



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 model together as a group. This approach will give you the practice of developing a forecast in a scenario where you are not certain of the outcome, 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 and appreciate financial modeling, you must gain an appreciation for the key aspects to modeling:

- 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 the Advanced version of our program addresses each of the areas above. And 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 Structure

Our program has two versions: 1) Advanced, or 2) Intermediate. The **Advanced** version is designed for graduate students, and includes the full program curriculum, from building the model (all three financial statements), to forecasting and valuation.

The **Intermediate** version is designed for undergraduate students without prior modeling experience. Intermediate students will begin with an existing model template, rather than building the model from scratch. Students develop a unique forecast thesis and change the model inputs to reflect their thesis. The model covers the Income Statement and segment details. The projected model earning output is used to develop a target share valuation based on a market-multiple valuation approach.

Program Comparison—Topics Covered		
Program	Advanced	Intermediate
Building a Three-Statement Model	Yes	No
Using the Model to Develop a Forecast Thesis	Yes	Yes
Forecasting—Income Statement	Yes	Yes
Forecasting—Segment Details	Yes	Yes
Forecasting—Balance Sheet	Yes	No
Forecasting—Cash Flow Statement	Yes	No
Valuation—Market Multiple	Yes	Yes
Valuation—Discounted Cash Flow (DCF)	Yes	No
DCF Inputs (Beta, ERP, CAPM, & WACC)	Yes	No
How to Use Your Model and Prepare for the Release	Yes	Yes
Adjustments for Changes (Interest Rates, Volatility, etc.)	Yes	No

Program Comparison—What is Included		
Program	Advanced	Intermediate
Cost	\$399 per student	\$99 per student
<i>Includes:</i>		
Printed version of the textbook (shipped by Amazon) ¹	Yes	No
Printed version of Supplemental Modeling Guide	No – PDF only	No
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 (5 classes)	Yes (2 classes)
Access to live earnings review class	Yes	Yes
Access to live Federal Reserve FOMC release meeting	Yes	No
Live question support in class	Yes	Yes
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 Advanced version of the program includes a printed copy of the textbook, 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 Advanced version of the program includes two model feedback points: 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.

Advanced Program Details

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

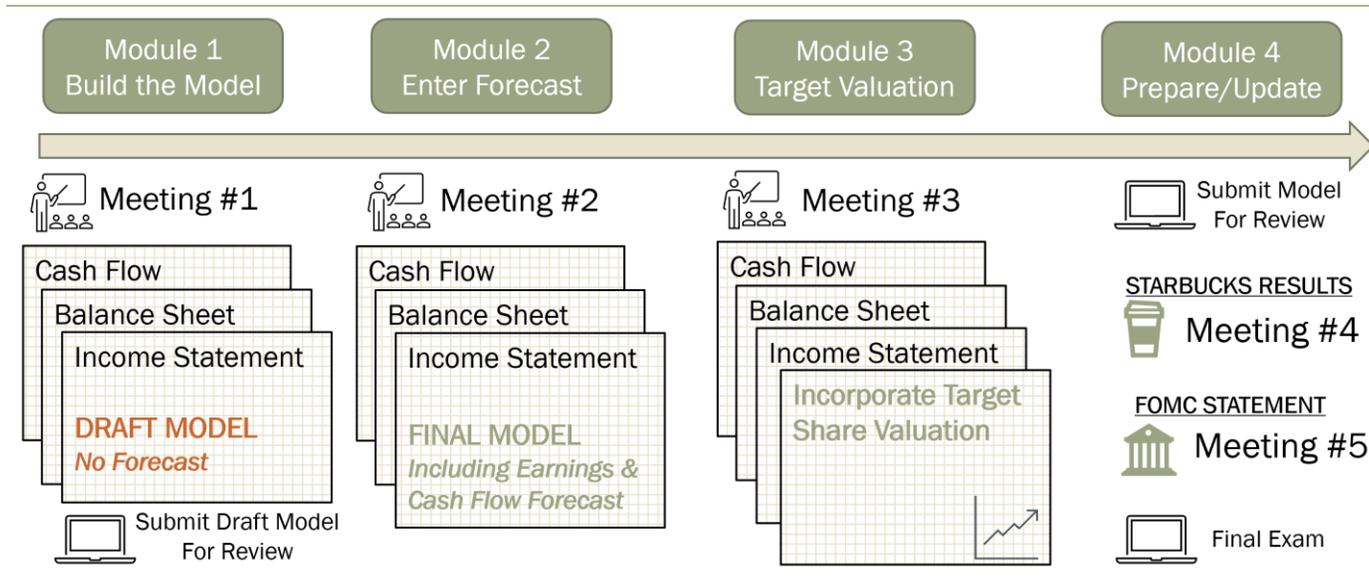
- You will learn how the three financial statements are linked together through multiple accounts,
- Your target share valuation of the company will be based on multiple approaches, and linked to the earnings and cash flows from your financial statement model, and
- Your share valuation will be linked 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 and completing an exam which is administered online. Students may also submit an Equity Risk Premium Model and written summary of their model if they wish (not required). 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 (using 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.

Advanced 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 the training hub for those who are unable to attend.



Advanced Program Schedule	Spring 2022	Summer 2022
Subject Company	Starbucks Corp	Starbucks Corp
Semester's Main Event: Starbucks Earnings Call	Fiscal 2 nd Quarter 2022 Call Expected Tuesday May 3rd	Fiscal 3 rd Quarter 2022 Call Expected Tuesday August 2nd
Enrollment Begins	1/1/2022	3/1/2022
Enrollment Deadline	2/24/2022	5/26/2022
Program Information Session	Pre-recorded, questions via email	Pre-recorded, questions via email
Orientation/Kick-off Call	Thursday 2/24/2022 6:00pm EST	Thursday 6/2/2022 6:00pm EST
Curriculum Release Date	2/24/2022	5/31/2022
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 3/1/2022	Suggested Completion Date 6/1/2022
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 3/5/2022	Suggested Completion Date 6/5/2022
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 3/15/2022	Suggested Completion Date 6/15/2022
1st Live Meeting: This session will feature a demonstration of the "solution" model, and will address any questions.	3/16/2022 6:00pm EST	6/16/2022 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 3/19/2022	Due Date 6/18/2022
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 3/29/2022	Delivered back to you on 6/28/2022
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 3/30/2022	Suggested Completion Date 6/29/2022
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 3/31/2022 6:00pm EST	Thursday 6/30/2022 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 4/4/2022	Suggested Completion Date 7/4/2022
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 4/11/2022	Suggested Completion Date 7/11/2022
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 4/13/2022	Suggested Completion Date 7/13/2022
3rd Live Meeting: This session will cover the key topics from Chapters 5 through 7, and address any questions from the students.	Thursday 4/14/2022 6:00pm EST	Thursday 7/14/2022 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>	Due Date 4/16/2022	Due Date 7/17/2022
<p>Final Model Feedback: This second model review will focus on the earnings forecast and share valuation.</p>	5/1/2022	8/1/2022
Module 4: Preparing for, and reviewing the company's results (Class 8)		
<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>	Suggested Completion Date 5/1/2022	Suggested Completion Date 8/1/2022
<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>	Fiscal 2 nd Quarter 2022 Call Expected Tuesday May 3, 2022 6pm EST	Fiscal 3 rd Quarter 2022 Call Expected Tuesday August 2, 2022 6pm EST
Optional Final Session		
<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 demonstrate 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>	5/4/2022 1:45pm EST	9/21/2022 1:45pm EST
Final Exam		
<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>	Testing window dates will be announced when the program begins.	Testing window dates will be announced when the program begins.

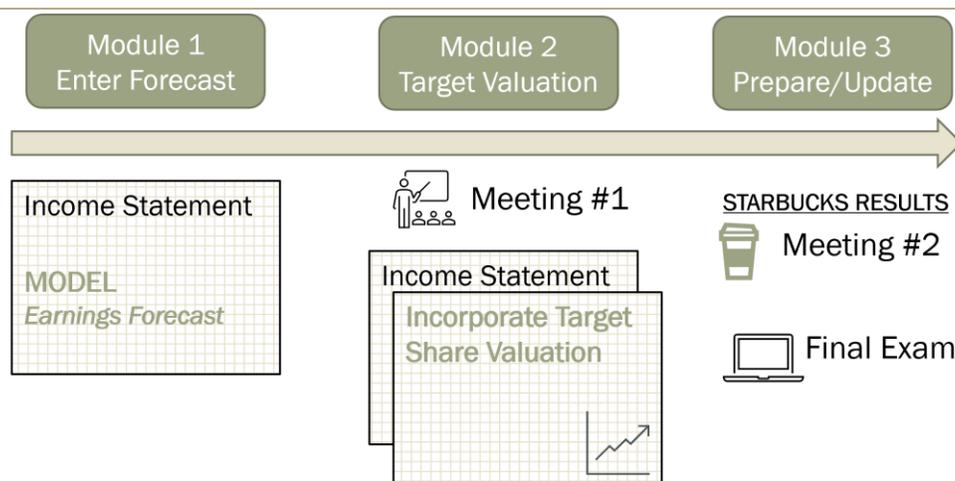
Intermediate Program Details

The Intermediate version of our program offers the opportunity for students to gain exposure to modeling, without the complexity of a full-scope model. Intermediate students will develop a forecast thesis, and enter it into an existing model (rather than building the model from scratch). The forecast is based on adjustments made to the segment details of the subject company, which feed the Income Statement forecast. The Balance Sheet and Cash Flow Statement are not covered in the Intermediate version of the program.

Intermediate students will develop a target share valuation based on their model's earnings forecast. Discounted Cash Flow (DCF) valuation is not covered in this version of the program. Students will have the opportunity to review their model forecast against the actual company results in real time, similar to the process followed by the Advanced version of the program.

Intermediate 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. Final dates will be distributed to participants at the start of each semester. Recordings of the training sessions will be posted to the training hub for those who are unable to attend.



Intermediate Program Schedule	Spring 2022	Summer 2022
Subject Company	Starbucks Corp	Starbucks Corp
Semester's Main Event: Starbucks Earnings Call	Fiscal 2 nd Quarter 2022 Call Expected Tuesday May 3rd	Fiscal 3 rd Quarter 2022 Call Expected Tuesday August 2nd
Enrollment Begins	1/1/2022	3/1/2022
Enrollment Deadline	2/24/2022	5/26/2022
Program Information Session	Pre-recorded, questions via email	Pre-recorded, questions via email
Orientation/Kick-off Call	Saturday 2/26/2022 10:00am EST	Saturday 6/2/2022 7:00pm EST
Curriculum Release Date	2/25/2022	5/31/2022
Module 1: Intro to Modeling and Using the Model to Create an Earnings Forecast		
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 3/1/2022	Suggested Completion Date 6/1/2022
Class 2: 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 3/30/2022	Suggested Completion Date 6/29/2022

Module 2: Using the Forecast to Create a Target Share Valuation		
Class 3: 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 4/13/2022	Suggested Completion Date 7/13/2022
1st Live Meeting: This session will cover all of the concepts in Classes 1 through 3, and will help you develop your forecast ahead of the Starbucks earnings release.	Saturday 4/16/2022 10:00am EST to 1:00pm EST	Saturday 7/16/2022 10:00am EST to 1:00pm EST
Module 3: Preparing for, and reviewing the company's results		
Class 4: How to Use the Model Topics covered: Scenario and sensitivity analysis, preparing for the release, and updating the model after the release 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.	Suggested Completion Date 5/1/2022	Suggested Completion Date 8/1/2022
2nd 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.	Fiscal 2 nd Quarter 2022 Call Expected Tuesday May 3, 2022 6pm EST	Fiscal 3 rd Quarter 2022 Call Expected Tuesday August 2, 2022 6pm EST
Final Exam		
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.	Testing window dates will be announced when the program begins.	Testing window dates will be announced when the program begins.

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