

# "Trainee Lender"

## A Business Game in Credit Card Portfolio Management



**Trainee Lender** is a Business Game where delegates work in teams and take on the role of Risk Manager for a Credit Card lender.

Over a period of ten weeks, delegates work in teams (of 3-4 people) to control the Account Management strategies on a fictitious portfolio of Credit Cards.

At the start of each phase, teams will be able to watch a recording (approximately 10 minutes) which explains what they need the task is, and how lenders apply solutions in real life.

After each set of changes, the portfolio will be "rolled forward" by 3 months, and teams will receive reports that show what the impacts have been of different actions.

Teams will need to spend about an hour each week, agreeing the strategies that they want to use.

The goal is to have the most profitable portfolio at the end of the simulation.

This provides a competitive (and fun!) way for delegates to understand how Credit Card lenders make money, and what factors are considered when deciding on a strategy.

Teams have the ability to change the following strategies for their portfolio :

- **New Business** (initial Accept/ Decline decision, Credit Limit and Interest Rate)
- **Limit Management** (both Credit Limits and Spending Limits)
- **Interest Rates** to be applied on an ongoing basis)
- **Collections** (types of action to be applied)
- **Fees** (Overlimit and Arrears charges)
- **Renewals** (Card Type to be issued, and expiry period)

One of the key points that is demonstrated is how a change to one strategy has a knock-on impact on others.

A heavy emphasis is placed on the importance of using 'Test & Control' approaches to test the impact of a new strategy before setting it live.

### What will a participant get out of this course?

Someone taking part in the Trainee Lender Business game will get an invaluable insight into the world of Credit Card lending, seeing for themselves what choices a lender has to make when balancing the risk against reward.

They will learn what drivers make up the profitability of a Credit portfolio, and what levers are available to a lender to influence these different measures.

Delegates will see how management information has to be used to steer the decision-making process, and how the impact of their actions have a direct impact on the bottom-line profitability of their portfolio.

For someone starting their career as a Risk Analyst, this course provides an excellent way to get hands-on experience of what their job might entail in the future.

For more information, please contact  
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