



Enginuity 2018 Competition

PERFORMANCE REVIEW FOR 'Shatha Paramhita, now part of Illuminati'

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

Darsana Kunnummal

Rahul Iyer

SPONSOR

Stantec

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.

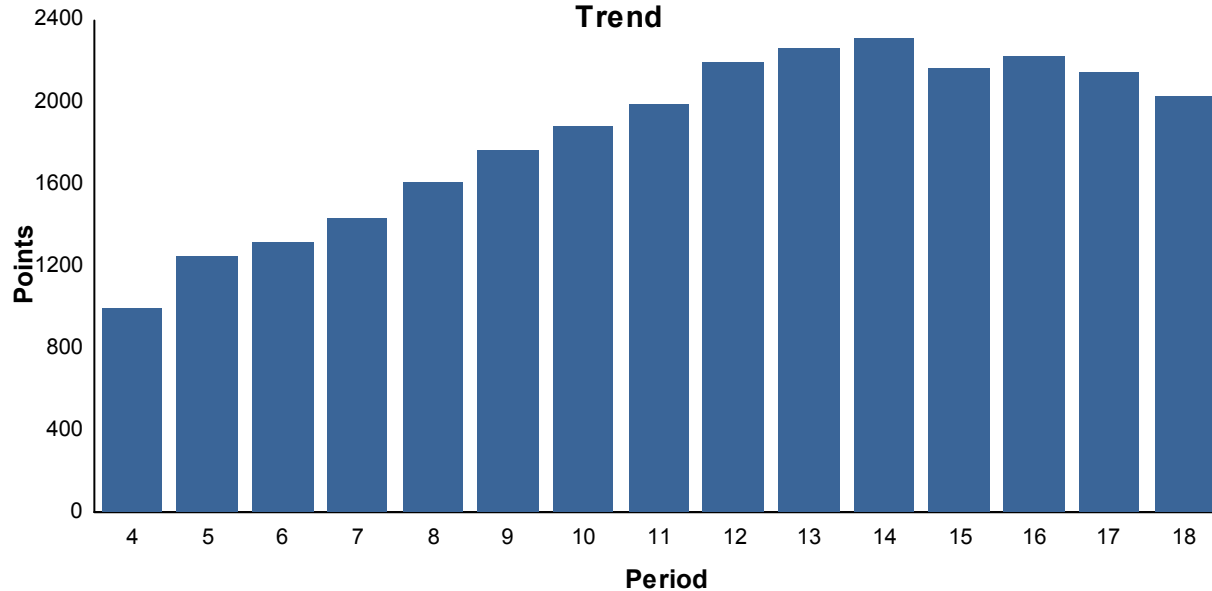
KEY PERFORMANCE INDICATORS

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 2,027 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	125	119	169	160	125	161	168	77	96	1,249
6	Early Years	2018 (Q2)	65	127	165	176	187	130	128	139	84	113	1,314
7	Early Years	2018 (Q3)	82	130	195	187	205	160	109	131	93	141	1,433
8	Early Years	2018 (Q4)	90	135	211	194	219	185	131	168	102	174	1,609
9	Early Years	2019 (Q1)	95	149	249	206	230	195	142	179	120	200	1,765
10	Early Years	2019 (Q2)	104	160	288	225	239	220	135	156	131	228	1,886
11	Early Years	2019 (Q3)	110	166	311	240	245	240	139	139	141	259	1,990
12	Early Years	2019 (Q4)	117	174	339	262	251	280	149	150	173	297	2,192
13	Later Years	2020 (Q1)	119	178	347	268	256	285	164	134	186	326	2,263
14	Later Years	2020 (Q2)	124	185	371	289	257	325	124	87	197	353	2,312
15	Later Years	2020 (Q3)	125	184	360	283	250	340	57	39	157	370	2,165
16	Later Years	2020 (Q4)	125	185	350	273	251	360	135	21	138	384	2,222
17	Later Years	2021 (Q1)	124	179	324	251	250	370	135	10	101	399	2,143
18	Later Years	2021 (Q2)	126	174	311	243	247	385	60	0	78	403	2,027

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	6,744,132	43 %	E
Share price:	1.02	1.14	12 %	E
Capital employed:	50 %	89 %		A
Turnover:	8,162,096	15,382,090	88 %	A
Job profit:	4.1 %	5.6 %		D % of job cost
Overhead costs:	2.5 %	1.9 %		D % of job cost
Operating profit:	1.2 %	3.1 %		D % of job cost; net, after tax and interest
Dividend paid:	2.6 %	2.2 %		D % of job cost
Market share:	11 %	27 %		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 %	130 %		D The benchmark was 100%
QHSE staffing level:	100 %	150 %		D The benchmark was 100%
Measurement staffing level:	100 %	147 %		D The benchmark was 100%
Number of jobs bid for:	13	47		D
Number of jobs won:	8	23		D
Bidding success rate:	62 %	49 %		D Jobs won as a % of jobs bid for
Jobs finished early:	0	16		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 %	1.10 %		D % due to targeted investments
Risk cost incurred:	46 %	66 %		D As a % of the contingency in the bid
Change in risk cost:	-19.6 %	-37.6 %		D % due to mitigatng factors
Project manager weighting:	8.2	9.3		D Out of 10
Forward workload:	15,477,540	13,295,730		E
Forward margin:	521,414	-482		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)