



ENGINUITY 2022 COMPETITION

PERFORMANCE REVIEW FOR 'Whatever it takes'

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

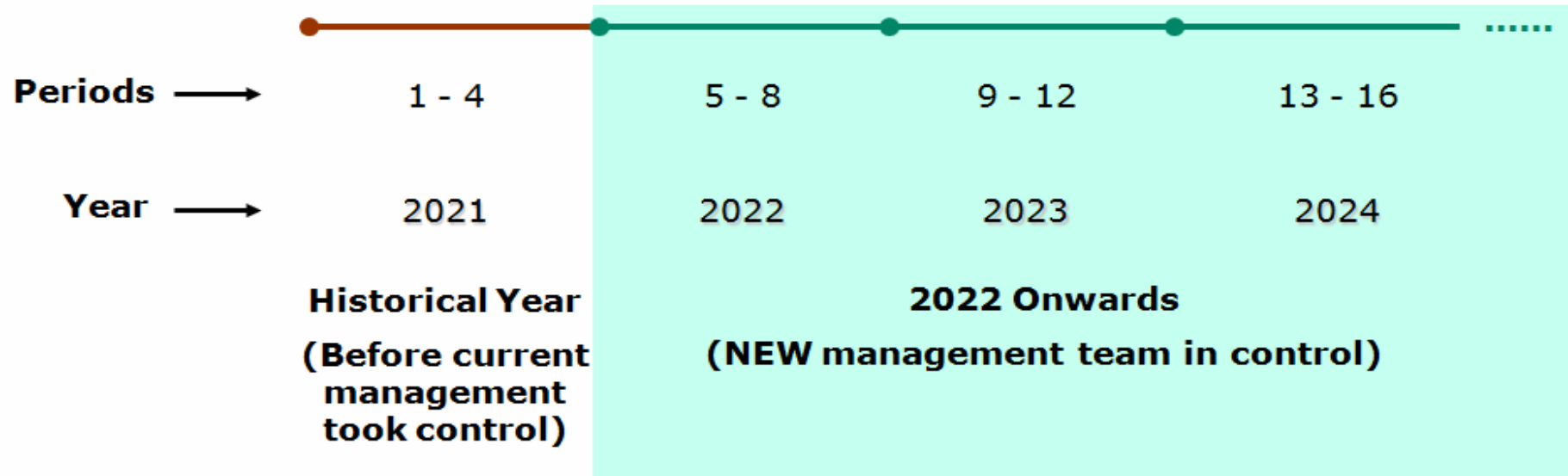
To implement the strategy **decisions** will have to be made in a number of key areas :-

- 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.

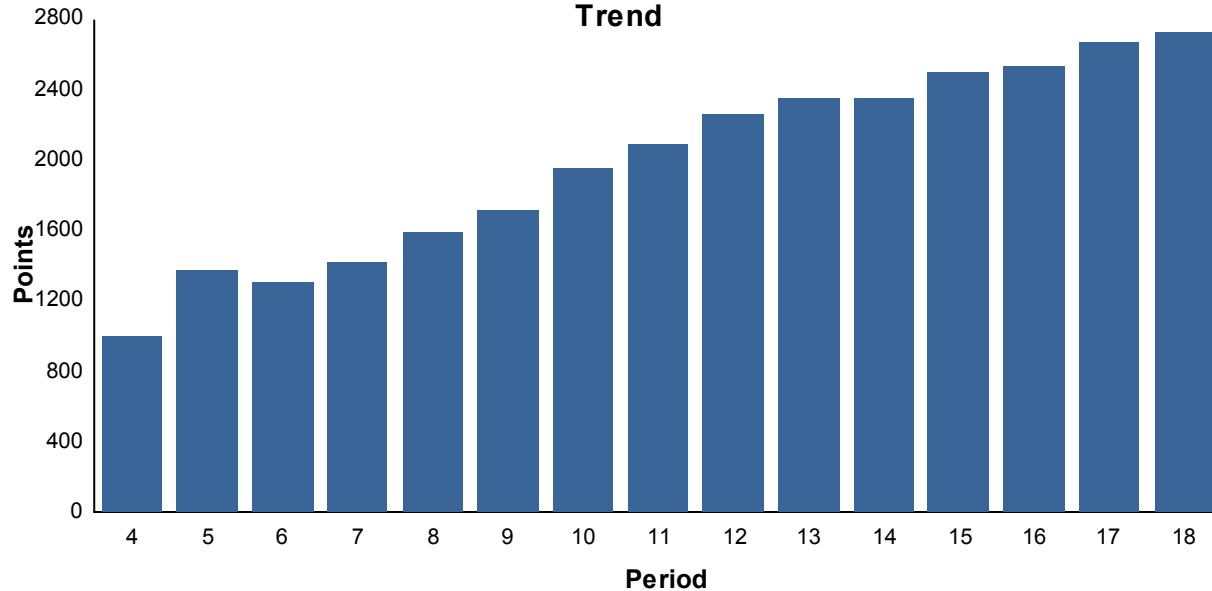
OVERALL PERFORMANCE (KPIs)

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 2,729 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	181	178	177	172	97	150	213	85	75	1,383
6	Early Years	2022 (Q2)	71	130	98	171	199	122	145	208	57	105	1,306
7	Early Years	2022 (Q3)	84	158	176	188	217	122	117	163	73	124	1,422
8	Early Years	2022 (Q4)	99	166	204	204	232	159	127	170	77	150	1,588
9	Early Years	2023 (Q1)	109	178	231	221	242	186	123	161	86	183	1,720
10	Early Years	2023 (Q2)	120	202	284	251	251	210	137	169	107	222	1,953
11	Early Years	2023 (Q3)	127	215	314	273	256	238	129	155	131	259	2,097
12	Early Years	2023 (Q4)	134	220	325	287	263	258	162	171	151	295	2,266
13	Later Years	2024 (Q1)	140	222	329	302	269	275	160	159	167	328	2,351
14	Later Years	2024 (Q2)	145	220	325	310	270	292	137	134	171	353	2,357
15	Later Years	2024 (Q3)	150	221	322	319	275	312	186	160	180	381	2,506
16	Later Years	2024 (Q4)	156	222	326	333	278	339	163	122	178	423	2,540
17	Later Years	2025 (Q1)	158	220	316	329	281	347	210	173	179	454	2,667
18	Later Years	2025 (Q2)	163	222	322	335	285	372	194	154	194	488	2,729

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	9,200,153	97 %	End of timeframe	
Share price	1.07	2.97	178 %	End of timeframe	
Average capital base	4,087,638	5,405,828	32 %	Each period of timeframe	
Average capital base utilisation	51 %	96 %		Each period of timeframe	
Average turnover	6,976,444	17,247,590	147 %	Each period of timeframe	
Job profit	4.8 %	6.4 %		During whole timeframe	As a % of job costs
Overhead costs	3.1 %	1.8 %		During whole timeframe	As a % of job costs
Net operating profit	1.4 %	3.8 %		During whole timeframe	As a % of job costs after tax and interest
Dividend paid	3.3 %	1.8 %		During whole timeframe	As a % of job costs
Forward workload	16,026,520	44,522,900		End of timeframe	
Forward margin	586,224	900,760		End of timeframe	
OVERHEAD MANAGEMENT					
Market share	11 %	30 %		During whole timeframe	% of the overall new work in the market identified
Market share split (UK)	35 %	38 %		During whole timeframe	% of the market share in the UK
Market share split (OV)	65 %	62 %		During whole timeframe	% of market share Overseas (outside the UK)
Head office staffing level	100 %	104 %		During whole timeframe	Optimum level is 100%
QHSE staffing level	100 %	105 %		During whole timeframe	Optimum level is 100%
Measurement staffing level	100 %	105 %		During whole timeframe	Optimum level is 100%
PROCUREMENT					
Number of jobs bid for	12	66		During whole timeframe	
Number of jobs won	5	30		During whole timeframe	
Bidding success rate	42 %	45 %		During whole timeframe	Jobs won as a % of jobs bid for
JOB PROGRESSION					
Project manager weighting	8.0	9.2		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	706,814		During whole timeframe	
Jobs finished early	0	23		During whole timeframe	
Jobs finished on time	0	7		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 %	2 %		During whole timeframe	As a % of total labour
Job completion efficiency	n/a	0.96		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 %	0.3 %		During whole timeframe	
For D&B jobs, change in build cost due to consultant designer	0.0 %	-1.0 %		During whole timeframe	
Measure of risk contingency included in bids	1.0	0.9		During whole timeframe	0=No contingency, 1=sensible level, 2=full risk cost
Risk cost incurred before mitigating factors	53 %	66 %		During whole timeframe	As a % of the contingency in the bid
Change in risk cost incurred due to mitigating factors	-14.2 %	-38.0 %		During whole timeframe	
Risk cost incurred after mitigating factors	45 %	41 %		During whole timeframe	As a % of the contingency in the bid