# Drum roll ...

I'm only going to comment on what's different (or what stands out for me), and with that let's begin with the end in mind. At the end of the day, it really is about the capitalization of the firms. For a long while it was neck-and-neck between the regions, but in the last two rollovers things changed.
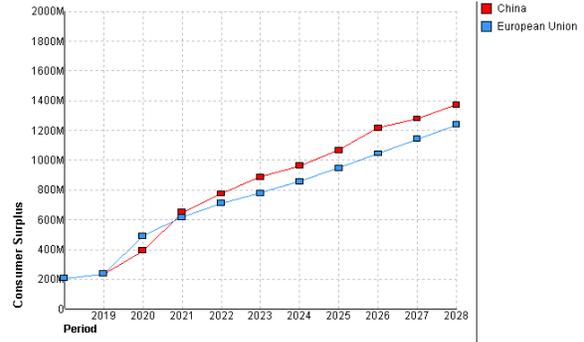
Now I need to preface that by saying that the revenue of the two regions was still pretty close; around $370m and $350m. Not a lot in it.
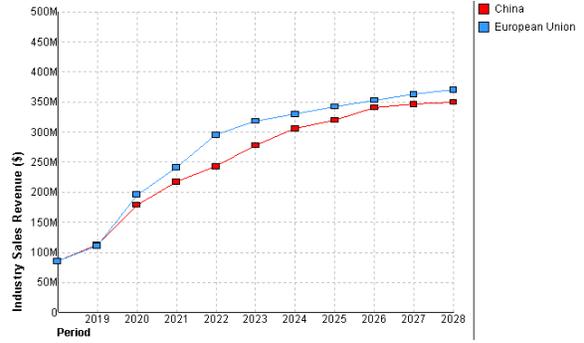
But the capitalization has really diverged. What's driving that!
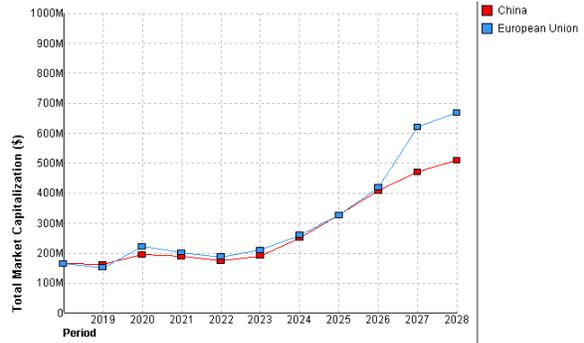
The consumer surplus is about $200m different between the regions. But that's not the explanation.


Oh, here's snapshot of the EU (Look a the lost sales).

STRATEGY INDICATORS	Munchy Bikes	Rackk City Bikes	PeakPerformanceBros	PsiclePath	Pedal	Jack It Up
Quality						
Product Quality Rating	90%	96%	89%	91%	70%	93%
Quality Investment Rating	80%	94%	82%	90%	80%	91%
Product Inspection Rate	15%	15%	12%	15%	1%	9%
Promotion						
Advertising to Sales %	18.4%	16.8%	9.8%	27.1%	18.6%	18.5%
PR to Sales %	13.9%	12.8%	26.2%	14.5%	9.2%	18.2%
Brand Awareness Index	84.8%	80.0%	91.6%	88.5%	78.0%	71.6%
Cost and Price						
Average Mfg Cost ($/SCU)	$569.58	$561.69	$454.89	$587.26	$418.71	$460.96
Average Retailer Margin	40.6%	41.9%	39.0%	42.9%	35.1%	45.8%
Gross Margin %	47.9%	67.4%	67.1%	67.8%	61.1%	75.0%
Focus						
No. of Products	5.0	5.0	5.0	5.0	4.0	5.0
No. of Product Devpts	0.0	0.0	0.0	0.0	0.0	0.0
KEY PERFORMANCE INDICATORS						
Sales Forecasting						
Estimated Lost Wholesale Sales	$2,091,578	$139,962	$0	$13,797	$764,042	$2,094
Lost Sales as % of Sales	4.8%	0.1%	0.0%	0.0%	2.8%	0.0%
Capacity Management						
Avg Closing Inventory (weeks)	1.8	3.3	2.2	20.7	0.9	2.3
Idle Time	13%	7%	2%	3%	6%	10%
Profitability						
Profit After Tax as % of Sales	2.8%	18.3%	8.7%	33.8%	16.6%	20.9%
Return on Total Assets	6.8%	16.4%	26.5%	10.8%	26.4%	28.9%
Share Price Outlook						
Price-Earnings Ratio	4.8	12.8	14.9	12.1	3.7	9.1

And of China

STRATEGY INDICATORS	Wheelie Cool Bikes	Wheelin N Dealin	E.N.T.E.R.T.A.I.N	RHO Inc.	Sigma	Sugma
Quality						
Product Quality Rating	91%	95%	93%	64%	88%	92%
Quality Investment Rating	97%	93%	86%	72%	72%	78%
Product Inspection Rate	3%	12%	15%	10%	17%	19%
Promotion						
Advertising to Sales %	24.3%	13.3%	20.8%	37.1%	18.3%	16.0%
PR to Sales %	22.8%	15.5%	14.7%	14.0%	18.5%	10.8%
Brand Awareness Index	62.8%	85.3%	72.4%	58.1%	85.3%	86.3%
Cost and Price						
Average Mfg Cost ($/SCU)	$691.81	$513.64	$514.81	$496.11	$528.02	$595.63
Average Retailer Margin	45.8%	45.5%	44.6%	45.4%	49.0%	40.1%
Gross Margin %	60.3%	58.3%	56.7%	71.4%	60.9%	69.4%
Focus						
No. of Products	4.0	4.0	5.0	5.0	5.0	5.0
No. of Product Devpts	0.0	0.0	0.0	0.0	0.0	0.0
KEY PERFORMANCE INDICATORS						
Sales Forecasting						
Estimated Lost Wholesale Sales	$0	$0	$0	$0	$0	$0
Lost Sales as % of Sales	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capacity Management						
Avg Closing Inventory (weeks)	4.4	3.1	3.0	6.7	1.0	2.0
Idle Time	47%	2%	0%	12%	14%	15%
Profitability						
Profit After Tax as % of Sales	(16.9%)	10.0%	7.8%	2.9%	14.7%	28.6%
Return on Total Assets	Negative	33.7%	32.3%	11.2%	21.5%	30.3%
Share Price Outlook						
Price-Earnings Ratio	N/A	9.7	11.6	14.3	7.2	11.3

Those figures do show the margin, but other ways to see it. Without TLC from the management teams, both regions start to drift down. I wonder how the results would have been different if firms could have set things up so their profit continued to climb.

| Industry	Firm	Profit	Revenue	Margin
European Union	PsiclePath	$13,549,679	$40,080,578	34%
China	Sugma	$25,305,799	$88,530,861	29%
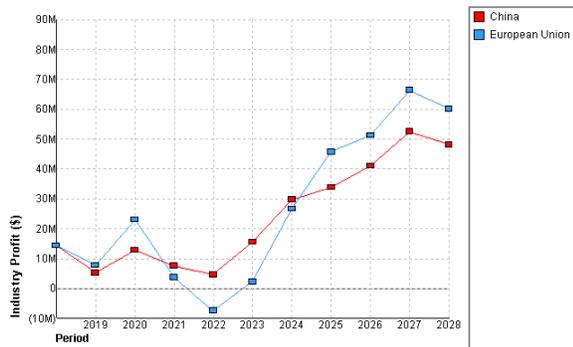
European Union	Jack It Up	$15,581,220	$74,646,029	21%
European Union	Rackk City Bikes	$17,382,613	$95,077,644	18%
European Union	Pedal	$4,499,341	$27,121,308	17%
China	Sigma	$11,193,851	$76,053,271	15%
China	Wheelin N Dealin	$6,316,363	$63,214,735	10%
European Union	PeakPerformanceBros	$7,855,817	$90,000,645	9%
China	E.N.T.E.R.T.A.I.N	$5,503,543	$70,111,641	8%
China	RHO Inc.	$1,240,726	$43,447,354	3%
European Union	Munchy Bikes	$1,222,451	$43,377,439	3%
China	Wheelie Cool Bikes	-$1,424,252	$8,434,637	-17%

Anyway, back to the differences. Manufacturing is a bit different between the worlds.
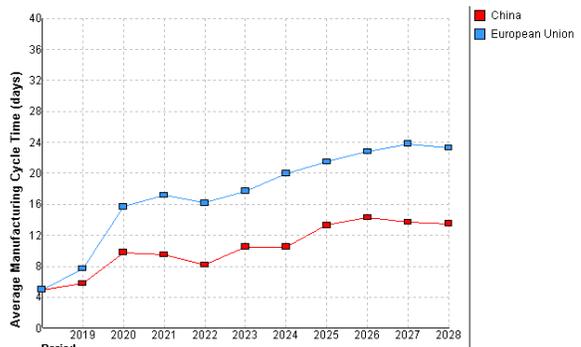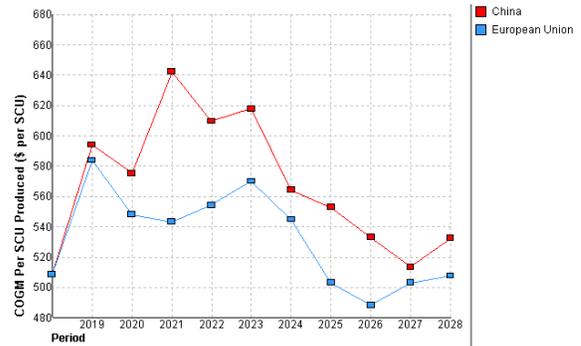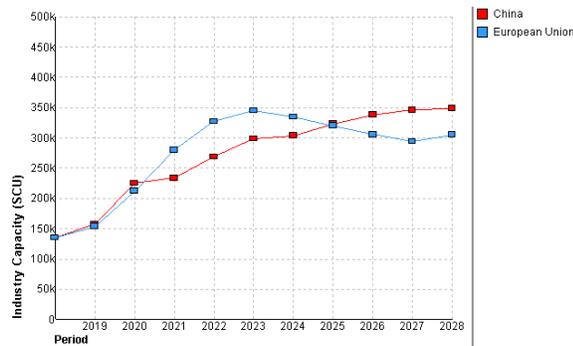
And there were some pretty differences in how firms set their retailer margin.
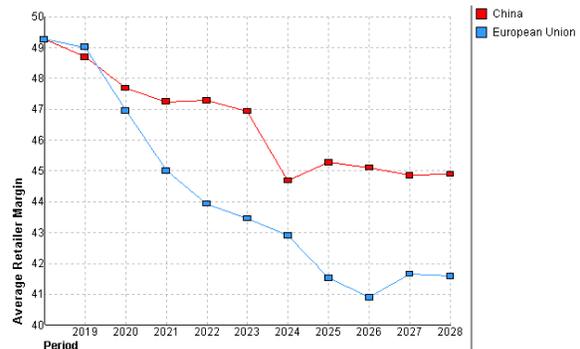
But I know everyone is probably waiting to see how that played out.

Well the answer is like this. I've recalculated the SHVs to normalise out the changes that occurred from folk buying and selling shares.

Sugma, well done. You broke the $200 barrier ... and as a result of having the highest SHV you will all be getting a 5% bonus.

Industry	Firm	SHV-N	Profit	Revenue	Capacity	Shares	EPS	Capitalization	TotalSHV	EVA	Cash
China	Sugma	$203.12	$25,305,799	$88,530,861	71,953	2,000,000	$12.65	$285,842,016	$406,240,414	$15,493,889	$16,909,213
European Union	Rackk City Bikes	$107.47	$17,382,613	$95,077,644	65,911	2,145,781	$8.10	$222,929,870	$245,151,653	$14,017,258	$70,145,332
European Union	PsiclePath	$101.01	$13,549,679	$40,080,578	33,643	2,000,000	$6.77	$164,181,358	$202,013,856	-$9,403,154	$27,385,246
European Union	Jack It Up	$91.73	$15,581,220	$74,646,029	49,269	2,000,000	$7.79	$141,295,820	$183,464,980	$12,081,347	$51,327,456
European Union	PeakPerformanceBros	$88.85	$7,855,817	$90,000,645	74,773	2,000,000	$3.93	$117,221,342	$177,690,415	$4,808,090	$25,583,496
China	Wheelin N Dealin	$63.39	$6,316,363	$63,214,735	67,116	1,535,300	$4.11	$61,406,303	$74,779,312	$4,926,446	$13,668,998
China	Sigma	$57.39	$11,193,851	$76,053,271	76,195	1,968,255	$5.69	$80,154,852	$111,188,260	$2,640,676	$30,573,295
China	E.N.T.E.R.T.A.I.N	$43.46	$5,503,543	$70,111,641	70,543	2,000,000	$2.75	$63,611,490	$86,912,628	$4,067,486	$12,718,342
China	RHO Inc.	$13.81	$1,240,726	$43,447,354	46,898	2,000,000	$0.62	$17,692,456	$27,619,288	$70,378	$8,258,320
European Union	Pedal	$8.22	$4,499,341	$27,121,308	30,876	2,000,000	$2.25	$16,445,360	$16,445,360	$3,520,096	$16,174,574
European Union	Munchy Bikes	$2.80	$1,222,451	$43,377,439	50,710	2,400,000	$0.51	$5,836,726	$7,696,864	$146,532	$15,577,616
China	Wheelie Cool Bikes	$0.26	-$1,424,252	$8,434,637	15,802	2,800,000	-$0.51	$1,043,286	$1,043,285	-$1,882,906	$3,921,096

Rackk City Bikes and Jack It up (and probably PeakPerformanceBros) are wondering how many more rollovers they would have needed to catch the leaders.

At the bottom, Wheelie Cool Bikes and Munchy Bikes have worked hard to stay in profit. That's so hard to do at the bottom of the pack.

I can imagine that PsiclePath are really happy with the timing of their purchase of PeakPerformanceBros. Without them, PsiclePath might be in the bottom third of firms. That said, Sugma are also really happy with the contribution that E.N.T.E.R.T.A.I.N made to their success. Indeed, all the owned firms made material differences to their parent firms.

In the middle, Wheelin N Dealin, Sigma, and E.N.T.E.R.TA.I.N have done solid performances.

RHO Inc, seemed to have lost their way somewhere ... they started so strong.

Pedal, managed to pull themselves out of insolvency. I they should be feeling proud of their achievement.

But let's look at the regions and what went on their.

This is EU. Rackk City Bikes really managed to turn things around after a rather shaky start. One has to wonder how many more rollovers it would have taken for the to catch up with Sugma.

That said, clearly the four firms at the top were battling it out with one another.
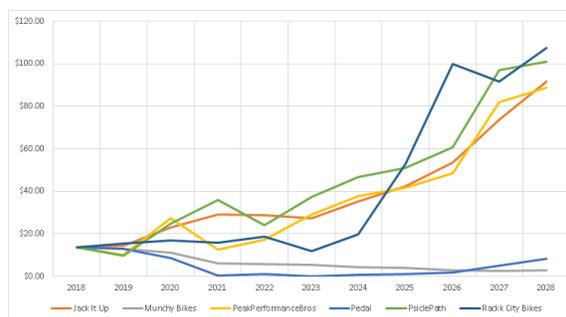
And then there is China

The graph makes it clear how consistently Sugma improved every rollover. In my mind the key to their success wasn't not putting a foot wrong on the way. Most other firms made material 'mistakes' from which they then had to recover.

In this region, Wheelin N Dealin were making a late rush and were tracking well.

Once again, **well done to all the teams.** I suspect some of you will be still working on your summative learning journals, but I hope you find a little time **to celebrate your success**. Indeed, I hope the class rep has organised some kind of celebration for you all.
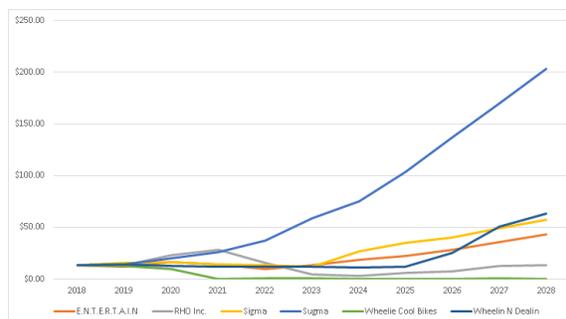
I'll do an announcement tomorrow on the timing of grades etc. It will take me a sometime to do the analysis. I'll ask SmartSims to turn on your access again, after the long weekend (I hope you get a break).

Anyway, I'm really interested to hear your comments on the results, so please leave a comment below.