



# Enginuity 2018 Competition

## PERFORMANCE REVIEW FOR 'WSPME Focus'

### 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

Abubaker Adam

Vivek Kumar Srivastava

Brett Taylor

Muntasir Yousif

Sreenivasa Akkena

### SPONSOR

WSP Middle East

### 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)

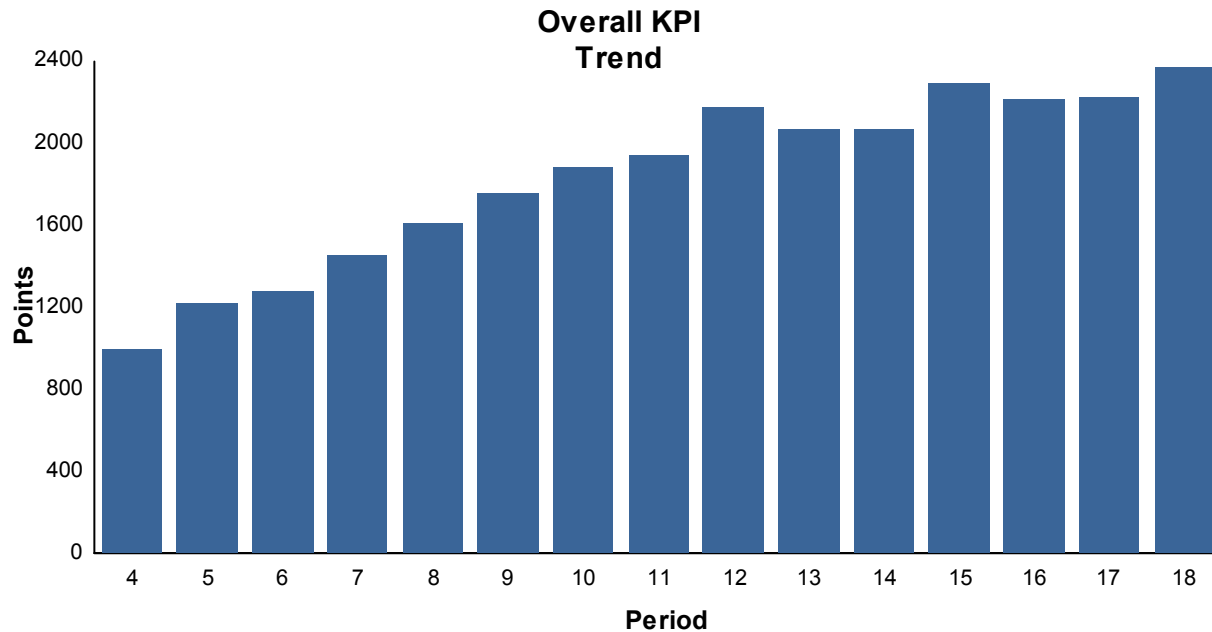
During the Later Years the teams compete 'head to head' against each other for work. This creates an even more uncertain and pressurized environment in which the skills and team dynamics formed in the early years are really put to the test.

# 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 2,369 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	114	108	166	160	125	161	169	78	91	1,221
6	Early Years	2018 (Q2)	64	119	149	174	184	130	128	136	78	112	1,274
7	Early Years	2018 (Q3)	81	124	186	190	203	160	127	153	83	146	1,453
8	Early Years	2018 (Q4)	91	122	189	201	218	190	153	192	76	174	1,606
9	Early Years	2019 (Q1)	97	132	222	217	229	215	160	197	82	201	1,752
10	Early Years	2019 (Q2)	104	139	249	233	238	235	159	196	88	236	1,877
11	Early Years	2019 (Q3)	116	141	264	256	245	260	141	159	82	275	1,939
12	Early Years	2019 (Q4)	122	152	297	282	251	305	176	177	102	314	2,178
13	Later Years	2020 (Q1)	126	155	307	292	248	310	93	93	107	339	2,070
14	Later Years	2020 (Q2)	128	165	326	308	239	345	46	43	109	359	2,068
15	Later Years	2020 (Q3)	124	168	303	303	244	375	238	46	94	397	2,292
16	Later Years	2020 (Q4)	129	165	297	310	245	380	149	23	90	423	2,211
17	Later Years	2021 (Q1)	133	158	282	304	247	390	158	28	95	431	2,226
18	Later Years	2021 (Q2)	136	157	275	311	251	420	211	48	106	454	2,369



## 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	8,612,106	83 %	E
Share price:	1.02	1.54	51 %	E
Capital employed:	50 %	90 %		A
Turnover:	8,162,096	16,615,580	104 %	A
Job profit:	4.1 %	5.0 %		D % of job cost
Overhead costs:	2.5 %	1.8 %		D % of job cost
Operating profit:	1.2 %	2.7 %		D % of job cost; net, after tax and interest
Dividend paid:	2.6 %	1.0 %		D % of job cost
Market share:	11 %	28 %		D % of the overall new work in the market identified
Market share split (UK):	39 %	38 %		D % of the market share in the UK
Market share split (OV):	61 %	62 %		D % of market share Overseas (outside the UK)
Head office staffing level:	100 %	116 %		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	48		D
Number of jobs won:	8	31		D
Bidding success rate:	62 %	65 %		D Jobs won as a % of jobs bid for
Jobs finished early:	0	15		D
Jobs finished on time:	3	16		D
Jobs finished late:	0	0		D
Job completion efficiency:	0.94	0.94		D 0 to 1, where 1 is the optimum level
Reduction in job cost:	0.03 %	1.13 %		D % due to targeted investments
Risk cost incurred:	45 %	61 %		D As a % of the contingency in the bid
Change in risk cost:	-20.9 %	-45.1 %		D % due to mitigatng factors
Project manager weighting:	8.2	8.9		D Out of 10
Forward workload:	15,477,540	46,754,490		E
Forward margin:	521,414	249,846		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)