

This guide is one of a series of brief introductions to integration within the construction industry.

There are various practices that promote integrated working and encourage the industry to work collaboratively to the benefit of the project. Advice on these can be found in the following brief guides:

Early Contractor and Supplier Involvement	Guide One
Selecting Your Team By Value	Guide Two
Common Processes & Tools	Guide Three
Performance Measurement	Guide Four
Long Term Relationships	Guide Five
Modern Commercial Arrangements	Guide Six

ALL guides are available
as a download from:
www.arethereyet.co.uk

**No
Nonsense!**
guide to...

Performance Measurement
Why measure performance and
how to do it well



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The 'Strategic Forum for Construction' is the pan industry umbrella body that represents all facets of this varied and diverse industry. Its objective is to unite the industry around important initiatives to improve its performance and conditions. This series of guides has been produced on behalf of the Integration Task Group by Stepnell Ltd. and Visionality Ltd.



WHAT IS PERFORMANCE MEASUREMENT IN CONSTRUCTION?

Measuring the performance of construction teams allows the team to assess whether they are performing well relative to the client's

expectations. Traditionally projects have been simply measured in terms of price and programme, with a subjective view on quality. Construction clients have become more sophisticated and realised that these basic measures do not necessarily define all their expectations from a construction project or elements of a project. In return the construction industry has responded by recognising the importance of their clients' varied needs and put in place methods of measuring their performance.

Best practice in performance measurement can significantly enhance team performance, but some basic rules must be followed:

- Measure what matters; align measurement to the priority objectives
- Discuss the targets with the key project team involved in achieving the goals
- Do not select too many issues to monitor and prioritise those that are selected
- Targets must be easy to measure and the measurements must cope with variations to the normal
- Achieving targets is more likely where there is an incentive to perform

Discussing the targets as a team will help individuals focus on their contribution to the team performance and help identify risks that could frustrate the client's aspirations.

WHAT ARE THE BASIC RULES?

Measuring performance on a project will inform the priorities on that project. There are a number of common pitfalls to avoid:

- The law of unintended consequences. Do not concentrate on minor issues at the expense of the main requirements
- Indicators that are to be used as commercial differentiators should be independently audited
- Indicators can be referenced to Constructing Excellence's library of KPIs. Be aware that these are an average of many results that may not reflect your circumstances. The best use of consistent indicators is to monitor your continuous improvement.
- Don't forget to set a baseline. If you have no starting point you won't know when or by how much you have improved.
- To know how well you are doing you need to be able to compare your performance with others. If you create your own KPIs you will not be able to do this.
- The cost of collecting data should never exceed the value of data to the client.

BEWARE THESE PITFALLS!

WHERE DO I FIND FURTHER INFORMATION?

Further information can be found from the following source
www.constructingexcellence.org.uk/zones/kpizone/