

A long slog for the big bucks

by Paul Cochrane



Deciding on a career in finance does not mean you will be puffing away on expensive Cuban cigars and driving a convertible sports car within a year of graduating from university. It is a difficult road to the top, requiring hard work, little sleep and the right education, according to investment analyst Fadi Arbid.

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Arbid has just returned from a vacation in Rio de Janeiro, and looks tanned, confident and relaxed. But at a mere 29 years of age, he has not always had the good fortune to be so laidback.

"When I first went into investment banking, you entered at a low position as an analyst and had to work 100 hours a week – 14 to 15 hours a day – six days a week," he recalls. "These jobs are very well paid after a few years, but this comes at the expense of your private life, as you sacrifice a lot to get ahead."

Climbing the corporate ladder to his current position as a junior partner of a private equity firm in Saudi Arabia took Arbid via Europe and the United States for both studies and work.

At 17, he left Lebanon to complete a degree in business in Nantes, France. A year-long masters program in business analysis then followed with a major in management and a minor in finance at Lancaster University in England.

"I thought I wanted to do marketing, so I worked as an intern at French cosmetics firm Hermès, and at German detergent manufacturer Henkel, in Paris. That's what landed me a job afterwards," says Arbid.

What also helped, he says, was to emphasize his French and British education and linguistic skills.

"When I went to business school I had learned Italian, and this can be used as a marketing tool alongside my other languages (French, English, Spanish and Arabic). When I worked for Henkel we had an Italian deal, so I was sent to Italy."

After three years at the firm, Arbid became the European brand manager for Henkel. "Henkel was very quantitative and analytical, as I was managing profit and loss accounts. It was like managing a little company with a budget and a goal to achieve," he adds. But, after such extensive marketing experience Arbid knew he preferred analyzing and working with numbers, so he decided to study for a Master of Business Administration (MBA) degree.

"In Europe there were only a few top schools, like the London Business School, but I wanted the US experience," he says.

"There are a lot of MBAs, so the value of an MBA has diluted. There are two types of MBAs – one straight after an MA, with no or little work experience, so not really worth it. Then there are MBAs like at the Wharton Business School, where the average student has five years work experience, which brings in more knowledge and skills to the classroom," he adds.

Arbid was accepted at Wharton, a branch of the University of Pennsylvania, which is ranked as the top American university for finance.

"I would not have gone to Wharton had it not been a top school; I'd rather have worked. After the MBA I got a \$150,000 a year job, so in terms of cost versus benefit it was worth paying \$125,000 to

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study, and the loans were paid off quickly. In other words, if you're paying over \$100,000 you better get a good job afterwards!"

Arbid says the additional advantages of such an expensive program are credibility and the connections made through fellow students, professors and professionals, particularly with major financial centres such as New York's Wall Street.

"If you want to do an MBA, a strong alumni network is very beneficial. Companies also recruit at these universities, with most graduates getting three or four job offers. You have tons of MBAs, but not many that give you that. The prestige of the school defines where the recruiters will be."

Arbid says a common assumption amongst students and the public is to consider finance as one particular job. But, as he points out, there are many different jobs in finance - investment bankers, commercial/retail bankers, venture capitalists, financial analysts, and brokers - with varying salaries.

"Retail banking will not make you much, but investment banking will. Many investment banks moved to Dubai, but broadly they are in London, New York, Tokyo, Singapore and Hong Kong, as that is where the big deals and corporations are," he explains.

Arbid says that a background in finance is not essential to enter the financial world, or for an MBA.

"I had friends at Wharton who were journalists, models and medical doctors who wanted to change their career, so did an MBA. Around 30 to 40 percent of students came from business backgrounds, but others from different fields. The common dominator: analytical, quantitative and bright people - top performers in their fields."

Wharton's reputation landed Arbid an intern position during the first summer of the program in London with the mergers and acquisitions section of Solomon Smith Barney, part of Citigroup Investment Banking.

After graduating, Arbid started with US-based management consulting firm Booz Allen Hamilton's Middle East section, providing advice on energy, telecommunications, financial services, government policy and development.

Arbid says he entered with a six-figure salary as a senior associate, which could have risen to a seven-digit salary if he had made it to partner. During his two and a half years at Booz Allen Hamilton, he managed a team of four to five people and fostered client relationships.

Arbid left Booz Allen Hamilton recently to work in a private equity firm with a \$7 million fund in Riyadh, as "there is a lot of capital in the region."

Was Arbid's ride to the top typical? "Paths like mine are common outside the Middle East, that's why many students study and work elsewhere," he says. 🍀