



# ENGINUITY 2021 COMPETITION

## PERFORMANCE REVIEW FOR 'Tycoons KATKAL'

### MANAGEMENT TEAM

Laxmikant Bhujbal

Tariq Khan

Ameya Parsodkar

Aniruddha Chopadekar

Kaustubh Kulkarni

Kali Ghosal

### SPONSOR

Jacobs

### THE CHALLENGE



It is the **beginning of 2021**.

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

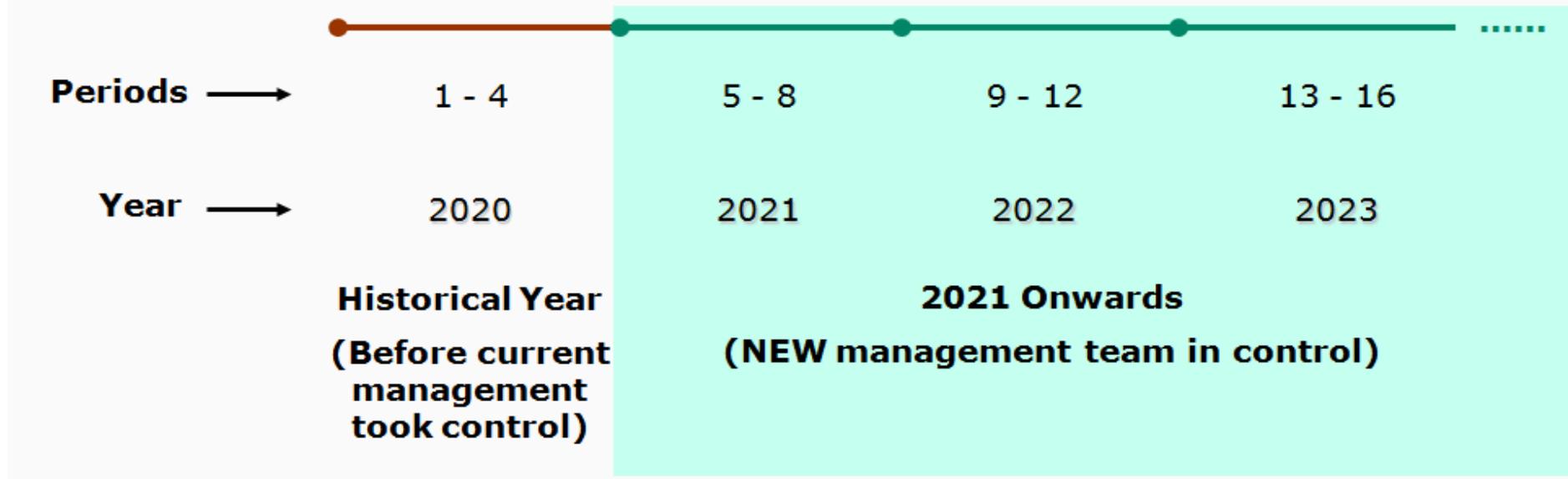
To implement the strategy **decisions** will have to be made in a number of key areas :-

- 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.

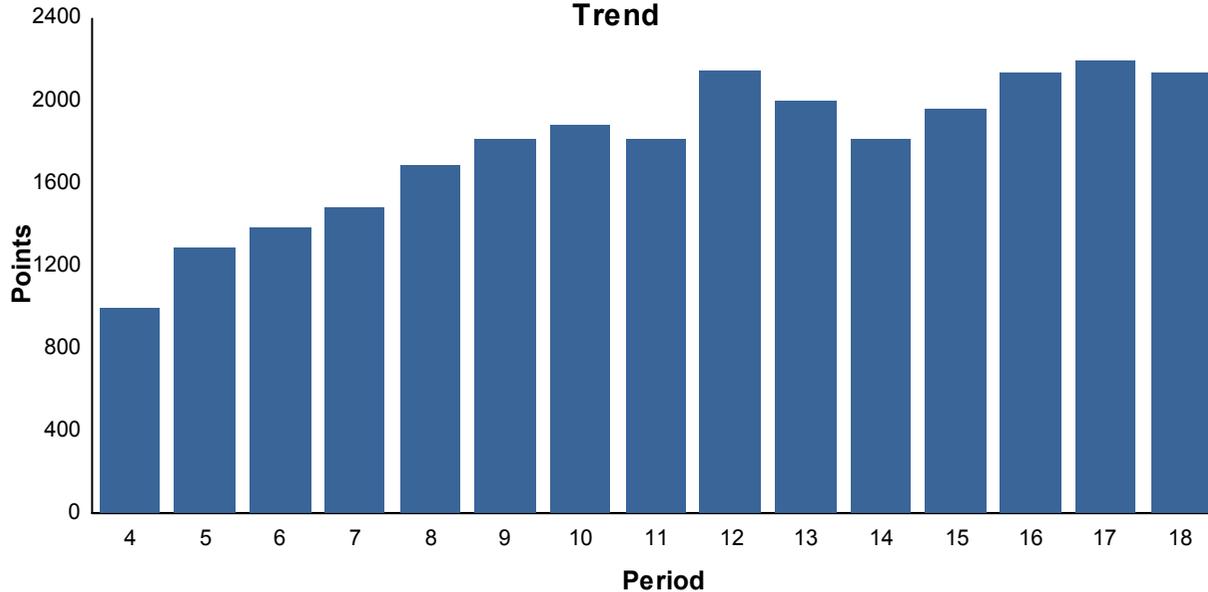
# OVERALL PERFORMANCE (KPIs)

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 2,136 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	2020 (Q4)	40	170	120	170	130	80	70	100	70	50	1,000
5	Early Years	2021 (Q1)	49	192	161	182	149	113	117	146	90	87	1,286
6	Early Years	2021 (Q2)	57	190	164	193	164	129	132	159	82	113	1,383
7	Early Years	2021 (Q3)	66	198	180	214	173	142	121	148	84	152	1,478
8	Early Years	2021 (Q4)	74	217	208	240	181	178	134	169	94	192	1,687
9	Early Years	2022 (Q1)	79	222	215	259	187	186	153	182	103	224	1,810
10	Early Years	2022 (Q2)	87	221	217	281	192	223	135	151	113	263	1,883
11	Early Years	2022 (Q3)	92	215	211	291	188	250	78	85	112	292	1,814
12	Early Years	2022 (Q4)	89	214	197	279	192	258	231	244	122	323	2,149
13	Later Years	2023 (Q1)	96	188	167	277	195	289	163	160	102	362	1,999
14	Later Years	2023 (Q2)	101	176	151	280	190	309	66	63	84	394	1,814
15	Later Years	2023 (Q3)	102	173	145	285	188	356	128	69	82	428	1,956
16	Later Years	2023 (Q4)	100	174	140	286	189	356	240	103	80	465	2,133
17	Later Years	2024 (Q1)	103	166	133	292	192	368	226	129	82	503	2,194
18	Later Years	2024 (Q2)	109	148	112	277	194	378	211	117	62	528	2,136

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			
<b>FINANCIAL MANAGEMENT</b>					
Company value	4,953,073	8,082,241	63 %	End of timeframe	
Share price	1.03	0.91	-12 %	End of timeframe	
Average capital base	4,086,919	6,500,376	59 %	Each period of timeframe	
Average capital base utilisation	73 %	89 %		Each period of timeframe	
Average turnover	11,827,670	18,948,360	60 %	Each period of timeframe	
Job profit	4.2 %	3.6 %		During whole timeframe	As a % of job costs
Overhead costs	1.8 %	1.5 %		During whole timeframe	As a % of job costs
Net operating profit	1.9 %	1.8 %		During whole timeframe	As a % of job costs after tax and interest
Dividend paid	1.8 %	0.4 %		During whole timeframe	As a % of job costs
Forward workload	17,800,340	53,724,110		End of timeframe	
Forward margin	692,358	811,996		End of timeframe	
<b>OVERHEAD MANAGEMENT</b>					
Market share	11 %	33 %		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 %	119 %		During whole timeframe	Optimum level is 100%
QHSE staffing level	100 %	129 %		During whole timeframe	Optimum level is 100%
Measurement staffing level	100 %	129 %		During whole timeframe	Optimum level is 100%
<b>PROCUREMENT</b>					
Number of jobs bid for	11	61		During whole timeframe	
Number of jobs won	6	36		During whole timeframe	
Bidding success rate	55 %	59 %		During whole timeframe	Jobs won as a % of jobs bid for
<b>JOB PROGRESSION</b>					
Project manager weighting	8.2	8.9		During whole timeframe	Out of 10
Project manager resignations	0	2		During whole timeframe	Due to insufficient bonus levels or being headhunted
Net gain from bonus payments to project managers	43,544	826,713		During whole timeframe	
Jobs finished early	0	21		During whole timeframe	
Jobs finished on time	0	13		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	8 %	31 %		During whole timeframe	As a % of total labour
Job completion efficiency	n/a	0.93		During whole timeframe	0 to 1, where 1 is the optimum level
Reduction in job costs (build) due to targeted investments	0.0 %	0.3 %		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 %	-0.8 %		During whole timeframe	
Measure of risk contingency included in bids	1.0	1.1		During whole timeframe	0=No contingency, 1=sensible level, 2=full risk cost
Risk cost incurred before mitigating factors	56 %	45 %		During whole timeframe	As a % of the contingency in the bid
Change in risk cost incurred due to mitigating factors	-38.4 %	-42.1 %		During whole timeframe	
Risk cost incurred after mitigating factors	35 %	26 %		During whole timeframe	As a % of the contingency in the bid