



Enginuity 2018 Competition

PERFORMANCE REVIEW FOR 'Munja Trans'

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

Jelena Petkovic

Ivana Vidakovic

Nemanja Stamatovic

Nikola Kosanovic

Milan Dodic

Zarko Lukovic

SPONSOR

WSP UK

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.

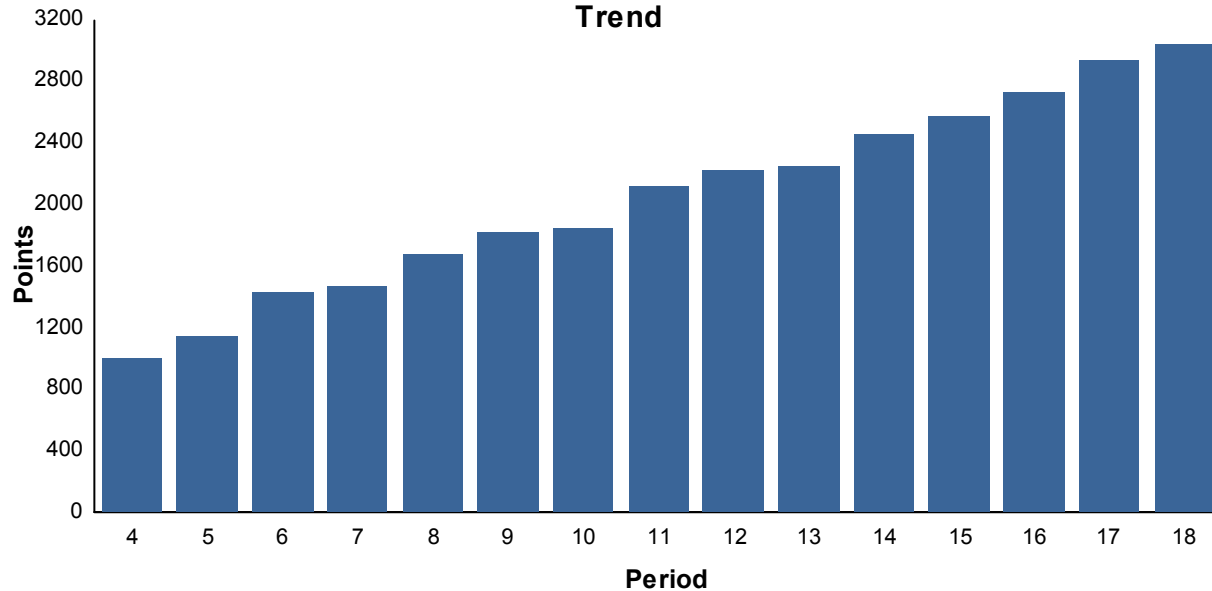
KEY PERFORMANCE INDICATORS

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 3,043 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	115	99	168	148	125	123	166	72	87	1,152
6	Early Years	2018 (Q2)	59	145	193	179	175	130	154	198	86	110	1,429
7	Early Years	2018 (Q3)	76	133	191	186	196	145	138	173	83	148	1,469
8	Early Years	2018 (Q4)	93	151	256	210	209	190	123	154	97	189	1,672
9	Early Years	2019 (Q1)	100	150	250	216	220	205	161	199	95	220	1,816
10	Early Years	2019 (Q2)	111	160	287	241	223	240	101	127	100	258	1,848
11	Early Years	2019 (Q3)	116	168	306	258	230	265	178	195	115	288	2,119
12	Early Years	2019 (Q4)	120	169	308	268	237	275	195	199	121	326	2,218
13	Later Years	2020 (Q1)	130	174	326	296	243	305	162	126	133	354	2,249
14	Later Years	2020 (Q2)	132	181	333	309	247	335	201	174	149	392	2,453
15	Later Years	2020 (Q3)	142	187	355	344	252	370	169	157	172	422	2,570
16	Later Years	2020 (Q4)	147	196	381	379	254	410	164	150	198	451	2,730
17	Later Years	2021 (Q1)	147	198	376	380	257	410	231	239	215	480	2,933
18	Later Years	2021 (Q2)	150	206	398	405	260	430	212	222	235	525	3,043

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	11,223,080	138 %	E
Share price:	1.02	3.42	235 %	E
Capital employed:	50 %	94 %		A
Turnover:	8,162,096	18,470,860	126 %	A
Job profit:	4.1 %	6.7 %		D % of job cost
Overhead costs:	2.5 %	2.0 %		D % of job cost
Operating profit:	1.2 %	4.0 %		D % of job cost; net, after tax and interest
Dividend paid:	2.6 %	1.2 %		D % of job cost
Market share:	11 %	37 %		D % of the overall new work in the market identified
Market share split (UK):	39 %	35 %		D % of the market share in the UK
Market share split (OV):	61 %	65 %		D % of market share Overseas (outside the UK)
Head office staffing level:	100 %	113 %		D The benchmark was 100%
QHSE staffing level:	100 %	115 %		D The benchmark was 100%
Measurement staffing level:	100 %	115 %		D The benchmark was 100%
Number of jobs bid for:	13	66		D
Number of jobs won:	8	28		D
Bidding success rate:	62 %	42 %		D Jobs won as a % of jobs bid for
Jobs finished early:	0	18		D
Jobs finished on time:	3	9		D
Jobs finished late:	0	0		D
Job completion efficiency:	0.94	0.95		D 0 to 1, where 1 is the optimum level
Reduction in job cost:	0.03 %	1.73 %		D % due to targeted investments
Risk cost incurred:	50 %	59 %		D As a % of the contingency in the bid
Change in risk cost:	-11.7 %	-11.7 %		D % due to mitigatng factors
Project manager weighting:	8.2	9.7		D Out of 10
Forward workload:	15,477,540	46,819,290		E
Forward margin:	521,414	1,156,861		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)