



Enginuity 2018 Competition

PERFORMANCE REVIEW FOR 'Winning Second Place'

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

Dennis Smith

Anya Khabarova

Mayra Silva Albornoz

Kelsey Crocitto

Nasim Moghaddasi

SPONSOR

WSP US

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.

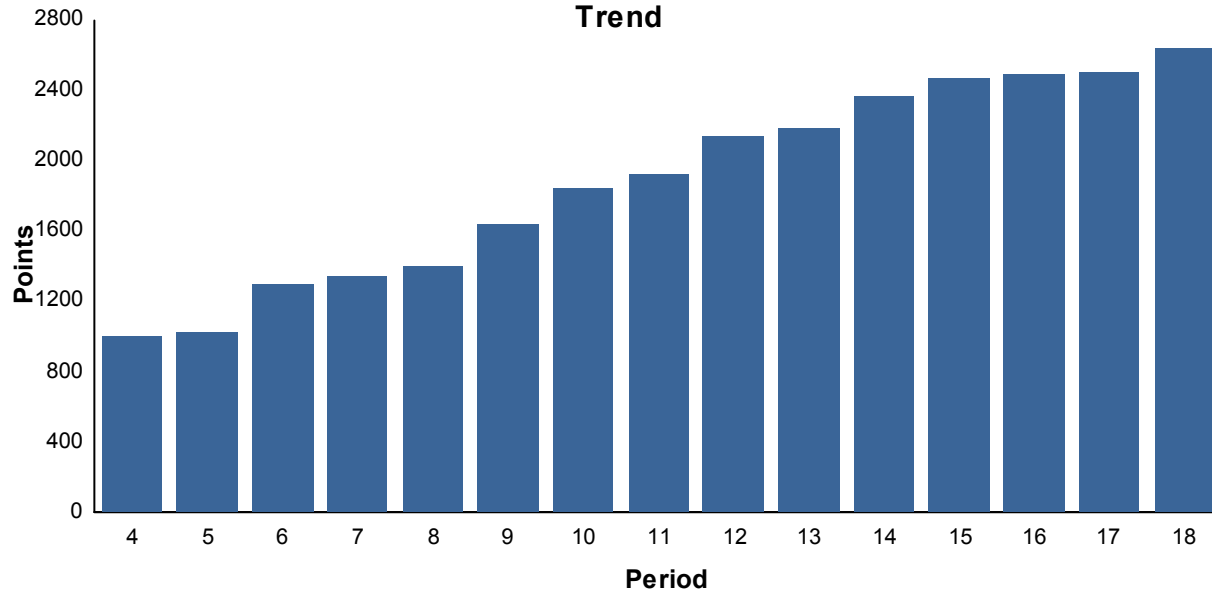
KEY PERFORMANCE INDICATORS

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 2,637 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	98	26	165	143	125	108	152	54	100	1,020
6	Early Years	2018 (Q2)	62	121	99	174	171	130	147	206	60	123	1,293
7	Early Years	2018 (Q3)	75	105	83	176	192	150	150	207	50	159	1,347
8	Early Years	2018 (Q4)	87	98	85	180	206	165	141	202	47	190	1,401
9	Early Years	2019 (Q1)	97	119	151	203	217	205	151	211	55	232	1,641
10	Early Years	2019 (Q2)	106	135	196	227	226	235	163	230	53	267	1,838
11	Early Years	2019 (Q3)	113	144	225	247	230	265	141	196	57	309	1,927
12	Early Years	2019 (Q4)	120	153	248	265	238	290	184	222	74	349	2,143
13	Later Years	2020 (Q1)	127	163	279	299	239	330	131	147	77	390	2,182
14	Later Years	2020 (Q2)	133	173	307	334	244	370	178	119	83	427	2,368
15	Later Years	2020 (Q3)	135	174	307	346	247	395	190	117	86	473	2,470
16	Later Years	2020 (Q4)	138	173	300	353	249	405	178	106	86	507	2,495
17	Later Years	2021 (Q1)	142	173	299	367	248	420	132	81	88	547	2,497
18	Later Years	2021 (Q2)	146	173	296	341	250	470	181	112	89	579	2,637

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	9,456,148	101 %	E
Share price:	1.02	1.29	26 %	E
Capital employed:	50 %	90 %		A
Turnover:	8,162,096	17,979,420	120 %	A
Job profit:	4.1 %	5.6 %		D % of job cost
Overhead costs:	2.5 %	2.1 %		D % of job cost
Operating profit:	1.2 %	2.9 %		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 %	40 %		D % of the market share in the UK
Market share split (OV):	61 %	60 %		D % of market share Overseas (outside the UK)
Head office staffing level:	100 %	104 %		D The benchmark was 100%
QHSE staffing level:	100 %	113 %		D The benchmark was 100%
Measurement staffing level:	100 %	113 %		D The benchmark was 100%
Number of jobs bid for:	13	75		D
Number of jobs won:	8	35		D
Bidding success rate:	62 %	47 %		D Jobs won as a % of jobs bid for
Jobs finished early:	0	18		D
Jobs finished on time:	3	17		D
Jobs finished late:	0	0		D
Job completion efficiency:	0.94	0.93		D 0 to 1, where 1 is the optimum level
Reduction in job cost:	0.03 %	1.22 %		D % due to targeted investments
Risk cost incurred:	46 %	47 %		D As a % of the contingency in the bid
Change in risk cost:	-18.9 %	-46.6 %		D % due to mitigatng factors
Project manager weighting:	8.2	9.3		D Out of 10
Forward workload:	15,477,540	39,930,470		E
Forward margin:	521,414	586,550		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)