Construction Industry KPI’s

Agenda

– KPI’s and Benchmarking
– Current Industry KPI’s
– Business Opportunities
– Wider Benefits
– Future KPI’s
– Discussion
A KPI is a measure of a factor critical to success.

A Benchmark is the best performance achieved in practice.

Benchmarking is continuously comparing your performance against others, then using lessons from the best to make improvements.
Benchmarking is a Tool

If you do not measure performance you have no basis to plan improvement.

Action, not data, drives improvement!

Best practice companies set and achieve highly challenging performance levels.

The constraint is the organisations capacity to handle the actions that stem from the KPI results.
Why CAENZ Established the KPI Initiative

- No means to provide commentary on industry performance
- Creating the measure for enhanced performance
- Proving to Government the importance of the Construction Industry to the NZ Economy
The CAENZ KPI Initiative

A starting point, Industry lead, Project focused

A measure of critical construction project success factors

- Cost
- Time
- Quality
- Client Satisfaction
- Safety

Focused on Improvement Opportunities
Cost

Comparing estimated vs actual

– Predictability cost - design

– Predictability cost - construction

– Predictability cost - total project
Comparing estimated vs actual

- Predictability time - design
- Predictability time - construction
- Predictability cost - total project
Are you meeting your expectations?

- Safety - Lost Time Incidents (LTI)
- Defects
Client perception vs Contractor perception

- Client satisfaction with service
- Client satisfaction with product
Client Opportunities

Opportunities

• Develop closer relationship with clients
• Show active engagement
• Increase likelihood of repeat work
• Word of mouth marketing
• Good reputation
Business Opportunities

- Cashflow
- Project cost estimation
- Project completion
- Client relationships
- Client confidence
Business Opportunities

– Displaying Best Value
– Improve efficiency
– New work
– ISO/Quality Systems
– Industry standing
Benefits to the Sector

Threat/Risks
- Industry perceived as inefficient
- Loss of respect, poor image
- Risky competitive environment

Opportunities
- Demonstrate industry efficiency
- Show industry improvement
- Ensure the industry has a sustainable future
Progress to Date

Three years of collection
- Uptake not as good as hoped for
- KPI usage in general
- National dataset

Feedback
- Extra work to provide & use
- Small number of KPI’s
- Limited promotion/provision
- ‘What I currently do works…’
Other KPI’s

Not all may be applicable

Company specific KPI’s are possible

The value of the current 10 Industry KPI’s is they provide a benchmark for comparison

Expansion of the Industry KPI’s is desirable
Possible Expansions

Provision by sector

– New build (residential and non-residential)
– Infrastructure
– Repair & Maintenance and refurbishment (residential and non-residential)

M&E Contractors
Consultants
Environmental
What Is Needed

• We need your feedback and active promotion

• We need your involvement in establishing further KPI measures

• We need visible leadership from clients