

Construction KPIs

| KPI | Formula | Definition |
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| Starts per month (can be compared to market) | Self-defining | Expresses the number of home starts you have in a given month. This should also be compared against the number of starts forecasted in the region for comparison of Market Share. |
| Budget vs Actual within a Tranche | Tranche Cost A / Tranche Budget A | This will show you how each Tranche is doing in comparison to their budget and will help you determine which Tranches may need to be analyzed if they are consistently over budget. |
| Projects in each construction Tranche/Stage | # of projects in Tranche | This will show you how busy each Tranche is and which ones can take on new projects. |
| Planned Value | Total Budgeted Amount to Complete a Project within a Specific Date | Expresses planned amount of money to be used to complete a project during a specific time period. |
| Earned Value | The forecasted total cost of project * % complete to date | Expresses value of project earned with relation to costs not yet incurred. Outlines the Under/Over billing, or a summary of the WIP schedule. |
| Schedule Performance Index | Earned Value/ Planned Value | Results in a better understanding of how well project schedules are being executed. This allows for a better idea of pace of work and how to more accurately schedule projects in the future. |
| Cost Performance Index | Earned Value/ Actual Costs | Expresses better understanding of actual costs which allows for better allocation of funds to projects in the future. Results that are >1 show that the project is within the forecasted costs. <1 shows that the project has exceeded forecasted costs. |
| Time for Construction | Total time spent on project | Will express a quantitative value of the total time spent on a given project. This can be compared to the projected amount and used as a resource for future projects. |
| Resource Capacity | Total Number of Employees* Total Hours of Employee Availability | Results in a value that gives an accurate representation of how many employees can be assigned to a certain number of projects. This way management can allocate resources and prioritize projects accordingly. |
| Labor Productivity Rate | Time for Construction / Total # of Labor Hours | Will express the productivity of a given labor force, ideally we want the labor productivity rate to be high, as this means many tasks are being completed each day |
| Average Client Satisfaction Rate | Sum of Client Response Scores / Total Number of Client Responses | Will give a value that represents the average client satisfaction score rated 1-10 |
| Average Revenue per Started Home | Total Revenue / Total # of Projects Started | Will result in a figure that represents average revenue earned on each project during a given period |

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| Days Sales Outstanding | $(\text{Accounts Receivable} / \text{Total Credit Sales}) * \text{Number of Days}$ | Measures the average amount of days it takes for the company to collect money on a previous project. |
| Number of Incidents | Total Number of Incidents for a Given Period | Incidents have the capacity to slow down projects and potentially cost the company more money. That is why it is best to find ways minimize the number of incidents. |
| Work In Progress (WIP) | $\text{Percentage of Completed Costs} * \text{Contract Cost}$ | It refers to the calculation of the percentage of work completed to date. |
| Backlog | (Linked to sales data reports) | Signed Contracts (so nothing pending or in negotiation). Backlog KPI should have Contract Value, Open Balance, % complete, Value of CO and Total Open Balance. This KPI would be best in report format as an appendix and then additional KPIs can be generated. |
| Sales Pipeline | (Linked to sales data reports) | Outlines number of contracts in negotiation, contract type, contract value and expected start date. Allows for staffing planning and cash forecasting |
| Quality Control | (Linked to sales data reports) | Quality control measures the quality of the project and helps reduce changes and the need to redo work <ul style="list-style-type: none"> * Number of Defects (by project) * Time to rectify defects * Number of site inspections per project * Ratio of # of inspections passed to total inspections by project |

For a review of your KPIs, [contact us](#) for a free consultation!