

Mesta

Paving the way forward



Nareg



Fawaz



Karen



Aren

Mesta is looking to set a plan to analyze and solve the main challenges in the Western CSP practice



Situation Overview

Industry Landscape



Landscape:

A **structural shift** in the division of responsibility between the national road authority and county road authorities is underway



Competitive Scene:

There are several **competing players**, such as public and private contractors, which include local entrepreneurs



Trends:

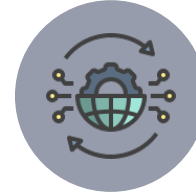
Increased reliance on **digitalization**, in addition to high commitment to **sustainability** goals

Company Overview



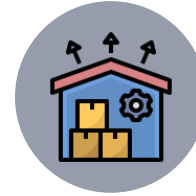
Mesta:

Norway's largest contracting company within the operation and maintenance of roads with annual revenues of **~NOK 5.3bn**



Structure:

Have **4 major fields** of operations with road **operations and maintenance** as their largest business area



Aspirations:

Aiming to set a framework to **analyze** and **solve** the main challenges in the Western Construction/Specialist practice

Source: Case Slides

Overview

Analysis

Recommendation

Impact

Risks

... with several opportunities that Mesta can capitalize on to achieve its aspirations

Opportunity Overview



**Enhancing Resource
Management**



**Rethinking Project
Frameworks**

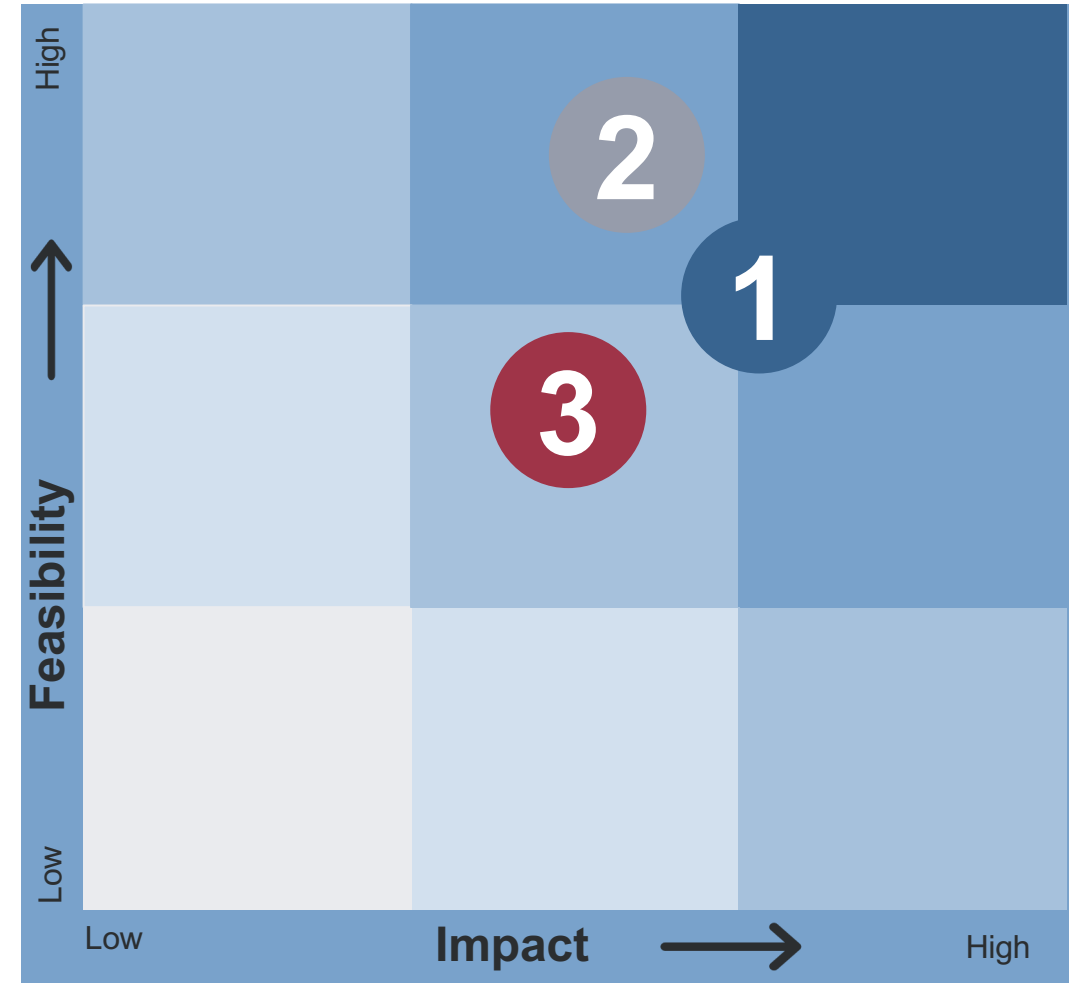


**Embracing ESG
Initiatives Further**

... with several opportunities that Mesta can capitalize on to achieve its aspirations

Opportunity Overview

- 1 Enhancing Resource Management**
As Mesta struggles with the dynamic nature of resource allocation resulting from need-basis projects
- 2 Rethinking Project Frameworks**
Exploring the possibility of shifting from high reliance on internal expertise to outsourcing certain operations
- 3 Embracing ESG Initiatives Further**
With its high commitment to ESG goals, Mesta can accordingly design its operational frameworks



An aerial photograph of a large construction equipment yard, likely a Mesta dealership or fleet. Numerous yellow trucks and heavy machinery are parked in rows. A group of people is standing in front of the trucks, and a Mesta logo is visible on a building in the background. The image is overlaid with a semi-transparent blue filter.

How can Mesta develop a plan to successfully improve profitability in its Western CSP practice?

How can Mesta develop a plan to successfully improve profitability in its Western CSP practice?



Opportunities

Enhancing Resource Management

Rethinking Project Frameworks

Embracing ESG Initiatives Further



Strategy

Rammeverk 2.0

A 4-step framework which will allow Mesta to improve the profitability of its Construction and Specialist Production practice in different Norwegian regions



KPIs by 2026

Increase Employee Satisfaction Index to 8.5

Improve Profit Margin to reach 6.31%

Promote 4 SDGs to empower Norway

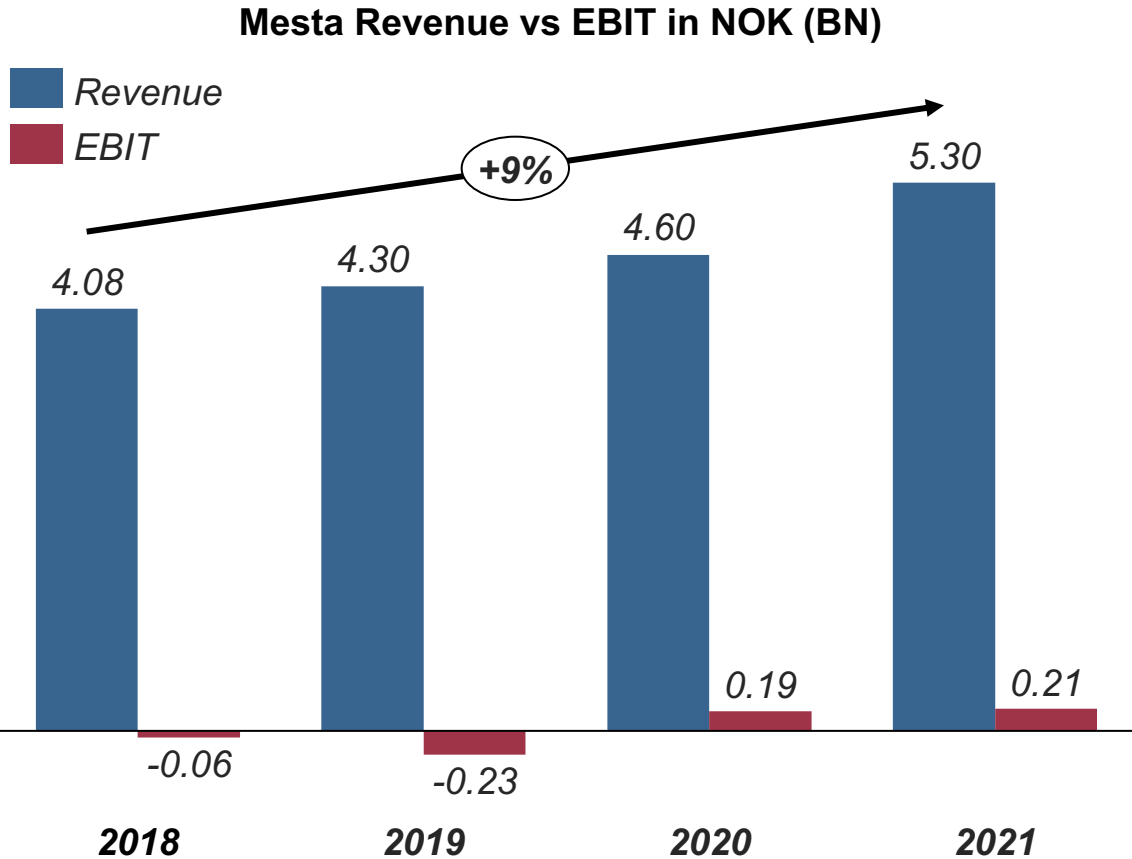
Analysis

Mesta is Norway's largest contracting company within the operation and maintenance of roads industry



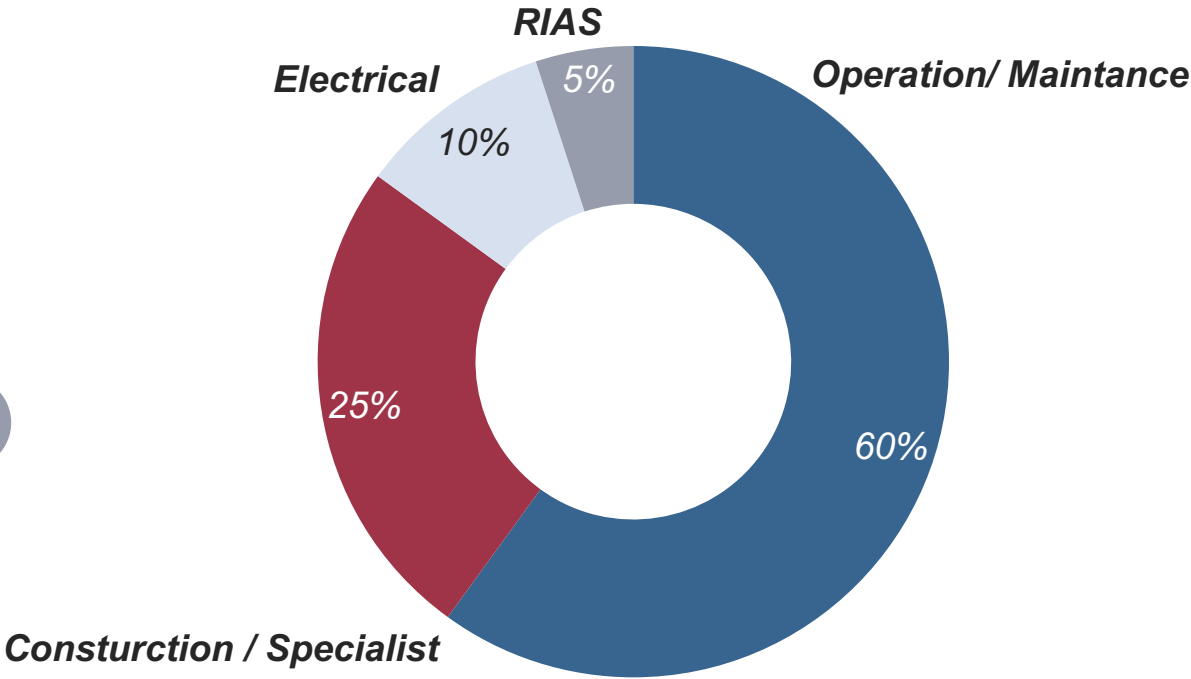
Company Overview Analysis

Mesta has been experiencing growing revenue and EBIT between 2018-2021...



Source: Mesta 2021 Annual Report

Mesta is achieving revenue across their 4 main business divisions...

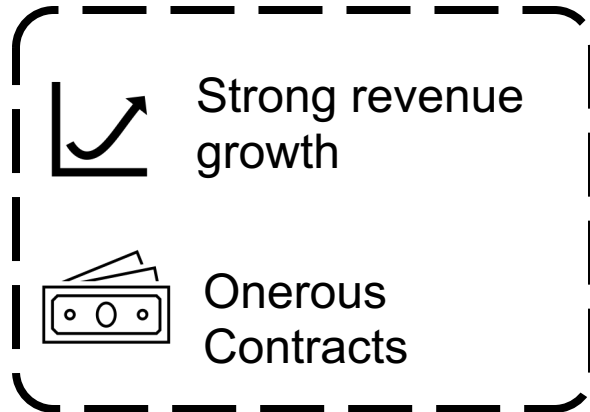
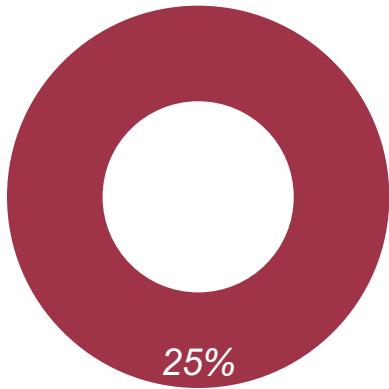


However, profitability in *Construction and Specialist Production* has room for Growth

Construction/Specialist production is facing difficulties in the Western region

Construction/Specialist production

Consturction/Specialist



Construction
West



Construction
East

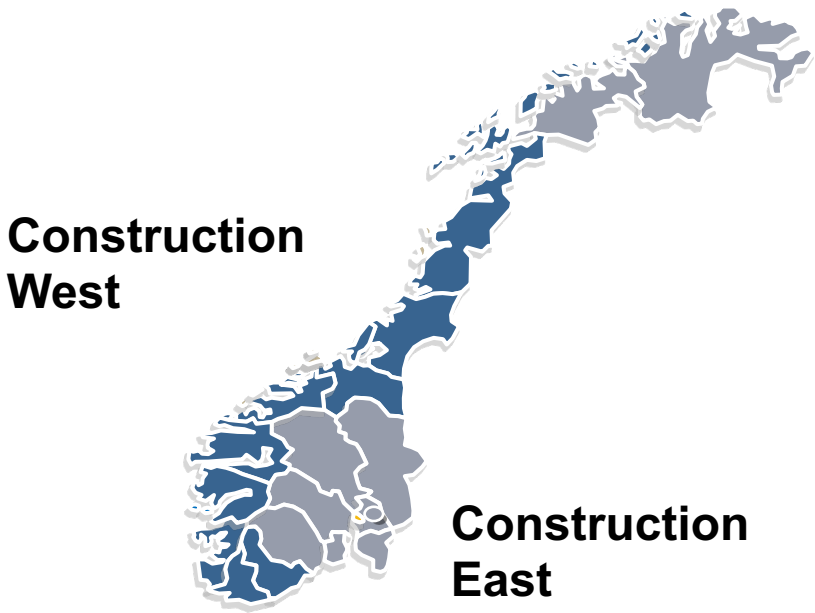
Two Regions to
Compare

Source: Case Material and Team analysis

Construction/Specialist production is facing difficulties in the Western region



Construction/Specialist production



Revenue in Mn NOK

2021
2022



Revenue East vs West

Profit East vs West

Revenue Continues to Grow in the East and West

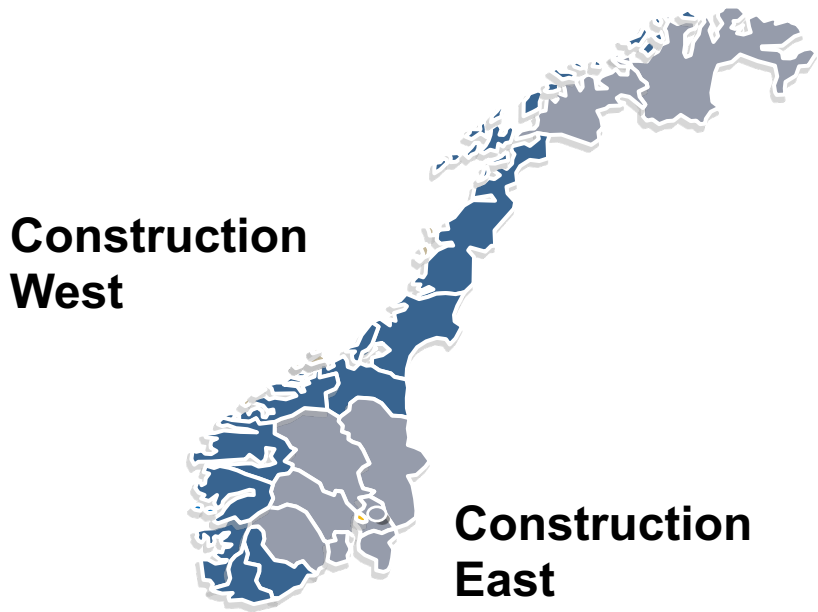
Source: Case Material

Construction/Specialist production is facing difficulties in the Western region



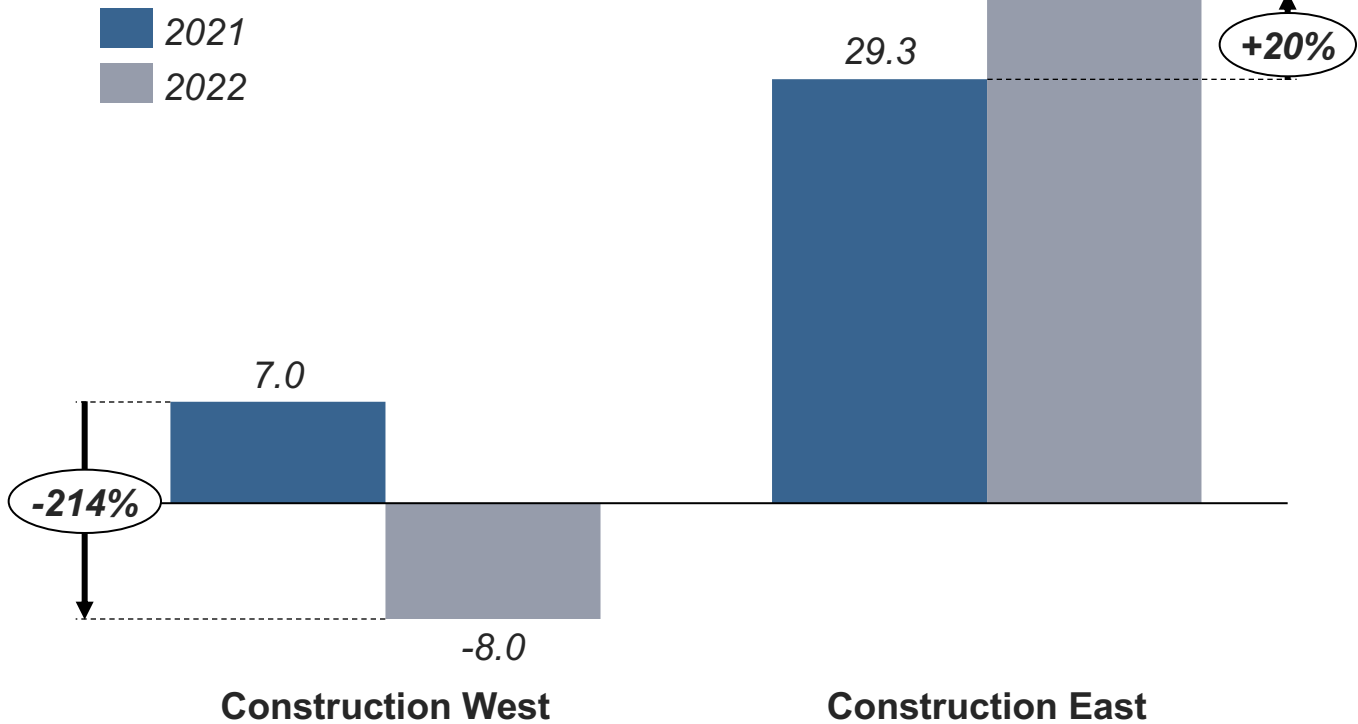
Construction/Specialist production

Profit in Mn NOK



Revenue East vs West

Profit East vs West



Profits are Shrinking in the West
While they Grow in the East

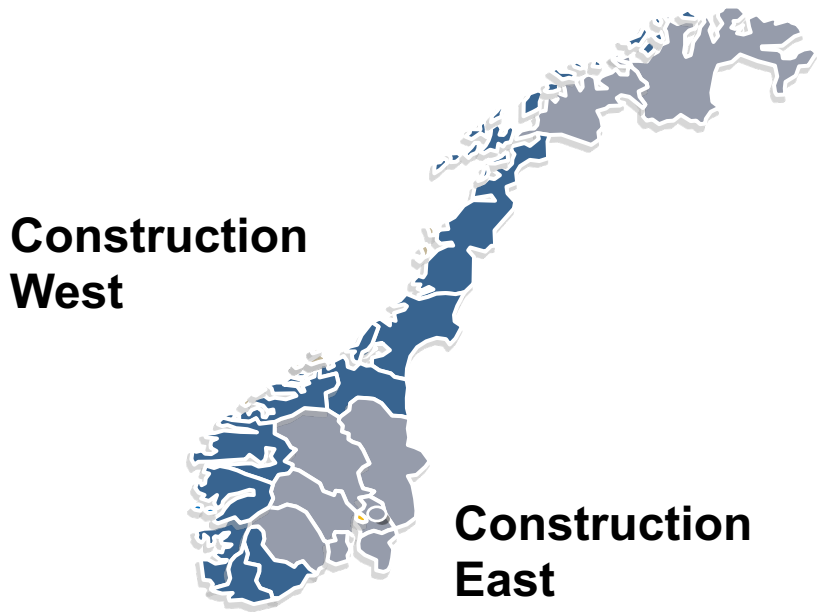
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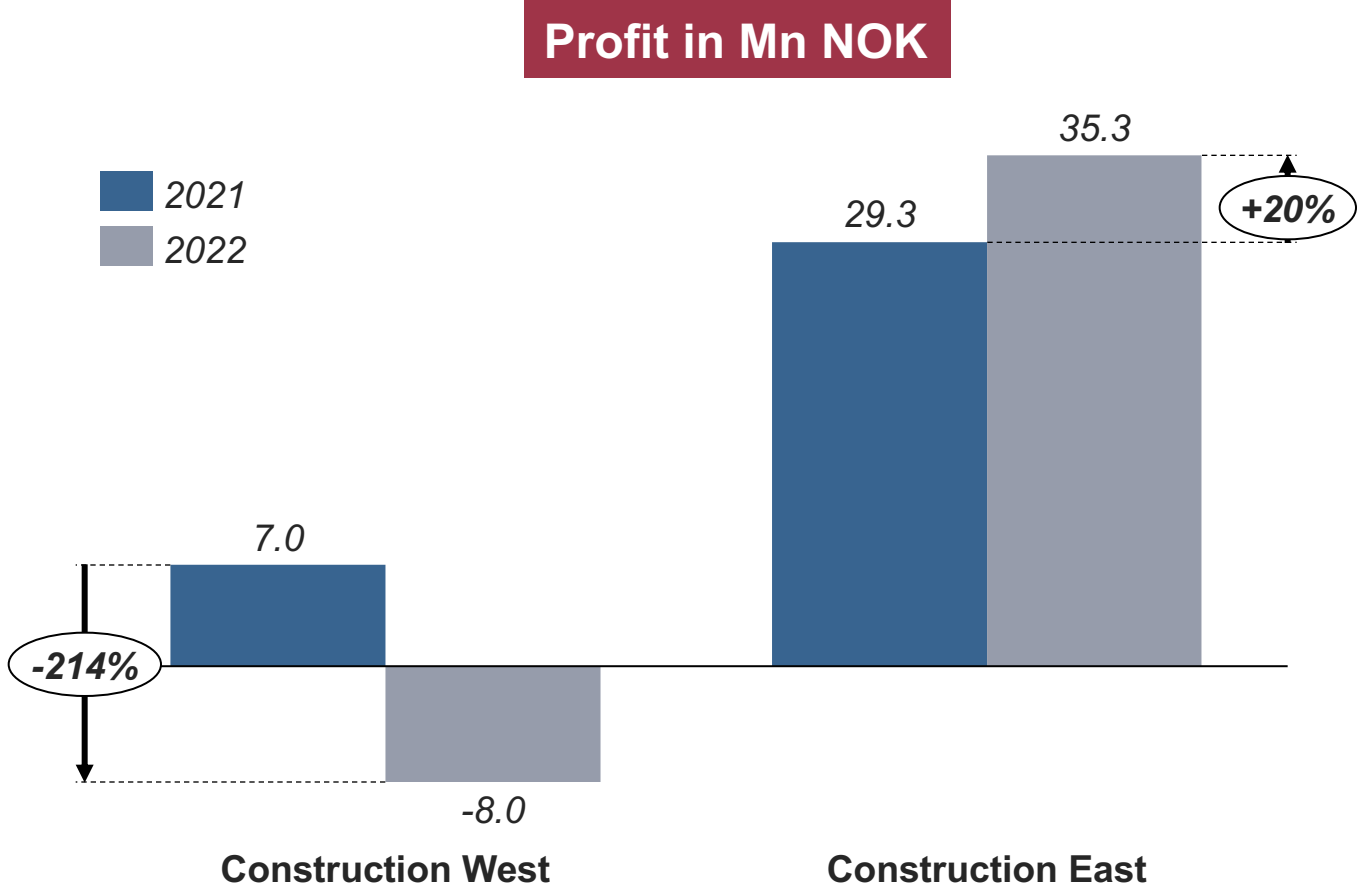
Construction/Specialist production

Profit in Mn NOK



Revenue East vs West

Profit East vs West



Target : Reduce Costs

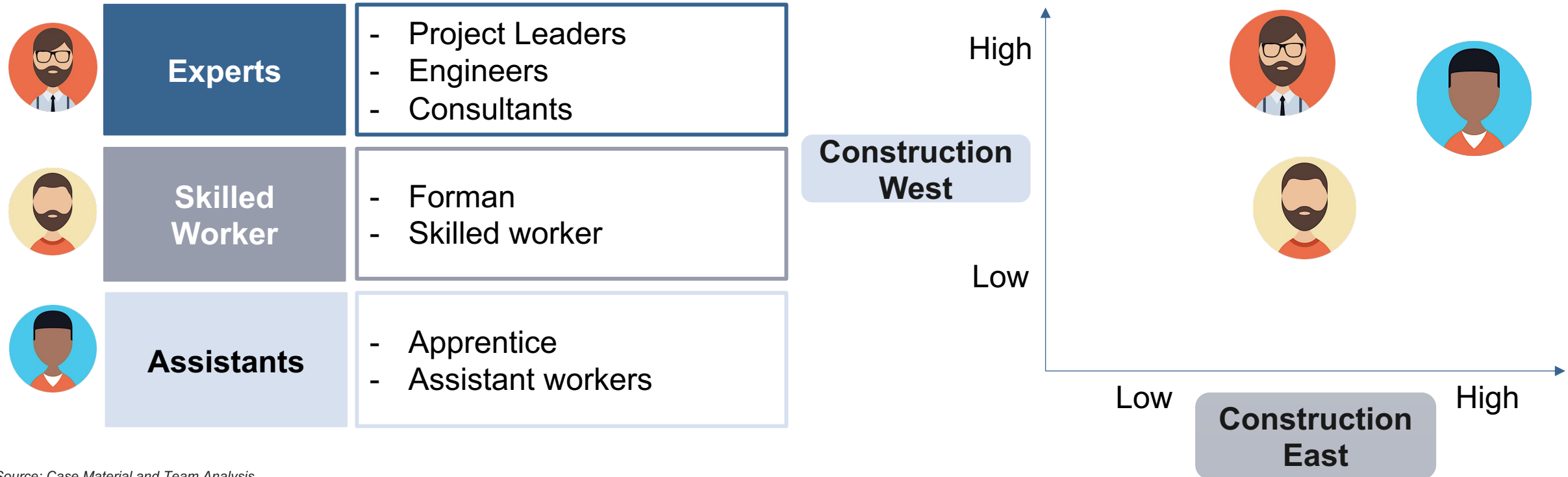
Source: Case Material

Based on employee allocation we can assume that western projects can be considered more complex

Employee distribution

Employees

Group employees in order to visualize their distribution between east and west



Source: Case Material and Team Analysis

The complexity of Western projects are mainly due to the topography and harsh weather conditions

Topography Analysis

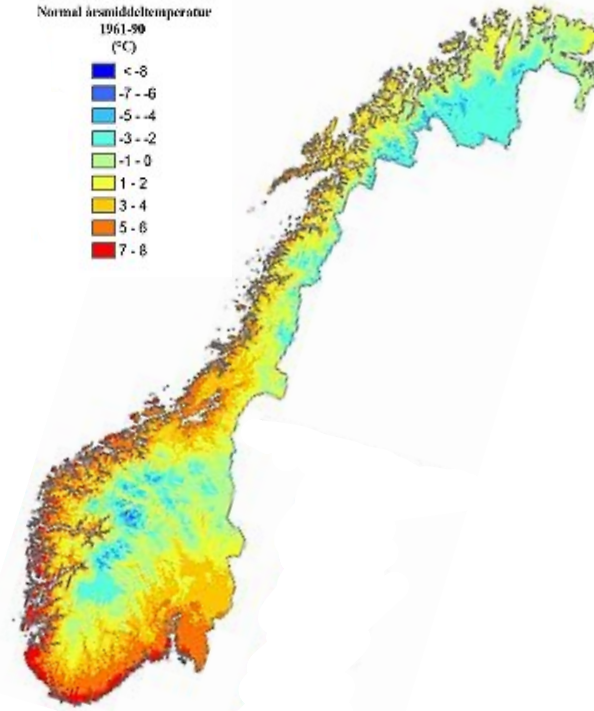
**Construction
West**



**Construction
East**

Normal årsmedeltemperatur
1961-90
(°C)

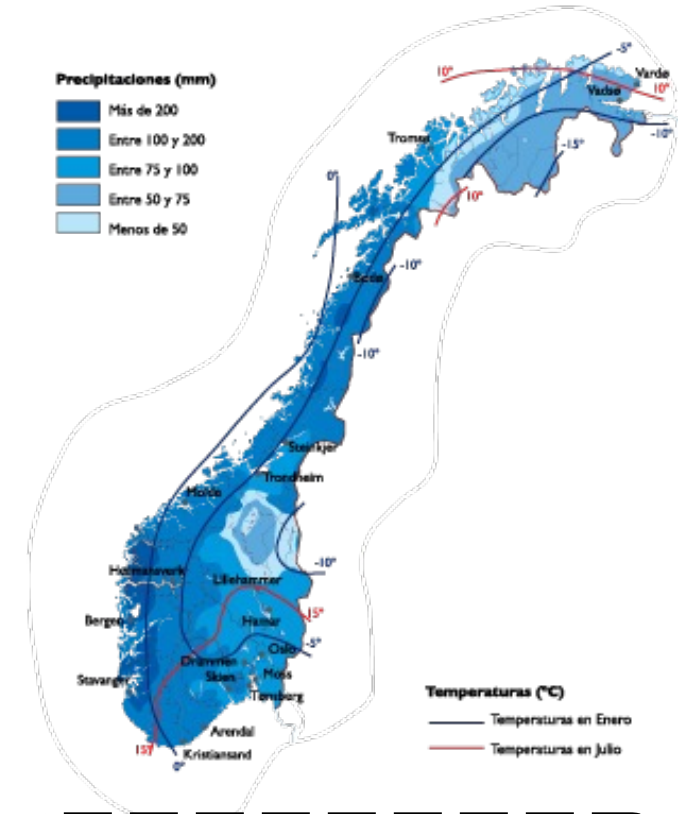
- < -8
- 7 - -6
- 5 - -4
- 3 - -2
- 1 - 0
- 1 - 2
- 3 - 4
- 5 - 6
- 7 - 8



Rolling Terrain in the West

Precipitaciones (mm)

- Más de 200
- Entre 100 y 200
- Entre 75 y 100
- Entre 50 y 75
- Menos de 50

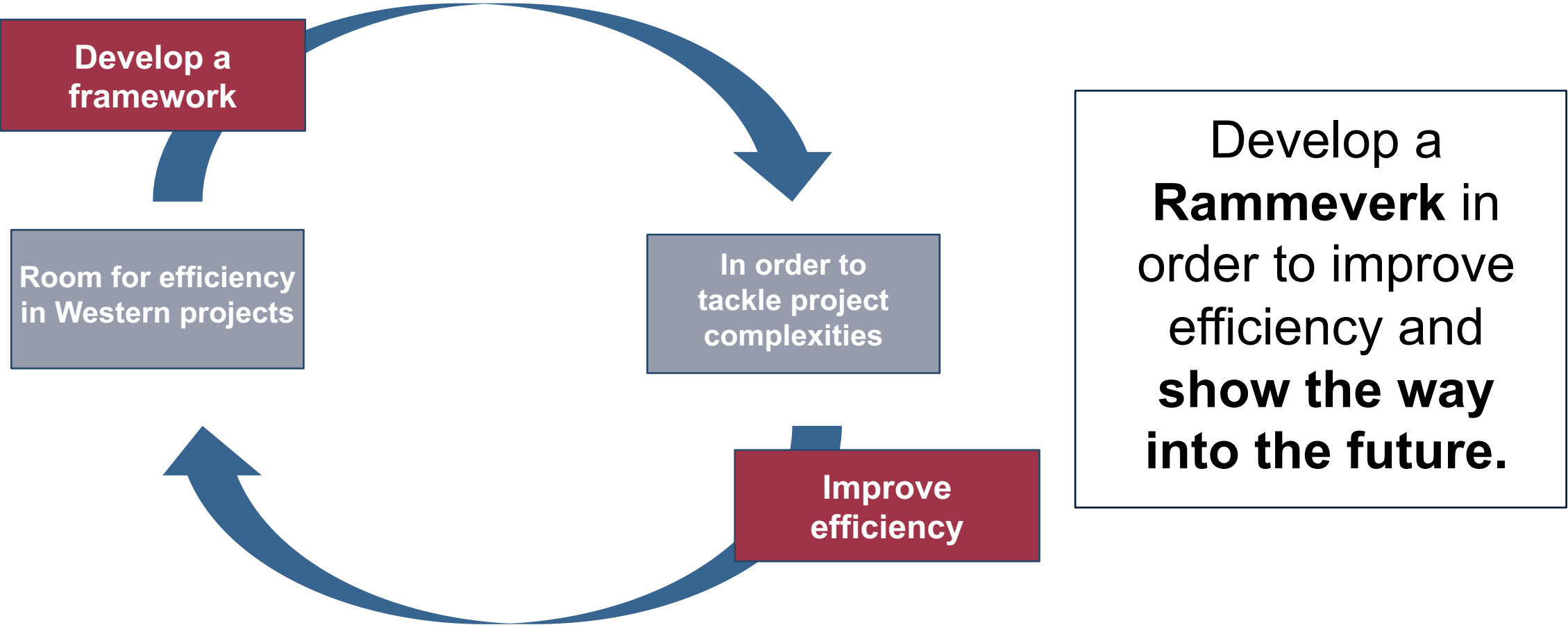


**Colder Temperatures
in the West**

Going forward Mesta needs to develop a framework to manage project inefficiencies



Opportunity Analysis



Source: Team analysis

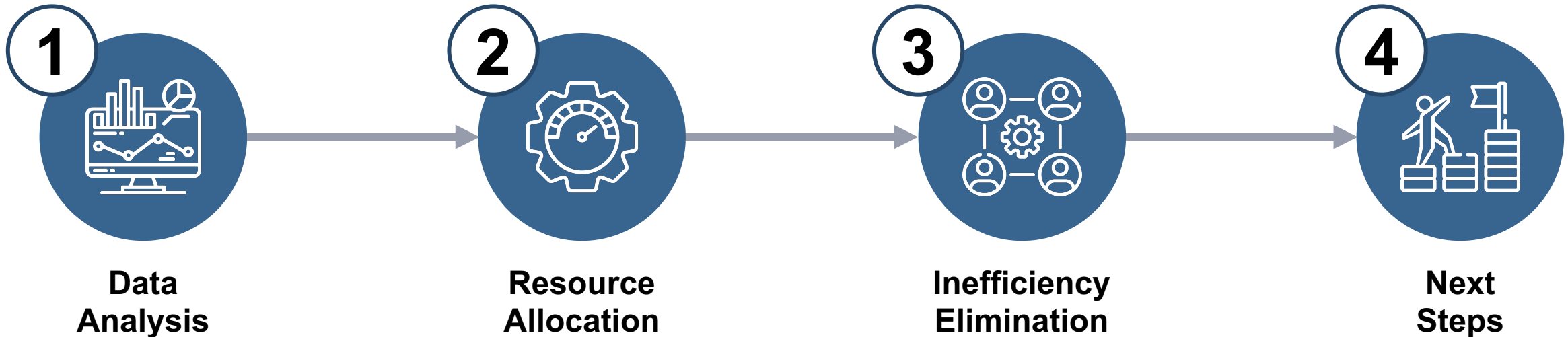
Recommendation

Introducing Rammeverk 2.0 – a framework aimed at improving profitability performance across Mesta's business units

Strategy

Rammeverk 2.0

A 4-step framework which will allow Mesta to improve the profitability of its Construction and Specialist Production practice in different Norwegian regions

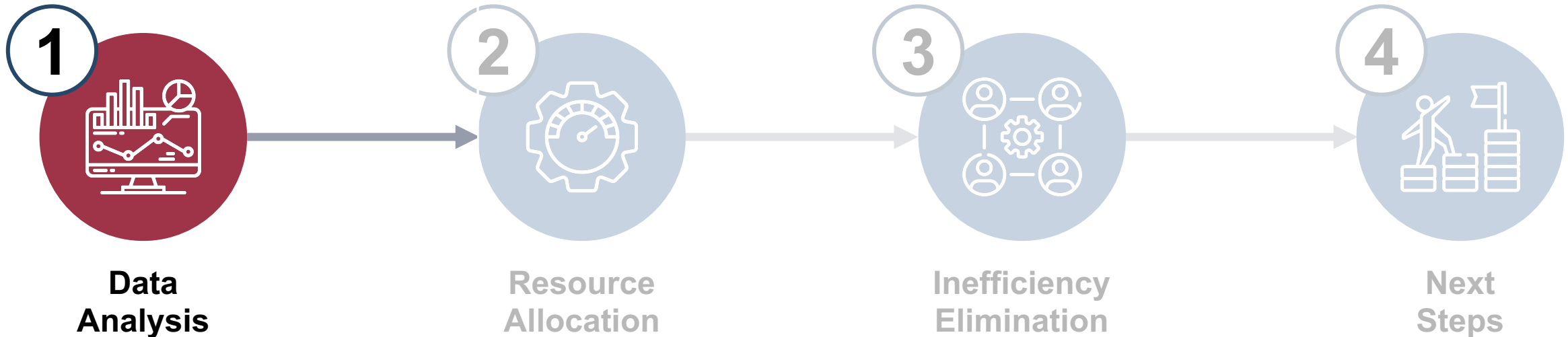


Starting off with the first step of the framework: data analysis

Step 1

Rammeverk 2.0

A 4-step framework which will allow Mesta to improve the profitability of its Construction and Specialist Production practice in different Norwegian regions



Here, we recommend collecting data to classify projects into different groups...

What data to collect?

1

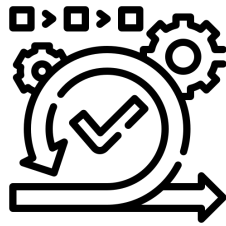


Data Analysis

Mesta's new classification scheme will aim at segmenting tasks based on key inputs into different levels of complexity as a **first step of this framework**

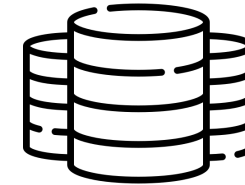
Data Inputs

Time
Equipment
Manpower
Safety
Weather
Terrain
Size
Costs
Revenues



Weight Allocation

Different weights will be allocated to data inputs based on Mesta's project management priorities and expertise



Historic Databases

Assessment of different data inputs and relative scoring will depend on previous projects which will feed into a common database

...this classification will be based on the level of complexity,
taking different data points as inputs

What data to collect?

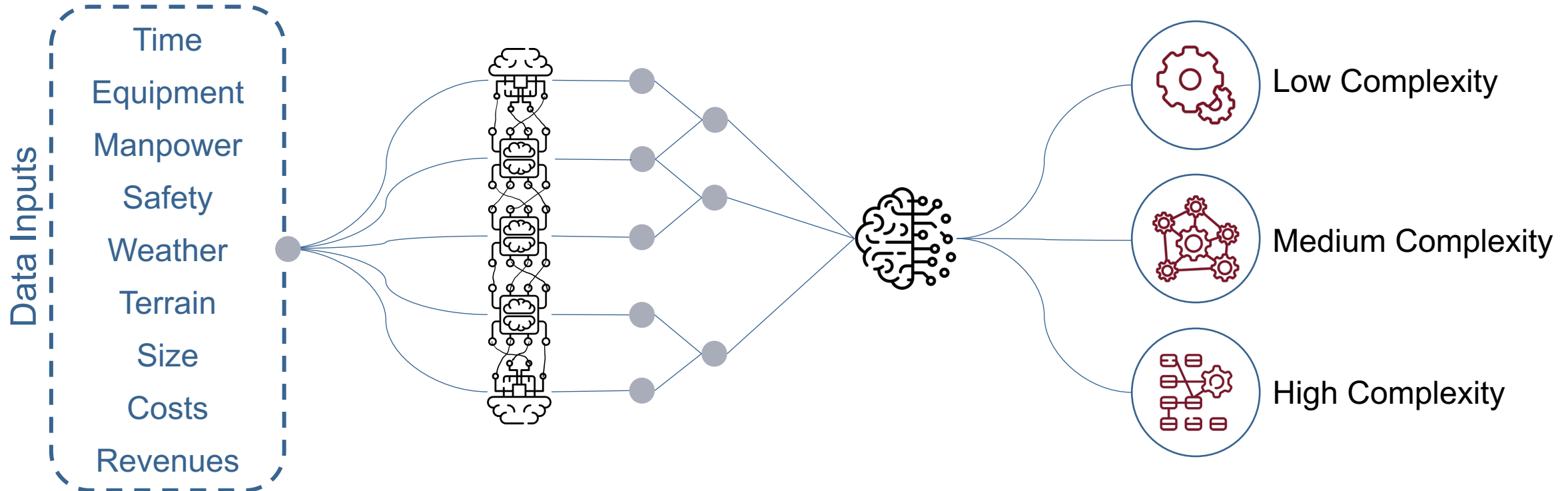
1



Data Analysis

Mesta's new classification scheme will aim at
segmenting tasks based on key inputs into
different levels of complexity as a **first step of
this framework**

Project Classifications



We recommend 2 data collection sources: existing Mesta sources and a newly developed employee data collection platform



How to collect data?

1



Data Analysis

Data Collection Sources

Leverage Existing Sources



“AIR Platform”

Utilize information and insights generated on the platform to better understand painpoints



LINX

Capitalize data relating to the fleet performance and management to effectively distribute resources



RIS

Use historical data collected on previous projects to categorize them

Develop New Sources

“Engage”:

A new employee platform where on-ground workers get to rate the projects and score them on different metrics

Project “Highway Renovation”



Working Conditions



Task Difficulty



Task Duration



Additional Comments:

“We worked in tough weather conditions on steep slopes to prevent an avalanche on the main highway” ~ Ole

Overview

Analysis

Recommendation

Impact

Risks

You can drive on-ground workers to provide data in return for incentives

How to collect data?

1



Data Analysis

Data Collection Sources



Key Takeaway:

“AIR Platform”
Utilize information and insights generated on the platform to better understand and pinpoint
On-ground workers can provide you with **valuable data** and project information...

...In return, **active participators** on the forum get **incentivized** (monetary rewards, recognition, etc...)



RIS

Use historical data collected on previous projects to categorize them

Develop New Sources

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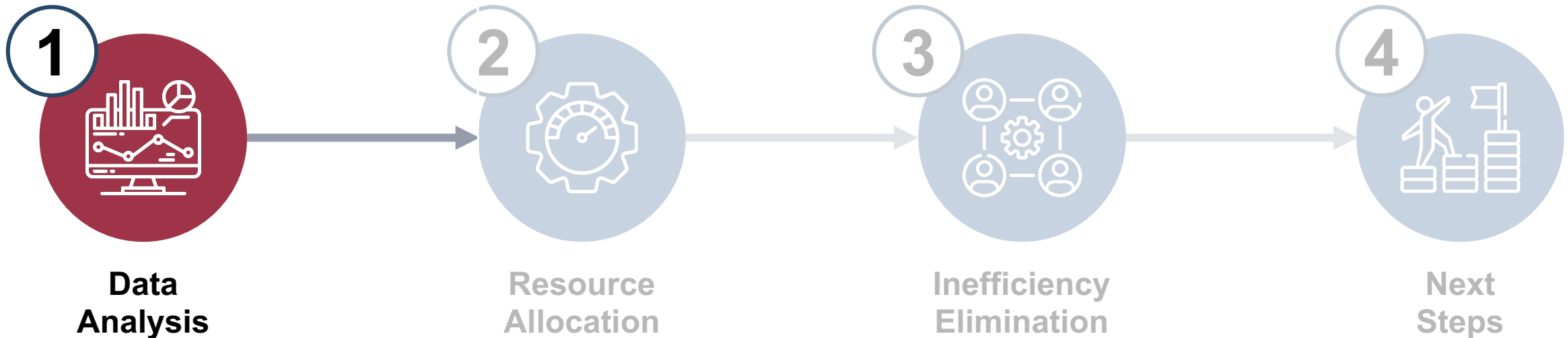
“We worked in tough weather conditions on steep slopes to prevent an avalanche on the main highway” ~ Ole

Now that we covered the first step...

Strategy

Rammeverk 2.0

A 4-step framework which will allow Mesta to improve the profitability of its Construction and Specialist Production practice in different Norwegian regions

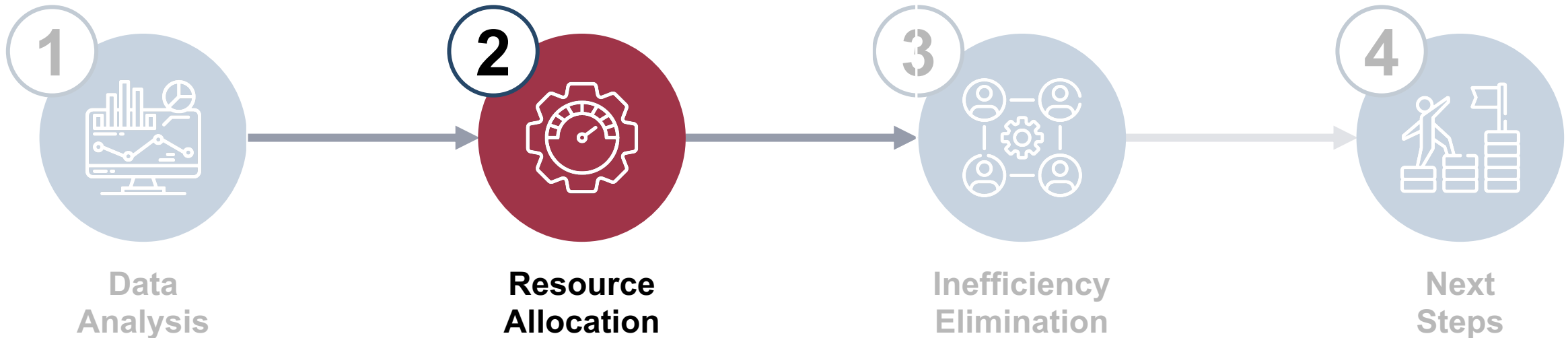


...let us get into the second step: resource allocation

Step 2

Rammeverk 2.0

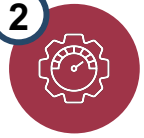
A 4-step framework which will allow Mesta to improve the profitability of its Construction and Specialist Production practice in different Norwegian regions



Mesta's current situation shows a high dependency on fixed costs and internal expertise...

Current Situation

2

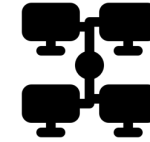


Resource Allocation

Current Situation



High Fixed Costs



High Reliance on Internal Expertise



In-House

Outsource

...which shows the need to diversify project handling methods

Potential Courses of Action

2

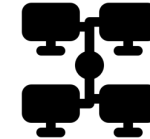


Resource Allocation

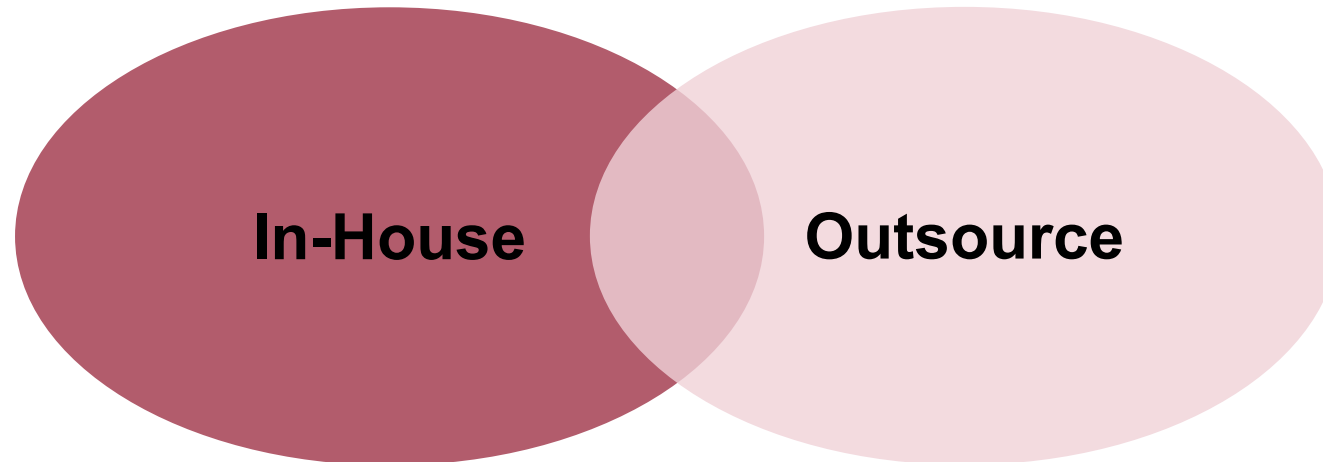
Current Situation



High Fixed Costs



High Reliance on Internal Expertise



This diversification provides several benefits for Mesta

Motivation

2



Resource Allocation

In-house

Keep the implementation of tasks or projects in the hands of Mesta's team of experts

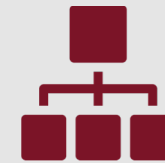
Outsource

Outsource tasks or projects to local entrepreneurs or subcontracting companies

Diversify

Find a convenient combination of both approaches, tailored based on task/project requirements

Why?



Shift away from the fixed cost structure



Relieve pressure during high-demand periods



Minimize financial impact of idle project periods

To outsource projects, develop a bidding platform for subcontractors and identify selection criteria to choose the best contractor

“Collaborate” Platform

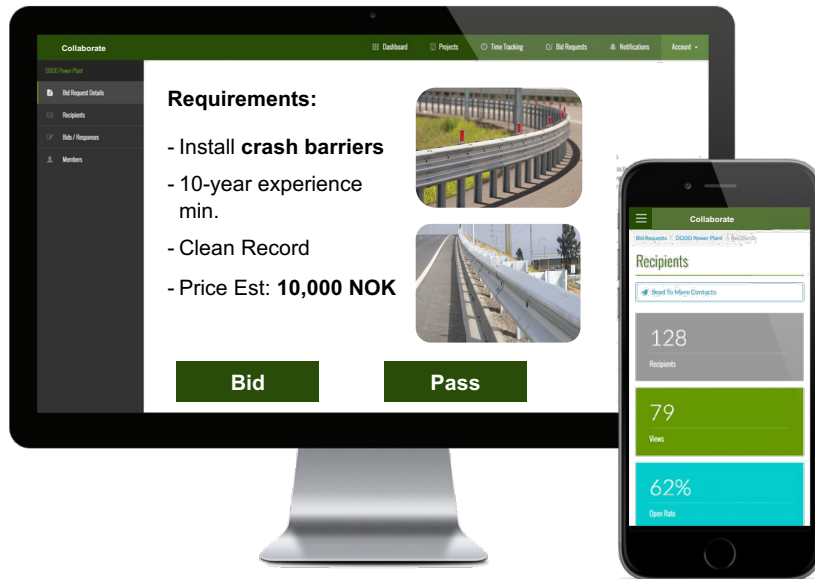
2



Resource Allocation

Introduce “**Collaborate**” – A bidding platform where subcontractors get to bid on selected projects by Mesta

What?



Subcontractor project bidding platform

Selection Criteria



Experience/Expertise



CO₂ Emissions



Alignment with Mesta Values



Clean Track Record

Overview

Analysis

Recommendation

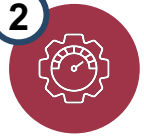
Impact

Risks

However, there are major considerations that you should keep in mind while outsourcing projects...

Other Key Considerations

2



Resource Allocation

Project Complexity

Legal Restrictions

Client Preferences

Current Capabilities

Other Key Considerations
when choosing course of action

...based on your preferences, decide what projects will be outsourced according to their complexities and other factors

Project Complexity

2



Resource Allocation

Project Complexity

Legal Restrictions

Client Preferences

Current Capabilities

Question:

Which class of projects/tasks (low-mid-high complexity) corresponds to each course of action?

1
Outsource easy and routine tasks to shift company focus and resources on complex projects as part of company's core

2
Outsource complex tasks that are beyond company expertise to cut down on training and development costs

...based on your preferences, decide what projects will be outsourced according to their complexities and other factors

Course of Action

2



Resource Allocation

Project Complexity

Legal Restrictions

Client Preferences

Current Capabilities

Question:

Which class of projects/tasks (low-mid-high complexity) corresponds to each course of action?

Outsource easy and routine tasks to shift company focus and resources to complex projects as part of company's core

Based on Mesta's Priorities

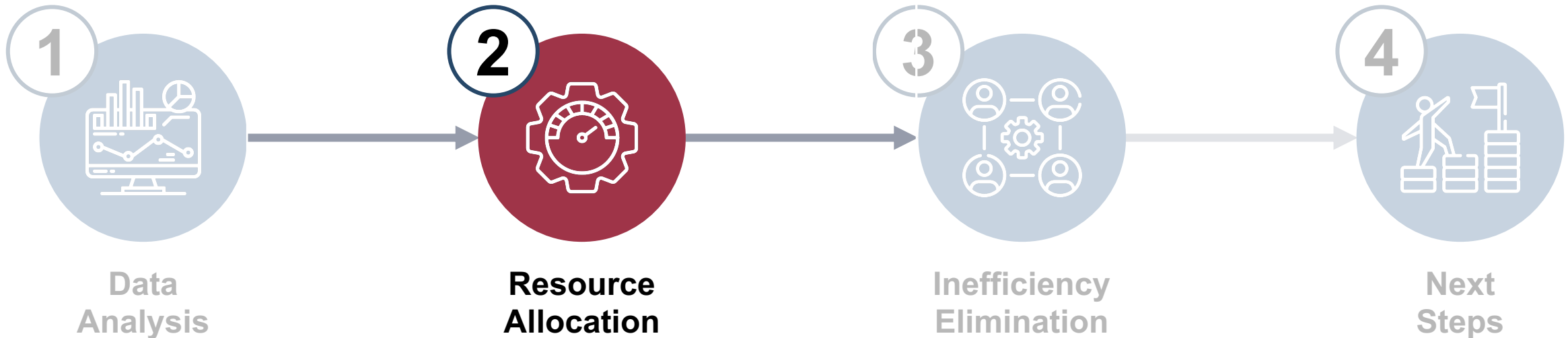
Outsource complex tasks that are beyond company capabilities to cut down on training and development costs

Now that we covered the second step

Strategy

Rammeverk 2.0

A 4-step framework which will allow Mesta to improve the profitability of its Construction and Specialist Production practice in different Norwegian regions

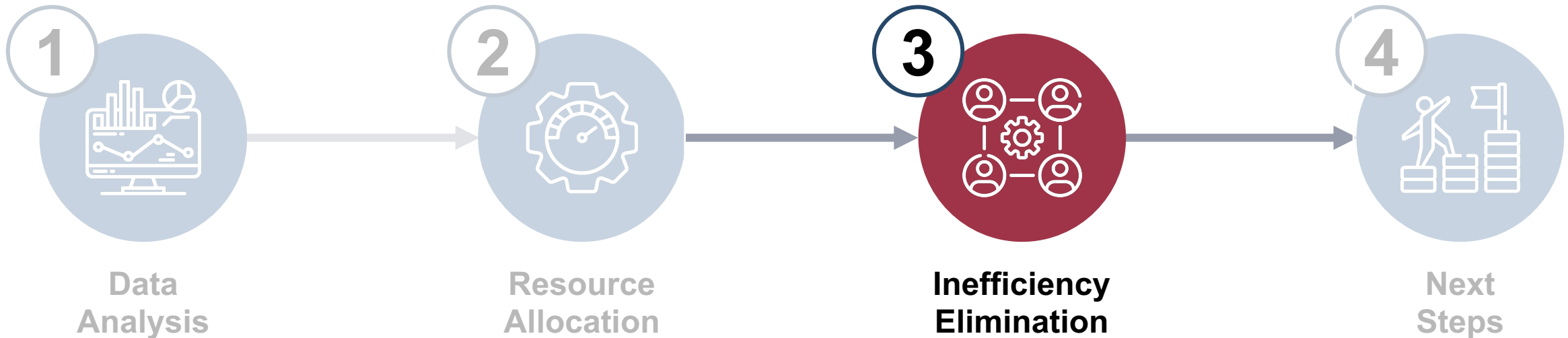


Let us dive into the third step of the framework: inefficiency elimination

Inefficiency Elimination

Rammeverk 2.0

A 4-step framework which will allow Mesta to improve the profitability of its Construction and Specialist Production practice in different Norwegian regions



One major inefficiency is skilled employee idle time, and that is why we recommend revamping AIR into AIR 2.0

Air 2.0

Non-exhaustive & simplified

3



Inefficiency Elimination

1



Employee Idle Time

Potential Solutions:

- Idle experts provide virtual consultations
- Introduction of AIR 2.0

Air 2.0

1

Revamp AIR

AIR (Analysis, Insight, and Reporting), Mesta's data-driven initiative, will now be tailored to allow for **virtual support sessions** between engineers

Impact:

Encourage idea exchange and generation to enhance company culture

2

New Features

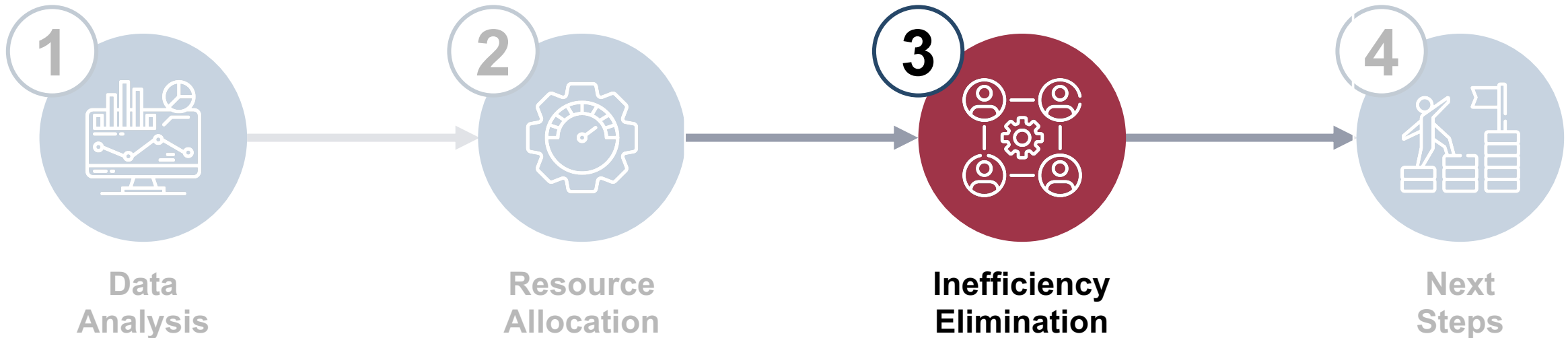
- Virtual consultations
- Formation of cross-functional teams
 - Borderless / countrywide communication
- Incentives for employee participation

Impact:

Engage employees through attractive platform features

Rammeverk 2.0

A 4-step framework which will allow Mesta to improve the profitability of its Construction and Specialist Production practice in different Norwegian regions

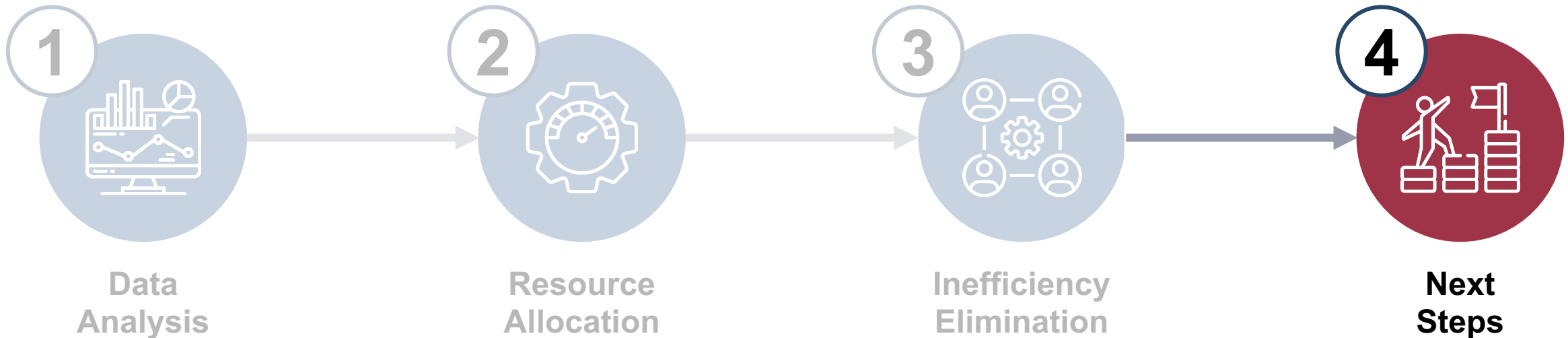


...let us talk about the next steps Mesta should take

Next Steps

Rammeverk 2.0

A 4-step framework which will allow Mesta to improve the profitability of its Construction and Specialist Production practice in different Norwegian regions



First, gather employee feedback on the different initiatives...

Gather

4



Next Steps



”

We want to help create positive changes in our industry.

- Mesta, “Our Culture”

Gather

insights from employee feedback on a regular basis

1



2

Keep Up

with emerging trends and tech solutions

3

Measure

impact of strategy and modify accordingly

...then, make sure to keep up with digitalization trends

Keep Up

4



Next Steps



”

We want to help create positive changes in our industry.

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insights from employee feedback on a regular basis

1

2

Keep Up
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Measure

impact of strategy and modify accordingly



Last, continuously measure the impact of the framework and make necessary changes

Measure

4



Next Steps



”

We want to help create positive changes in our industry.

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Gather

insights from employee feedback on a regular basis

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2

Keep Up

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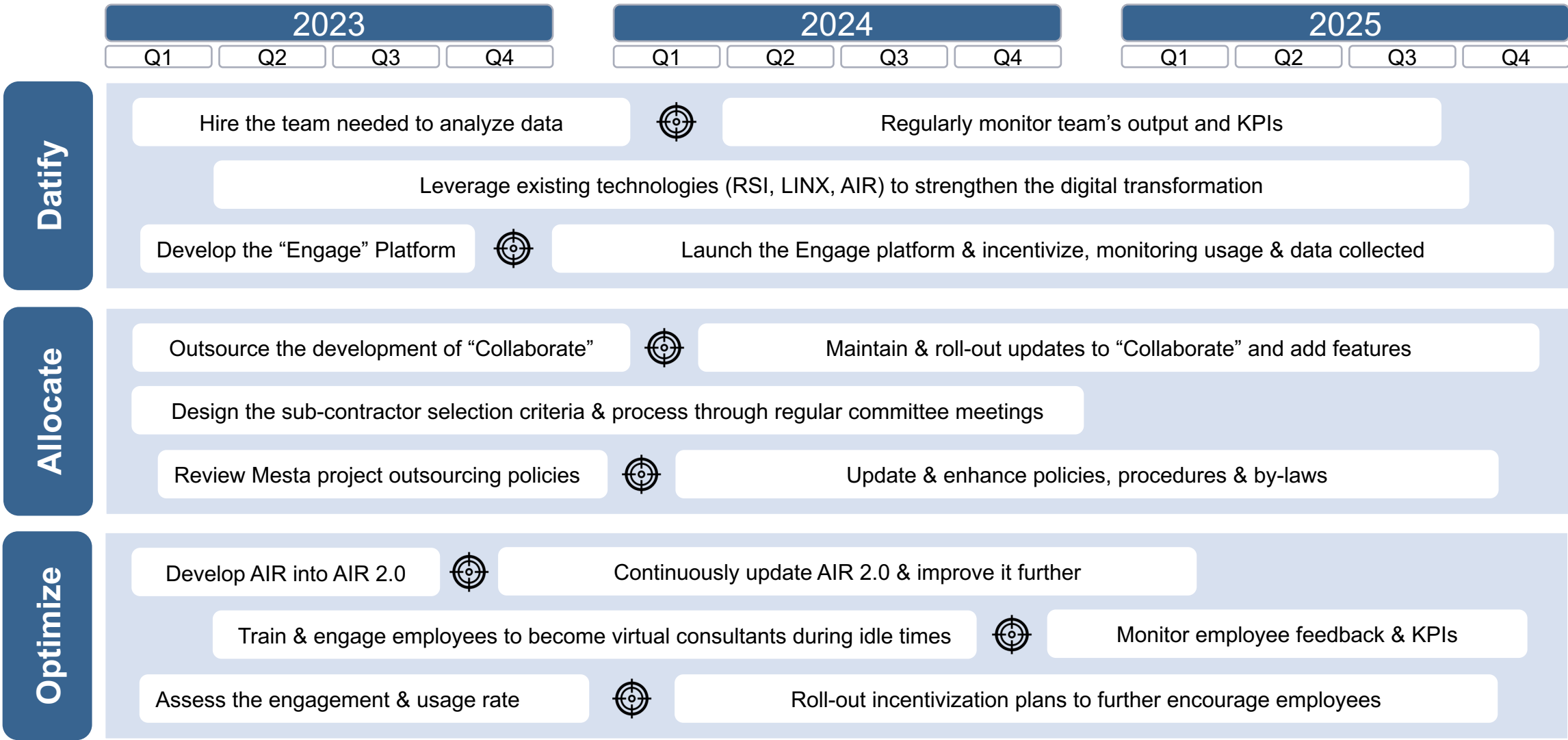


Impact

Rammeverk 2.0 will be implemented as follows



Timeline



The strategy incurs the following major cost drivers

Incremental Costs

Cost Drivers



Developing
Platforms

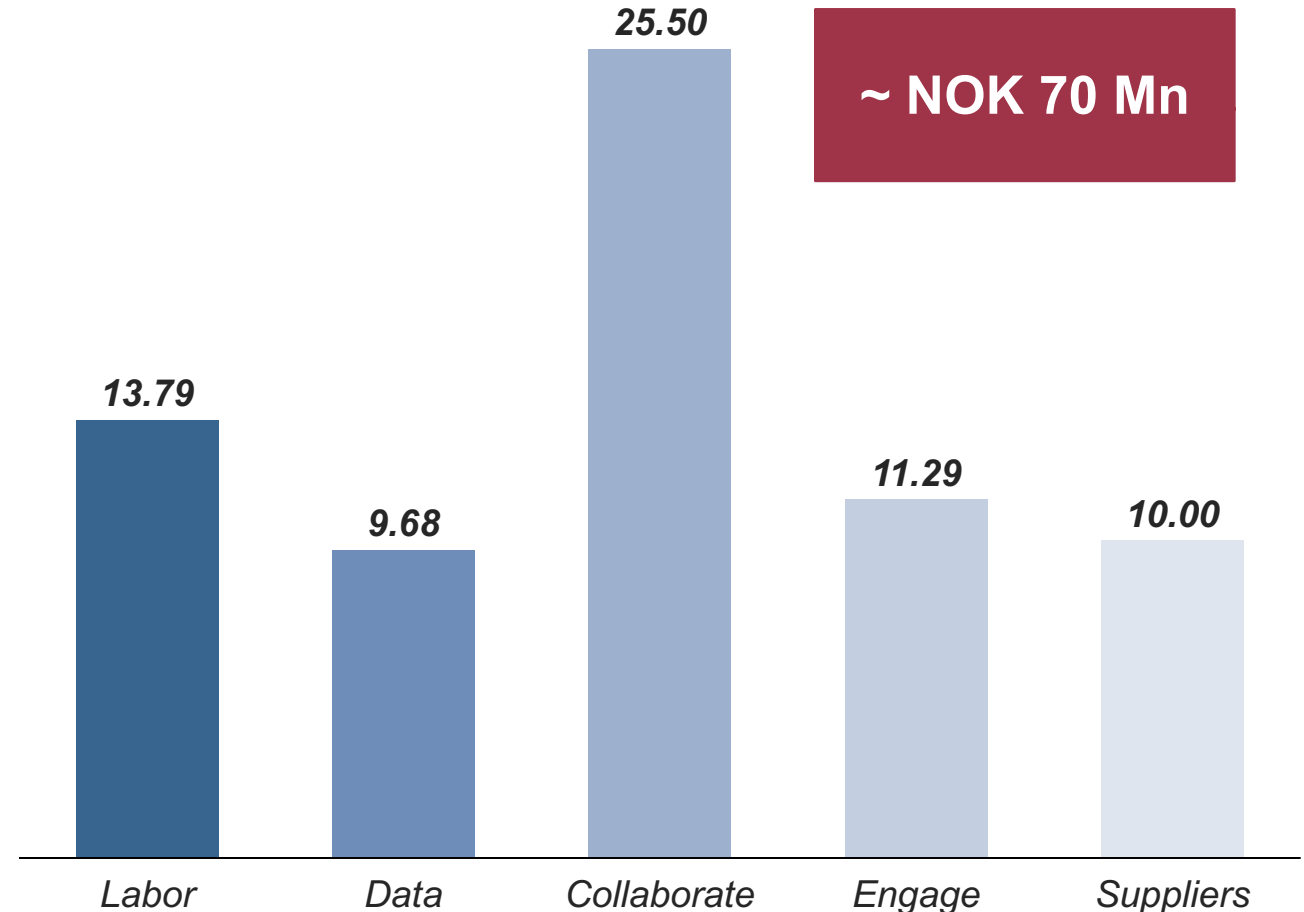


Powering
Data



Engaging
Employees

Breakdown



Key Assumptions



Budgeting to enhance supplier relations and develop external & internal platforms



Hiring a new team of ~10 FTEs to develop and maintain data analysis capabilities

Rammeverk 2.0 will improve CSP's profitability by delivering top-line growth and operating margins



KPI: Revenues & Profits

P&L Drivers



Improving resource allocation through introducing data-driven insights collected from **Collaborate**

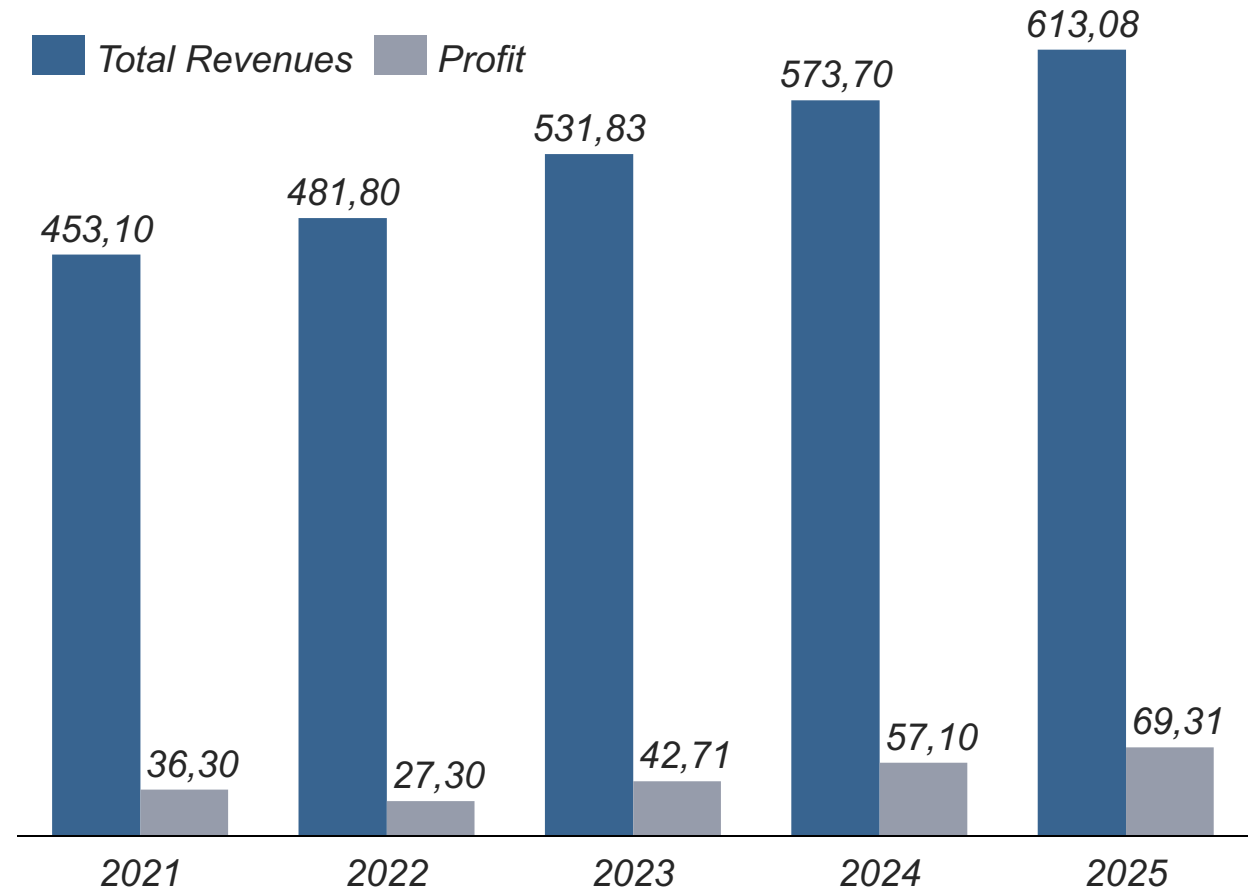


Enhancing employee engagement & productivity through AIR 2.0 & Engage to drive **Mesta's competencies**



Increasing revenues by industry & historical growth trends, as Mesta grows organically

Consolidated P&L (in NOK Mn)

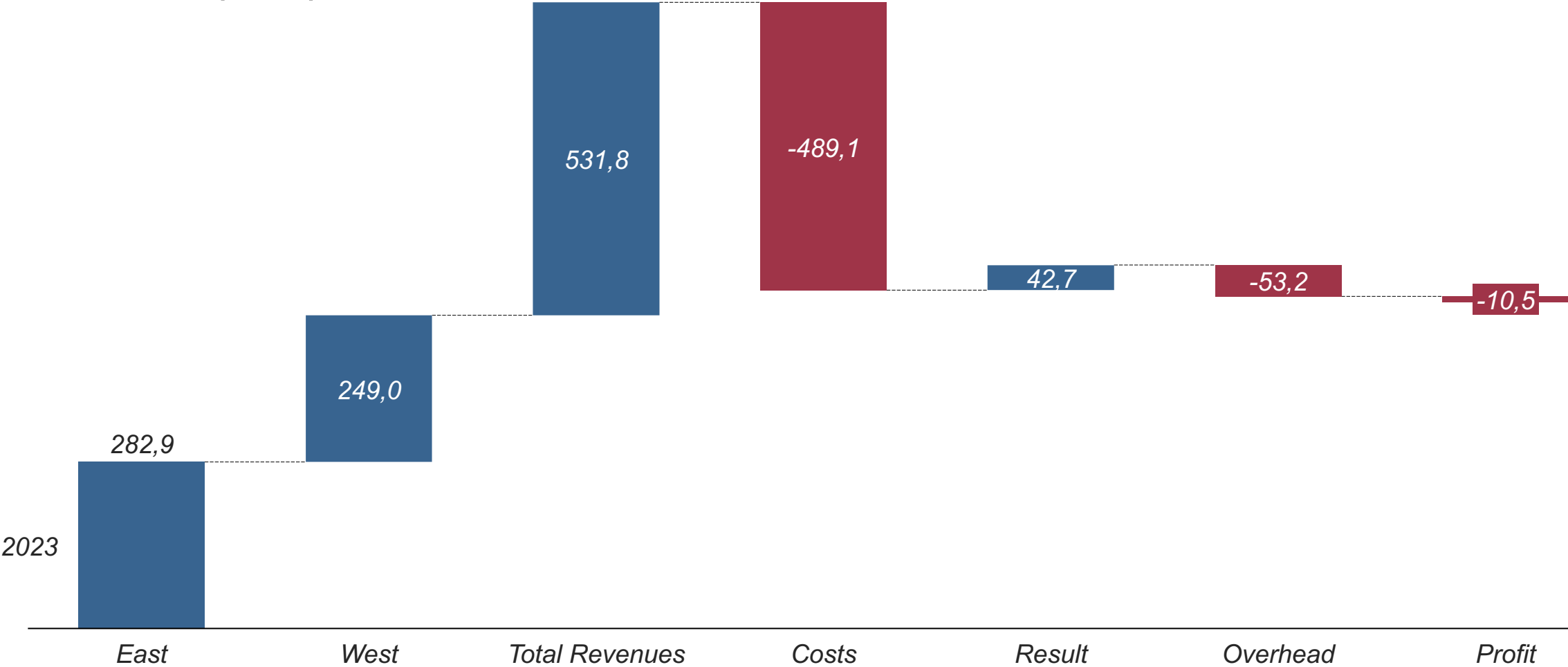


Deep-dive into the 2023 Forecast



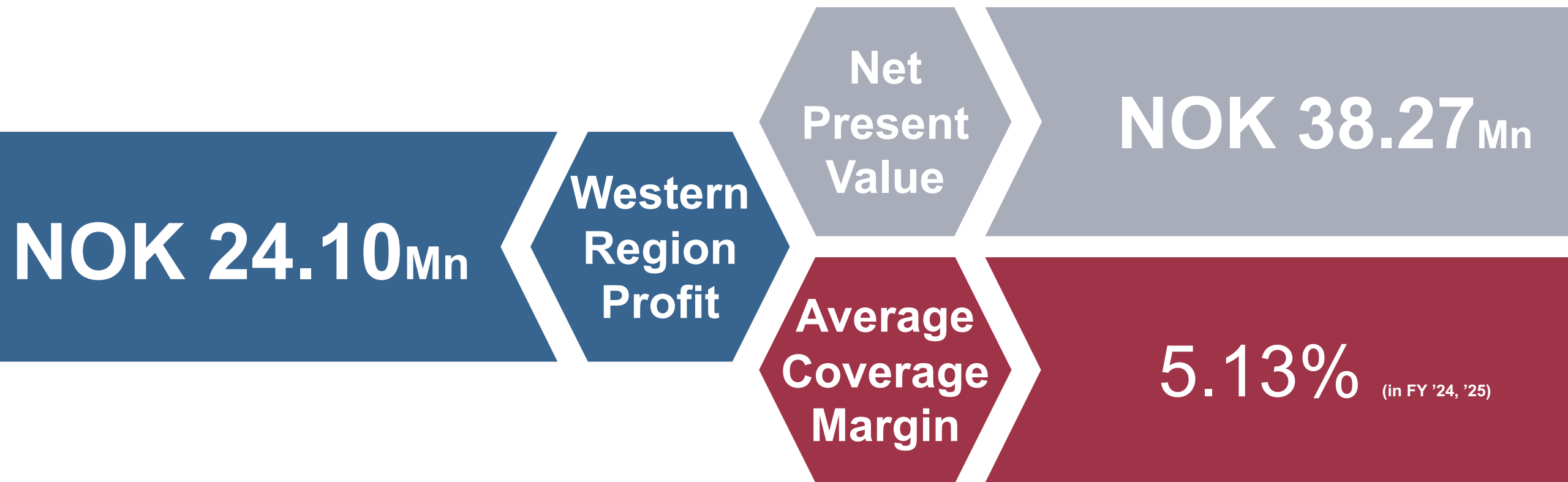
KPI: Revenues & Profits

Forecasts (2023)



The strategy displays positive metrics

KPI: Measurables



Risks & Mitigation

We identified potential risks, with tailored mitigation plans



Risks, Heat Map and Mitigation

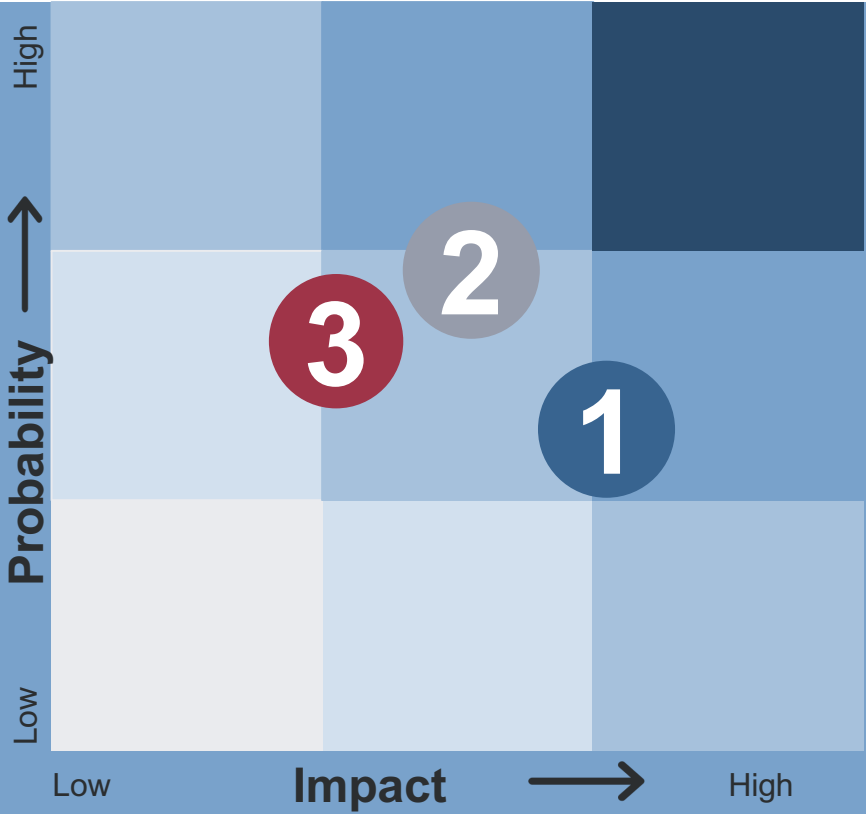
Risks

- 1

Weather Conditions
Prolonged periods of rain & other precipitation can negatively impact Mesta’s project-related work
- 2

Equipment Failure
Disruptions lead to project delays, safety risks and may increase costs
- 3

Economic Recession
Dwindling macro conditions may affect Mesta’s recurring sources of revenue and cash flow



Mitigation

- 1

Contingency Plans
Develop a comprehensive plan with work scheduling flexibility and safety-training in inclement conditions
- 2

Maintenance
Conduct regular inspections & checkups on Mesta assets and purchasing backups
- 3

Dynamic Staffing
Explore Mesta’s staffing model during times of budget cuts and spending decreases

Mesta's strong values help realize its vision, helping it win your five strategic battles

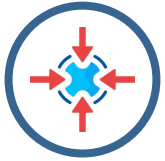


Mesta – Values, Vision & Battles

Mesta “Shows the Way”...



Honesty



Focus



Will to Change



Holistic Responsibility



... fighting the five battles

Safety First

Outstanding Execution

Sustainability in Everything

Become a Digital Champion

Profitable Growth & Entrepreneurial Spirit

Source: Mesta 2021 Annual Report

Overview

Analysis

Recommendation

Impact

Risks

How can Mesta develop a plan to successfully improve profitability in its Western CSP practice?



Opportunities

Enhancing Resource Management

Rethinking Project Frameworks

Embracing ESG Initiatives Further



Strategy

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A 4-step framework which will allow Mesta to improve the profitability of its Construction and Specialist Production practice in different Norwegian regions



KPIs by 2026

Increase Employee Satisfaction Index to 8.5

Improve Profit Margin to reach 6.31%

Promote 4 SDGs to empower Norway

Appendix

Appendix Database:



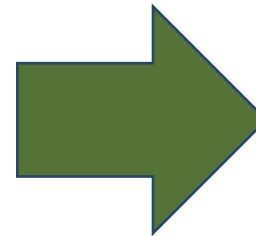
Analysis	Recommendation	Impact	Risks & Mitigation

Rammeverk 2.0 can be used to follow up on Mesta's Sustainability goals

Sustainability

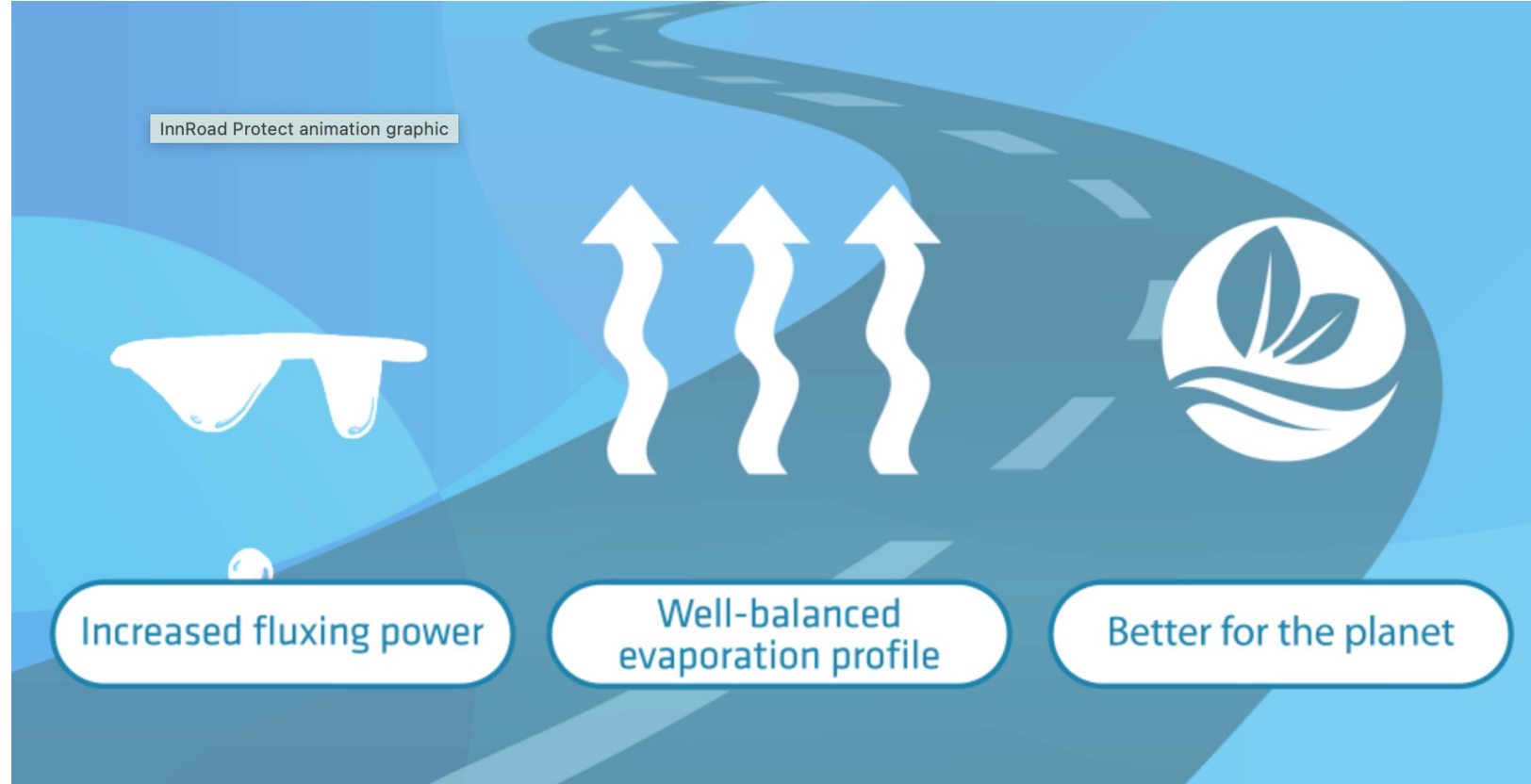


R&D into
sustainable
methods for
waste
management
and raw material
allocation



CERCOM

Sustainable materials are starting to get implemented in road construction and manufacturing



UN's Sustainable Development Goals



5 GENDER
EQUALITY



Hiring more female workers to ensure diversity & inclusion

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



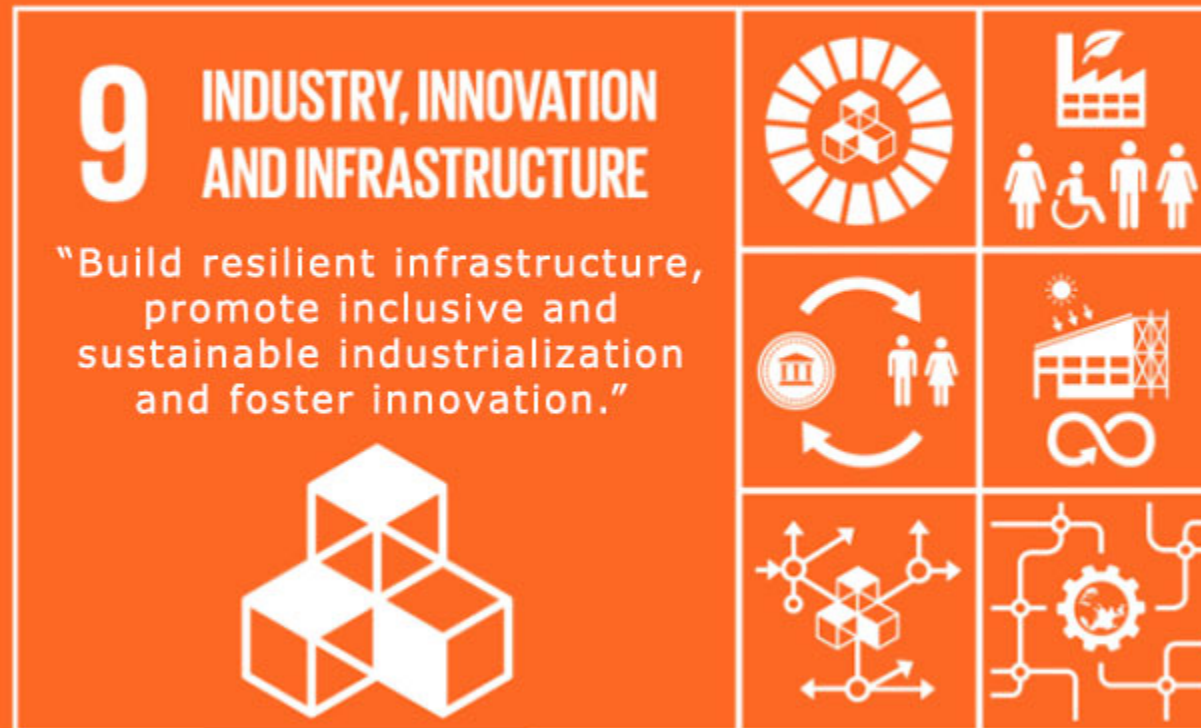
Striving for excellence in maintaining Norway's infra.

13 CLIMATE
ACTION

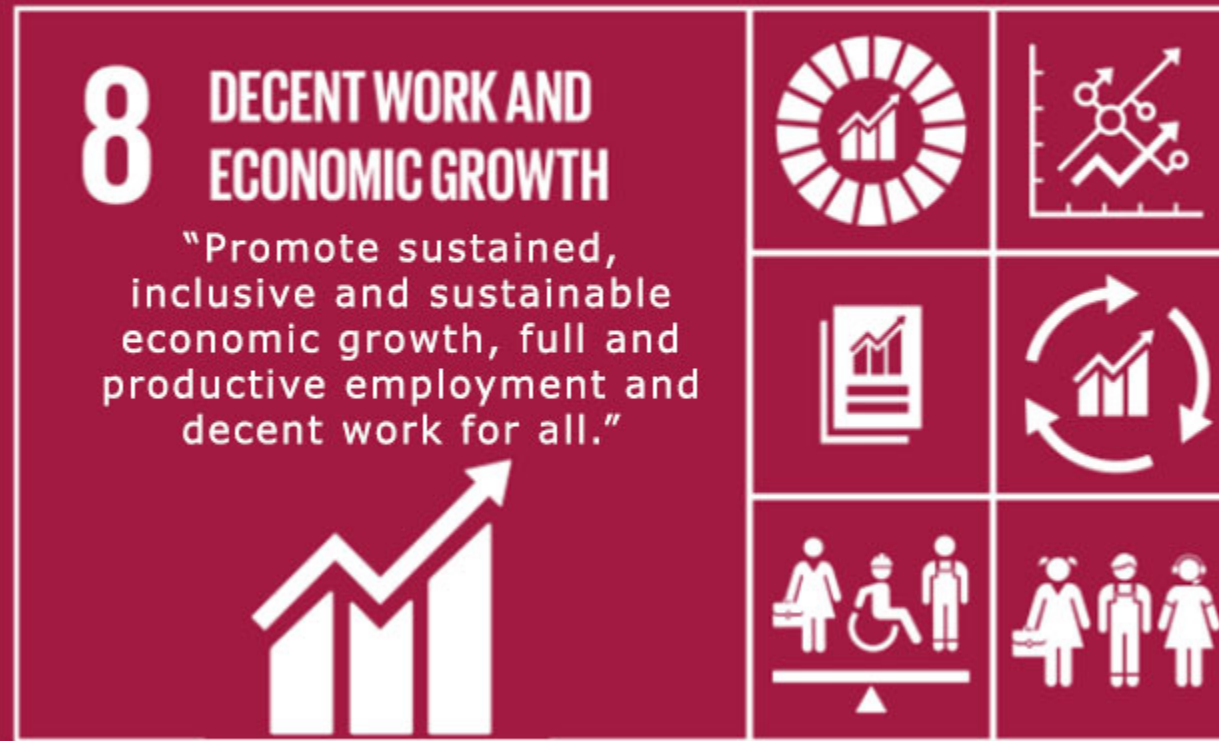


Keeping carbon emissions low, transitioning to EVs, etc.







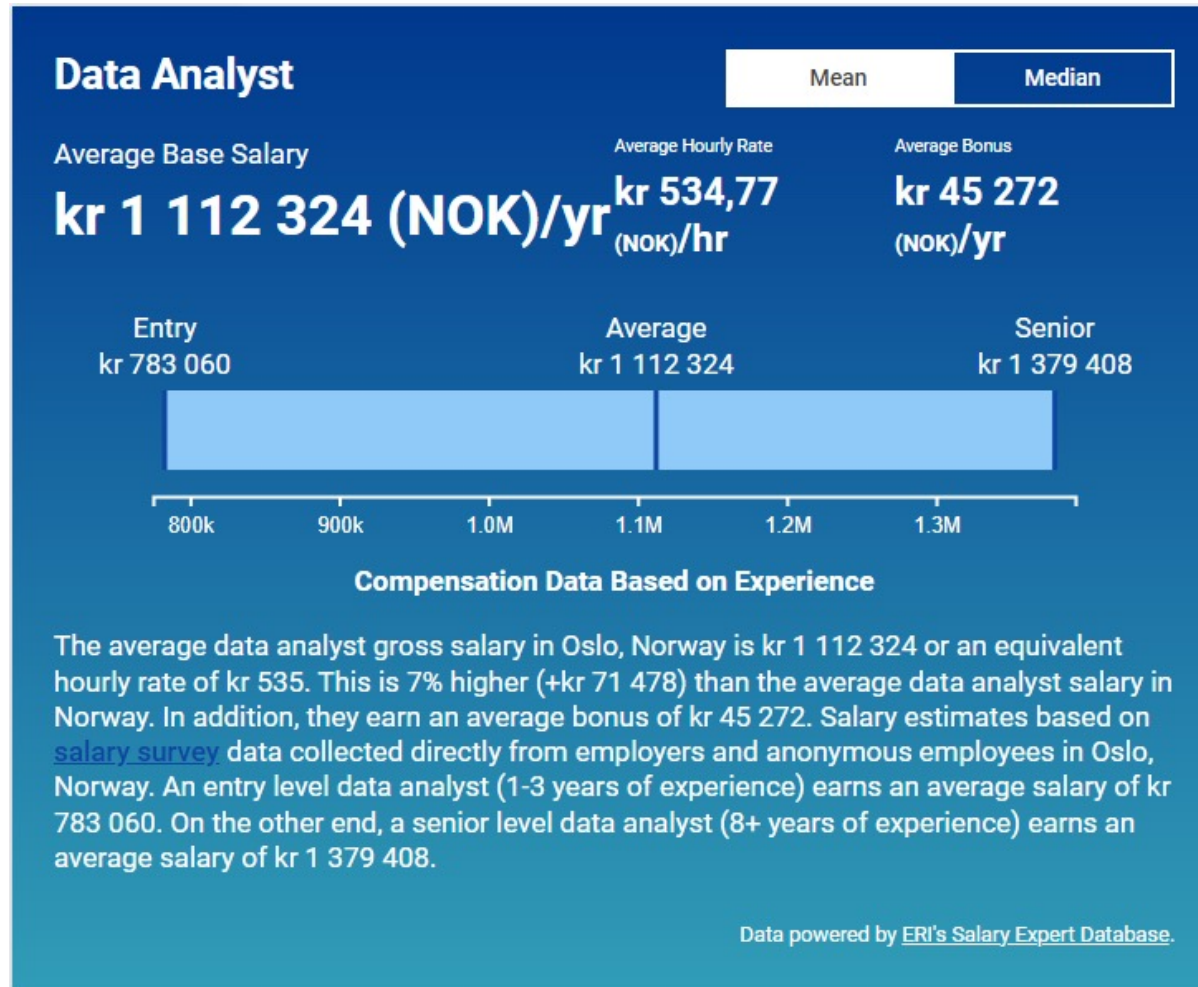


Employee Payroll Expenses

2. Other payroll expenses and personnel-related costs

a. Pension contributions	64 000	NOK	Costs that are directly linked to the individual employee's salary, depending on the company's pension scheme. Calculated here as 8 % of the nominal annual salary.
b. Employer's National Insurance contributions	122 388	NOK	Statutory contributions linked to the individual employee's salary. The most common rate (14.1%) is used in the example.
c. Employee insurance	4 000	NOK	Occupational injury insurance and other relevant employee insurance. Here estimated at 0.5% of salary.
d. Welfare costs	8 000	NOK	Total costs divided between all employees. Here estimated at 1 % of the salary.

Data Analyst Salary





Norway / Job / Data Engineer

Average Data Engineer Salary in Norway

Pay

Job Details

Skills

Job Listings

How should I pay?

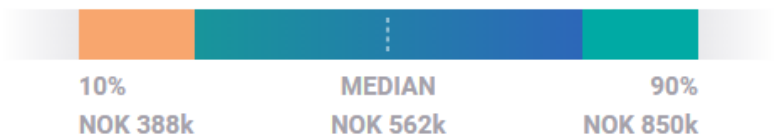
Price a Job

What am I worth?

Find market worth

561,681 kr / year ▾

Avg. Base Salary (NOK)



The average salary for a Data Engineer is 561,681 kr

Base Salary ⓘ

388k kr - 850k kr

Bonus

0 kr - 110k kr

Total Pay ⓘ

388k kr - 1m kr

Based on 15 salary profiles (last updated Jun 06 2022)

External Partners & Tools – Overview



pwc

Supplier Relationship Management

Transforming the way procurement and suppliers engage

PwC's Supplier Relationship Management solution, powered by Salesforce, provides a 360 view of the supplier engagement management lifecycle and enables a significant amount of automation and collaboration. Organizations are empowered to manage all interactions and transactions in one central repository. With a flexible user interface, mobile access, self-service and enhanced analytics embedded throughout, SRM is taking supplier management from manual and reactive to strategic and proactive.

Module design across packages for ultimate flexibility and implementation based on immediate needs

Support

For internal procurement teams

Supplier

For Suppliers

Purchase

For internal buyers

Supplier Management

Lite Supplier Onboarding

Supplier Management & Contacts

Agreements Tie-In

Full Supplier Onboarding

Compliance

Compliance

Usage Surveys

Purchasing

RFP Processes

Purchase Requests

Approval Processes

Purchase Orders

Invoices

Invoice Management

Cases

Case Management

Analytics / Reports & Dashboards

Benefits

Procurement Engagement: Allows buyers and suppliers to perform functions across end-to-end procurement cycle seamlessly

Mobility: Buyers and suppliers can access the solution via any device without losing key capabilities or functionality

Supplier Engagement: Gives suppliers access to manage profiles, offerings, and purchase orders all while leveraging Chatter to communicate and collaborate

Reporting: Allows buyers and suppliers to manage 360 degree relationships with contextual analytics throughout the solution

ClickUp Product Solutions Learn Pricing Enterprise Contact Sales Sign Up Log In

Yearly Monthly

FREE FOREVER

Best for personal use

Free

FOREVER

Get Started

100MB Storage

Unlimited Tasks

Unlimited Free Plan Members

Two-Factor Authentication

Collaborative Docs

Whiteboards

Real-Time Chat

Kanban Boards

Sprint Management

Native Time Tracking

In-App Video Recording

24/7 Support

UNLIMITED

Best for small teams

\$5

PER MEMBER PER MONTH

Get Started

EVERYTHING IN FREE FOREVER AND

Unlimited Storage

Unlimited Integrations

Unlimited Dashboards

Guests with Permissions

Unlimited Gantt Charts

Unlimited Custom Fields

Email in ClickUp

Teams (User Groups)

Goals & Portfolios

Form View

Resource Management

Agile Reporting

Or let's make a deal

BUSINESS

Best for mid-sized teams

\$12

PER MEMBER PER MONTH

Get Started

Most Popular

EVERYTHING IN UNLIMITED AND

Google SSO

Unlimited Teams

Custom Exporting

Advanced Public Sharing

Advanced Automations

Advanced Dashboard Features

Advanced Time Tracking

Granular Time Estimates

Workload Management

Timelines & Mind Maps

Goal Folders

BUSINESS PLUS

Best for multiple teams

\$19

PER MEMBER PER MONTH

Contact Sales

EVERYTHING IN BUSINESS AND

Team Sharing

Subtasks in Multiple Lists

Custom Role Creation

Custom Permissions

Custom Capacity in Workload

Increased Automations & API

Admin Training Webinar

Priority Support

ENTERPRISE

Best for many large teams

Contact Sales

EVERYTHING IN BUSINESS PLUS AND

White Labeling

Advanced Permissions

Enterprise API

Unlimited Custom Roles

Team Sharing for Spaces

Default Personal Views

MSA & HIPAA Available

Single Sign-On (SSO)

Live Onboarding Training

Dedicated Success Manager

Access to Managed Services

External Partners & Tools – Overview (2)



External Partners & Tools – Overview (3)

32 Firms


ReviewsLeaders Matrix

Sort bySponsored

Norway

ServicesClient BudgetHourly RateIndustryReviewsAll FiltersClear All

Country: Norway

**Miquido** Google Certified Agency | mobile | web | AI
4.9 ★★★★★ 43 REVIEWS

VERIFIED

\$25,000+

\$50 - \$99 / hr

50 - 249

Kraków, Poland

Service Focus

45% Custom Software Development


"They not only delivered such a great, user-friendly app, they also paid a lot of attention to every detail."

Project Manager, Warner Music Group

Visit Website

View Profile

Contact

**TekRevol** Digital Transformation Company
4.9 ★★★★★ 61 REVIEWS

VERIFIED

\$25,000+

\$50 - \$99 / hr

250 - 999

Houston, TX

Service Focus

40% Custom Software Development


"They're experienced, knowledgeable, and resourceful."

Vice President Operations, 1100 Group LLC

Visit Website

View Profile

Contact

**Brainhub** → Move faster with JavaScript & .NET experts
4.8 ★★★★★ 35 REVIEWS

VERIFIED

\$25,000+

\$50 - \$99 / hr

50 - 249

Gliwice, Poland

Service Focus

70% Custom Software Development


"Brainhub was very engaged and provided the best service possible."

Head of Delivery DACH & Italy, Wealth Management Platform


Visit Website

View Profile

Contact

**Solvelt** Full-Service Software Development and Beyond ★
5.0 ★★★★★ 15 REVIEWS

Visit Website

**Itera** A Communication and Technology Company
4.5 ★★★★★ 4 REVIEWS

Undisclosed

\$50 - \$99 / hr

250 - 999

Oslo, Norway

Service Focus

40% Custom Software Development


"Itera helped us to focus on our core business through their testing services."

Head of Business Development, Insurance Company

Visit Website

View Profile

Contact

**Innocode** Create Relevance: Sustainable Innovation
5.0 ★★★★★ 1 REVIEW

\$25,000+

\$50 - \$99 / hr

50 - 249

Oslo, Norway

Service Focus

20% Custom Software Development


"They make suggestions and work on tasks independently, and I'm truly happy with that."

CTO, MyRent

Visit Website

View Profile

Contact

**Frontkom** ✓ Your 5-star partner in digital growth! ★★★★★
4.8 ★★★★★ 11 REVIEWS

\$10,000+

\$100 - \$149 / hr

50 - 249

Gamle Fredrikstad, Norway

Service Focus

40% Custom Software Development

"Frontkom was always ready to build a solution that would respond to the most complex business problems."

Project Manager, Euromaster Sweden

Visit Website

View Profile

Contact

Costs Model



Incremental Costs:		
Data Collection Specialist Count	8	
Specialist Salary	NOK 561,681	From PayScale
Business Data Analyst Count	6	
BDA Salary	NOK 1,112,324	From SalaryExpert
Labor Overhead	23.50%	From Forskningsradet - sum of Pension, Welfare and Insurance
Total Labor Expenses - Data Collection & Analysis	NOK 13,791,729	
Data Storing Monthly Fees	NOK 4,505	From https://onliveserver.com/dedicated-server-norway/
Annual Storage Fees	NOK 540,600	Assume 10 Servers needed
Maintenance & Other	20%	Overhead, Assumption
Data Storing Expenses	NOK 648,720	
Processing - Software & Licenses	NOK 2,040,000	From https://www.thesmbguide.com/data-analytics-tools
Processing - Hardware	NOK 5,000,000	
Misc. Budget	NOK 2,000,000	
Total Data Related Expenses	NOK 9,688,720	
Platform Development Budget	NOK 20,400,000	From https://syndicode.com/blog/marketplace-development-cost-calculation/ - Converted to NOK
Platform Maintenance & Updates	25%	Overhead, Assumption
Total Platform Development Expenses	NOK 25,500,000	
# of Employees - in CSP Division - Est.	292	From Case - Multiplied by 2 to account for other regions.
Updated Communication Platform	NOK 1,836	Annual Price per Employee - Benchmarked to Slack & ClickUp
Communication Enhancement	NOK 536,112	
Training, Learning & Development	NOK 15,000	Price per Employee - Est.
L&D Budget	NOK 8,760,000	2x Training per Year
Misc. Budget	NOK 2,000,000	Accounts for Incentives & Other Expenses
Total Employee Engagement Expenses	NOK 11,296,112	
Sourcing & Supplier Management - Budget	NOK 10,000,000	Benchmarked to PRM/CRM like Salesforce + Implementation
Total Digitlization Budget	NOK 10,000,000	
Total Incremental Costs	NOK 70,276,561	

Revenues, Profit & Ratios



P&L Sheet	2021	2022	2023	2024	2025
East Region - Revenues	NOK 231.7	NOK 259.5	NOK 282.9	NOK 299.8	NOK 311.8
West Region - Revenues	NOK 221.4	NOK 222.3	NOK 249.0	NOK 273.9	NOK 301.3
Total Revenues	NOK 453.1	NOK 481.8	NOK 531.8	NOK 573.7	NOK 613.1
<i>Ratio of East Region / TR</i>	51.14%	53.86%	53.19%	52.26%	50.86%
<i>Ratio of West Region / TR</i>	48.86%	46.14%	46.81%	47.74%	49.14%
Profit - East (Result)	NOK 29.3	NOK 35.3	NOK 39.6	NOK 42.7	NOK 45.2
<i>Coverage Ratio of East Region / Revenue</i>	12.65%	13.60%			
Profit - West (Result)	NOK 7.0	(NOK 8.0)	NOK 3.1	NOK 14.4	NOK 24.10
<i>Coverage Ratio of West Region / Revenue</i>	3.16%	-3.60%			
Overhead	(NOK 19.0)	(NOK 20.2)	(NOK 53.2)	(NOK 34.4)	(NOK 30.7)
<i>Overhead Ratio as % of TR</i>	4.19%	4.19%			
Sum	NOK 17.3	NOK 7.1	(NOK 10.5)	NOK 22.7	NOK 38.7
<i>Total Profit %</i>	3.82%	1.47%	-1.97%	3.95%	6.31%
Net Present Value	NOK 38.27				
<i>Discount Rate</i>	10.00%				
Average Profit Margin	5.13%				
West Share of Revenues Increase	6.50%				
Revenue CAGR	6.23%				
Sum of Profits	NOK 36.3	NOK 27.3	NOK 42.7	NOK 57.1	NOK 69.3
Employee Engagement	7.5	7.5	7.75	8.25	8.5

Growth Rates & Margins



Growth Rates & Margins	2021	2022	2023	2024	2025
East Growth		12.00%	9.00%	6.00%	4.00%
West Growth		0.41%	12.00%	10.00%	10.00%
Coverage - E	12.65%	13.60%	14.00%	14.25%	14.50%
Coverage - W	3.16%	-3.60%	1.25%	5.25%	8.00%
Total Overhead	4.19%	4.19%	10.00%	6.00%	5.00%

Note: Overhead Ratio Increases to reflect the incremental cost increases, as ~70Mn NOK is being invested across the next three years (Assume Case Starts January 1, 2023, to end of year 2026)

KPIs, targets and achievement, 2021:

Strategic buy-in	KPI	Measurement method	Status	Actual	Target	Weighting bonus
Entrepreneurial spirit	EBIT Group ¹⁾	Step model	●	200	132–175	80%
Position measure, customers	CSI	Customer survey	●	75	75	4%
Position measure, employees	ESI	ESI	●	76	75	4%
Safety first	No. of injuries	Group in course of the year	●	54	28	2%
Growth and entrepreneurial spirit	No. of suggestions for improvements	Group in course of the year	●	1,022	900	2%
Digitalisation	Percentage using LINX	% active users among first-line managers	●	88%	80%	2%
Sustainability	Newly acquired electric vans	Group in course of the year	●	20%	15%	2%
Sustainability	Female quota, new employees	Group in course of the year	●	17%	15%	2%
Outstanding at execution	No. of quality deviations	Group in course of the year	●	2,878	1,900	2%
Total						100%