**Proposal**

I am writing to seek funding approval to integrate a Debt Restructuring simulation into my [course/program].

As we strive to continuously improve our curriculum and keep up with industry trends, I believe that incorporating the simulation will provide a significant advantage to our students and increase their chances of success in their future careers.

While our current course offerings are effective, we are always looking for new and innovative ways to engage our students and equip them with the skills and knowledge necessary to thrive in the highly competitive job market. The use of simulation has been proven to enhance student engagement and improve their retention of complex concepts, as they are able to apply what they learn in a realistic and interactive setting.

In addition, by incorporating the simulation into our [course/program], we can ensure that our students are well-prepared for the challenges of the industry, including rapid technological advancements and changing market conditions. This will give them a competitive edge in the job market and make them highly sought after by top employers.

Furthermore, AASCB, EQUIS, and AMBA encourage the use of practical simulations.

In summary, this simulation will benefit our students and our institution. I am confident it will enhance our reputation for innovative teaching methods and result in improved educational outcomes.

**Provider**

Finsimco is a software provider specializing in simulations for investment banks. Founded by former investment bankers with origins at Morgan Stanley, Finsimco’s simulations are being used in corporate training and have been adopted by several Business Schools. For more information, visit [www.finsimco.com](http://www.finsimco.com)

**Benefits**

1. Real world experience: It is often difficult for students to fully comprehend finance theory without relevant work experience. Even after years of industry experience, certain scenarios may remain uncommon (e.g. exogenous shocks). For several years, financial service providers have utilized Finsimco simulations to expose staff and new recruits to these types of challenging situations. The simulations enable students to experience real-life settings without taking on any risks.

2. Employability: The Simulator offers a realistic work experience. Similar simulations are used in recruitment and training events. Our students would be exposed to a similar environment, which should improve their prospects.

3. Cost reduction: The self-running nature of the simulation will reduce the teaching workload, requiring less supervision.

4. Assessment: The simulation supports effective assessment of students' knowledge and skills in financial services. It provides a practical platform for evaluating performance, decision-making abilities, and industry understanding.

5. Higher enrollment: Business Schools that have integrated the simulations into their curriculum have observed an increase in student applications. The positive word-of-mouth generated by students who have experienced the simulations contributes to the increased enrollment in these programs.

**Key statistics**

* Increased job placement: Finance majors who complete Finsimco simulations are 1.7 times more likely to secure jobs at Bulge Bracket Banks.
* Excellent ratings: 93% of participants rate the simulator experience as "excellent."
* Certification: Upon successful completion, participants will receive a certificate recognized by most banks.

**Review**

I will review the simulation annually, aligning it with our teaching-focused processes. As part of the review, I will consider enrollment numbers, student feedback, and employability-enhancing metrics.

**Debt Restructuring simulation**

Url: <https://www.finsimco.com/business-schools/simulations/debt-restructuring>

Duration: 2 hours.

Setup:

* Students are organized into teams, each consisting of 3 to 5 members.
* Teams are tasked with working on an out-of-court debt restructuring case, representing different roles such as 1st lien debt holders, 2nd lien debt holders, and equity owners.
* 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 vs. Equity Financing
* Impact on Stakeholders
* Debt Negotiation
* Financial Distress
* Bankruptcy
* Legal Considerations

Learning Objectives:

* Understand the underlying difference between debt and equity in the face of financial challenges
* Understand financial distress and the perspectives / incentives of creditors, management and equity owners
* Identify the key players in a restructuring, including vulture/distressed asset investors
* Definition and indicators of financial distress
* Detect an unsustainable capital structure
* Discuss creditors' and equity owners' rights during a restructuring and bankruptcy
* Evaluate the options available to lenders and investors when signs of credit deterioration become apparent
* Understand legal and regulatory frameworks related to financial distress