



AFFORDABLE
RESEARCH
ASSISTANTS
FOR
INVESTMENT
BANKERS

A CONSTANT CHALLENGE FOR INVESTMENT BANKERS

"Time is money." Benjamin Franklin provided this timeless wisdom over 200 years ago. With these three simple words, he accurately described an ongoing challenge for the investment banking profession: how to maximize the relationship between labor and income.

An investment banker wears many hats. Regardless of the diverse roles that a banking professional might fulfill at any given time, "time" and "money" are usually major components in the equation for success. The precise time management challenges have morphed only slightly over the years. Variations of the following questions are still common for investment bankers:

- What is my time worth?

- Is there a better way to prospect for new clients?

- Can research and data analytics be improved?

- How can virtual tools save both time and money?

For example, new investment banking prospects expect to receive fresh insights from the individual they are thinking about hiring as their new investment banker. An impressive sales presentation packed with ample accurate data is anticipated by a potential client. Preparation of materials needed for prospective clients requires time, and many other resources that might be in short supply. Most investment bankers want and need a steady stream of new clients. But investment banking takes place in one of the most competitive marketplaces witnessed in any industry. The first impression of an investment banker by a prospect can depend heavily upon a comprehensive sales package. As observed by Will Rogers, "You never get a second chance to make a good first impression."

SUPPORTING EVIDENCE

Ranging from a first-year analyst to managing director, total annual compensation varies widely from \$100,000 to \$10 million and beyond. With total pay at these levels, "What is my time worth?" can range from \$96 to \$4808 per hour.

Investment bankers are well-paid but also typically work in a stressful environment. Ranging from a first-year analyst to managing director, total annual compensation varies widely from \$100,000 to \$10 million and beyond. With total pay at these levels, "What is my time worth?" can range from \$96 to \$4808 per hour.

(Source)

Investment banking is traditionally a "pay for performance" field. Better results mean

better compensation. In addition to individual performance factors, total compensation is also based on how an overall group or division performs. With so much riding on results, it is not surprising to learn that investment bankers have high stress levels. In one survey that asked participants to rank the amount of work-related stress, investment bankers ranked highest in daily stress among all financial careers. The mergers and acquisitions (M&A) area was found to involve the highest levels of investment banking stress. As

noted by Richard Lipstein (managing director at a Wall Street search firm), "In M&A, you need to know the people, get the meeting, bring in the business, convince them to sell and then go out and get it done."

(Source)

High compensation accompanied by high stress is observed on an international basis for investment bankers. There can also be significant differences from one financial market to another. For example, it was recently reported that investment banking professionals in Hong Kong are paid as much as two-thirds more than counterparts in other places such as Singapore. This is largely due to a harsher working environment and fiercer competition.

(Source)

The need for cost-effective time management skills and solutions is not a new challenge for investment bankers. Because of the critical importance of paying attention to time and advance preparation for anything, experts in various fields have provided their advice and warnings for many years:

[- "Let our advance worrying become advance thinking and planning."
(Winston Churchill)

- "By failing to prepare, you are preparing to fail." (Benjamin Franklin)

- Never look back unless you are planning to go that way." (Henry David Thoreau)

- "If you don't know where you are going, you'll end up someplace else."
(Yogi Berra)

- "Better three hours too soon, than one minute too late." (William Shakespeare)

- "Give me six hours to chop down a tree and I will spend the first four sharpening the axe." (Abraham Lincoln)

- "Time is the scarcest resource and unless it is managed nothing else can be managed." (Peter Drucker)]

Because of long hours and the need to close investment banking deals, a successful investment banker is frequently a successful time manager. As one bank consulting expert advises, "Time management can make or break your career."

(Source)

Time Management can make or break your investment banking career!

ADDITIONAL CHALLENGES]

Efforts to deregulate banks and financial companies began several decades ago. The most dramatic changes to the investment banking industry have taken place during the past 15 years. In the United States, the Glass-Steagall Act (also known as the Banking Act of 1933) was abolished in 1999. A similar deregulatory path has been emulated in many other countries. A recent development impacting larger banks throughout the world is known as the Third Basel Accord. This new regulatory standard focuses

on bank liquidity and the adequacy of capital reserves.

While the implications for investment bankers due to the Third Basel Accord are a work in progress, it is clear that the banking industry will have a significant regulatory influence for the foreseeable future. In a legal atmosphere that includes international consensus about the need to improve the liquidity position of banks, investment bankers should expect that they will need to share

in any “belt-tightening” when it comes to their expenditures. “Time is money” could unfortunately include a “More time and less money” scenario for

investment banking budgets as a result of the Third Basel Accord.

(Source)

“The failure of the Basel Framework to prevent the crisis, or to even indicate that widespread failure of the financial system was a risk, is thus likely to impede the implementation of Basel III. Some even blame the Basel Framework for the insolvencies that wreaked havoc on the global financial system.”

- Narissa Lyngen, Harvard Law School

THE TIME MANAGEMENT SOLUTION

Peter Drucker is revered as a management and planning expert. He never relented in his constant reminders about the need to view time as the scarcest resource of all. However, changes in technology and society have altered the labor formula for investment banking. Time management for investment bankers is an old problem in need of new solutions. Albert Einstein was a regular advocate of the need to do things differently. On one occasion he described the need for new solutions this way: “We cannot solve our problems with the same level of thinking that created them.”

WHAT IS A “NEW TIME MANAGEMENT SOLUTION” FOR INVESTMENT BANKERS?

First and foremost, “The Solution” should be available at affordable pricing. The next parameter involves a time-saving quality. Investment bankers should not forget to calculate what their time is worth. In theory, the potential hourly price of a cost-effective solution needs only to be less than whatever the investment banker’s hourly compensation is. In reality, the solution could be another significant source of cost savings if affordability can be maximized.

A virtual desk research assistant is an affordable time management solution for investment bankers throughout the world. In a bygone era, it was common for financial professionals to have one or more assistants to help them accomplish back-

office work of all kinds. As times have changed, many of these assistant positions have been consolidated or eliminated entirely. A new and less-costly approach often involves “time sharing” of an employee pool. Even for many senior executives, first-come means first-served in most new labor arrangements. This is time management at its worst, but it doesn’t have to be that way for investment bankers.

A highly-qualified (but virtual) personal financial research assistant can prepare meeting materials by following the instructions of their investment banker. This could involve searching for business profiles, preparing financial models, gathering marketing data and coordinating whatever else it takes to impress a client or prospect. To extrapolate from another famous piece of wisdom that originated with Benjamin Franklin – “A penny saved is a penny earned.” – a virtual research assistant can illustrate the equivalent time management wisdom: “An hour saved is an hour earned.” Investment bankers who adopt a virtual research solution can use their newly-found time in one of two ways (or a combination): (1) Reduce their workload and stress levels; and (2) use the additional time for more prospecting and sales activity.

Of course, “The Solution” should be customized and individualized according to the needs of each investment banker. Here’s what the total virtual package should include:

- One or more virtual desk research assistants.
- International capabilities
- Flexible scheduling
- Affordable pricing
- Skills to match specialized financial research needs
- Ongoing quality control and complete adherence to International Organization

for Standardization (ISO) management standards.

- Short turnaround times (overnight) for both routine and complicated assignments

A virtual desk research assistant is an affordable time management solution for investment bankers throughout the world.

HOW RESEARCH OPTIMUS CAN HELP INVESTMENT BANKERS IMPROVE TIME MANAGEMENT

In addition to resolving the challenges described in this white paper, Research Optimus has specialized solutions for both the investment banking industry and other international businesses. While the investment banking time management solution outlined above is straightforward, the number of data research organizations that can successfully carry it out is quite small. Research Optimus meets and exceeds the capability to fulfill each of the seven key characteristics for a cost-effective virtual desk research assistant.

Research Optimus is also uniquely-qualified to assist companies of all sizes with other challenges involving business research and analytics. If your organization does not need to execute time management functions more effectively, what other problems are you trying to solve or avoid?

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