

Performance Measurement

A woman with blonde hair, wearing a grey turtleneck sweater, is pointing her right index finger towards a red line graph on a screen. The graph shows a fluctuating upward trend. The background is a warm, yellowish-orange color.

National Construction Industry Performance Benchmarking

Agenda

- ▶ CCG National Benchmarking Programme
 - ▶ Progress Briefing
- ▶ Outcomes Reporting
 - ▶ Developing the KPIs



Our Vision

► Vision

For the New Zealand construction industry to realise maximum value to all clients, end users and stakeholders and exceed their expectations through the consistent delivery of world-class products and services for the benefit of all New Zealanders.



Our Mission

► Our Mission

The Construction Clients' Group aims to deliver **improved industry performance resulting in a measurably better built environment.**



Industry Targets

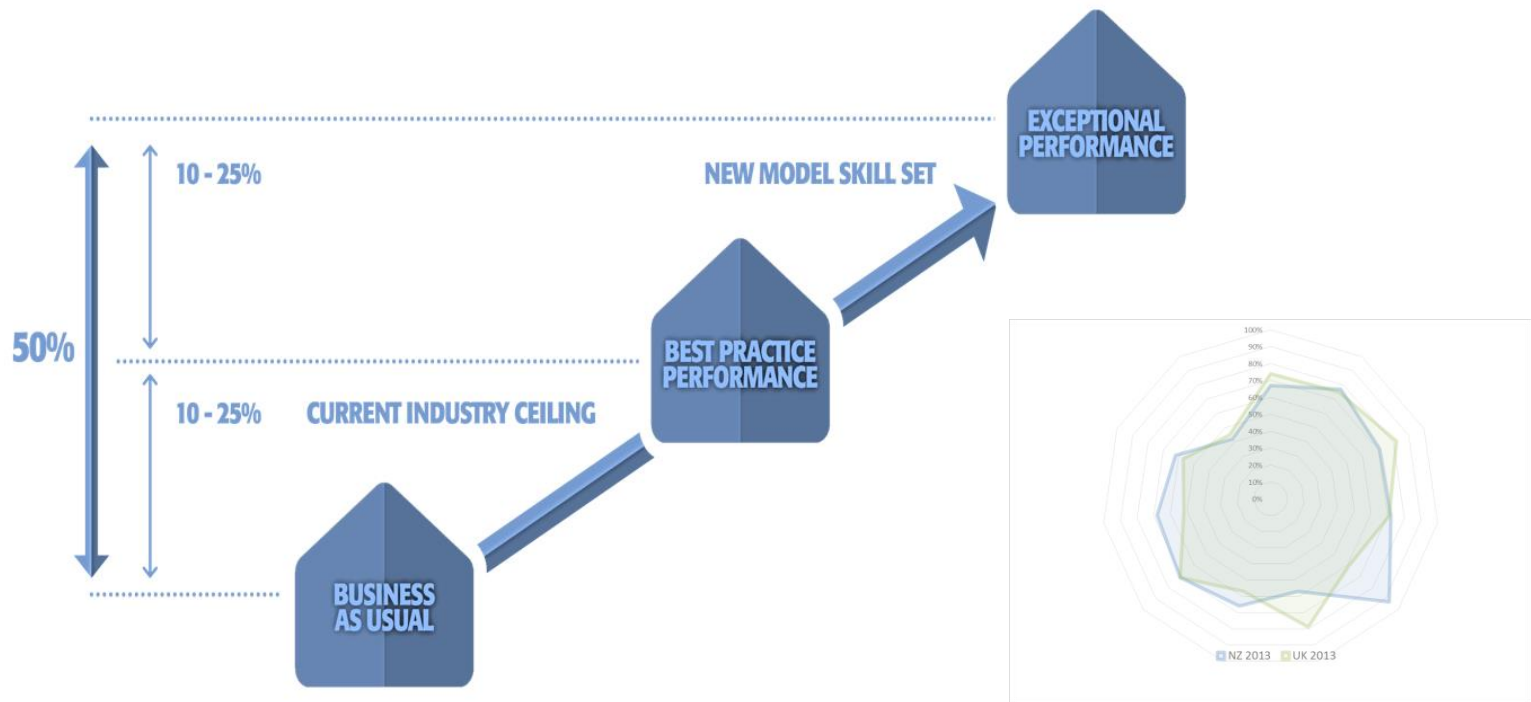
- ▶ Increase the value of the construction sector by transforming the way it works from end to end and raise its productivity by **20 percent by 2020**. Achieving this will add 2% to the country's GDP - around \$3 billion each year.
- ▶ CCG Response.....

UK Government sets stiff Targets for 2025

A burning platform for transforming performance



A fit-for-purpose, streamlined industry by 2025



6 Project Measures (KPIs) Summary

Six Key Suites of Measures



6 Project Key Result Areas (KRAs) Summary

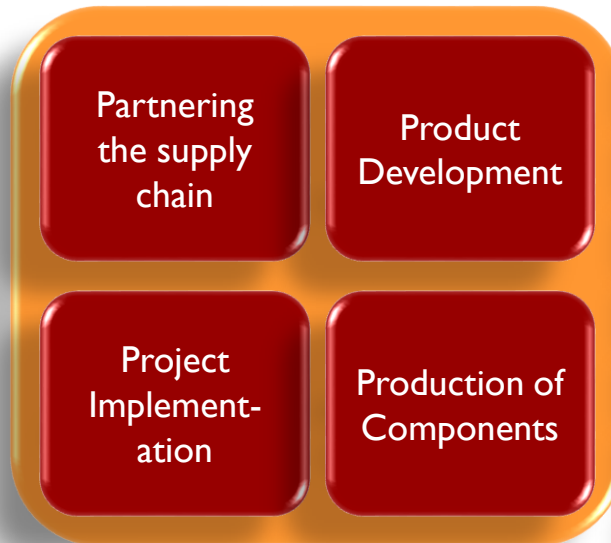


How do we Improve Performance?

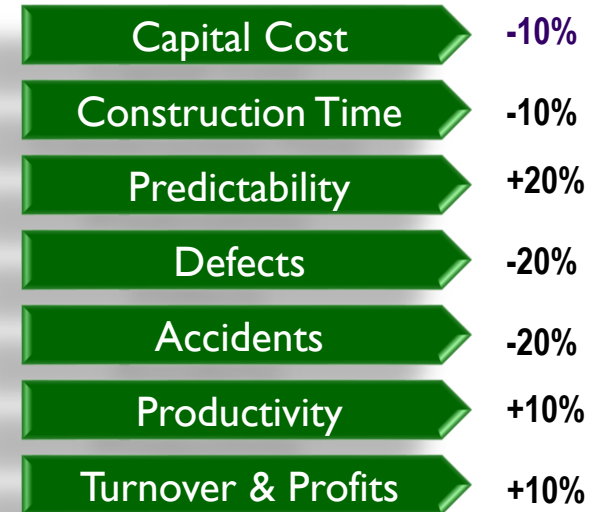
Behaviours



Processes



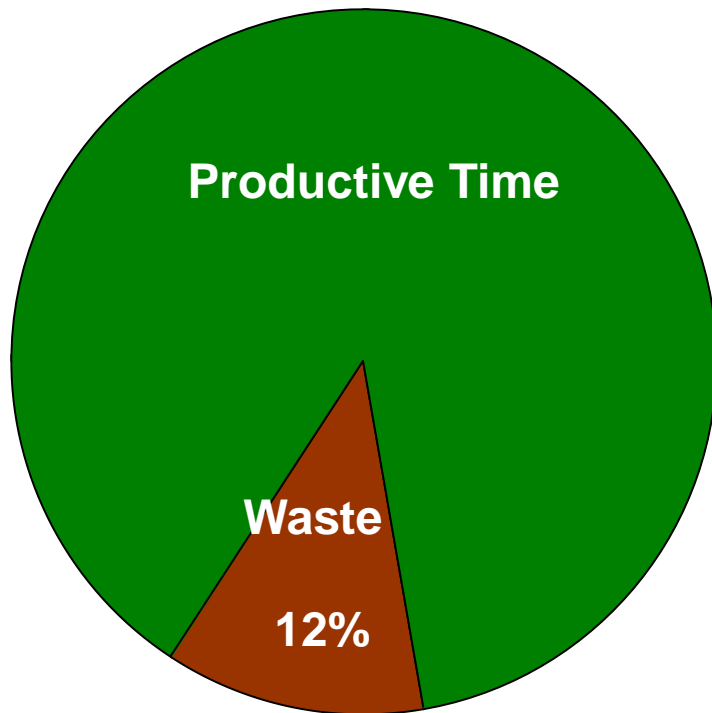
Results



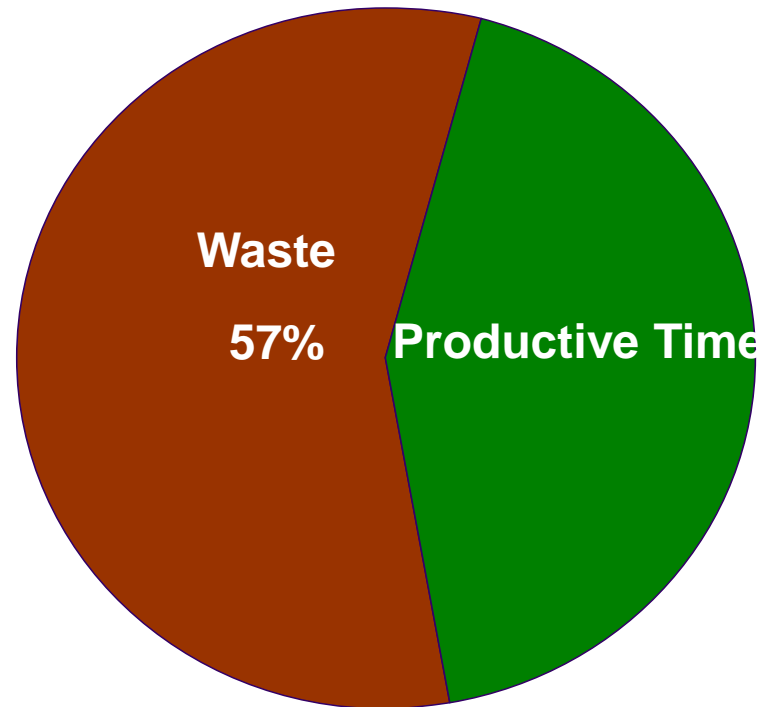
► Reduction in Waste, Year on Year

Why Benchmark?

- ▶ Sir John Egan: 30% Waste

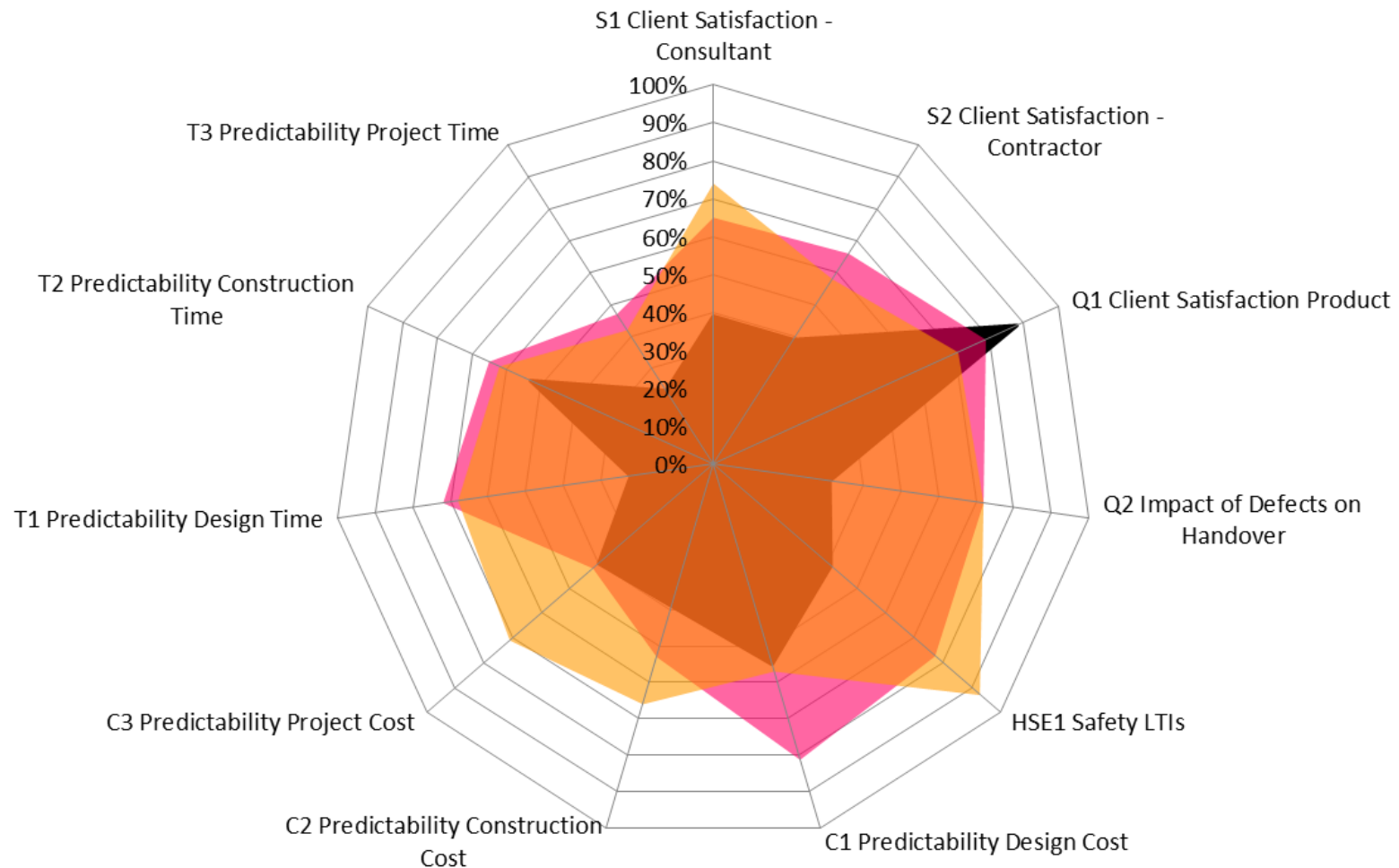


Manufacturing



Construction

National Industry Performance 2006, 2011, 2013



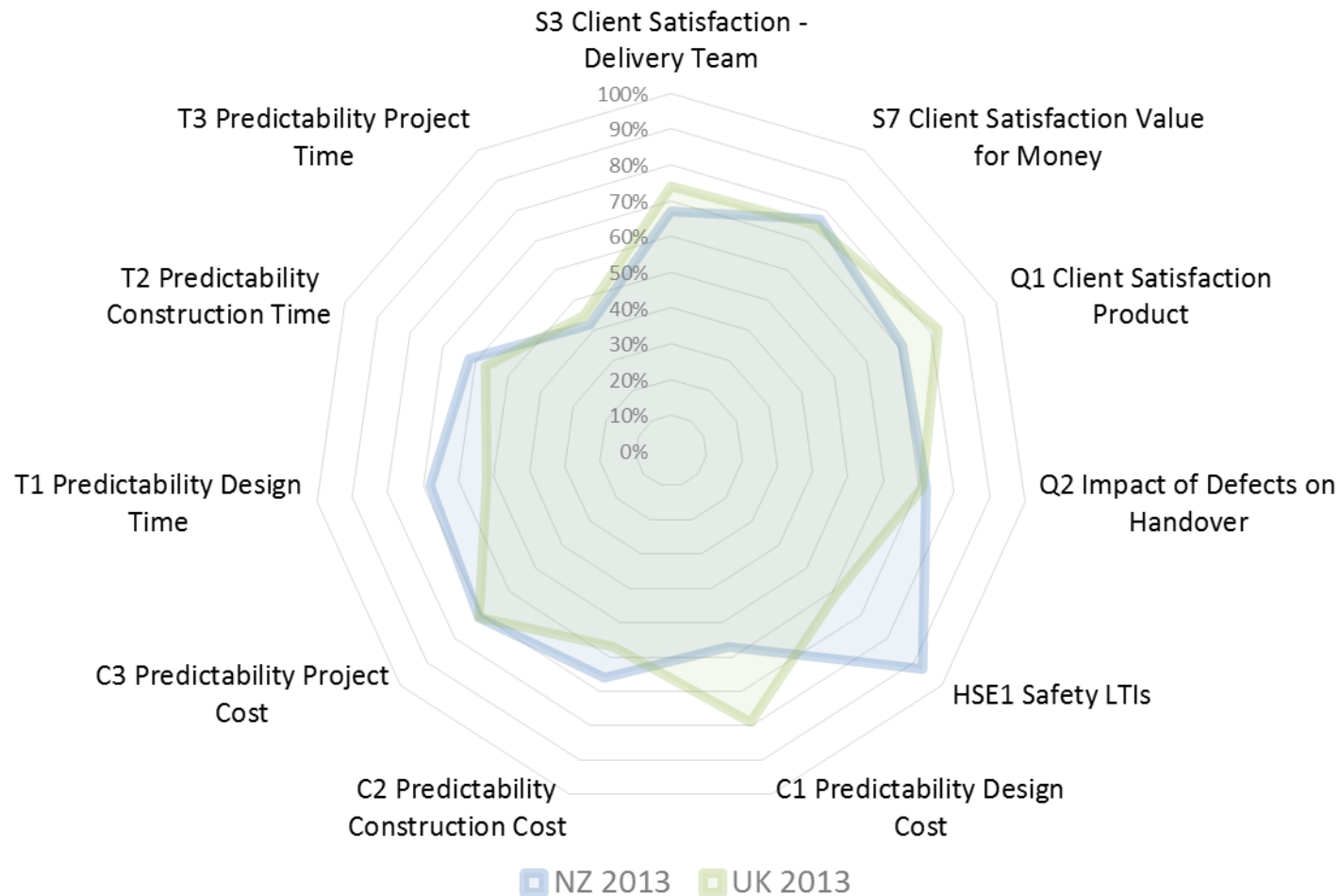
2006 2011 2013

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

International Benchmark - UK



Why would you benchmark your performance?

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



Current Drivers



- ▶ 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 Benchmarking?



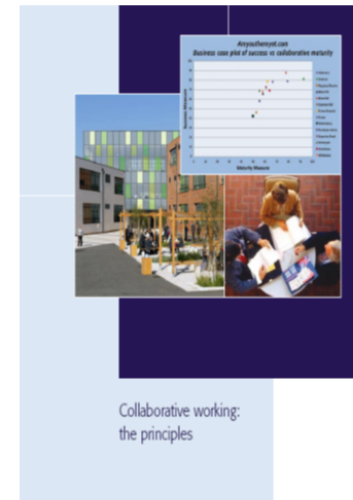
Call to Action

- ▶ Provide project data
 - ▶ Projects completed in 2014
- ▶ Join the CCG National Benchmarking Board
 - ▶ Launch 2016
 - ▶ Register interest now
- ▶ Sponsor the programme
- ▶ Start measuring your performance

UK Constructing Excellence Response

Achieving Vision 2025

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





**Construction
Clients' Group**
CONSTRUCTING EXCELLENCE



Benchmarking Industry Outcomes

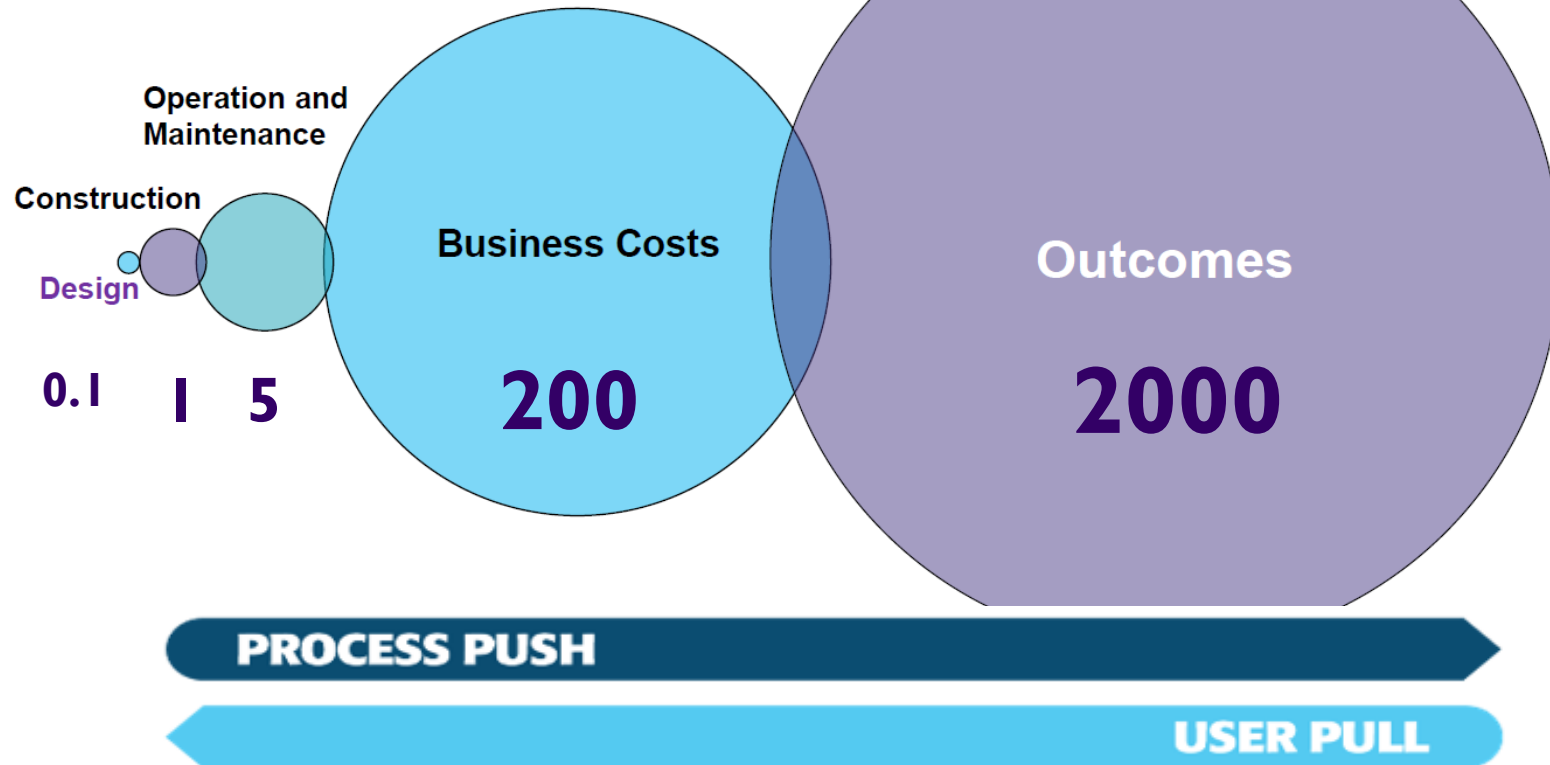
Construction Clients' Group, Wellington, September 2015



What are we all trying to achieve in the Built Environment?

The real value of client outcomes (1-5-200)

The value of client outcomes
far outweighs the project costs



The real value of client outcomes (1-5-200)

High quality buildings can...



Speed up recovery
in hospital by

27%*



Improve learning
in schools

10%*



Increase productivity
in the workplace

20%*



Help reduce
crime rates

67%*

** 'The value of good design: How building and spaces create economic and social value'
Commission for Architecture and the Built Environment (CABE)*

The real value of client outcomes (1-5-200)

**“better quality buildings
and public spaces improve
the quality of people’s lives”**



85% agree*

St Francis of Assisi Academy, Liverpool

- sustainability delivering value

Green values help academy top new league table

“A school which offers its pupils a green-focused education has won plaudits for having the best teaching standards in the country....”

The

Independent, 11 Jan 2007



“The excellent GCSE results and the fact that our students finished top of the national league tables for progress can rightly be attributed to the impact the building had on their studies”



So what should we benchmark?

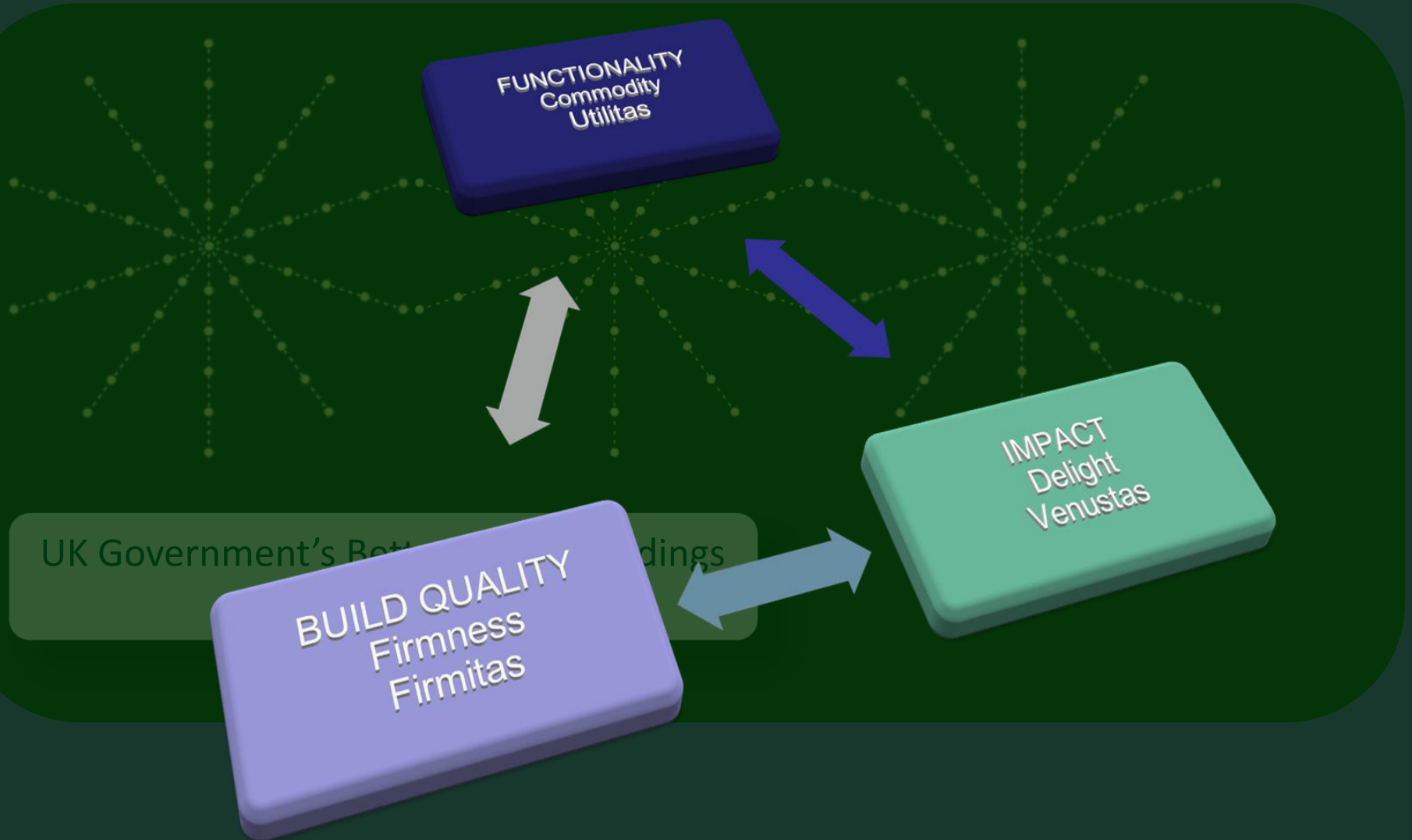


Peckham Library, UK, Stirling Prize Winner

- **Replaced two existing libraries**
- **Cumulative use went up 3 times**
- **Book borrowing increased 8 times**



CIC DESIGN QUALITY INDICATOR





Process
Industry
International
Key
Performance
Indicators

Types of
Measure
we need

Product
Outcomes
Design Quality
Indicators?
Other?

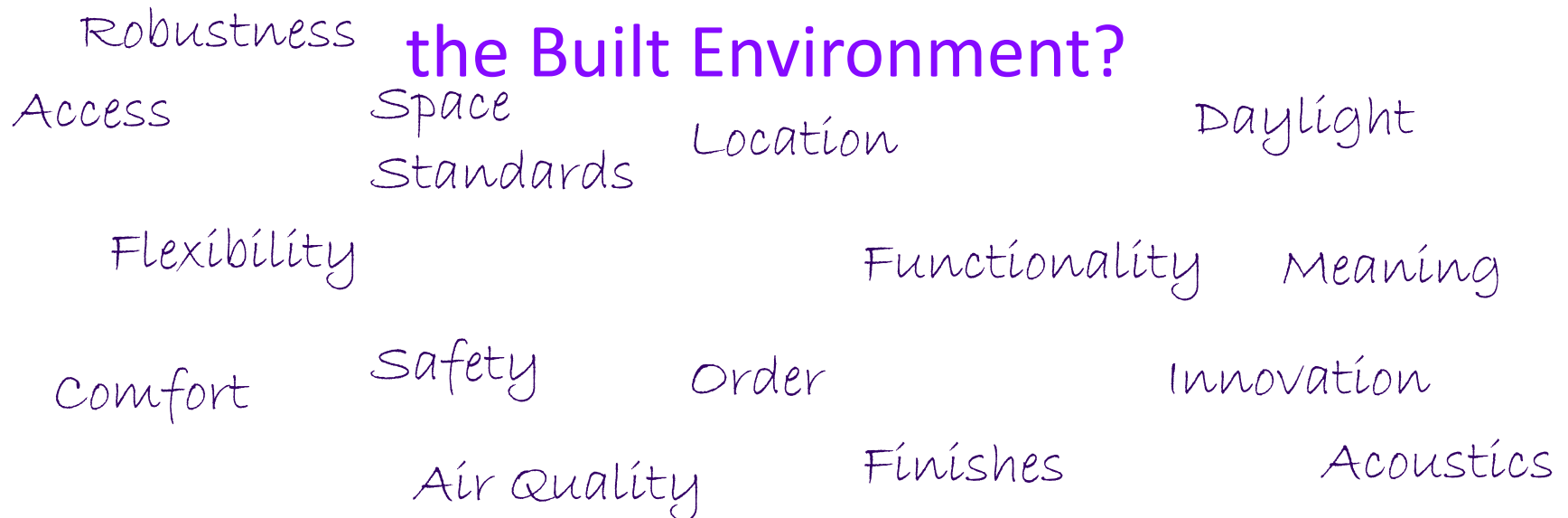
Sustainability
of Process *and* Product



What OUTCOMES are we all trying to achieve in
the Built Environment?



What OUTCOMES are we all trying to achieve in the Built Environment?





**Construction
Clients' Group**
CONSTRUCTING EXCELLENCE

Thank You