ENGINUITY 2019 COMPETITION

PERFORMANCE REVIEW FOR 'Baby Got Hatch'

MANAGEMENT TEAM

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SPONSOR

Hatch

THE CHALLENGE



It is the **beginning of 2019**.

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)

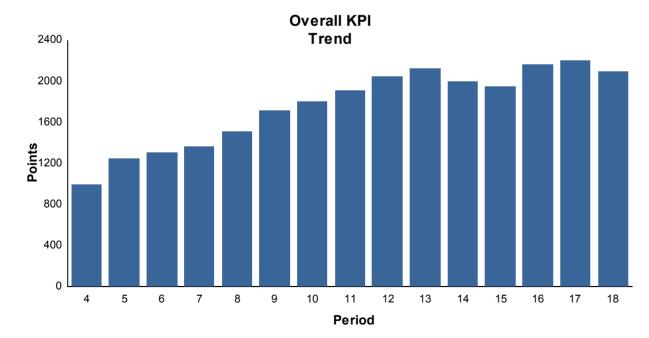
During the Later Years the teams compete 'head to head' against each other for work. This creates an even more uncertain and pressurized environment in which the skills and team dynamics formed in the early years are really put to the test.

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 2,091 points

			Gross	Operating								
End			Profit To	Profit To	Company	Capital	Contract	Forward	Forward	Share	Client	Total
Period Status	Year/qtr	Turnover	Turnover	Turnover	Value	Employed	Completion	Workload	Margin	Price	Satifaction	Rating
4 History	2018 (Q4)	40	170	120	170	130	80	70	100	70	50	1,000
5 Early Years	2019 (Q1)	52	161	116	171	166	105	140	176	79	80	1,246
6 Early Years	2019 (Q2)	68	145	104	172	197	117	152	171	67	114	1,307
7 Early Years	2019 (Q3)	84	136	105	176	219	134	147	161	70	133	1,365
8 Early Years	2019 (Q4)	94	145	126	186	235	144	158	177	79	168	1,512
9 Early Years	2020 (Q1)	103	165	163	205	248	169	170	195	98	199	1,715
10 Early Years	2020 (Q2)	115	170	176	219	259	189	158	183	108	224	1,801
11 Early Years	2020 (Q3)	126	167	176	227	267	214	165	189	116	265	1,912
12 Early Years	2020 (Q4)	131	168	178	230	275	227	196	207	129	306	2,047
13 Later Years	2021 (Q1)	137	176	190	246	281	227	196	205	139	332	2,129
14 Later Years	2021 (Q2)	143	179	199	258	278	249	95	99	140	356	1,996
15 Later Years	2021 (Q3)	141	176	175	232	272	277	104	85	108	384	1,954
16 Later Years	2021 (Q4)	140	178	160	223	275	277	222	167	117	408	2,167
17 Later Years	2022 (Q1)	144	180	166	240	279	292	213	131	128	434	2,207
18 Later Years	2022 (Q2)	146	178	167	247	276	305	127	75	119	451	2,091



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

A		History	Since	Change Basis	Additional information
2009 2009	Number of periods	4	14		
Stare price 1 0	FINANCIAL MANAGEMENT				
No. 1.0	Company value	4,748,393	6,908,423	45 % End of timeframe	
Neerge capital base utilisation 6,995,88 1,549,530 121% lach period of timeframe ob putil 6,995,88 1,549,530 121% lach period of timeframe ob putil 6,995,88 1,549,530 121% lach period of timeframe ob putil 7,7% 2,4% 2,0% 2,0 ming whole timeframe ob putil 7,7% 2,4% 2,0 ming whole timeframe or 3,8 a % of job costs and interest (3,8 a % of the ownall interest (3,8 a % of the ownall interest (3,8 a % of job c	Share price	1.06	1.80	70 % End of timeframe	
Nowage tumover ob profit 6,996,588 15,459,530 121% Ach period of timeframe better forme that the profit of t	Average capital base	3,937,890	5,285,771	34 % Each period of timeframe	
1	Average capital base utilisation	49 %	89 %	Each period of timeframe	
Northead coars 2.4 % 2.9 % During whole timeframe orward workload 3.0 % 1.2 % During whole timeframe orward workload 3.0 % 1.2 % During whole timeframe orward margin 501.657 378.333 End of timeframe 501.667 378.333 278	Average turnover	6,996,588	15,459,530	121 % Each period of timeframe	
Net operating profit	Job profit	4.7 %	4.9 %	During whole timeframe	As a % of job costs
Divident paid of convard mortload 13,789,860 24,964,510 End of timeframe or convard mortload 13,789,860 24,964,510 End of timeframe or convard margin 501,657 378,333 End of timeframe or convaridation 501,657 378,335 End of timeframe or convaridation 501,657 378,335 End of timeframe or convaridation 501,657 378,335 End of timeframe o	Overhead costs	2.4 %	2.0 %	During whole timeframe	As a % of job costs
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FORMAR MANAGEMENT Warket share split (UK) Afrekt share split (UK) Af	Dividend paid	3.0 %	1.2 %	During whole timeframe	As a % of job costs
Forward margin 501,657 376,833 End of timeframe DVERHEAD MANAGEMENT	Forward workload	13,789,860	24,964,510	End of timeframe	
darket share darket share darket share split (UK) 44 % 47 % During whole timeframe darket share split (UK) 56 % 33 % During whole timeframe lead office staffing level 100 % 122 % During whole timeframe desaure of risk contingency in led officiency become from the share of the contingency in the larket share in the UK 44 % 47 % During whole timeframe 100 % 122 % During whole timeframe 100 % 120 % Du	Forward margin		376,833	End of timeframe	
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Market share split (OV) 56 % 53 % During whole timeframe level is 100% 120 % During whole timeframe During whole timeframe Measurement staffing level 100 % 122 % During whole timeframe Measurement staffing level 100 % 122 % During whole timeframe Measurement staffing level 100 % 122 % During whole timeframe Measurement staffing level is 100% 122 % During whole timeframe Mumber of jobs bid for 17 54 During whole timeframe Mumber of jobs bid for 18 57 % 52 % During whole timeframe Mumber of jobs won 18 64 4 28 During whole timeframe Mumber of jobs won 18 65 9.2 During whole timeframe Mumber of jobs won 18 65 9.2 During whole timeframe Measurement staffing level 18 65 9.2 During whole timeframe Measurement weighting 18	Market share split (UK)	44 %	47 %		% of the market share in the UK
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DHSE staffing level 100 % 122 % During whole timeframe Optimum level is 100% Optimum lev		100 %	120 %		
Measurement staffing level 100% 122% During whole timeframe Number of jobs bid for 7 54 During whole timeframe Sidding success rate 57% 52% During whole timeframe Sidding success rate 57% 52% During whole timeframe Jobs won as a % of jobs bid for 8.5 9.2 During whole timeframe Jobs won as a % of jobs bid for 90 During whole timeframe Jobs won as a % of jobs bid for 90 During whole timeframe Jobs manager resignations 90 During whole timeframe Jobs finished early 90 Stinished on time 90 Stinished late 90 13 During whole timeframe 90 Stinished late 90 15 During whole timeframe 90 Stinished late 90 16 During whole timeframe 90 Stinished late 90 16 During whole timeframe 90 Stinished late 90 16 During whole timeframe 90 Stinished late 90 17 During whole timeframe 90 Stinished late 90 18 During whole timeframe 90 Stinished late 90 18 During whole timeframe 90 Stinished late 90 Stinished late 90 90 90 90 90 90 90 90 90 90 90 90 90	QHSE staffing level	100 %	122 %		•
Number of jobs bid for Number of jobs won 4 28 During whole timeframe Bidding success rate 57% 52% During whole timeframe Broughting 57% 52% 52% During whole timeframe Broughting 57% 52% 52% 52% 52% 52% 52% 52% 52% 52% 52	Measurement staffing level		122 %		•
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Number of jobs won side of jobs won side of jobs won as a % of jobs bid for buring whole timeframe but of jobs won as a % of jobs bid for buring whole timeframe	Number of jobs bid for	7	54	During whole timeframe	
Bidding success rate 57% 52% During whole timeframe Jobs won as a % of jobs bid for store that the project manager weighting 8.5 9.2 During whole timeframe or signations 0 0 0 During whole timeframe obs finished early 0 15 During whole timeframe obs finished on time 0 15 During whole timeframe obs finished late 0 1 During whole timeframe obsective labour on site 0 0 15 During whole timeframe obsective labour on site 0 0 1 During whole timeframe obsective labour on site 0 0 1 During whole timeframe obsective labour on site 0 0 0 1 During whole timeframe obsective labour on site 0 0 0 0 During whole timeframe obsective labour on site 0 0 0 0 During whole timeframe obsective labour on site 0 0 0 0 During whole timeframe obsective labour used on site 0 0 0 0 0 During whole timeframe obsective labour used on site 0 0 0 0 0 During whole timeframe obsective labour used on site 0 0 0 0 0 During whole timeframe obsective labour used on site 0 0 0 0 0 During whole timeframe obsective labour used on site 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Number of jobs won	4	28		
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Project manager resignations Project managers of manager resignations Project managers of managers Project managers of managers Project managers Project manager resignations Project managers Project manager resignations Project manager pour feature frame Propriet imeframe Pouring whole timeframe Pourin	JOB PROGRESSION				
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obs finished early obs finished early obs finished early obs finished on time obs finished on time obs finished on time obs finished late obs finished early obs finished eitherframe obs finished	Project manager resignations	0	0	During whole timeframe	Due to insufficient bonus levels or being headhunted
obs finished on time obs finished late oburing whole timeframe obs of total labour obs 1, where 1 is the optimum level o	Net gain from bonus payments to project managers	25,518	592,852	During whole timeframe	
Tobs finished late Tobs finished late finished Tobs finished Tobs finished Tobs finished Tobs finished To	Jobs finished early	0	13	During whole timeframe	
neffective labour on site 0 % 1 % During whole timeframe Subcontractor labour used on site 0 % 4 % During whole timeframe Ob completion efficiency n/a 0.87 During whole timeframe Seduction in job costs (build) due to targeted investments 0.0 % 0.2 % During whole timeframe Seduction in job costs (risk) due to targeted investments 0.0 % 0.2 % During whole timeframe Seduction in job costs (risk) due to targeted investments 0.0 % 0.2 % During whole timeframe Seduction in job costs (risk) due to targeted investments 0.0 % 0.2 % During whole timeframe Seduction in job costs (risk) due to targeted investments 0.0 % 0.2 % During whole timeframe Seduction in job costs (risk) due to targeted investments 0.0 % 0.2 % During whole timeframe Seduction in job costs (risk) due to targeted investments 0.0 % 0.2 % During whole timeframe Seduction in job costs (risk) due to targeted investments 0.0 % 0.2 % During whole timeframe Seduction in job costs (risk) due to targeted investments 0.0 % 0.2 % During whole timeframe Seduction in job costs (risk) due to targeted investments 0.0 % 0.2 % During whole timeframe Seduction in job costs (risk) due to targeted investments 0.0 % 0.2 % During whole timeframe Seduction in job costs (risk) due to targeted investments 0.0 % 0.2 % During whole timeframe Seduction in job costs (risk) due to targeted investments 0.0 % 0.2 % During whole timeframe 0.0 % 0.2 % During whole tim	Jobs finished on time	0	15	During whole timeframe	
Subcontractor labour used on site 0 % 4 % During whole timeframe As a % of total labour 0 to to completion efficiency Reduction in job costs (build) due to targeted investments 0.0 % 0.2 % During whole timeframe Reduction in job costs (risk) due to targeted investments 0.0 % 0.2 % During whole timeframe For D&B jobs, change in build cost due to consultant designer 1.0 0.8 During whole timeframe Per Description of risk contingency included in bids 1.0 0.8 During whole timeframe 1.0 0.8 During wh	Jobs finished late	0	1	During whole timeframe	
To be completion efficiency Reduction in job costs (build) due to targeted investments Reduction in job costs (risk) due to targeted investments During whole timeframe During whole timeframe D=No contingency, 1=sensible level, 2=full risk cost Risk cost incurred before mitigating factors 45 % 62 % During whole timeframe D=No contingency, 1=sensible level, 2=full risk cost During whole timeframe D=No contingency in the bid D=No contingency in the bid D=No contingency in the bid	Ineffective labour on site	0 %	1 %	During whole timeframe	
ob completion efficiency Reduction in job costs (build) due to targeted investments Reduction in job costs (risk) due to targeted investments Reduction in job costs (risk) due to targeted investments Reduction in job costs (risk) due to targeted investments Reduction in job costs (risk) due to targeted investments Reduction in job costs (risk) due to targeted investments Reduction in job costs (risk) due to targeted investments Reduction in job costs (risk) due to targeted investments Reduction in job costs (risk) due to targeted investments Reduction in job costs (risk) due to targeted investments Reduction in job costs (risk) due to targeted investments Reduction in job costs (risk) due to targeted investments Reduction in job costs (risk) due to targeted investments Reduction in job costs (risk) due to targeted investments Reduction in job costs (build) due to targeted investments Reduction in job costs (build) due to targeted investments Reduction in job costs (build) due to targeted investments Reduction in job costs (build) due to targeted investments Reduction in job costs (build) due to targeted investments Reduction in job costs (build) due to targeted investments Reduction in job costs (build) due to targeted investments Reduction in job costs (risk) due to targeted investments Reduction in job costs (risk) due to targeted investments Reduction in job costs (risk) due to targeted investments Reduction in job costs (risk) due to targeted investments During whole timeframe During whole timeframe 0=No contingency, 1=sensible level, 2=full risk cost Risk cost incurred before mitigating factors As a % of the contingency in the bid Change in risk cost incurred due to mitigating factors -36.0 % -38.6 % During whole timeframe During whole timeframe 0=No contingency, 1=sensible level, 2=full risk cost As a % of the contingency in the bid	Subcontractor labour used on site	0 %	4 %		As a % of total labour
Reduction in job costs (build) due to targeted investments 0.0 % 0.2 % During whole timeframe Reduction in job costs (risk) due to targeted investments 0.0 % 0.2 % During whole timeframe	Job completion efficiency	n/a	0.87		0 to 1, where 1 is the optimum level
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For D&B jobs, change in build cost due to consultant designer -0.7 % -0.9 % During whole timeframe As a % of the contingency in the bid During whole timeframe During whole timeframe During whole timeframe As a % of the contingency in the bid During whole timeframe	Reduction in job costs (risk) due to targeted investments		0.2 %		
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Change in risk cost incurred due to mitigating factors -36.0 % -38.6 % During whole timeframe	Risk cost incurred before mitigating factors	45 %			
	Change in risk cost incurred due to mitigating factors				- -
	Risk cost incurred after mitigating factors				As a % of the contingency in the bid