



ENGINUITY 2022 COMPETITION

PERFORMANCE REVIEW FOR 'Stantgether'

MANAGEMENT TEAM

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THE CHALLENGE



It is the **beginning of 2022**.

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

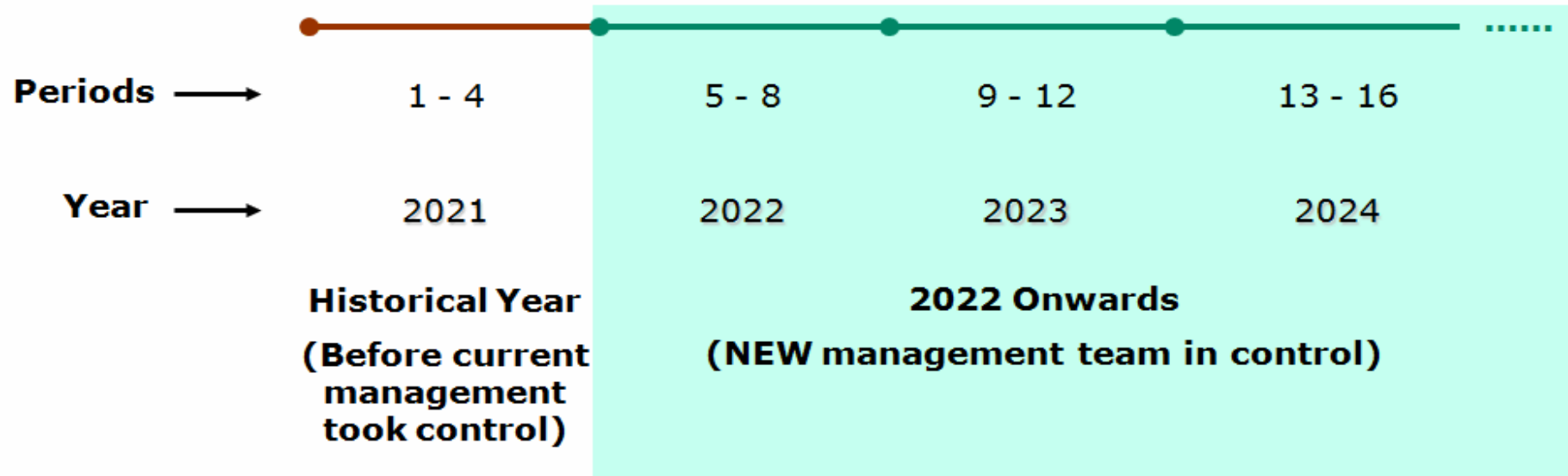
To implement the strategy **decisions** will have to be made in a number of key areas :-

- 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)

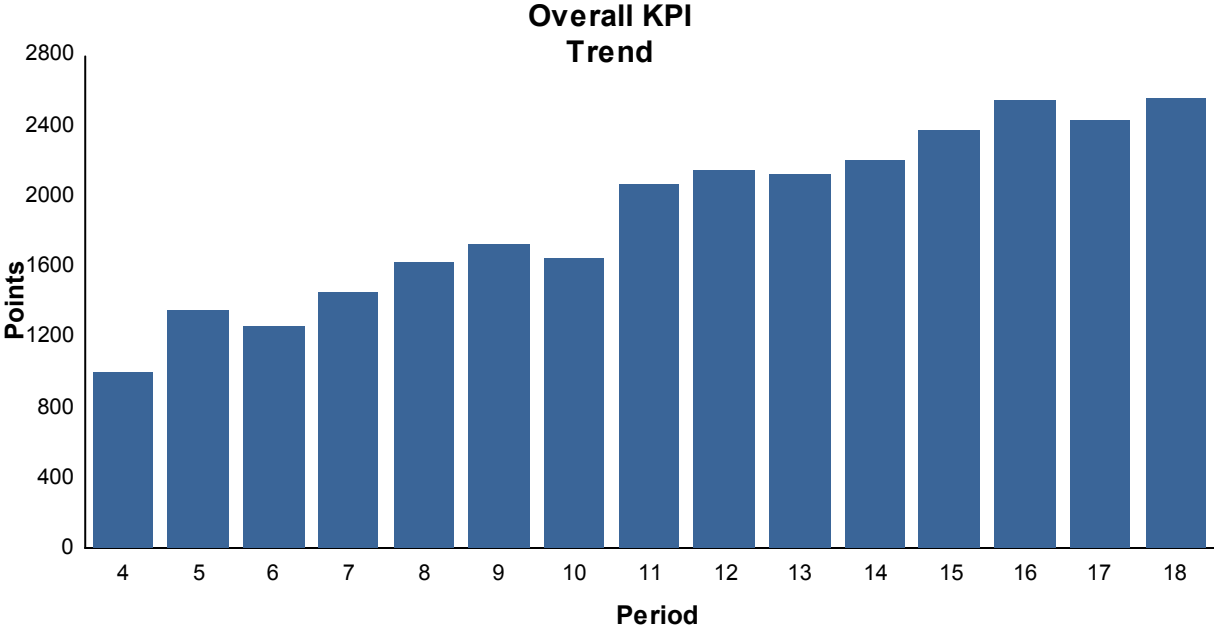
During the Later Years the teams compete 'head to head' against each other for work. This creates an even more uncertain and pressurized environment in which the skills and team dynamics formed in the early years are really put to the test.

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 2,559 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	2021 (Q4)	40	170	120	170	130	80	70	100	70	50	1,000
5	Early Years	2022 (Q1)	55	169	154	173	171	97	150	221	84	76	1,350
6	Early Years	2022 (Q2)	67	111	45	159	199	122	161	237	61	99	1,261
7	Early Years	2022 (Q3)	81	143	140	176	218	122	147	215	82	131	1,455
8	Early Years	2022 (Q4)	98	158	192	194	233	147	149	210	92	152	1,625
9	Early Years	2023 (Q1)	113	162	210	209	243	186	143	187	98	182	1,733
10	Early Years	2023 (Q2)	122	172	236	227	238	198	65	84	97	207	1,646
11	Early Years	2023 (Q3)	127	181	252	240	247	234	192	232	131	238	2,074
12	Early Years	2023 (Q4)	132	187	267	254	253	234	187	227	140	274	2,155
13	Later Years	2024 (Q1)	140	188	272	268	255	246	144	169	147	294	2,123
14	Later Years	2024 (Q2)	149	191	278	286	255	286	125	143	158	331	2,202
15	Later Years	2024 (Q3)	151	194	273	288	257	310	180	202	161	358	2,374
16	Later Years	2024 (Q4)	155	195	274	300	262	310	232	265	169	382	2,544
17	Later Years	2025 (Q1)	160	198	283	320	261	337	140	161	167	404	2,431
18	Later Years	2025 (Q2)	163	201	285	332	262	352	187	164	174	439	2,559



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	4,670,589	9,130,438	95 %	End of timeframe	
Share price	1.07	2.66	149 %	End of timeframe	
Average capital base	4,087,638	6,117,405	50 %	Each period of timeframe	
Average capital base utilisation	51 %	88 %		Each period of timeframe	
Average turnover	6,976,444	17,307,870	148 %	Each period of timeframe	
Job profit	4.8 %	5.7 %		During whole timeframe	As a % of job costs
Overhead costs	3.1 %	1.7 %		During whole timeframe	As a % of job costs
Net operating profit	1.4 %	3.4 %		During whole timeframe	As a % of job costs after tax and interest
Dividend paid	3.3 %	1.2 %		During whole timeframe	As a % of job costs
Forward workload	16,026,520	42,906,050		End of timeframe	
Forward margin	586,224	963,884		End of timeframe	
OVERHEAD MANAGEMENT					
Market share	11 %	26 %		During whole timeframe	% of the overall new work in the market identified
Market share split (UK)	35 %	40 %		During whole timeframe	% of the market share in the UK
Market share split (OV)	65 %	60 %		During whole timeframe	% of market share Overseas (outside the UK)
Head office staffing level	100 %	112 %		During whole timeframe	Optimum level is 100%
QHSE staffing level	100 %	119 %		During whole timeframe	Optimum level is 100%
Measurement staffing level	100 %	119 %		During whole timeframe	Optimum level is 100%
PROCUREMENT					
Number of jobs bid for	12	58		During whole timeframe	
Number of jobs won	5	25		During whole timeframe	
Bidding success rate	42 %	43 %		During whole timeframe	Jobs won as a % of jobs bid for
JOB PROGRESSION					
Project manager weighting	8.0	9.3		During whole timeframe	Out of 10
Project manager resignations	0	1		During whole timeframe	Due to insufficient bonus levels or being headhunted
Net gain from bonus payments to project managers	21,485	752,743		During whole timeframe	
Jobs finished early	0	21		During whole timeframe	
Jobs finished on time	0	4		During whole timeframe	
Jobs finished late	0	0		During whole timeframe	
Ineffective labour on site	2 %	1 %		During whole timeframe	
Subcontractor labour used on site	0 %	1 %		During whole timeframe	As a % of total labour
Job completion efficiency	n/a	0.92		During whole timeframe	0 to 1, where 1 is the optimum level
Reduction in job costs (build) due to targeted investments	0.0 %	0.3 %		During whole timeframe	
Reduction in job costs (risk) due to targeted investments	0.0 %	0.1 %		During whole timeframe	
For D&B jobs, change in build cost due to consultant designer	0.0 %	-0.8 %		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	53 %	57 %		During whole timeframe	As a % of the contingency in the bid
Change in risk cost incurred due to mitigating factors	-10.5 %	-26.8 %		During whole timeframe	
Risk cost incurred after mitigating factors	47 %	42 %		During whole timeframe	As a % of the contingency in the bid