



ENGINEUNITY 2020 COMPETITION

PERFORMANCE REVIEW FOR 'Stantastic'

MANAGEMENT TEAM

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THE CHALLENGE



It is the **beginning of 2020**.

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

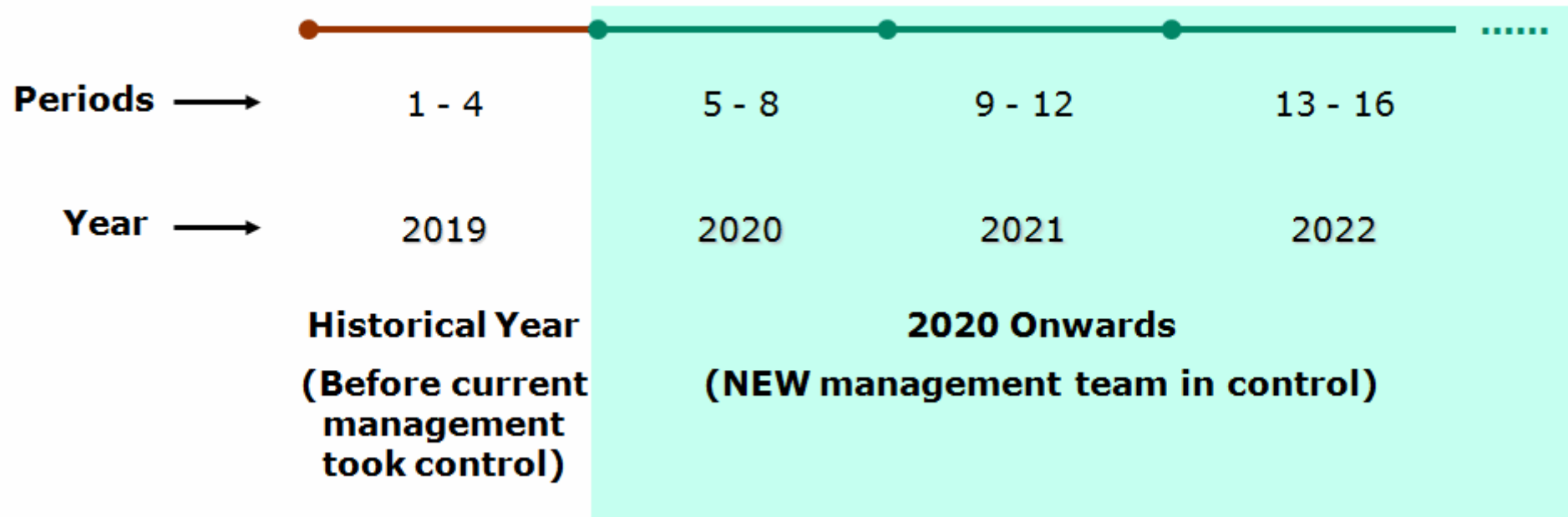
To implement the strategy **decisions** will have to be made in a number of key areas :-

- 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.

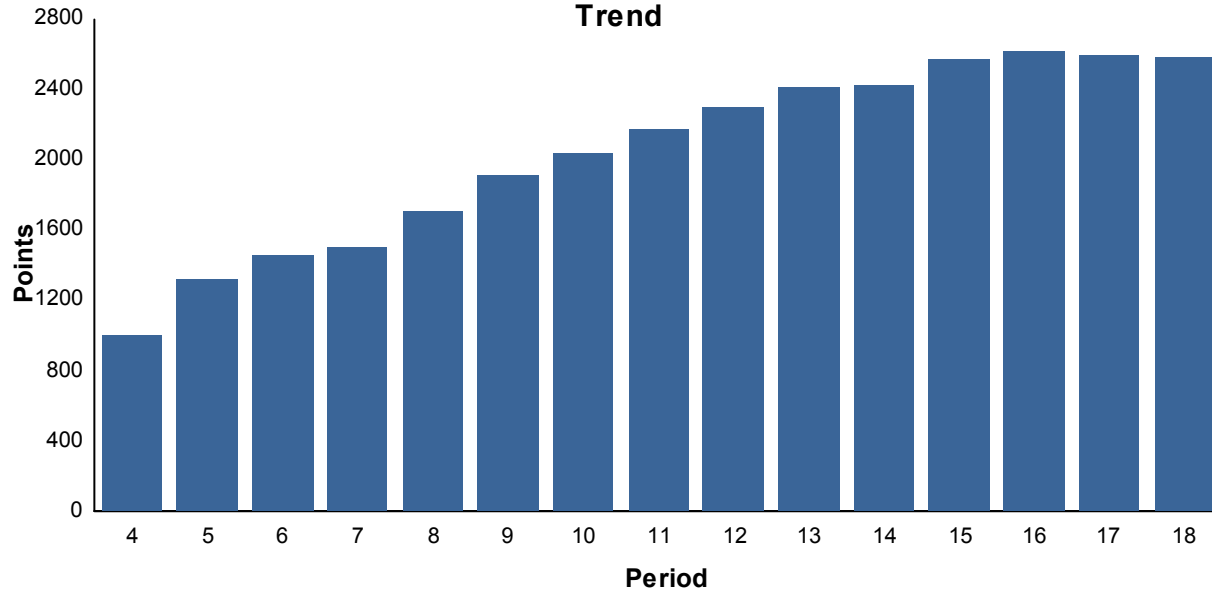
OVERALL PERFORMANCE (KPIs)

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 2,586 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	2019 (Q4)	40	170	120	170	130	80	70	100	70	50	1,000
5	Early Years	2020 (Q1)	57	185	190	178	157	90	126	177	87	72	1,319
6	Early Years	2020 (Q2)	72	180	207	184	175	122	131	189	90	102	1,452
7	Early Years	2020 (Q3)	87	176	214	192	186	147	113	163	87	132	1,497
8	Early Years	2020 (Q4)	96	198	267	212	194	159	136	182	106	162	1,712
9	Early Years	2021 (Q1)	104	213	301	231	203	184	157	206	124	187	1,910
10	Early Years	2021 (Q2)	112	220	320	248	209	204	163	201	140	217	2,034
11	Early Years	2021 (Q3)	121	228	346	273	214	227	160	191	165	251	2,176
12	Early Years	2021 (Q4)	129	224	339	282	218	254	173	205	185	286	2,295
13	Later Years	2022 (Q1)	136	223	337	298	222	286	193	187	197	327	2,406
14	Later Years	2022 (Q2)	142	223	335	309	224	298	189	151	203	347	2,421
15	Later Years	2022 (Q3)	148	225	339	325	227	322	212	166	229	373	2,566
16	Later Years	2022 (Q4)	153	220	330	328	228	345	196	170	237	410	2,617
17	Later Years	2023 (Q1)	159	218	325	334	227	365	164	124	235	440	2,591
18	Later Years	2023 (Q2)	163	218	321	335	225	380	148	95	225	476	2,586

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	4,682,259	9,231,001	97 %	End of timeframe	
Share price	1.05	3.38	222 %	End of timeframe	
Average capital base	4,075,584	6,458,809	58 %	Each period of timeframe	
Average capital base utilisation	64 %	93 %		Each period of timeframe	
Average turnover	8,114,228	20,081,630	147 %	Each period of timeframe	
Job profit	4.3 %	5.6 %		During whole timeframe	As a % of job costs
Overhead costs	2.7 %	1.6 %		During whole timeframe	As a % of job costs
Net operating profit	1.2 %	3.4 %		During whole timeframe	As a % of job costs after tax and interest
Dividend paid	2.8 %	1.6 %		During whole timeframe	As a % of job costs
Forward workload	17,285,100	36,497,090		End of timeframe	
Forward margin	617,535	585,863		End of timeframe	
OVERHEAD MANAGEMENT					
Market share	12 %	32 %		During whole timeframe	% of the overall new work in the market identified
Market share split (UK)	0 %	0 %		During whole timeframe	% of the market share in the UK
Market share split (OV)	0 %	0 %		During whole timeframe	% of market share Overseas (outside the UK)
Head office staffing level	100 %	106 %		During whole timeframe	Optimum level is 100%
QHSE staffing level	100 %	113 %		During whole timeframe	Optimum level is 100%
Measurement staffing level	100 %	113 %		During whole timeframe	Optimum level is 100%
PROCUREMENT					
Number of jobs bid for	14	64		During whole timeframe	
Number of jobs won	5	29		During whole timeframe	
Bidding success rate	36 %	45 %		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	2		During whole timeframe	Due to insufficient bonus levels or being headhunted
Net gain from bonus payments to project managers	29,596	522,645		During whole timeframe	
Jobs finished early	0	22		During whole timeframe	
Jobs finished on time	0	7		During whole timeframe	
Jobs finished late	0	0		During whole timeframe	
Ineffective labour on site	1 %	1 %		During whole timeframe	
Subcontractor labour used on site	0 %	0 %		During whole timeframe	As a % of total labour
Job completion efficiency	n/a	0.94		During whole timeframe	0 to 1, where 1 is the optimum level
Reduction in job costs (build) due to targeted investments	0.0 %	0.6 %		During whole timeframe	
Reduction in job costs (risk) due to targeted investments	0.0 %	0.0 %		During whole timeframe	
For D&B jobs, change in build cost due to consultant designer	-0.7 %	-0.7 %		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	21 %	67 %		During whole timeframe	As a % of the contingency in the bid
Change in risk cost incurred due to mitigating factors	-15.7 %	-13.1 %		During whole timeframe	
Risk cost incurred after mitigating factors	17 %	58 %		During whole timeframe	As a % of the contingency in the bid