

# ENGINEUITY TUTORIAL



## Using The Performance Summary



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The **Company Performance Summary** provide a detailed set of performance statistics relating to the key functions in running the business.

Its main use is to **identify strengths and weaknesses**, and explain the rise and fall of particular key performance indicators.



# Using The Performance Summary

**Measuring Performance**  
Assessing performance Help

**KEY PERFORMANCE INDICATORS**      **PERFORMANCE SUMMARY**

**CLICK ON THE DATA IN A COLUMN TO SEE HOW THE SELECTED KEY PERFORMANCE INDICATOR WAS CALCULATED**

End of 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
4	History	2023 (Q4)	40	170	120	170	130	80	70	100	70	50	1,000
5	Early Years	2024 (Q1)	52	179	142	177	140	108	66	94	74	80	1,112
6	Early Years	2024 (Q2)	56	203	163	181	154	113	106	148	86	98	1,308
7	Early Years	2024 (Q3)	63	203	173	188	168	125	114	155	93	118	1,400
8	Early Years	2024 (Q4)	76	204	188	205	179	137	102	129	103	139	1,462

Consider the following example.

Since the end of the History the **Gross Profit to Turnover** indicator has **risen**.

This would appear to indicate that jobs have been managed better than during the History.

**We can use the Performance Summary to investigate further.**



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KEY PERFORMANCE INDICATORS		PERFORMANCE SUMMARY	
<b>THE HISTORY</b>		<b>SINCE HISTORY</b>	
<b>END OF PERIOD 4</b>		<b>END OF PERIOD 8</b>	
Company value:	4,852,965	5,865,802	+21%
Share price:	1.04	1.53	+47%
Forward workload:	20,831,500	30,317,150	
Forward margin:	905,458	1,170,757	(4% of job cost)
<b>DURING HISTORY</b>		<b>PERIODS 5 TO 8</b>	
<b>Identifying Jobs</b>			
Market share:	12 %	28 %	% of overall market identified
<b>Infrastructure</b>			
Average capital base:	4,117,310	4,800,000	each period
Average capital base utilisation:	67 %	75 %	% of capacity used
<b>Procurement</b>			
Average number of jobs won:	2	3	period
Bidding success:	43 %	50 %	% of jobs bid for that were won
Average value of work won:	13,876,460	16,800,000	period
Margin in work won:	4.5 %	5.5 %	% of cost
<b>Job Progression</b>			
Average turnover:	10,398,900	14,430,000	period
Average amount job profit:	550,744	840,000	period
Job profit:	5.6 %	6.5 %	% of cost
<b>Company Profitability</b>			
Average amount gross profit:		790,000	period
Average amount overhead cost:		250,000	period
Average amount operating profit:		415,000	period
<b>Dividend Payments</b>			
Average dividend paid:		150,000	period
<b>Change in Company Value</b>			
		253,000	period

**SUMMARY INFORMATION**

**GROWING THE BUSINESS**  
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.

The profits generated from jobs progressed are reduced by the overhead costs to give the company operating profit, which goes directly into the cash account, increasing the value of the company.

The value of the company is reduced by paying dividends to shareholders, but so long as the dividend payments are offset by higher operating profit, the value of the business will continue to rise.

The performance summary itself covers the **Early Years onwards and the History separately.**

However, many of the performance indicators cover the **full lifecycle of the company.** These are specifically the trend-based ones such as turnover, gross profit to turnover etc.



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<b>DURING HISTORY</b>		<b>PERIODS 5 TO 8</b>	
<b>Identifying Jobs</b>			
Market share:	12 %	28 %	% of overall market identified
<b>Infrastructure</b>			
Average capital base:	4,117,310	4,875,784	each period
Average capital base utilisation:	67 %	88 %	
<b>Procurement</b>			
Average number of jobs won:	2	1.8	each period
Bidding success:	43 %	44 %	% of jobs bid for that were won
Average value of work won:	13,876,460	16,806,430	each period
Margin in work won:	4.5 %	4.2 %	% of job cost
<b>Job Progression</b>			
Average turnover:	10,398,900	14,435,200	each period
Average amount job profit:	550,744	847,344	each period
Job profit:	5.6 %	6.2 %	% of job cost

**SUMMARY INFORMATION**

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

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## JOB PROFITABILITY

Evidence from the **Performance summary** shows that during the History the average job profit was **5.6%** (of cost), but that since the History the average job profit has been **6.2%** (of cost).

This explains why the **Gross Profit to Turnover KPI has risen**, indicating that the jobs the company have been progressing have indeed been managed more profitably than during the History.

The **SUMMARY INFORMATION** can be used to look in more detail at the factors that have affected how well the jobs in progressed have been managed, and also covers Finance, Overheads and Procurement.



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Job profit:	5.6 %	6.2 %	% of job cost
<b>Company Profitability</b>			
Average amount gross profit:		797,093	each period
Average amount overhead cost:		256,118	each period
Average amount operating profit:		419,019	each period
<b>Dividend Payments</b>			
Average dividend:		150,250	each period

**SUMMARY INFORMATION**

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## WORK PROGRESSED

As well as jobs in progress being managed well, the average turnover per period from jobs progressed improved considerably during periods 5 to 8, resulting in a much higher job profit each period.



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KEY PERFORMANCE INDICATORS
PERFORMANCE SUMMARY

### THE HISTORY

#### END OF PERIOD 4

Company value: 4,852,965  
Share price: 1.04  
Forward workload: 20,831,500  
Forward margin: 905,458

#### DURING HISTORY

**Identifying Jobs**  
Market share: 12 %

**Infrastructure**  
Average capital base: 4,117,310  
Average capital base utilisation: 67 %

**Procurement**  
Average number of jobs won: 2  
Bidding success: 43 %  
Average value of work won: 13,876,460  
Margin in work won: 4.5 %

**Job Progression**  
Average turnover: 10,398,900  
Average amount job profit: 550,744  
Job profit: 5.6 %

### SINCE HISTORY

#### END OF PERIOD 8

5,865,802 **+21%**  
1.53 **+47%**  
30,317,150  
1,170,757 (4% of job cost)

#### PERIODS 5 TO 8

28 % of overall market identified

4,875,784 each period  
88 %

1.8 each period  
44 % of jobs bid for that were won  
16,806,430 each period  
4.5 % of job cost

14,435,200  
847,344  
6.2 %

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## WORK WON

The rise in the amount of work progressed, or turnover, was due to the actual amount of work won each period increasing from 13,876,460 during the History to 16,806,430 from the History onwards.

**Change in Company Value**  
Average change in company value: 253,209 each period



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## OPERATING PROFITABILITY

The increased job profit each period resulted in a gross profit of 797,093 which **was more than enough** to cover the company's overhead costs of 256,118. As a result a substantial Operating Profit of 419,019 each period was made,

**How did this affect the value of the company ?**





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Forward margin: 905,458

#### DURING HISTORY

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Market share: 12 %

**Infrastructure**  
Average capital base: 4,117,310  
Average capital base utilisation: 67 %

**Procurement**  
Average number of jobs won: 2  
Bidding success: 43 %  
Average value of work won: 13,876,460  
Margin in work won: 4.5 %

**Job Progression**  
Average turnover: 10,398  
Average amount job profit: 55  
Job profit:

**Company Profitability**  
Average amount gross profit:  
Average amount overhead cost:  
Average amount operating profit:

**Dividend Payments**  
Average dividend paid:

**Change in Company Value**  
Average change in company value:

### SINCE HISTORY

#### END OF PERIOD 8

5,865,802 +21%  
1.53 +47%  
30,317,150  
1,170,750 (4% of job cost)

#### PERIODS 5 TO 8

% of overall market identified  
each period  
%  
.8 each period  
44 % of jobs bid for that were won  
430 each period  
4.2 % of job cost  
5,200 each period  
7,344 each period  
6.2 % of job cost  
97,093 each period  
256,118 each period  
419,019 each period  
150,250 each period  
253,209 each period

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## COMPANY VALUE

After taking Dividend Payments off the Operating Profit the average amount going into the Cash Account was a very healthy 253,209. **This improved the Company Value from the History onwards by 21%.**



## Using The Performance Summary

The **Company Performance Summary** has clearly explained that since the History more work has been won, and more gross and operating profit being generated, which fed as a profit into the Cash Account and increased the value of the company.

The **Performance Summary** could be used to look in more detail at the performance of the other Key Performance Indicators, in conjunction with both the **SUMMARY INFORMATION**, and the **Assessing Performance** tools, which are covered in a separate topic.