



# ENGINUITY 2021 COMPETITION

## PERFORMANCE REVIEW FOR 'Bangalore BULLZ'

### MANAGEMENT TEAM

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### SPONSOR

Atkins India

### 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

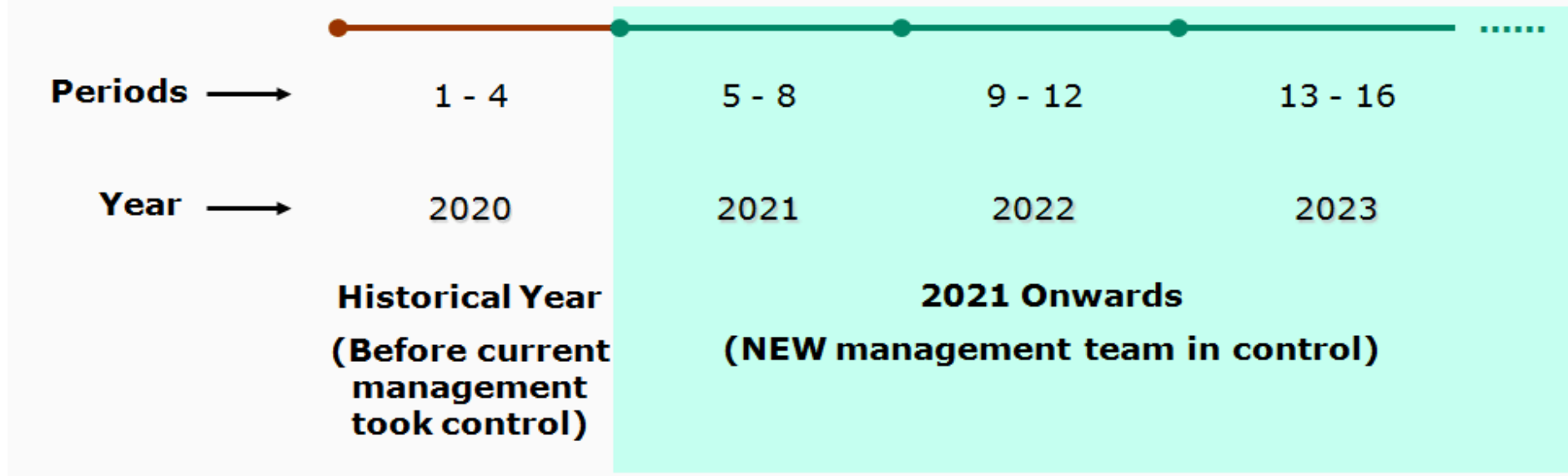
To implement the strategy **decisions** will have to be made in a number of key areas :-

- 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.

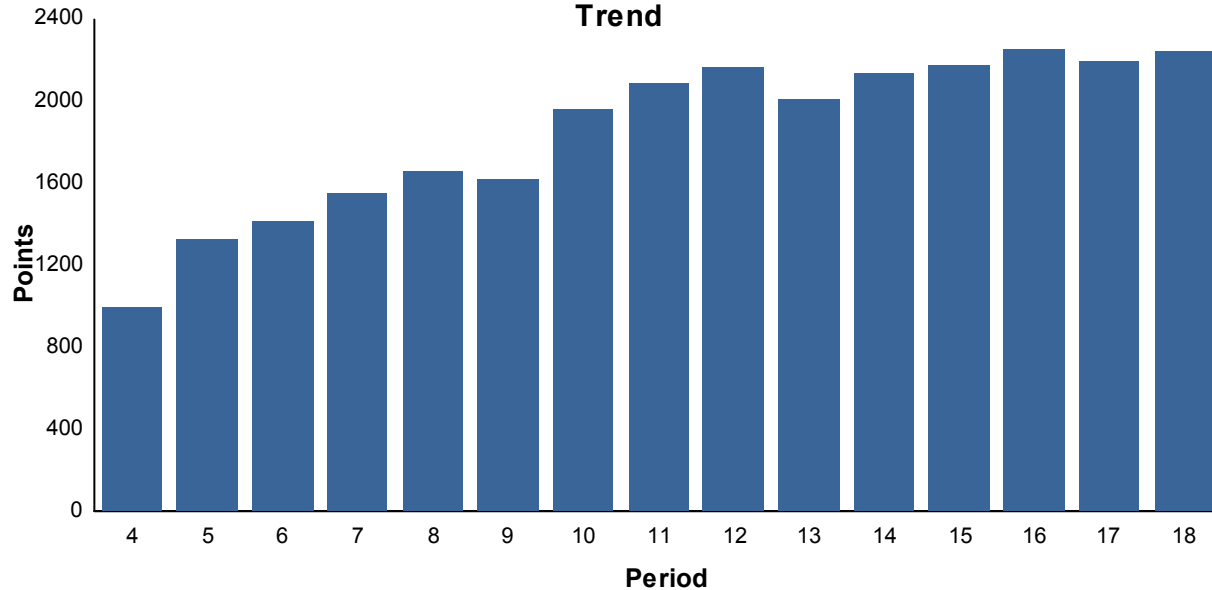
# OVERALL PERFORMANCE (KPIs)

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 2,243 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	154	181	151	113	127	184	95	77	1,322
6	Early Years	2021 (Q2)	55	201	169	190	163	129	126	185	97	100	1,415
7	Early Years	2021 (Q3)	62	220	197	208	174	129	139	192	109	119	1,549
8	Early Years	2021 (Q4)	70	233	221	232	181	164	128	168	120	143	1,660
9	Early Years	2022 (Q1)	76	238	232	253	178	181	72	90	124	170	1,614
10	Early Years	2022 (Q2)	80	249	243	273	183	213	166	191	161	200	1,959
11	Early Years	2022 (Q3)	82	251	246	285	188	218	192	221	175	225	2,083
12	Early Years	2022 (Q4)	83	251	249	296	193	230	206	235	182	238	2,163
13	Later Years	2023 (Q1)	89	239	233	303	193	230	147	149	176	250	2,009
14	Later Years	2023 (Q2)	93	237	228	317	197	261	205	126	188	286	2,138
15	Later Years	2023 (Q3)	96	232	219	328	197	292	188	117	188	317	2,174
16	Later Years	2023 (Q4)	97	230	211	336	199	292	247	133	177	332	2,254
17	Later Years	2024 (Q1)	99	231	212	359	199	300	173	91	180	350	2,194
18	Later Years	2024 (Q2)	101	228	208	364	198	330	183	86	181	364	2,243

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			
<b>FINANCIAL MANAGEMENT</b>					
Company value	4,953,073	10,609,000	114 %	End of timeframe	
Share price	1.03	2.67	159 %	End of timeframe	
Average capital base	4,086,919	6,517,768	59 %	Each period of timeframe	
Average capital base utilisation	73 %	91 %		Each period of timeframe	
Average turnover	11,827,670	17,450,660	48 %	Each period of timeframe	
Job profit	4.2 %	5.8 %		During whole timeframe	As a % of job costs
Overhead costs	1.8 %	1.7 %		During whole timeframe	As a % of job costs
Net operating profit	1.9 %	3.5 %		During whole timeframe	As a % of job costs after tax and interest
Dividend paid	1.8 %	1.0 %		During whole timeframe	As a % of job costs
Forward workload	17,800,340	46,559,970		End of timeframe	
Forward margin	692,358	593,963		End of timeframe	
<b>OVERHEAD MANAGEMENT</b>					
Market share	11 %	29 %		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 %	110 %		During whole timeframe	Optimum level is 100%
QHSE staffing level	100 %	125 %		During whole timeframe	Optimum level is 100%
Measurement staffing level	100 %	121 %		During whole timeframe	Optimum level is 100%
<b>PROCUREMENT</b>					
Number of jobs bid for	11	63		During whole timeframe	
Number of jobs won	6	24		During whole timeframe	
Bidding success rate	55 %	38 %		During whole timeframe	Jobs won as a % of jobs bid for
<b>JOB PROGRESSION</b>					
Project manager weighting	8.2	8.0		During whole timeframe	Out of 10
Project manager resignations	0	0		During whole timeframe	Due to insufficient bonus levels or being headhunted
Net gain from bonus payments to project managers	43,544	357,200		During whole timeframe	
Jobs finished early	0	17		During whole timeframe	
Jobs finished on time	0	8		During whole timeframe	
Jobs finished late	0	0		During whole timeframe	
Ineffective labour on site	1 %	1 %		During whole timeframe	
Subcontractor labour used on site	8 %	5 %		During whole timeframe	As a % of total labour
Job completion efficiency	n/a	0.96		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 %	-0.8 %		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	56 %	66 %		During whole timeframe	As a % of the contingency in the bid
Change in risk cost incurred due to mitigating factors	-35.6 %	-43.5 %		During whole timeframe	
Risk cost incurred after mitigating factors	36 %	37 %		During whole timeframe	As a % of the contingency in the bid