

CCG New Zealand International Construction Industry Benchmarking Programme 2013

Introduction

Performance KPIs were originally introduced into the New Zealand construction industry in 2004 and a National data set is available up to and including the 2011 data set established by CCG last year. Figure 1. shows the results for the NZ Construction Industry during this period. (Note: No data was collected 2007 to 2010).

There are a significant number of organisations including major contractors and construction clients who are using the national KPIs to benchmark, manage and improve their performance.

The Construction Clients' Group, (CCG) in New Zealand supported and funded by members and sponsors are committed to delivering year on year data in order to provide an up to date National KPI data suite. This data is made available freely to the industry with a view to benchmarking and a lift in industry performance, in line with the CCG Vision.

Business Case

The industry is facing a number of challenges, not least the "Wall of Work" about to be rolled out which includes the multi-billion dollar programmes of the Christchurch Rebuild and the repair of so-called "Leaky Buildings". In parallel, the NZ Government, via **The Productivity Partnership** continue to call for an increase in productivity of 20% by the year 2020. (www.BuildingValue.co.nz).

Benchmarking has been proven to drive significant levels of performance improvement and deliver tangible rewards. There are a number of Benchmarking Clubs which have formed in the last 18 months and who are using these KPIs to improve.

Benchmarking is enabling organisations to provide evidence to clients that they are delivering high quality projects on time and budget, safely and to highly satisfied clients.

KPI Suite	KPI	Measure	NZ Score 2004	NZ Score 2005	NZ Score 2006	CCG Score 2011	
SATISFACTION	S1	Client Satisfaction - Consultant	% Scoring 8/10 or better	62%	79%	39%	65%
	S2	Client Satisfaction - Contractor	% Scoring 8/10 or better	62%	79%	39%	66%
	S6	Client Satisfaction Use Contractor Again?	% Scoring 8/10 or better	-	-	-	79%
	S7	Client Satisfaction Value for Money	% Scoring 8/10 or better	-	-	-	75%
QUALITY	Q1	Client Satisfaction Product	% Scoring 8/10 or better	73%	82%	88%	79%
	Q2	Impact of Defects on Handover	% Scoring 8/10 or better	40%	78%	31%	72%
	Q3	Defects Clearance Period	% where defects are cleared within 14 days	-	-	-	60%
HSE	HSE1	Safety LTIs	% Projects with zero LTIs	33%	-	41%	77%
COST	C1	Predictability Design Cost	% on target or better	53%	55%	55%	81%
	C2	Predictability Construction Cost	% on target or better	42%	54%	39%	53%
	C3	Predictability Project Cost	% on target or better	33%	48%	40%	42%
TIME	T1	Predictability Design Time	% on target or better	38%	52%	22%	72%
	T2	Predictability Construction Time	% on target or better	65%	73%	53%	65%
	T3	Predictability Project Time	% on target or better	34%	50%	23%	47%

Figure 1. Available performance data for New Zealand 2004 to 2011

One such organisation reports a regular enhanced margin of some \$50k per project.

The CCG International Benchmarking programme is aligned to the UK and other countries using the same KPI suite and can be used as a method of:

- **Reporting Industry Performance trend data.**
- **Comparing with other countries.**
- **Encouraging and demonstrating industry improvement.**
- **Showcasing the business case for change.**

Construction Clients such as Auckland Transport, NZTA, NZDF, Christchurch City, Wellington City and Auckland Councils are using benchmarking on schemes to drive performance improvement on their contracts and to deliver enhanced value for money for the tax payers' dollar.

A number of Client based Benchmarking Clubs have been established in the last year.

Performance Measurement and Benchmarking enables organisations to understand how they are performing at a project and company level. It provides them with the practical management information that they require to drive effective decision making and to improve performance and project outcomes.

Critical to this process are the improvement strategies implemented to drive performance improvement and the capability to then review the impact of the relevant improvement strategies.

In short, benchmarking with the CCG KPIs will enable us to 'weigh the pig' and then put the strategies into place to then 'fatten the pig' and drive project, organisation and industry improvement.

CCG New Zealand International Construction Industry Benchmarking Programme 2013

Benefits

The key benefit of measuring project performance via National KPIs is rooted in the improvement in the percentage of projects achieving improved time, cost, quality, H&S, and customer satisfaction results. Over time these can be dramatically increased.

Other Tangible benefits include:

- Performance is lifted across most KPIs, often immediately, as access to performance data provides a focal point for decision making and improvement – ‘you can’t manage it if you’re not measuring it’
- For clients, benchmarking provides an assurance that 'Best Value' is being achieved
- For suppliers, their profit margin is improved alongside performance
- KPIs provide a measurement framework for panel and framework contracts to demonstrate year on year improvement, Best Value and continuous improvement
- Targets can be realistically set based on national performance data
- Improvement efforts are focused on issues that highlight poorer performance & are critical to success
- Suppliers can demonstrate differentiation from their competition on performance and non-price attributes
- Benchmarking provides confidence that your organisation's performance compares favourably when benchmarked against industry data and associated best practice.

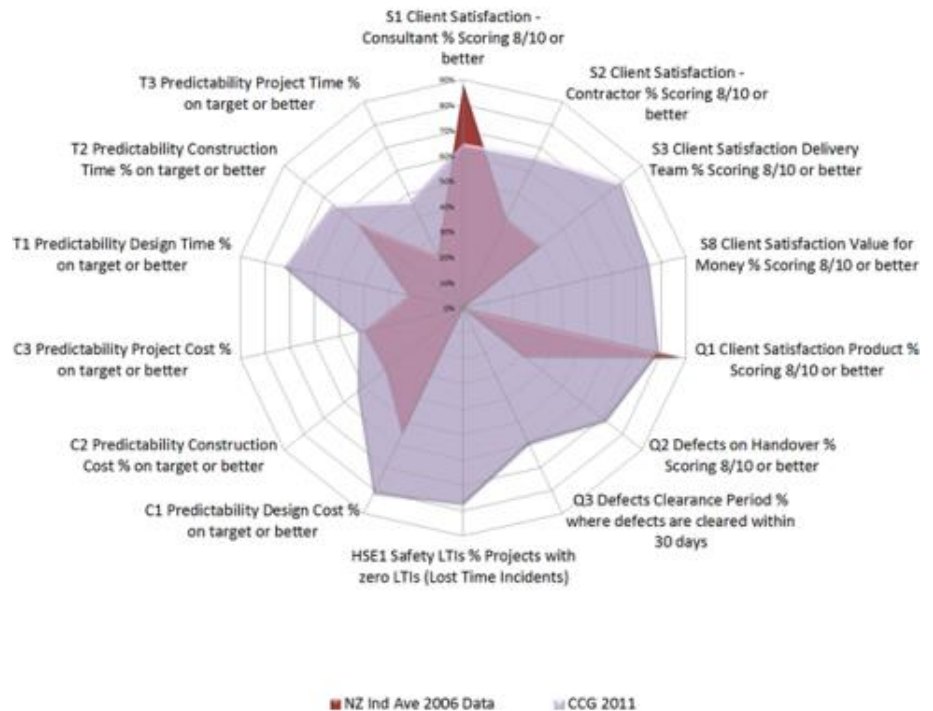


Figure 2 – Showing the industries performance shifts from 2006 to 2011.

Deliverables & Programme

Deliverables will include:

- A CCG National Performance Wallchart enabling all organisations to self-benchmark.
- A CCG National KPI Handbook describing the process.
- Presentation material.
- Suite of data tables for inclusion in in-house benchmark reports.

Data collection and analysis has begun and will run throughout July and August 2013.

Publication will be at launch events around the country from September.

Sponsorship

Whilst CCG is part-funding the programme, we also require additional funding to ensure that we can deliver a quality product in a timely manner. A sponsorship package has been developed which comprises:

- **Sponsor Logos on all programme material and promotion as a Benchmarking Organisation.**
- **Individual Benchmark report showing the sponsors performance versus the CCG suite and UK 2011 performance.**
- **Access to the data tables for inclusion in company reporting systems (enables self-benchmarking)**

Contact Us at:

Jo Conway
E: jo@constructing.co.nz
T: +64 (0) 9 358 45 45

Amanda Warren
E: adwarren@constructing.co.nz
T: +64 (0) 21 892 124
W: www.constructing.co.nz

Call to Action

As a CCG Member, we need your Data and your support. If you can help by providing data or you would like to become a sponsor of the programme, please complete the form on page 3 and send to Jo Conway or Amanda Warren.

Thank You.

2012 Programme proudly sponsored by



CCG New Zealand International Construction Industry Benchmarking Programme 2013

Your Action

SUBMITTING YOUR DATA

We are seeking data on Time, Cost, Quality, Safety and Customer Satisfaction for projects completed in the calendar year 2012. If you already use the NZ Construction Industry KPIs to benchmark your projects, you can supply Summary data in any format in which you keep it. If not, you can submit at least one project using a form which we will send to you on request or you can download it from our web site www.constructing.co.nz.

Please note that your data will not be made available to anyone in its raw format. It will be used as part of the CCG national data set which and not be identifiable as an individual project performance.

There are two ways of submitting data. These are:

- As a spreadsheet or other if you already measure project performance and wish to submit multiple projects.
- As a single project on the form which we will forward to you by email or download from www.constructing.co.nz. NB We can help you to complete the form.

Yes, we already use the National Construction Industry KPIs and would like to contribute Data to the Programme. Please contact
Name: _____ **Tel:** _____ **Email:** _____

Yes, we would like to contribute Data to the Programme via the attached form for a single project. Please contact
Name: _____ **Tel:** _____ **Email:** _____

SPONSORSHIP

We are also seeking a small number of Sponsors to help support the programme. The sponsors are requested to contribute \$5k towards the programme and in addition to supporting an industry-wide initiative, will in return will receive:

- Sponsor Logos on all programme material in recognition of the support and promotion as a Benchmarking Organisation.
- Individual Benchmark report showing the sponsors performance versus the CCG suite and UK performance.
- Access to the data tables for inclusion in company reporting systems (enables self-benchmarking)

Yes, we would like to be a Programme Sponsor. Please contact
Name: _____ **Tel:** _____ **Email:** _____

2012 Programme proudly sponsored by

