

# The BGEM Compass

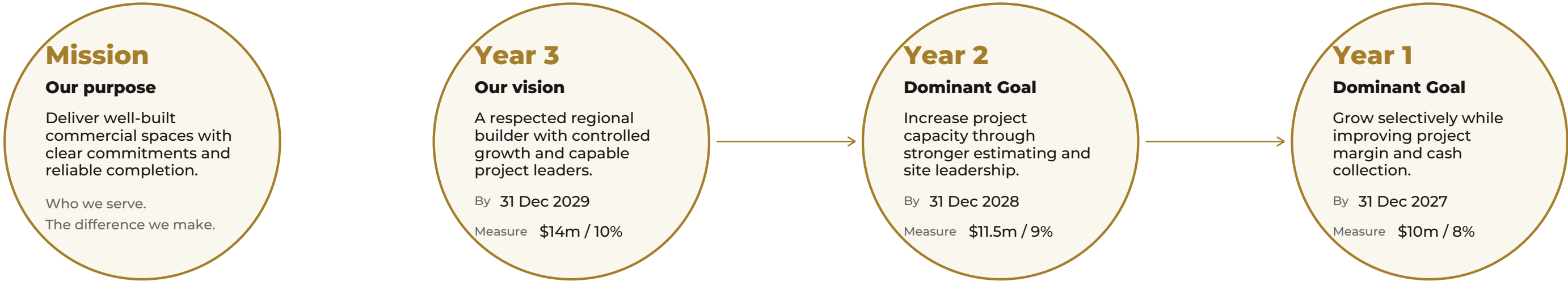
Industry 1 of 3: Property and Construction | 28 staff. Baseline: \$8m revenue, 6% operating margin.

**Member** Taylor Reed, Director

**Business** Summit Construction

**Period** Jan 2027 to Dec 2029

**Review** Every 6 weeks



## The 4/16

Four critical outcomes required to achieve the Year 1 Dominant Goal.

Set four measurable milestones for each outcome. Give each milestone a due date.

| Critical outcome 1<br>\$10m revenue from selected projects<br>Target / owner Commercial Manager | Critical outcome 2<br>Achieve 8% operating margin<br>Target / owner Commercial Manager  | Critical outcome 3<br>Improve project cash conversion<br>Target / owner Finance Manager     | Critical outcome 4<br>Deliver reliably through site leaders<br>Target / owner Operations Manager |
|-------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| <b>1.1</b> Confirm work suited to capacity<br>Measure \$6m contracted backlog Due 31 Mar        | <b>2.1</b> Validate estimates before tender<br>Measure 100% tenders reviewed Due 31 Mar | <b>3.1</b> Agree billing milestones for jobs<br>Measure 100% contracts scheduled Due 31 Mar | <b>4.1</b> Assign accountable project leads<br>Measure 100% sites allocated Due 31 Mar           |
| <b>1.2</b> Deliver first-half programme<br>Measure \$4.5m revenue YTD Due 30 Jun                | <b>2.2</b> Control project variations<br>Measure 95% priced before work Due 30 Jun      | <b>3.2</b> Submit complete progress claims<br>Measure 95% submitted on time Due 30 Jun      | <b>4.2</b> Complete site assurance checks<br>Measure 100% monthly checks Due 30 Jun              |
| <b>1.3</b> Secure the remaining annual work<br>Measure \$3m deliverable backlog Due 30 Sep      | <b>2.3</b> Reduce project budget slippage<br>Measure 90% jobs within budget Due 30 Sep  | <b>3.3</b> Reduce overdue receivables<br>Measure Over 60 days below 5% Due 30 Sep           | <b>4.3</b> Improve milestone reliability<br>Measure 90% milestones on time Due 30 Sep            |
| <b>1.4</b> Complete annual revenue target<br>Measure \$10m recognised Due 31 Dec                | <b>2.4</b> Deliver operating profit target<br>Measure \$800k profit Due 31 Dec          | <b>3.4</b> Maintain cash headroom<br>Measure 8 weeks fixed costs Due 31 Dec                 | <b>4.4</b> Improve final handover quality<br>Measure 95% defects closed in 20 days Due 31 Dec    |

## Guiding principles

The behaviours that guide how we deliver.

|                                                                                                                                  |                                                                                                                                |                                                                                                                            |                                                                                                                              |
|----------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| <b>Principle 1</b><br>Safety is planned<br>By this we mean<br>Identify risks before work begins and stop when conditions change. | <b>Principle 2</b><br>Promises match capacity<br>By this we mean<br>Commit only when people, materials and time are available. | <b>Principle 3</b><br>Raise issues early<br>By this we mean<br>Make cost and programme risks visible while options remain. | <b>Principle 4</b><br>Quality is everyone's work<br>By this we mean<br>Check each stage and resolve defects before handover. |
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Fictional example. NZD excluding GST. Circle measures: annual revenue / operating margin after owner salary. Milestone dates are in 2027.