Dan, I can easily see that. What types of things did you get to do? Projects?

Dan M.: Peter G.: I got to be lead associate on a sell-side engagement, which was a very unique experience. I also worked on an IPO registration and some buy-side deals.

ranga b.: drew here's another question i would like to ask. Do we get to mention a few preferences / work with the faculty guiding the real time exercises. Well, in other words how do i get practical experience applying the customized learning?

ranga b.: I would understand the difficulty in working out a specific assignment say financial restructuring w.r.t small businesses or maybe corp change strategy and bit of financial implications of that .. How best can these be worked out considering the limitations of time and effort.

Drew J.: ranga, the Net Impact Club has trips that they organize to get to really apply the microfinance principles in developing economies. In addition, the Kenan Center here has projects that students work on in those areas as well. If you want, we could go offline afterwards and I could get you the contact information for the president of the Net Impact Club. Just let me know. Hope this helps

ranga b.: yes, i'd love that.. It would be wonderful to get to know more about the Net Impact Club.

Drew J.: ranga, you can shoot me an email after the chat at andrew_johnston@kenan-flagler.unc.edu and I can get you the contact info

Amrinder_KFBS2009: Ranga B: You can also find more information on the Net Impact over here: [http://www.kenan-flagler.unc.edu/Programs/...](http://www.kenan-flagler.unc.edu/Programs/)

ranga b.: Great. Hopefully if i get through Round3, i'd have a chance to work with such an interesting group.

Zhaoyuan: Hello everyone. I am very interested in international mining acquisitions-buying mines from other countries and run them locally. How do you think UNC resources could help

me in this regard? Do you have alumni in the mining industry and willing to be contacted?
Thanks

Meredith M.: Zhaoyuan, since this is a pretty specific interest I just don't know if we have alumni in that area. Most of the banks do have coverage groups that include mining, so I'm sure you could locate alumni who could help you find out more. As a general note, I have found that KFBS alumni are extremely willing to help current students who reach out to them.

Zhaoyuan: Meredith M., thanks for your answer. what are your core recruiters for corporate finance? Does this year's employment worsen too much?

mollie_kfbs_cmc: Zhaoyuan, core recruiters on campus for Corporate Finance are BofA, CS, MS, Wells, BB&T, BarCap, however many of the smaller boutiques had to pull back from recruiting this year. All and all we saw quite a significant drop in companies to campus this year due to the economy.

Zhaoyuan: mollie_kfbs_cmc, thanks for your answer. Do you have alumni associations in Boston? How could I reach them?

Amrinder_KFBS2009: Zhaoyuan: You can contact our alumni in Boston through this page: <http://www.alumniconnections.com/olc/pub/U...>

Gary R.: I would assume it's ok just to email the alumni club's head in my general area?

Amrinder_KFBS2009: Gary R: That information is from our external website which is available to public viewing. It also includes Tel. # of the club.

Gary R.: Ok, great thanks

Peter G.: Dan M, do you think boutiques are more geared towards generalists programs? How does their training compare?

Dan M.: Peter G.: Depends on the bank. I did a generalist program last summer and I think it's a great for an internship, because you get exposure to a range of industries. Training tends to be more informal, but we did have Training the Street come in.

Peter G.: Dan M, any of your peers have bulge jobs you can reflect on?

Dan M.: Peter G: I took a bulge job in the end. My friends that worked at bulge banks had similar experiences to my summer. The biggest difference is access to resources (research, copy room, etc.). The key is to evaluate the culture of the bank because you'll be spending a lot of time there.

Peter G.: Dan M., thanks. Did it take a boutique internship to get the bulge job? Was it harder to get a bulge internship/job?

Dan M.: Peter G: Having a boutique internship definitely helped. It was harder to get a full time job at a boutique this year because many are fairly lean and were not able to take on new associates.

Peter G.: Dan M, thanks.

Sid K.: Drew/Dan, can you throw some light on the rotational leadership programmes that students from KFBS' Corporate Finance concentration have joined, if any? Industries, Companies etc

Drew J.: Sid, there are quite a few companies that recruit here for finance leadership programs. I would say that a majority of opportunities in industry finance are in rotational programs. Companies that come to recruit for those positions include J&J, Exxon, AT&T, Intel, and many more

Sid K.: Thanks Drew. I was just wondering whether these biggies are still recruiting into rotational programs in the current scenario, or if they're seeking to cut flab by taking in specialists. From what you've seen, how do students with no prior experience in finance fare in an industry finance job hunt?

Drew J.: Sid, it appears to me that they are still very much shooting for rotational type positions. The number that they take has decreased a bit. Some companies that normally take 10-12 interns into a rotational program are taking close to 5-6 this year, but I wouldn't say that they are shooting more for specialists. I know some students here who have successfully career switched from another area into industry finance, you just have to have a clear resume walk on how your past skills relate to what you are searching for

Sid K.: Great. I spend most of my time trying to justify capex proposals to the finance guys. Will be nice to sit on the other side of the fence and pass judgment! I kid...Thanks Drew

Peter G.: KFBS Peeps, how many electives do you get to take? Are they all 3 credit courses?

Rob L.: Peter, Mod I & Mod II of your first year have 10 core classes. After you complete the first 2 mods, there are only 3 other required classes so the rest of your time at KFBS is for electives. Depending on your desired class load, you can take varying amounts of electives.

Peter G.: So for the second year there are 4 more mods with the op of taking 5 electives each mod?

Peter G.: Rob L, that was for you.

Matthew L.: Thanks for the chatter guys. Very helpful input from the students.

Radhika S.: how are the classes held? is it a case study approach taken? and how practical are the courses conducted with respect to the current scenario?

SteveS: Radhika,

SteveS: core courses are comprised of about 70 students (two 35 student legacies), and for the most part follow lecture format (these are the building blocks of the curriculum such as accounting, finance, stat, micro and macro, etc. once we complete the core we can begin to pursue electives which are typically much smaller in size and rely upon case based instruction more heavily.

Mike M.: For anyone currently at UNC - have you or your peers done any entrepreneurial courses or EC's? Any insight as to practical application of these courses within the financial world?

Dan M.: Mike M: I took Intro to Entrepreneurship last year. It was a great class and I think it was very applicable, no matter what your career interests are. Students have also gotten a lot out of Business Plan Analysis.

Mike M.: Thanks Dan. Do you feel the course better prepared you to take the lead in ambiguous/less structured situations (that you might find at a boutique bank, for example)?

Dan M.: Mike M: Not specifically for my internship. The best classes to prepare for my internship were: Financial Statement Analysis, Investment Banking, Corporate Finance, and Accounting. The entrepreneurship classes do give a more high-level perspective on doing deals in ambiguous situations.

Mike M.: Thanks again Dan

Peter G.: Dan M, but it sounds like with the KFBS electives you can pretty much take all the finance and entrep electives you want and still have room for more. If my math is right, you get 25-30 electives. That's 2-3 times that of any other school.

Zhaoyuan: Hi Dan M., you made a good point about entrepreneurship. What would you say about the relationship between studying functional expertise and studying entrepreneurship?

zhaoyuan: I mean in the near future

Dan M.: Zhaoyuan: Functional expertise is clearly important if you are a career changer. I would focus on that first and then supplement functional knowledge with entrepreneurship classes.

Peter G.: KFBS reps, on the website there is lots on information on year 1, but I can't find anything on year 2.

Rob L.: Peter, yes there are 4 mods in the 2nd year. In each mod, the average work load is 5 classes, but you have the option to increase or decrease your class schedule. You have to take at least 3 classes and I know people that have taken 8 electives in a mod. There is a lot of flexibility regarding your electives.

Peter G.: Wow, that is the most potential for electives from any school I've heard. That's awesome and a perfect fit for me.

Peter G.: Rob L, What's the average amount of electives students take?

Rob L.: On average, 4 per mod.

Peter G.: tks

Dan M.: Peter G: KFBS has made a concerted effort to expand elective offerings for students. I have done some research a member of our Curriculum Advisory Board, and I believe KFBS is very competitive with regard to elective options.

Peter G.: Yeah, I think they might be the best! :)

Priya: Hello

Toshivv C.: I am in IT for 6 yrs working as Data Warehousing Consultant (presently a Data Architect cum Project manager)...worked only for Manufacturing industry (operations and Finance)...can you suggest me if this is considered as a preferable work exp. to go for Finance domain. Or else, which domain does it better corresponds to?

Meredith M.: Toshivv, I was also an IT consultant for the Healthcare industry before I returned to business school. While prior finance experience never hurts, it was certainly not necessary for me to land an internship and a full time job. The important thing is to relate your skills and experiences to the role that you want.

Toshivv C.: ok thanks Meredith ! Would you be able to suggest some related roles for this profile?

Meredith M.: Toshivv, I would say that it is really dependent on your interests. You could always pursue a management consulting role as well as perhaps an industry finance role within a manufacturing firm. But I don't think that you are limited to these possibilities.

Toshivv C.: ok Thanks Meredith !

Özgür: Hi, how beneficial are finance electives to get CFA certificate? As far as I know, Kenan-Flagler's Investment Management concentration is a partner of CFA Program.

SteveS: Özgür: the core curriculum is very beneficial and relevant to the material on level I of the CFA exam. We cover accounting, finance, statistics, and other topics that you will be tested upon during level I.

ÖzgürL: Thanks SteveS. Are elective finance courses not adequate for level II and III of CFA exam?

Peter G.: ozgur, I'm taking the CFA now and everyone says it's a lot easier (less impossible :)) if you already have your MBA. I know many friends who complete it while in school. I will end up taking Level III while in school to finish before I start a job.

SteveS: While I am not extremely familiar with the content of Level II and Level III, I believe they focus more on applied investment/porfolio management. If that is correct, then there are a number of electives that would be relevant (investments, derivatives, fixed income, etc)

Özgür: Thanks Peter G. and SteveS.

Peter G.: sure thing

AJ D.: Current students: Are you aware of anyone pairing a Corporate Finance concentration with one in sustainable enterprise? How would characterize the opportunities at K-F for pursuing coursework/a career in sustainability-focused finance? (private equity, venture capital)

ranga b.: yeah thanks for asking that question AJ.

Drew J.: AJ D, while pairing corporate finance and sustainability is definitely a rare combination, it can definitely be accomplished with the number of opportunities to take such a wide variety of electives here at KFBS. The short answer is that there are definitely opportunities offered in coursework and recruiting for sustainability-focused finance it will just be more of a focused recruiting process

AJ D.: Thanks Drew, I agree with your recruiting comment. Are there many sustainability-focused firms recruiting at UNC? While it's not Silicon Valley, the Chapel Hill area is pretty strong in that regard correct?

Amrinder_KFBS2009: AJ D: We do have sustainability companies recruiting from KFBS. In fact we have a sustainable career fair that was over recently.

Drew J.: FYI, we have ten more minutes for questions before we have to wrap it up so get any last questions out for us to answer. Thanks!

ranga b.: Drew i know this is way long term, but could i come back to teach at KFBS, perhaps take a few sessions say 5-10 years down the line ?.. On one hand i would like to stay in touch with the school , say as CSR improve my business context perhaps by interacting with potential talent if i go the entrepreneurial way..Besides i think it will keep me young :).

ranga b.: now assuming i'm get good at what i do :)

ranga b.: Have any students/ alumni come back to teach ?

Drew J.: ranga, many of our professors are former UNC alumni. However, most of them have gone on to pursue a PhD in their field either at UNC or somewhere else. However, I can't really speak intelligently on the specific opportunities to comeback and teach after graduation

Drew J.: That's all the time we have for today, but we appreciate all of your questions and interest in Kenan-Flagler. The transcript for this chat will be available on the website in about a week if you want to revisit the questions and answers provided. We hope this was helpful to everybody!

AJ D.: Thanks everyone.

Peggy T.: Thank you for your participation in today's chat. We hope you found it informative.

Mike M.: Thanks for taking the time, everybody!

Amrinder_KFBS2009: Thank you and good luck!

Roy H.: Thanks for the information everyone...Go Heels!

ranga b.: Thanks a lot for answering the entire volley of questions.

Peter G.: Good luck to all in their endeavors

Sid K.: Thanks everyone

ranga b.: See you soon.

ranga b.: Good Luck

zhaoyuan: thanks unc staff and students