

Job News & Views

An MBA Is Only Part of the Success Equation

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Jon Jacobs

Many junior-level Wall Streeters look on an MBA as their ticket onto the fast track. But experts warn against thinking an MBA alone can open doors.

Only a dozen or so business schools, the ones making up the top tier of MBA programs nationwide, can confer instant credibility to candidates seeking their first bulge-bracket investment banking job. But if your career seems stuck in the slow lane, and Harvard or Columbia isn't a realistic option, don't despair. When added to the right mix of elements, an MBA from a less elite institution can materially raise a candidate's odds of making the next step.

According to U.S. News & World Report, the top MBA schools are Harvard, Stanford, Wharton, Sloan (MIT), Kellogg (Northwestern), the University of Chicago, Tuck (Dartmouth), Berkeley, Columbia, Stern (NYU), the University of Michigan, Fuqua (Duke) and Darden (University of Virginia).

"The rule of thumb is always go to the best possible program you can get into," says Roy Cohen, a New York career counselor, Five O'Clock Club Master Coach, and holder of an MBA from Columbia. "Investment banks are very prestige-oriented. A top-school MBA allows you to present yourself as a candidate with the expectation that you'll be taken more seriously," he says.

Thanks to the schools' rigorous admissions criteria, top-tier MBAs are seen as an indicator of high intelligence, says Cohen. "If I'm a hiring manager looking to hire someone who can become a superstar, I'm going to rely on past performance as an indicator for future performance."

More to the Story

In the New York area, bulge-bracket banks tend to recruit for investment banking and other front-office departments only at Columbia and NYU-Stern. Which means that "if you can't get into there, you shouldn't even bother" going for an MBA, believes Ken Murray, president of Mercury Partners, a New York search firm.

Strong words. But if a candidate has other assets to leverage, then the picture is less black-and-white.

Dr. Barry Miller, manager of alumni career programs and services at Pace University, cites a part-time MBA program as one ingredient that helped his son pull off a rarely seen move several years ago: He jumped from in-house financial reporting at Morgan Stanley to a role in equity research. Miller says the research department was recruiting only from Wharton. Nevertheless, his son made the switch during his first year of working toward an MBA at Fordham.

What accounted for his success? Miller points to four factors.

First of all, the candidate was already inside Morgan Stanley. "If he were going from outside, he would never have had a shot at that job. No way," Miller says. Even for those seeking to move internally, "some companies have pretty much a caste system," he adds. If you work in their finance department or in an operations function, "they'll never let you switch."

Second, the candidate was a strong performer in his initial role.

Supervisors liked both him and his work.

Third, pursuing an MBA at night, while working hard and performing well during the day, demonstrated ambition.

Fourth, even when applying from inside, "he had to be very tenacious," Miller recounts. For a time the candidate received no word about where he stood, but he persisted, and in the end got what he wanted.

The key takeaway: Although an MBA from a lower-tier school won't get you in the door, the degree can strengthen the upside if you have other selling points.

Planning Your Strategy

For his part, Cohen offers these pointers:

1. Have a defensible strategy and "story." Be able to explain convincingly why you want to be an investment banker.
2. Go to the very best possible school for your MBA.
3. Demonstrate a track record of success.
4. Network. Get to know people while you're in school.
5. Leverage any relevant experience from your previous career. For example, an engineer with experience or connections on the financial side of technology companies can position his industry experience as an asset for Wall Street.

Cohen's basic message: You must articulate a story that justifies your goal and gives employers a good reason to hire you.

A Harvard MBA can win you a hearing. But it won't get you an offer, unless you make a persuasive case for why you are a strong bet to succeed in the role you seek and bolster your case with relevant facts. Any MBA, says Cohen, "is just a tool. It's a resource."

Comments (16)

Oldest first

Comments 1 - 10 of 16

I think an MBA is a good move even if you can't go to a top-tier school. Make sure you go to one that is accredited though and has a decent reputation. If you want to land a good job a mix of education and persistence can make or break it for you.

Ryan Carpel, Analyst 17 May 2007

With right kind of work experience , why can't a add on like CFA lead to brilliant careers in Equity Research or othre quantitative fields ? MBA is a necessary evil . To me spending over 100K just to prove to the world that you are smart is a rather dumb idea . Nevertheless , it seems to work , the recrutiers have done the same thing in the past to acquire that "coveted prestige" and they see their own kind with a sense of pride .The potential candidates become recruiters of tommorow and the process repeats . Basically every smart guy has a 1)story , 3)has demonstrated record of success , 4)Has network and 5)can tremendously leverage past work ex - however the non 100k+ spender lacks the point number 2 i.e Go to the best B school and hence is disqualified .

Somebody 17 May 2007

I am about to graduate in two months, but never have I thought that I won't be able to get through the door with my MBA which is from AIU online, I have worked 70 hrs a week and still able to graduate with a GPA of 3.71 will that make any case, plus my experiance in finance and accounting? woow I would love to know where they are going with this.....

Dahir Nur 17 May 2007

My direct experience is that those big \$ jobs at investment banks ONLY go to those who have the top tier MBAs or those with a special "in" (daddy is EVP at firm or candidate has very specialist technical experience the firm is hungry for). There IS a caste system in these firms, no doubt. An MBA wasn't a waste of time for me, but it simply brought me from C level jobs to B level jobs. The A level isn't remotely possible since I'm not out of their traditional "pipeline" of sourcing the analysts from certain MBA schools...who had done certain internships in their summer. Simply an expectations management issue for me---the world isn't designed to be fair. Just be OK with it.

Clark 17 May 2007

I did part-time MBA at Stern and wanted to jump from IT into Trading. Didn't happen, but I was able to progress into IT management. Could I have done it without MBA? 80% chance - YES, Was MBA waste of time and \$ - NO. Finance and business management knowledge help me in my everyday work, plus MBA is forever on my resume, which certainly doesn't hurt. Somehow I feel that part-time MBA'ers are considered 2nd tier by the on-campus recruiters, even though we bring along an extra 3-4 years of work experience than full-timers who dropped out of the industry for the duration of MBA program. Why recruiters don't appreciate that? I don't know. For all of you in business school now - the hottest jobs on Wall Street come out of associate programs in major Wall Street firms. The best way to get in is to be recruited on-campus. Most Wall Street firms will not recruit into their associate programs through head-hunters or job hunt websites. So, pay attention to on-campus interviews and prey prey prey that when you graduate Wall Street has a great year and firms will be doing a lot of recruitment on campus.

Anonymous 19 May 2007

IVY league MBAs are as plain as the come. they have been pre-selected not to fail, but thats all folks.

believe it or not but the smartest individuals are looking at top Asian schools right now.

There are thousands of IVYs, how many IVY would be types take a chance and go to Asia...

Think about it...

PM/Trader 21 May 2007

the Elite:
Wharton, Harvard, Columbia, Stanford, Chicago

Good but not the best:
NYU, Berkeley, Northwestern, etc

"working man's MBAs" - certainly not top MBAs
Michigan, Virginia, Duke

Asia is definitely an interesting area with

CEIBS, Hong Kong UST, and Insead leading the way.
Recruiter NYC 21 May 2007

On the subject of Asian B-Schools...

CEIBS, INSEAD (Singapore), HK UST, already better than anything outside of top 15 in the US.
Executive Recruitment 21 May 2007

went to HKUST for exchange, that place rocks!
club-med like campus with ocean views
everywhere! top notch academics as well.
mbaStudentNYU 21 May 2007

I'm someone who thinks that preferential hiring practices, that explicitly favor specific schools, are illegal. I'm looking forward to changes in these practices in the future.
John Harvard 23 May 2007

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