

# The rise of CFA in Bangladesh



Businesses in the subcontinent are changing. This change, as much as it has been on the saddles of globalisation, has also been facilitated by the need to provide a sustainable enterprise customised for today's needs. After all, modern Bangladeshi companies do not want to be left behind globally-effective business practices. They can no longer be content with the traditional means of surviving by just making a profit.

In the relentless pursuit of professionalism and technical discipline, traditional businesses look forward to a future where they can easily compete on a global scale. Their preference, therefore, is to employ those who have been tried and tested in their chosen field. Job seekers are now finding a positive response from employers if they possess globally recognised professional degrees and certifications on their CV.

At BRAC EPL Stock Brokerage, one of the highly modernised brokerage houses of Bangladesh, the research department is increasingly looking for not only Finance majors from the top universities of the country but also CFA (Chartered Financial Analyst) qualified candidates. This means that while having excellent results in Finance and superb communication skills are prerequisites of the job, a CFA charterholder or a part-CFA holder has his additional, globally-recognised degree to attest to the technical skills of the candidate. In short, it sets the bar another notch higher.

Asif Khan, Deputy Head of Research at BRAC EPL Stock Brokerage Ltd and so far the youngest CFA charterholder in Bangladesh, explained that this professional qualification holds great value due to its universal standard. Universities have their own subjective ways of scoring and grading their students so a student with similar results

from two different institutions may in fact have significantly differing abilities. The CFA Program however is the same exam globally, whether it is in Dhaka or in New York, and thereby anyone who passes all three parts must be of a minimum calibre.

The title of a CFA therefore can carry a significant amount of weightage as to one's market value and employability. Asif reiterated the importance of the CFA in the context of a top tier brokerage firm.

"My 7-member research team is composed of CFAs and part-CFAs. My immediate manager, the Head of Research, is also a CFA. We all research on stocks continuously. We try to understand what is happening in the macroeconomy and determine the effects of politics and other issues on the key sectors that we are working in. With all these analysis, we provide concrete knowledge about the stocks to our foreign and local clients for informed decision-making. Such an arduously technical job requires employees who are tried and tested in Finance and Investment analysis. And the CFA Program does exactly that."

Offered by the CFA Institute, the CFA program is divided into three levels: Level 1, Level 2 and Level 3. The minimum criteria for anyone appearing for the CFA exams is a four-year equivalent bachelors' degree. The earliest a student can start giving the exams is from the 4<sup>th</sup> year of his or her bachelor's degree. At GradConnect, we consult a lot of ambitious students from Bangladesh's top institutions, including the University of Dhaka and IBA, who look forward to appearing for the level 1 exams from the 4<sup>th</sup> year of their undergraduate degree.

Within each of these levels, there are broadly ten topics and due to the program's technical nature it is focused around the ability to understand quantitative financial concepts and apply them. The range of topics include economics, quantitative analysis, corporate finance, portfolio management, derivatives and

also ethics.

The examination is typically offered once a year in Bangladesh and therefore any failure will require another full year of recovery. The rigor of these comprehensive exams is the primary reason behind why recruiters put a lot of faith in the abilities of a CFA charterholder. It really is no surprise why financial institutions are preferring candidates who have successfully completed the program.

It is primarily designed for those seeking careers in investment and equity analysis but is also beneficial for those in other analytical jobs involved in businesses with the money market, particularly when it comes to fund management. Students or young graduates considering this pathway need to be wildly passionate about finance. They must be very well-read and well-versed in this area and must be devoted enough to build a life on such a technically-challenging and highly-demanding subject.

Asif Khan, for instance, exudes genuine passion for the subject and the industry he is working in. Whenever he is on vacation or not working during weekends, you will find him at home cuddling up to a book about finance and how financial markets work. He is dedicated to the field and is typical of those who are successful in the field.

The 21<sup>st</sup> century business world has brought in its fair share of challenges and Bangladeshi enterprises now seek talented individuals who can hold represent these businesses globally. The CFA program provides training for such individuals and will become a cornerstone for the ambitious youngsters interested in building careers in finance.

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## The flip side of entrepreneurship

Listen to your heart. Follow your dreams. Be who you are. Don't seek jobs, give jobs. These are just some of the teachings we receive from authors, speakers and motivational coaches in this era of startups, bootstrapping and tech wizardry. But we are told very little about the other side of the story – when things don't go according to plan. Startups are not just about hitting the bull's-eye. It takes time and a series of trial and error to understand how your business will flourish. And it's not as easy as reading this article. So here are a few words of wisdom to consider before you pack your things and quit your normal job for a startup of your own.

**Sticks and stones**

I talked to Khijir Hayat Khan, the founder of KHK Productions, a multimedia production house specialising in feature films, television commercials and corporate adverts. When asked about his share of challenges during the startup days, he smiles and says, "When I changed the course of my career back in 2006 and started my own business, I almost had nobody to root for me, not even my own family. Eight years down the line and I am yet to convince many of them. In Bangladesh, the hardest part is having to deal with the persistent negativity you receive from people around you. I had to stay calm and look forward. Most of the time, you're the only person you can count on for motivation."

In our society, it is obvious that you will get demotivated and challenged by your peers if you intend to do something

that's unfamiliar and has never been done before. You will not realise what a letdown such provocations can be until you face them. So, before you start off, mentally prepare yourself for the volley of verbal condemnation up ahead. Decide exactly what you want to say to the first person who questions you about your ideas and don't chicken out.

**In the dark**

In recent times, fresh graduates start off their work life with their very own businesses. There is nothing wrong in doing what you want to, but the reality is you probably lack a lot of the skills required to run a business. When it comes to first-hand experience, the things you picked up at the few months you spent as an intern only go so far. For example, you might land a very big project, courtesy of your epic pitching skills, but when it comes to getting the job done on time, it turns out you don't have the resources or manpower needed. You're simply going to lose the account to somebody more experienced and efficient if you can't up your game, and that's going to take some time.

**A little passion goes a...**

What's the secret to success? I would've said passion in a heartbeat until recently. Passion is obviously necessary but when you've been in your line of work for some time, you're going to see yourself constantly experimenting and trying out new and exciting things but not getting very far with them. Passion is useless without patience. You need to understand that it's taken people years to establish their businesses. In the time you spend making mistakes and learning things as you go, you could've made a whole lot more working for someone else and become a higher-level manager in the process. So, think twice about what you want from life – money and relative success, or the pride and fame that comes along with becoming a self-made entrepreneur.

**Delusions of grandeur**

Get this one thing clear. There is no guarantee that you are going to make heaps of money right away, or ever in fact. The likelihood of that

happening is actually very slim – ninety percent of all startups fail within a few years of launching, and only a few businesses make it in the long run, and even fewer go on to become cash cows.

Nahidul Islam is the Director of Operations and Offshore Business Development of 23Degree, an architectural firm that works in 3D animation and interactive design. I asked him about his journey with 23Degree. "First of all, an entrepreneur does not get a regular income like your typical salaryman. There are ups and downs in the business, so sometimes it becomes too tough to handle all the costs to support yourself or run your family. Secondly, even if you have regular clients, you have to put in continuous effort to retain besides finding new clients. You need a ready repertoire of backup plans and constantly look for ways to diversify and opportunities to expand. You can't settle for just good, find ways to be better."

**The bottom line**

I asked Khijir for his take on budding entrepreneurs in Bangladesh. "Before deciding to start up, you should ask yourself these questions: *Can I handle the pressure when I hit a low? Will I be able to stand on my own two feet again? What is my backup plan and how solid is it? Is this really what I want to do with my life?* If the answers for most of these questions are positive, then welcome aboard. Otherwise it might not be your thing. There's no harm in choosing to become a great manager instead of a leader," he said. Entrepreneurship is the "it" thing these days, and students and graduates often jump into it without doing their homework properly. Nahidul's advice for them is, "Do enough market research until you detect the holes in the system that actually need to be filled up. There'll be problems around you at all times but you'll always find a way to out if you can believe in what you do."

HASIBUL ISLAM

## The share bajaar

Remember Chris Gardner from the biographical drama film "The Pursuit of Happiness?" If you do then you must remember his struggle to become a stockbroker which happened to be his dream career. Or take the example of the recent much talked about film "The Wolf of Wall Street" where Jordan Belfort along with his close coworkers and business partners rose to monstrous fame by becoming stockbrokers. Despite the moral ambiguity of the latter, one cannot deny the appeal of being a stockbroker in the West. Even in our neighboring country India, this career is considered as a flashy and thriving one which holds a lot of prestige.

However, in our country, whenever we hear the words "stock market", the first thing that comes to mind is share bajaari! A negative aura is somehow entwined with it. It is really sad that we lack knowledge of this booming sector. Every year thousands of fresh business graduates are being injected in the corporate world. Most of them prefer the banking industry as their dream career path. Other financial sectors like brokerage houses, merchant banks, insurance companies, etc. are not attracting the crème de la crème.

A stockbroker is a professional who is generally tied to a brokerage house and buys and sells securities for both retail and corporate clients in return for a fee or commission. Unlike many other financial institutions, working as a stockbroker is never boring. This challenging field requires a broad skill set coupled with dedication and willingness to work long hours in order to succeed. The rewards can be enormous for those who go through with it. If



you're interested in finance and think managing other people's money while matching the pulse of the market interests you even more, a well reputed stock brokerage firm is where you should be heading right now to build your career. Of course, it typically takes inexperienced brokers at least a few years to accumulate a large enough base of customers to allow them to earn generously. But once they start doing so, there's no looking back. The right people in this sector are succeeding comfortably.

Mr. Wafi S M Khan is the Chief Executive Officer of Green Delta Securities Limited, one of the few renowned brokerage firms of our country. He says, "Being a stockbroker can lead you to a career full of growth and potential. Every day is a new challenge for a stockbroker and he can get the inside scoop on the capital and share market. The overall capital market is something the people of our country don't learn much about. We see people who are not financially well-off invest in the capital market after selling off their land and other valuables. So when they face tremendous loss they start blaming the system and government, not seeing the real picture. Capital market is for the people who have money to spend. If you don't have the required 'capital', it's not the place for you. The lack of knowledge of the people of our country is the prime reason why this industry is having a bad reputation, which is stopping fresh graduates from joining brokerage houses. It's about time this perception changed and people found enthusiasm in stock brokerage."