

IEO 2023 Business Case Task



Your organization is consulting a construction company on applying (or not) for participating in a **Public Private Partnership** with the University of Thessaly to reform an abandoned area into an open campus that can revive the surrounding district, and run it under a contract for 30 years.



Project Setting & Background

University of Thessaly (UTH) has just absorbed two neighboring educational organizations, becoming the third most populated university in Greece. Its departments are spread over 5 different cities of central Greece. In Volos alone, UTH has more than 12.000 students. However, available dormitories in Volos are capable of accommodating just 40 students.

Lately, UTH became the owner of an abandoned cotton factory building **in the margins of the city**. It is a plot of about 88.000 m² where the University plans to create **teaching and research facilities, dormitories for about 750 individuals, a school, sports facilities, and green areas**. This area will be **open** to the rest of the city, reviving and upgrading the west district of Volos.

It is announced that the University is looking for a **contractor** to create the plan, demolish most of the existing old buildings, build (or renovate) a total of **52.500 m² of near-zero energy buildings** on 32.000 m² of the plot, and **reform the rest** of the area into parking areas, sports open facilities, roads, and pedestrian streets.

The project will be a **Public Private Partnership**. When the project is built by the contractor, the University will be paying an amount for using the property, administrative expenses, insurance and maintenance for 30 years. After those 30 years, the University will maintain the whole property.

Case Objective

You are consulting a company that considers its candidacy as a contractor for the project. While the University estimates the cost of the project to be 94 million euros, your client has three options:

1 apply, accepting the amount estimated by the University

2 apply, suggesting a different amount

3 not apply

You have to:

- ▶ analyze the **environment** of this project and point out probable opportunities and risks
- ▶ explain the **composition of the capital** used based on its cost if you choose to apply, or explain the reasons behind choosing not to apply
- ▶ define the **break-even point** of this project, if any
- ▶ account for main expected **costs** (design and construction costs, operating costs, insurance, interest)
- ▶ define what **benefits** your client could expect as a contractor based on the potential benefits of **“green buildings”** for both the occupants and the wider society

Solution Requirements

- Business Case Exam consists of **two parts**:
Preparation: from July 28th, 23:59 (UTC) to July 29th, 23:59 (UTC);
Presentation: July 30th.
- Business Case competition requires an **oral presentation** of the solution, accompanied by slides. The presentation must be in English. When presenting, you will have **10 minutes for an oral presentation** and **10 minutes for a Q&A session**.
- While solving the case, contestants may use **any materials (online/offline)**, however, it is **prohibited to contact any person outside of the team for assistance**. Team Leaders are also **not** allowed to assist the contestants.
- The presentation slides have to be in **landscape orientation** with an **aspect ratio of 16:9** and **saved as PDF**. No videos or animations are allowed. **The presentation file size can not exceed 12 MB**. The **file name should include the word "BC" and the name of the team** (e.g. "BC_Greece.pdf") and should be sent to presentations@ecolymp.org.
- The presentations must be submitted **by 23:59 (UTC) on July 29th, 2023**. No changes to the slides are allowed after this deadline, but updated versions can be sent before the deadline several times: the latest version sent before the deadline will be used for the presentation.

Solution Requirements

ANALYTICAL THINKING

Ability to structurally approach the solution of a complex business problem, correctly dividing it into streams (into directions within which the solution of the problem may lie).

CONCEPTUAL THINKING

Ability to build correct hypotheses based on the resulting structure, made by analysis. Here the team checks how ideas respond to the necessary request and correctly address these or other problems of the enterprise, the team also makes sure that these solutions are feasible and have a common and business sense.

QUANTITATIVE THINKING

No case can be solved without simple but fast calculations and more complex models that illustrate certain analysis.

COMMUNICATION SKILLS

Ability to adequately present information, communicate your findings, recommendations and case solution, and also to answer challenging questions from the Jury members.