



Enginuity 2018 Competition

PERFORMANCE REVIEW FOR 'Jersey Geoengineers'

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

Ayub Ansari

Sudipta Ghorai

Adam Wescount

Tim Ultee

Jayme Lynch

Pravin Punamiya

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.

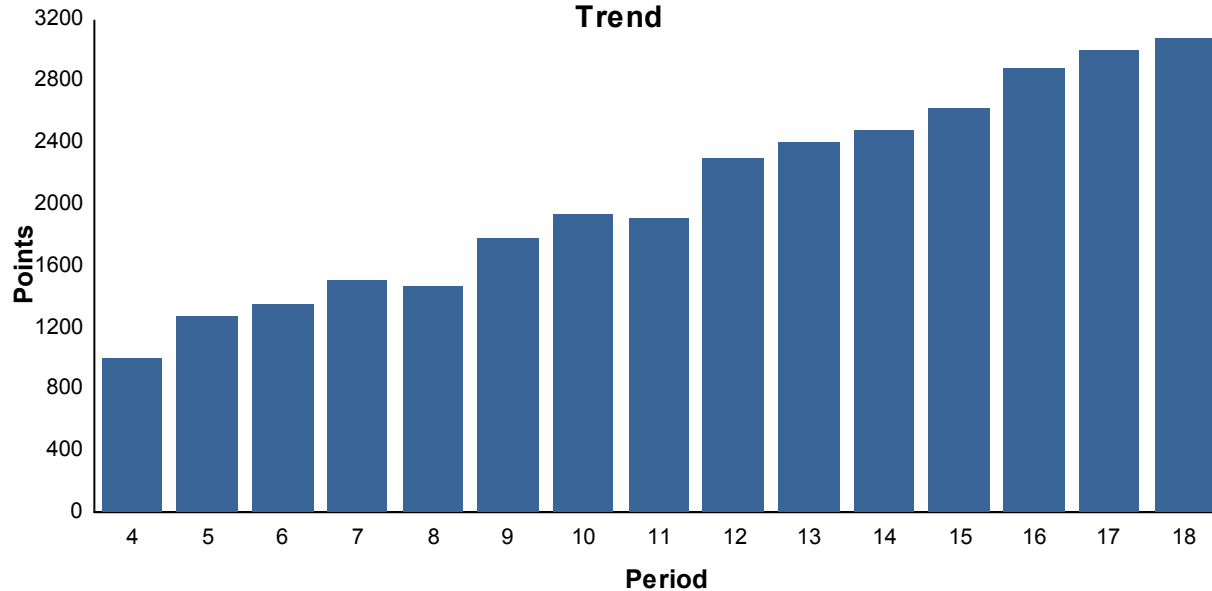
KEY PERFORMANCE INDICATORS

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 3,080 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	119	121	170	156	125	147	208	80	102	1,277
6	Early Years	2018 (Q2)	66	125	169	180	180	130	127	174	83	125	1,359
7	Early Years	2018 (Q3)	82	124	189	191	199	165	131	183	81	160	1,505
8	Early Years	2018 (Q4)	88	126	189	196	202	175	103	146	64	187	1,476
9	Early Years	2019 (Q1)	96	145	248	220	213	215	149	201	72	225	1,784
10	Early Years	2019 (Q2)	102	154	281	240	221	240	153	200	75	268	1,934
11	Early Years	2019 (Q3)	111	159	304	263	222	270	89	114	74	302	1,908
12	Early Years	2019 (Q4)	116	173	340	290	230	310	194	199	102	350	2,304
13	Later Years	2020 (Q1)	121	183	370	322	237	315	194	166	110	392	2,410
14	Later Years	2020 (Q2)	131	193	400	370	242	355	153	96	114	432	2,486
15	Later Years	2020 (Q3)	135	197	413	400	245	390	162	94	122	472	2,630
16	Later Years	2020 (Q4)	138	201	419	424	249	420	216	167	146	507	2,887
17	Later Years	2021 (Q1)	142	203	428	456	252	445	186	182	159	545	2,998
18	Later Years	2021 (Q2)	144	205	430	472	254	470	188	168	166	583	3,080

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	13,078,650	178 %	E
Share price:	1.02	2.42	137 %	E
Capital employed:	50 %	91 %		A
Turnover:	8,162,096	17,756,610	118 %	A
Job profit:	4.1 %	6.7 %		D % of job cost
Overhead costs:	2.5 %	1.6 %		D % of job cost
Operating profit:	1.2 %	4.3 %		D % of job cost; net, after tax and interest
Dividend paid:	2.6 %	0.7 %		D % of job cost
Market share:	11 %	33 %		D % of the overall new work in the market identified
Market share split (UK):	39 %	34 %		D % of the market share in the UK
Market share split (OV):	61 %	66 %		D % of market share Overseas (outside the UK)
Head office staffing level:	100 %	115 %		D The benchmark was 100%
QHSE staffing level:	100 %	118 %		D The benchmark was 100%
Measurement staffing level:	100 %	118 %		D The benchmark was 100%
Number of jobs bid for:	13	58		D
Number of jobs won:	8	32		D
Bidding success rate:	62 %	55 %		D Jobs won as a % of jobs bid for
Jobs finished early:	0	24		D
Jobs finished on time:	3	7		D
Jobs finished late:	0	0		D
Job completion efficiency:	0.94	0.93		D 0 to 1, where 1 is the optimum level
Reduction in job cost:	0.03 %	1.98 %		D % due to targeted investments
Risk cost incurred:	45 %	46 %		D As a % of the contingency in the bid
Change in risk cost:	-20.0 %	-38.5 %		D % due to mitigatng factors
Project manager weighting:	8.2	9.3		D Out of 10
Forward workload:	15,477,540	41,647,570		E
Forward margin:	521,414	873,798		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)