**Proposal**

I am writing to seek funding approval to integrate a LBO 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.

**LBO simulation**

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

Duration: 4 hours.

Setup:

* Analysts are organized into teams, each consisting of 3 to 5 members.
* Teams manage a LBO transaction by assuming the roles of PE firms, Lenders and Sell-Side Advisors.
* The difficulty level of the simulation adjusts based on performance.

Grading: Assessment is based on the teams' performance and the submitted input variables.

Concepts:

* Leveraged Buyout Structure
* Private Equity and Buyout Firms
* Valuation of Target Companies
* Debt Financing in LBOs
* Due Diligence Process
* Deal Structuring and Negotiation

Learning Objectives:

* Integrate assumptions and drivers into financial models
* Forecast key P&L and Cash Flow Statement items
* Use management guidance and industry forecasting conventions for your projections
* Calculate the Equity Value by discounting Free Cash Flow to Equity (FCFE) with a PE firm’s IRR target
* Derive a PE firm’s bidding Enterprise Value (EV) based on the Equity Value plus Net Debt
* Normalize historical results to exclude non-recurring items
* Understand Buy-Side and Sell-Side processes and deal timelines
* Review typical deal structures and timelines
* Explain how companies can manipulate P&L items to boost earnings
* Understand why management and advisors are overly optimistic