

Banking

ProfitAbility®

experience your
business future

Designed to model the drivers of industry success in the volatile and highly competitive financial sector.

The global banking industry is worth about hundred trillion in US\$, and it is in a state of perpetual flux. Critical to success in the banking and insurance industry is the knowledge of market trends, product mix shifts, customer needs and effective market strategies. With this in mind, can you imagine the impact on your bottom line if every member of staff knew how to influence profit and cash flow positively with each decision they made?

Banking ProfitAbility is a board-based simulation of a bank, which shows the portfolio of deposits taken, and secured and unsecured loans given out. Two versions are available:

- BASIC model
- ADVANCED model.

This engaging and challenging business simulation is for managers and staff at all levels of the banking sector. It creates a greater understanding of how the balance and spread of a portfolio, the level of expenses incurred and losses on loans all interact to produce profit or loss for a bank.

Learning criteria

Banking ProfitAbility gives a remarkably clear and simple overview of how a bank works, what makes it profitable and how it can grow. Using a unique, board-based simulation, participants see the results of their decisions and learn to grasp the cause-and-effect relationships of key aspects of a bank's operations. For those in customer-facing positions, it demonstrates clearly the effect they can have on customer retention, and hence profitability.

The ProfitAbility approach

Experiential learning or 'learning by doing' enables your people to absorb essential concepts and transfer them directly to their workplace in the form of changed behaviour. Knowledge and business acumen are not only increased but, vitally, retained and used.

What will participants do?

Each participant is part of a 3–4 person team. Each team will set the level of investment in back office systems and the number of employees, which together determine the level of service they can provide to their customers. They set interest rates for deposits and secured and unsecured loans. Using a combination of these factors with marketing efforts, they compete for customers and build a portfolio of loans and deposits.



“ The simulation gave a good overview and showed how difficult it was to gain overall profit, and to get the mix and rate equation right. Actually it was fabulous, I really wanted to play it again! ”

HR manager
Standard Chartered Bank

PROFITABILITY®
Business Simulations

www.profitability.com

Profit vs. Cash

How both are crucial to business growth and survival.

Risk management

The sources of risk and its role in banking.

Learning outcomes

The learning outcomes of both models are:

- Improved understanding of the relationships between service levels, customer retention and profitability
- Understand how banks compete for profitable customers.
- Knowledge of how interest rate spreads, volumes and costs have an impact on profitability
- Understanding the bank's own cash flow

Additional learning outcomes of the ADVANCED model are:

- Experience of the challenges involved in managing both retail and commercial customers
- Knowledge of the effect of capital adequacy requirements on growth
- Understanding the impact of having a broader range of products, such as life insurance
- The option to add a derivatives desk
- The option to run Value Based Management accounts (using statistically expected losses) as well as Financial Accounts (using actual losses)

The Business Savvy Survey

No pre-work is required for this simulation, though prior to the programme participants may be asked to do a web-based questionnaire, the Business Savvy Survey. This 15-minute exercise assesses the level of participants' business financial acumen. The result is virtually instantaneous, is only sent to the participant themselves and is confidential. The project sponsor will receive aggregated results to allow them to measure the impact of the simulation.

Furthermore, participants can take the test anytime after the ProfitAbility programme to record exactly how much and where they have improved.

Call +44 (0)1491 821900 and find out how
Banking ProfitAbility can help you experience
a more profitable future

Planning

What tools to use and how to analyse planned versus actual results.

Customer profitability

The balance of revenues, risk and expenses.

Summary

Who should attend?

People of all levels within a bank; BASIC level especially suited for new entrants.

Class size

12–24 (can be tailored for a larger group, for example as part of your conference or event).

Duration

2–3 days (can be flexed to suit your needs, for example as part of your leadership curriculum).

Customisation

We can rebrand the materials, tailor the inputs to reflect the drivers of value in your organisation, or create a bespoke version based on your business.

“ I moved into banking from another industry, and have learnt more about how banking actually works in the last 90 minutes than in the whole six months since I joined the bank. ”

Standard Chartered Bank, Participant