

# Performance Measurement

A woman with blonde hair, wearing a grey sweater, is pointing her right index finger towards a red line graph on a screen. The graph shows an upward trend with some fluctuations. The background is a blurred office setting with warm lighting.

## National Construction Industry Performance Benchmarking

# Agenda

- ▶ **Why Benchmark?**
- ▶ **Who is doing it?**
- ▶ **NZ Industry Results**
- ▶ **What's Next?**

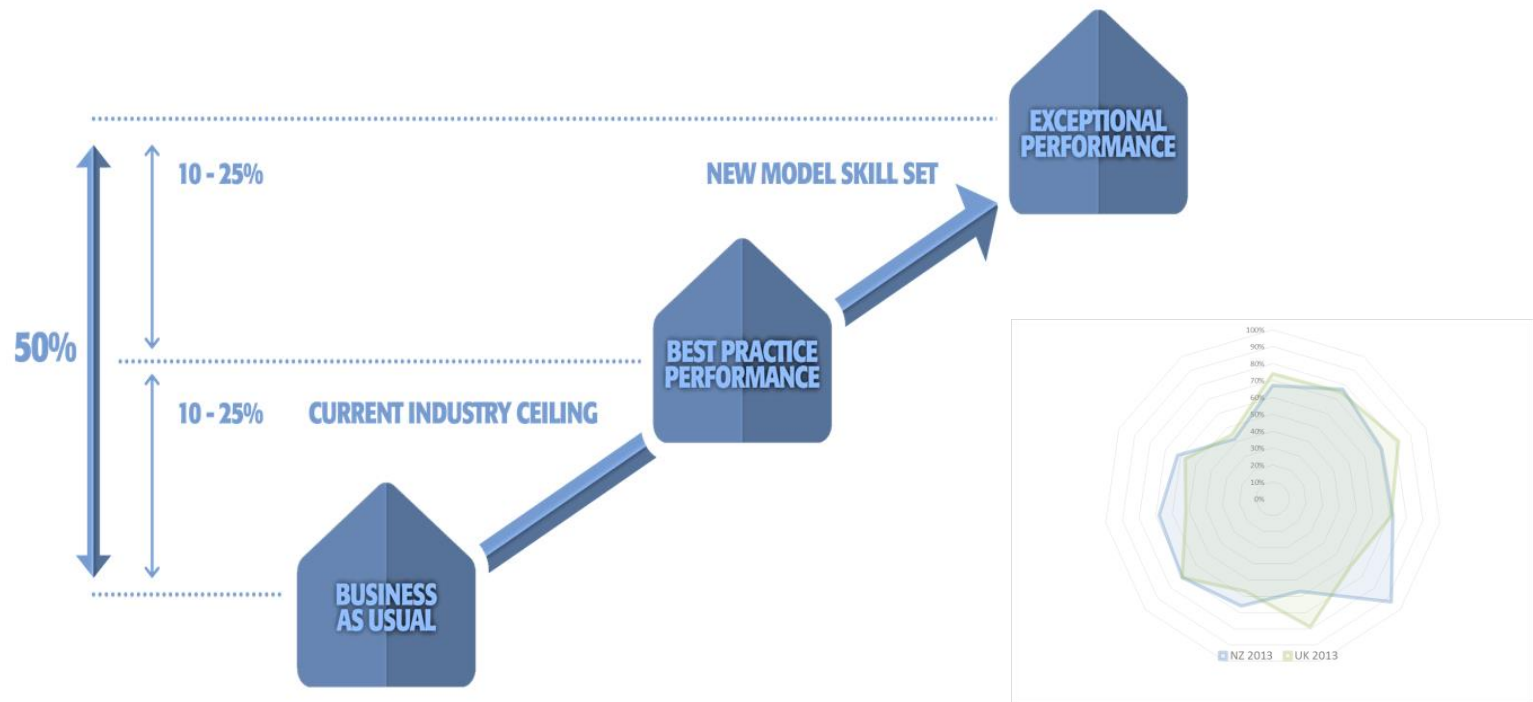


# UK Government sets stiff Targets for 2025

**A burning platform for transforming performance**



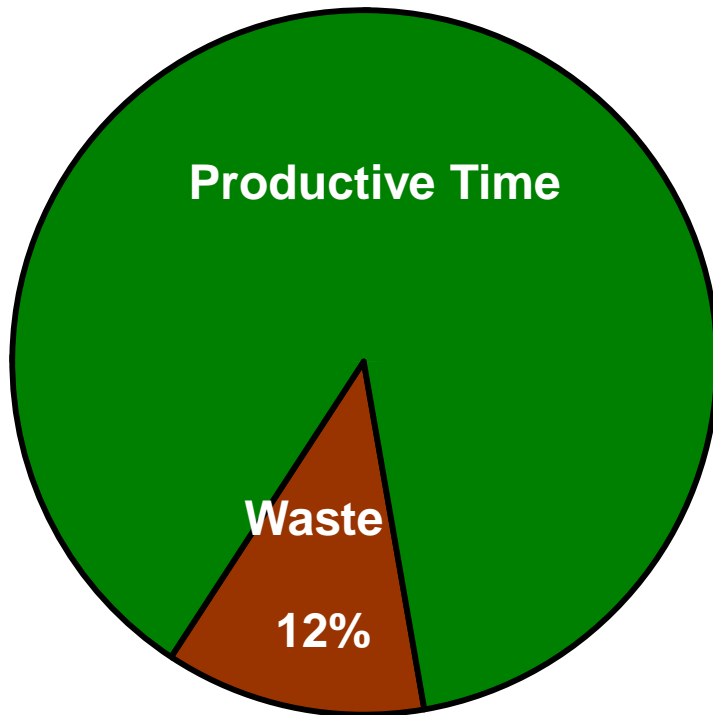
**A fit-for-purpose, streamlined industry by 2025**



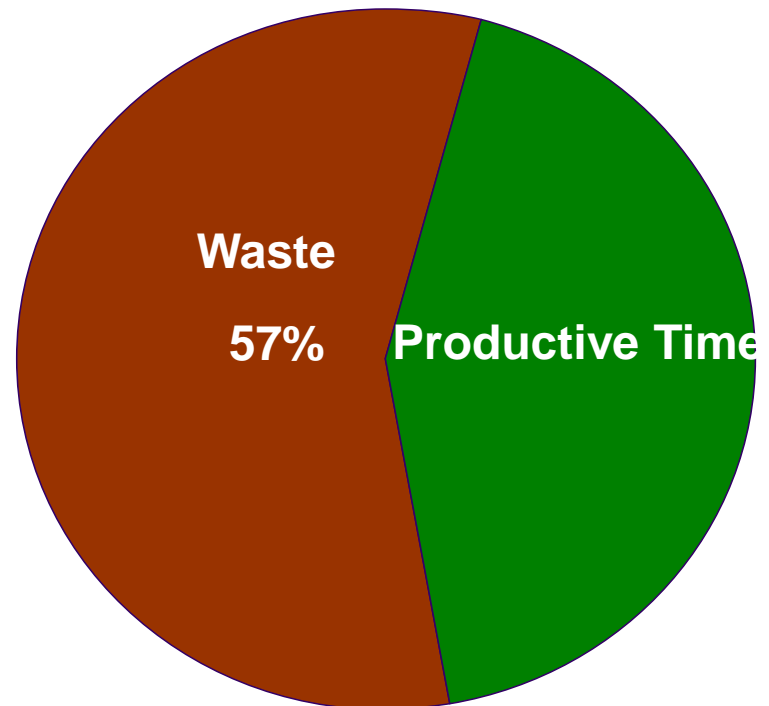
# Why Benchmark?

---

- ▶ Sir John Egan: 30% Waste



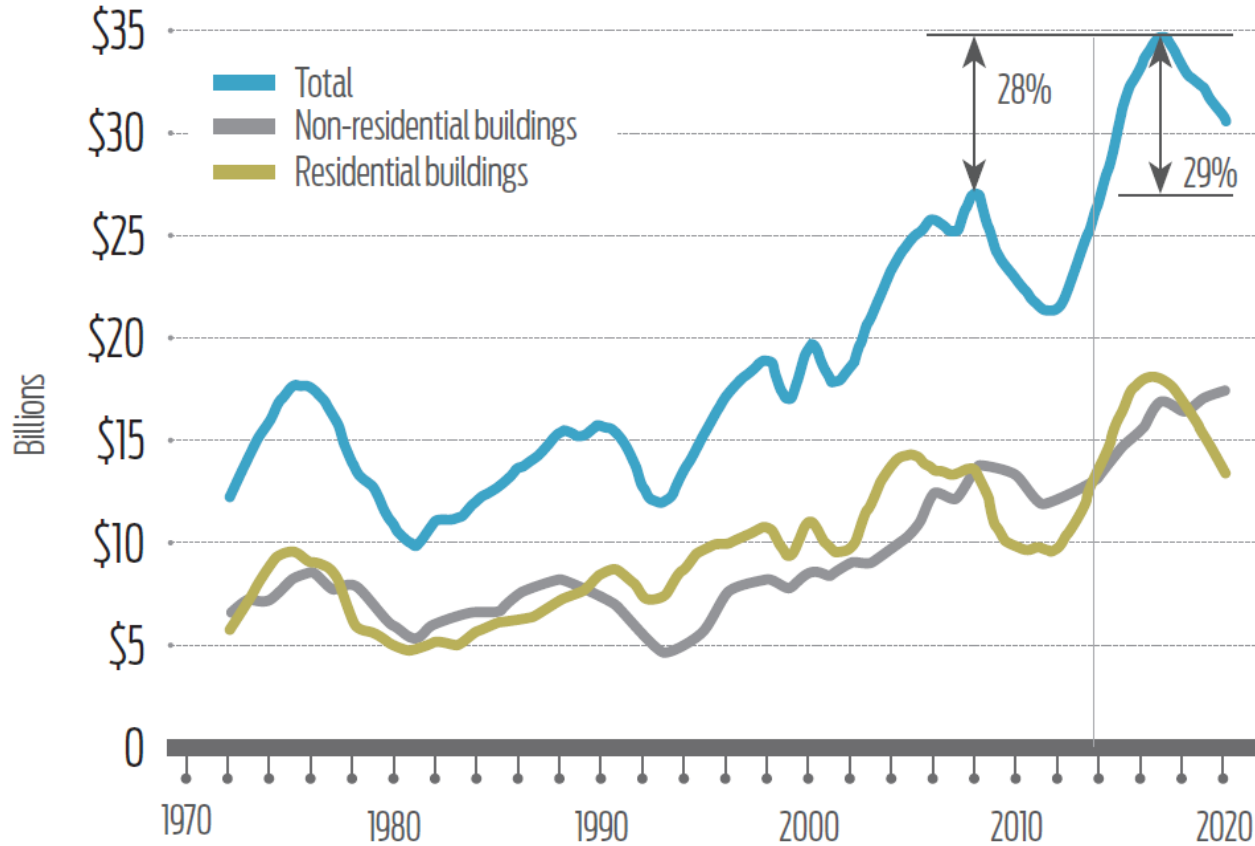
**Manufacturing**



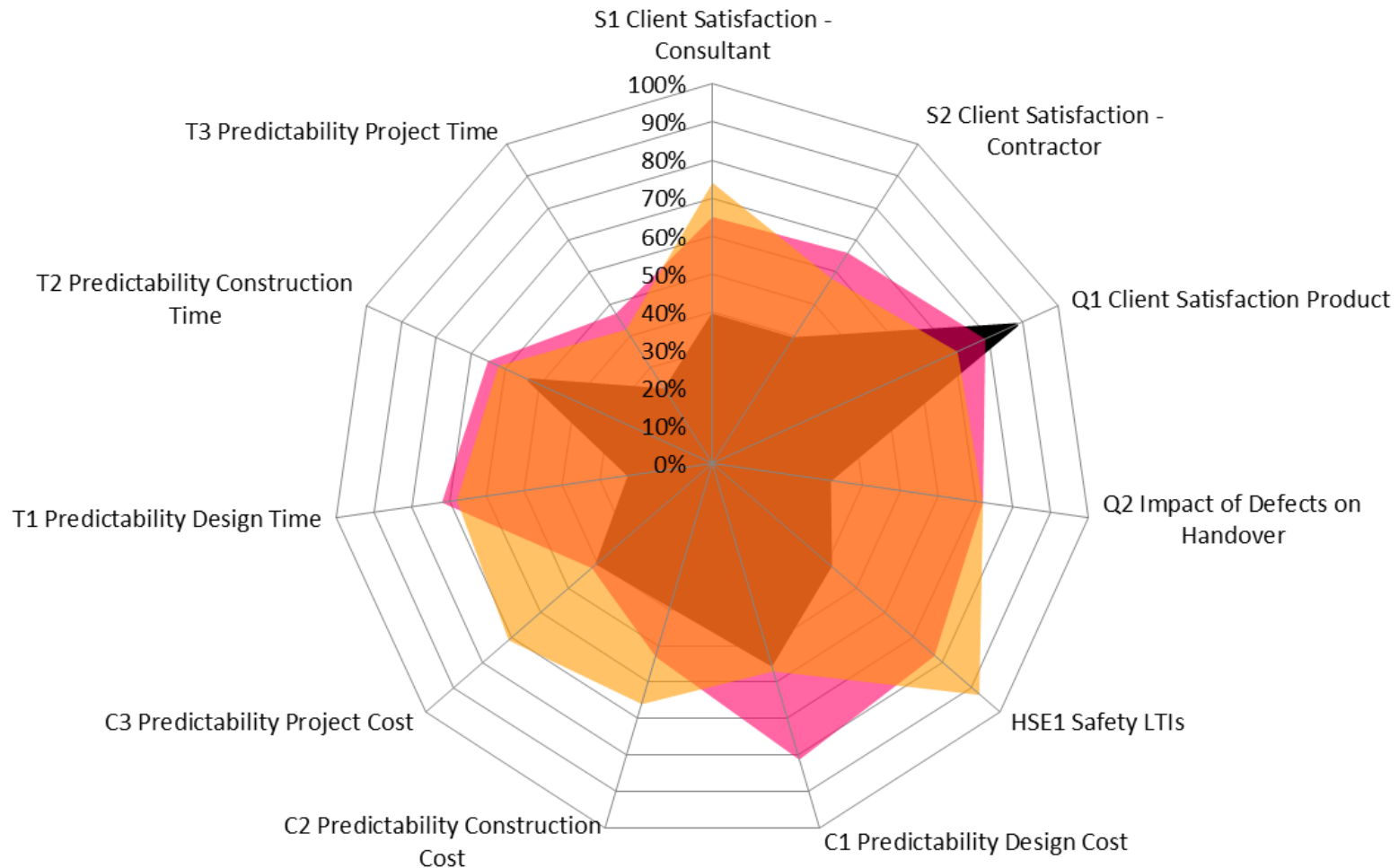
**Construction**

# Why Benchmark?

## Boom Bust – does this affect performance?

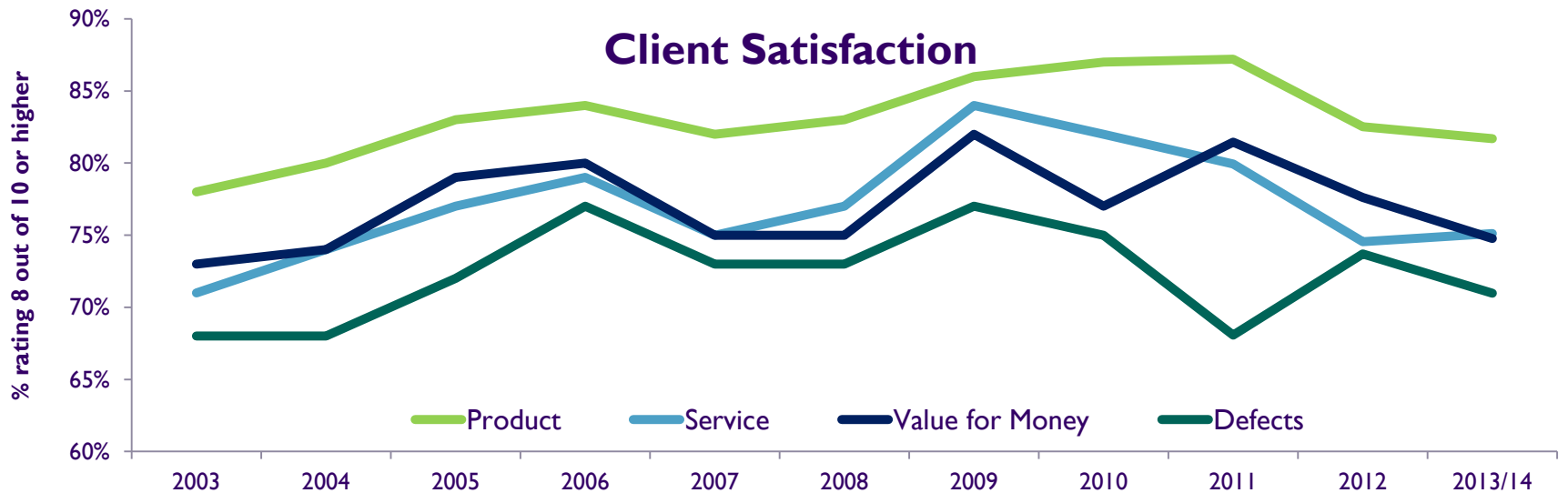
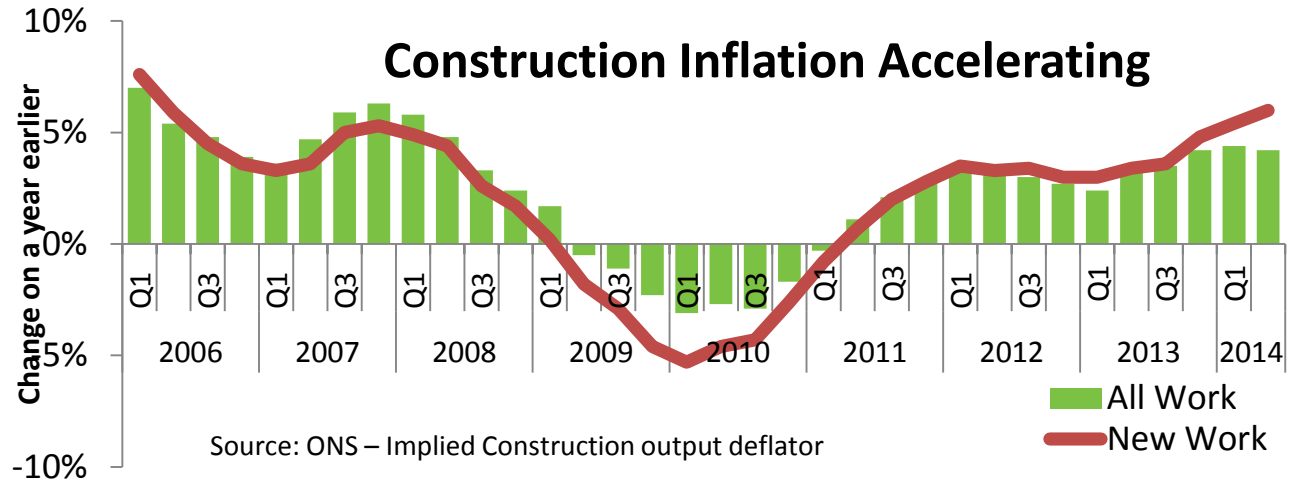


# National Industry Performance 2006, 2011, 2013



■ 2006 ■ 2011 ■ 2013

# UK Boom Bust Versus Client Satisfaction





# Why Benchmark?

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





# 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?



**Waitaki** DISTRICT COUNCIL

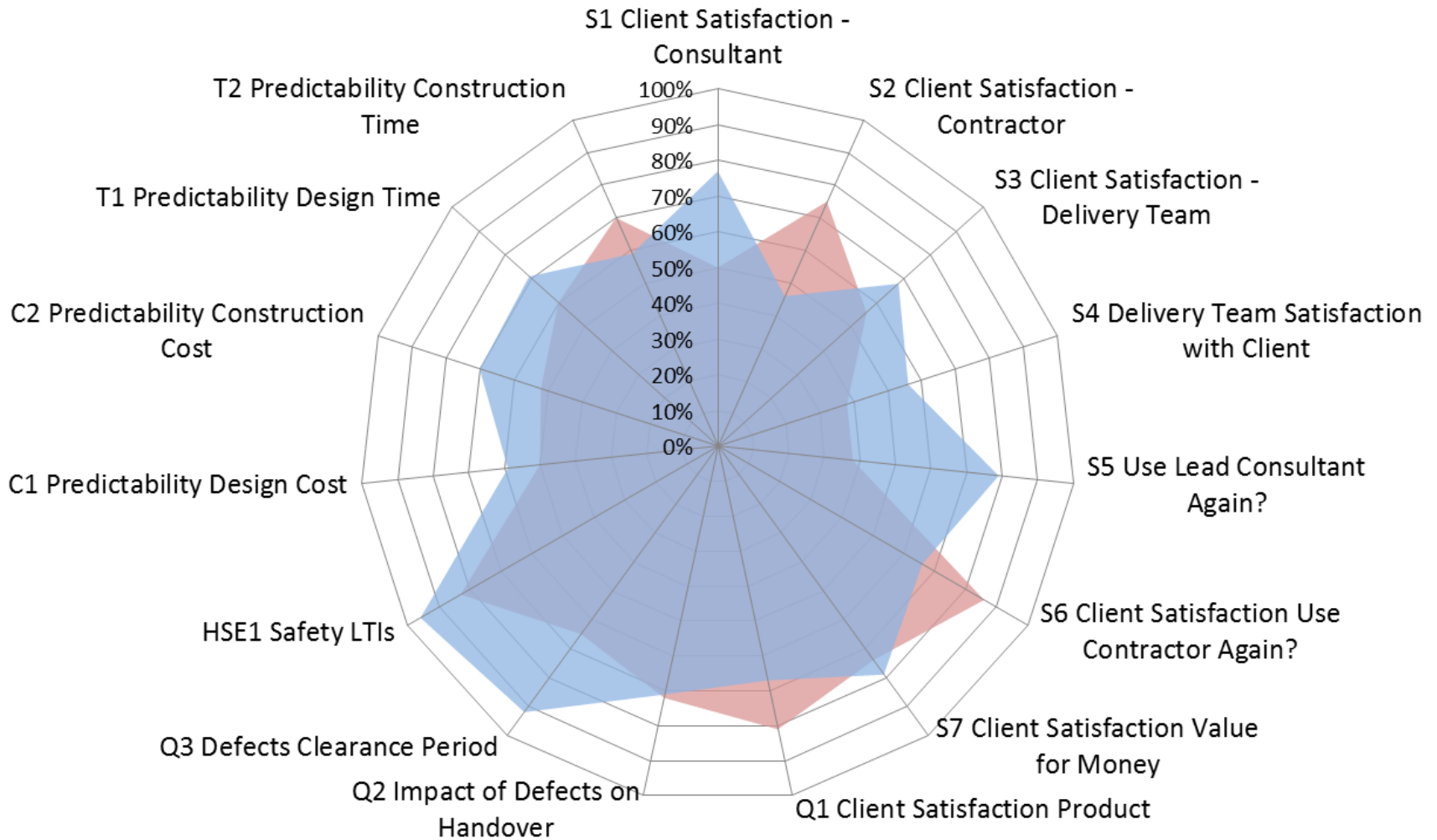


# National Industry Performance: 2014 Report

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%			

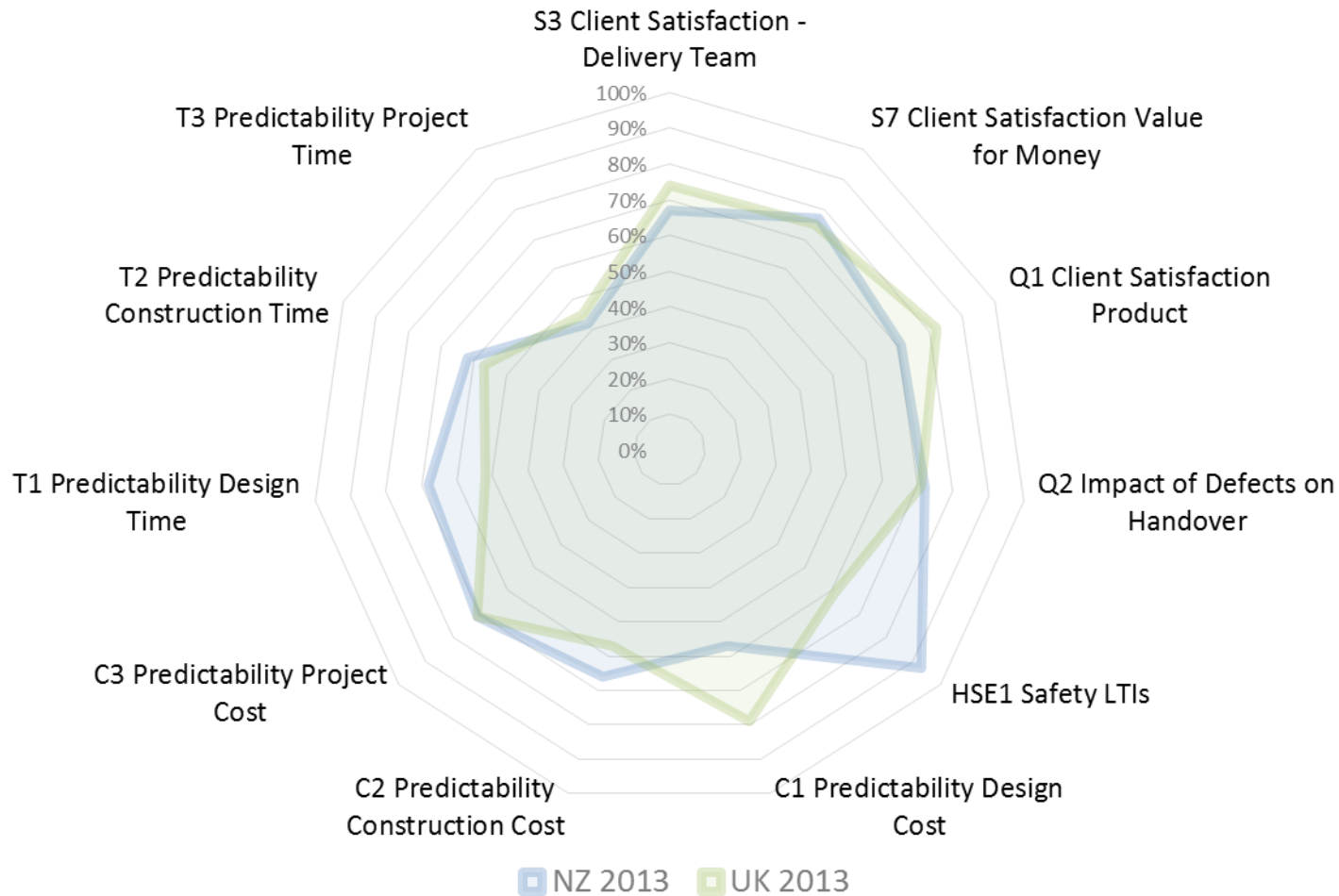
# National Industry Performance: 2014 Report

## Horizontal Versus Vertical



# National Industry Performance: 2014 Report

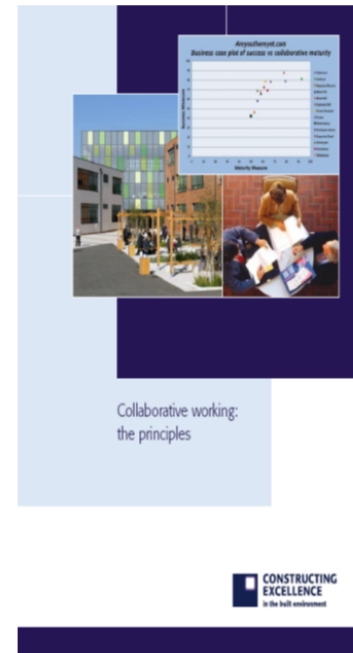
## International Benchmark - UK



# UK Constructing Excellence Response

## Achieving Vision 2025

- ⇒ Collaborative working
- ⇒ BIM
- ⇒ Lean
- ⇒ **VALUE in use**





# What's in it for me?

- ▶ Benchmark your performance NOW!
- ▶ Create a plan to WOW!
- ▶ Join us on the journey
  - ▶ Submit Data
  - ▶ Join us to develop industry targets and response

Contact Amanda Warren

[adwarren@constructing.co.nz](mailto:adwarren@constructing.co.nz)

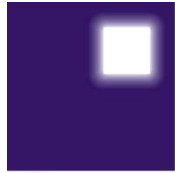
021 892 124

## PERFORMANCE



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





**Construction  
Clients' Group**  
CONSTRUCTING EXCELLENCE

Thank You

# 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

Proudly Sponsored by





# The Results – The Wallcharts...



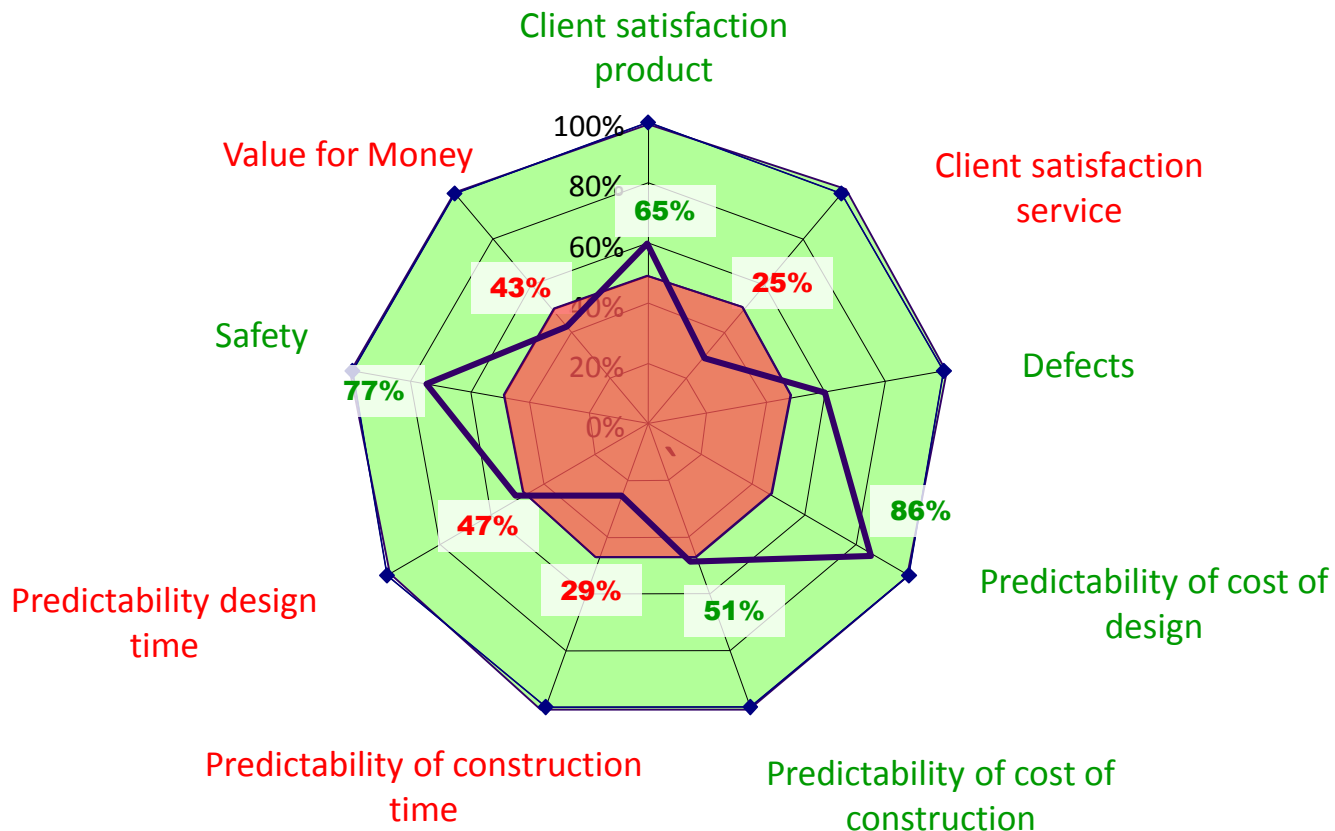
**Equal or Worse**





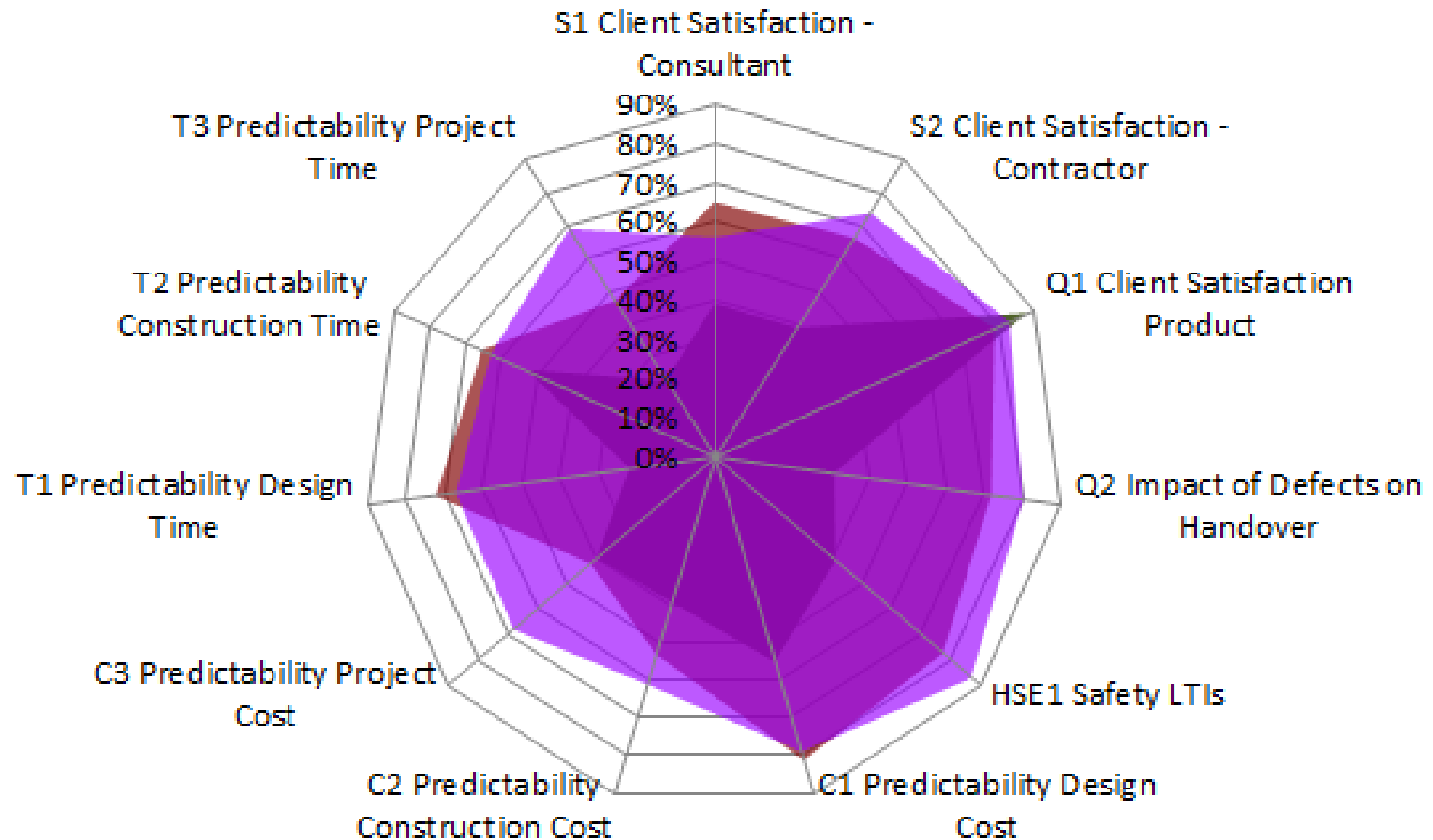
# The Results – Spidergraphs...

## Example Project Spidergraph



# NZ Industry Results – 2006, 2011, 2012

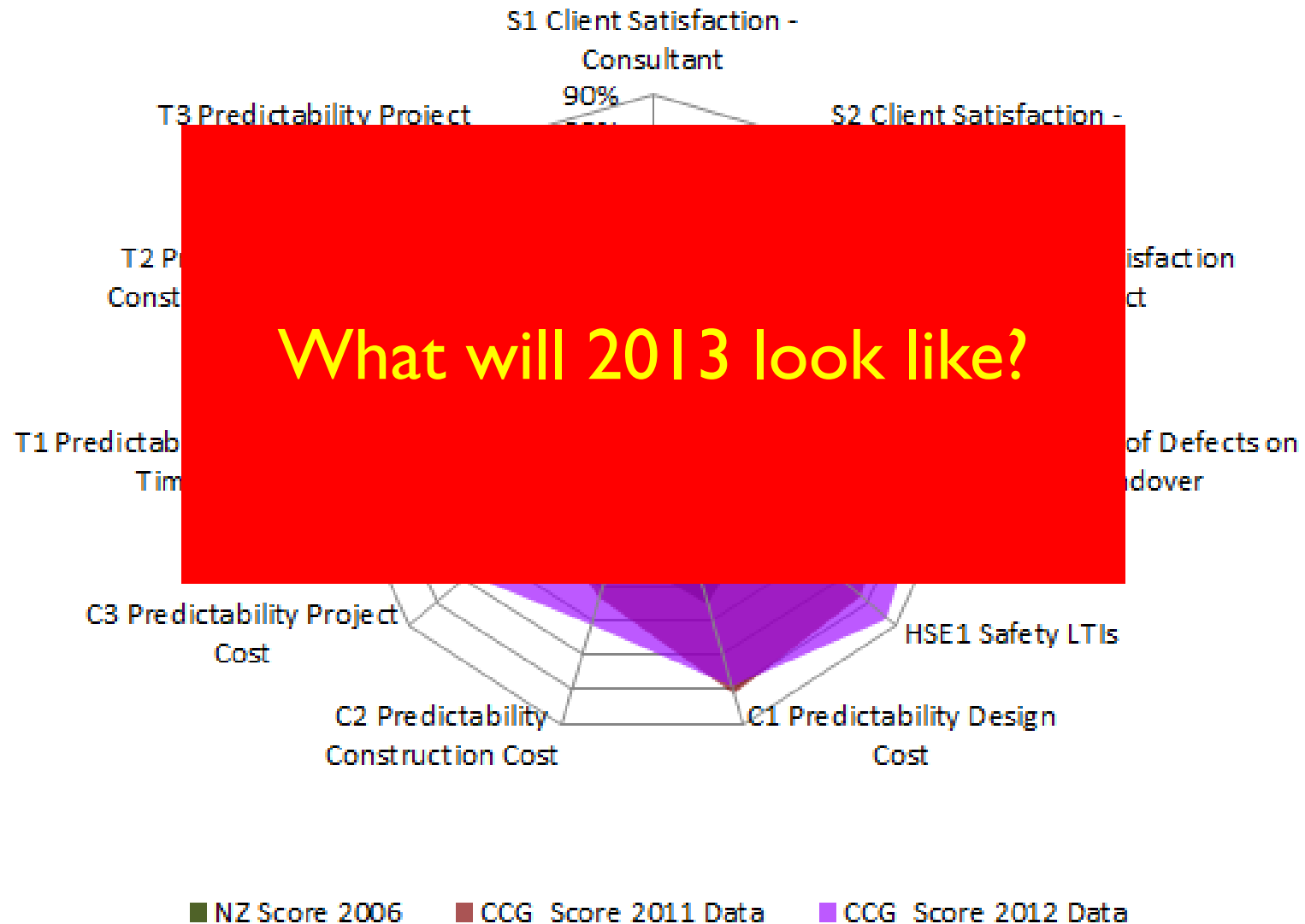
% Projects Scoring...



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

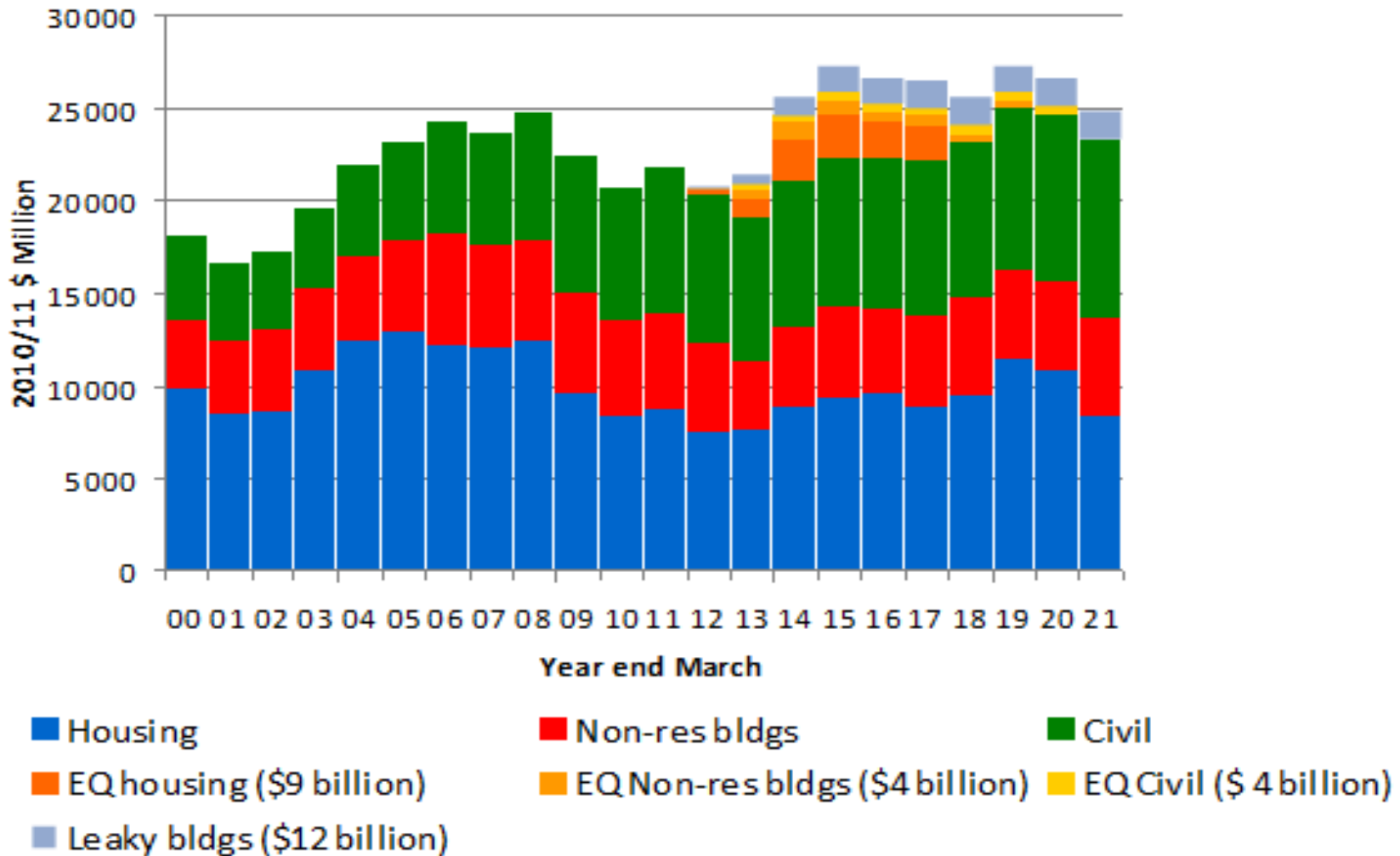
# NZ Industry Results – 2006, 2011, 2012

% 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

