



Morgan Sindall Group Competition 2023

COMPARATIVE ASSESSMENT OF TEAMS REPORT

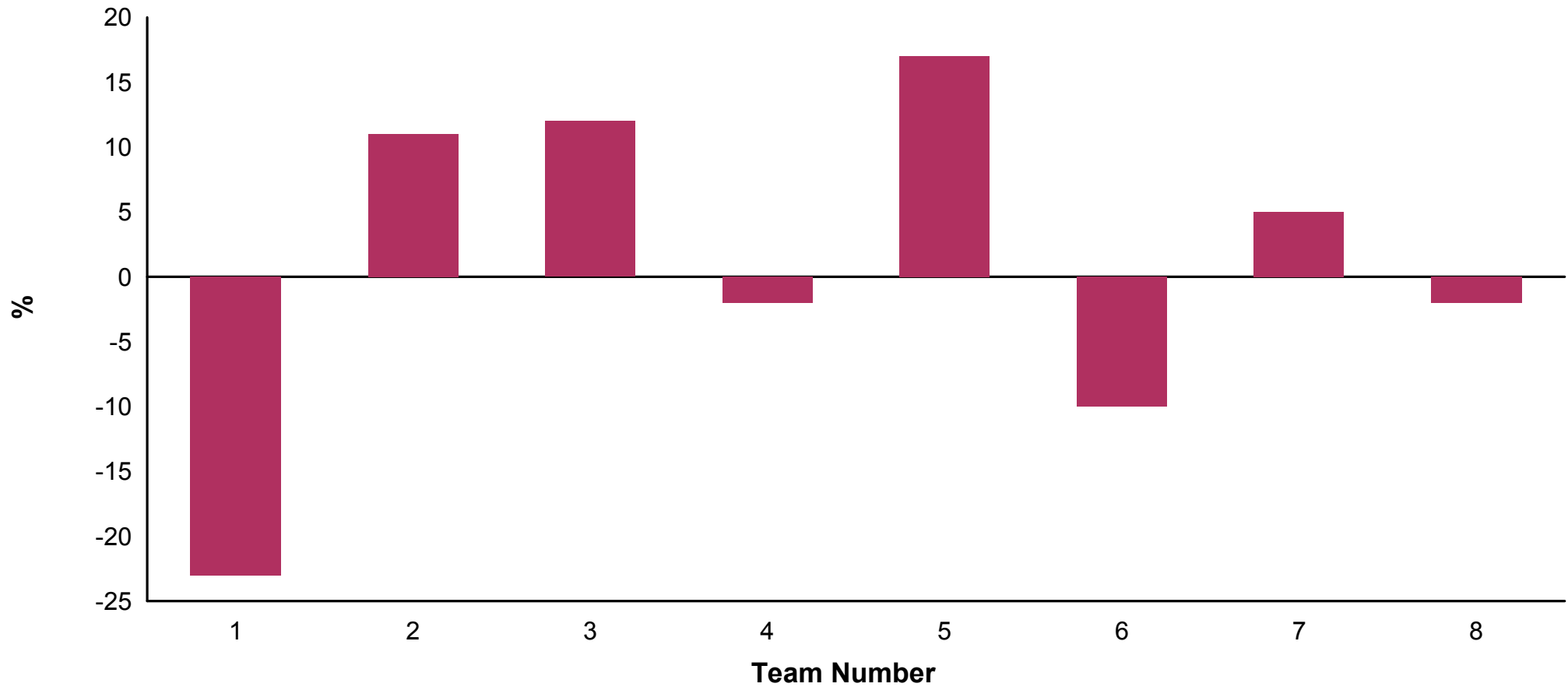
CURRENT POSITION

DURING TIME IN CHARGE

No.	Name	No. of pers	Chg in Value	Chg in Price Value	F/ward W/load	F/ward Margin	Market Share	PROCUREMENT		JOB PROGRESSION			COMPANY PROFITABILITY			COMPANY VALUE	
								Average value of work won each period	Average margin in jobs won	Average t/over each period	Average amount job profit each period	job profit	Average gross profit each period	Average amount overhead cost each period	Average amount operating profit each period	Average dividend paid each period	Average change in company value each period
1	TEAM 1	5	-23 %	-57 %	39.2 m	2.6 %	25 %	15.9 m	3.4 %	11.8 m	0.3 m	2.2 %	214,247	305,342	-115,300	80,600	-212,944
2	TEAM 2	5	11 %	-13 %	34.3 m	3.9 %	26 %	15.3 m	4.1 %	12.1 m	0.5 m	4.4 %	480,971	239,914	198,859	78,400	106,661
3	TEAM 3	5	12 %	-46 %	31.8 m	4.0 %	18 %	14.2 m	4.2 %	11.5 m	0.5 m	4.3 %	451,443	269,402	144,601	20,000	113,552
4	TEAM 4	5	-2 %	-17 %	38.2 m	3.8 %	19 %	15.3 m	3.9 %	11.4 m	0.4 m	3.6 %	378,426	258,002	92,660	99,000	-18,924
5	TEAM 5	5	17 %	31 %	37.7 m	3.2 %	26 %	18.0 m	3.9 %	14.2 m	0.7 m	5.3 %	649,594	249,672	328,647	152,750	163,070
6	TEAM 6	5	-10 %	-15 %	12.7 m	3.9 %	23 %	10.8 m	4.2 %	12.0 m	0.5 m	4.0 %	422,438	326,594	60,129	140,100	-92,522
7	TEAM 7	5	5 %	9 %	35.5 m	4.3 %	24 %	15.8 m	4.2 %	12.4 m	0.6 m	4.8 %	539,792	309,394	188,554	124,400	47,690
8	TEAM 8	5	-2 %	-16 %	30.4 m	3.6 %	29 %	15.5 m	3.8 %	13.1 m	0.5 m	3.9 %	457,475	320,792	104,698	103,370	-22,202

CURRENT POSITION

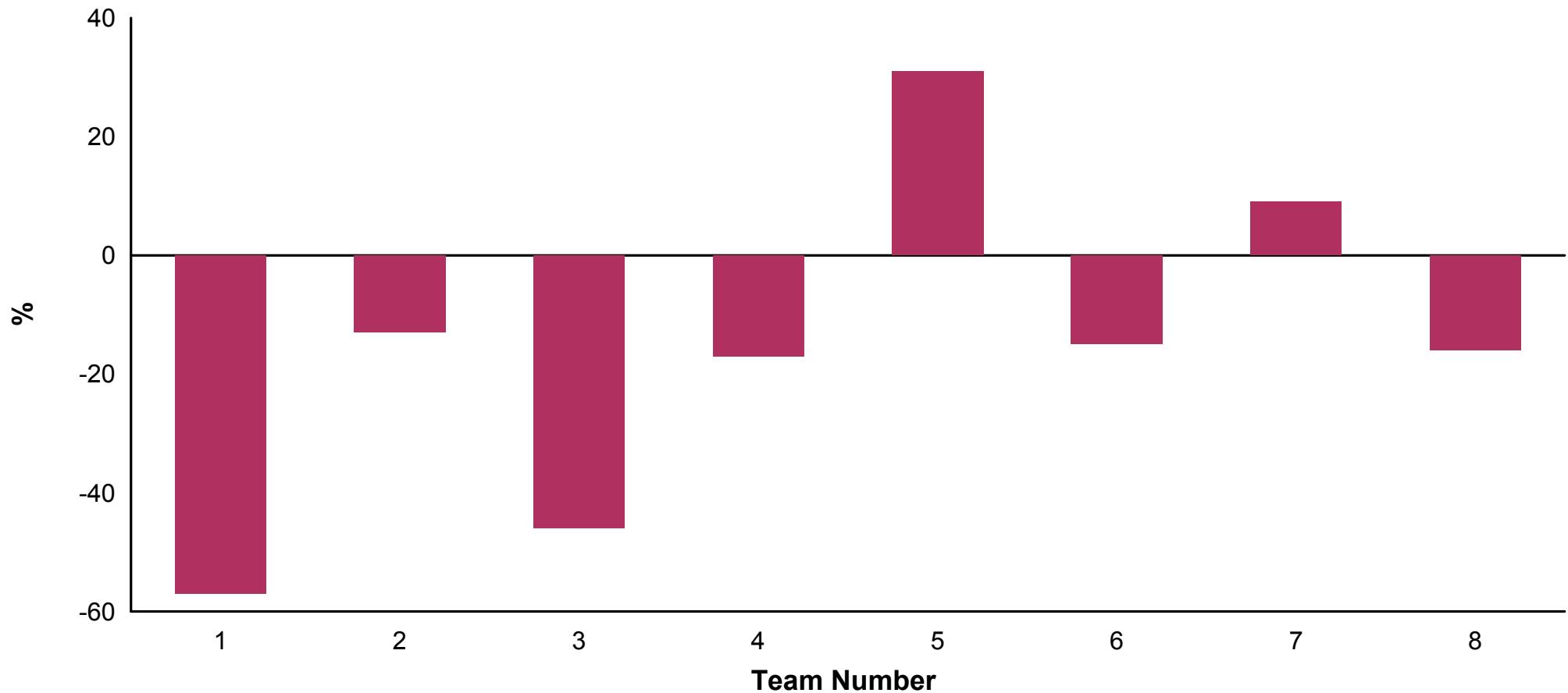
CHANGE IN COMPANY VALUE



The key to growing the business successfully is in improving its value.

This is achieved by winning plenty of new work, progressing jobs profitably and keeping overhead costs under control.

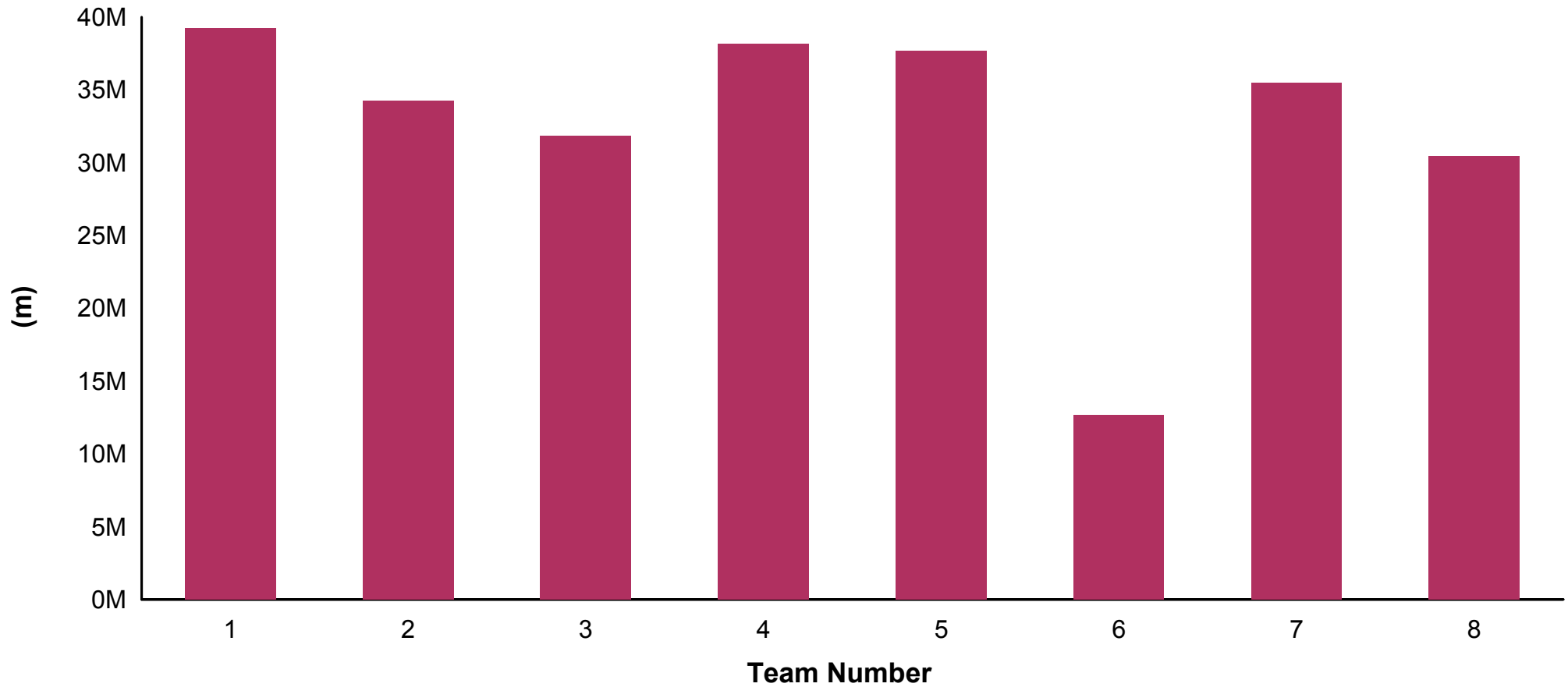
CHANGE IN SHARE PRICE



The company's share price is one of the key performance indicators in measuring the success or failure of the company, with a rising share price signifying increasing industry confidence in the fortunes of the company.

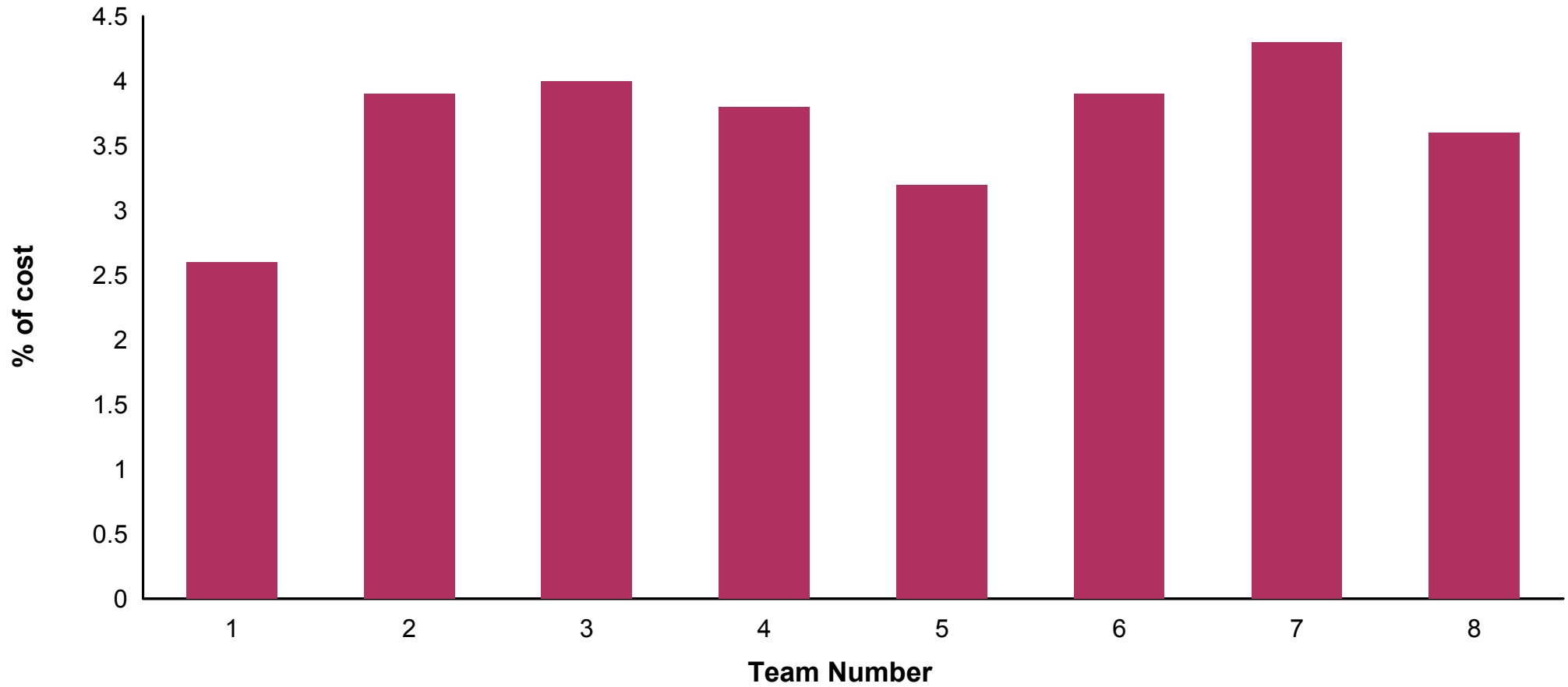
The share price is influenced by the level of dividend paid to the shareholders, the value of the company, the future profitability of the company and the debt burden (gearing ratio) of the company.

FOWARD WORKLOAD



As well as past performance, the future outlook in terms of forward workload is key to the future prosperity of the business.

FOWARD MARGIN



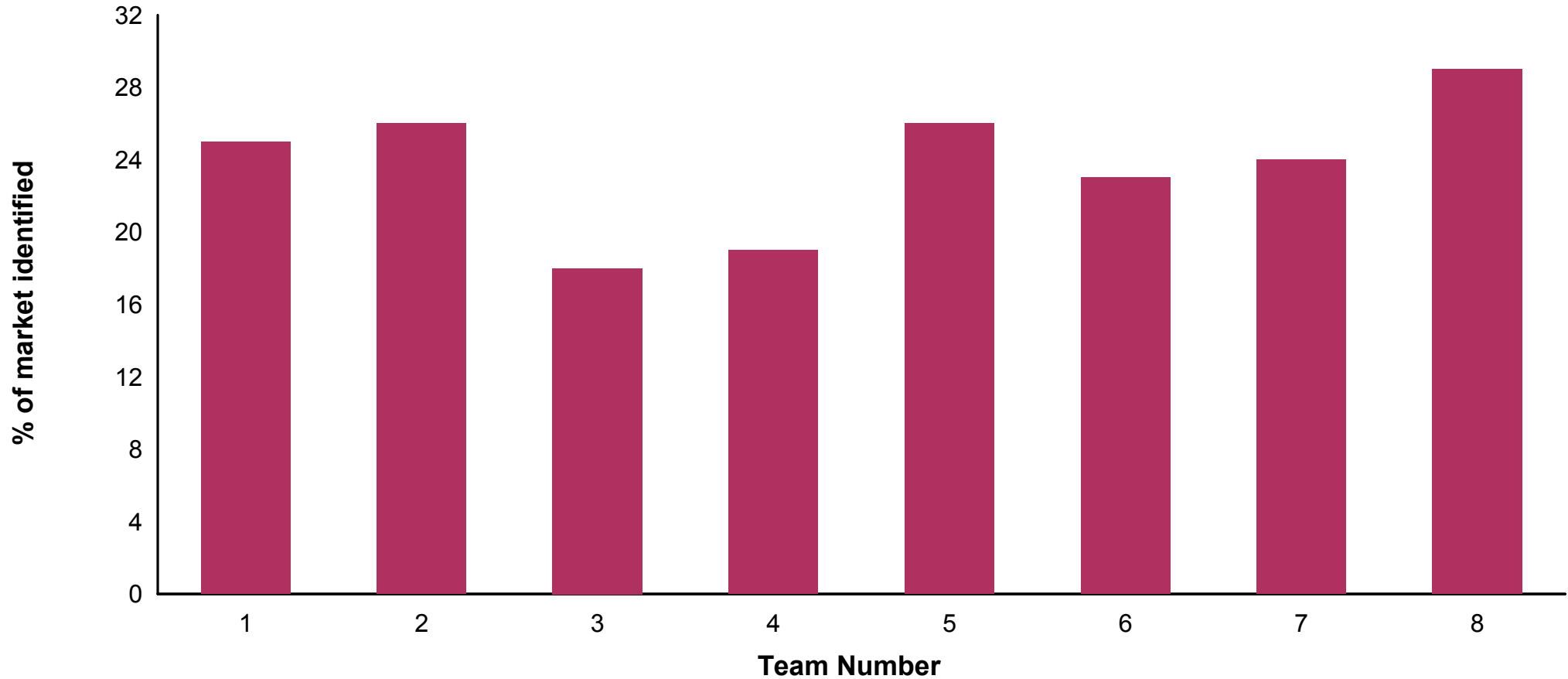
Forward workload needs to be profitable, and the forward margin measures this.

DURING TIME IN CHARGE

IDENTIFYING NEW WORK

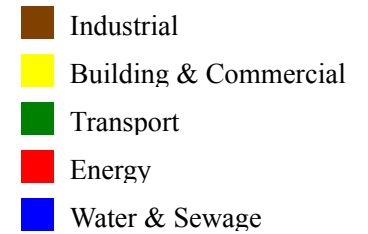
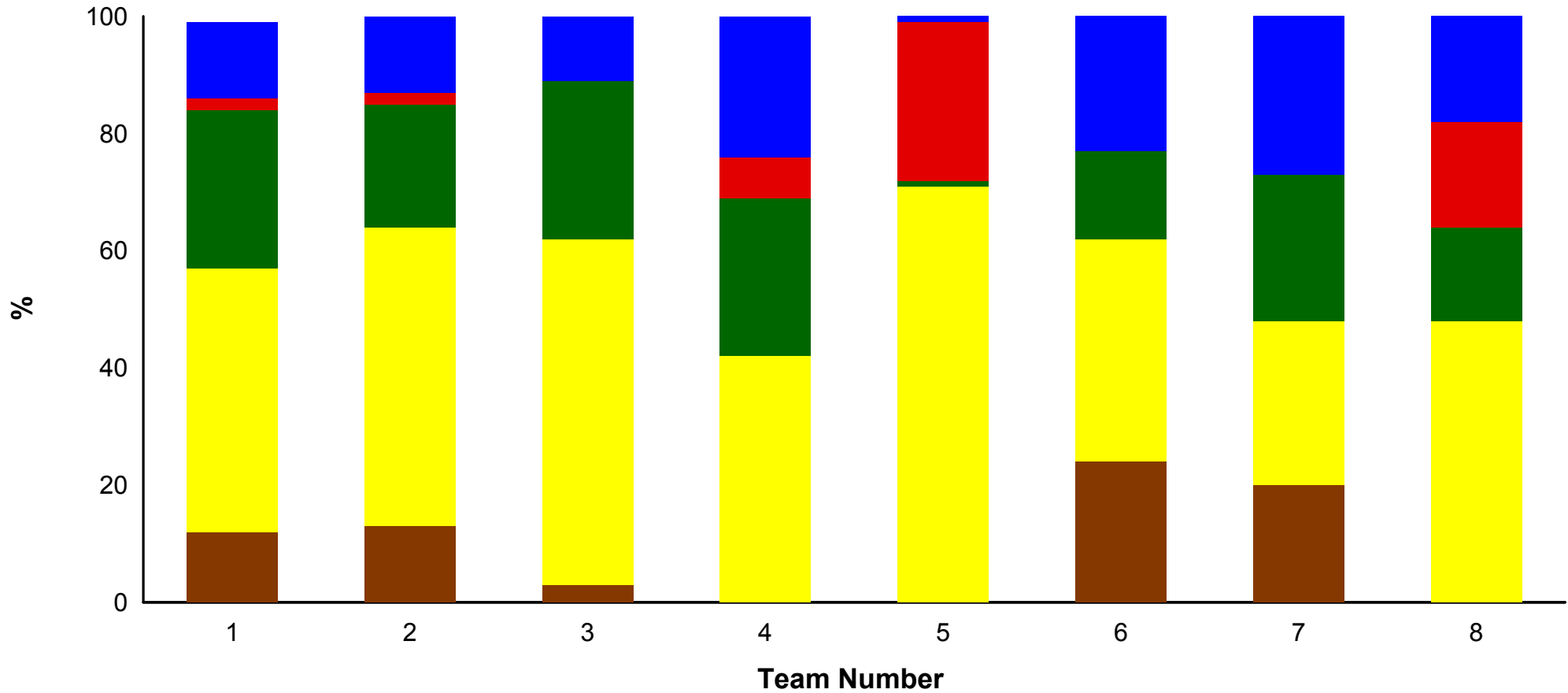
Market share is increased by identifying new work in different sectors and locations
(UK/Overseas)

MARKET SHARE (OVERALL)

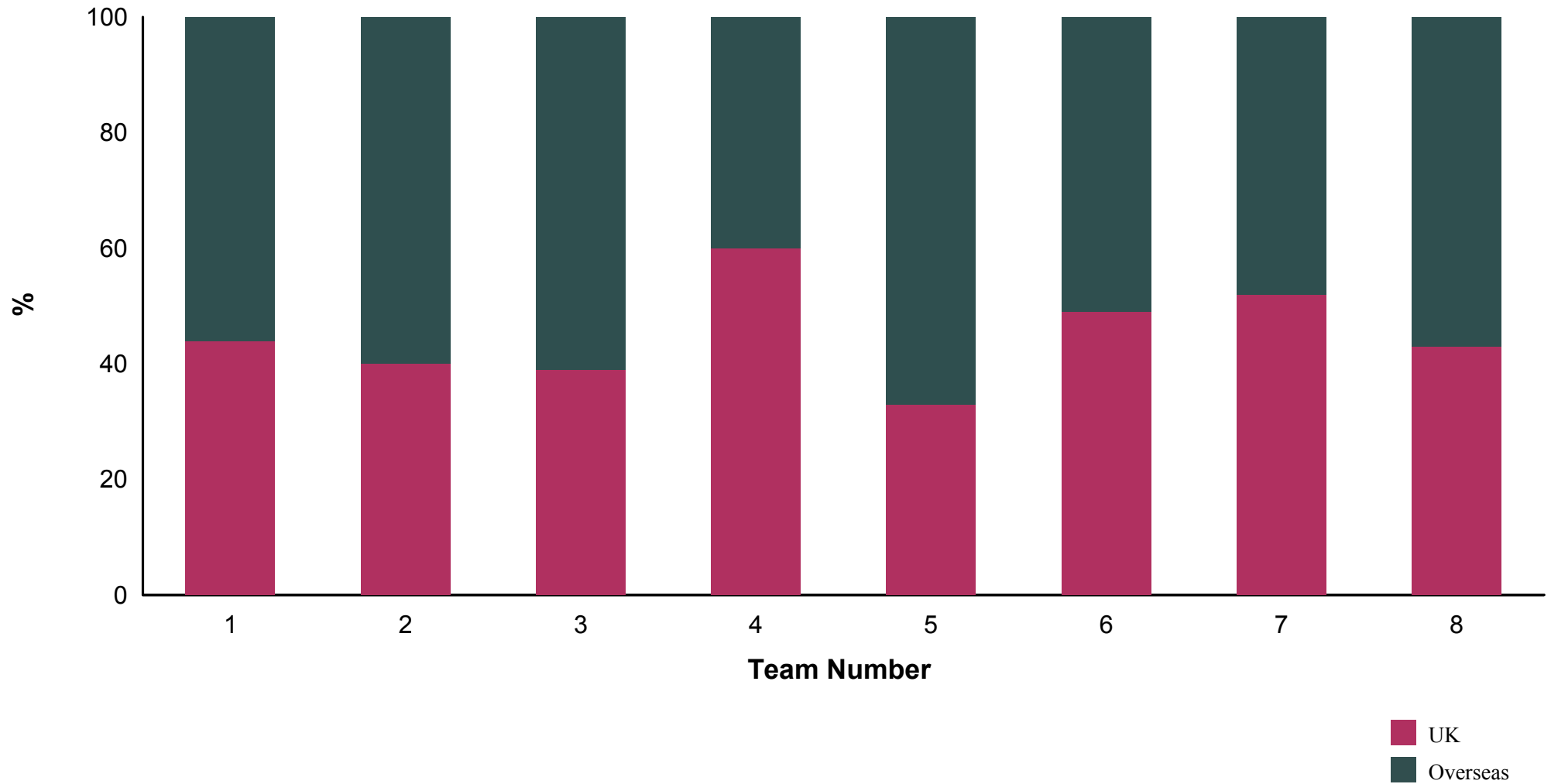


Developing an effective marketing strategy, and identifying new work in different sectors and locations (UK/Overseas) is critical to enable the business to grow by securing jobs through competitive bidding.

MARKET SHARE SPLIT (BY SECTOR)



MARKET SHARE SPLIT (BY LOCATION)

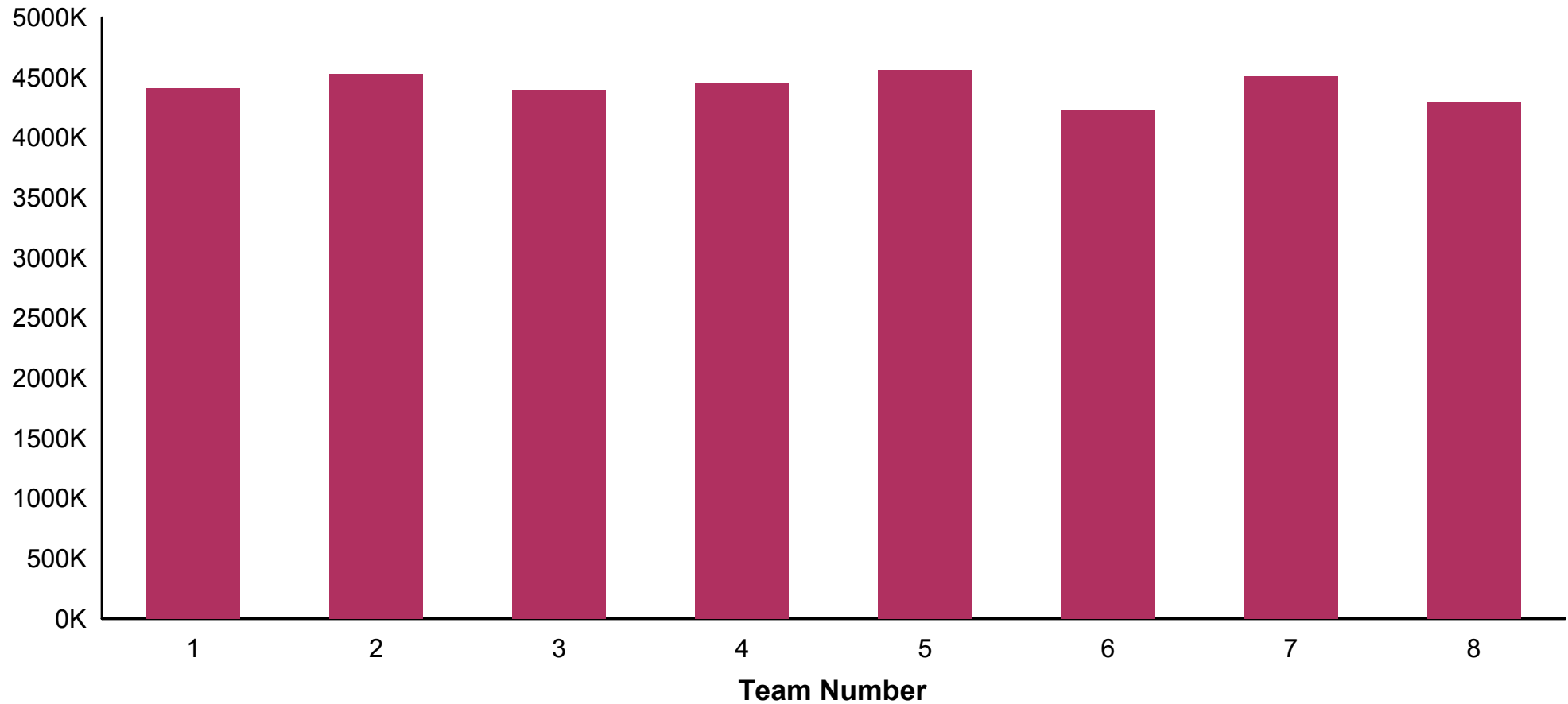


DURING TIME IN CHARGE

EXPANDING THE COMPANY INFRASTRUCTURE

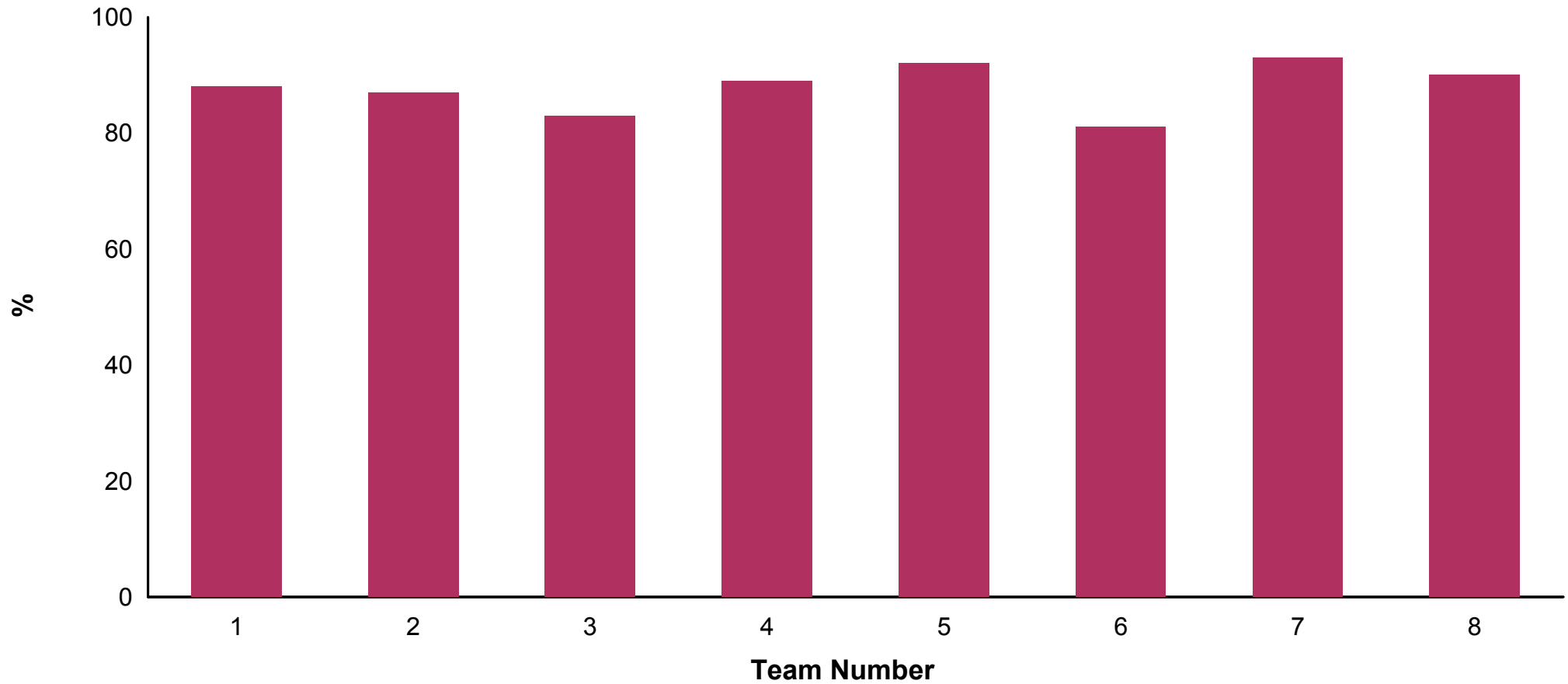
Having identified new work through the marketing decisions, the amount of new work that could be potentially won depends upon the size of the company's infrastructure, or capital base.

AVERAGE CAPITAL BASE SIZE EACH PERIOD



Expanding the company's capital base (infrastructure) enables more work to be undertaken, and potentially more growth.

CAPITAL EMPLOYED



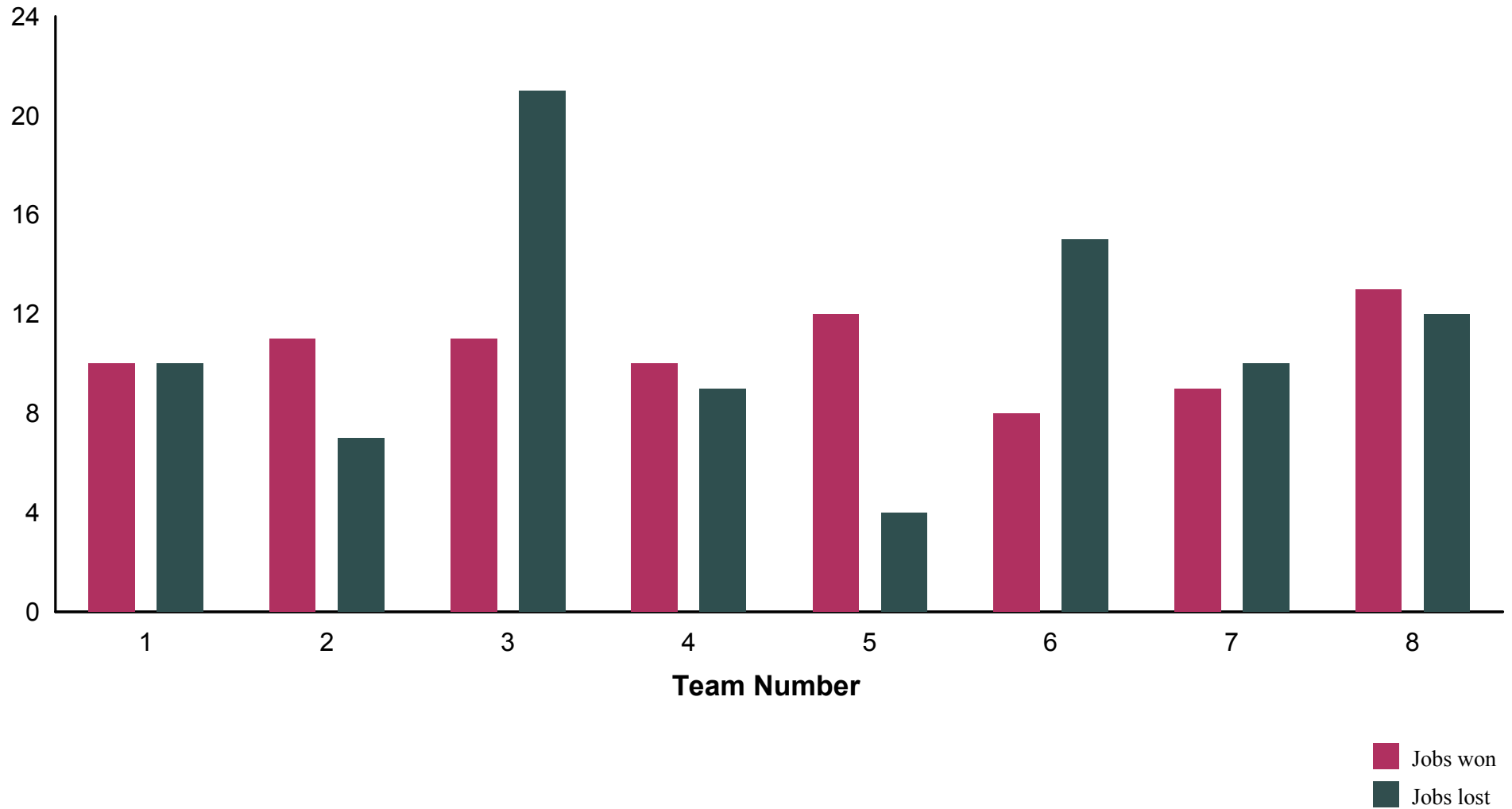
The Capital Employed measures how much of the company's capital base (infrastructure) is being utilised through winning new work.

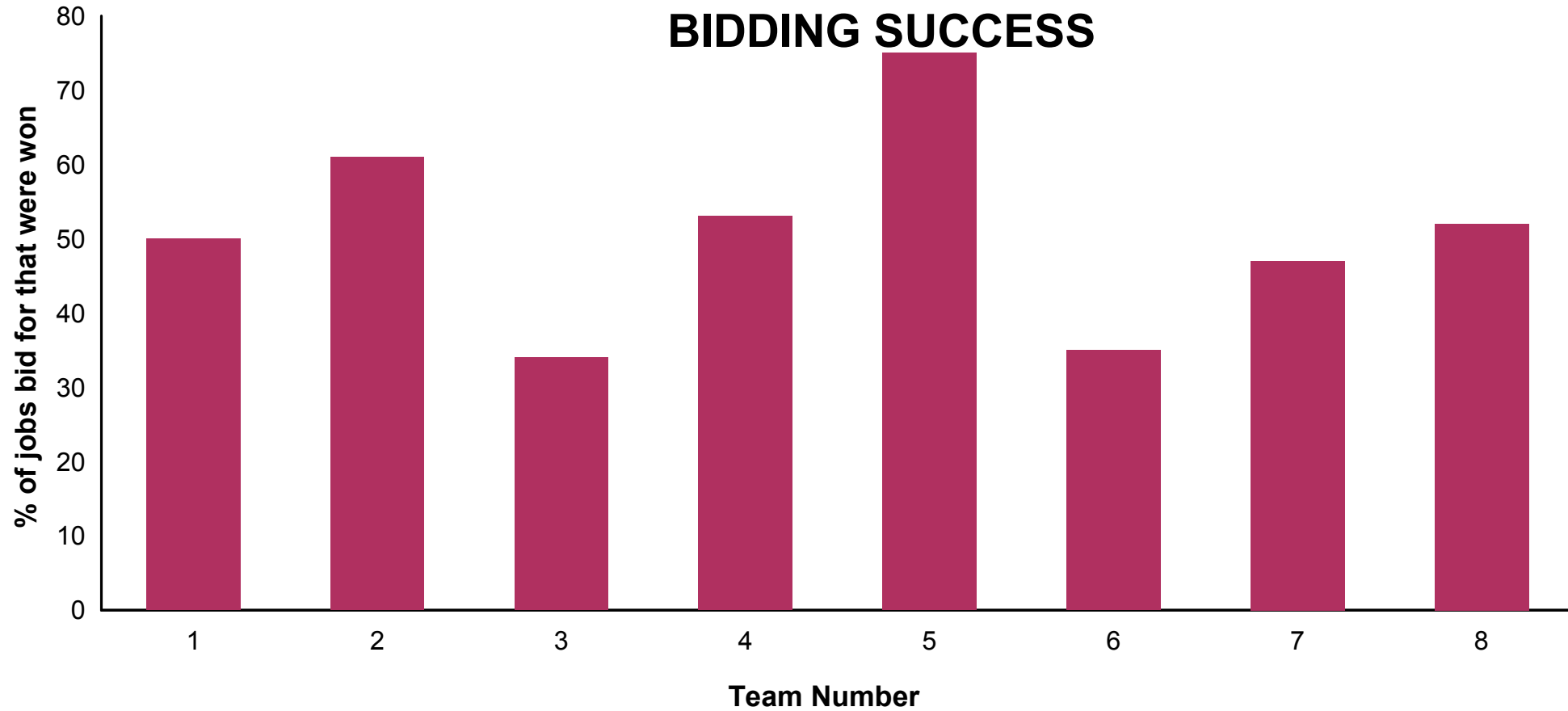
DURING TIME IN CHARGE

WINNING NEW WORK

To grow the business it is essential that the company is able to win new work in a competitive bidding environment

JOBS WON AND LOST

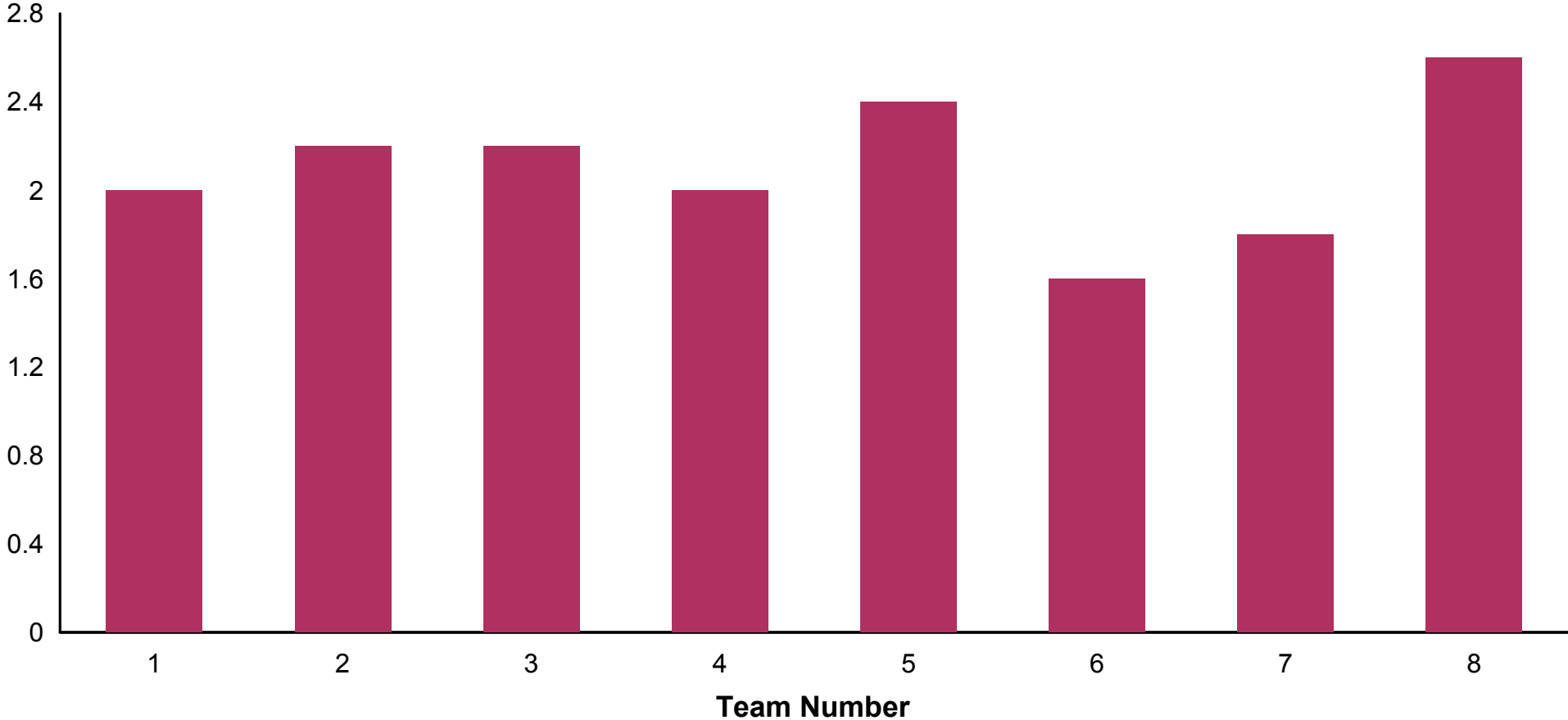




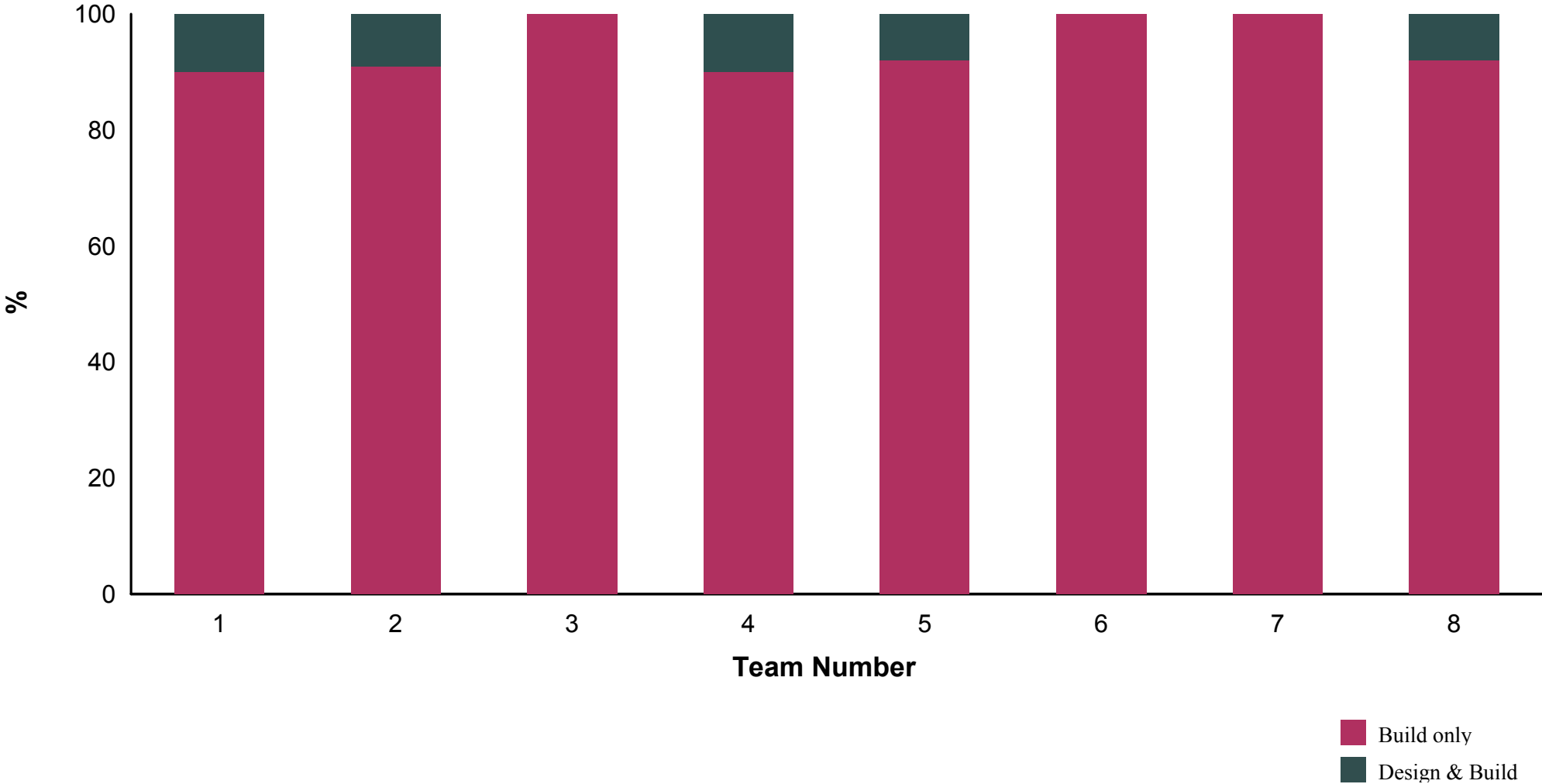
Every job that is bid for incurs a bidding cost putting the tender together, which increases overhead costs.

High bidding success keeps bidding costs to a minimum.

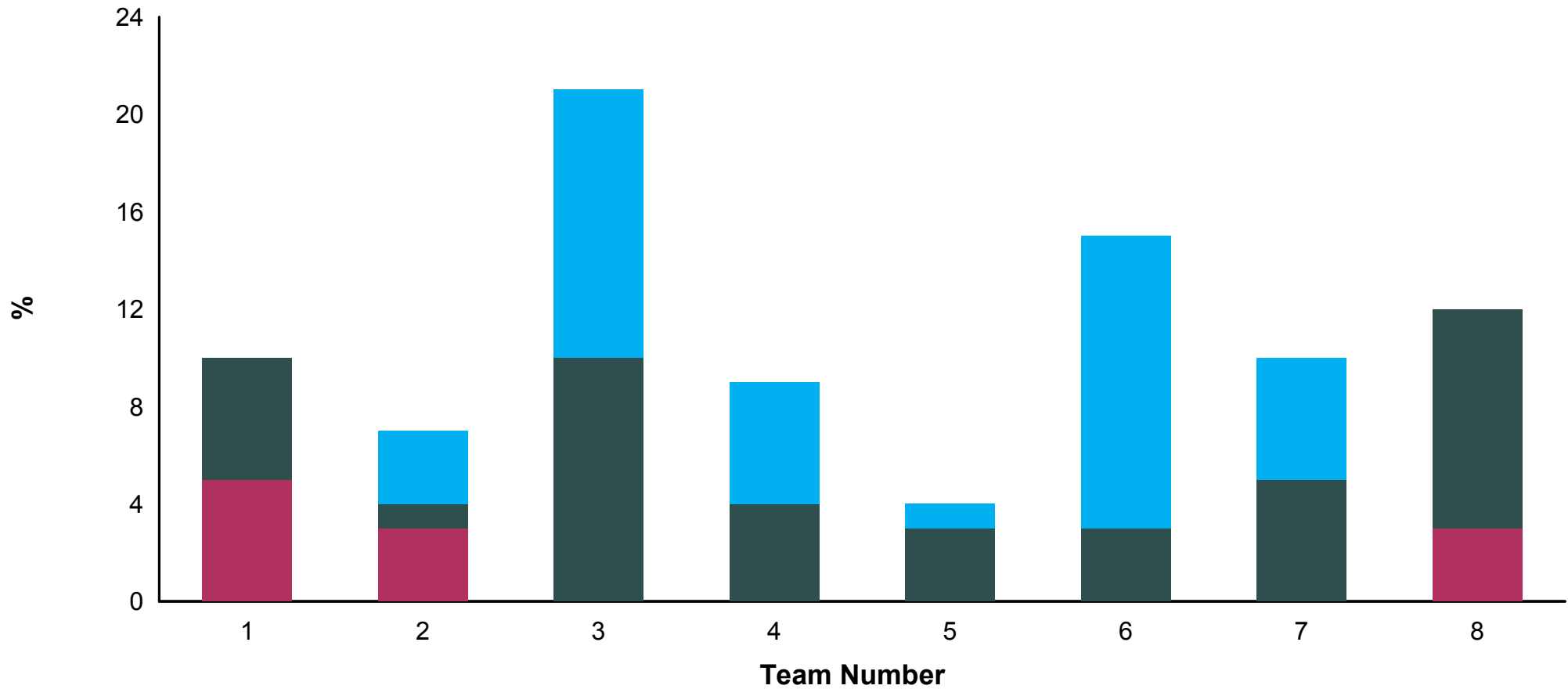
AVERAGE NUMBER OF JOBS WON EACH PERIOD



TYPE OF JOBS WON

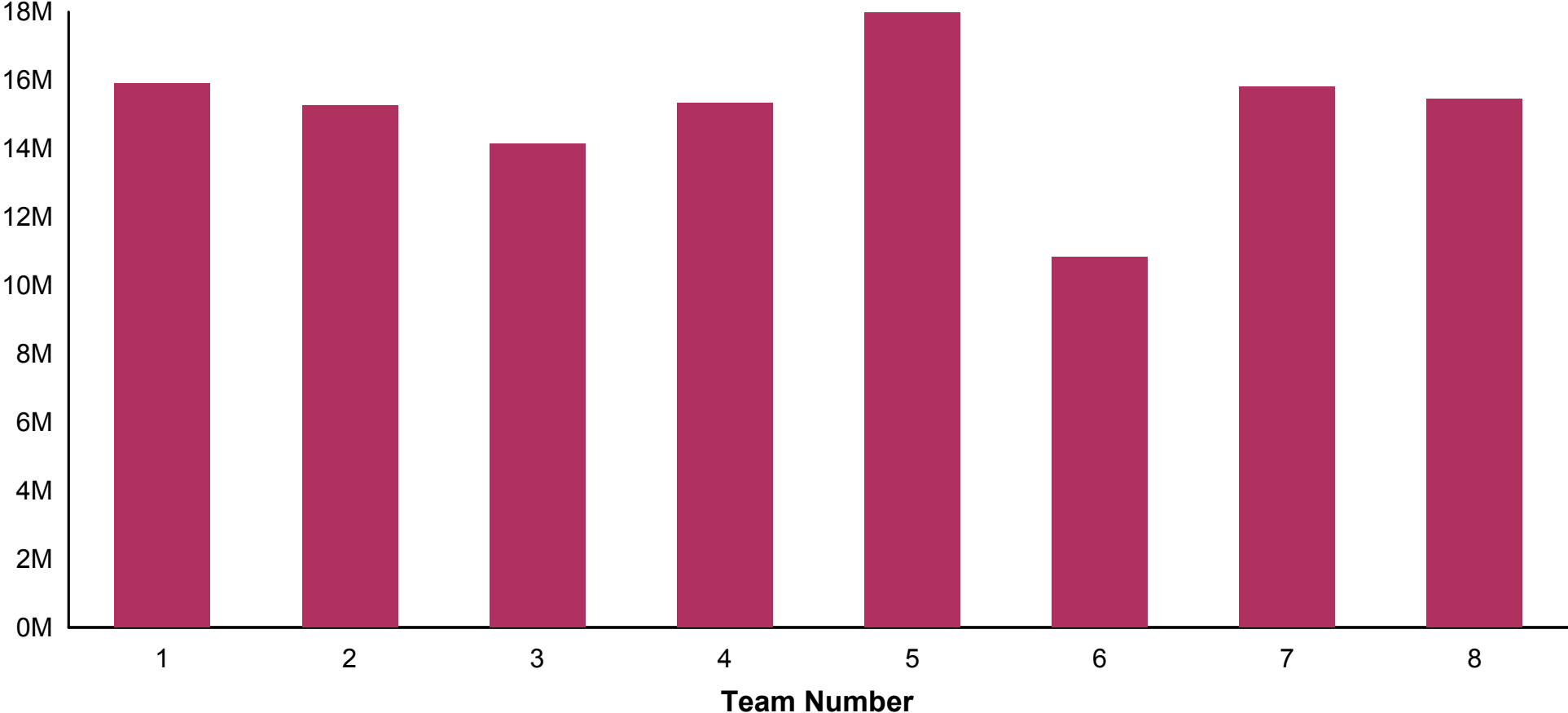


REASON FOR JOB LOSS

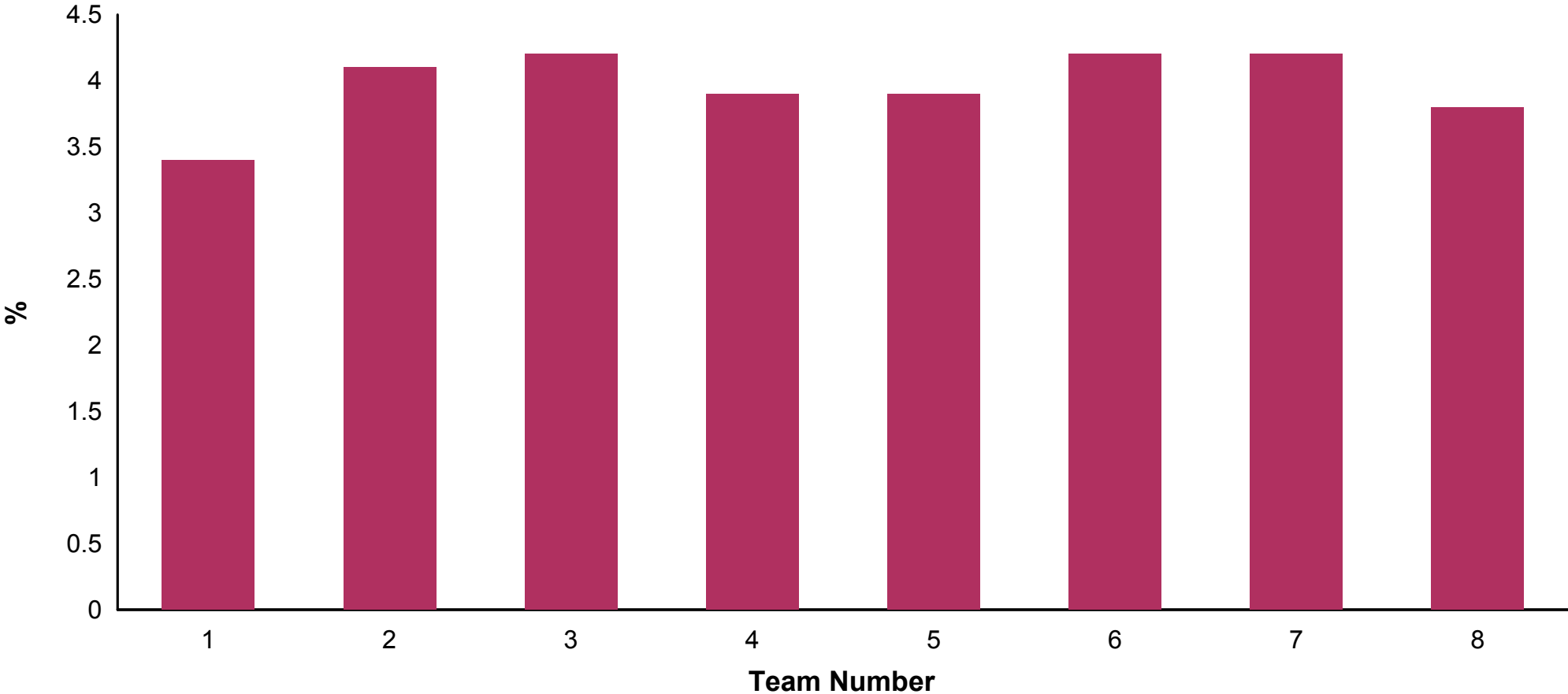


- Too many jobs in progress
- Capital base workload limitation
- Bid too low
- Bid too high

AVERAGE VALUE OF WORK WON EACH PERIOD



MARGIN IN WORK WON

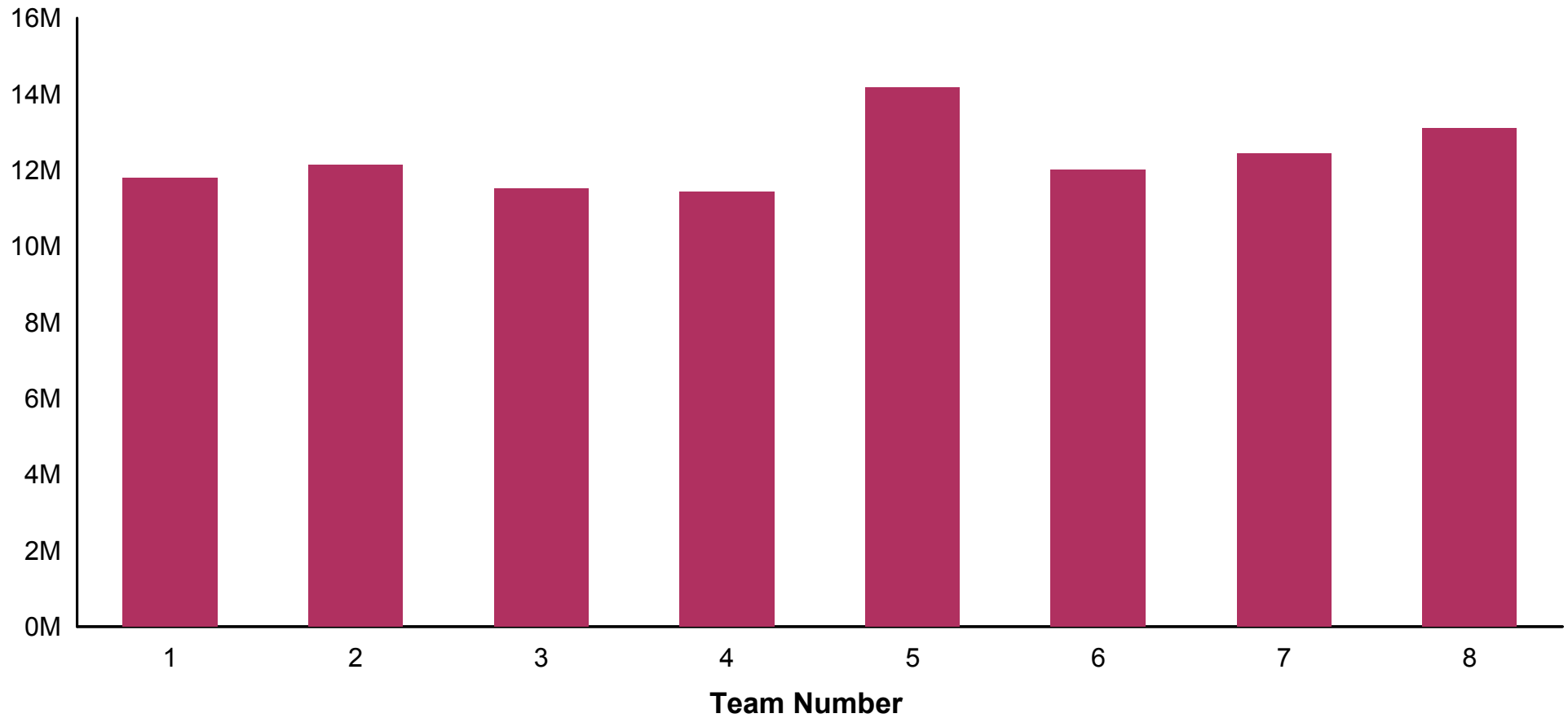


DURING TIME IN CHARGE

TURNOVER

If the company is able to win more new work, this should be reflected in an increase in the turnover, or the amount of work progressed.

AVERAGE TURNOVER EACH PERIOD



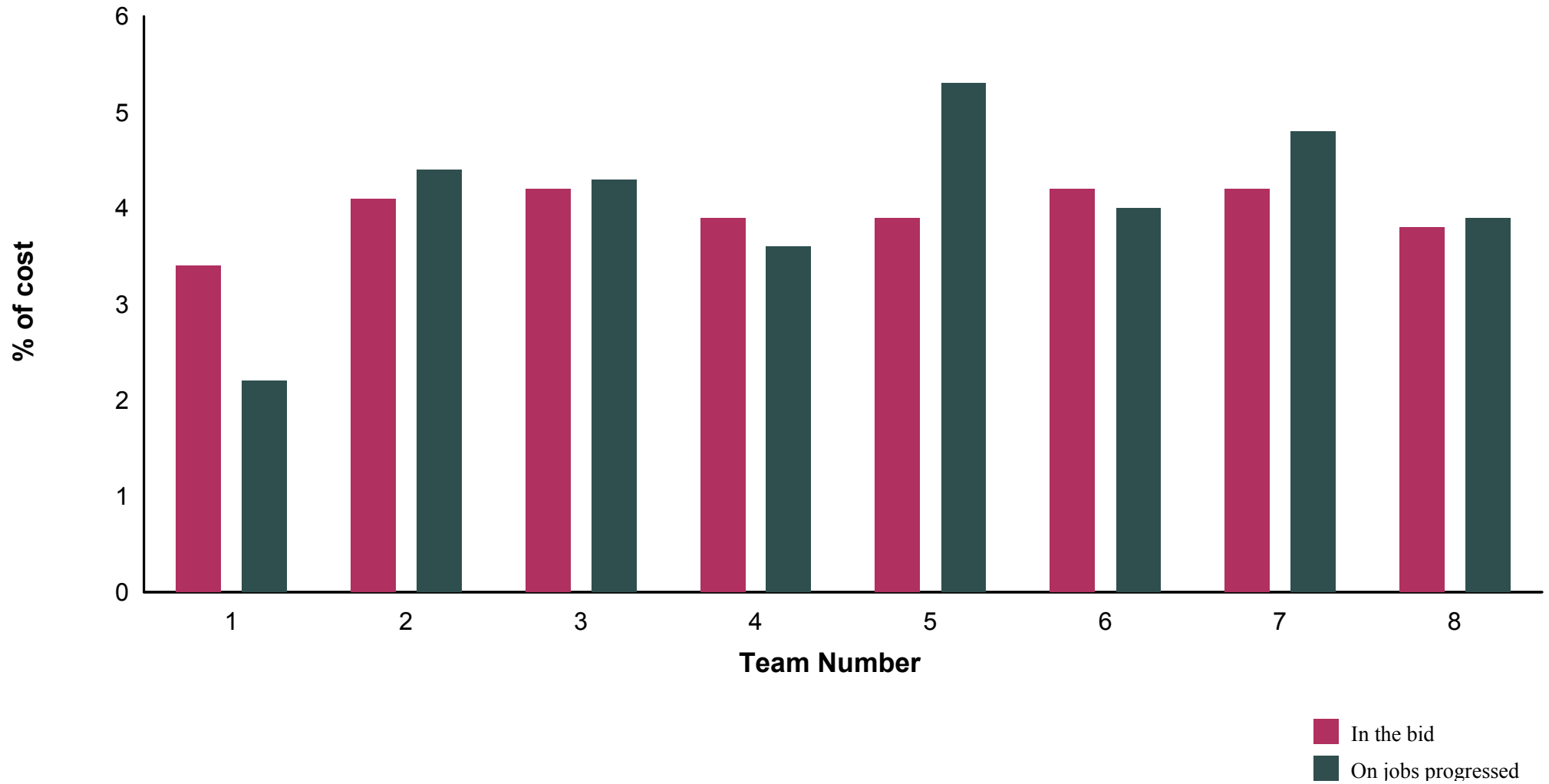
Identifying and securing new work ensures that the turnover (monies earned) across all jobs progressed is healthy.

DURING TIME IN CHARGE

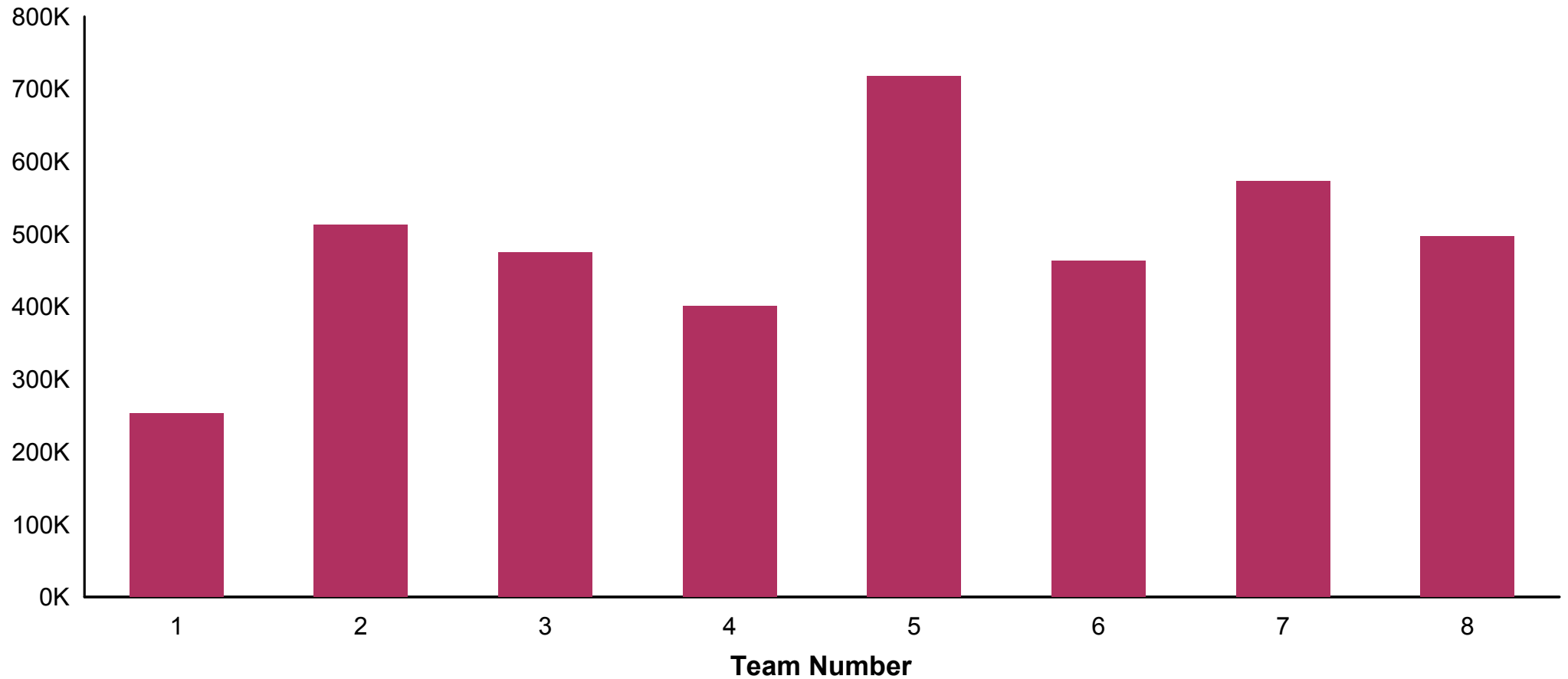
JOB PROFIT

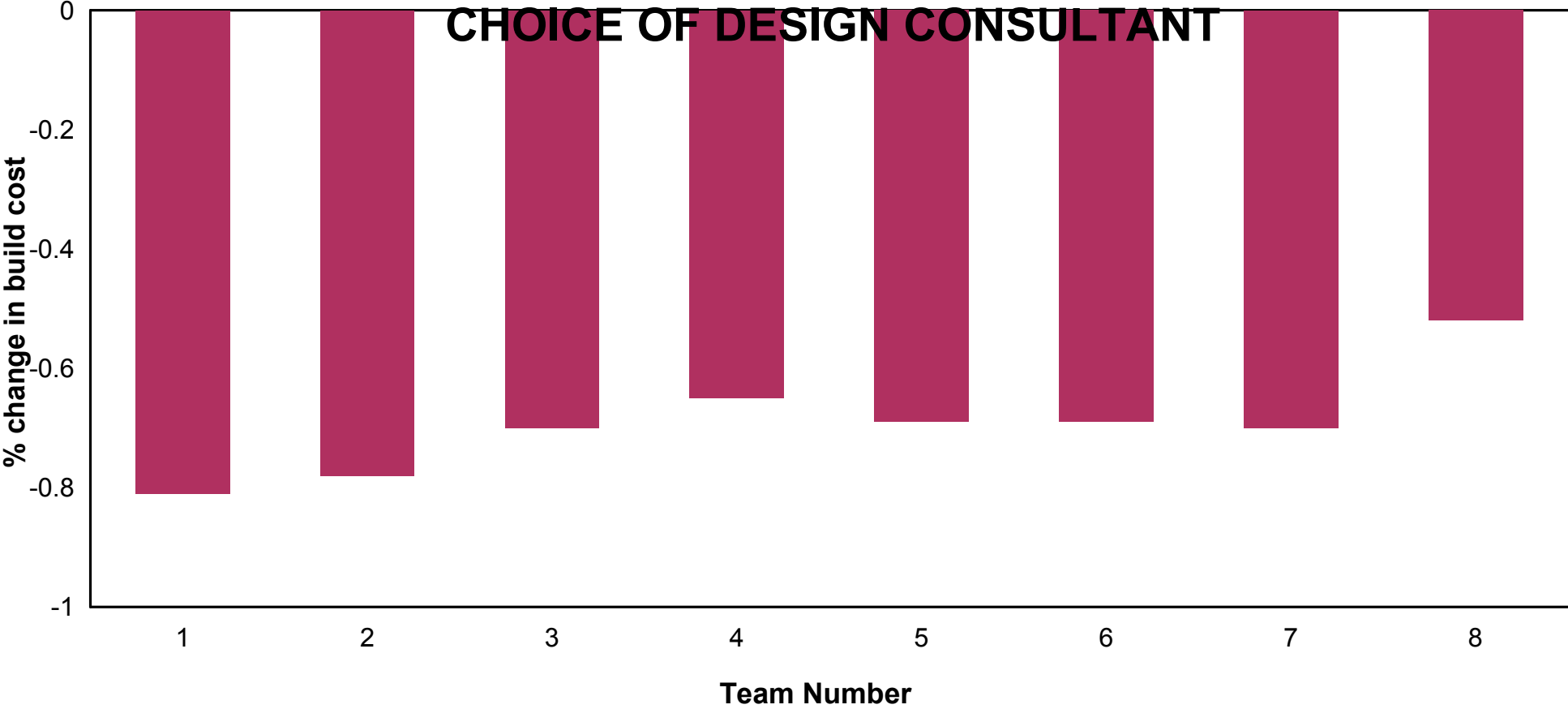
Turnover is required to grow the business, but managing jobs in progress as profitably as possible is the key to improving the value of the business.

MARGINS



AVERAGE AMOUNT OF JOB PROFIT EACH PERIOD

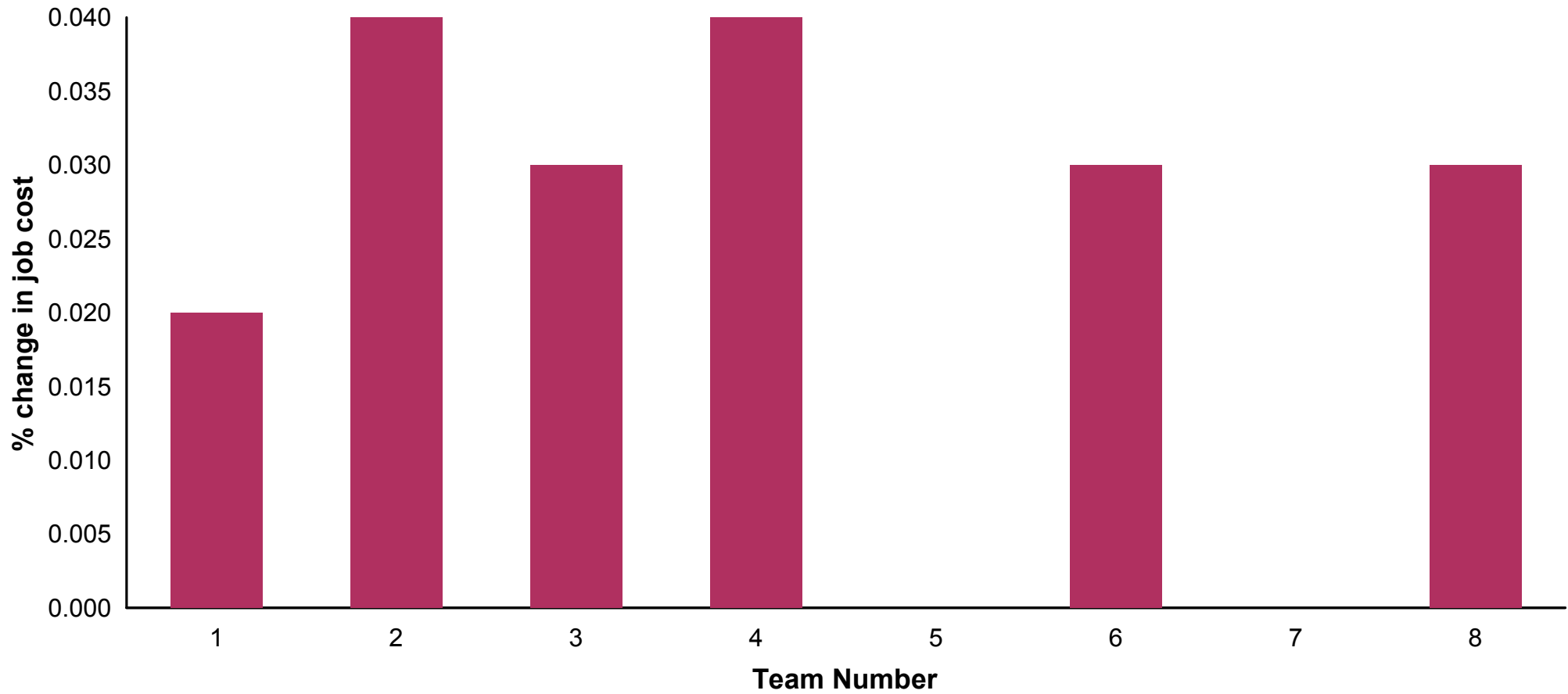




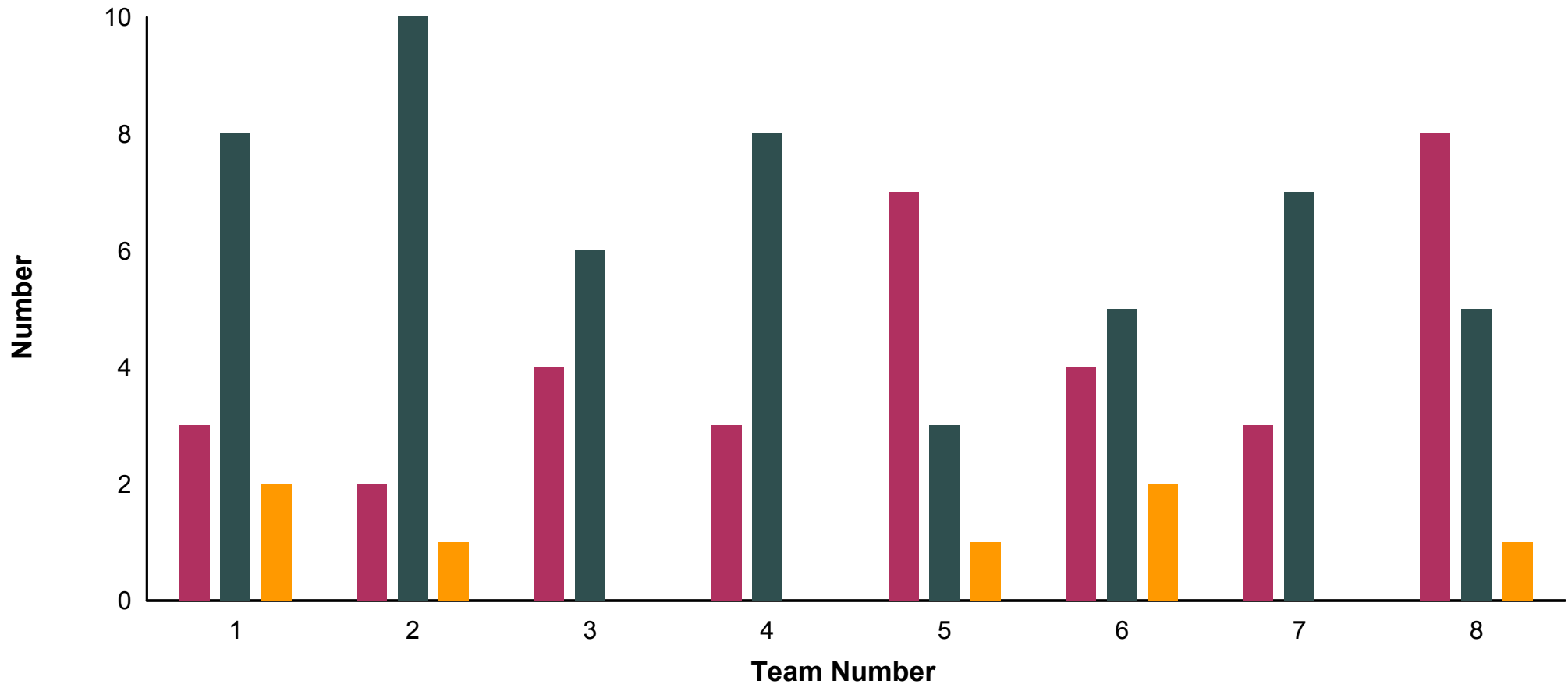
The choice of design consultant for Design and Build jobs can have a significant impact on the build costs.

Consultants with appropriate expertise and BIM experience produce designs that reduce the expected build cost when a job is progressed, which improves the profit margin on the job.

IMPACT OF WORLD EVENTS



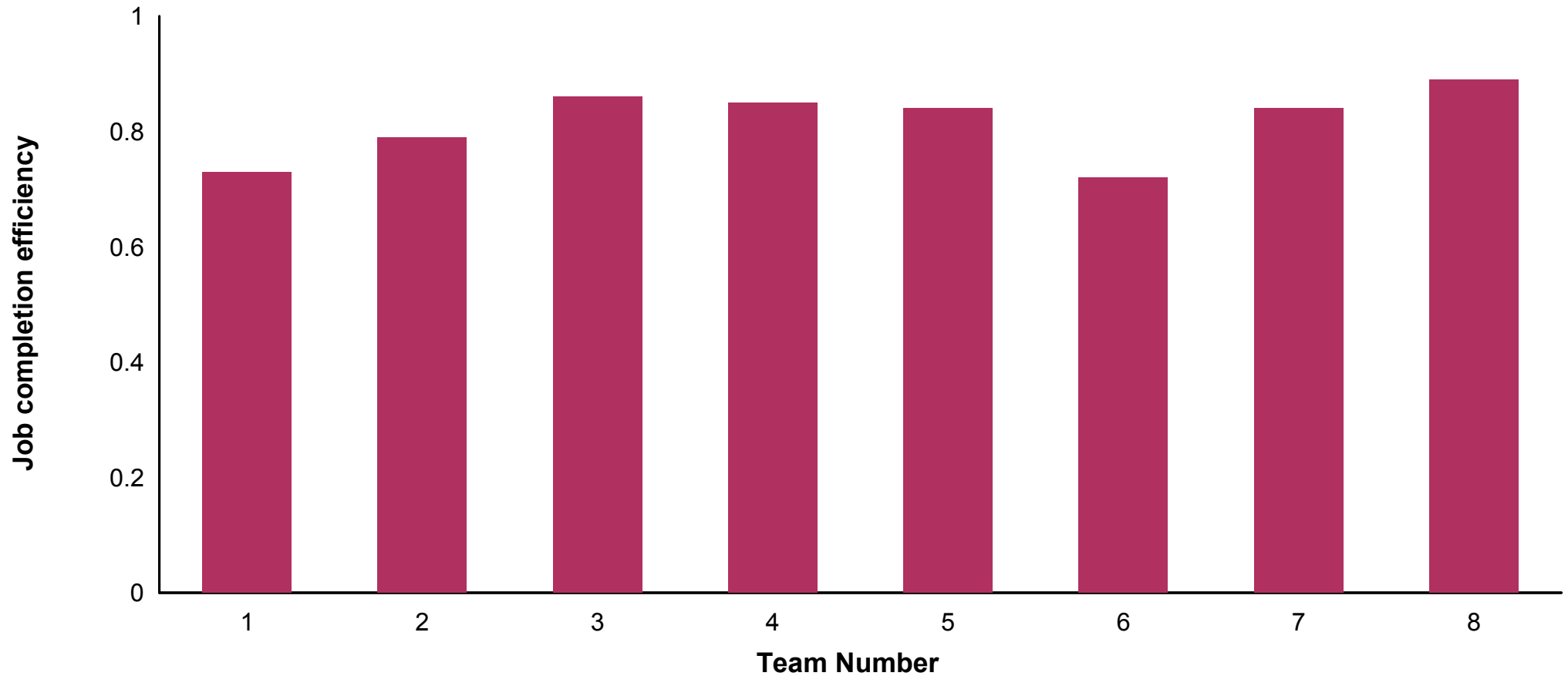
JOB COMPLETION



Early job completion earns a bonus from the client, frees off resources, and improves client relationship. Conversely, late completion incurs a penalty charge, and can significantly damage client relationship.



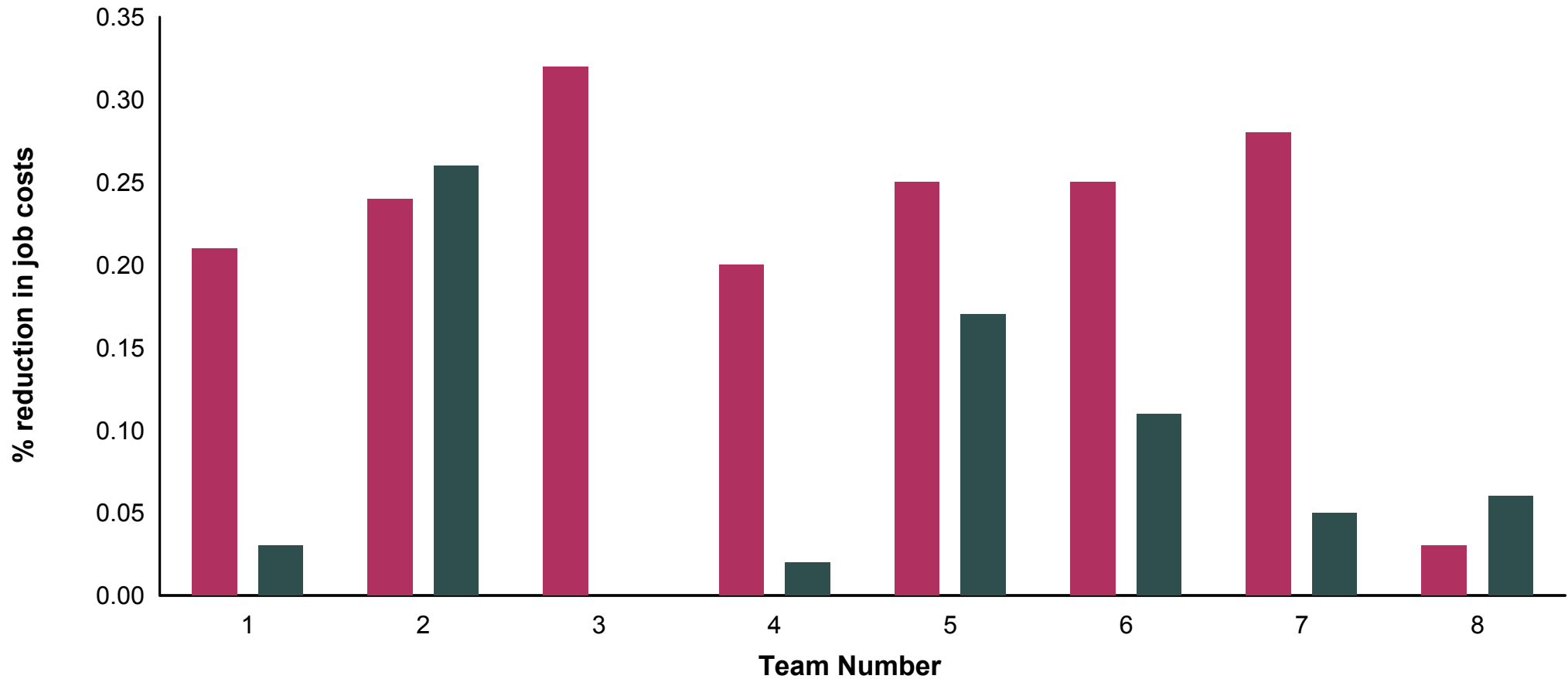
LABOUR MANAGEMENT



Completing jobs as efficiently as possible in terms of labour resourcing is key to maximising job profits.

The efficiency rating is from 0 to 1, where 1 is the optimum level.

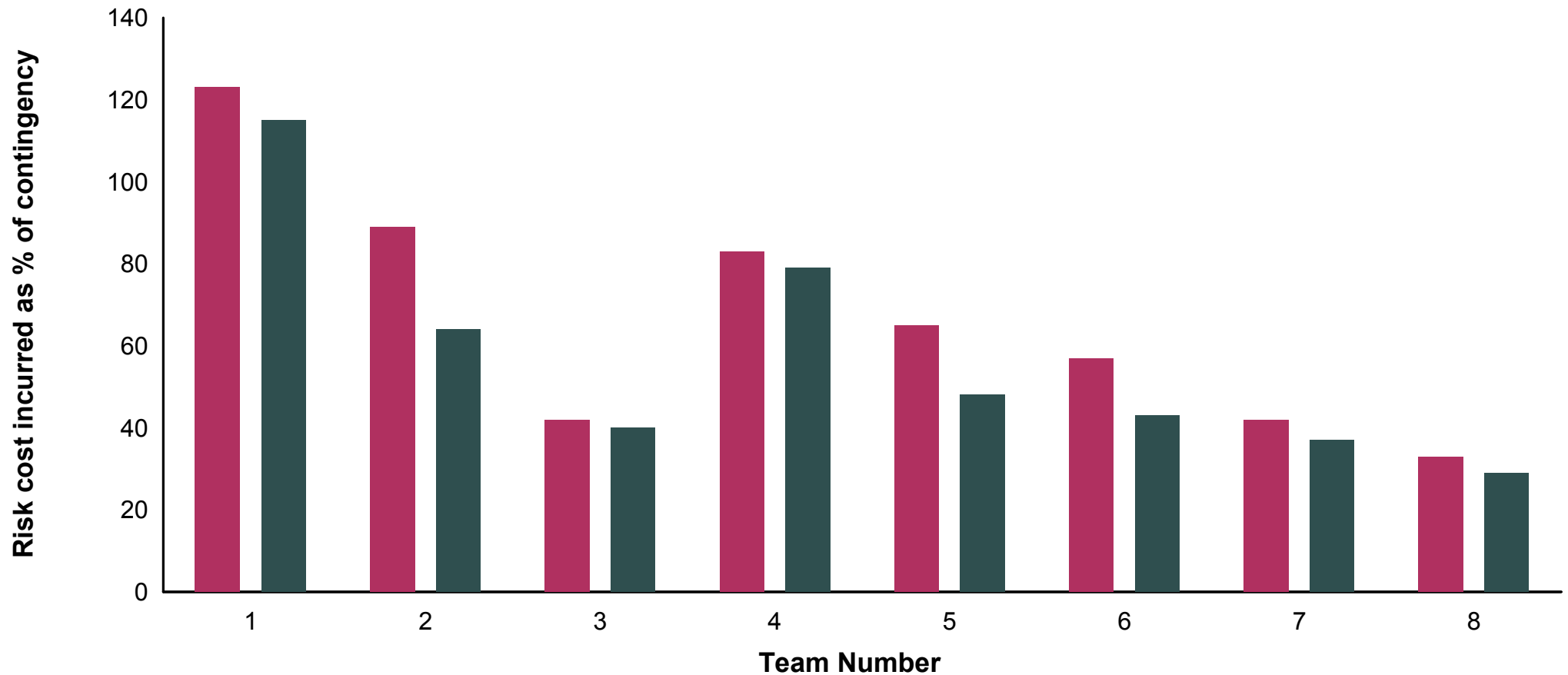
TARGETED INVESTMENTS



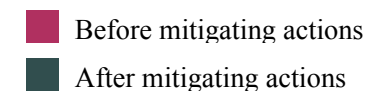
Targeted investments can reduce job costs, such as build and risk costs, significantly.

- Reduction in job costs due to build cost cost reductions
- Reduction in job costs due to risk cost reductions

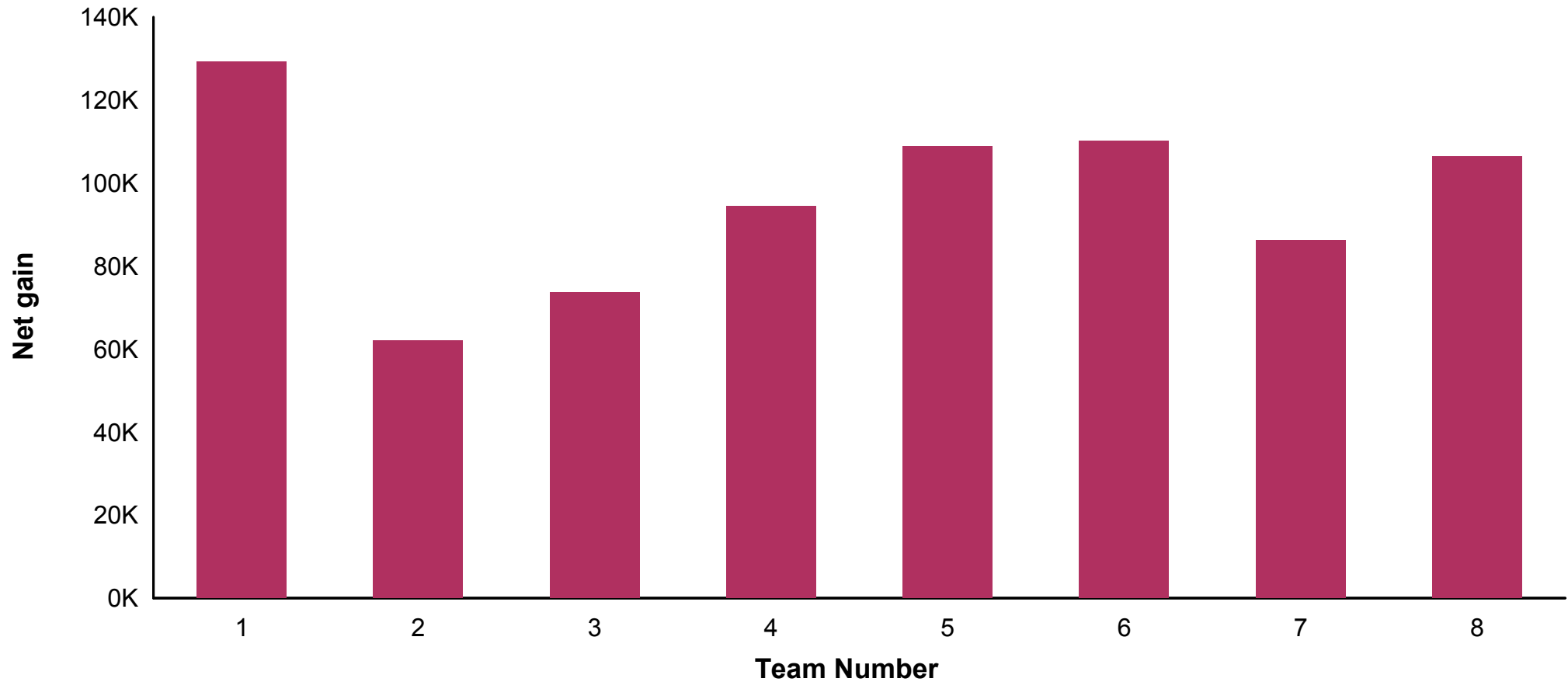
RISK MANAGEMENT



An effective risk management policy is crucial to keeping projects as profitable as possible.

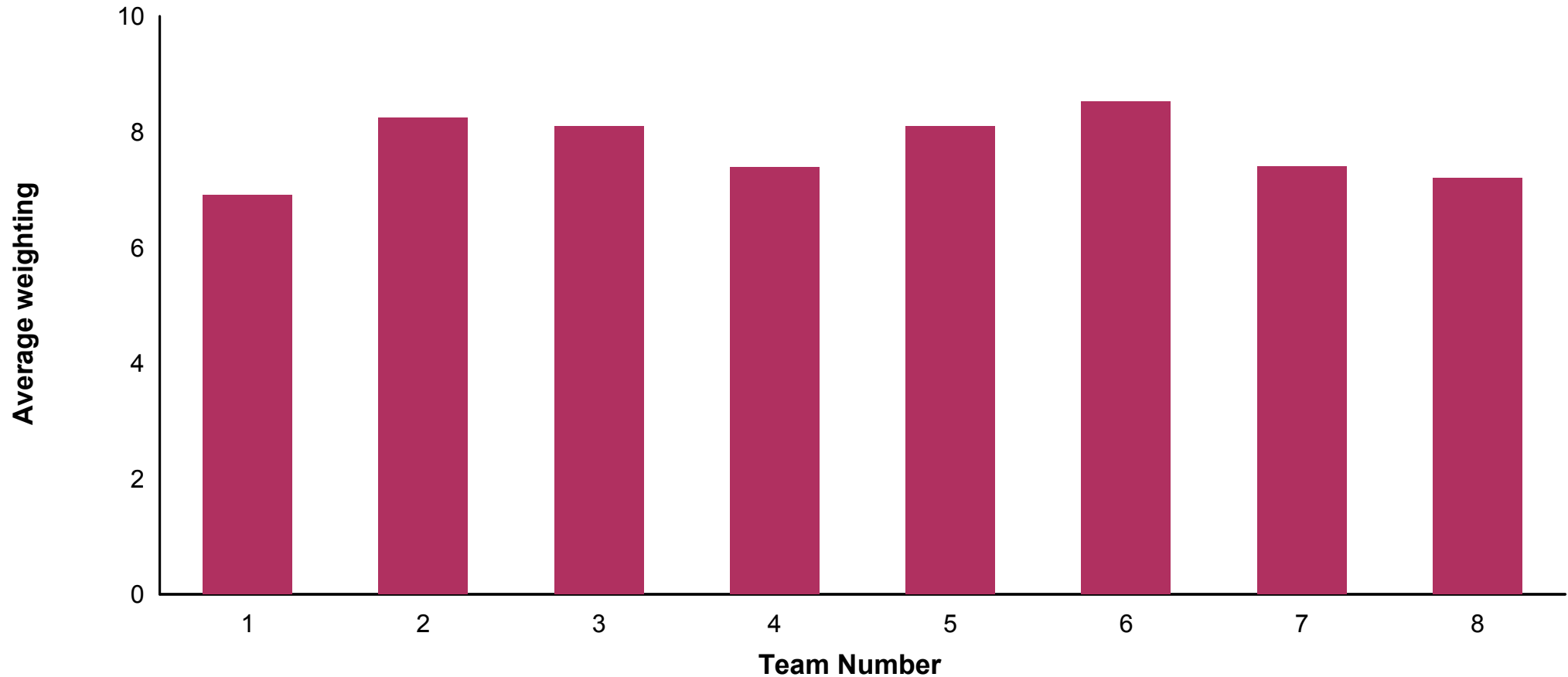


PROJECT MANAGER (BONUS AFFECT)



Paying a bonus to project managers not only prevents them from resigning, but can improve their productivity, with a potential net monetary gain (job profit).

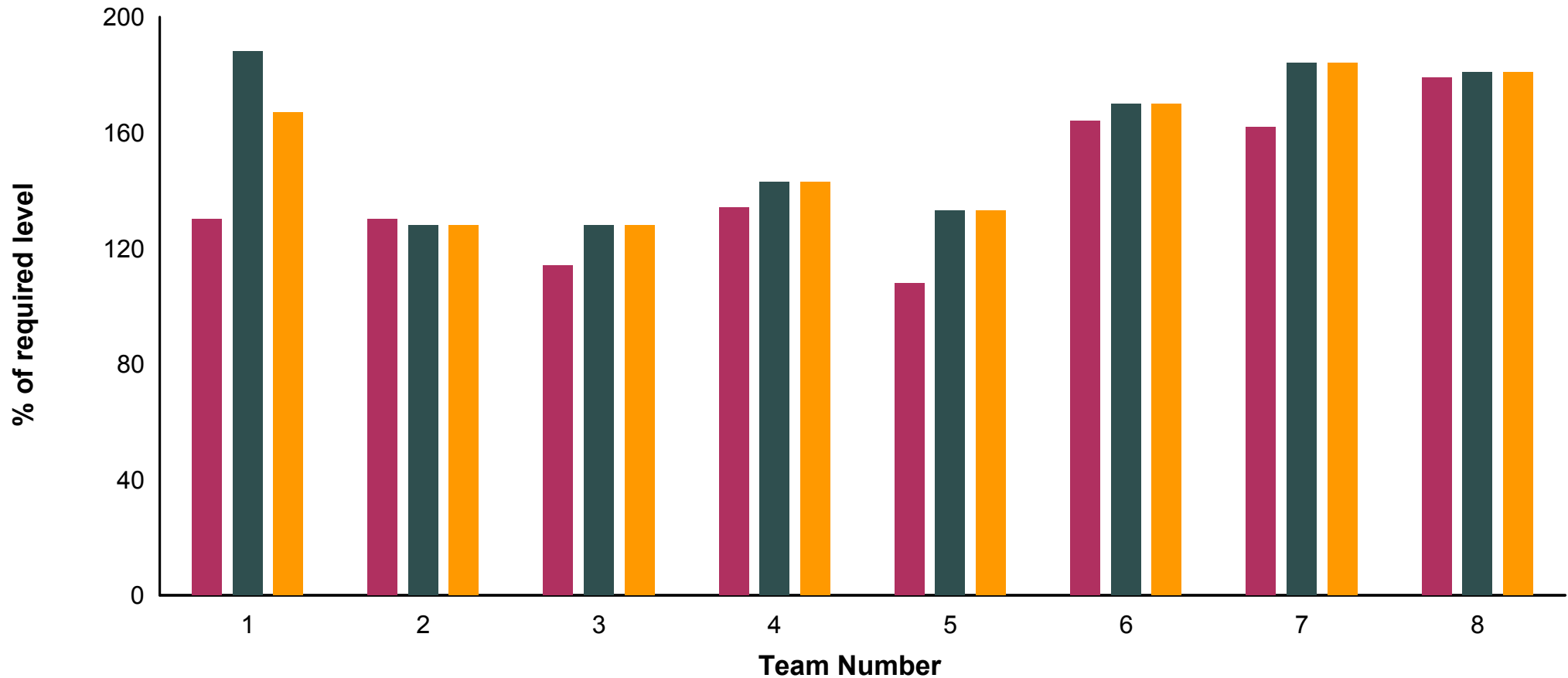
PROJECT MANAGER (PERFORMANCE)



A project manager with well-matched experience for a particular type of job will handle available resources more efficiently, whilst a project manager with inappropriate experience will impair contract efficiency.

Project managers are weighted from 1 (Poor) to 10 (The best possible).

OVERHEAD STAFFING

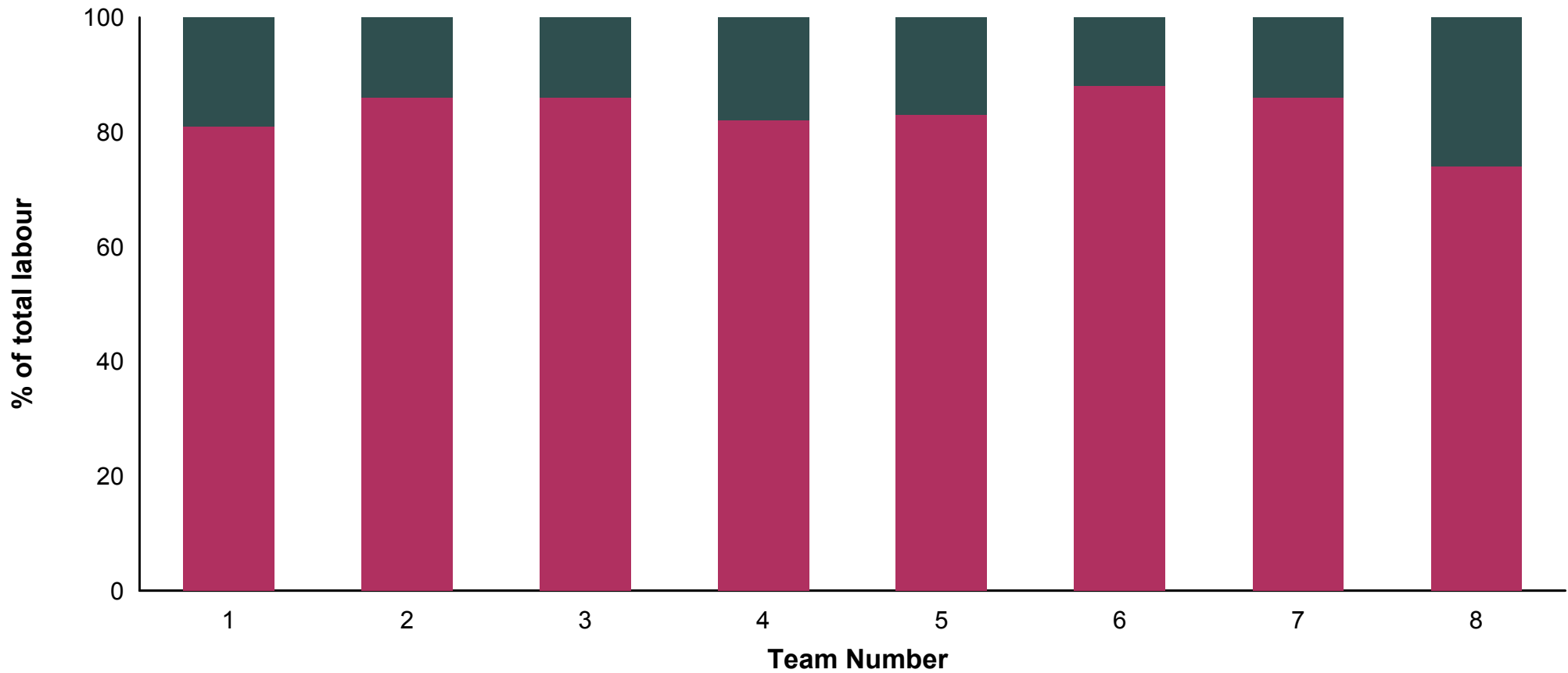


Efficient overhead management has a significant impact on operating profitability.

100% is the required level. Anything lower indicates understaffing, with an adverse affect on costs (Head Office and QHSE) or value (Measurement).

- Head Office
- QHSE
- Measurement

LABOUR USAGE

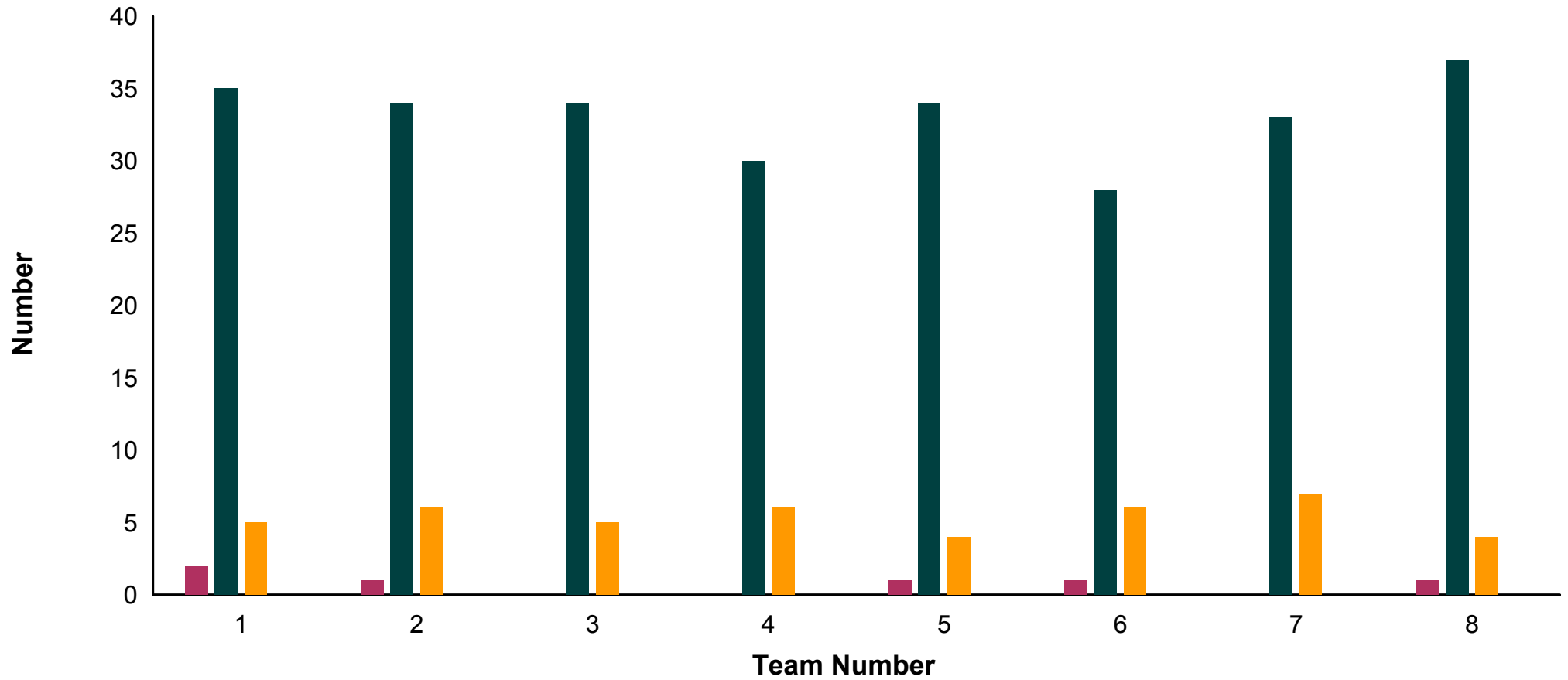


Subcontractor costs vary from country to country.

Excessive use of subcontractors can have an adverse affect on the morale of the company's own labour.

Own labour
Subcontract labour

CLIENT RELATIONSHIPS



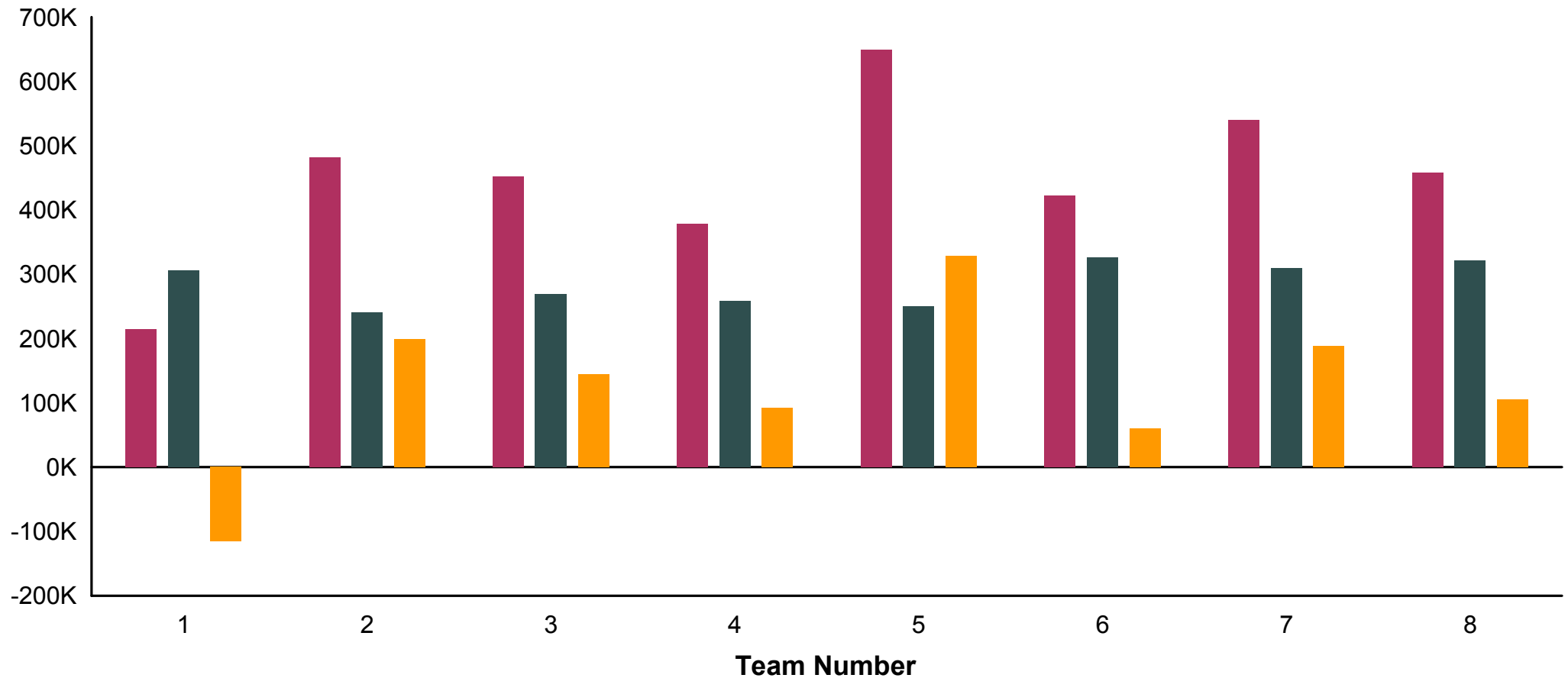
Building strong client relationships can be crucial in securing new work.

- Poor or worst
- Satisfactory
- Fairly good to Extremely good
- Excellent or better

DURING TIME IN CHARGE

CHANGE IN COMPANY VALUE

AVERAGE COMPANY PROFITS AND COSTS EACH PERIOD

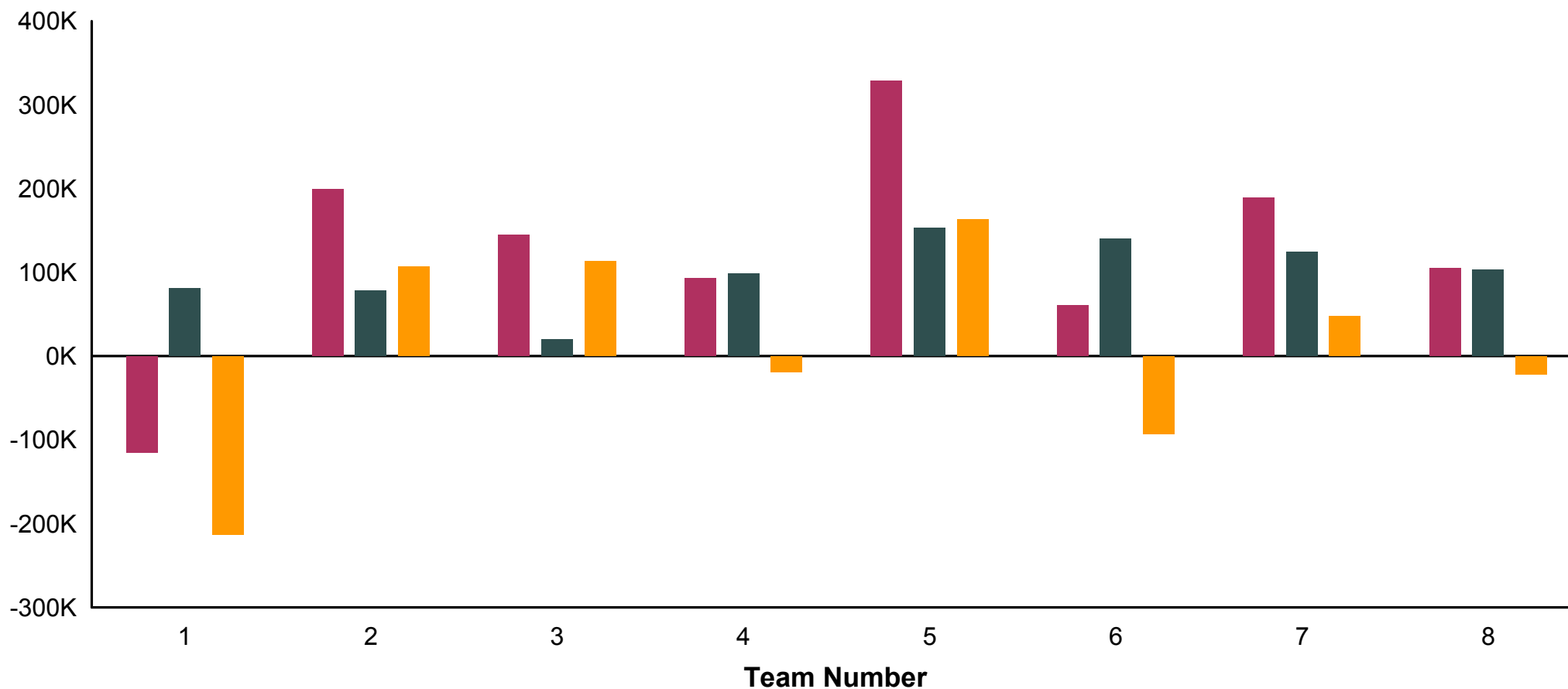


Ultimately the Operating profit improves the value of the business, going straight into the Cash Account.

$$\text{OPERATING PROFIT} = \text{GROSS PROFIT} - \text{OVERHEAD COSTS}$$

- Gross profit
- Overhead costs
- Operating profit

CHANGE IN COMPANY VALUE EACH PERIOD



The value of the company is reduced by paying dividends to shareholders.

So long as the dividend payments are offset by higher operating profit, the value of the business will continue to rise.

- Operating profit
- Dividend paid
- Change in company value