



ENGINUITY 2022 COMPETITION

PERFORMANCE REVIEW FOR 'JBD3'

MANAGEMENT TEAM

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THE CHALLENGE



It is the **beginning of 2022**.

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

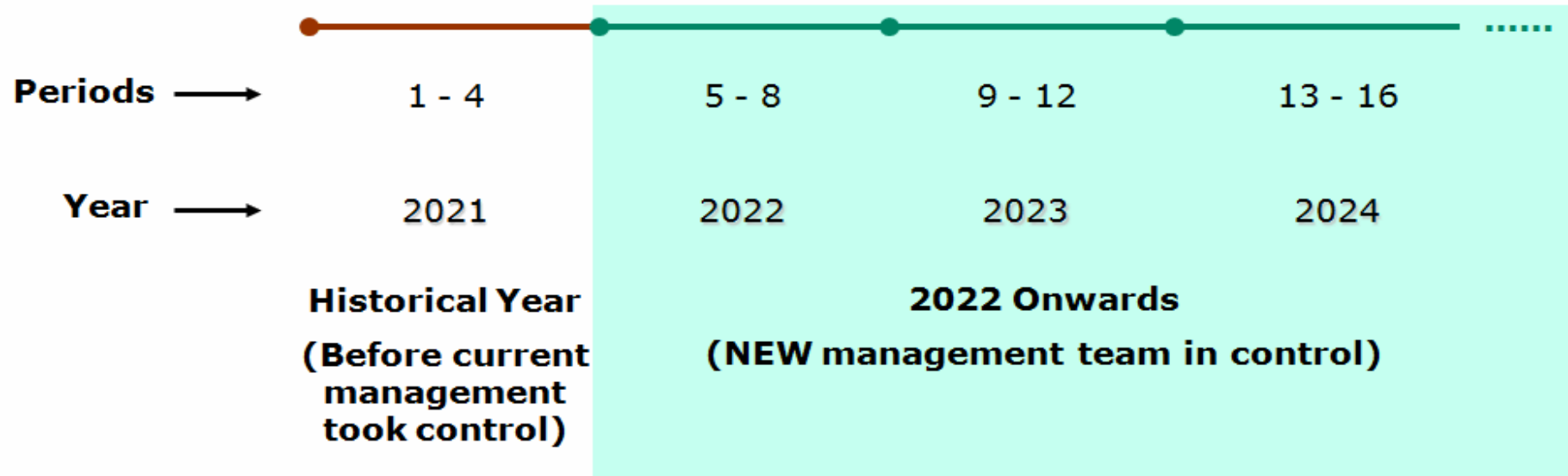
To implement the strategy **decisions** will have to be made in a number of key areas :-

- 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)

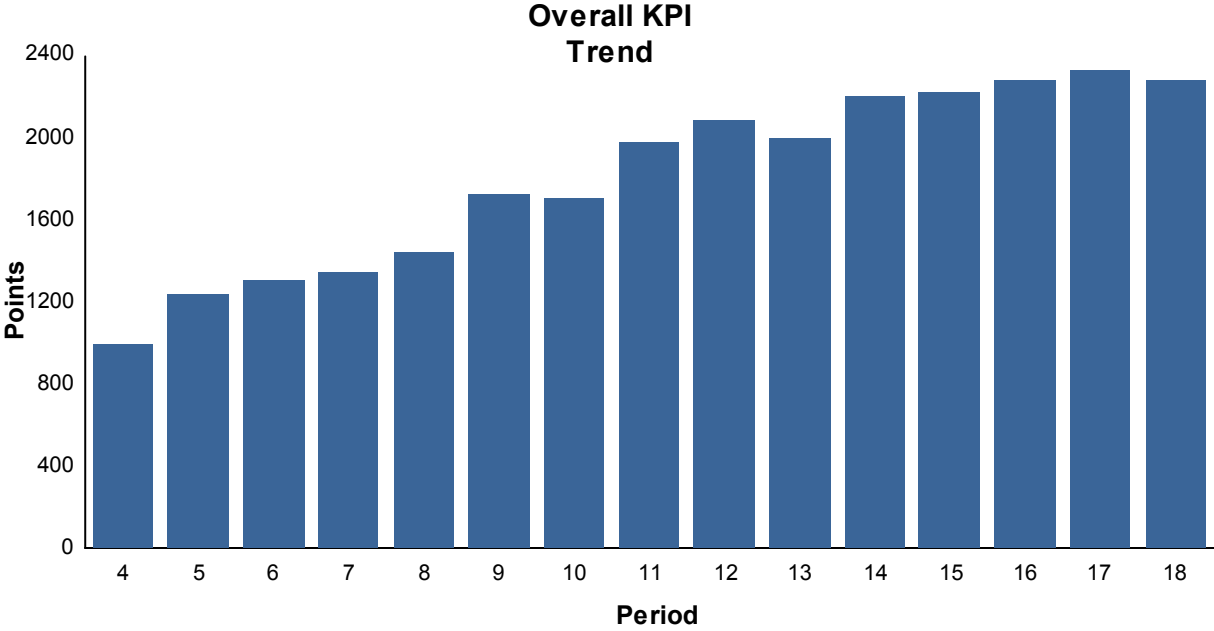
During the Later Years the teams compete 'head to head' against each other for work. This creates an even more uncertain and pressurized environment in which the skills and team dynamics formed in the early years are really put to the test.

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 2,276 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	2021 (Q4)	40	170	120	170	130	80	70	100	70	50	1,000
5	Early Years	2022 (Q1)	55	170	160	178	159	97	117	164	67	76	1,243
6	Early Years	2022 (Q2)	66	130	86	174	189	122	164	227	50	104	1,312
7	Early Years	2022 (Q3)	76	150	150	189	200	130	111	155	51	137	1,349
8	Early Years	2022 (Q4)	90	164	189	207	208	143	102	136	50	154	1,443
9	Early Years	2023 (Q1)	100	174	212	225	221	178	159	207	52	199	1,727
10	Early Years	2023 (Q2)	110	182	235	247	222	195	99	129	48	236	1,703
11	Early Years	2023 (Q3)	117	189	247	263	233	215	184	210	60	263	1,981
12	Early Years	2023 (Q4)	125	192	256	274	242	232	192	215	73	285	2,086
13	Later Years	2024 (Q1)	135	188	254	288	245	220	136	140	79	313	1,998
14	Later Years	2024 (Q2)	145	189	255	304	251	263	181	170	96	352	2,206
15	Later Years	2024 (Q3)	148	185	245	304	253	279	171	152	94	388	2,219
16	Later Years	2024 (Q4)	154	185	243	312	257	279	190	151	98	415	2,284
17	Later Years	2025 (Q1)	158	184	239	315	260	319	187	124	97	444	2,327
18	Later Years	2025 (Q2)	165	183	239	327	259	336	113	75	96	483	2,276



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	4,670,589	8,986,001	92 %	End of timeframe	
Share price	1.07	1.46	36 %	End of timeframe	
Average capital base	4,087,638	5,975,309	46 %	Each period of timeframe	
Average capital base utilisation	51 %	86 %		Each period of timeframe	
Average turnover	6,976,444	17,525,650	151 %	Each period of timeframe	
Job profit	4.8 %	5.2 %		During whole timeframe	As a % of job costs
Overhead costs	3.1 %	1.9 %		During whole timeframe	As a % of job costs
Net operating profit	1.4 %	2.8 %		During whole timeframe	As a % of job costs after tax and interest
Dividend paid	3.3 %	0.8 %		During whole timeframe	As a % of job costs
Forward workload	16,026,520	25,774,310		End of timeframe	
Forward margin	586,224	439,780		End of timeframe	
OVERHEAD MANAGEMENT					
Market share	11 %	34 %		During whole timeframe	% of the overall new work in the market identified
Market share split (UK)	35 %	38 %		During whole timeframe	% of the market share in the UK
Market share split (OV)	65 %	62 %		During whole timeframe	% of market share Overseas (outside the UK)
Head office staffing level	100 %	110 %		During whole timeframe	Optimum level is 100%
QHSE staffing level	100 %	114 %		During whole timeframe	Optimum level is 100%
Measurement staffing level	100 %	114 %		During whole timeframe	Optimum level is 100%
PROCUREMENT					
Number of jobs bid for	12	62		During whole timeframe	
Number of jobs won	5	30		During whole timeframe	
Bidding success rate	42 %	48 %		During whole timeframe	Jobs won as a % of jobs bid for
JOB PROGRESSION					
Project manager weighting	8.0	9.1		During whole timeframe	Out of 10
Project manager resignations	0	1		During whole timeframe	Due to insufficient bonus levels or being headhunted
Net gain from bonus payments to project managers	21,485	769,269		During whole timeframe	
Jobs finished early	0	17		During whole timeframe	
Jobs finished on time	0	12		During whole timeframe	
Jobs finished late	0	1		During whole timeframe	
Ineffective labour on site	2 %	1 %		During whole timeframe	
Subcontractor labour used on site	0 %	0 %		During whole timeframe	As a % of total labour
Job completion efficiency	n/a	0.86		During whole timeframe	0 to 1, where 1 is the optimum level
Reduction in job costs (build) due to targeted investments	0.0 %	0.5 %		During whole timeframe	
Reduction in job costs (risk) due to targeted investments	0.0 %	0.2 %		During whole timeframe	
For D&B jobs, change in build cost due to consultant designer	0.0 %	-0.8 %		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	53 %	61 %		During whole timeframe	As a % of the contingency in the bid
Change in risk cost incurred due to mitigating factors	-9.7 %	-27.6 %		During whole timeframe	
Risk cost incurred after mitigating factors	47 %	44 %		During whole timeframe	As a % of the contingency in the bid