



ENGINUITY 2020 COMPETITION

PERFORMANCE REVIEW FOR 'Mangineer'

MANAGEMENT TEAM

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THE CHALLENGE



It is the **beginning of 2020**.

A UK-based **global construction business** that has only been in existence for one year needs a **new management team** to run the company for the foreseeable future.

The company **operates in a number of sectors**, with jobs, clients, rival competitors, and people worldwide.

To grow the business the new management team will need to devise an **effective business strategy**.

Developing an effective strategy will involve acquiring an understanding of :-

- The **economic environment** in which the company is operating
- The **strengths and weaknesses** of the business as it currently stands

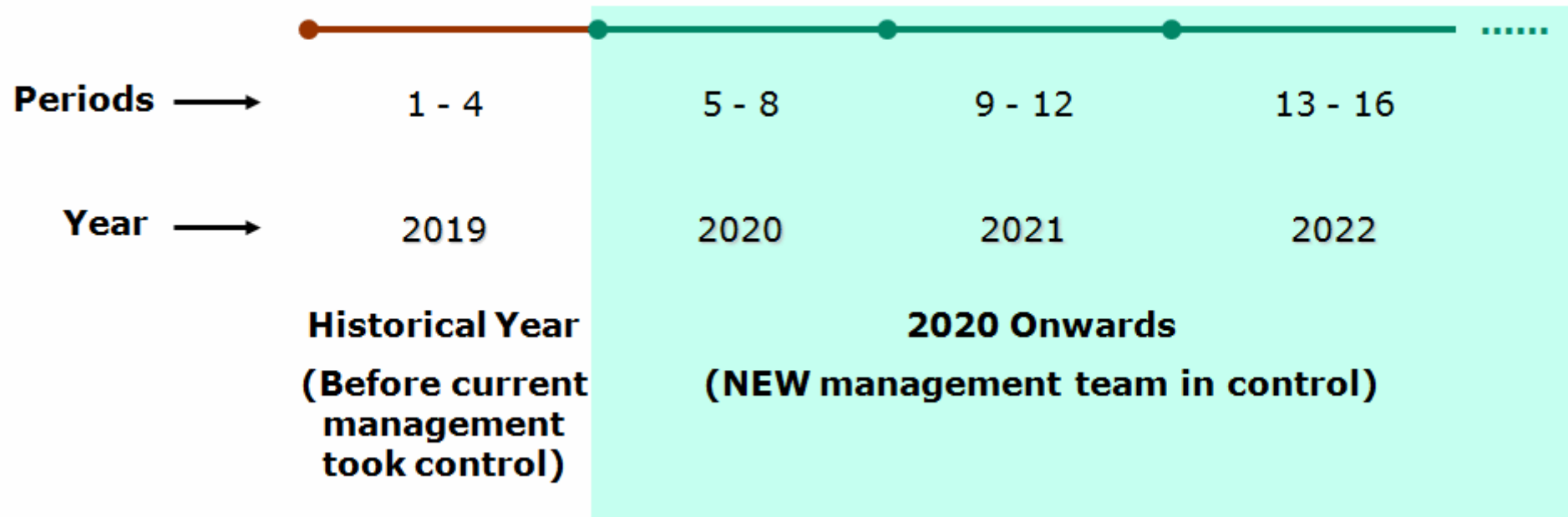
To implement the strategy **decisions** will have to be made in a number of key areas :-

- Financial management
- Overhead management
- Procurement
- Job progression



TIMEFRAME

Decisions are made for a **period**, representing 3 months, or a quarter, in the real world.



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)

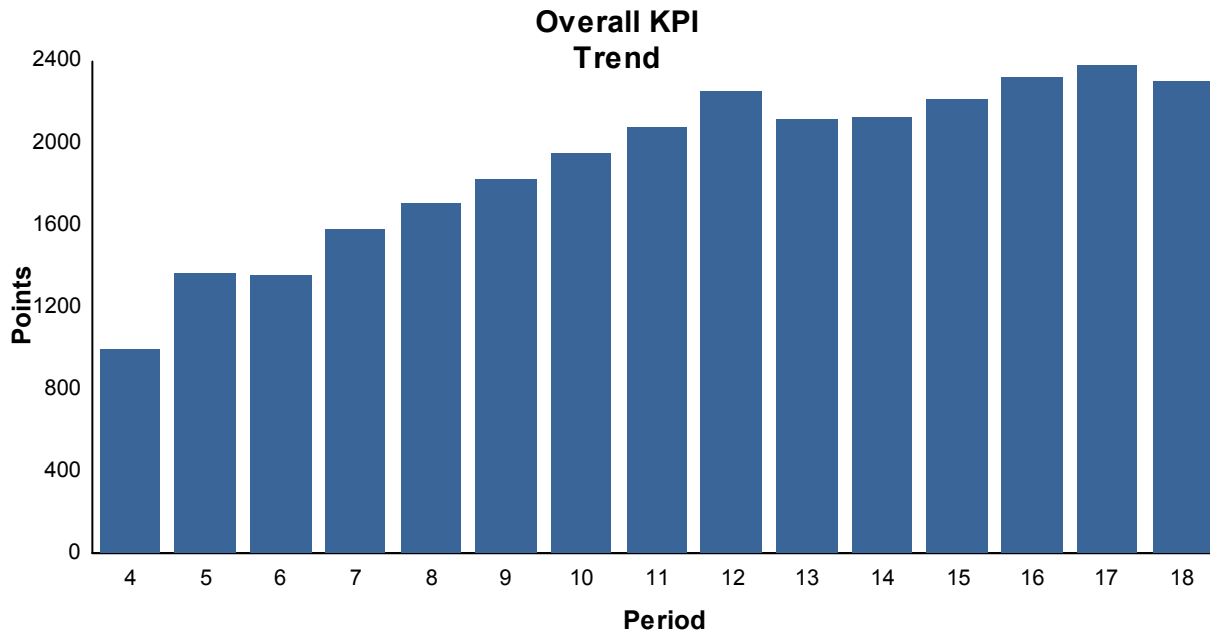
During the Later Years the teams compete 'head to head' against each other for work. This creates an even more uncertain and pressurized environment in which the skills and team dynamics formed in the early years are really put to the test.

OVERALL PERFORMANCE (KPIs)

Performance Indicators were used to measure company progress, weighted at the end of the History to reflect their variability, initially to 1,000 points.

Overall company performance improved from 1,000 to 2,303 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	2019 (Q4)	40	170	120	170	130	80	70	100	70	50	1,000
5	Early Years	2020 (Q1)	53	192	207	178	158	85	138	198	91	66	1,366
6	Early Years	2020 (Q2)	72	175	208	185	174	105	108	151	88	89	1,355
7	Early Years	2020 (Q3)	85	186	247	200	188	135	134	180	99	122	1,576
8	Early Years	2020 (Q4)	94	193	269	213	198	143	146	193	107	153	1,709
9	Early Years	2021 (Q1)	105	199	293	232	206	176	134	173	121	188	1,827
10	Early Years	2021 (Q2)	113	205	310	250	212	186	152	171	134	215	1,948
11	Early Years	2021 (Q3)	120	214	334	274	216	211	146	155	153	250	2,073
12	Early Years	2021 (Q4)	127	220	351	295	220	241	166	170	183	282	2,255
13	Later Years	2022 (Q1)	132	217	344	300	216	253	95	95	174	290	2,116
14	Later Years	2022 (Q2)	136	215	335	301	212	294	85	57	163	323	2,121
15	Later Years	2022 (Q3)	133	216	327	291	209	306	137	77	168	349	2,213
16	Later Years	2022 (Q4)	133	213	314	278	211	311	209	107	173	371	2,320
17	Later Years	2023 (Q1)	137	207	305	275	214	335	201	112	186	404	2,376
18	Later Years	2023 (Q2)	143	192	276	254	217	340	192	106	153	430	2,303



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	Additional information
Number of periods	4	14			
FINANCIAL MANAGEMENT					
Company value	4,682,259	6,983,747	49 %	End of timeframe	
Share price	1.05	2.29	118 %	End of timeframe	
Average capital base	4,075,584	6,036,985	48 %	Each period of timeframe	
Average capital base utilisation	64 %	89 %		Each period of timeframe	
Average turnover	8,114,228	17,455,060	115 %	Each period of timeframe	
Job profit	4.3 %	4.9 %		During whole timeframe	As a % of job costs
Overhead costs	2.7 %	1.4 %		During whole timeframe	As a % of job costs
Net operating profit	1.2 %	3.0 %		During whole timeframe	As a % of job costs after tax and interest
Dividend paid	2.8 %	1.9 %		During whole timeframe	As a % of job costs
Forward workload	17,285,100	47,334,440		End of timeframe	
Forward margin	617,535	651,630		End of timeframe	
OVERHEAD MANAGEMENT					
Market share	12 %	23 %		During whole timeframe	% of the overall new work in the market identified
Market share split (UK)	0 %	0 %		During whole timeframe	% of the market share in the UK
Market share split (OV)	0 %	0 %		During whole timeframe	% of market share Overseas (outside the UK)
Head office staffing level	100 %	108 %		During whole timeframe	Optimum level is 100%
QHSE staffing level	100 %	108 %		During whole timeframe	Optimum level is 100%
Measurement staffing level	100 %	108 %		During whole timeframe	Optimum level is 100%
PROCUREMENT					
Number of jobs bid for	14	54		During whole timeframe	
Number of jobs won	5	36		During whole timeframe	
Bidding success rate	36 %	67 %		During whole timeframe	Jobs won as a % of jobs bid for
JOB PROGRESSION					
Project manager weighting	8.0	7.9		During whole timeframe	Out of 10
Project manager resignations	0	4		During whole timeframe	Due to insufficient bonus levels or being headhunted
Net gain from bonus payments to project managers	29,596	518,345		During whole timeframe	
Jobs finished early	0	17		During whole timeframe	
Jobs finished on time	0	15		During whole timeframe	
Jobs finished late	0	1		During whole timeframe	
Ineffective labour on site	1 %	2 %		During whole timeframe	
Subcontractor labour used on site	0 %	5 %		During whole timeframe	As a % of total labour
Job completion efficiency	n/a	0.93		During whole timeframe	0 to 1, where 1 is the optimum level
Reduction in job costs (build) due to targeted investments	0.0 %	0.4 %		During whole timeframe	
Reduction in job costs (risk) due to targeted investments	0.0 %	0.3 %		During whole timeframe	
For D&B jobs, change in build cost due to consultant designer	-0.7 %	-0.9 %		During whole timeframe	
Measure of risk contingency included in bids	1.0	0.9		During whole timeframe	0=No contingency, 1=sensible level, 2=full risk cost
Risk cost incurred before mitigating factors	21 %	61 %		During whole timeframe	As a % of the contingency in the bid
Change in risk cost incurred due to mitigating factors	-14.5 %	-38.0 %		During whole timeframe	
Risk cost incurred after mitigating factors	18 %	38 %		During whole timeframe	As a % of the contingency in the bid