



Enginuity 2017 Competition

PERFORMANCE REVIEW FOR 'RAMBO(LOL)'



THE TASK

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

Maria Garcia-Mateo

Lukasz Jalowiec

Carlos Martin-Delgado

Karishna Bunwaree

Gayan Wijesundara-Mudalige

Peter Sherwin

SPONSOR

Ramboll



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.

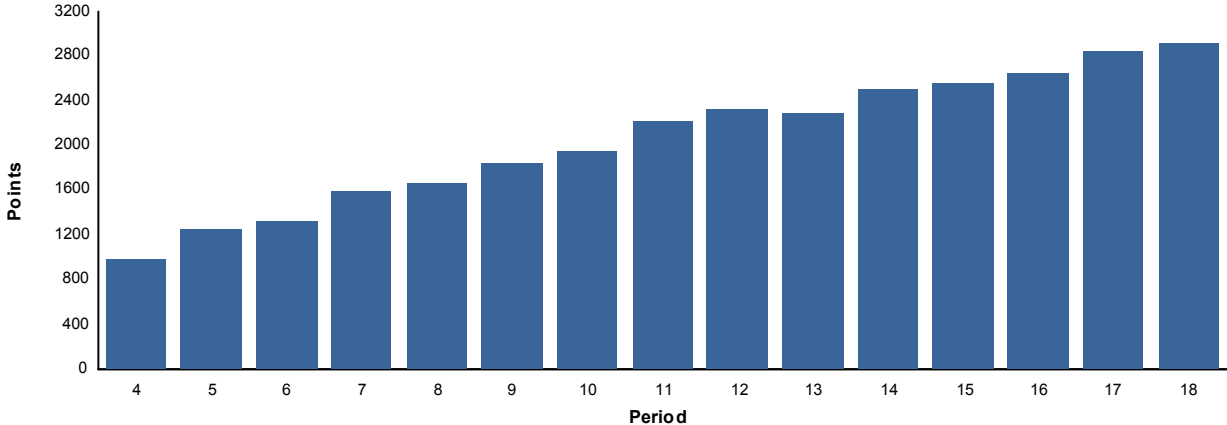
KEY PERFORMANCE INDICATORS

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 a 1,000 points

Overall company performance improved from 1,000 to 2,920 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	2016 (Q4)	40	130	130	170	120	100	70	100	70	70	1,000
5	Early Years	2017 (Q1)	53	155	215	183	133	140	89	107	84	104	1,263
6	Early Years	2017 (Q2)	57	152	209	185	138	160	96	114	81	136	1,328
7	Early Years	2017 (Q3)	62	177	272	202	148	175	125	166	98	167	1,592
8	Early Years	2017 (Q4)	69	177	279	213	155	205	115	152	103	208	1,676
9	Early Years	2018 (Q1)	78	191	322	240	161	240	112	136	120	248	1,848
10	Early Years	2018 (Q2)	82	203	348	262	162	265	103	126	135	277	1,963
11	Early Years	2018 (Q3)	86	210	365	282	166	305	154	168	166	315	2,217
12	Early Years	2018 (Q4)	90	212	374	299	169	315	169	173	181	351	2,333
13	Later Years	2019 (Q1)	95	212	376	316	168	330	119	118	188	379	2,301
14	Later Years	2019 (Q2)	98	213	378	331	171	365	209	127	214	404	2,510
15	Later Years	2019 (Q3)	101	209	369	340	173	375	219	142	220	420	2,568
16	Later Years	2019 (Q4)	107	206	366	362	175	395	194	142	256	459	2,662
17	Later Years	2020 (Q1)	112	209	373	390	177	415	231	167	292	481	2,847
18	Later Years	2020 (Q2)	116	212	380	415	176	450	201	141	307	522	2,920

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:	4,798,249	11,719,680	144 %	E
Share price:	1.03	4.51	338 %	E
Capital employed:	78 %	93 %		A
Turnover:	11,919,030	20,451,330	72 %	A
Job profit:	3.4 %	5.9 %		D % of job cost
Overhead costs:	1.8 %	1.2 %		D % of job cost
Operating profit:	1.3 %	4.0 %		D % of job cost; net, after tax and interest
Dividend paid:	1.8 %	1.3 %		D % of job cost
Measurement staffing level:	100 %	124 %		D The benchmark was 100%
Market share:	11 %	32 %		D % of the overall new work in the market identified
Market share split (UK):	64 %	52 %		D % of the market share in the UK
Market share split (OV):	36 %	48 %		D % of market share Overseas (outside the UK)
QHSE staffing level:	100 %	124 %		D The benchmark was 100%
Head office staffing level:	100 %	122 %		D The benchmark was 100%
Number of jobs bid for:	14	57		D
Number of jobs won:	6	34		D
Bidding success rate:	43 %	60 %		D Jobs won as a % of jobs bid for
Jobs finished early:	0	14		D
Jobs finished on time:	0	20		D
Jobs finished late:	0	0		D
Job completion efficiency:	n/a	0.91		D 0 to 1, where 1 is the optimum level
Reduction in build cost:	0.00 %	1.08 %		D % due to targeted investments
Risk cost incurred:	44 %	75 %		D As a % of the contingency in the bid
Change in risk cost:	-22.1 %	-21.5 %		D % due to mitigatng factors
Project manager weighting:	8.1	8.8		D Out of 10
Forward margin:	715,258	1,008,452		E
Forward workload:	19,358,560	55,659,830		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)