

Performance Measurement



National Construction Industry Performance Benchmarking

Agenda

- ▶ **Why Benchmark?**
- ▶ **Who is doing it?**
- ▶ **Industry Results**
- ▶ **What's in it for me?**



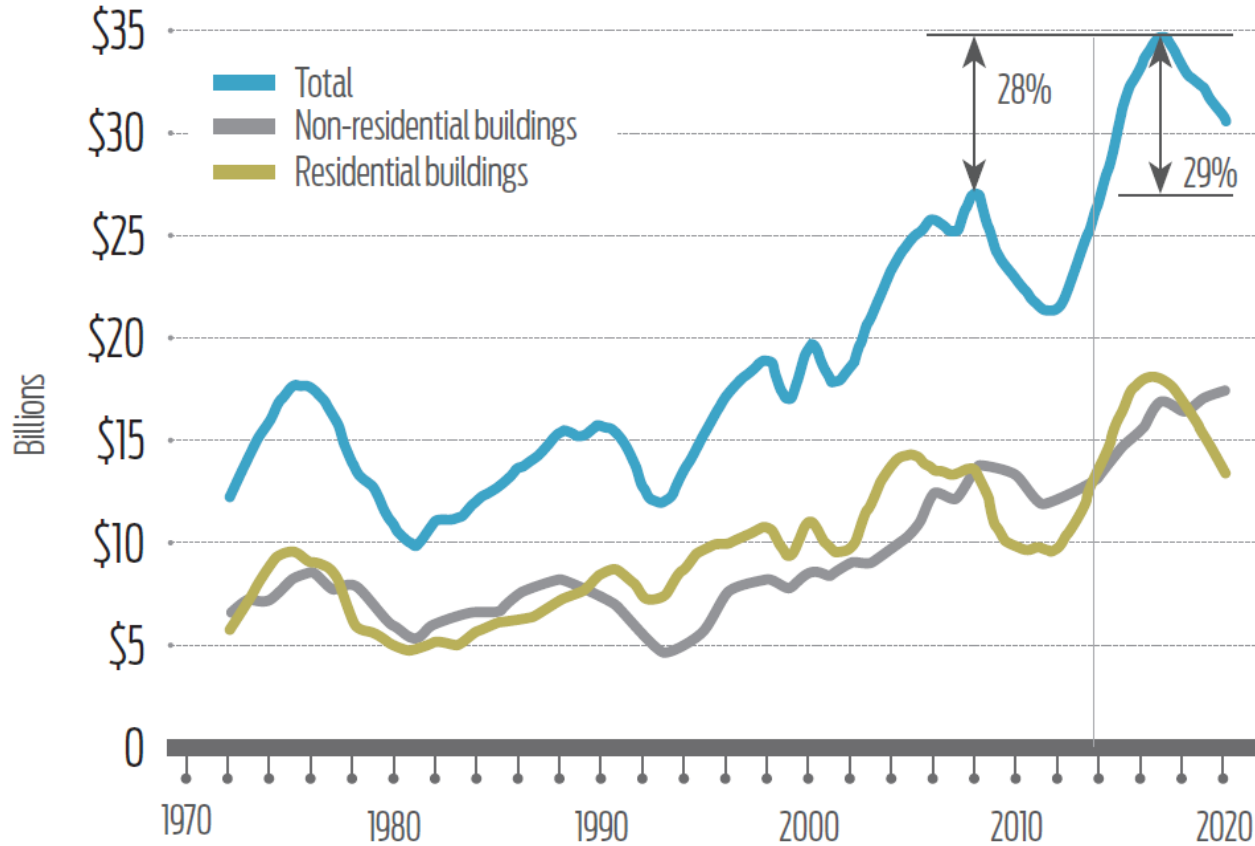
Why Benchmark?

- ▶ Which one are you?
- ▶ Do you know?
- ▶ What's your evidence?



Why Benchmark?

What is the industry doing?



Why Benchmark?



▶ High Performance Client

- ▶ Client of choice
- ▶ Best tender prices
- ▶ Demonstrate Value for Money
- ▶ Ability to run Alternative Procurement

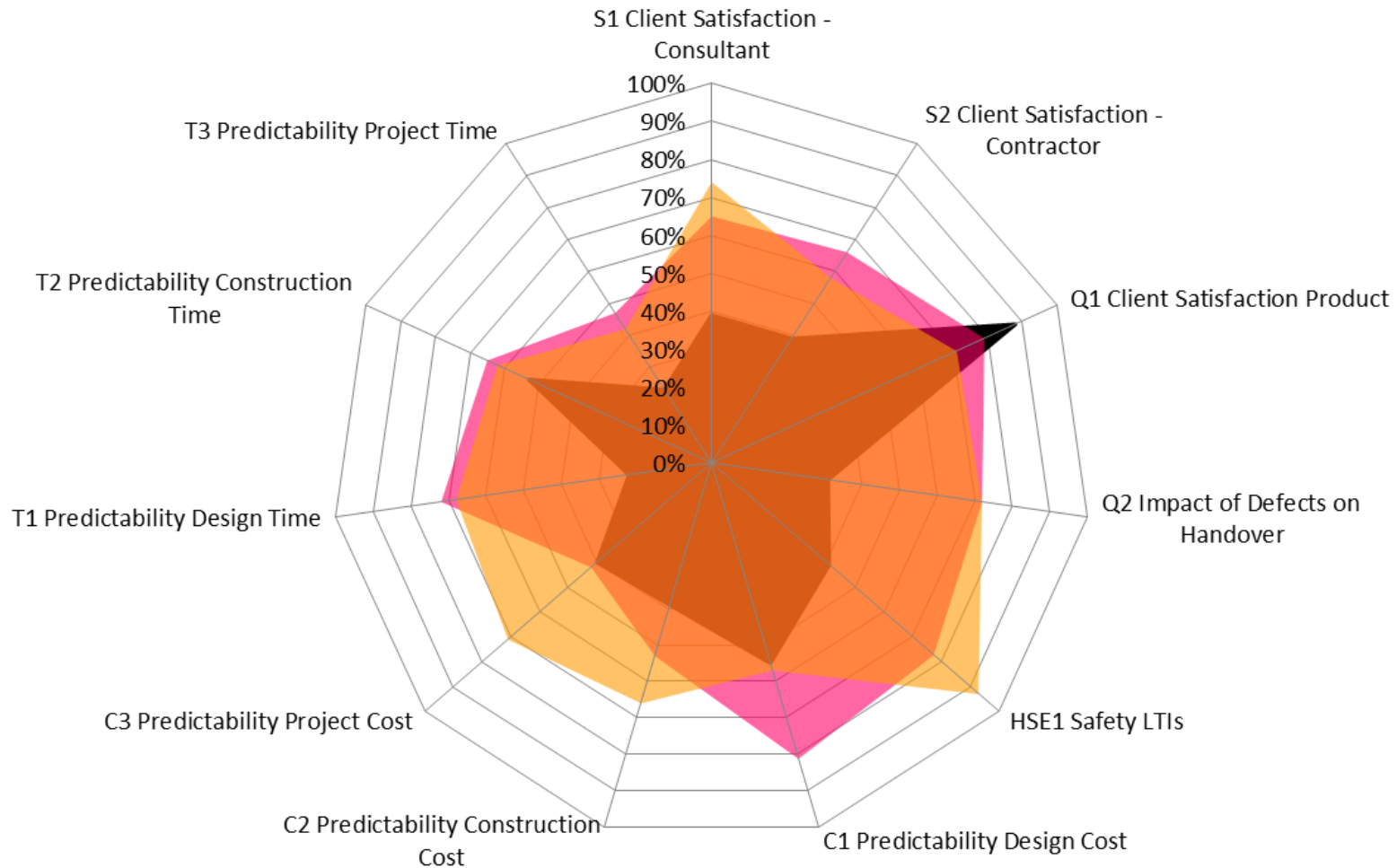
▶ Best Value Supplier

- ▶ Supplier of choice
- ▶ Demonstrate Value for Money
- ▶ Repeat business
- ▶ Ability to negotiate on Alternative Procurement

Who's doing it?



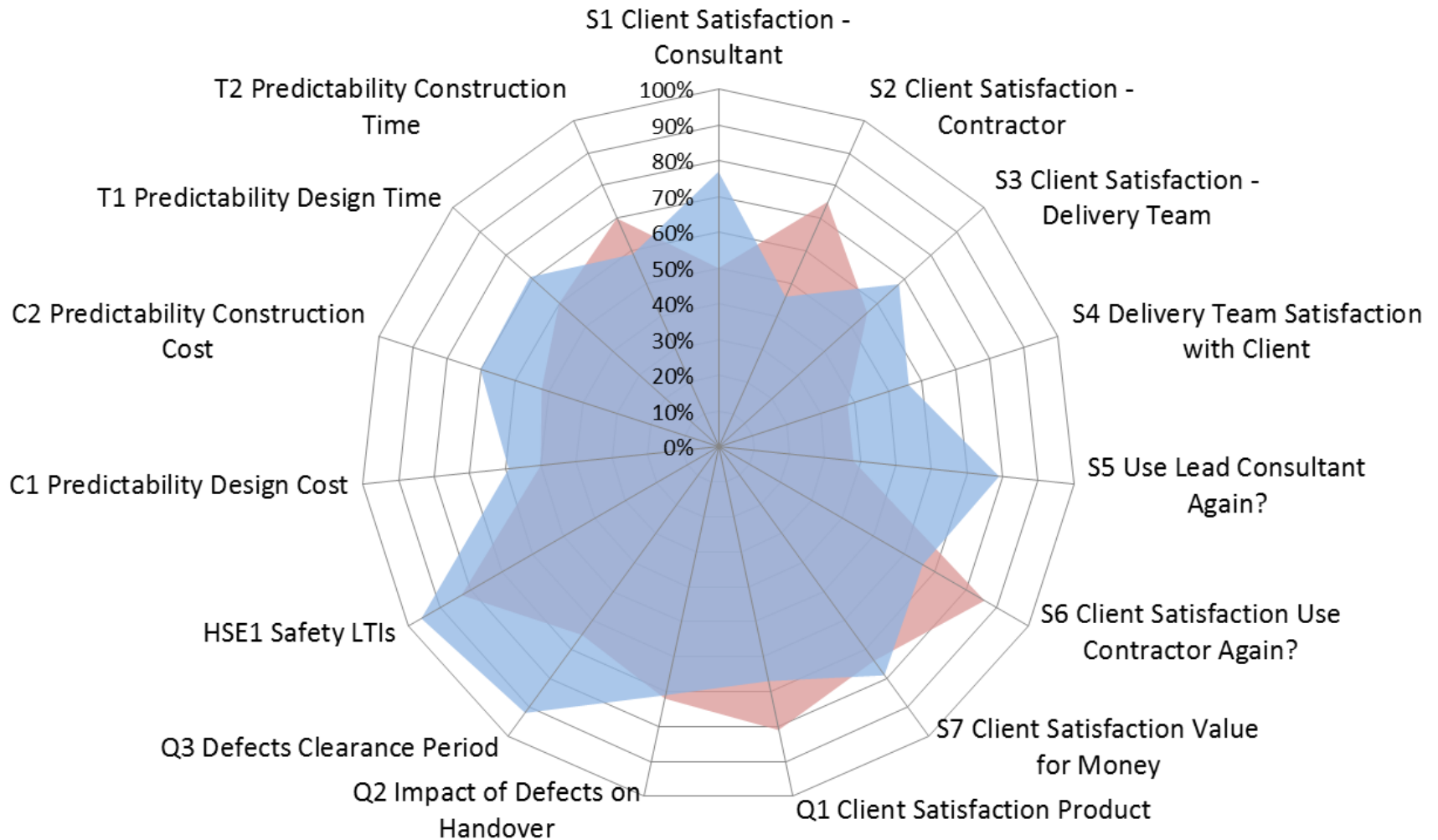
National Industry Performance 2006, 2011, 2013



■ 2006 ■ 2011 ■ 2013

National Industry Performance: 2014 Report

Horizontal Versus Vertical



National Industry Performance: 2014 Report

KPI Suite	KPI	Measure - % Projects	2004	2005	2006	2011	2012	2013	This Year	All Years
SATISFACTION	S1 Client Satisfaction - Consultant	% Scoring 8/10 or better	62%	79%	39%	65%	56%	74%	↑	↑
	S2 Client Satisfaction -Contractor	% Scoring 8/10 or better	62%	79%	39%	66%	74%	58%	↓	↓
	S3 Client Satisfaction - Delivery Team	% Scoring 8/10 or better	-	-	-	80%	72%	67%	↓	↓
	S4 Delivery Team Satisfaction with Client	% Scoring 8/10 or better	-	-	-	-	78%	57%	↓	↓
	S5 Use Lead Consultant Again?	% Scoring 8/10 or better	-	-	-	-	74%	66%	↓	↓
	S6 Client Satisfaction Use Contractor Again?	% Scoring 8/10 or better	-	-	-	79%	86%	79%	↓	↔
	S7 Client Satisfaction Value for Money	% Scoring 8/10 or better	-	-	-	75%	88%	77%	↓	↔
QUALITY	Q1 Client Satisfaction Product	% Scoring 8/10 or better	73%	82%	88%	79%	83%	71%	↑	↔
	Q2 Impact of Defects on Handover	% Scoring 8/10 or better	40%	78%	31%	72%	80%	72%	↓	↑↑
	Q3 Defects Clearance Period	% where defects are cleared within 14 days	-	-	-	60%	55%	75%	↑	↑
SAFETY	HSE1 Safety LTIs	% Projects with zero LTIs (Lost Time Incidents)	33%		41%	77%	87%	93%	↑	↑↑
COST	C1 Predictability Design Cost	% on target or better	53%	55%	55%	81%	79%	57%	↓	↔
	C2 Predictability Construction Cost	% on target or better	42%	54%	39%	53%	61%	66%	↑	↑
	C3 Predictability Project Cost	% on target or better	33%	48%	40%	42%	68%	71%	↔	↑
TIME	T1 Predictability Design Time	% on target or better	38%	52%	22%	72%	67%	68%	↔	↑
	T2 Predictability Construction Time	% on target or better	65%	73%	53%	65%	63%	62%	↔	↔
	T3 Predictability Project Time	% on target or better	34%	50%	23%	47%	69%	42%	↓	↑
PROFIT	*P1 Profit (Pre-tax Profit) Company KPI*	Median % profit before interest & tax	10%	10%	7%	-	6.6%			

What's in it for me?

- ▶ Compare your performance NOW!
- ▶ Create a plan to WOW!
- ▶ Join us on the journey
 - ▶ Submit Data
 - ▶ Join a club

PERFORMANCE



- EXCELLENT**
- GOOD**
- AVERAGE**
- POOR**

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**Construction
Clients' Group**
CONSTRUCTING EXCELLENCE

Questions

What are they?

- ▶ New Zealand Construction Industry's suite of Industry Performance Measures
- ▶ The first step in the 20/20 Journey

But...

- ▶ Weighing the Pig doesn't.....



A bit of History...

▶ 1998 UK KPIs

▶ 2004 NZ adopts and adapts



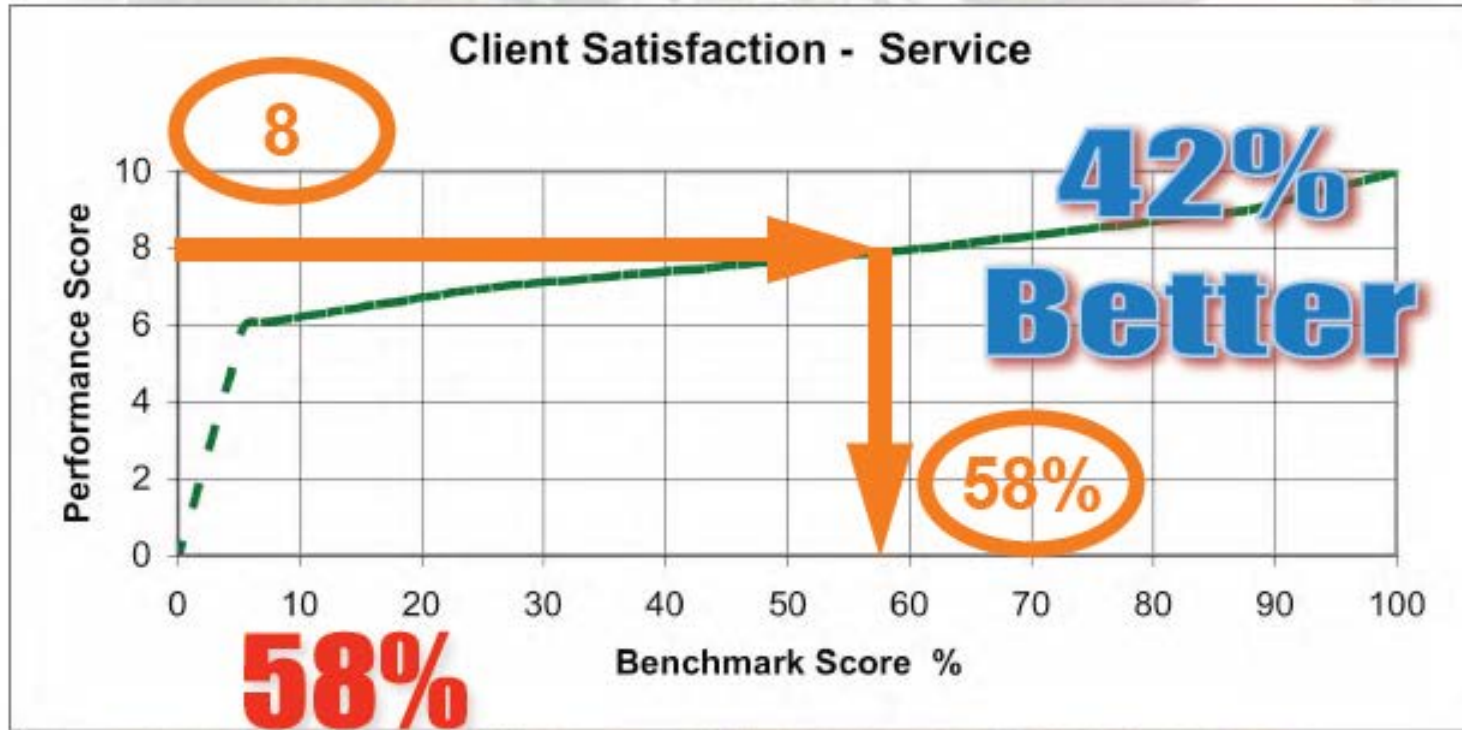
Where are we now?

- ▶ Third suite since 2006
- ▶ Vertical Vs Horizontal Suite

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The Results – The Wallcharts...

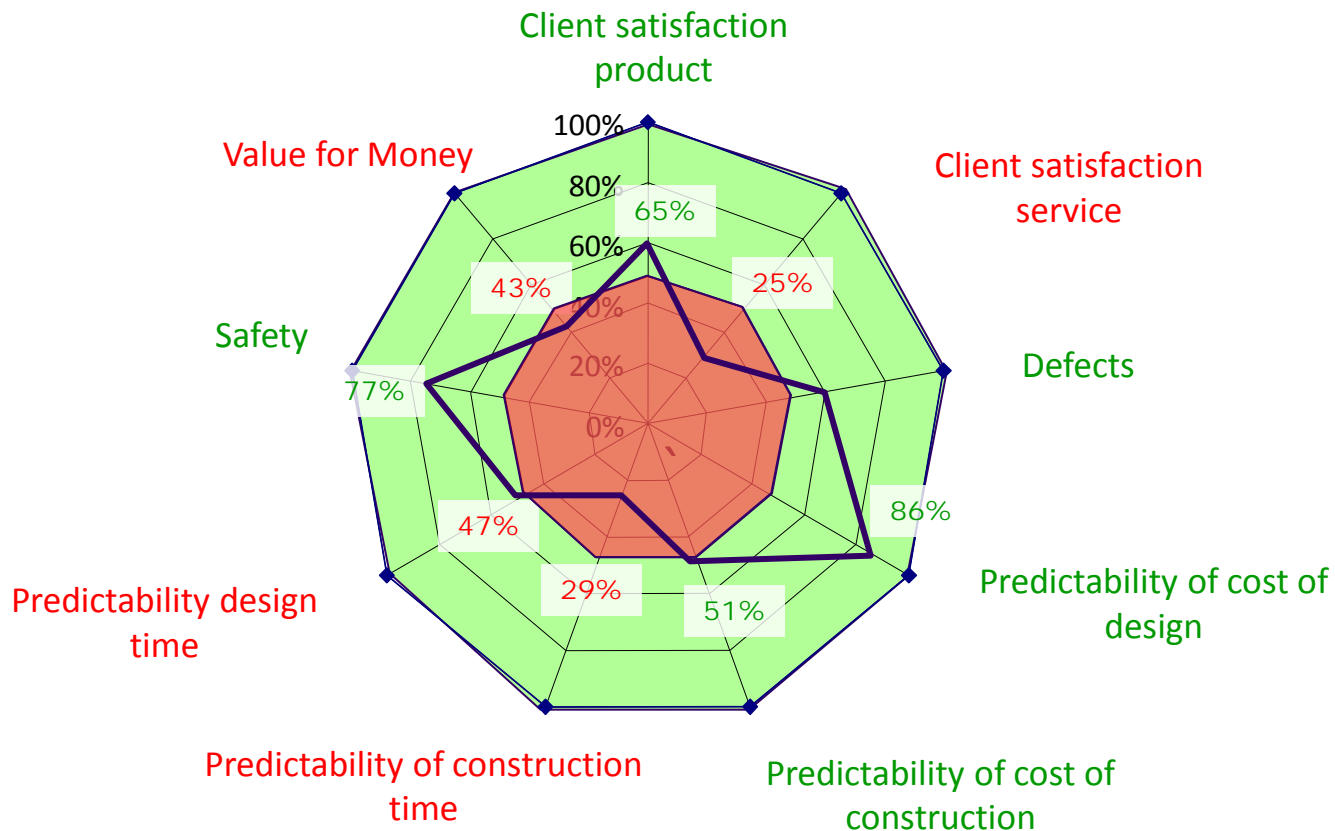


Equal or Worse



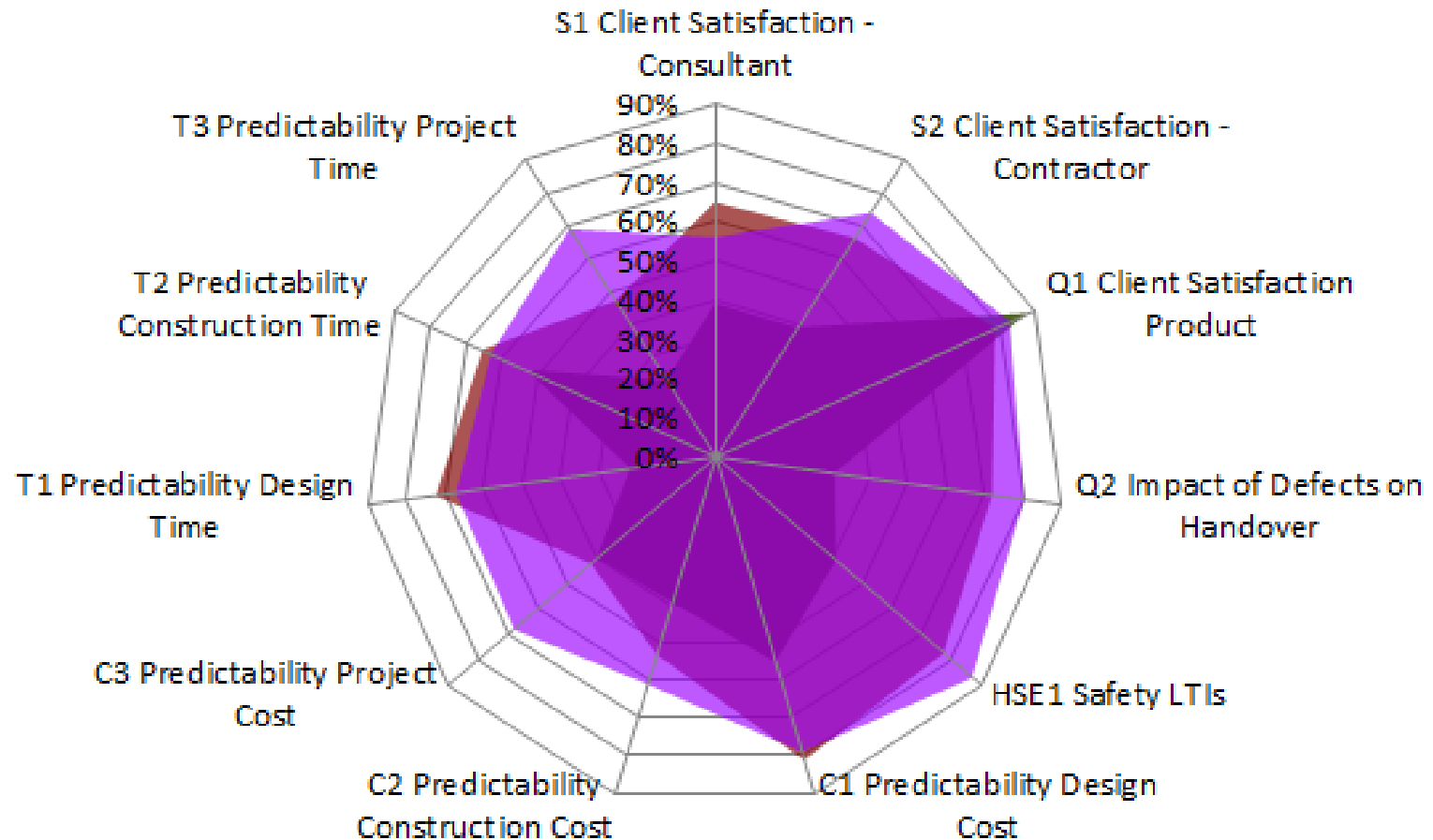
The Results – Spidergraphs...

Example Project Spidergraph



NZ Industry Results – 2006, 2011, 2012

% Projects Scoring...



■ NZ Score 2006 ■ CCG Score 2011 Data ■ CCG Score 2012 Data

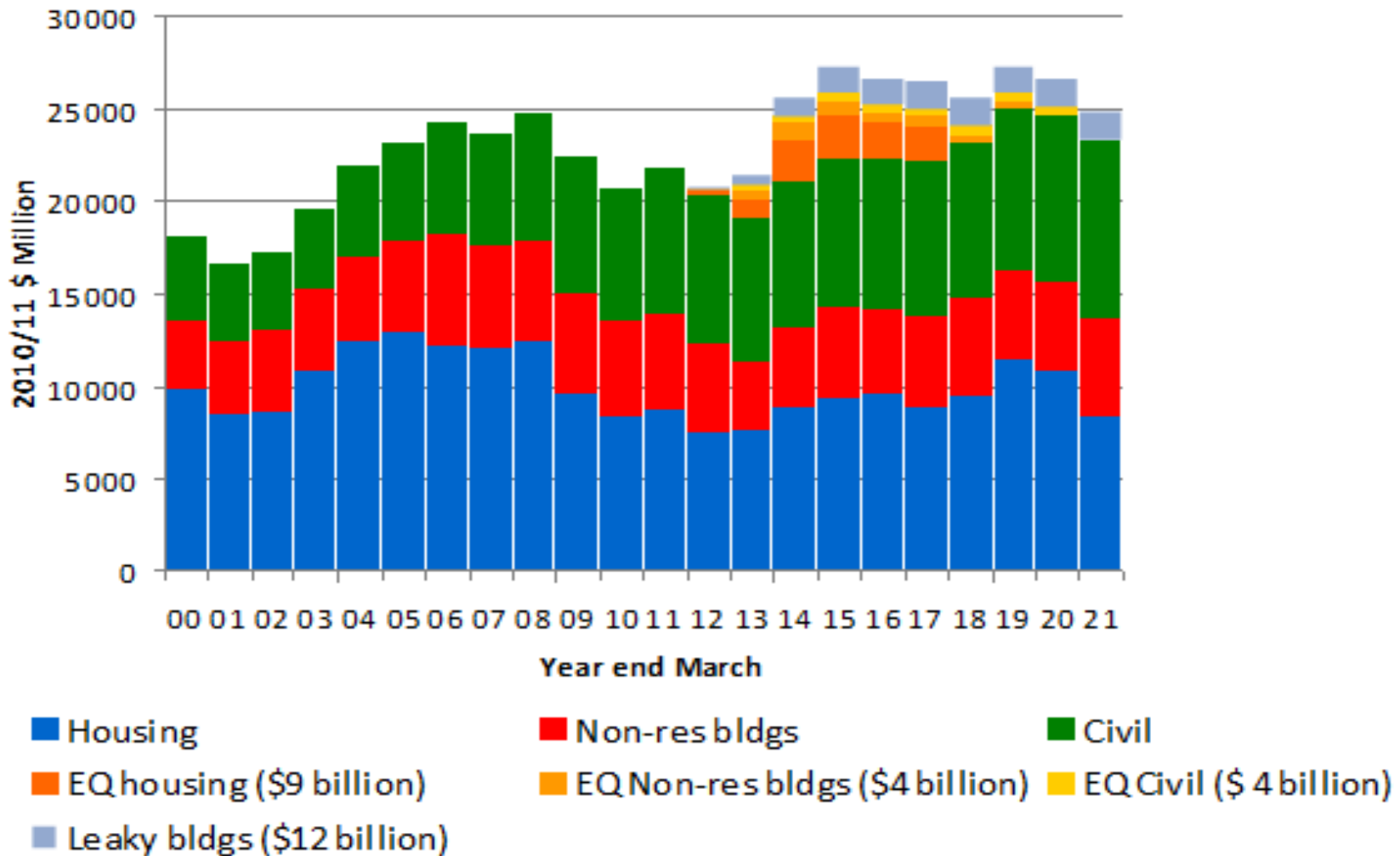
NZ Industry Results – 2006, 2011, 2012

% Projects Scoring...



The wall of work is coming

Construction industry workloads



Our hypothesis

- ▶ During periods where the turnover of the construction industry is low (“famine”), productivity increases, waste decreases.
 - ▶ **The KPI scores are higher.**
- ▶ During periods where the turnover of the construction industry is high (“feast”), productivity decreases, waste increases.
 - ▶ **The KPIs scores get lower.**
- ▶ **So please help us test this hypothesis by providing data for 2013 projects.**

What next?

- ▶ Full Report published mid December 2014
- ▶ Sponsors personalised Benchmark December 2014
- ▶ Gathering your 2013 project data by end **October 2014**

- ▶ Lets all get measuring but...
- ▶ Let's FATTEN THAT PIG – Together!!!



Ways we help the industry to improve

