



ENGINEUNITY 2020 COMPETITION

PERFORMANCE REVIEW FOR 'Ministry of Wopus'

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

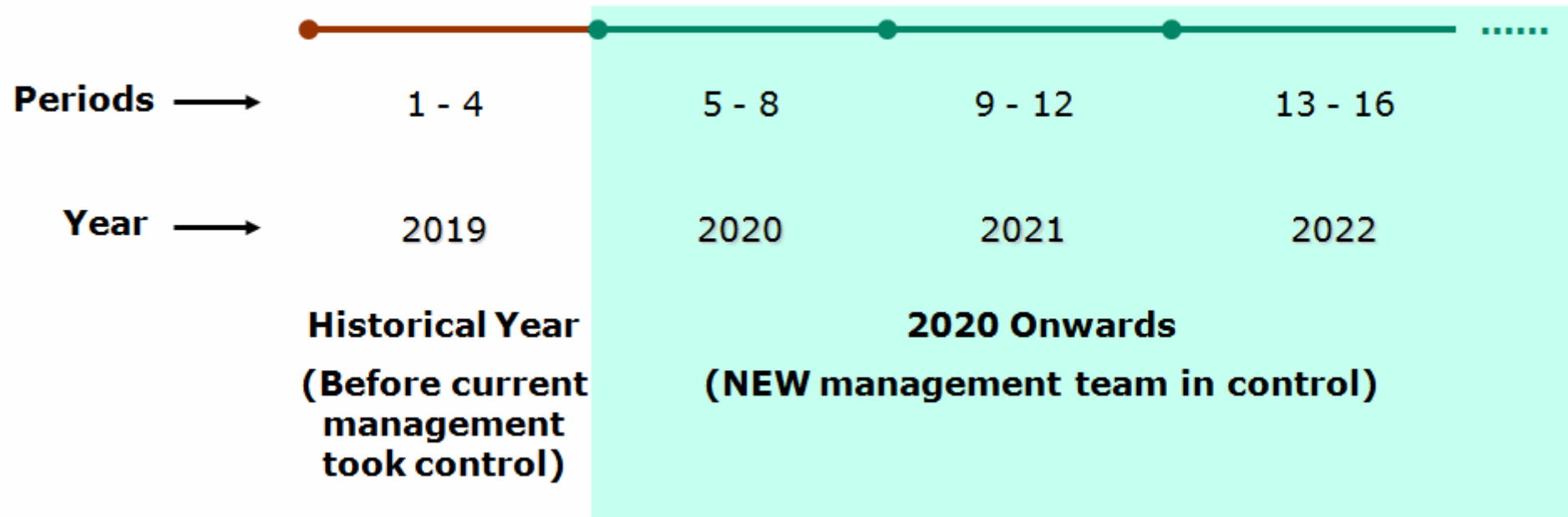
To implement the strategy **decisions** will have to be made in a number of key areas :-

- 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.

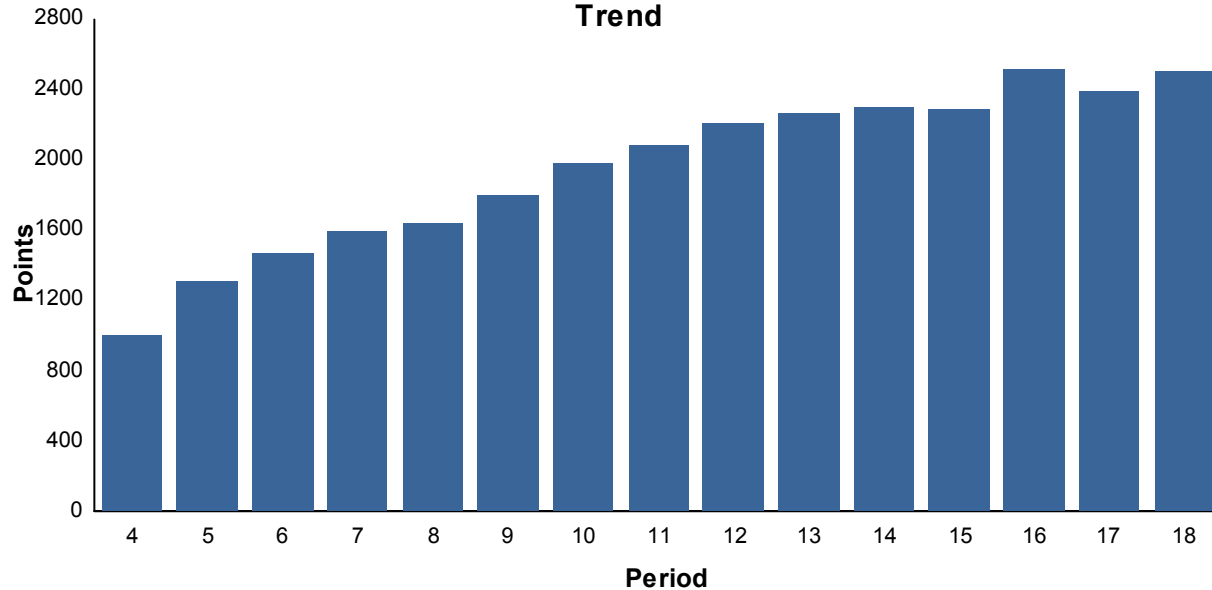
OVERALL PERFORMANCE (KPIs)

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 2,500 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	180	185	182	155	90	123	184	77	77	1,310
6	Early Years	2020 (Q2)	72	191	232	198	172	122	120	170	75	115	1,467
7	Early Years	2020 (Q3)	85	193	250	216	186	132	135	182	71	142	1,592
8	Early Years	2020 (Q4)	95	205	282	239	190	156	103	135	67	172	1,644
9	Early Years	2021 (Q1)	102	211	295	260	196	176	138	154	65	200	1,797
10	Early Years	2021 (Q2)	109	218	316	286	203	201	169	178	66	236	1,982
11	Early Years	2021 (Q3)	115	220	325	310	209	209	181	184	64	268	2,085
12	Early Years	2021 (Q4)	123	221	332	339	214	249	182	176	64	304	2,204
13	Later Years	2022 (Q1)	132	225	345	375	218	257	183	126	68	331	2,260
14	Later Years	2022 (Q2)	139	218	335	394	220	301	175	92	65	363	2,302
15	Later Years	2022 (Q3)	146	214	328	419	218	336	117	50	61	397	2,286
16	Later Years	2022 (Q4)	144	216	317	424	221	349	274	77	63	423	2,508
17	Later Years	2023 (Q1)	154	197	281	427	224	361	198	47	51	449	2,389
18	Later Years	2023 (Q2)	161	192	274	448	225	400	188	73	58	481	2,500

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	12,337,020	163 %	End of timeframe	
Share price	1.05	0.87	-17 %	End of timeframe	
Average capital base	4,075,584	6,442,704	58 %	Each period of timeframe	
Average capital base utilisation	64 %	93 %		Each period of timeframe	
Average turnover	8,114,228	19,871,290	145 %	Each period of timeframe	
Job profit	4.3 %	4.9 %		During whole timeframe	As a % of job costs
Overhead costs	2.7 %	1.5 %		During whole timeframe	As a % of job costs
Net operating profit	1.2 %	2.9 %		During whole timeframe	As a % of job costs after tax and interest
Dividend paid	2.8 %	0.0 %		During whole timeframe	As a % of job costs
Forward workload	17,285,100	46,307,220		End of timeframe	
Forward margin	617,535	448,589		End of timeframe	
OVERHEAD MANAGEMENT					
Market share	12 %	25 %		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 %	118 %		During whole timeframe	Optimum level is 100%
QHSE staffing level	100 %	123 %		During whole timeframe	Optimum level is 100%
Measurement staffing level	100 %	123 %		During whole timeframe	Optimum level is 100%
PROCUREMENT					
Number of jobs bid for	14	47		During whole timeframe	
Number of jobs won	5	35		During whole timeframe	
Bidding success rate	36 %	74 %		During whole timeframe	Jobs won as a % of jobs bid for
JOB PROGRESSION					
Project manager weighting	8.0	8.8		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	29,596	716,470		During whole timeframe	
Jobs finished early	0	22		During whole timeframe	
Jobs finished on time	0	12		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 %	9 %		During whole timeframe	As a % of total labour
Job completion efficiency	n/a	0.91		During whole timeframe	0 to 1, where 1 is the optimum level
Reduction in job costs (build) due to targeted investments	0.0 %	0.7 %		During whole timeframe	
Reduction in job costs (risk) due to targeted investments	0.0 %	0.3 %		During whole timeframe	
For D&B jobs, change in build cost due to consultant designer	-0.7 %	-1.0 %		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 %	69 %		During whole timeframe	As a % of the contingency in the bid
Change in risk cost incurred due to mitigating factors	-16.4 %	-44.1 %		During whole timeframe	
Risk cost incurred after mitigating factors	17 %	39 %		During whole timeframe	As a % of the contingency in the bid