

Construction Consultants KPIs 2004

Based on Projects Completed in 2003

Measure your KPI Benchmark Scores

Follow these steps to calculate how your consultancy compares to the sector as a whole. The example below uses the Productivity indicator of a consultancy whose business details are below.

EXAMPLE

Turnover	£8,965,000
Value of materials purchased for projects	£1,600
Total fees paid to sub-consultants	£24,200
Total UK Full Time Equivalent (FTE) Employees	231

Step 1 - Select the appropriate KPI (e.g. Productivity)

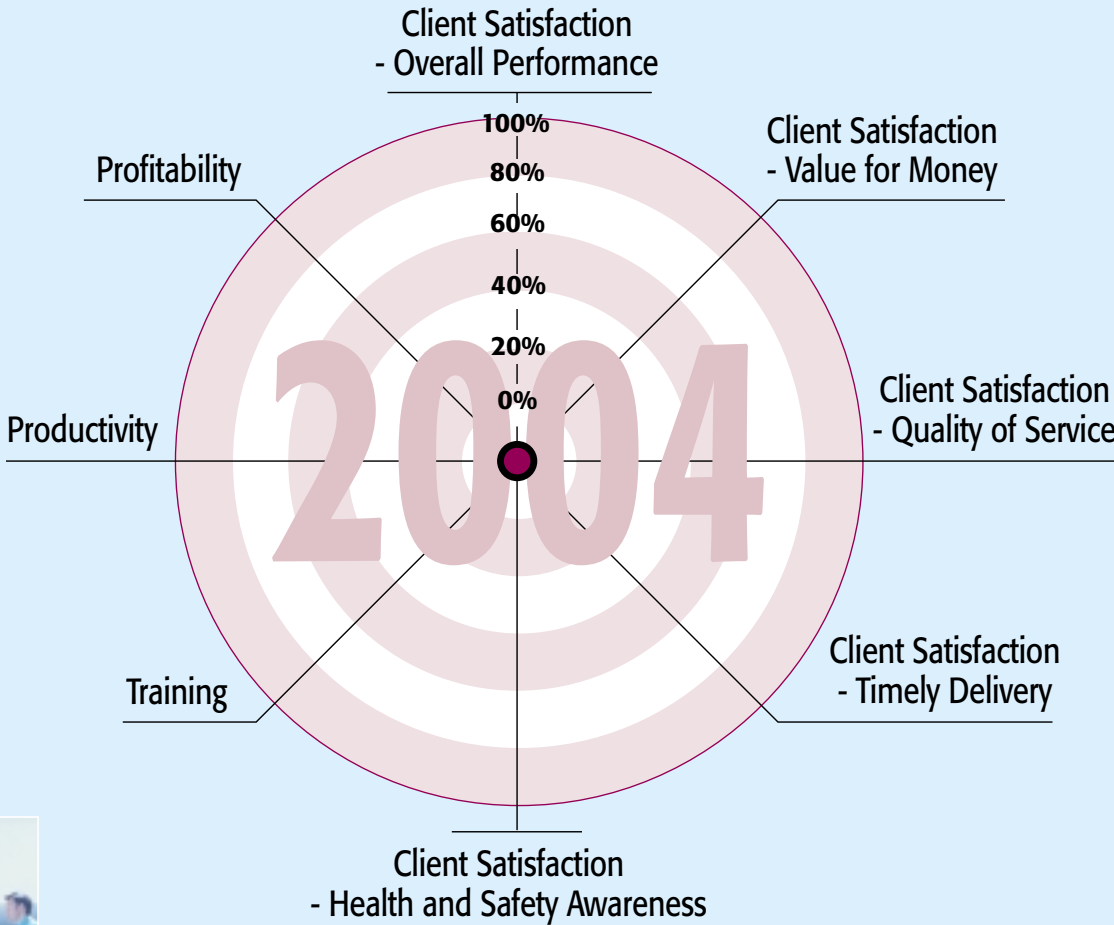
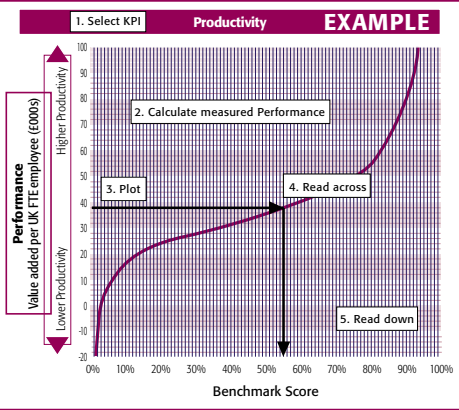
Step 2 - Calculate the consultancy's measured performance in accordance with the definition.

In this example, productivity is the consultancy's turnover less the value of goods and services sub-contracted to or supplied by other parties, expressed per UK FTE employee, that is $(£8,965,000 - £1,600 - £24,200) / 231$ which equals £38,698 per UK FTE Employee.

Step 3 - Plot the measured performance for the consultancy on the vertical axis of the KPI graph.

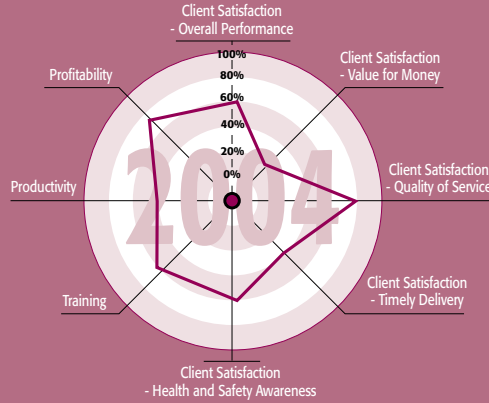
Step 4 - Read across to the performance graph line. If the graph line is intersected at a "flat" zone, follow the graph line to the last point of contact.

Step 5 - At this point, read down to the horizontal axis and read off benchmark score. In the example, productivity of £38,698 equates to a benchmark score of 55%. This means that 55% of consultancies have achieved equal or lower productivity, and 45% have achieved higher productivity than the example consultancy company.

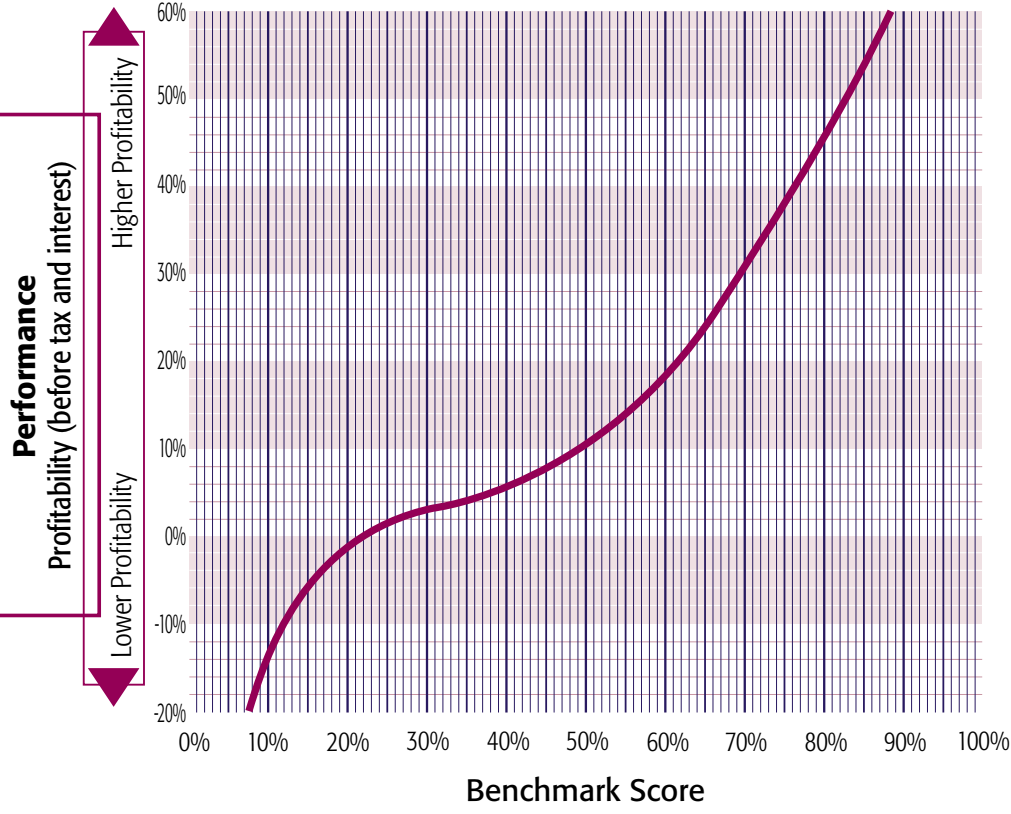


USING THE RADAR CHART TO SHOW OVERALL PERFORMANCE

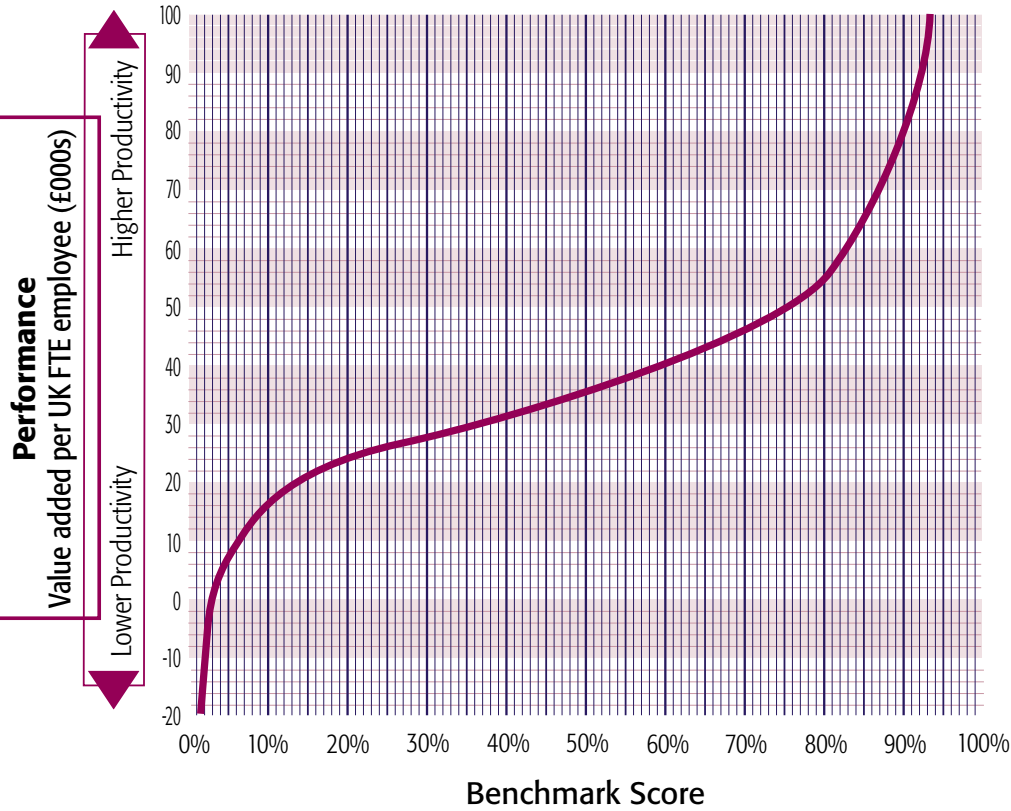
The radar chart gives a rapid picture of the organisation's overall benchmark performance. In order to complete the radar chart, take the benchmark scores for each KPI, plot each result on the appropriate axis of the radar chart, and join with a line. In general, the nearer the plotted line is to the outer perimeter of the radar chart, the higher the overall performance.



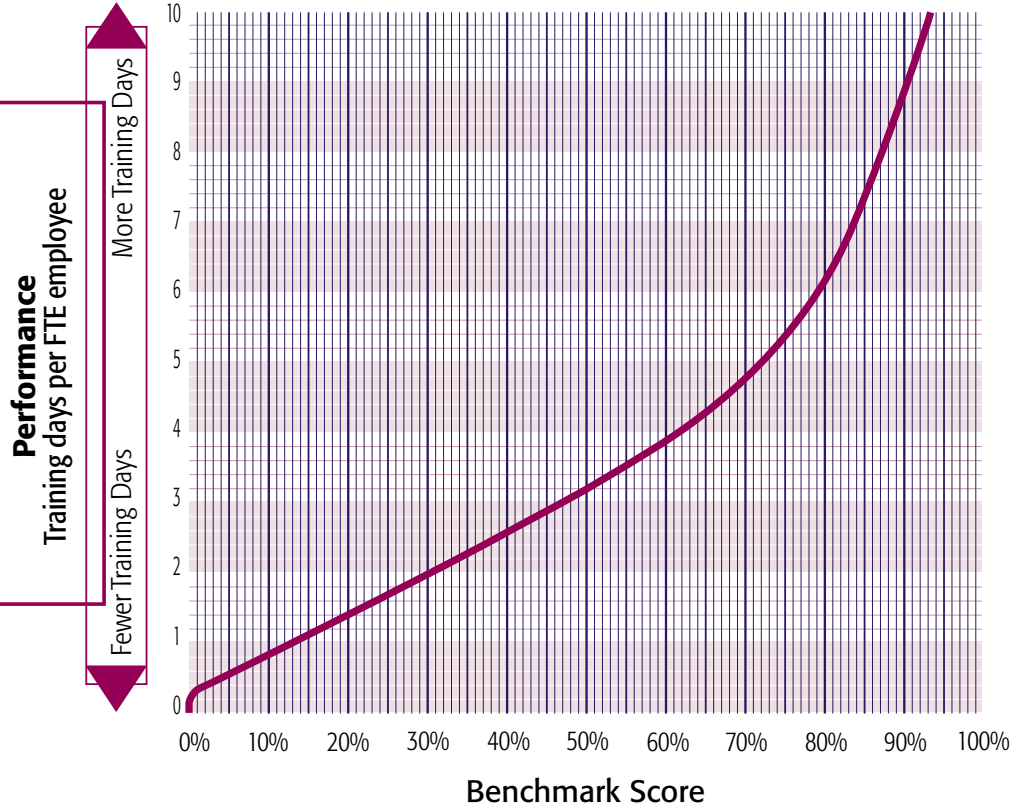
Profitability



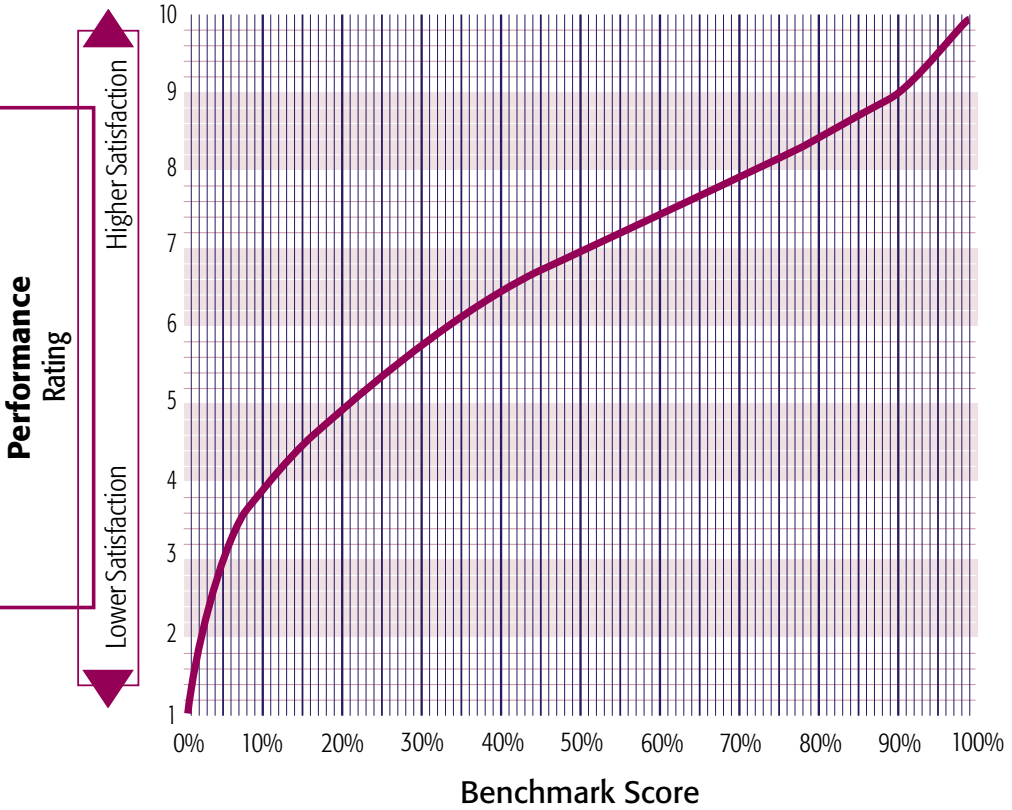
Productivity



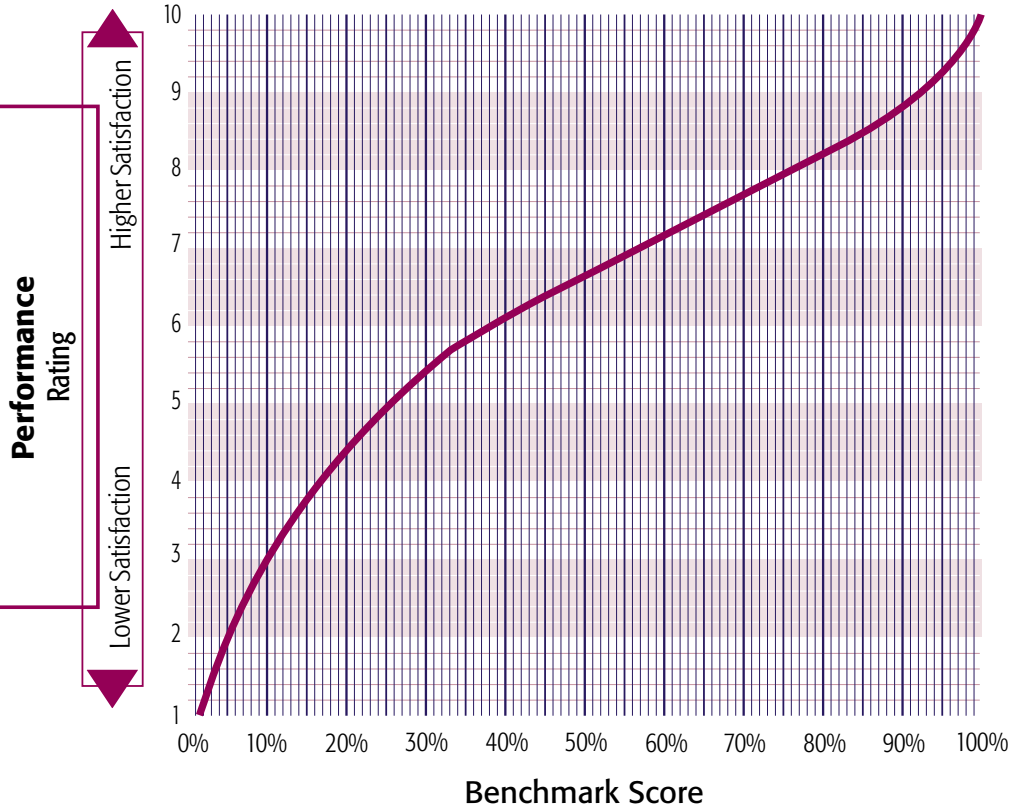
Training



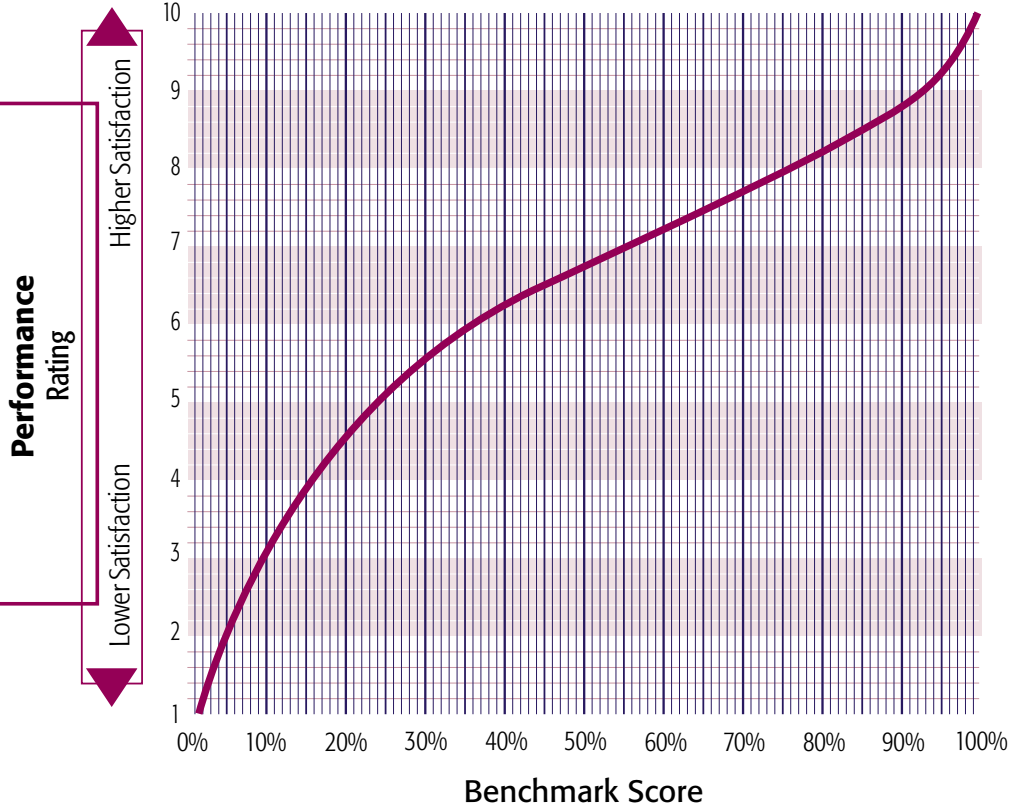
Client Satisfaction - Health and Safety Awareness



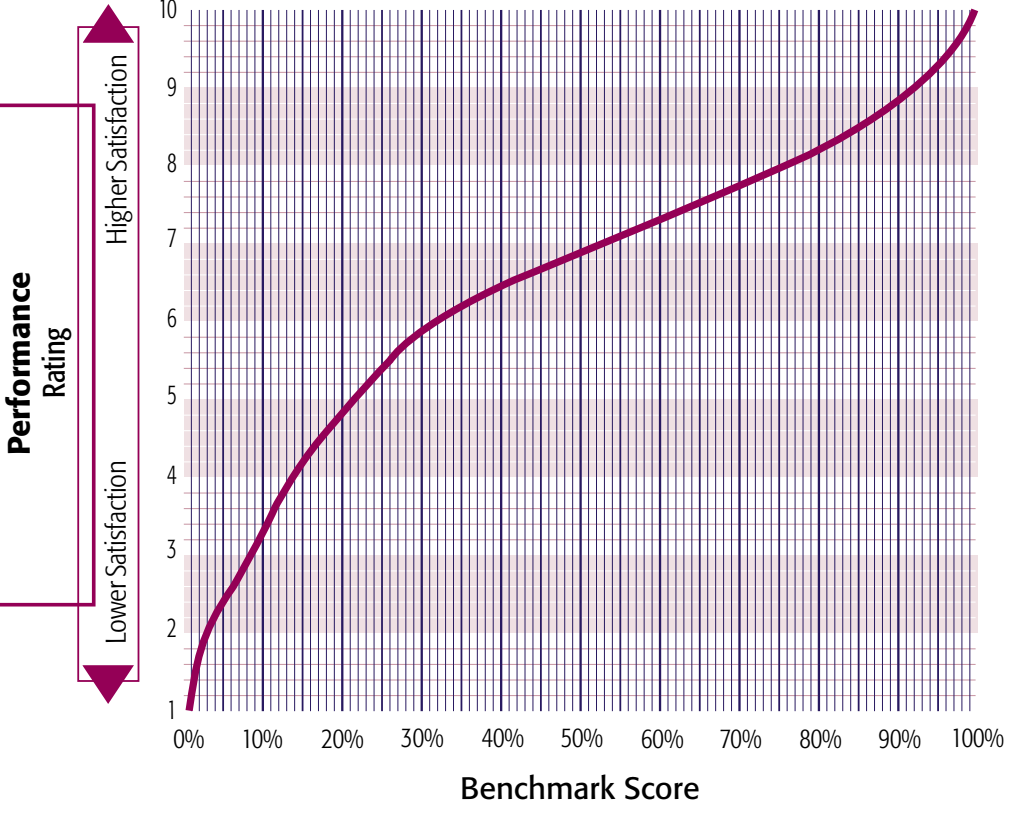
Client Satisfaction - Timely Delivery



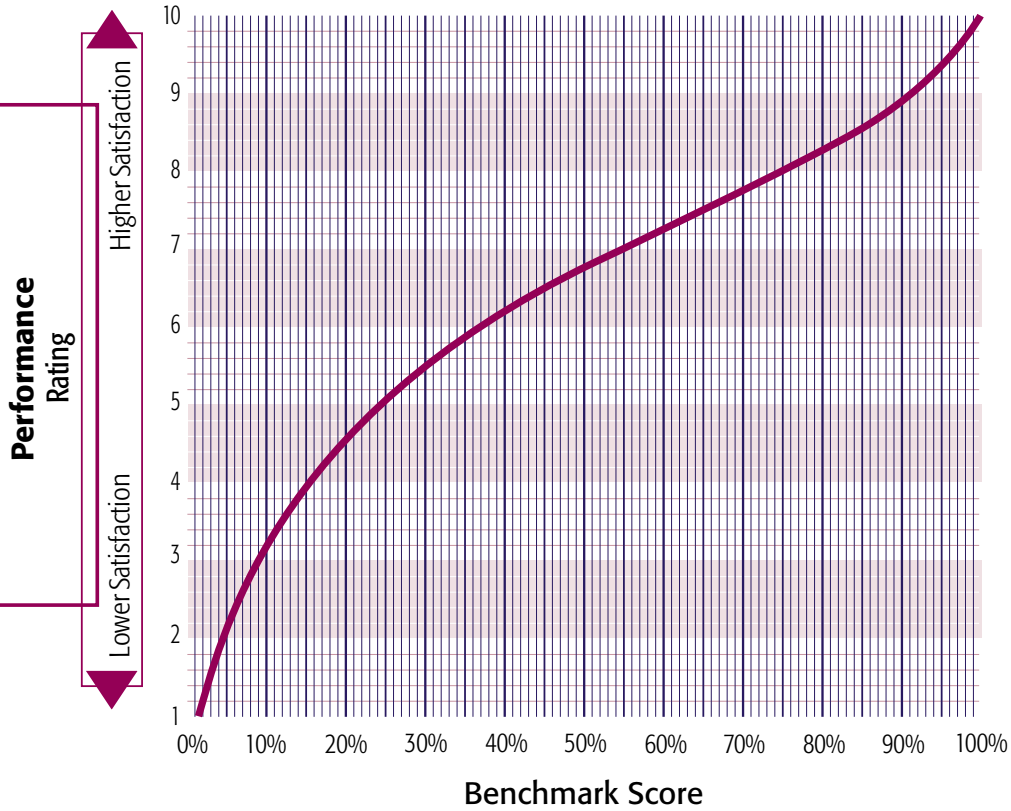
Client Satisfaction - Quality of Service



Client Satisfaction - Overall Performance



Client Satisfaction - Value for Money



2004

Based on Projects Completed in 2003

Wallchart



Construction Consultants Key Performance Indicators

Measurement is only the start - Take action now!

Constructing Excellence provides support to individuals, companies, organisations and supply chains in the construction industry seeking to improve the way they do business - clients, contractors, specialists, large or small, public or private.

Constructing Excellence offers the following support services:

Helpdesk -

a direct point of contact to answer initial enquiries about KPIs.

Pay-As-You-Measure -

a simple web-based tool to help you benchmark your performance. No additional software to install - you only pay for the scorecards you use. Visit www.constructingexcellence.org.uk, look for Pay-As-You-Measure in the list of services and you will be able to produce professional KPI graphs of your performance in minutes.

KPI Workshops -

an introduction to the benefits and use of the Construction Industry KPIs. Each workshop explores the importance of measuring performance with the help of practical examples and a step by step guide to their use. For details, see facing page.

KPIZone -

a website dedicated to KPIs. Log in at www.kpizone.com for the latest KPIs and information on benchmarking clubs.

KPI Business Solutions -

a 7-step facilitated process to set up a system to measure and analyse KPIs relevant to your business needs. For organisations under pressure to use KPIs but lacking the full resources to implement successfully.

KPI Pack and Housing KPI Toolkit

All the information needed to measure and benchmark against the rest of industry, including Case Studies and a Best Practice Guide.



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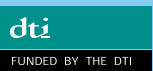
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Achieving Business Excellence



USING KPIs SUCCESSFULLY

- The **Construction Consultants KPIs** should be used to benchmark performance of the **consultancy firm**. Consultants wishing to benchmark the performance of a **project team** of which they are part should use the **All Construction KPIs** contained in the KPI Pack available from Constructing Excellence. By measuring both firm and project team performance, Consultants can assess their own performance and their contribution to the whole team.
- KPIs can be used to establish a basic performance measurement system within a firm. The results can then be benchmarked against other firms in the consultancy sector. Strengths should be maintained and weaknesses minimised through improvement action.
- KPIs can be used in support of partnering projects and as part of 'best value' performance assessments.
- KPIs can be used to demonstrate past performance to potential clients, and to track performance on new projects.
- KPIs can be used to meet requirements of ISO 9001:2000 quality management systems.



A note of Caution

This is the fourth set of KPIs produced for consultants. The methodology used included an independent survey of construction client's satisfaction to ensure the objectivity of the performance results.

The Construction Consultants KPIs are produced from the best available data at the time of publication. Users should ensure that they are comparing themselves against appropriate indicators. The KPIs should be used in conjunction with the Handbook and must be used as an aid to not a substitute for, professional judgement.

Consultants KPI Handbook

The graphs on this chart are the Key Performance Indicators needed by a Construction Consultancy firm to measure performance. The Handbook contains Additional Performance Indicators which provide further diagnosis of performance.

The Additional Performance Indicators measure:

Client satisfaction with the Consultant's:

- Ability to Innovate
- Understanding client's needs
- Problem solving
- Account taken of whole life performance
- Account taken of environmental issues

Consultants use of:

- Performance management systems
- Risk management systems
- Quality management systems

Consultant's level of:

- Successful Fee proposals
- Repeat business

The Handbook can be found on the KPIZone website:

www.kpizone.com

Besides showing the latest performance graphs for these indicators, the Handbook also provides information on the background to the development of the Performance Indicators, the full definitions; how, when and why to use them and the key elements that need to be in place to carry out a successful Performance Measurement exercise.

Definitions

CLIENT SATISFACTION KPIs

Client Satisfaction - Overall Performance

How satisfied the Client was with the Consultants Overall Performance on completed commissions using a 1-10 scale, where

- 10 = Totally Satisfied,
- 5/6 = Neither Satisfied nor Dissatisfied and
- 1 = Totally Dissatisfied.

Client Satisfaction - Value for Money

How satisfied the Client was that the Consultant provided Value for Money on completed commissions using a 1-10 scale, where

- 10 = Totally Satisfied,
- 5/6 = Neither Satisfied nor Dissatisfied and
- 1 = Totally Dissatisfied.

Client Satisfaction - Quality of Service

How satisfied the Client was that the Consultant provided a Quality Service on completed commissions using a 1-10 scale, where

- 10 = Totally Satisfied,
- 5/6 = Neither Satisfied nor Dissatisfied and
- 1 = Totally Dissatisfied.

Client Satisfaction - Timely Delivery

How satisfied the Client was that the Consultant provided a Timely Delivery of the Service on completed commissions using a 1-10 scale, where

- 10 = Totally Satisfied,
- 5/6 = Neither Satisfied nor Dissatisfied and
- 1 = Totally Dissatisfied.

Client Satisfaction - Health and Safety Awareness

How satisfied the Client was that the Consultant demonstrated Health & Safety Awareness on completed commissions using a 1-10 scale, where

- 10 = Totally Satisfied,
- 5/6 = Neither Satisfied nor Dissatisfied and
- 1 = Totally Dissatisfied.

COMPANY KPIs

Training

The number of days of training per full-time equivalent employee¹. Includes all UK employees partners and directors.

Productivity

The value added per full-time equivalent UK employee¹ (in £000s). Value added is turnover less the costs of goods and services subcontracted to, or supplied by, other parties.

Profitability

The profit before tax and interest as a percentage of the value of sales (or turnover).

¹Two employees each working half time make one full-time equivalent.

Using your KPI Wallchart

To get the best value from KPIs, they should not be used as a one-off exercise, but as an objective tool to give your firm a regular health examination. Consultant's KPIs are produced annually, so consultants can effectively monitor whether actions taken to improve performance have had the desired improvement. Consultant's KPIs provide some of the information required by all consultants – small, medium-sized or multinational – to make informed strategic decisions on the direction of their organisations. Benchmarking using KPIs is an integral part of continuous improvement.

