

Tailored to the needs of more experienced diversity MBA candidates, the new JumpStart Finance 2.0 Workshop lets students design their own customized learning experience

by Pam Chwedyk

The atmosphere in the room is electric. A team of diverse young professionals is pitching a multimillion-dollar leveraged buyout opportunity to a group of potential private equity investors. The team's presentation contained a detailed breakdown of everything the investors need to know about whether or not the company is worth acquiring: valuation analysis, investment strategy, risks, best and worst case financial projections, and much more. Finally, they sum up their investment recommendation: Yes, the investors should proceed with the buyout, and here's how the deal should be financed.

The investors aren't 100 percent convinced. They pepper the team with questions: What are your valuations based on? Why is your bid lower than your competitor's? How will that affect IRR, and by how much? Have you really considered all the risks? The team members field the questions quickly and knowledgeably. After all, they're private equity experts.

Well, actually they're not. They're newly admitted MBA students who are about to start business school in the fall. And the setting isn't a conference room somewhere on Wall Street. It's the JumpStart Finance 2.0 Workshop, the newest addition to the JumpStart Advisory Group (JSAG) family of education programs that connect talented minority and female students who are interested in careers in financial services and consulting with representatives of those industries' leading firms for an interactive learning and pre-matriculation networking experience.

Finance 2.0 is an advanced workshop designed to give MBA candidates who already have finance experience what JSAG co-founder Elton Ndoma-Ogar calls "a deeper dive" into the complex world of investment banking, asset management, investment research, private equity and venture capital careers. The intensive day-long event is held



WALL STREET RECRUITERS provide tips on how to gain a competitive advantage in the recruiting process.



JOHN T. BURT, JR. JumpStart, Co-Founder

- Current Exp: Diversity at BCG
- Prior Exp: Consultant (Booz, Lilly), Corporate Finance (Lilly)
- MBA, Fuqua - Duke University
- Bachelor's degree, Finance, Indiana University



ELTON NDOMA-OGAR JumpStart, Co-Founder

- Current Exp: Diversity at Raytheon
- Prior Exp: Equity Sales Trader (Morgan Stanley), Diversity (BP, Inc., Morgan Stanley, Bank of America Merrill Lynch), Sales (J&J, Roche)
- MBA, Fuqua - Duke University
- Bachelor's degree, Health Sciences, Wake Forest University

BREAKING NEW GROUND

CORPORATE PARTNERS THAT HELPED LAUNCH THE FIRST JUMPSTART FINANCE 2.0 WORKSHOP:

- Ariel Investments
- Bank of America Merrill Lynch
- Barclays
- Fidelity Investments
- GTCR
- J.P. Morgan
- Loop Capital
- Morgan Stanley
- Robert W. Baird & Company
- Vista Equity Partners
- Wellington Management
- Wells Fargo
- William Blair & Company

PARTNERING WITH THE STUDENTS

"In the investment banking track, it felt more like we were really working with the people from Bank of America, rather than like they were the company representatives and we were the students attending the workshop. We were actually working together as a team. That was really helpful, because it was like we were building camaraderie through the exercise. For me, that was really a different and unique way of networking."



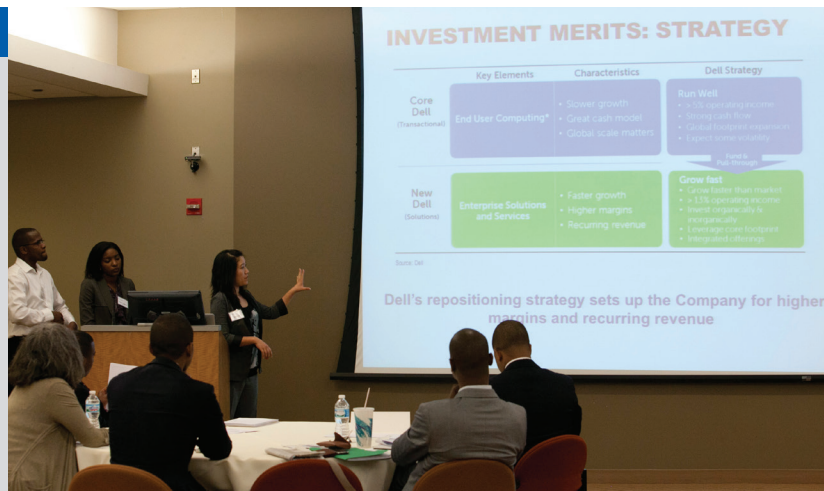
—Akрати Agarwal

Fuqua School of Business, Class of 2015

WHERE DO WE GO FROM HERE?

Armed with their new hands-on knowledge and insights, the students who attended the 2013 JumpStart Finance 2.0 Workshop are now pursuing their MBA degrees at these top-ranked business schools:

University of Chicago Booth School of Business (host); Anderson School of Management (UCLA); Columbia University Business School; Darden School of Business (University of Virginia); Fuqua School of Business (Duke); Goizueta Business School (Emory); Haas School of Business (University of California–Berkeley); Harvard Business School; Johnson Graduate School of Management (Cornell); Jones Graduate School of Business (Rice); Kellogg School of Management (Northwestern); Kenan-Flagler Business School (UNC); McCombs School of Business (University of Texas–Austin); Owen Graduate School of Management (Vanderbilt); Ross School of Business (University of Michigan); Stern School of Business (NYU); Tuck School of Business (Dartmouth); The Wharton School (University of Pennsylvania); Yale School of Management



TEAM PRESENTATIONS to a panel of private equity professionals were a highlight of the Finance 2.0 Workshop.

the day before the start of the annual JumpStart MBA Financial Services and Consulting Diversity Forum, which the Finance 2.0 participants also attend.

“We found that a number of students who were applying to the diversity forums had prior finance experience and wanted to continue a career in finance,” explains Ndoma-Ogar. “For this group, it made sense to start working with them a little earlier to provide an extra layer of focus. This approach not only appealed to students but to our corporate partners as well.”

Gaining early access to this more experienced, even more targeted than usual talent pool pays extra dividends for the top-drawer financial firms that already collaborate with JumpStart as a way to identify the most highly qualified diversity candidates.

“The students who take Finance 2.0 are ready to be called up to the big leagues,” says JSAG co-founder John Burt, Jr., Director of Diversity at The

Boston Consulting Group. “They already have two to five years’ experience in investment banking or equity research or sales/trading, etc., and have made a decision that they want to pursue a deeper interest in finance. The hiring advantage for the firms is that these candidates can hit the ground running, their learning curve isn’t as steep and they can add immediate value.”

Launched in July 2013, the inaugural Finance 2.0 Workshop was a meeting of the minds between a select and highly diverse group of current and future investment industry leaders. The student cohort consisted of about 60 incoming MBA candidates from some 20 premier business schools nationwide—about half the total MBA Diversity Forum Class of 2013. Their corporate counterparts included finance and diversity recruiting pros from more than a dozen companies, ranging from bulge bracket investment banks J.P. Morgan and Morgan Stanley to wealth management, capital markets and asset management specialists, including Wellington Management and Baird.

CUSTOMIZE YOUR CURRICULUM

To understand how the Finance 2.0 Workshop was developed, think of a two-story building. The foundation and ground floor are the established JumpStart learning model of hands-on exercises, “day in the life of an industry professional” sessions, and networking events that help students and firms cultivate relationships with each other in the MBA recruiting preseason. Then on top of that, there’s a



AT THE MEET THE SPONSORS Gallery Walk, a Barclays recruiter discusses opportunities at the firm.

PITCHING IT OVER THE PLATE: What Makes a Successful Private Equity Presentation



PE EXECUTIVES listen intently as students present their LBO investment thesis.

Presenting a large-scale investment opportunity to a private equity client is a lot more complicated than pitching a stock. Students who participated in the 2013 JumpStart Finance 2.0 Workshop's Private Equity Boot Camp learned that a PE proposal involves much more detail than just an "invest" or "don't invest" recommendation: It must specify such strategies as how much to invest, how to finance the transaction (how much debt vs. equity) and what price to offer the company's shareholders.

In the on-site portion of the boot camp, industry experts offered this advice on how to deliver a powerful, persuasive PE pitch:

- **Communicate enthusiasm about the company.** If your investment recommendation is a yes, tell the client why you're excited about this company. Then present solid evidence to support your case.
- **Make your analysis as detailed as possible.** For example: "We propose doing an LBO of XYZ Company with a 17x purchase multiple, which represents a 20% premium to the assumed trading value of \$60 a share."
- **Show how you came up with your numbers.** The client wants to be certain that your numbers make sense, your valuations are realistic and that the deal will actually work.
- **Be prepared to answer tough questions.** For instance, if your recommendation is a no, the client may ask: "Did you try modeling it with a lower valuation? What valuation would you need to make the deal worth doing?"
- **Explain what it all means.** Don't just throw a bunch of numbers out there. Help the client connect the dots and understand the investment from a big-picture perspective.
- **Tie it all up at the end.** Give a good summary with clear, concise reasons for your recommendations.
- **Present your verbal communications confidently and articulately.** And remember, practice makes perfect.

second floor of new, higher-level features added to meet the professional development needs of more seasoned MBA candidates who already know what financial markets, pitchbooks and financial services résumés are all about.

Most notably, Finance 2.0 enables participants to customize their educational experience so that they can zero in on specific career paths they're most interested in exploring. The workshop offers a choice of four experiential learning tracks, from which the students pick two:

- **Private equity.** In this track, students develop or enhance their skills in modeling, valuation, industry research, investment analysis, and constructing and presenting PE investment proposals.

- **Asset management.** The learn-and-apply focus here is on the asset manager's multifaceted role: long-term capital management; researching, evaluating and recommending stocks; and acting as an adviser to external and internal clients, including investors, portfolio managers and CEOs.

- **Investment banking.** Although IB is also covered in the Financial Services and Consulting Diversity Forum, the 2.0 track lets finance-familiar students drill deeper down into the step-by-step process of how a banking deal is structured.

- **Investment research.** For MBA candidates who have a passion for research, or want to get a closer look at what this specialty has to offer, this track is an in-depth immersion into the sell-side and buy-side research functions.

At the 2013 workshop, in a Q-and-A session featuring a panel of recruiters from Barclays Capital, William Blair & Company, J.P. Morgan and Wells Fargo, the students learned that having this kind of clearly



ADORA WHITAKER (FAR LEFT), from Bank of America Merrill Lynch, joins Finance 2.0 participants as they represent the firm to present a "real-world" asset management transaction.

defined career focus—rather than being interested in multiple functions and roles—can give them an edge in the hiring process. As Barclays’ Nadia Abouzaid advised them, “It’s better to be focused on a particular area. Try to discover what you really want to do.”

TRYING ON THE INVESTOR HAT

Because private equity is such a challenging field to break into, the Finance 2.0 PE track offers the deepest dive of all. Students participate in a four-week, pre-workshop Private Equity Boot Camp, taught entirely online. They complete a series of learn-by-doing assignments that give them a taste of the financial analysis skills PE associates use every day, such as building, testing and fine-tuning an LBO model. Then, working in small teams, they put together a 10-minute LBO investment pitch for a real company—such as Google or Pfizer—and present it onsite at the workshop.

“This advance preparation is necessary because private equity is so different from traditional investment banking and finance careers,” says Brian Shields, a New York-based PE and VC expert who partnered with JSAG to create and teach the boot camp curriculum. Even students with finance experience under their belts often have sizable knowledge gaps about what PE investing—i.e., taking a publicly held company private—really involves.

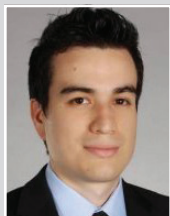


PE BOOT CAMP INSTRUCTOR Brian Shields (far left) provides career advice to aspiring finance professionals at the workshop’s formal dinner.

“Students who are entering business school need to decide if *being an investor* is right for them,” adds Shields, whose background includes private equity and LBO experience at both an investment bank and a PE firm before founding the e-learning career prep startup OpenDoor. “They often fail to appreciate that as a PE investor, you own this company; you’re managing other people’s millions, sometimes billions, of dollars and you have a real responsibility to make detailed, rigorous decisions. The boot camp gives students the foundational exposure to those thought processes so that they can try on the hat and decide whether or not they like that fit.”

FEEDBACK FROM THE STUDENTS: 2.0 THUMBS UP!

Praise from participants in the inaugural JumpStart Finance 2.0 Workshop



“The LBO case study, which culminates with your team presenting your analysis and recommendations to private equity executives, is a great way to determine how your

strengths and weaknesses align with a career in PE. It requires hard work, but I have not experienced a better program to expose incoming MBA students to the world of private equity.”

—Alexander Acosta
Kellogg School of Management, Class of 2015



“In the asset management session, the company representative not only coached us on how to pitch a stock but actually gave a real pitch he had done a couple of years ago. It was a great

takeaway to see one of the experts do that in front of us, and to know that this wasn’t just an exercise—it’s what you really do in that job.”

—Wendy Pan
Yale School of Management, Class of 2015



“The Private Equity Boot Camp was an eye-opening experience. I came into it with little to no exposure to private equity work, so I knew I would be learning, but I did not realize how

hands-on this learning actually is. I personally learn best by doing, so this was a great opportunity.”

—Phillip Robinson
Chicago Booth, Class of 2015

The virtual teamwork component provides a perfect simulation of the high-intensity, high-volume introductory work that PE analysts have to hammer out quickly in the days leading up to the delivery of their in-person product. It's an environment that demands an exceptional level of collaboration, commitment and accountability.

That lesson wasn't lost on boot camp participant Chuck Okoye, who has now matriculated into the MBA program at Rice University's Jones Graduate School of Management. "I was in Houston and my teammates were located in Toronto, Atlanta and New York," he recalls. "We were in two different time zones, but we managed to coordinate the work. Using teamwork and team dynamics effectively is a skill you constantly hone—how to get buy-in as quickly as possible and how to get a group of people to work together toward a common goal."

Once the students arrive at the Finance 2.0 onsite event, says Shields, "it's game day." One by one, the teams deliver—and defend—their LBO recommendations before a panel of PE professionals,

as well as their equally critical fellow students. Playing the role of a partner in a PE firm, the panelists probe, test and challenge the teams' assumptions on everything from valuation multiples to risks-and-mitigants analysis. Then they provide candid oral and written feedback on what the teams did well and what they need to improve.

This opportunity to experience the other teams' presentations as well as their own also allowed the 2013 boot camp's 31 participants to compare how PE deals are structured across different industries. They learned, for instance, that an LBO proposal for a retail fast-food company like Dunkin' Brands (parent company of Dunkin' Donuts and Baskin-Robbins) must examine factors like same store sales growth, franchised store margins and first-year sales comparisons by region. In contrast, a PE pitch for an industrial firm, such as Waste Management, must address investor concerns like: How mature is the business? How regulated is the industry? How well can the company manage regulatory-related costs?



THE INAUGURAL FINANCE 2.0 participants pose for a group photo in the Chicago Booth winter garden.

BROADENING HORIZONS

Although the other three Finance 2.0 learning tracks didn't require pre-event engagement, they featured the same compelling mix of real-world financial problem solving and think-on-your-feet group presentations. The workshop's IB and asset management sessions, for example, gave attendees the chance to practice being part of a powerhouse Wall Street firm by analyzing and pitching transactions that ranged in complexity from a single stock to an M&A deal.

For students like Ruth Cenat, now earning her MBA at Harvard Business School, gaining insight into what being an investment banker actually feels like was a tremendous takeaway.

"I learned how much you're expected to be an expert," she says. "When we had to give our presentation and pitch a company, I had to know my stuff and be able to answer questions from the group. It taught me that when you're in investment banking, you're really in the hot seat. You need to have a very strong overall understanding of the industry and the company, inside and out."

The 2013 Finance 2.0 participants overwhelmingly appreciated being able to create their own personalized learning plans from a menu of content choices, then put on their intellectual diving suits and plunge right into what they really wanted to know. But the workshop also encouraged them to explore all the options within IB and finance, and to talk with as many different company representatives as possible during events like the networking lunch, formal business dinner and the Meet the Sponsors Gallery Walk.

Some investment firms, the students discovered, hire MBAs for specialty positions that may not be advertised publicly. That's why one of the additional



WALL STREET EXECUTIVES share industry insights with workshop participants during a networking break.

benefits of attending the workshop is simply getting to spend quality time with industry leaders to discuss the profession and learn about opportunities.

First-year Yale MBA candidate Wendy Pan, who took the PE and asset management tracks, sums up the Finance 2.0 experience with an apt metaphor. "For some students," she says, "it's like going through a funnel: You come in not knowing which areas of finance appeal to you the most, but then you gradually narrow it down until you find your focus. For other students, the funnel is reversed. You come in thinking, 'I only want to do investment banking,' but then you discover other opportunities in asset management or PE. So you broaden your horizons, and when you go into the recruiting process, you're more open to everything."

Pam Chwedyk is a Chicago-based freelance writer specializing in diversity and healthcare topics.