



ENGINUITY 2019 COMPETITION

PERFORMANCE REVIEW FOR 'Jersey Geoengineers'

MANAGEMENT TEAM

Tim Ultee

Jayme Lynch

Sudipta Ghorai

Adam Wescount

Pravin Punamiya

Ragini Sharma

SPONSOR

Parsons

THE CHALLENGE



It is the **beginning of 2019**.

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

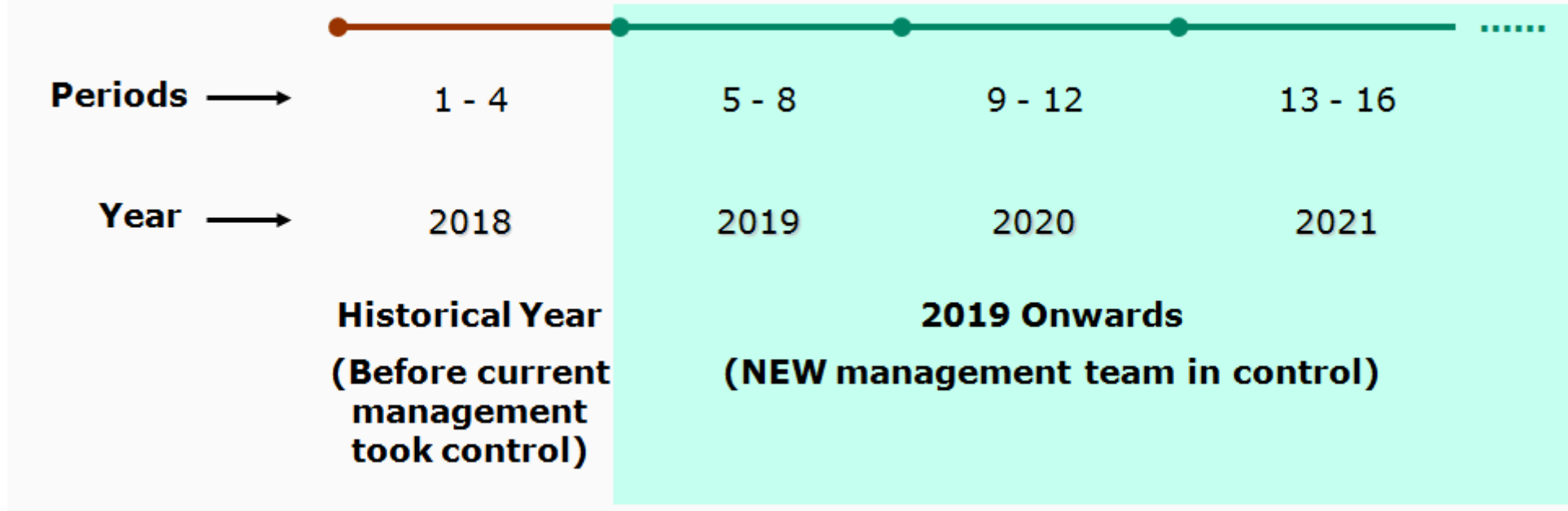
To implement the strategy **decisions** will have to be made in a number of key areas :-

- 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.

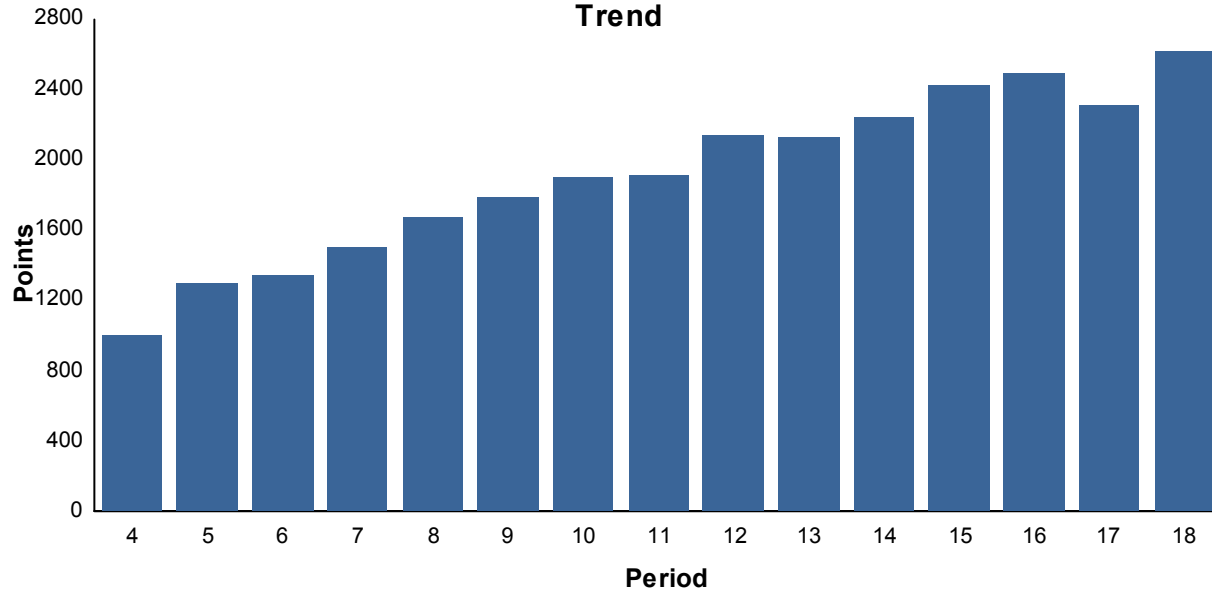
OVERALL PERFORMANCE (KPIs)

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 2,610 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	2018 (Q4)	40	170	120	170	130	80	70	100	70	50	1,000
5	Early Years	2019 (Q1)	52	172	133	174	166	105	139	195	80	81	1,297
6	Early Years	2019 (Q2)	71	161	137	182	192	117	129	178	70	110	1,347
7	Early Years	2019 (Q3)	89	178	174	202	212	142	127	168	72	135	1,499
8	Early Years	2019 (Q4)	99	181	172	211	230	147	170	233	66	161	1,670
9	Early Years	2020 (Q1)	109	191	197	233	243	172	163	210	67	196	1,781
10	Early Years	2020 (Q2)	114	198	202	247	253	180	187	228	60	227	1,896
11	Early Years	2020 (Q3)	128	193	201	266	262	200	159	183	62	256	1,910
12	Early Years	2020 (Q4)	133	201	214	285	269	227	206	227	75	298	2,135
13	Later Years	2021 (Q1)	140	208	229	317	273	239	168	141	77	333	2,125
14	Later Years	2021 (Q2)	148	213	239	350	277	287	170	108	81	373	2,246
15	Later Years	2021 (Q3)	149	211	233	362	282	307	242	150	83	408	2,427
16	Later Years	2021 (Q4)	152	213	236	384	285	319	226	149	88	435	2,487
17	Later Years	2022 (Q1)	160	206	228	401	282	319	102	68	82	457	2,305
18	Later Years	2022 (Q2)	162	209	231	419	286	369	265	86	90	493	2,610

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			
FINANCIAL MANAGEMENT					
Company value	4,748,393	11,708,480	147 %	End of timeframe	
Share price	1.06	1.37	29 %	End of timeframe	
Average capital base	3,937,890	5,541,916	41 %	Each period of timeframe	
Average capital base utilisation	49 %	93 %		Each period of timeframe	
Average turnover	6,996,588	17,172,790	145 %	Each period of timeframe	
Job profit	4.7 %	5.8 %		During whole timeframe	As a % of job costs
Overhead costs	2.4 %	1.9 %		During whole timeframe	As a % of job costs
Net operating profit	1.7 %	3.4 %		During whole timeframe	As a % of job costs after tax and interest
Dividend paid	3.0 %	0.4 %		During whole timeframe	As a % of job costs
Forward workload	13,789,860	52,244,750		End of timeframe	
Forward margin	501,657	433,252		End of timeframe	
OVERHEAD MANAGEMENT					
Market share	11 %	30 %		During whole timeframe	% of the overall new work in the market identified
Market share split (UK)	44 %	35 %		During whole timeframe	% of the market share in the UK
Market share split (OV)	56 %	65 %		During whole timeframe	% of market share Overseas (outside the UK)
Head office staffing level	100 %	115 %		During whole timeframe	Optimum level is 100%
QHSE staffing level	100 %	120 %		During whole timeframe	Optimum level is 100%
Measurement staffing level	100 %	120 %		During whole timeframe	Optimum level is 100%
PROCUREMENT					
Number of jobs bid for	7	56		During whole timeframe	
Number of jobs won	4	28		During whole timeframe	
Bidding success rate	57 %	50 %		During whole timeframe	Jobs won as a % of jobs bid for
JOB PROGRESSION					
Project manager weighting	8.5	9.2		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	25,518	836,307		During whole timeframe	
Jobs finished early	0	22		During whole timeframe	
Jobs finished on time	0	6		During whole timeframe	
Jobs finished late	0	0		During whole timeframe	
Ineffective labour on site	0 %	1 %		During whole timeframe	
Subcontractor labour used on site	0 %	7 %		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 %	0.7 %		During whole timeframe	
Reduction in job costs (risk) due to targeted investments	0.0 %	0.3 %		During whole timeframe	
For D&B jobs, change in build cost due to consultant designer	-0.7 %	-1.1 %		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	45 %	61 %		During whole timeframe	As a % of the contingency in the bid
Change in risk cost incurred due to mitigating factors	-36.4 %	-44.7 %		During whole timeframe	
Risk cost incurred after mitigating factors	28 %	34 %		During whole timeframe	As a % of the contingency in the bid