



# ENGINUITY 2022 COMPETITION

## PERFORMANCE REVIEW FOR 'The Wolves of Milano - The Return'

### MANAGEMENT TEAM

Huseyin Keles

Claudia Pacciani

Andrea Losappio

Alessandro Fusari

Bella Ferrari

### SPONSOR

Jacobs

### 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

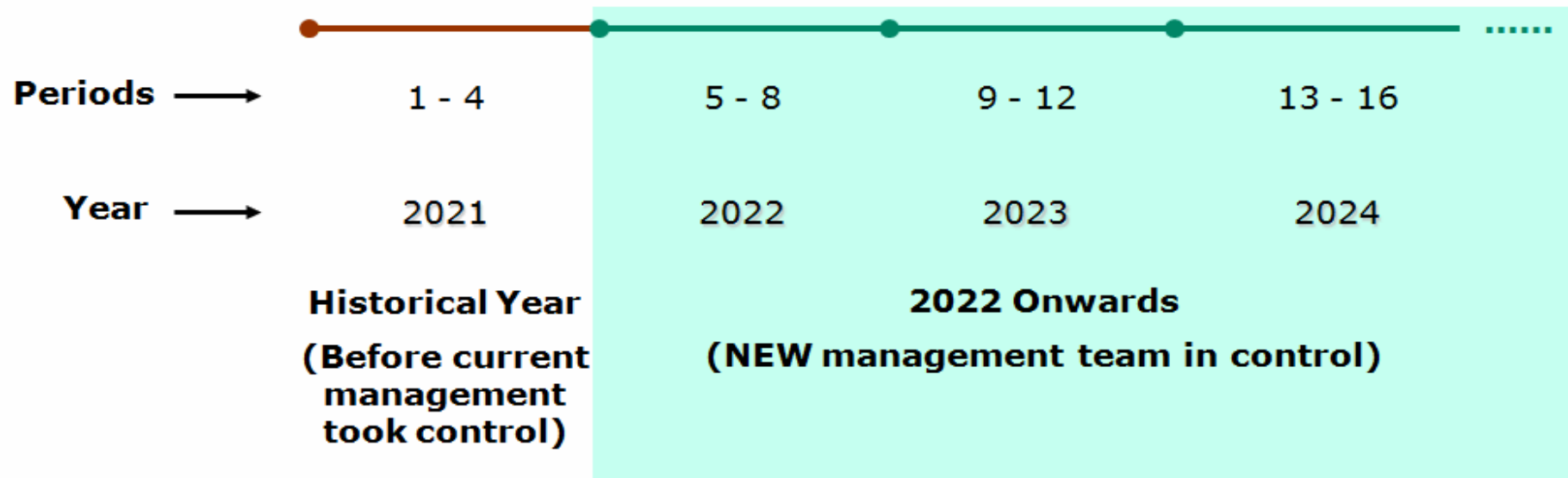
To implement the strategy **decisions** will have to be made in a number of key areas :-

- 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.

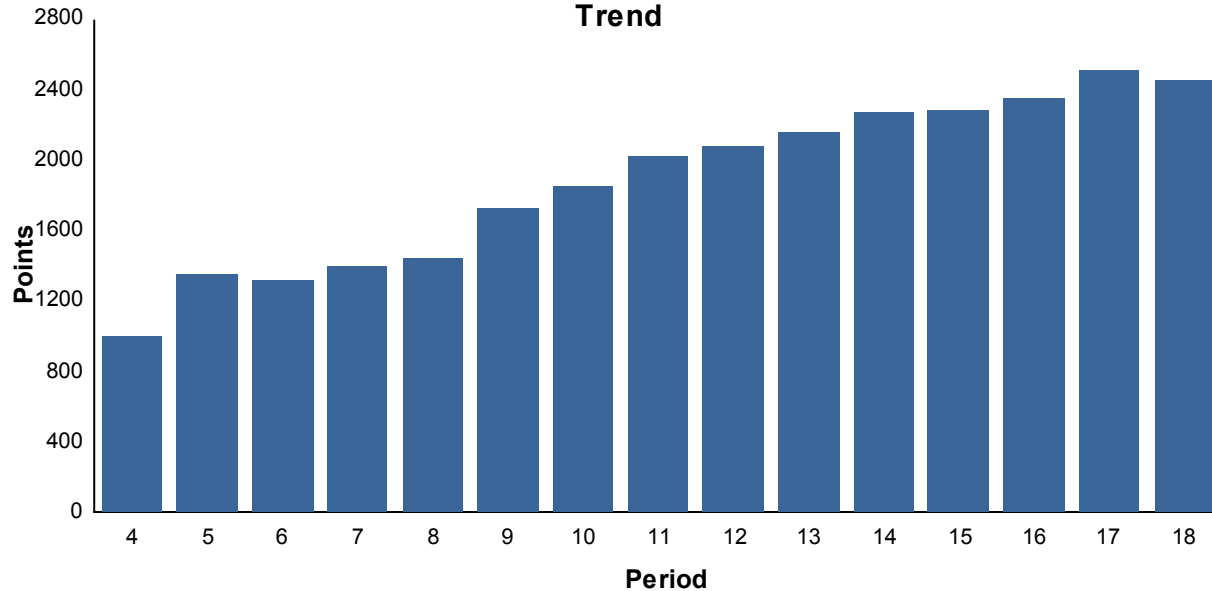
# OVERALL PERFORMANCE (KPIs)

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 2,461 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	172	159	178	171	97	151	228	75	69	1,355
6	Early Years	2022 (Q2)	68	130	94	175	200	114	160	237	54	88	1,320
7	Early Years	2022 (Q3)	81	143	134	187	217	119	147	208	54	111	1,401
8	Early Years	2022 (Q4)	96	157	178	207	226	119	122	167	53	126	1,451
9	Early Years	2023 (Q1)	107	178	229	235	239	155	173	210	56	152	1,734
10	Early Years	2023 (Q2)	117	193	263	264	248	167	172	207	56	173	1,860
11	Early Years	2023 (Q3)	127	210	303	303	256	187	175	208	59	195	2,023
12	Early Years	2023 (Q4)	134	209	304	322	261	187	179	216	64	210	2,086
13	Later Years	2024 (Q1)	141	220	322	356	264	217	168	169	69	239	2,165
14	Later Years	2024 (Q2)	144	222	323	375	268	232	201	171	71	268	2,275
15	Later Years	2024 (Q3)	150	211	303	383	272	232	217	169	67	286	2,290
16	Later Years	2024 (Q4)	158	212	310	417	275	264	186	151	69	314	2,356
17	Later Years	2025 (Q1)	163	209	303	438	278	277	227	205	75	343	2,518
18	Later Years	2025 (Q2)	167	213	313	474	275	312	135	128	75	369	2,461

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			
<b>FINANCIAL MANAGEMENT</b>					
Company value	4,670,589	13,025,120	179 %	End of timeframe	
Share price	1.07	1.15	7 %	End of timeframe	
Average capital base	4,087,638	6,173,108	51 %	Each period of timeframe	
Average capital base utilisation	51 %	93 %		Each period of timeframe	
Average turnover	6,976,444	17,743,570	154 %	Each period of timeframe	
Job profit	4.8 %	6.1 %		During whole timeframe	As a % of job costs
Overhead costs	3.1 %	1.7 %		During whole timeframe	As a % of job costs
Net operating profit	1.4 %	3.7 %		During whole timeframe	As a % of job costs after tax and interest
Dividend paid	3.3 %	0.1 %		During whole timeframe	As a % of job costs
Forward workload	16,026,520	30,862,350		End of timeframe	
Forward margin	586,224	749,851		End of timeframe	
<b>OVERHEAD MANAGEMENT</b>					
Market share	11 %	28 %		During whole timeframe	% of the overall new work in the market identified
Market share split (UK)	35 %	30 %		During whole timeframe	% of the market share in the UK
Market share split (OV)	65 %	70 %		During whole timeframe	% of market share Overseas (outside the UK)
Head office staffing level	100 %	112 %		During whole timeframe	Optimum level is 100%
QHSE staffing level	100 %	118 %		During whole timeframe	Optimum level is 100%
Measurement staffing level	100 %	118 %		During whole timeframe	Optimum level is 100%
<b>PROCUREMENT</b>					
Number of jobs bid for	12	45		During whole timeframe	
Number of jobs won	5	21		During whole timeframe	
Bidding success rate	42 %	47 %		During whole timeframe	Jobs won as a % of jobs bid for
<b>JOB PROGRESSION</b>					
Project manager weighting	8.0	8.6		During whole timeframe	Out of 10
Project manager resignations	0	0		During whole timeframe	Due to insufficient bonus levels or being headhunted
Net gain from bonus payments to project managers	21,485	731,496		During whole timeframe	
Jobs finished early	0	12		During whole timeframe	
Jobs finished on time	0	11		During whole timeframe	
Jobs finished late	0	0		During whole timeframe	
Ineffective labour on site	2 %	2 %		During whole timeframe	
Subcontractor labour used on site	0 %	16 %		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 %	0.4 %		During whole timeframe	
For D&B jobs, change in build cost due to consultant designer	0.0 %	-0.9 %		During whole timeframe	
Measure of risk contingency included in bids	1.0	0.7		During whole timeframe	0=No contingency, 1=sensible level, 2=full risk cost
Risk cost incurred before mitigating factors	64 %	86 %		During whole timeframe	As a % of the contingency in the bid
Change in risk cost incurred due to mitigating factors	-7.2 %	-39.7 %		During whole timeframe	
Risk cost incurred after mitigating factors	59 %	52 %		During whole timeframe	As a % of the contingency in the bid