



ENGINUITY 2021 COMPETITION

PERFORMANCE REVIEW FOR 'Diligent Disruption'

MANAGEMENT TEAM

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THE CHALLENGE



It is the **beginning of 2021**.

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

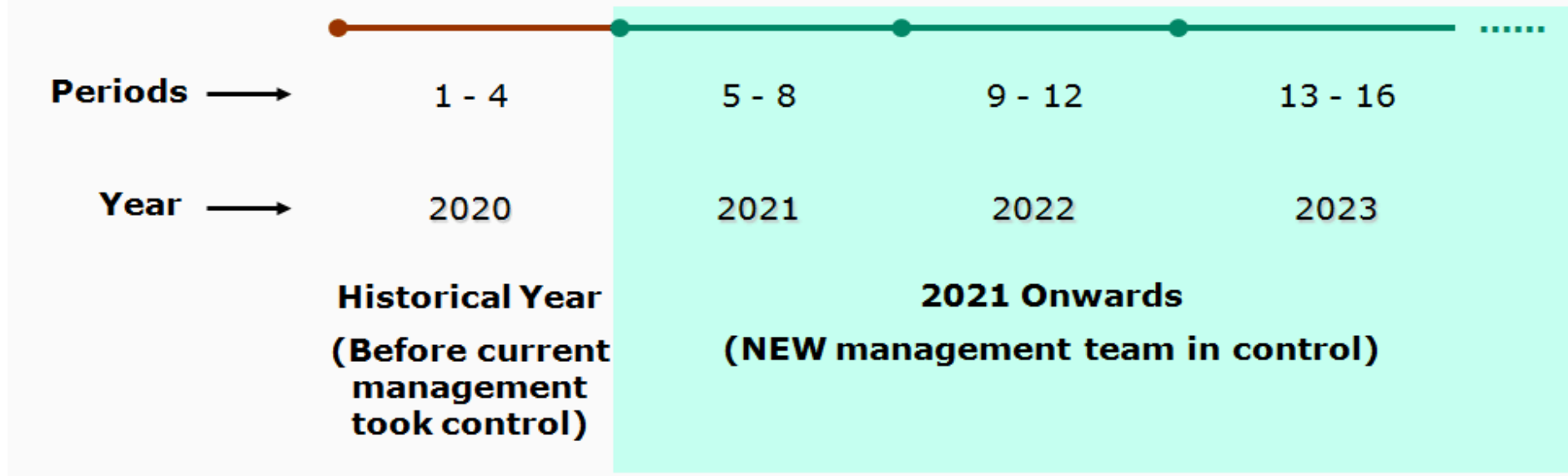
To implement the strategy **decisions** will have to be made in a number of key areas :-

- 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.

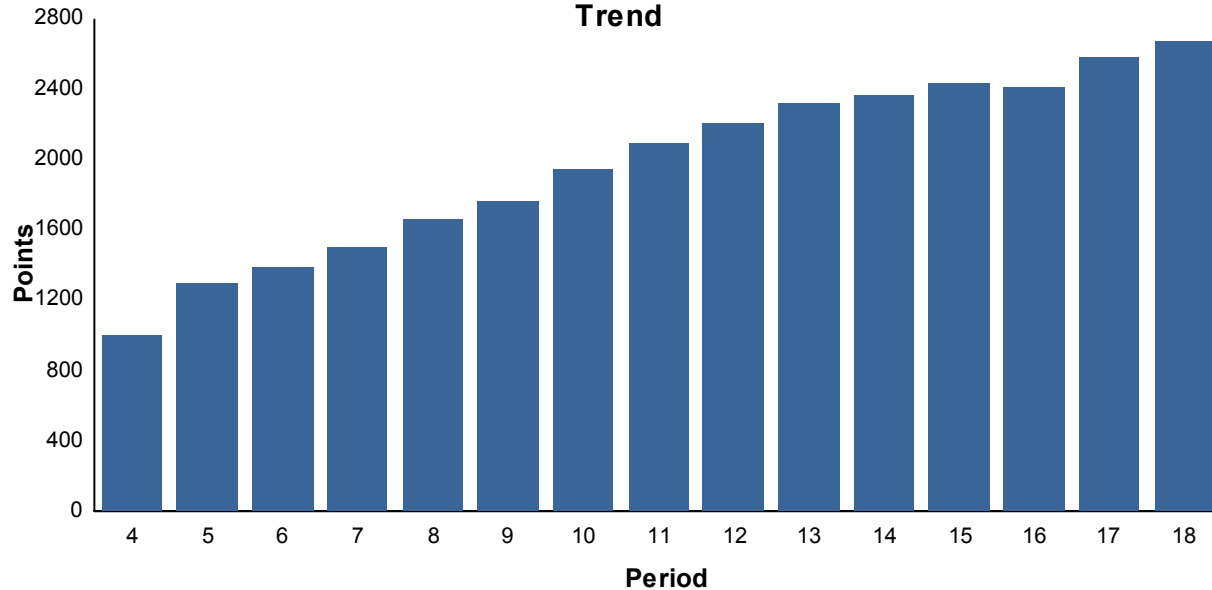
OVERALL PERFORMANCE (KPIs)

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 2,667 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	2020 (Q4)	40	170	120	170	130	80	70	100	70	50	1,000
5	Early Years	2021 (Q1)	49	191	153	184	152	113	128	162	80	87	1,299
6	Early Years	2021 (Q2)	58	193	165	199	166	129	129	158	75	117	1,389
7	Early Years	2021 (Q3)	66	202	186	221	176	142	129	156	77	151	1,506
8	Early Years	2021 (Q4)	74	221	214	253	183	170	132	150	77	189	1,663
9	Early Years	2022 (Q1)	82	218	216	275	189	187	138	147	86	228	1,766
10	Early Years	2022 (Q2)	87	226	230	298	194	227	153	156	104	269	1,944
11	Early Years	2022 (Q3)	92	231	236	323	198	244	171	170	118	311	2,094
12	Early Years	2022 (Q4)	96	230	237	337	201	256	179	180	138	351	2,205
13	Later Years	2023 (Q1)	100	230	237	355	203	296	181	176	160	387	2,325
14	Later Years	2023 (Q2)	102	229	234	369	204	325	176	143	169	420	2,371
15	Later Years	2023 (Q3)	106	229	233	389	206	325	197	119	186	448	2,438
16	Later Years	2023 (Q4)	109	226	228	399	203	369	124	72	189	489	2,408
17	Later Years	2024 (Q1)	112	218	211	390	205	374	216	126	214	516	2,582
18	Later Years	2024 (Q2)	114	219	205	390	206	413	208	131	227	554	2,667

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	Additional information
Number of periods	4	14			
FINANCIAL MANAGEMENT					
Company value	4,953,073	11,367,090	129 %	End of timeframe	
Share price	1.03	3.34	224 %	End of timeframe	
Average capital base	4,086,919	6,400,928	57 %	Each period of timeframe	
Average capital base utilisation	73 %	95 %		Each period of timeframe	
Average turnover	11,827,670	20,001,360	69 %	Each period of timeframe	
Job profit	4.2 %	5.5 %		During whole timeframe	As a % of job costs
Overhead costs	1.8 %	1.5 %		During whole timeframe	As a % of job costs
Net operating profit	1.9 %	3.4 %		During whole timeframe	As a % of job costs after tax and interest
Dividend paid	1.8 %	1.1 %		During whole timeframe	As a % of job costs
Forward workload	17,800,340	52,980,040		End of timeframe	
Forward margin	692,358	908,862		End of timeframe	
OVERHEAD MANAGEMENT					
Market share	11 %	30 %		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 %	114 %		During whole timeframe	Optimum level is 100%
QHSE staffing level	100 %	122 %		During whole timeframe	Optimum level is 100%
Measurement staffing level	100 %	122 %		During whole timeframe	Optimum level is 100%
PROCUREMENT					
Number of jobs bid for	11	68		During whole timeframe	
Number of jobs won	6	37		During whole timeframe	
Bidding success rate	55 %	54 %		During whole timeframe	Jobs won as a % of jobs bid for
JOB PROGRESSION					
Project manager weighting	8.2	9.3		During whole timeframe	Out of 10
Project manager resignations	0	2		During whole timeframe	Due to insufficient bonus levels or being headhunted
Net gain from bonus payments to project managers	43,544	923,265		During whole timeframe	
Jobs finished early	0	25		During whole timeframe	
Jobs finished on time	0	12		During whole timeframe	
Jobs finished late	0	0		During whole timeframe	
Ineffective labour on site	1 %	2 %		During whole timeframe	
Subcontractor labour used on site	8 %	1 %		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 %	0.5 %		During whole timeframe	
Reduction in job costs (risk) due to targeted investments	0.0 %	0.4 %		During whole timeframe	
For D&B jobs, change in build cost due to consultant designer	0.0 %	-0.9 %		During whole timeframe	
Measure of risk contingency included in bids	1.0	1.0		During whole timeframe	0=No contingency, 1=sensible level, 2=full risk cost
Risk cost incurred before mitigating factors	56 %	72 %		During whole timeframe	As a % of the contingency in the bid
Change in risk cost incurred due to mitigating factors	-40.0 %	-44.3 %		During whole timeframe	
Risk cost incurred after mitigating factors	34 %	40 %		During whole timeframe	As a % of the contingency in the bid