



# Enginuity 2018 Competition

## PERFORMANCE REVIEW FOR 'Birdies In The Sky (BITS)'

### THE CHALLENGE

A **new management team** are needed to run a **UK-based global construction business** that has only been in existence for one year.

Although based in the UK, **expansion into overseas markets** may be an attractive proposition, depending upon the economic climate in different parts of the world. Working in other countries presents some **particular challenges** to overcome, such as environmental problems and specialised local competition for work. However, the potential **rewards and opportunities** of operating globally may outweigh the risks.

To grow the business the new management team will need to devise and implement an **effective business strategy**. This will involve making decisions in a number of key areas; finance, overheads, procurement and job progression. **Decisions are made for a quarter, or 3 months.**

**The decisions to be made, and fate of the company, rests in the hands of the new management team.**

### MANAGEMENT TEAM

Thangarajah Janaraj

Raul Buñales

Robbie Browne

Ebrahim Al-Qalisi

Allan Bartlett

Pooria Kaldi

### SPONSOR

Robert Bird Group

### TIMEFRAME

The company had already been operating for periods 1 to 4, known as the History year, before the new management team took control.

The new management team were in charge for two different stages.

#### THE EARLY YEARS (PERIODS 5-12)

During the Early Years the competition for jobs comes from a number of simulated companies. Each one has their own unique profile and bidding history, and a careful assessment of the opposition is required to formulate an effective procurement strategy.

#### THE LATER YEARS (PERIODS 13-18)

During the Later Years the teams compete 'head to head' against each other for work. This creates an even more uncertain and pressurized environment in which the skills and team dynamics formed in the early years are really put to the test.

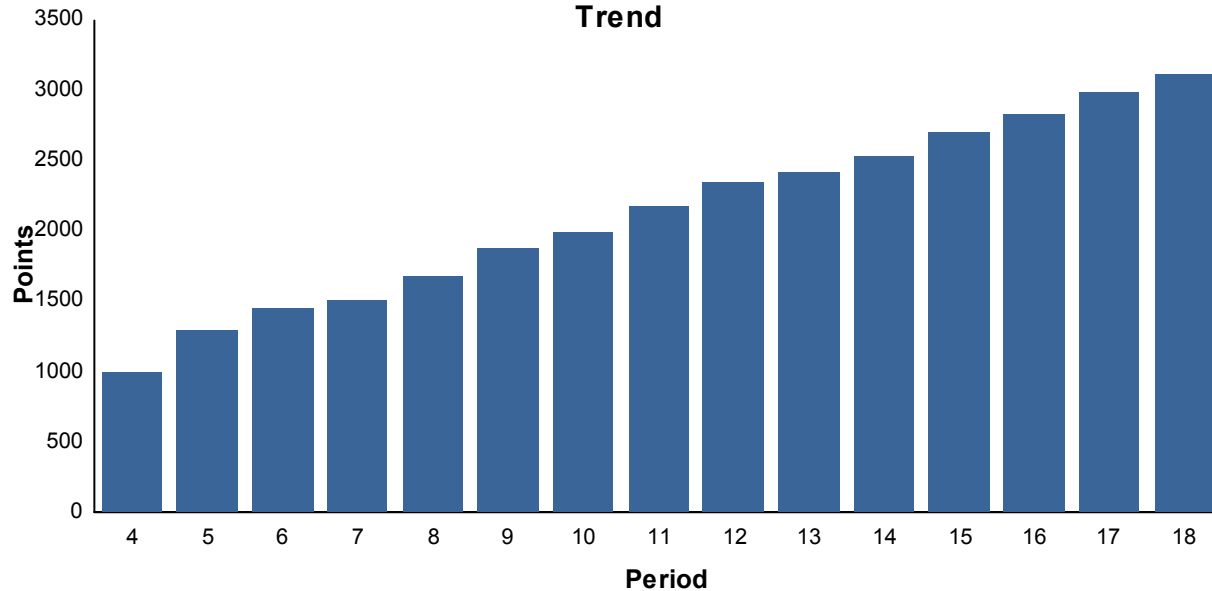
# KEY PERFORMANCE INDICATORS

Performance indicators were used to measure company progress in a number of key areas. They were weighted at the start of the early years to reflect their variability, initially to 1,000 points

Overall company performance improved from 1,000 to 3,108 points

End Period	Status	Year/qtr	Turnover	Gross Profit To Turnover	Operating Profit To Turnover	Company Value	Capital Employed	Contract Completion	Forward Workload	Forward Margin	Share Price	Client Satisfaction	Total Rating
4	History	2017 (Q4)	40	130	130	170	120	100	70	100	70	70	1,000
5	Early Years	2018 (Q1)	48	126	132	169	157	125	152	208	85	98	1,300
6	Early Years	2018 (Q2)	64	145	220	184	182	130	136	185	97	115	1,458
7	Early Years	2018 (Q3)	78	137	213	191	198	150	129	180	86	142	1,504
8	Early Years	2018 (Q4)	89	144	244	208	211	185	143	197	87	170	1,678
9	Early Years	2019 (Q1)	97	162	297	234	223	190	168	215	90	202	1,878
10	Early Years	2019 (Q2)	106	170	330	263	232	215	164	207	84	226	1,997
11	Early Years	2019 (Q3)	114	184	372	297	240	230	177	216	88	253	2,171
12	Early Years	2019 (Q4)	121	196	410	336	247	255	183	215	104	284	2,351
13	Later Years	2020 (Q1)	126	199	417	359	250	290	175	178	109	318	2,421
14	Later Years	2020 (Q2)	133	209	445	401	254	300	168	160	122	343	2,535
15	Later Years	2020 (Q3)	137	219	464	435	255	350	172	162	135	376	2,705
16	Later Years	2020 (Q4)	140	224	473	464	256	370	165	180	150	408	2,830
17	Later Years	2021 (Q1)	143	227	476	489	259	400	208	193	159	435	2,989
18	Later Years	2021 (Q2)	146	231	486	521	262	420	217	190	169	466	3,108

Overall KPI Trend



## TURNOVER

An indication of how much work the company has done

## GROSS PROFIT TO TURNOVER

A measure of how profitable the company's jobs have been

## OPERATING PROFIT TO TURNOVER

A measure of how profitable the company is after considering all operating factors

## COMPANY VALUE

A measure of the asset value of the company

## CAPITAL EMPLOYED

A measure of how well the company's infrastructure is being utilised

## CONTRACT COMPLETION

An indication of how successful the company is in completing contracts

## FORWARD WORKLOAD

The remaining turnover (value) of jobs still in progress

## FORWARD MARGIN

The remaining profit of jobs still in progress

## SHARE PRICE

A measure of the strength of the company's share price

## CLIENT SATISFACTION

An indication of the strength of the relationship build up with the company's clients

# PERFORMANCE SUMMARY

	History	Since	Change	Basis
Number of periods:	4	14		
Company value:	4,711,236	14,438,970	206 %	E
Share price:	1.02	2.46	141 %	E
Capital employed:	50 %	95 %		A
Turnover:	8,162,096	18,030,660	121 %	A
Job profit:	4.1 %	7.6 %		D % of job cost
Overhead costs:	2.5 %	1.8 %		D % of job cost
Operating profit:	1.2 %	4.9 %		D % of job cost; net, after tax and interest
Dividend paid:	2.6 %	0.8 %		D % of job cost
Market share:	11 %	31 %		D % of the overall new work in the market identified
Market share split (UK):	39 %	18 %		D % of the market share in the UK
Market share split (OV):	61 %	82 %		D % of market share Overseas (outside the UK)
Head office staffing level:	100 %	113 %		D The benchmark was 100%
QHSE staffing level:	100 %	118 %		D The benchmark was 100%
Measurement staffing level:	100 %	118 %		D The benchmark was 100%
Number of jobs bid for:	13	73		D
Number of jobs won:	8	26		D
Bidding success rate:	62 %	36 %		D Jobs won as a % of jobs bid for
Jobs finished early:	0	17		D
Jobs finished on time:	3	9		D
Jobs finished late:	0	0		D
Job completion efficiency:	0.94	0.94		D 0 to 1, where 1 is the optimum level
Reduction in job cost:	0.03 %	2.44 %		D % due to targeted investments
Risk cost incurred:	45 %	57 %		D As a % of the contingency in the bid
Change in risk cost:	-21.6 %	-16.8 %		D % due to mitigatng factors
Project manager weighting:	8.2	9.1		D Out of 10
Forward workload:	15,477,540	47,952,660		E
Forward margin:	521,414	992,764		E

## BASIS FOR SETTING EACH MEASURE

**E** (At the end of the timeframe)

**A** (An average for each period of the timeframe)

**D** (The value during the whole timeframe)