Overview of the Construction Industry KPIs

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Construction Best Practice
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2003 All Construction KPIs
- focus predominantly on economic issues

• Simple method of benchmarking performance
• Monitor industry progress
• Compare Demonstration Project Performance
The KPI ‘Hierarchy’…

- Economic
- Social
- Environment
- M&E Contractors
- Consultants
- Construction Products
- Housing Toolkit
- Benchmarking Club
Respect for People KPIs:
KPIs for People Management issues

- Employee satisfaction
- Staff turnover
- Sickness Absence
- Safety
- Working hours
- Qualifications and skills
- Equality and Diversity
- Training
- Pay
- Investors in People
Respect for People KPIs: changes since last year

- More comprehensive data sources
- Equality and Diversity KPI
- Qualifications and Skills KPI
- Limited year-on-year comparisons
The Environment KPIs

1. Impact on the Environment – Product & Construction Process
2. Energy Use (Designed) – Product
3. Energy Use – Construction Process
4. Mains Water Use (Designed) – Product
5. Mains Water Use – Construction Process
The Environment KPIs

6. Waste – Construction Process
7. Commercial Vehicle Movements – Construction Process
8. Impact on Biodiversity – Product and Construction Process
9. Area of Habitat Created/Retained – Product
10. Whole Life Performance - Product
The KPI ‘Hierarchy’…

Headline

Sector

Sector Toolkit & Club

Economic

Social

Environment

M&E Contractors

Consultants

Construction Products

Housing Toolkit

Housing Forum Benchmarking Club
measures performance across all housing sector activity
The Housing KPI Toolkit

The Housing KPI Toolkit provides the documents and guidance on best practice and performance indicators for project and organisation.

There are four main areas of work. These are New Build, Refurbishment, Works, Romanisation and Void.

The Handbook introduces and describes the use of KPIs. It includes a template for each KPI with an example in use.

Methods of measurement include a template for each KPI with an example in use.

Interactive CD Rom
<table>
<thead>
<tr>
<th>KPI Headings</th>
<th>New Build</th>
<th>Refurb &amp; P W</th>
<th>Repairs</th>
<th>Void</th>
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<tbody>
<tr>
<td><strong>Quality</strong></td>
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A Complete Housing KPI Toolkit

Constructing Excellence

2003

Construction Best Practice
Monitoring Industry Progress
Client satisfaction – product
Client satisfaction – service
Defects

Scoring 8/10 or better

1 year trend

Client satisfaction - product
Client satisfaction - service
Defects

5 year trend
Cost Predictability
– design
– construction
– project

On target or better

1 year trend

Cost Predictability – design

Cost Predictability – construction

Cost Predictability – project

5 year trend
Time Predictability
- design
- construction
- project

On target or better

1 year trend

Time Predictability – design

Time Predictability – construction

Time Predictability – project

5 year trend
Construction Cost
Construction Time

Change compared with one year ago

1 year trend
Construction Cost
Construction Time

5 year trend
Construction Cost
Construction Time
Profitability: Median profit on turnover (%)
Productivity: Median value added/employee (£000)

1 year trend

Profitability
Productivity

5 year trend

Profitability
Productivity
Safety

Reportable accidents per 100K employed (Industry AIR)

1 year trend

5 year trend
Safety

New comparison this year

% companies achieving zero AIR in year

1 year trend

5 year trend

All Companies

2002 = 31%

2003 = 39%

Companies > £10m
Summary of All Construction (economic) KPIs

1 year trend
- 8 KPIs
- 3 KPIs
- 0 KPIs
- 2 KPIs
- 1 KPI

5 year trend
- 9 KPIs
- 2 KPIs
- 1 KPI
- 0 KPIs
- 2 KPIs
Conclusions

• The industry is improving!
• But it is not making year on year improvements in cost and time
• Under-performing ‘tail’ is reducing
• Organisations that are not improving are getting worse
Rethinking Construction Demonstration Projects compared to Industry
RC v Industry – 2003 Comparison

Client sat product

Client sat service

Defects

Industry RC HF M4i
RC v Industry – 2003 Comparison

- Predict cost (design)
- Predict cost (constr)
- Predict time (design)
- Predict time (constr)

Legend:
- Industry
- RC
- HF
- M4i
RC v Industry – 2003 Comparison

![Profit Comparison](image)

![Productivity Comparison](image)
RC v Industry – 2003 Comparison

Safety (AIR)

- Industry
- RC
- HF
- M4i

Better
RC v Industry – 2003 Comparison

Better

-20%
-15%
-10%
-5%
0%
5%
10%

Construction cost

Construction time

Industry
RC
HF
M4i
RC v Industry – 2003 Comparison

Environmental impact - process

Environmental impact - product

Industry, RC, HF, M4i
Clear evidence that…

• Industry performance is improving
• Demo Projects are still reaching for and achieving the targets:
  – Still ‘out-Eganing’ Egan!
• More to do on productivity – reducing people waste
• Performance WITH SAFETY
Overview of the Construction Industry KPIs

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