



ENGINUITY 2022 COMPETITION

PERFORMANCE REVIEW FOR 'Ministry of Wopus'

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

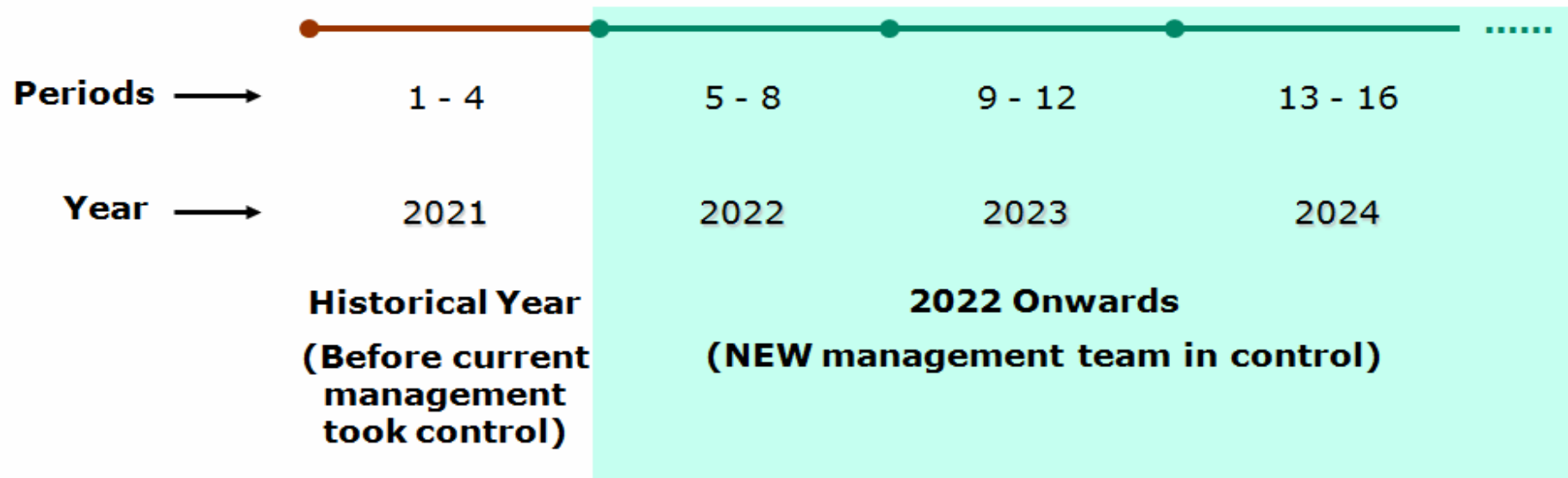
To implement the strategy **decisions** will have to be made in a number of key areas :-

- 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.

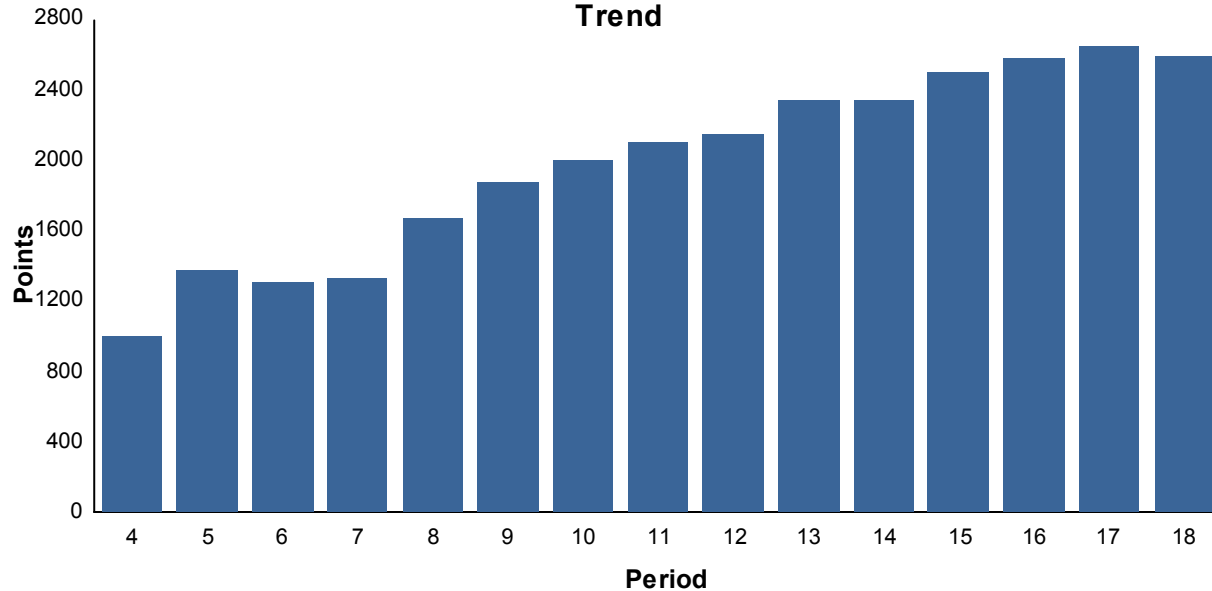
OVERALL PERFORMANCE (KPIs)

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 2,587 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	179	175	179	171	97	150	219	75	73	1,373
6	Early Years	2022 (Q2)	71	131	102	177	197	122	145	211	53	100	1,309
7	Early Years	2022 (Q3)	83	164	183	197	202	122	86	125	55	120	1,337
8	Early Years	2022 (Q4)	95	184	238	222	219	142	151	219	63	139	1,672
9	Early Years	2023 (Q1)	104	206	287	251	232	169	168	229	64	163	1,873
10	Early Years	2023 (Q2)	118	229	342	297	243	181	150	194	65	180	1,999
11	Early Years	2023 (Q3)	127	234	360	326	250	181	162	190	75	198	2,103
12	Early Years	2023 (Q4)	132	239	372	352	251	220	130	152	77	223	2,148
13	Later Years	2024 (Q1)	133	243	366	361	256	232	208	214	88	247	2,348
14	Later Years	2024 (Q2)	142	241	365	387	262	232	182	169	97	267	2,344
15	Later Years	2024 (Q3)	152	246	379	423	266	271	175	172	121	294	2,499
16	Later Years	2024 (Q4)	156	250	382	437	268	286	179	178	136	313	2,585
17	Later Years	2025 (Q1)	159	253	383	450	268	301	177	182	145	333	2,651
18	Later Years	2025 (Q2)	164	255	386	467	267	301	136	114	149	348	2,587

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	4,670,589	12,832,970	175 %	End of timeframe	
Share price	1.07	2.27	112 %	End of timeframe	
Average capital base	4,087,638	5,975,667	46 %	Each period of timeframe	
Average capital base utilisation	51 %	89 %		Each period of timeframe	
Average turnover	6,976,444	17,427,880	150 %	Each period of timeframe	
Job profit	4.8 %	7.4 %		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 %	4.6 %		During whole timeframe	As a % of job costs after tax and interest
Dividend paid	3.3 %	1.0 %		During whole timeframe	As a % of job costs
Forward workload	16,026,520	31,214,560		End of timeframe	
Forward margin	586,224	671,062		End of timeframe	
OVERHEAD MANAGEMENT					
Market share	11 %	25 %		During whole timeframe	% of the overall new work in the market identified
Market share split (UK)	35 %	22 %		During whole timeframe	% of the market share in the UK
Market share split (OV)	65 %	78 %		During whole timeframe	% of market share Overseas (outside the UK)
Head office staffing level	100 %	119 %		During whole timeframe	Optimum level is 100%
QHSE staffing level	100 %	122 %		During whole timeframe	Optimum level is 100%
Measurement staffing level	100 %	122 %		During whole timeframe	Optimum level is 100%
PROCUREMENT					
Number of jobs bid for	12	44		During whole timeframe	
Number of jobs won	5	18		During whole timeframe	
Bidding success rate	42 %	41 %		During whole timeframe	Jobs won as a % of jobs bid for
JOB PROGRESSION					
Project manager weighting	8.0	8.9		During whole timeframe	Out of 10
Project manager resignations	0	2		During whole timeframe	Due to insufficient bonus levels or being headhunted
Net gain from bonus payments to project managers	21,485	691,262		During whole timeframe	
Jobs finished early	0	16		During whole timeframe	
Jobs finished on time	0	3		During whole timeframe	
Jobs finished late	0	0		During whole timeframe	
Ineffective labour on site	2 %	1 %		During whole timeframe	
Subcontractor labour used on site	0 %	10 %		During whole timeframe	As a % of total labour
Job completion efficiency	n/a	0.97		During whole timeframe	0 to 1, where 1 is the optimum level
Reduction in job costs (build) due to targeted investments	0.0 %	1.3 %		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 %	51 %		During whole timeframe	As a % of the contingency in the bid
Change in risk cost incurred due to mitigating factors	-8.6 %	-40.2 %		During whole timeframe	
Risk cost incurred after mitigating factors	48 %	31 %		During whole timeframe	As a % of the contingency in the bid