**Proposal**

I am writing to seek funding approval to integrate a Debt Financing simulation into our analyst training program.

This initiative aligns with our commitment to enhancing the skills and capabilities of our analysts, ensuring they are well-equipped to excel in their careers.

As the financial landscape continually evolves, it is imperative that we provide our analysts with a comprehensive and practical learning experience. The simulation offers a unique opportunity for our analysts to gain hands-on experience in complex financial scenarios, enhancing their problem-solving skills and decision-making abilities.

**Provider**

Finsimco is a software provider specializing in gamified training simulations for investment banks. The company was founded by former investment bankers with origins at Morgan Stanley. For more information, visit [www.finsimco.com](http://www.finsimco.com)

**Benefits**

1. Engaging Learning Experience: The simulation offers an interactive and immersive learning experience that goes beyond our current training program. Our analysts will have the opportunity to apply their knowledge in a realistic, hands-on environment. This engagement is proven to increase knowledge retention and foster a deeper understanding of complex financial concepts.
2. Real-World Relevance: The financial industry is dynamic and ever-evolving. By exposing our analysts to real-life financial scenarios, the simulation equips them with the practical skills and problem-solving abilities necessary to thrive in their roles. This relevance is key to their success and job satisfaction.
3. Positive Feedback and Networking: Analysts who participate in engaging learning experiences tend to form stronger bonds with their peers and instructors. This sense of community can lead to a more positive learning environment and foster a supportive network, which is crucial for their overall experience.
4. Professional Development: Integrating the simulation into our program not only enhances our analysts' technical competencies but also contributes to their professional development. This added value can lead to higher job satisfaction and a sense of accomplishment, reducing attrition rates.
5. Assessment: The simulation supports effective assessment of analysts’ knowledge and skills. The performance data allows us to optimize staffing decisions.

**Key statistics**

* 80% of staffers agree that Analysts are better prepared for the desk after the simulation.
* Excellent ratings: 93% of participants rate the simulator experience as "excellent."
* 85% of staffers find that the simulation results align with employee performance.

**Debt Financing simulation**

Url: [https://www.finsimco.com/banks/simulations/debt-financing](https://www.finsimco.com/business-schools/simulations/debt-financing)

Duration: 3 to 4 hours.

Setup:

* Analysts are organized into teams, each consisting of 3 to 5 members.
* Teams are tasked to optimize a company's capital structure by assuming the roles of Lenders and Borrowers.
* The difficulty level of the simulation adjusts based on performance.

Grading: Assessment is based on the teams' ability to reach an agreement, as well as the practicality and favorability of the terms they agree upon.

Concepts:

* Debt Instruments (Bonds, Loans, etc.)
* Debt vs. Equity Financing
* Debt Terms
* Debt Covenants
* Debt Issuance Process
* Capital Structures

Learning Objectives:

* Understand different types of Capital Structures
* Evaluate appropriate levels of debt for a company's balance sheet
* Understand the perspectives and incentives of both - borrowers and lenders
* Recognize key terms in loan agreements
* Assess different types of security
* Differentiate between financial, affirmative, and negative covenants
* Describe the advantages and limitations of covenant lite loans and the importance of leverage covenants
* Understand holding company structures and various forms of subordination
* Define events of default and outline potential responses to technical and payment defaults, including waivers, amendments, restructuring, and liquidation