



Gutenberg Research

Financial Modeling Cooperative Education Program

A Real-World, Real-Time Financial Modeling Experience

Dealing with uncertainty is one of the most difficult aspects of a career in equity research or asset management. Even if an analyst is able to accurately project a company's earnings and cash flows, there is no guarantee of how the market will react to the results. Prospective analysts must therefore develop a level of comfort in dealing with uncertain outcomes, in addition to learning the fundamental modeling concepts, in a world of imperfect data.

Our Cooperative Modeling Program incorporates each of these critical components into your financial modeling development. We use a *real-world* company as the subject of our training, not a theoretical textbook example. Financial reporting can be complex, and companies are selective in what they disclose. A real subject company will help you learn how to deal with shortcomings in data availability, while you apply the techniques commonly used in professional practice.

Our program is taught in *real-time*, meaning you will build a financial model and project earnings for the subject company before the company reports quarterly results. On the night of the company's earnings release, we will read the filing, listen to the conference call, and update our models together as a group. This approach will help you practice developing a forecast in a scenario where the outcome is uncertain, but in a fun and relaxed setting.

The program is designed to complement your current education, be it traditional college business curriculum, or on-the-job training and professional designations. This makes it a true *cooperative learning experience*, giving you the opportunity to expand the knowledge you are building, and apply it in a practical format.

How is This Program Different From Other Modeling Classes?

In order to fully learn the financial modeling process, you must gain an understanding of:

- 1) The mechanics of building a model,
- 2) How to develop a forecast thesis,
- 3) How to correctly enter your thesis into the model, and
- 4) How to use the model output effectively to run varying forecasts and estimate target valuations.

Most modeling courses focus on the mechanics of building a model, while our program addresses each of the areas above. The real-time nature of the program will make it feel more like on-the-job experience, rather than a classroom style training course.

A Truly Cooperative Experience...Even With Other Modeling Programs: If you have already taken a modeling course, you may want to consider our program as a way to practice the concepts you have learned, in a real-world setting. Or you may want to access a different perspective on modeling. Many of our past students have taken other modeling courses, and found our program to be complementary, unique, and beneficial to their overall development.

Program Summary

Our program includes all of the critical aspects of financial modeling, from building the model (all three financial statements), to forecasting and valuation. The following is a summary of some of the key components of the program:

- Building a three-statement financial model.
- Developing a forecast thesis and entering it into the model.
- Forecasting the Income Statement, segment details, Balance Sheet, and Cash Flow Statement.
- Setting a target valuation using market multiples and Discounted Cash Flow (DCF).
- Estimating the DCF inputs (Beta, ERP, CAPM, & WACC).
- How to use your model and prepare for the earnings release.
- Adjusting your model for changes in circumstances (interest rates, volatility, etc.).

The Training you want, the experience you need: If you choose to publish your model with an earnings preview or review note, you are effectively a contributor to the Gutenberg Research community. At this point you will have crossed the threshold of financial modeling training into production of analytical work. Therefore, you may choose to list your time with Gutenberg Research under the “Experience” section of your resume. If an employer calls us for verification of your experience, we will provide the confirmation for all students who have published their work. However, it is important to not misrepresent your experience as employment, so please make it clear that you are a *Contributing Research Analyst*. For additional guidance please refer to our resume examples.

Program Comparison—What is Included		
Delivery Method	Standard	Self-Paced eLearning
Cost	\$375	\$179
<i>Includes:</i>		
Printed version of the textbook (shipped by Amazon) ¹	Yes	No
Printed version of Supplemental Modeling Guide	No – PDF only	No – PDF only
Printed version of Program Course Pack	No – PDF only	No – PDF only
Electronic version of the textbook (Amazon eBook)	Yes	Yes
Access to the online training hub and pre-recorded video training sessions	Yes	Yes
Live classes (taught through online meetings)	Yes	No
Access to live earnings review class	Yes	No
Access to live Federal Reserve FOMC release meeting review	Yes	No
Live question support in class	Yes	No
Question support via email	Yes	Yes
Access to the exam	Yes	Yes
Model review and feedback	Yes ²	No
Model publishing on GutenbergResearch.com	Yes (optional)	No

¹ The program includes a printed copy of the textbook (excluding the Self-Paced eLearning version), and free shipping to the Contiguous United States. All other locations are subject to additional shipping charges which will be calculated at checkout. Textbooks are fulfilled and shipped directly by Amazon.

² The program includes two model feedback points (excluding the Self-Paced eLearning version). One after the model is constructed, and a second after the future period forecast and target share valuation is complete. Refer to the Program Schedule table for details.

Program Details

A Fully Integrated Modeling Experience: The primary curriculum follows our textbook with assigned readings and practice problems. In addition, there are pre-recorded training sessions, which are complemented by live video conference meetings. Our program provides a one-company example for a truly integrated experience. This means:

- You will learn how the three financial statements are linked together through multiple accounts,
- Your target share valuation will be based on multiple approaches, and linked to the earnings and cash flows from your financial statement model, and
- Your share valuation will be linked to external financial metrics (primarily interest rates and volatility). This will give you much needed insight on how general market conditions can impact your forecast.

Students will be responsible for submitting an earnings model covering the subject company, an Equity Risk Premium model, and completing an exam which is administered online. In addition, those who complete the program will be given the option to have their model published on GutenbergResearch.com.

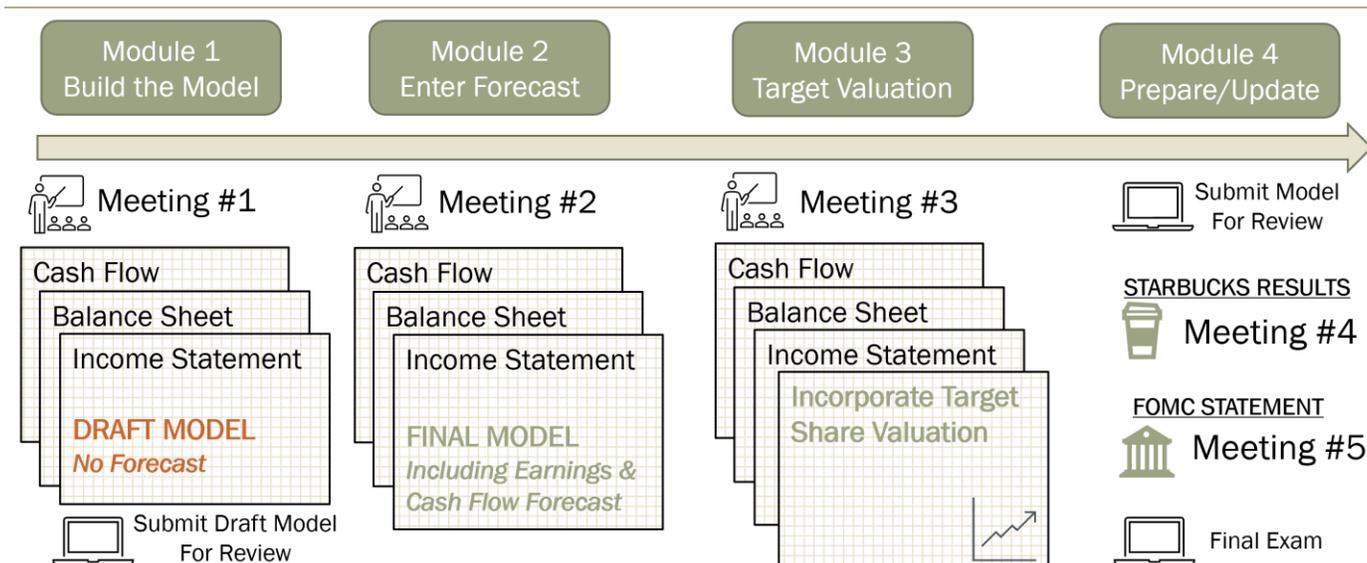
The program is broken-down into four primary modules. In Module 1, we will build a three-statement model for the subject company (Starbucks Corp). Next, we will enter key inputs into the model to create a financial forecast. We will then use the forecast to estimate a target share valuation. Module 4 will complete the learning process with feedback on your model, and a review of the actual results after the company reports earnings.

Worried About Your Workload?

In the past, students have reached out to us because they wanted to participate in the program, but were concerned about being able to complete all of the tasks along with their other classes. This year we will offer a “wrap-up” session to help any students who were not able to fully participate in the program under the planned schedule to complete the program in just one weekend. The “Weekend Wrap-up” will be held a few weeks after the conclusion of the program, and will follow an abbreviated version of the curriculum. Note that this option will not be available for students taking the program as part of an existing college course, where the Gutenberg Research program grade is incorporated into the grade for their class.

Program Schedule Overview

The following schedule includes tentative program dates with the details of key deliverables. These estimates represent general guidelines, depending on when the subject company reports results, as well as the schedules for individual classes. Final dates will be distributed to participants at the start of each semester. Recordings of the training sessions will be posted to our training hub for those who are unable to attend the live sessions.



Program Schedule

Fall 2022

Subject Company	Starbucks Corp
Semester's Main Event: Starbucks Earnings Call	Fiscal 4 th Quarter 2022 Call Expected Thursday 10/27/2022
Enrollment Begins	8/1/2022
Enrollment Deadline	9/15/2022
Orientation/Kick-off Call	Thursday 9/8/2022 6:00pm EST
Curriculum Release Date	9/8/2022
Module 1: Building a Three-Statement Model (Classes 1 through 3)	
Class 1: Introduction to Financial Modeling Topics covered: Fundamental Principles of Modeling, the earnings cycle, basic Excel functionality, and model layout. Assignment: Watch pre-recorded orientation and Chapter 1 demonstration videos, read Chapter 1 of the text, and complete the "Concept Quiz" questions at the end of the chapter.	Suggested Completion Date 9/15/2022
Class 2: Building the Income Statement Topics covered: Model setup, entering historic data, selecting the drivers of the earnings forecast, and adjusting for non-GAAP items. Assignment: Watch pre-recorded Chapter 2 demonstration videos, read Chapter 2 of the text, and complete the "Concept Quiz" questions at the end of the chapter.	Suggested Completion Date 9/15/2022
Class 3: Balance Sheet and Cash Flow Modeling Topics covered: Completing the historic financials, modeling assets/liabilities/equity, Cash Flow Statement modeling, and the primary links between the financial statements. Assignment: Watch pre-recorded Chapter 3 demonstration videos, read Chapter 3 of the text, and complete the "Concept Quiz" questions at the end of the chapter.	Suggested Completion Date 9/15/2022
1st Live Meeting: This session will feature a demonstration of the "solution" model, and will address any questions.	Thursday 9/15/2022 6:00pm EST
1st Deliverable: Three-statement model with future period projection equations. The purpose of this deliverable is to ensure the structure of your model is correct prior to moving on to the next steps (required).	Due Date 9/24/2022
1st Model Feedback: This first model review will focus on the structure of the model, and the primary links between the financial statements.	Delivered back to you on 9/29/2022
Module 2: Using the Model to Create an Earnings/Cash Flow Forecast (Class 4)	
Class 4: Model Calibration & Forecasting Topics covered: Considering historic trends, adjusting for seasonality, adjusting for changes in circumstances, considering management's guidance, reviewing the consensus estimates, and incorporating your forecast thesis into the model. Assignment: Watch pre-recorded Chapter 4 demonstration videos, read Chapter 4 of the text, and complete the "Concept Quiz" questions at the end of the chapter.	Suggested Completion Date 9/29/2022
2nd Live Meeting: This session will feature a demonstration of some of the key forecasting concepts covered in the text using bull and bear-case scenarios for the subject company.	Thursday 9/29/2022 6:00pm EST
Module 3: Using the Forecast to Create a Target Share Valuation (Classes 5 through 7)	
Class 5: The DCF Inputs (Beta, ERP, CAPM, and WACC) Topics covered: Calculating the Equity Risk Premium, deriving beta using the regression function in Excel, calculating the required return on equity using the Constant-Sharpe approach, calculating the Weighted Average Cost of Capital. Assignment: Watch pre-recorded Chapter 5 demonstration videos, read Chapter 5 of the text, and complete the "Concept Quiz" questions at the end of the chapter.	Suggested Completion Date 10/6/2022
Class 6: Discounted Cash Flow Valuation Topics covered: Using a two-stage DCF approach, calculating and understanding the DCF valuation. Assignment: Watch pre-recorded Chapter 6 demonstration videos, read Chapter 6 of the text, and complete the "Concept Quiz" questions at the end of the chapter.	Suggested Completion Date 10/10/2022
Class 7: Market Multiple-Based Valuation Topics covered: Separating net cash or other assets/liabilities, historic multiples, competitor/industry average multiples, considering risk through a price band. Assignment: Watch pre-recorded Chapter 7 demonstration videos, read Chapter 7 of the text, and complete the "Concept Quiz" questions at the end of the chapter.	Suggested Completion Date 10/13/2022
3rd Live Meeting: This session will cover the key topics from Chapters 5 through 7, and address any questions from the students.	Thursday 10/13/2022 6:00pm EST

<p>2nd Deliverable: Final model including forecast and target share valuation, with description of assumptions (required). You may also submit your versions of the ERP Model if you have selected to enter your own interest rate/volatility projections (optional).</p> <p>Model Publication: Students will have the option to publish their model for the Gutenberg Research Financial Modeling Community along with a description of their work and forecast assumptions (optional).</p>	<p>Due Date 10/15/2022</p>
<p>Final Model Feedback: This second model review will focus on the earnings forecast and share valuation.</p>	<p>10/23/2022</p>
<p>Module 4: Preparing for, and reviewing the company's results (Class 8)</p>	
<p>Class 8: How to Use the Model</p> <p>Topics covered: Scenario and sensitivity analysis, preparing for the release, and updating the model after the release</p> <p>Assignment: Watch pre-recorded Chapter 8 demonstration videos, read Chapter 8 of the text, and complete the "Concept Quiz" questions at the end of the chapter.</p>	<p>Suggested Completion Date 10/23/2022</p>
<p>4th Live Meeting: This meeting will focus on updating the Starbucks model live, in real-time, after the company releases their quarterly results. The instructor (John Moschella) will update the "base-case" version while explaining to the students how to update their models.</p>	<p>Fiscal 4th Quarter 2022 Call Expected Thursday 10/27/2022</p>
<p>Optional Final Session</p>	
<p>5th Live Meeting: Federal Reserve FOMC Meeting</p> <p>The instructor (John Moschella) will update the Equity Risk Premium (ERP) Model live as the FOMC releases their Policy Statement on interest rates. The meeting will conclude with a demonstration of how to incorporate the latest ERP Model output into the subject company's model to capture the valuation impact of the changes in interest rates.</p>	<p>Wednesday 11/2/2022 1:45pm EST</p>
<p>Final Exam</p>	
<p>The exam will be administered online at GutenbergResearch.com (required). This estimated final exam testing window should be considered a placeholder. Final date will be announced at the start of the program.</p>	<p>Testing window dates will be announced when the program begins.</p>

Notes From the Instructor—My Background



I have spent the last 15 years analyzing companies in various capacities. After earning a BSBA in Finance, MS in Accounting and MBA from Northeastern University, I began my professional career at PricewaterhouseCoopers (PwC) in New York as an Assurance Associate in the Financial Services practice, where I earned a CPA license. During my time at PwC, I participated in a rotational assignment within the Financial Service Research Institute where I studied bank mergers through the financial crisis, drawing on my previous experience as a bank examiner with the Federal Deposit Insurance Corporation (FDIC) during my undergraduate career.

After PwC, I spent five years at UBS where I worked first as a Capital Specialist, and then as an Equity Research Associate. During this time, I became a CFA Charterholder. In my research role I built and maintained earnings models, contributed to research reports, and participated in client conferences, covering the Semiconductor and Semiconductor Capital Equipment Industries. I then moved to General Electric Capital Corp in 2014 as a Risk Analyst where I built regression models to predict asset losses based on various macroeconomic scenarios. After the sale of most GE Capital's assets, I started a consulting firm which provides capital planning support to banks, in addition to running Gutenberg Research.

Over the last few earning seasons I have been experimenting with different approaches to deliver the best possible experience to my students. I am very proud of how the program has developed. If you are interested in furthering your financial modeling education, I think you will find my program beneficial, unique, and fun. I am looking forward to another semester, and hope you decide to join the team!

Ready to Get Started?

For additional details, to sign-up for program updates, or to enroll visit GutenbergResearch.com/Co-op