



UK Construction Constultants Key Performance Indicators

Handbook

2008

Based on Projects Completed in 2007



In Partnership with
BERR | Department of Business
Enterprise & Regulatory Reform



The Construction Consultants KPI Working Group

The 2008 edition of the Construction Consultants Key Performance Indicators (KPIs) was produced under the direction of the Construction Consultants KPI Working Group which thanks the many KPI users whose valuable contributions have been incorporated into this year's publication.

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Important Note:

The Construction Consultants KPI Handbook provides an introduction to the use of the 2008 UK Construction Consultants Key Performance Indicators, a step-by-step methodology to help implementation and methods of measurement for the Construction Consultants KPIs.



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UK Construction Consultants KPIs Handbook

2008 Contents

Page No

Introduction to KPIs

- 2 The Purpose of KPIs
- 2 Terminology
- 2 KPI Data
- 3 Using KPIs
- 3 Best Practice Guide & Case Studies
- 4 The KPI Hierarchy
- 5 Construction Consultants Key Performance Indicators
- 6 Benchmarking Clubs
- 6 KPIs and the Clients' Charter
- 6 KPI Report for the Minister for Construction
- 6 KPIzone

The 7 Steps to Implementing KPIs

- 7 The 7 Steps to Implementing KPIs
- 8 Step 1: Decide What to Measure
- 9 Step 2: Collect Data
- 10 Step 3: Calculate KPIs
- 11 Step 4: Report the Results
- 12 Step 5: Analyse the Results
- 13 Step 6: Take Action
- 13 Step 7: Measure Again

Summary of Results

- 14 Construction Consultants KPIs - Year on Year Comparisons
- 14 Construction Consultants KPIs - Performance Over Six Years to 2008

Methods of Measurement

- 16 Client Satisfaction - Overall Performance
- 17 Client Satisfaction - Quality of Service
- 18 Client Satisfaction - Healthy and Safety Awareness
- 19 Client Satisfaction - Value for Money
- 20 Client Satisfaction - Timely Delivery
- 21 Training
- 22 Profitability
- 23 Productivity

Further Help and Information

- 24 Data Sources
- 25 Constructing Excellence

Introduction to KPIs

The Purpose of KPIs

The first set of UK Construction Consultants Key Performance Indicators (KPIs) was published in with three main objectives:

- To provide consultancies with a simple method of establishing a performance measurement system.
- To provide consultants organisations with a straightforward method of benchmarking their performance against others in the construction industry.
- To track long-term trends in performance, and specifically, to demonstrate whether construction consultants were contributing to industry improvement targets laid down in the report *Rethinking Construction*¹.

The premise on which the Construction Consultants KPIs are published is that clients want their consultancy teams to comprise well managed organisations delivering to the highest possible standards of quality and reliability using fully trained staff. The availability of KPI data means that both clients and consultants can easily set up a system of measurement for these critical issues, can benchmark their performance against others, and then use this information for setting improvement targets.

Terminology

For the purposes of this Handbook, the following definitions are used

Key Performance Indicator	a measure of a factor critical to success.
Benchmark	the best performance achieved.
Benchmarking	comparing performance against others, and using lessons from the best to make targeted improvements.

KPI Data

The Construction Consultants KPIs are produced under the guidance of a working group representing, the Department of Business Enterprise & Regulatory Reform (BERR), Constructing Excellence, the KPI Consortium and a representative from each of the project partners.

Each year, on behalf of the BERR and the project partners, the KPI Consortium carries out data collection surveys of clients and consultants across the United Kingdom (England, Scotland, Wales and Northern Ireland). A representative sample of data is obtained from the surveys and arranged in sequence from worst to best performance. The data are then published as cumulative frequency curves divided into percentiles to allow a benchmark score to be calculated.

Each KPI graph, therefore, shows the range of performance of the UK consultants for a critical issue.

¹ The report *Rethinking Construction* is available at www.constructingexcellence.org.uk

Using KPIs

The main ways that Construction Consultants KPIs are used in the industry are:

- To benchmark the performance of a specific project or company.
- To provide a measurement framework for partnering and framework agreements.
- To provide evidence of value for money in procurement.
- To provide measures other than price to support procurement decisions.
- As a marketing tool.
- To meet the requirements of ISO 9001 quality management systems.
- To provide a health check as part of a continuous improvement programme.

A note of caution

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

Best Practice Guide & Case Studies

Evidence collected by Constructing Excellence from 'best practice' companies shows that measurement and benchmarking can yield benefit to companies by shining a spotlight on their performance and showing where action is needed to improve. However, to be of value, the measurement system needs to be founded on the correct principles. The KPIs and Benchmarking Best Practice Guide is available on www.kpizone.com and describes nine elements of best practice that were seen commonly in the Best Practice Companies:

- Belief in measurement – there must be real commitment to using measurement as a tool for improvement.
- Start simple – start with a few KPIs and add more later.
- Measure what's important – stay focused on critical issues.
- Communicate effectively – let the data speak – display results so they show performance and trends easily.
- Clear responsibility, no bureaucracy – use a well designed, straightforward data collection system.
- Use appropriate technology – IT is excellent when you know what KPIs you want.
- Become a data-based decision maker – use the data to guide improvement.
- Action, not data, drives performance improvement - it's only when action is taken that KPIs add value.
- KPIs and partnering go together – partnering provides the right environment for KPIs to work.

The KPIs and Benchmarking Best Practice Guide addresses the question, “Does using KPIs make you more profitable?” and concludes that performance measurement only leads to improved profitability if it forms part of a successfully implemented wider strategy.

In addition to the Guide, case studies of individual companies are available on www.kpizone.com as more case studies are carried out they will be published on the KPIzone website.

The KPI Hierarchy

The Construction Consultants KPIs were first published in 2000 following publication of the first set of UK Construction Industry KPIs in 1999 and became one of a set of performance indicators now regularly published.

Further details of all KPIs and Benchmarking Clubs are available on www.kpizone.com

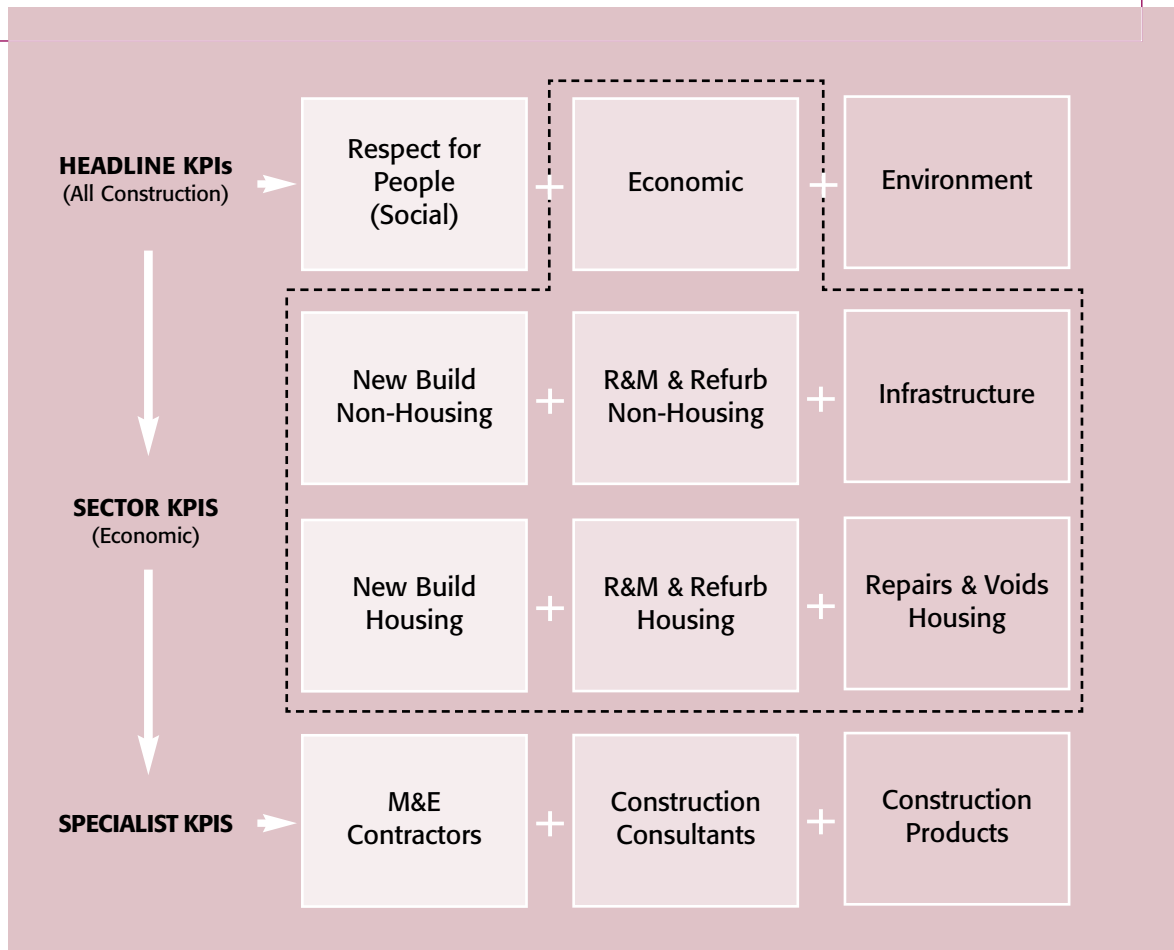


Figure 1: The KPI Hierarchy

Construction Consultants Key Performance Indicators

The Construction Consultants KPIs are produced jointly by the Association for Consulting and Engineering, the Royal Institute of British Architects, Royal Institution of Chartered Surveyors, the Chartered Institute of Building, the Chartered Institution of Building Services Engineers, the Chartered Institute of Architectural Technologists, Constructing Excellence and the Department of Business Enterprise & Regulatory Reform (BERR). The Construction Consultants KPIs are available www.kpizone.com. The Construction Consultants KPI Handbook is available from the project partners. The Construction Consultants KPIs measure issues at Individual commission and company level.

Individual commissions:

- Client Satisfaction - Overall performance
- Client Satisfaction - Quality of Service
- Client Satisfaction - Healthy and Safety Awareness
- Client Satisfaction - Value for Money
- Client Satisfaction - Timely Delivery

Company performance:

- Training
- Profitability
- Productivity

Benchmarking Clubs

Benchmarking Clubs are groups of organisations from similar backgrounds that gather and compare data related to their specialist area. They measure performance in a consistent manner in order to produce a viable database of benchmark data to help their members achieve best practice. Information on Benchmarking Clubs is available on www.kpizone.com .

KPIs and the Clients' Charter

The aim of the Clients' Charter² is to improve the performance of the construction supply chain, the clients' own organisations, and the end product in use.

Organisations subscribing to the Clients' Charter must meet its requirements which include:

- The establishment of a continuous improvement culture.
- Acceptance of the need for measurement.
- Setting high standards for health, safety and respect for people.
- Annual reporting of performance and demonstration of continuous improvement.
- Raising the industry's performance to improve national and international competitiveness.

Clients aiming to meet these requirements will need to adopt systematic performance measurement.

²See www.clientsuccess.org.uk

KPI Report for the Minister for Construction

In January 2000, the Government published the KPI Report for the Minister for Construction which gives useful guidance on secondary performance indicators that may be needed to support and analyse the Headline KPIs. The report provides a framework for establishing a comprehensive measurement system within an organisation, and provides common definitions that allow organisations to compare their performance. This report can be found on the Constructing Excellence website at www.constructingexcellence.org.uk

KPIzone

KPIzone provides up to date information on KPIs and benchmarking and can be found at www.kpizone.com .

There are two levels of service: the free service provides general advice and guidance, while the subscription service allows users to download graph images and the documents contained in the KPI Pack and Housing KPI Toolkit

The 7 Steps to Implementing KPIs

There are 7 basic steps to the successful use of KPIs (see Figure 4). Following the 7 step process will help determine which KPIs to use, how to collect and manage the information, and how to report the results.

The 7 steps can be applied to the Construction Consultants KPIs, but care must be taken to use the correct definitions given in the methods of measurement contained in this handbook.

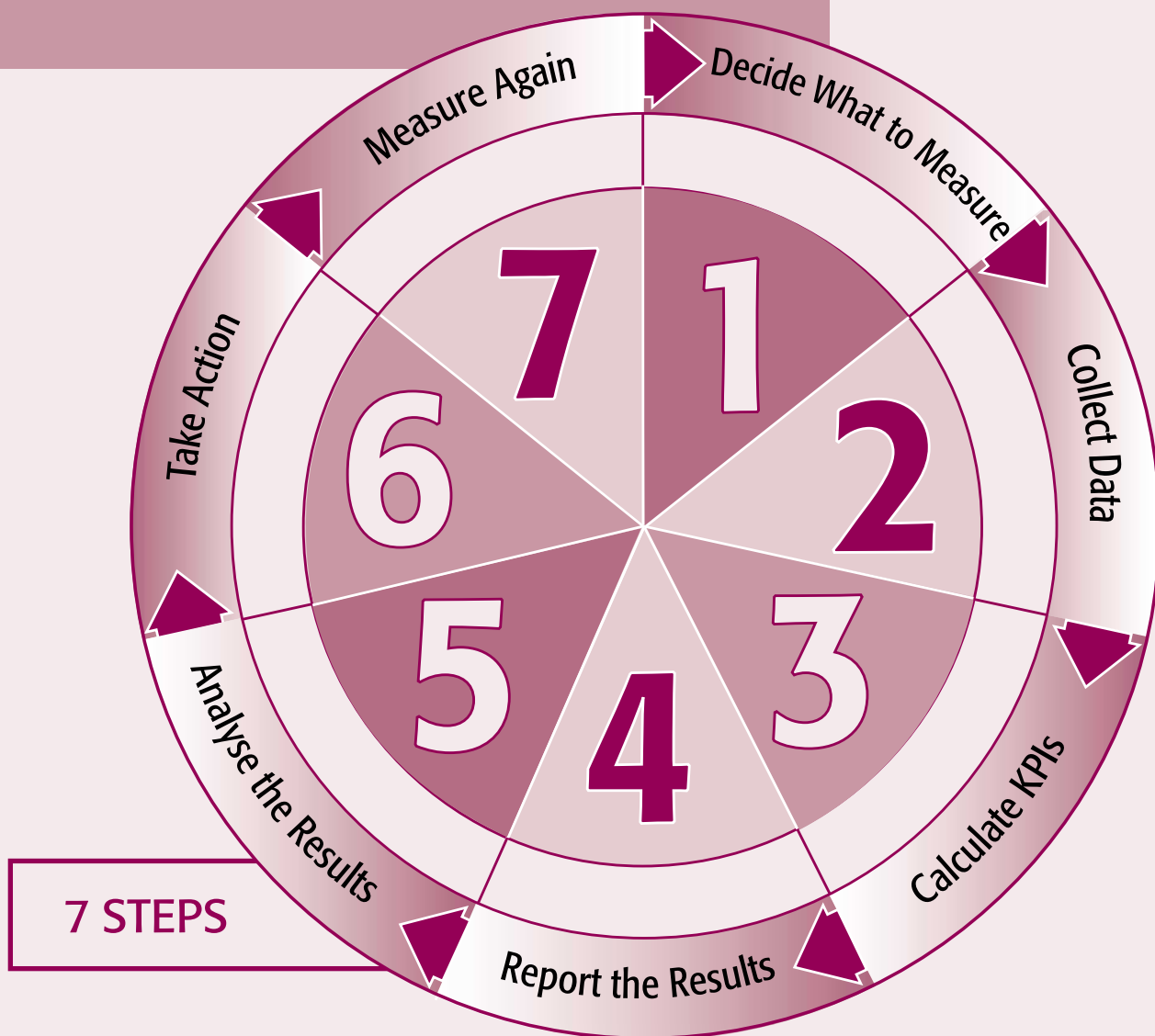


Figure 2: The 7 Steps to implementing KPIs

Step 1: Decide what to Measure

The vital first step is to determine what to measure.
The two golden rules are:

- Measure what's important to **YOUR ORGANISATION**
- Measure what's important to **YOUR CUSTOMERS**

In the early stages there is a tendency to try to measure too many KPIs which results in confusion. Identify those that are critical, and start with them. The table below can be used to decide which of the Construction Consultants KPIs to start measuring. Read the descriptions in the methods of measurement contained in this handbook, and tick the boxes to indicate which ones need to be measured.

Construction Consultants KPIs	<i>Tick if needed</i>
Client Satisfaction - Overall performance	<input type="checkbox"/>
Client Satisfaction - Quality of Service	<input type="checkbox"/>
Client Satisfaction - Healthy and Safety Awareness	<input type="checkbox"/>
Client Satisfaction - Value for Money	<input type="checkbox"/>
Client Satisfaction - Timely Delivery	<input type="checkbox"/>
Training	<input type="checkbox"/>
Profitability	<input type="checkbox"/>
Productivity	<input type="checkbox"/>

Step 2: Collect Data

Normally, data will have to be collected from two sources - existing records and new surveys. The responsibility for providing data for the KPIs rests with both clients and consultants.

A consultants will normally be able to provide information on all company and some individual commissions, but will have to go to the client to get data on client satisfaction KPIs. On the other hand, a client will know results for satisfaction but will have to obtain information from consultants on all company and some individual commission measures.

Remember:

- Keep data collected from different companies/commissions separate.
- Record honestly. Some problems may be outside your direct control, but if the problem cannot be identified, it cannot be solved!
- Collect comments with the data. For example, if a client provides a low score for satisfaction, record the reason why.
- Maintain a simple audit trail - you may be asked to show where your data came from.

Step 3: Calculate KPIs

Deciding What to Benchmark Against

Before you can calculate your KPIs, you need to decide what you are going to compare your results against. Where UK data is available, it is published in the Constructions Consultants KPI wallchart and from these you can measure your benchmark score. However, where no national data is available, you will need to set your own targets. Collect the data first and then set realistic targets based on improving your current performance.

The methods of measurement contained in this handbook give the formulae that may be needed to calculate your performance. For most KPIs these are quite straightforward and can be carried out manually.

Measuring an Individual Commission or Company Benchmark Score

Once you have measured your performance, you need to compare it with the industry data to find out your benchmark score. Having selected the appropriate KPI graph (e.g. Profitability from the Constructions Consultants KPIs), follow these steps with reference to the illustration below (see Figure 3):

- 1 Plot your measured performance on the vertical axis.
- 2 Read across to the performance line.
- 3 Read down to the horizontal axis. This is the benchmark score out of 100%.

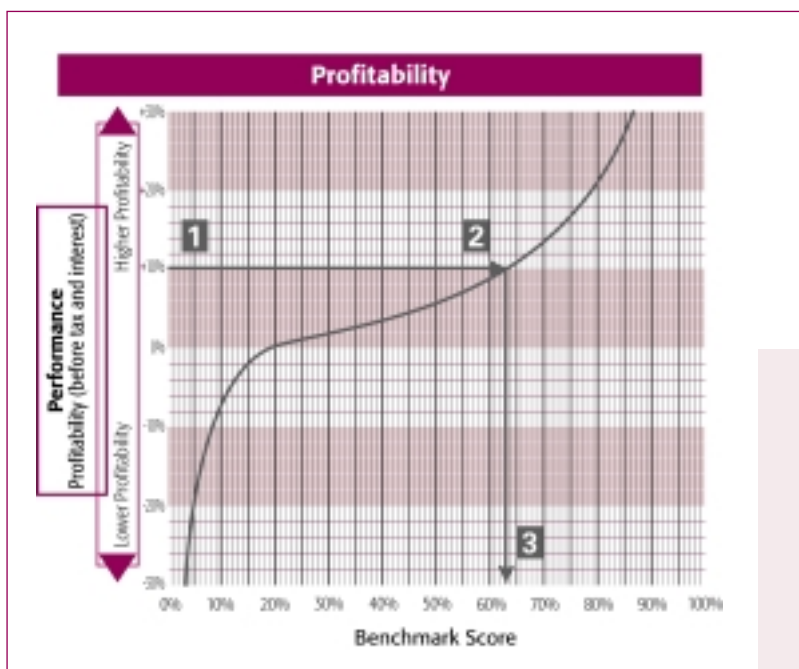


Figure 3: Example of the calculation of a benchmark score

In this example, a company wishes to benchmark its pre-tax profitability. Its performance (a pre-tax profit of 10%) equates to a benchmark score of 63%. This means that 63% of companies have achieved equal or lower profitability, and the remaining 37% have achieved higher profitability than the example company.

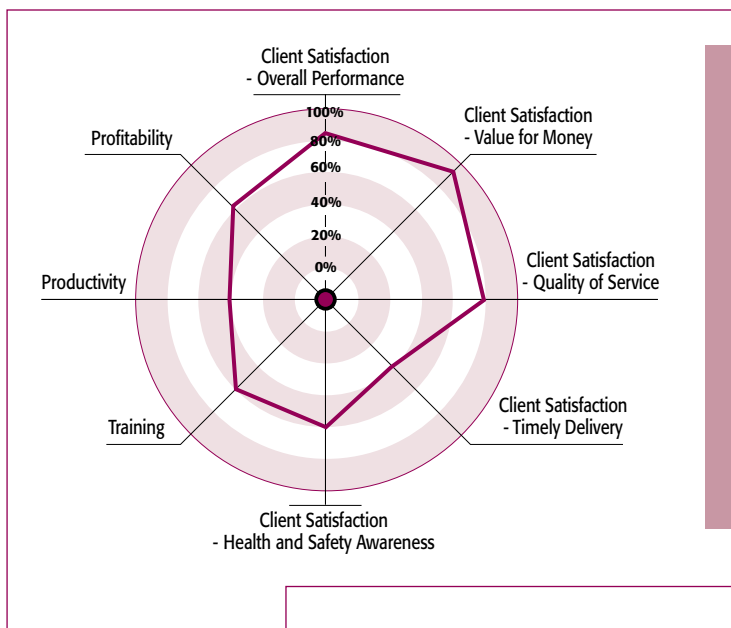
Step 4: Report Results

Now you have your benchmark scores, you need to let someone know about them! A convenient way to do this is to plot them on the radar chart contained on each wallchart.

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 (see Figure 4). In general, the nearer the plotted line is to the outer perimeter of the radar chart, the higher the overall performance.

The benchmark score for Profitability of 63%, from the previous example (see Figure 3), has been plotted on the radar chart for the Construction Consultants KPIs along with the other company and individual commissions.



The software tools available commercially will produce a radar chart, or it is straightforward to make your own using standard spreadsheet software.

The radar chart is good for presenting the results of a single set of KPIs, but is limited if many data sets are being analysed. Simple bar charts or line graphs of performance are better for reporting the results of individual KPIs over time (see examples in Figures 5 and 6).

Figure 4: Radar Chart

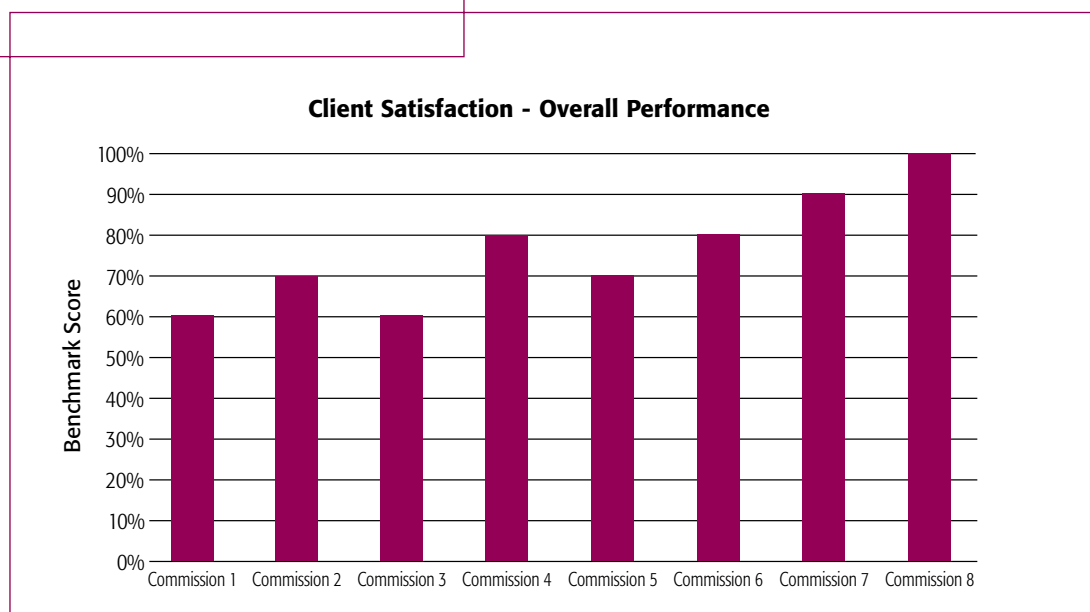


Figure 5: Example of bar graph showing trends in client satisfaction ratings over successive commissions.

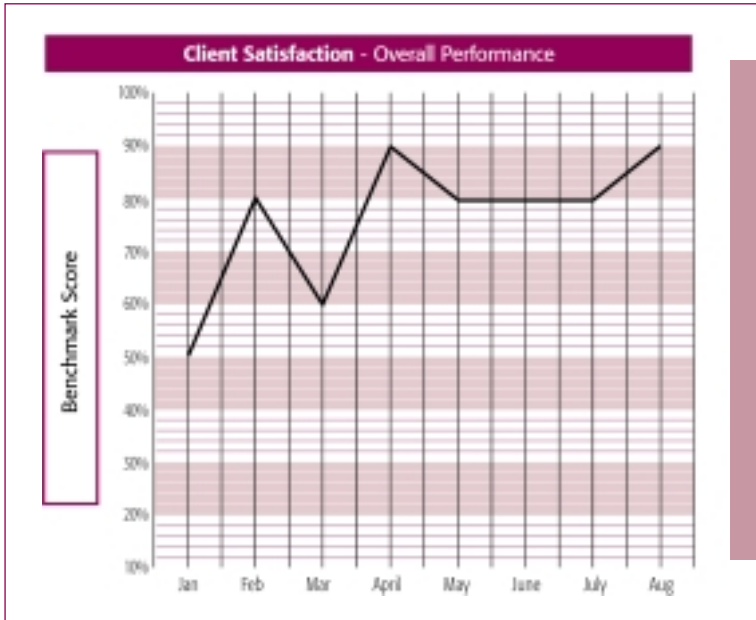


Figure 6: Example of a line graph showing trends in client satisfaction over time

To avoid confusion, make it clear exactly what the results refer to (e.g. an individual commission, several commissions, or the average for your organisation over the past 12 months).

Don't forget to send your data to a benchmarking club if you belong to one. Details of benchmarking clubs are available on www.kpizone.com.

Averaging Performance

Organisations may wish to calculate their average company performance using data gathered from individual commissions. The correct way to do this is to calculate the benchmark score for each commission separately, then average the benchmark score. For example, an organisation completed 3 commissions and measured Client Satisfaction - Overall Performance.

The results were:

Performance (using the 1-10 scale)	Benchmark Score
6	10%
8	55%
9	85%

The overall performance is the average benchmark score, i.e. $(10+55+85)/3 = 50\%$. It would be wrong to take the average performance, i.e. $(6+8+9)/3 = 7.7$ and use this to derive an overall benchmark score.

Step 5: Analyse the Results

Whatever method of reporting is used, it is important that you let the results 'speak' to you.

- Look for links between different benchmark scores. For example high benchmark scores for profitability linked with low scores for client satisfaction may indicate that corners are being cut to make a profit.
- Set clear decision criteria to judge what action is needed. Some organisations consider that performance that is below the industry average is unacceptable and must be followed up with corrective action.

Step 6: Take Action

Too many organisations stop at Step 5, so they never get the benefit of using their benchmark data to make improvements. Action will be needed to maintain strengths and to eliminate weaknesses.

The KPIs cannot themselves tell you what action you need to take.

Key points to think about are:

- Avoid strategies that improve one aspect at the expense of another (e.g. improving profitability by cutting corners on the client satisfaction).
- Improvements will take time, and may involve joint action between clients and consultants. For this reason KPIs are ideally suited to support partnering.

Step 7: Measure Again

Now you have completed your first set of KPIs it is vital that you capitalise on the lessons learned! There will be further improvements to be made, and you may need to review your measurement system and adjust it in the light of your experience to make it work more effectively for you.

Remember, high performing athletes collect and analyse a whole range of data on their performance, looking for ways to stay ahead. You wouldn't expect them to win one race and then stop checking their performance, so don't fall into the

trap of using KPIs once and then forgetting them. Keep them in the forefront of people's minds by carrying out regular checks and performance reviews, and publicising the results widely.

There is no right answer to the question "How often should I measure my performance?" The table below gives some guidelines, but it is up to you to decide. Remember, too little sends out a signal that "This is not important" and too much can lead to overload and "analysis paralysis!"

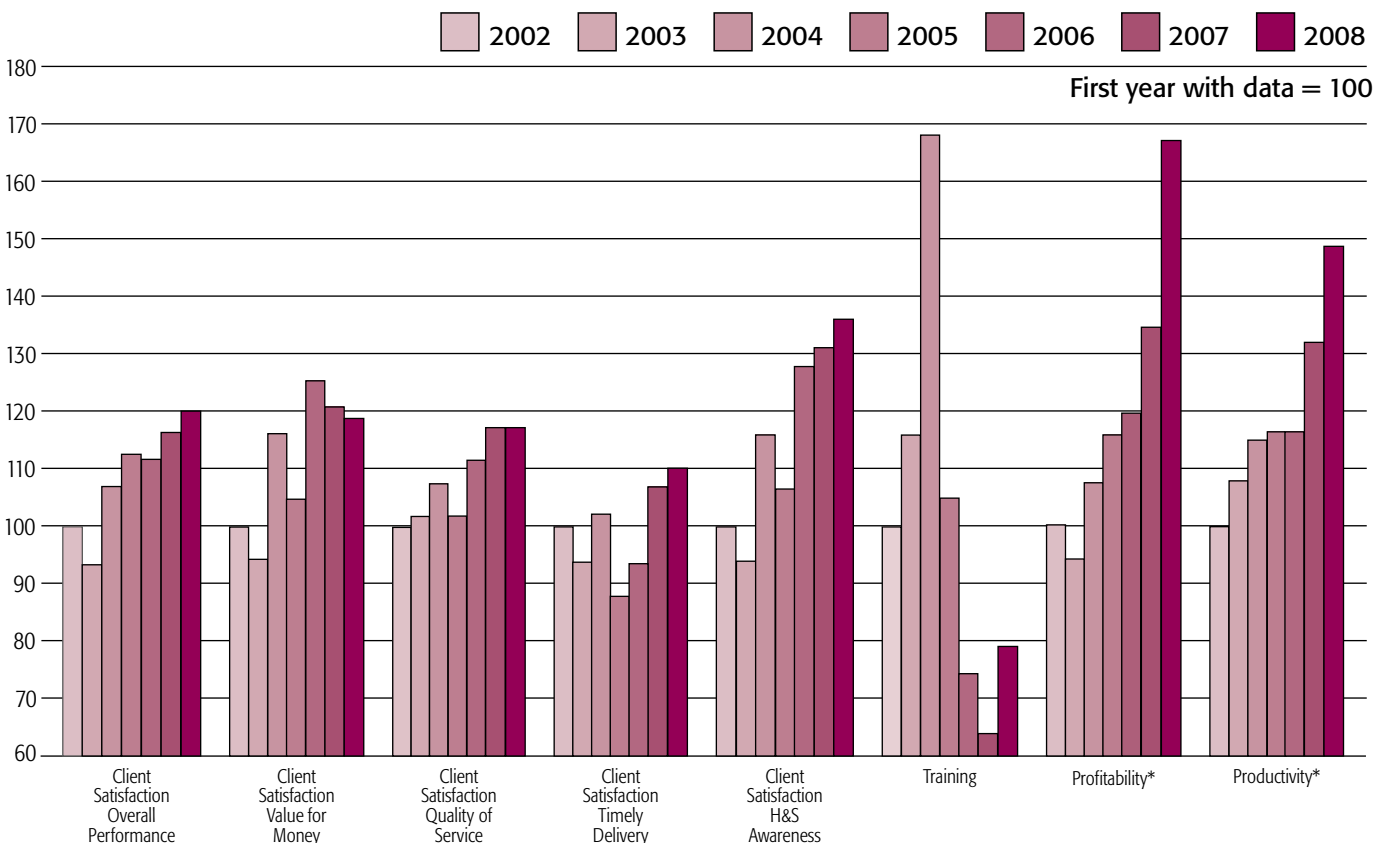
Frequency	Usefulness
Annual	Provides a 'snapshot' of how an organisation has performed. Limited data for limited effort. May meet the initial requirements of some client organisations and can be used to 'kick-start' a continuous improvement programme and audit the results.
End of commission or phase	Provides more rapid feedback in greater quantity. Requires greater effort, but can form the basis of significant performance improvement.
Quarterly	Provides regular performance management information. Keeps the focus on organisation's targets. May conflict with the natural cycle of projects.
Monthly	Keeps a firm check on performance and may meet contractual requirements. May not leave time for measurable improvement to take place.

Summary of Results

Construction Consultants KPIs

Year-on-Year Comparisons

KPI	Measure	Performance							Trend	
		2002	2003	2004	2005	2006	2007	2008	Last Year	All Years
Client Satisfaction - Overall Performance	% scoring 8/10 or better	45%	42%	48%	51%	50%	52%	54%	↑	↑
Client Satisfaction - Value for Money	% scoring 8/10 or better	39%	37%	45%	41%	49%	47%	56%	↓	↑
Client Satisfaction - Quality of service	% scoring 8/10 or better	42%	43%	45%	43%	47%	49%	49%	→ ←	↑
Client Satisfaction - Timely Delivery	% scoring 8/10 or better	41%	38%	42%	36%	38%	44%	45%	↑	↑
Client Satisfaction - H & S Awareness	% scoring 8/10 or better	42%	39%	49%	45%	54%	55%	57%	↑	↑↑
Training	Median annual training days per FTE employee	1.9	2.2	3.2	2.0	1.4	1.2	1.5	↑↑	↑
* Profitability	Median % profit before interest and tax	8.0%	7.5%	8.6%	9.3%	9.6%	10.7%	13.3%	↑↑	↑↑
* Productivity (Current Values)	Median value added / UK FTE employee (£000)	31.0	33.4	35.6	36.4	36.4	40.9	46.1	↑↑	↑↑



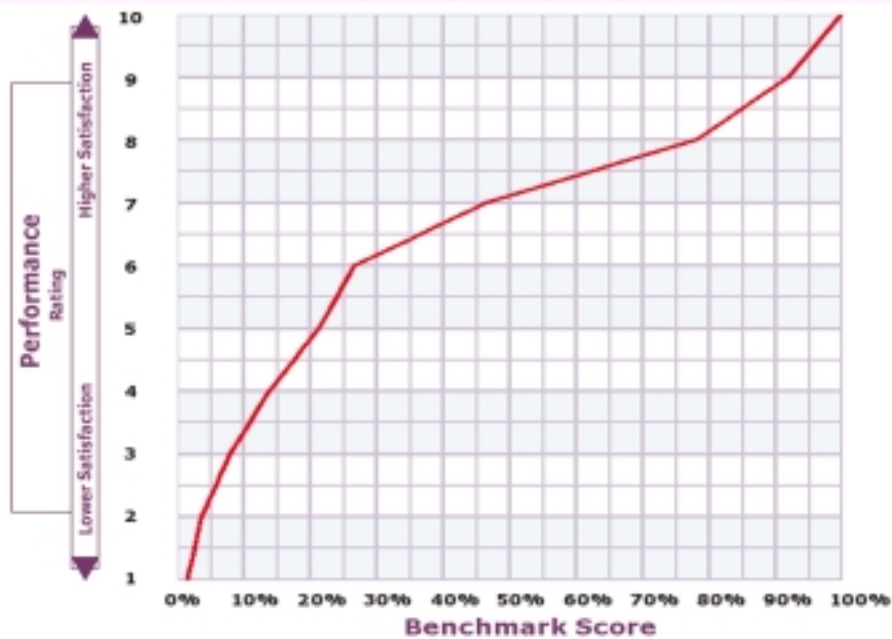
* In order to regularise the volatile mix of financial data by company size from year to year, in 2006 a standard method of weighting by number of employees has been adopted in line with other international financial KPIs. This method has been applied retrospectively to past years and, where applicable, their results have been revised.

Methods of Measurement

This section contains the methods of measurement for the following Construction Consultants Key Performance Indicators.

Client Satisfaction - Overall Performance
Client Satisfaction - Quality of Service
Client Satisfaction - Healthy and Safety Awareness
Client Satisfaction - Value for Money
Client Satisfaction - Timely Delivery
Training
Profitability
Productivity

Client Satisfaction – Overall Performance



Purpose

To determine the level of client satisfaction with the consultant’s overall performance on completed commissions.

Definition

How satisfied the client was with the consultant’s overall performance on completed commissions using a 1 to 10 scale, where:

10	=	<i>Totally satisfied</i>
8	=	<i>Mostly satisfied</i>
5/6	=	<i>Neither satisfied nor dissatisfied</i>
3	=	<i>Mostly dissatisfied</i>
1	=	<i>Totally dissatisfied</i>

Method

- 1 Carry out a survey to determine how satisfied the client was with the consultant’s overall performance on the completed commission, using the 1-10 scale above.
- 2 The Client Satisfaction – Overall Performance is the client’s rating out of 10.
- 3 Use the KPI graph to determine the % benchmark score.

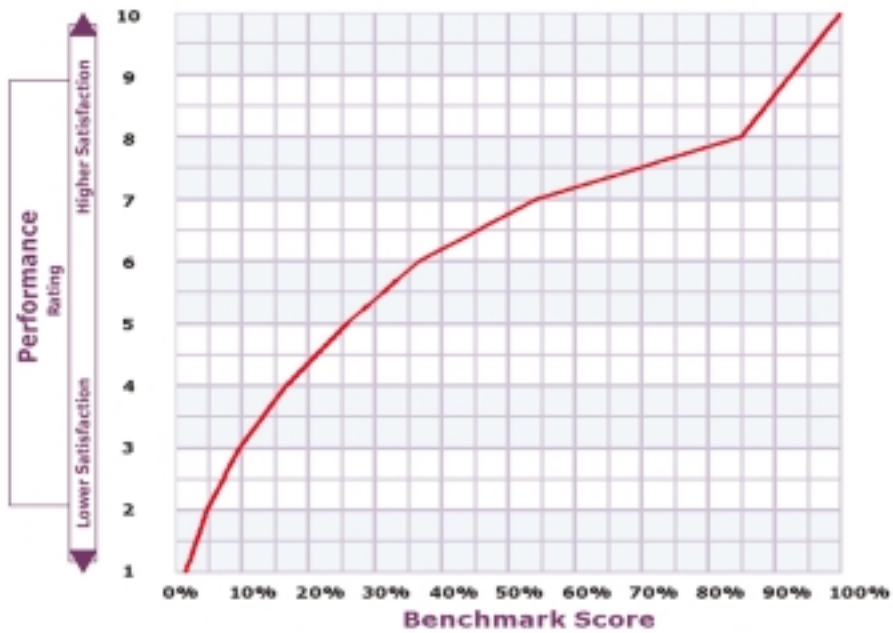
Example

On completion of a commission, the client rated the consultant’s overall performance at 9 out of 10. Use the Client Satisfaction – Overall Performance KPI graph to determine the % benchmark score.

Note

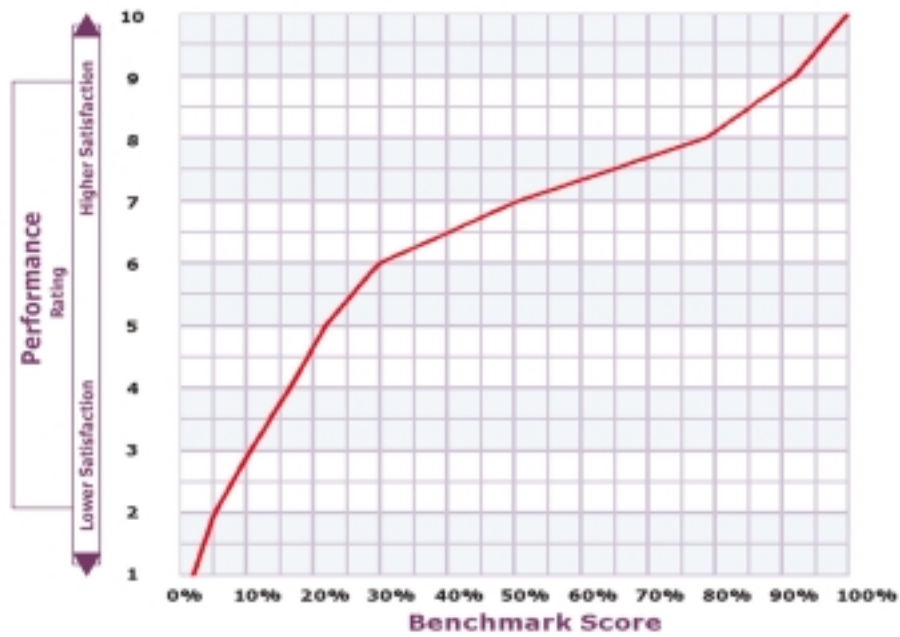
This question may be asked as part of a more comprehensive survey or post-commission review.

Client Satisfaction – Value for Money



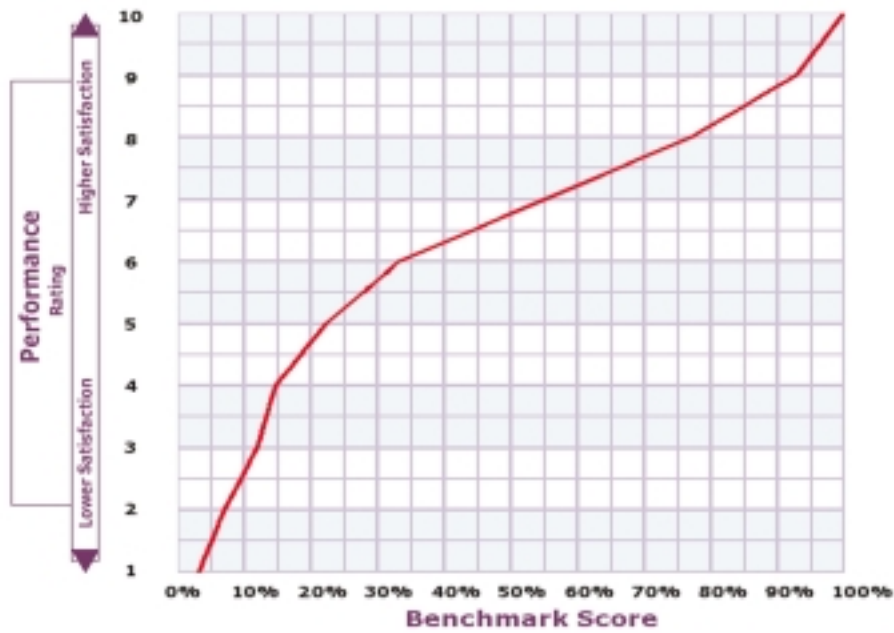
Purpose	To determine the level of client satisfaction that the consultant provided value for money.															
Definition	<p>How satisfied the client was that the consultant provided value for money on completed commissions using a 1 to 10 scale, where:</p> <table border="1" data-bbox="352 1189 1406 1462"> <tbody> <tr><td>10</td><td>=</td><td><i>Totally satisfied</i></td></tr> <tr><td>8</td><td>=</td><td><i>Mostly satisfied</i></td></tr> <tr><td>5/6</td><td>=</td><td><i>Neither satisfied nor dissatisfied</i></td></tr> <tr><td>3</td><td>=</td><td><i>Mostly dissatisfied</i></td></tr> <tr><td>1</td><td>=</td><td><i>Totally dissatisfied</i></td></tr> </tbody> </table>	10	=	<i>Totally satisfied</i>	8	=	<i>Mostly satisfied</i>	5/6	=	<i>Neither satisfied nor dissatisfied</i>	3	=	<i>Mostly dissatisfied</i>	1	=	<i>Totally dissatisfied</i>
10	=	<i>Totally satisfied</i>														
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3	=	<i>Mostly dissatisfied</i>														
1	=	<i>Totally dissatisfied</i>														
Method	<ol style="list-style-type: none"> 1 Carry out a survey on the completed commission to determine how satisfied the client was that the consultant provided value for money, using the 1-10 scale above. 2 The Client Satisfaction – Value for Money performance is the client’s rating out of 10. 3 Use the KPI graph to determine the % benchmark score. 															
Example	On completion of a commission, the client rated the value for money provided by the consultant at 8 out of 10. Use the Client Satisfaction – Value for Money KPI graph to determine the % benchmark score.															
Note	This question may be asked as part of a more comprehensive survey or post-commission review.															

Client Satisfaction - Quality of Service



Purpose	To determine the level of client satisfaction that the consultant provided a quality service.															
Definition	<p>How satisfied the client was that the consultant provided a quality service on completed commissions using a 1 to 10 scale, where</p> <table border="1" data-bbox="344 1182 1396 1451"> <tbody> <tr><td>10</td><td>=</td><td><i>Totally satisfied</i></td></tr> <tr><td>8</td><td>=</td><td><i>Mostly satisfied</i></td></tr> <tr><td>5/6</td><td>=</td><td><i>Neither satisfied nor dissatisfied</i></td></tr> <tr><td>3</td><td>=</td><td><i>Mostly dissatisfied</i></td></tr> <tr><td>1</td><td>=</td><td><i>Totally dissatisfied</i></td></tr> </tbody> </table>	10	=	<i>Totally satisfied</i>	8	=	<i>Mostly satisfied</i>	5/6	=	<i>Neither satisfied nor dissatisfied</i>	3	=	<i>Mostly dissatisfied</i>	1	=	<i>Totally dissatisfied</i>
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5/6	=	<i>Neither satisfied nor dissatisfied</i>														
3	=	<i>Mostly dissatisfied</i>														
1	=	<i>Totally dissatisfied</i>														
Method	<ol style="list-style-type: none"> 1 Carry out a survey on the completed commission to determine how satisfied the client was that the consultant provided a quality service, using the 1-10 scale above. 2 The Client Satisfaction – Quality of Service performance is the client’s rating out of 10. 3 Use the KPI graph to determine the % benchmark score 															
Example	On completion of a commission, the client rated the quality of service provided by the consultant at 9 out of 10. Use the Client Satisfaction – Quality of Service KPI graph to determine the % benchmark score.															
Note	This question may be asked as part of a more comprehensive survey or post-commission review.															

Client Satisfaction - Timely Delivery



Purpose

To determine the level of client satisfaction that the consultant provided a timely delivery of the service.

Definition

How satisfied the client was that the consultant provided a timely delivery of the service on completed commissions using a 1 to 10 scale, where:

10	=	<i>Totally satisfied</i>
8	=	<i>Mostly satisfied</i>
5/6	=	<i>Neither satisfied nor dissatisfied</i>
3	=	<i>Mostly dissatisfied</i>
1	=	<i>Totally dissatisfied</i>

Method

- 1 Carry out a survey on the completed commission to determine how satisfied the client was that the consultant provided a timely delivery of the service, using the 1-10 scale above.
- 2 The Client Satisfaction – Timely Delivery performance is the client’s rating out of 10.
- 3 Use the KPI graph to determine the % benchmark score.

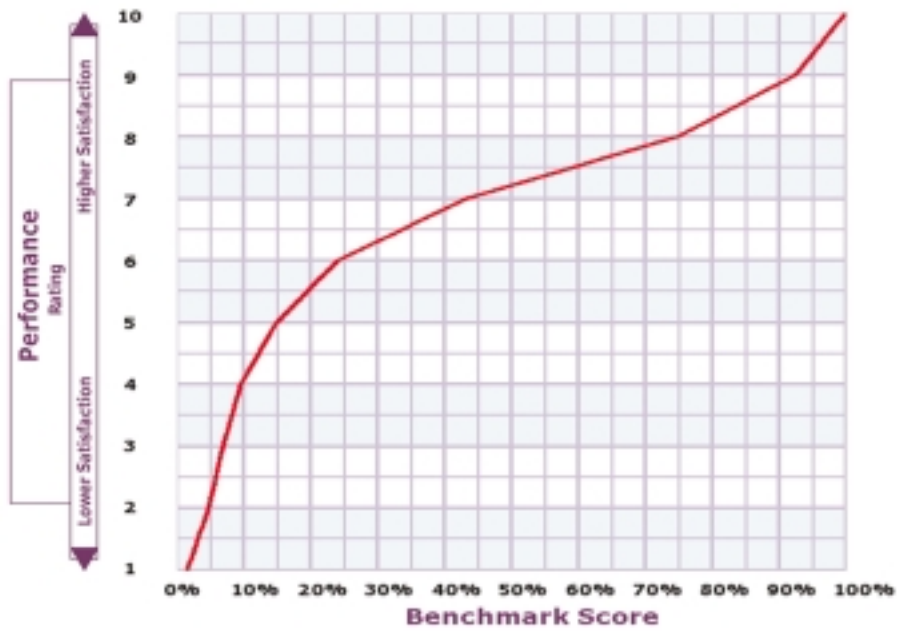
Example

On completion of a commission, the client rated the timeliness of delivery of the service provided by the consultant at 9 out of 10. Use the Client Satisfaction – Timely Delivery KPI graph to determine the % benchmark score.

Note

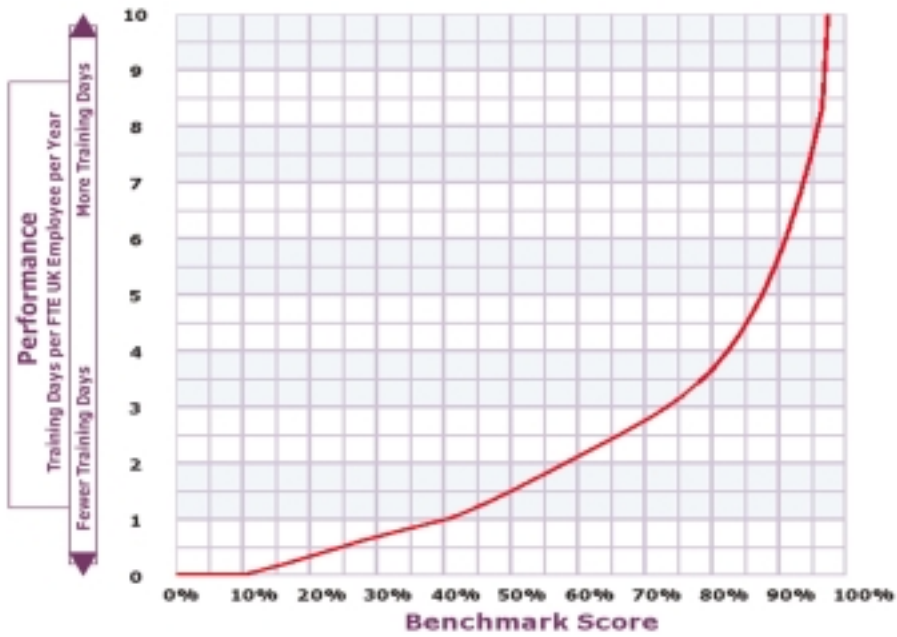
This question may be asked as part of a more comprehensive survey or post-commission review.

Client Satisfaction - Health and Safety Awareness



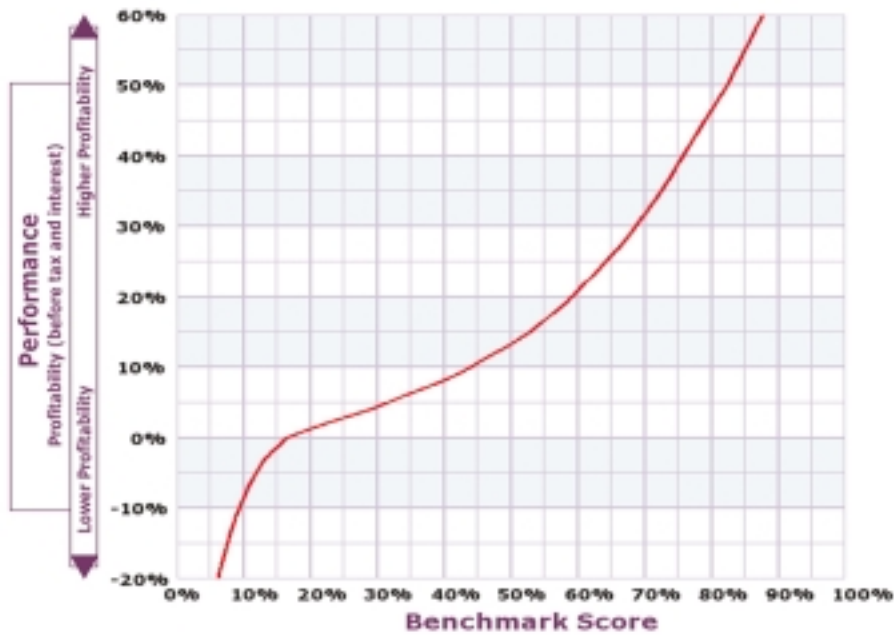
Purpose	To determine the level of client satisfaction that the consultant demonstrated health and safety awareness.															
Definition	<p>How satisfied the client was that the consultant demonstrated health and safety awareness on completed commissions using a 1 to 10 scale, where:</p> <table border="1" data-bbox="347 1216 1401 1489"> <tr><td>10</td><td>=</td><td><i>Totally satisfied</i></td></tr> <tr><td>8</td><td>=</td><td><i>Mostly satisfied</i></td></tr> <tr><td>5/6</td><td>=</td><td><i>Neither satisfied nor dissatisfied</i></td></tr> <tr><td>3</td><td>=</td><td><i>Mostly dissatisfied</i></td></tr> <tr><td>1</td><td>=</td><td><i>Totally dissatisfied</i></td></tr> </table>	10	=	<i>Totally satisfied</i>	8	=	<i>Mostly satisfied</i>	5/6	=	<i>Neither satisfied nor dissatisfied</i>	3	=	<i>Mostly dissatisfied</i>	1	=	<i>Totally dissatisfied</i>
10	=	<i>Totally satisfied</i>														
8	=	<i>Mostly satisfied</i>														
5/6	=	<i>Neither satisfied nor dissatisfied</i>														
3	=	<i>Mostly dissatisfied</i>														
1	=	<i>Totally dissatisfied</i>														
Method	<ol style="list-style-type: none"> 1 Carry out a survey on the completed commission to determine how satisfied the client was that the consultant demonstrated health and safety awareness, using the 1-10 scale above. 2 The Client Satisfaction – Health and Safety Awareness performance is the client’s rating out of 10. 3 Use the KPI graph determine the % benchmark score. 															
Example	On completion of a commission, the client rated the health and safety awareness demonstrated by the consultant at 9 out of 10. Use the Client Satisfaction – Health and Safety Awareness KPI graph to determine the % benchmark score.															
Note	This question may be asked as part of a more comprehensive survey or post-commission review.															

Training



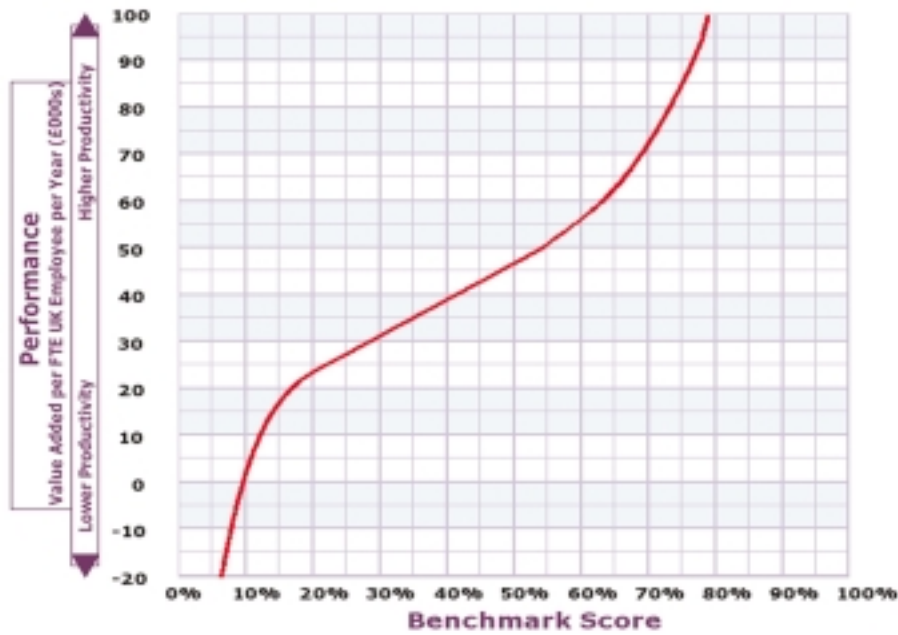
Purpose	To determine the level of training provided to UK employees.
Definition	The number of training days provided per full-time equivalent employee (including UK employees, partners and directors) per year.
Method	<ol style="list-style-type: none"> 1 Collect the following data from your firms records for a complete year: <ul style="list-style-type: none"> • the total number of training days provided (on and off the job). • the average number of FTE UK employees, partners and directors. 2 Calculate the performance using the formula: $\text{Performance (days)} = \frac{\text{Total number of training days provided}}{\text{Average number of FTE UK employees, partners and directors}}$ 3 Use the KPI graph to determine the % benchmark score.
Example	<p>Over the last year a firm provided a total of 240 training days to its 80 FTE UK employees. Therefore training days per employee in the firm is:</p> $\frac{240}{80} = 3.0 \text{ days}$ <p>Use the Training KPI graph to determine the % benchmark score.</p>

Profitability



Purpose	To determine the profitability of a consultancy firm before tax and interest.
Definition	Profit before tax and interest as a percentage of sales (or turnover).
Method	<ol style="list-style-type: none"> 1 Collect the following data from your firms records for a complete year: <ul style="list-style-type: none"> • value of profit before tax and interest • value of sales 2 Calculate the performance using the formula: Performance (%) profitability = $\frac{\text{Profit before tax and interest}}{\text{Value of sales}} \times 100$ 3 Use the KPI graph to determine the % benchmark score.
Example	<p>Over the last year a firm's turnover was £8,965,000 and profit before tax and interest was £1,165,450. Therefore profitability in the firm is:</p> $\frac{£1,165,450}{£8,965,00} \times 100 = 13\%$ <p>Use the Profitability KPI graph to determine the % benchmark score</p>

Productivity



Purpose	To determine the value-added per UK employee of a consultancy
Definition	Value added per full time equivalent UK employee per year (£). (Includes all UK employees, partners and directors. <i>Two employees each working half-time make one full-time equivalent. Value added is sales (turnover) less the value of goods purchased and services subcontracted to, or supplied by, other parties.</i>)
Method	<ol style="list-style-type: none"> 1 Collect the following data from your firms records for a complete year: <ul style="list-style-type: none"> • value of sales • value of goods purchased • value of services sub-contracted • the average number of UK employees, partners and directors 2 Calculate the performance using the formula: $\text{Performance (£)} = \frac{\text{Value of Sales} - (\text{value of goods purchased} + \text{value of services subcontracted})}{\text{Average number of UK employees, partners and directors}}$ 3 Use the KPI graph to determine the % benchmark score.
Example	<p>Over the last year a firm's turnover was £8,965,000, it purchased goods to the value of £19,300 and sub-contracted £25,800 of services. Its number of FTE UK employees was 231. Therefore value added per FTE UK employee in the firm is:</p> $\frac{£8,965,000 - (£19,300 - £25,800)}{231} = £38,614$ <p>Use the Productivity KPI graph to determine the % benchmark score.</p>

Further Help and Information

Data Sources

The data sources used in the preparation of these KPIs are shown in the table below.

Construction Consultants KPIs	Data Source (see below)
Client Satisfaction - Overall Performance	1
Client Satisfaction - Quality of Service	1
Client Satisfaction - Healthy and Safety Awareness	1
Client Satisfaction - Value for Money	1
Client Satisfaction - Timely Delivery	1
Training	2
Profitability	3
Productivity	3

The data sources referred to in the table above are:

1. BSRIA Annual Consultants Clients' KPI Survey
2. Project Partners Annual Consultants' KPI Survey
3. Dun and Bradstreet, Intercompany Comparisons and Companies House supplied by the pH Group Ltd

About Constructing Excellence

Constructing Excellence provides a range of services to help implement KPIs:

Helpdesk

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

Tel 0845 605 55 56

KPIZone Website

KPIZone is an on-line management tool that provides a straight forward step-by-step process to help companies and organisations from all sectors of the construction industry to choose KPIs, and benchmark performance.

KPIZone makes benchmarking easy, helping you create your own KPI handbook, store and retrieve data and produce and print a comprehensive report of your performance results.

For further information visit www.kpizone.com.

KPI Masterclasses

An introduction to the benefits and use of the Construction Industry KPIs. Each Masterclass explores the importance of measuring performance with the help of practical examples, a step by step guide to their use, and case studies of organisations that have successfully implemented KPIs.

Website

An extensive database of best practice activities, information and resources is available on www.constructingexcellence.org.uk.

At Constructing Excellence we bring distinctive value to our customers' businesses through six core activities:

Action Research and Innovation:

Members shape and take part in Constructing Excellence's research programme, from major action research projects to working groups and confidential learning clubs.

KPIs and Benchmarking:

Constructing Excellence has led the way in industry performance measurement, with diagnostic tools central to its activities.

Members receive:

- Complimentary KPIZone subscription
- Complimentary introductory Explorer Interactive™ business diagnostic session
- 20% discount on KPI Masterclasses

Guidance and Training:

Constructing Excellence is able to offer members consultancy tailored to their business requirements. This service includes free or discounted access to Constructing Excellence publications, and discounts on facilitation and mentoring services and conferences.

Networks:

Existing members see real benefits in these networks, meeting with other like minded individuals and companies, building relationships, sharing best practice and developing business contacts.

Demonstrations:

One of the key benefits of membership is being able to demonstrate participation to key stakeholders such as customers, employees, suppliers and investors. Constructing Excellence provides members:

- Opportunities to showcase projects
- Opportunities to share and learn from members' exemplars
- Invitations to speak as an acknowledged industry leader at Constructing Excellence events

Leadership and Influence:

Constructing Excellence works closely with government, strategic partners, firms and influences organisations to shape the future of the sector. Members have the chance to take an active role in influencing Government priorities and to have input into the formation of future policy at regular forums and conferences.



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