

UW WIF x Lara Zink Lunch and Learn

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Summary notes

About Lara Zink

Lara Zink is currently the President and CEO of WCM (Women in Capital Markets). At first, she had no plans of pursuing a career in finance as she graduated from Western University's Political Science program. After graduating, Lara worked in Ottawa as a political assistant to the Minister of Industry and Trade where she got exposure to the Ministry's engagement with Canadian businesses. This experience is what first sparked Lara's interest in finance. After two years, Lara moved to Toronto and completed her MBA at Rotman. She then took a role with RBC in their trainee program working in corporate lending. Lara later moved back to Toronto to work in financial institutions, where she learned how to review and write credit. Transitioning into the broker-dealer sector of RBC, Lara's interest in the wholesale side of finance began to grow. Lara then moved to the trading floor in global equity. She spent over 20 years most recently as a Managing Director in global equity sales where she sold Canadian, American, and European equities and investment products to asset managers. After that, she moved to WCM in 2021 where she is leading the organization's efforts to accelerate diversity, equity, and inclusion across the finance industry. Below are comprehensive highlights from the webinar with Lara Zink.

Q: What did you enjoy about working in global equity sales and what did this role entail?

When you think about the sell side and how broker dealers like RBC Capital Markets have extensive trading floor operations in North America and Europe, you need to think about your corporate client and the different services you provide them. As an example, if Telus is CIBC Capital Markets' client, there will be a relationship manager in investment banking who has a trusted relationship with the CEO and CFO of Telus. In this trusted relationship, the senior management team will work very closely with the investment banker to understand the climate of the capital markets to help finance their business on a day-to-day basis. In an acquisition, you rely heavily on your investment banker relationships, but these relationships tend to be competitive. If you have a very good relationship with CIBC, but Scotiabank pitches an acquisition idea to you as the CFO or CEO of Telus, then you might make the transaction with Scotiabank since they pitched you the idea. Advisors at Scotiabank will then say to the CFO and CEO at Telus that their stock is fairly or attractively valued and that this is a good opportunity to issue equity to make an acquisition.

Now, global sales and trading come into play on a securities filing. Once the filing has been approved by the securities regulator, sales and trading gets engaged and goes to buy-side clients and asks them if they are interested in the stock. Investment banking partners and advisors help the CEO and CFO optimize their balance sheet and determine what the best capital decision is for any given transaction or funding requirement-. I spent a lot of the day talking to portfolio managers of equity funds in each of these asset managers, and advising them on recommendations the firm was making based on their style of investing.

Q: What is the ICD.D designation, why did you decide to pursue it, and what did you learn in the program?

The ICD.D is an eight-month program that provides education and oversight training for individuals who aspire to or currently hold board roles at companies. This program brought in professionals from numerous areas of focus and is a fantastic educational journey for anyone getting into the later stages of their career who wants to learn more about governance. The most important rule of thumb as a board member is that it is “nose in and fingers out.” This means that you have fiduciary responsibility to provide oversight to the company, but you are not there to make the day-to-day decisions and shape operations. You are primarily there to shape strategy, and fire or hire key management personnel if required.

Q: How did you get involved with diversity, equity and inclusion (DEI) work and what sparked your interest in wanting to explore this area?

As a female working in a male dominated industry, DEI has always been top of mind. The finance industry became more acutely aware of it’s importance through events like the Me Too movement and George Floyd’s death. There has been a heightened level of awareness surrounding diversity, equity and inclusion and I think that has become an investment theme. Investors are increasingly wanting to align their investment dollars with companies that can demonstrate that they are doing well in all elements of ESG. There are many investment mandates in Canada that focus on the social and governance aspects of ESG, which have spurred the desire of companies to focus on their DEI efforts. It has also become more important than ever to ensure your employee base reflects your customer base. WCM always puts equity literacy at the center of everything we do, but also puts a large focus on diversity as it brings many benefits in the decision-making process, to employee wellbeing, and to profitability.

Q: Can you touch on some of the technical and soft skills that students wanting to work in finance should possess or work on developing?

It is crucial to research ahead of your interviews on what technical skills could potentially come up in your interview discussions. Everyone can be strong on technical questions, with many being related to financial statements, but it's also important to understand who the company's client is. Taking a look at an interview with an investment bank, you may be expected to know their top three transactions in the previous year, which is something you can easily find online. It is also critical to scan headlines daily on places like the Globe & Mail, Financial Post and Wallstreet Journal. You need to know what is happening in the markets and have an opinion on topics like interest rates.

Q: What is your view on the markets, inflation, and economic outlook today?

We have added a tremendous amount of global debt since the credit crisis as it was followed by a period of low rates along with the pandemic.. As a result, many countries are trying to reduce the size of their balance sheets and central banks are trying to unwind all the liquidity. In my opinion, we are headed towards a recession, but when we go into one, it will be brief since we are still sitting at record-low unemployment. In regards to inflation, a lot of it is being driven by the price of energy. War in the Ukraine could prolong this for some time and prolong the economic downturn. **Q: What are your views on labour, given the higher turnover lately and slower hiring? What do you think students joining the workforce should look out for?**

There are still lots of opportunities in the technology space. In particular, fintech is a huge growth area globally and will likely be for the next decade or two. In general, as interest rates rise, banks' balance sheets will get stronger. I believe employment opportunities in the finance sector will remain strong. It is important to do your research and lean on your networks to find out what companies are doing well and hiring in your area.

Q: Why did you decide to get your MBA? Would you recommend this to students who are interested in finance?

Personally, I was interested in finance and I knew that I would have to do an MBA since my undergrad degree was in social science. When I did my MBA, the cost was less than \$15,000, but the opportunity cost for getting an MBA now is significantly higher than that. Having said that, if you do your undergrad at any top university and you want to go into asset or wealth management, you are able to do so by getting your CFA designation. However, if you are able to do your MBA, then do it because it is a fantastic experience and higher education is a great privilege.

Q: What are some people skills that are often overlooked, but are very useful in your role when selling equities?

The most important soft skills when selling equities are communication and writing skills, as well as being a team player. Your role is to stand up and talk to various traders and discuss what is happening in the market. You need to develop strong internal and external relationships and share information. If you are placed in a quiet area, don't just sit there. Go out and find opportunities, ask people for coffee chats, and learn. Feel confident and find your voice!

Q: What metrics did you use to measure your personal growth in different stages throughout your career?

Personally, I measured my growth through performance reviews and promotions. From the beginning of your career journey, you need to be extremely proactive in managing your career. You should understand the various milestones, manage expectations, and make sure those around you understand those expectations. Have ongoing conversations with your peers and seniors so that you are able to meet or exceed those expectations.