

# BrightBank: Building the Future

## A Banking Strategy Simulation for Graduate Development

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### The Brief

A UK retail bank identified a persistent challenge with its graduate intake programme. Although well-qualified academically, new hires found it difficult to understand how a modern retail bank works outside their own roles. Traditional classroom sessions on banking fundamentals—covering concepts such as Net Interest Margin (NIM), cost-to-income ratios, and regulatory capital—provided theoretical knowledge but failed to convey why these metrics create genuinely difficult strategic choices.

The commissioning stakeholder articulated a clear behavioural outcome: graduates should instinctively ask themselves, when encountering any business proposal, *"What does this do to our NIM, our capital position, our conduct risk, and our cost-to-income ratio?"*

Four primary learning objectives were established:

1. **Banking Economics** — Understand the fundamental profit equation and the trade-offs between growth, profitability, and risk
2. **Regulatory Reality** — Recognise how capital requirements and conduct risk fundamentally shape (and constrain) banking decisions
3. **Channel Strategy** — Appreciate the strategic tension between digital transformation and traditional branch banking
4. **Systems Thinking** — See how decisions in one area cascade across the entire bank

The brief specified a half-day format for 12–16 participants, moderate physical complexity, and a three-year narrative arc progressing from "Building Foundations" through "Market Pressures" to "Strategic Choices & Consequences."

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### The Solution

The resulting simulation places four competing teams in charge of their own version of BrightBank, a mid-sized UK retail bank with £68 billion in assets and 2.1 million customers. Over three simulated years, teams navigate strategic decisions, respond to market events, and manage five interconnected key performance indicators.

### Core Mechanic: Physical Capital Constraint

The simulation's central innovation is the use of physical capital tokens. Each team receives 30 tokens (representing £3 billion in regulatory capital) which they must spend to fund lending decisions. When tokens are exhausted, teams cannot lend—regardless of market opportunity. This tangible constraint transforms an abstract regulatory concept into an immediate, visceral limitation that shapes every strategic discussion.

## **Progressive Decision Architecture**

Strategic options expand across the three years: 8 decision cards available in Year 1, growing to 12 in Year 2, and 17 in Year 3. This progression allows participants to master foundational choices before encountering more complex trade-offs. Advanced options carry prerequisites, requiring teams to build capabilities systematically rather than leaping directly to transformational investments.

## **Dynamic Market Events**

A deck of 24 event cards introduces external shocks—interest rate changes, regulatory reviews, competitor moves, and economic shifts. Year 3 guarantees a major crisis event, forcing teams to demonstrate resilience under pressure. Critically, all teams face identical events but respond independently, enabling rich comparative discussion during debrief.

## **Team Dashboards and Central Market Board**

Each team tracks their performance on an A3 dashboard featuring colour-coded metric scales (visible in the Team Dashboard image), providing immediate visual feedback on performance against targets and crisis thresholds. A central market board (visible in the Central Market Board image) displays shared market conditions, interest rates, and the current year—ensuring all teams operate within consistent external parameters.

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## **Assessment**

### **Alignment with Learning Objectives**

The simulation demonstrates strong fidelity to the original brief. The physical token system directly addresses the requirement that graduates *feel* capital constraints rather than merely understand them theoretically. The five tracked metrics (NIM, Cost-to-Income, NPS, Capital Ratio, Digital Adoption) map precisely to the banking fundamentals identified as essential learning.

The three strategic positions (Growth, Efficiency, Customer Focus) create genuinely differentiated pathways with distinct trade-offs, satisfying the requirement that no single "obvious" winning strategy exists. Each position modifies starting metrics and applies ongoing multipliers, ensuring strategic choice has persistent consequences.

### **Facilitation Design**

The comprehensive facilitator manual includes a 15-minute banking primer with speaking notes, enabling L&D professionals without specialist banking knowledge to deliver sessions confidently—a direct response to the brief's specification for "general trainers with moderate facilitation experience."

### **Structural Considerations**

The 4-hour duration accommodates the three-year arc comfortably, with built-in breaks and a structured 30-minute debrief. The event system's escalating complexity (2 events in Year 1, 3 in Year 2, 4 in Year 3 including guaranteed crisis) mirrors the brief's desired progression from stable learning environment to full-complexity challenge.

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### Summary Specifications

| Attribute               | Detail                                                                             |
|-------------------------|------------------------------------------------------------------------------------|
| Duration                | 4 hours (half-day)                                                                 |
| Participants            | 12–16 (4 teams of 3–4)                                                             |
| Complexity              | Medium-High (graduate level)                                                       |
| Physical Components     | Capital tokens, team dashboards, central market board, decision cards, event cards |
| Facilitator Requirement | L&D professional with moderate facilitation experience                             |

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*BrightBank: Building the Future was developed as a demonstration simulation to showcase The Sim Smithy's capability for translating complex business domains into engaging, tactile learning experiences.*