



Enginuity 2018 Competition

PERFORMANCE REVIEW FOR 'Capitol Based'

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

Brian Pourciau

Cathleen Barry

Margaret Rockwell

Aaron Mihalik

Caroline Rice

Caleb Meier

SPONSOR

Parsons Corporation

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.

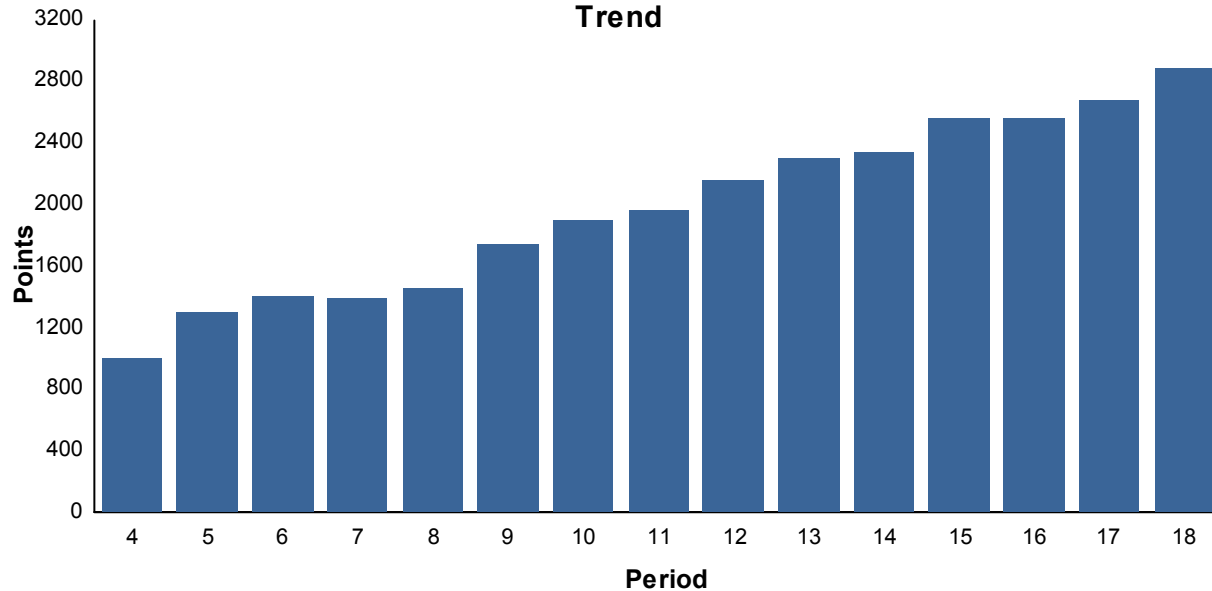
KEY PERFORMANCE INDICATORS

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 2,882 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	122	129	170	156	125	147	214	89	102	1,303
6	Early Years	2018 (Q2)	67	124	169	178	182	130	135	204	88	128	1,405
7	Early Years	2018 (Q3)	86	120	178	188	193	175	89	133	82	153	1,397
8	Early Years	2018 (Q4)	87	122	149	183	198	165	128	182	65	178	1,457
9	Early Years	2019 (Q1)	92	145	206	201	212	190	171	236	84	209	1,746
10	Early Years	2019 (Q2)	100	161	253	224	222	205	171	230	84	244	1,894
11	Early Years	2019 (Q3)	110	162	267	243	230	240	158	201	82	276	1,969
12	Early Years	2019 (Q4)	118	167	291	265	238	280	176	210	99	320	2,164
13	Later Years	2020 (Q1)	121	175	312	286	244	290	198	220	110	350	2,306
14	Later Years	2020 (Q2)	129	181	336	316	247	340	147	146	119	382	2,343
15	Later Years	2020 (Q3)	130	185	332	317	251	355	226	227	131	412	2,566
16	Later Years	2020 (Q4)	135	188	347	340	254	355	178	186	145	436	2,564
17	Later Years	2021 (Q1)	139	196	370	368	255	390	159	171	164	464	2,676
18	Later Years	2021 (Q2)	141	194	364	368	258	400	216	262	182	497	2,882

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	10,198,620	116 %	E
Share price:	1.02	2.65	160 %	E
Capital employed:	50 %	93 %		A
Turnover:	8,162,096	17,282,780	112 %	A
Job profit:	4.1 %	6.3 %		D % of job cost
Overhead costs:	2.5 %	2.0 %		D % of job cost
Operating profit:	1.2 %	3.6 %		D % of job cost; net, after tax and interest
Dividend paid:	2.6 %	1.1 %		D % of job cost
Market share:	11 %	36 %		D % of the overall new work in the market identified
Market share split (UK):	39 %	35 %		D % of the market share in the UK
Market share split (OV):	61 %	65 %		D % of market share Overseas (outside the UK)
Head office staffing level:	100 %	113 %		D The benchmark was 100%
QHSE staffing level:	100 %	119 %		D The benchmark was 100%
Measurement staffing level:	100 %	119 %		D The benchmark was 100%
Number of jobs bid for:	13	43		D
Number of jobs won:	8	28		D
Bidding success rate:	62 %	65 %		D Jobs won as a % of jobs bid for
Jobs finished early:	0	18		D
Jobs finished on time:	3	8		D
Jobs finished late:	0	1		D
Job completion efficiency:	0.94	0.91		D 0 to 1, where 1 is the optimum level
Reduction in job cost:	0.03 %	1.51 %		D % due to targeted investments
Risk cost incurred:	45 %	50 %		D As a % of the contingency in the bid
Change in risk cost:	-21.7 %	-35.9 %		D % due to mitigatng factors
Project manager weighting:	8.2	9.4		D Out of 10
Forward workload:	15,477,540	47,718,080		E
Forward margin:	521,414	1,366,492		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)