



# Enginuity 2018 Competition

## PERFORMANCE REVIEW FOR 'J-Empire'

### 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

Augustas Grendelis

Douglas Mizutani

Adelaide Ho

Ana Pascual

Nuria Gonzalez

Danilo Campolo

Yung Lau

### SPONSOR

Jacobs

### 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.

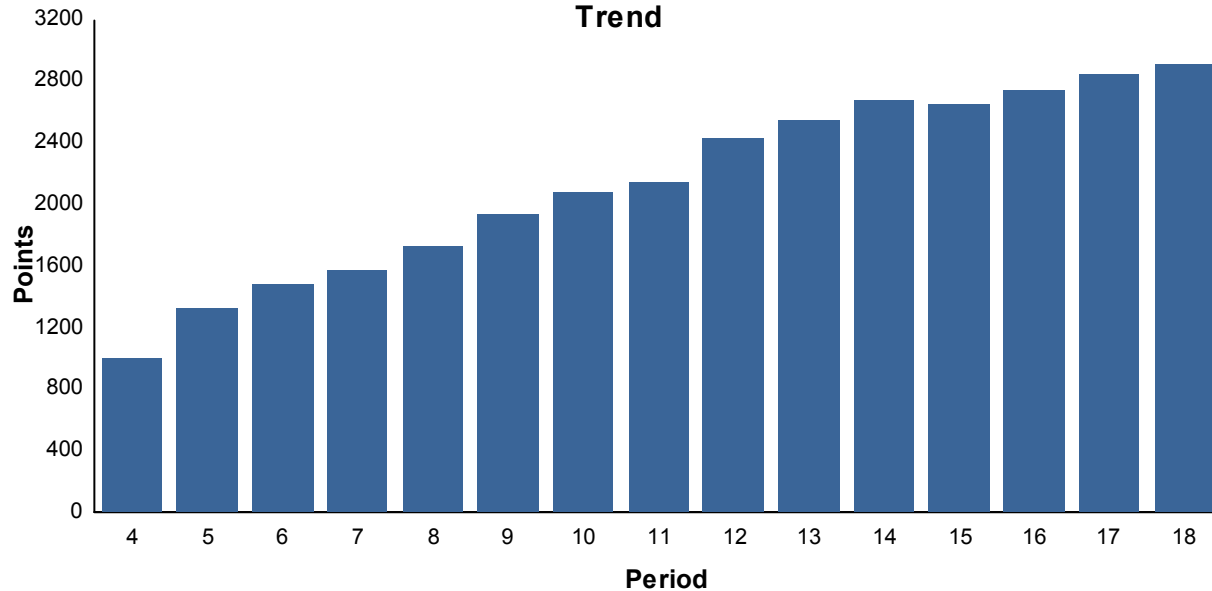
# KEY PERFORMANCE INDICATORS

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 2,908 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)	49	131	150	171	157	125	151	201	89	100	1,324
6	Early Years	2018 (Q2)	65	150	225	186	184	130	138	184	95	122	1,479
7	Early Years	2018 (Q3)	80	154	257	201	203	145	125	170	93	150	1,578
8	Early Years	2018 (Q4)	90	162	287	220	218	155	140	192	92	180	1,736
9	Early Years	2019 (Q1)	97	176	332	243	229	185	161	214	93	214	1,944
10	Early Years	2019 (Q2)	104	188	369	269	238	200	160	210	93	244	2,075
11	Early Years	2019 (Q3)	114	191	384	298	244	230	139	178	94	279	2,151
12	Early Years	2019 (Q4)	121	205	425	331	250	280	169	205	123	327	2,436
13	Later Years	2020 (Q1)	125	213	447	355	254	285	173	192	143	357	2,544
14	Later Years	2020 (Q2)	130	219	466	383	259	315	177	175	163	386	2,673
15	Later Years	2020 (Q3)	136	219	466	398	258	345	118	115	170	422	2,647
16	Later Years	2020 (Q4)	137	218	458	417	257	380	143	115	170	450	2,745
17	Later Years	2021 (Q1)	139	222	454	439	260	395	206	90	163	481	2,849
18	Later Years	2021 (Q2)	144	218	448	470	263	425	184	85	167	504	2,908

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	13,012,610	176 %	E
Share price:	1.02	2.43	138 %	E
Capital employed:	50 %	95 %		A
Turnover:	8,162,096	17,674,780	117 %	A
Job profit:	4.1 %	7.2 %		D % of job cost
Overhead costs:	2.5 %	1.8 %		D % of job cost
Operating profit:	1.2 %	4.5 %		D % of job cost; net, after tax and interest
Dividend paid:	2.6 %	0.9 %		D % of job cost
Market share:	11 %	35 %		D % of the overall new work in the market identified
Market share split (UK):	39 %	39 %		D % of the market share in the UK
Market share split (OV):	61 %	61 %		D % of market share Overseas (outside the UK)
Head office staffing level:	100 %	115 %		D The benchmark was 100%
QHSE staffing level:	100 %	120 %		D The benchmark was 100%
Measurement staffing level:	100 %	120 %		D The benchmark was 100%
Number of jobs bid for:	13	65		D
Number of jobs won:	8	29		D
Bidding success rate:	62 %	45 %		D Jobs won as a % of jobs bid for
Jobs finished early:	0	20		D
Jobs finished on time:	3	8		D
Jobs finished late:	0	1		D
Job completion efficiency:	0.94	0.91		D 0 to 1, where 1 is the optimum level
Reduction in job cost:	0.03 %	2.35 %		D % due to targeted investments
Risk cost incurred:	45 %	54 %		D As a % of the contingency in the bid
Change in risk cost:	-21.7 %	-16.3 %		D % due to mitigatng factors
Project manager weighting:	8.2	9.3		D Out of 10
Forward workload:	15,477,540	40,745,680		E
Forward margin:	521,414	441,266		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)