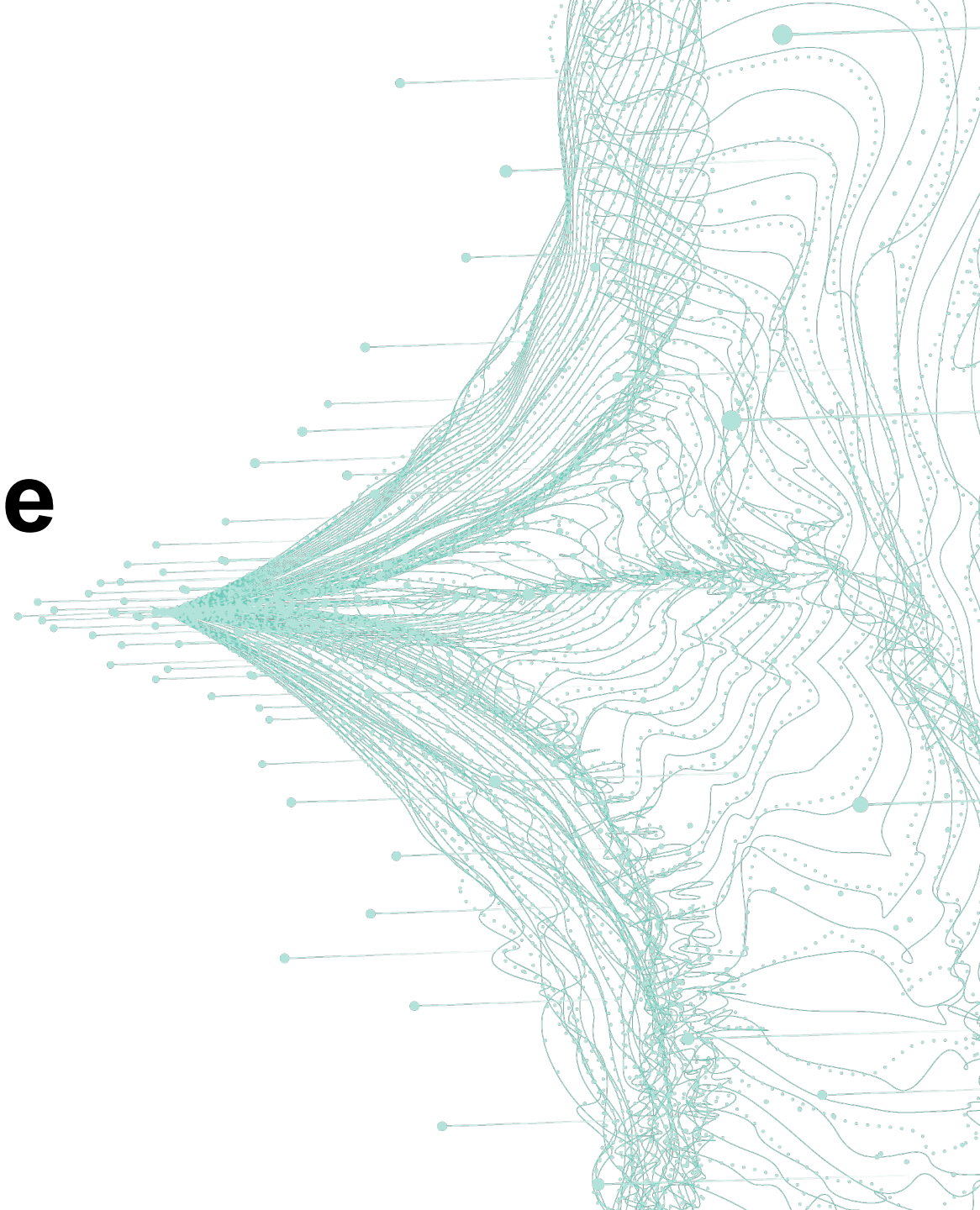


AVENICA

Financial Analyst in the Finance Industry



Overview

What is the finance industry?

A broad range of **institutions and businesses** that offer various financial services and products to individuals, businesses, and governments.

- The financial industry is important because it stimulates economic growth, helps allocate money effectively, and provides financial services to a variety of groups and individuals.

What is a Financial Analyst?

Financial analysts guide businesses and individuals in decisions about spending or investing money to attain profit. They gather data to understand the trends affecting a specific type of product, geographical region, or industry to help their clients make important investment decisions.

Functions you will see as a Financial Analyst

FINANCIAL MODELING

- Financial modeling is the process of creating a summary of a company's expenses and earnings in the form of a spreadsheet that can be used to calculate the impact of a future event or decision
- Financial analysts most often use it to analyze and anticipate how a company's stock performance might be affected by future events or executive decisions.

FUNDAMENTALS

- Fundamentals provide a method to set the financial value of a company, security, or currency.
- Included in fundamental analysis is basic qualitative and quantitative information that contributes to the asset's financial or economic well-being.

FINANCIAL DATA

- Financial analysts use financial data to spot trends and extrapolate into the future, helping their employers and clients make the best investing decisions.
- This data can include balance sheets, income statements, and cash flow statements.

Day in the life of a Financial Analyst

The goal of a financial analyst is to help their employer or clients make informed, profitable financial decisions. They assemble and evaluate the company's financial data and assess investment opportunities.

- Responsible for developing, interpreting and implementing financial concepts for financial planning, analysis and control
- Performs technical analysis to determine present and future financial performance
- Gathers, analyzes, prepares and summarizes recommendations for financial plans, investment activity, customer deals, trended future requirements and operating forecasts
- Develops, implements, and monitors financial performance metrics, existing and new performance data and profit and sales drivers
- Ensures development and distribution of reports / recommendations relating to financial and performance planning, investment options and related decision tools
- Dive deep to ensure reporting accuracy in coordinating the preparation and analysis of weekly, monthly, and quarterly financial results for executive leadership and clients
- Telling the story: communication with clients to convey guidance updates and provide commentary on results

What you'll learn as a Financial Analyst

- **Financial statement analysis**
 - Develop skills to interpret various financial statements
 - Understand the organization's financial health and goals
- **Economy and Market**
 - Analyze competitive market and other economic trends to forecast a company's economic future
- **Financial systems/software**
 - A Financial Analyst often utilizes Excel, Tableau/PowerBI, SQL, Python, and other programs
- **Bookkeeping and recordkeeping**
 - Including maintaining ledgers, reconciling accounts, recording financial transactions

Types of Financial Analyst

Financial Analysts may be specialized in one area of the business; here are some common titles you may see:

- Investment Banking Analyst
- Equity Research Analyst
- Treasury Analyst
- Credit Analyst
- Risk Analyst
- Budget Analyst
- Private Equity Analyst
- Corporate Development Analyst
- Financial Planning and Analysis (FP&A) Analyst

Skillset to be successful

- A solid **understanding of finance principles and financial statements**. This includes knowledge of equity, fixed income, EBITDA, Generally Accepted Accounting Principles (GAAP) or International Financial Reporting Standards (IFRS), etc.
- **Analytical** - The ability to analyze financial data and identify trends, patterns, and discrepancies is important.
- **Problem-solving** – often will encounter complex financial issues or discrepancies that require problem-solving skills.
- **Attention to detail** – Analysts need to have precision and accuracy in their work. Being detail-oriented helps in analyzing financial data, preparing financial statements, and ensuring that all records are accurate and complete.
- **Adaptability** – The finance industry undergoes continuous changes due to evolving regulations, the health of the economy, and advancements in technology. Being adaptable and open to learning new skills and tools is important to stay relevant and excel in the field.
- **Time management** - often will work on multiple tasks and deadlines simultaneously.

Growth Opportunities

Most financial analysts start in a junior position under the guidance of a senior financial analyst. As you gain experience, you can advance to higher level roles.

- Senior Financial Analyst
 - This analyst has attained an MBA and Series 7 certification. They work on major accounts and manage junior financial analysts and report to either the Financial Manager or Chief Financial Officer, depending on the structure of the business.
- Financial Manager
 - They will manage junior analysts and senior financial analysts and report directly to the CFO. They review suggestions and forecasts of the financial analysts and add additional input and advice for presentation to senior management.
- Portfolio Manager
 - They strategically design investment portfolios and understand clients' investment objectives. They manage a basket of assets, to minimize risk and maximize returns and usually oversee a team of senior financial analysts.
- Fund Manager
 - Investment fund managers work to maximize returns on investments for their clients. They use their expertise to analyze market trends, identify investment opportunities, and manage risk.

FAQ

What kind of education or training do I need to be a Financial Analyst?

- The education and training requirements can differ based on the specific role and organization, but it's very common for a bachelor's degree to be required. Different types of Analysts may have distinct training programs and/or specialized certifications, such as the CFA (Chartered Financial Analyst). More advanced roles will require certificates, designations and degrees to advance and specialize in certain roles.

Do you have to be an Excel expert to be a Financial Analyst?

- For an entry level Financial Analyst, it's not usually expected to come in with advanced Excel knowledge. However, you should be familiar with a few main skills such as pivot tables, VLOOKUP, INDEX and MATCH. It's common to have to learn new skills through online videos or certifications as you work through training and projects.

FAQ (Continued)

How long does it take to learn the role?

- This depends on the company and the specific role you are in, though the standard time to get fully up to speed is around 6 months. You will always be learning new things!

What are common misconceptions about a Financial Analyst?

- That you must have a finance or math degree. While those degrees can be helpful, there are many other areas of study and transferable skills that are key to becoming a Financial Analyst. In this role, it's most important to be able to demonstrate an analytical mindset, critical thinking and problem-solving skills, rather than a specific degree.
- That you will be behind a computer the entire day working alone. It is true that there a lot of time is spent analyzing data and creating presentations, but collaboration is a large part of many projects as well. Throughout the project, it's likely that Financial Analysts work with the sales, marketing, operations, or accounting teams to discuss their findings and strategize.
- Thinking you must come in knowing all financial principles and advanced analytical skills. Though it is important to have a good base understanding, it's equally as important to be able to learn quickly as you work on different types of projects in the role. The financial industry is constantly evolving, so there are lots of learning and growth opportunities as you progress.

What to expect from here

Needing to contact us prior to your informational call with our Avenica team member?

- Please contact the person whom you spoke with in your first-round interview with us, their email address can be found in the meeting invite you received when you scheduled the interview.
 - Often this gets moved to your deleted folder once it is accepted, look there for the meeting invite if you are having trouble finding it.
 - If you can't find the invite, find the reminder text messages sent prior to your interview and text that number back, and an Avenica team member will respond.
 - Or give our main line a call at 612.339.5332.
- Keep in mind that any job-specific questions will be answered in your informational call.