



**CONSTRUCTING
EXCELLENCE**

Benchmarking Report

Grail Ltd

1 Introduction

This report has been created to show you the results of a range of benchmarking exercise undertaken for Grail Limited. The report shows the results from three individual benchmarking tools; each assessing Grail limited against a range of competitive businesses. These include:

1. **Project Performance** (*Construction Key Performance Indicators*) published by CBPP (*The Construction Best Practice Programme*) & The DETR (*Department of Environment, Transport & the Regions*)

This report compares the performance of project delivery to the rest of the construction industry using data gathered by the DETR. The indicators are mainly based on factual information (e.g. ability to deliver on time) with some opinion based information (e.g. customer satisfaction with the service)

2. **Staff & Management survey** using the 'Business Excellence Model' questionnaire published by EFQM (*European Federation for Quality Management*)

This report compares the opinions of the staff & management in a range of business areas. The scores are benchmarked using a database of over 3000 company's pan-industry. The indicators are all based on opinions using a multiple-choice questionnaire.

3. **Competitive Analysis Report** using the *Benchmark Index* provided by the DTI (*Department of Trade & Industry*)

This report compares the business performance of Grail Limited to competitors of similar size, T/O & operating in the same products & services area. The indicators are mainly based on factual information (e.g. Value added per employee, Supplies delivered on time etc.)

- All of the charts show the relative position of Grail Limited for each factor compared to the sample group (Construction industry, pan-industry or direct competitors to Grail Limited respectively)
- The higher the benchmark score on the charts the better the performance
- Where tables are shown, they show the raw data for the company and the sample group - with five percentiles showing the spread of data

It is important to understand that the charts are constructed to show how good the company is relative to the sample group. At a glance you can see how the company compare. A benchmark score of 100 means that the company is the best in the sample group. A benchmark score of 0 means that the company is the worst in the sample group.

A results table then shows both the actual performance and the relative performance in numerical form, showing how the company compares against other organisations.

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3 Company Details

Grail Limited is a fit-out company specialising in the installation of fitted furniture (kitchens/bedrooms/bathrooms). The company does not manufacture any kitchens/bathrooms, but uses a sole supplier who is also the owner of Grail Limited.

Although operating in mainly the domestic market, the company has recently generated new business in the commercial sector amounting to 13% of the turnover in the last financial year.

Grail Limited is a preferred supplier to Acme PLC, a major house builder. Acme like Grail's product & their price, but their performance in delivery is not satisfactory. The majority of Grail's 13% turnover is with Acme.

Acme & Grail have decided that their relationship is worth retaining & have set up a joint Best Practice Programme to facilitate better performance. They have also invited Grail's supplier (owner) to join the Best Practice Programme.

Early investigation shows that the company has maintained a strong growth in turnover, but has recently developed profit problems. There are known problems with supplier delivery and the company believe that have very little warehouse space.

Profile

Company Name	Grail Ltd
Business Description	Fitted Furniture Installation (Kitchens, Bathrooms, Bedrooms)
Markets	87% domestic market. Generated new markets in the commercial sector in 2000, making up 13% turnover.
Turnover (\$)	\$6,601,000
Pre-tax profit	-\$663,000
No of Employees	148
SIC Code (1992)	45300 45420

Competitive Benchmark Criteria (for use in competitor Analysis see p.9)

This information is used to find competitors to benchmark against in the competitive analysis carried out from pages 9 to 29.

Employees	50 - 250
Turnover (m)	\$1m - \$10m
SIC Code(s)	45300, 45420, 45340 & 36130

Definition of Terms

Customer Satisfaction - Product – How satisfied the client was with the finished product, using a 1 to 10 scale where 10 = totally satisfied, 1 = totally dissatisfied.

Customer Satisfaction - Service – How satisfied the client was with the finished product, using a 1 to 10 scale where 10 = totally satisfied, 1 = totally dissatisfied.

Cost Predictability – The difference between the actual cost at completion and the planned cost at the point the customer commits to the project.

Time Predictability – The difference between the actual duration of the project at completion and the planned duration of the project at the point the customer commits to the project

Impact of Defects – The condition of the product at the planned time of completion using a 1 to 10 scale where:

10 = Defect free

5 = Some defects with some impact on the customer





1 = Totally defective


Productivity – The value added per employee, i.e. the total turnover of the companies projects less all costs subcontracted or supplied by other parties

Profitability – Profit before tax and interest as percentage of sales.


Safety – Reportable accidents per 100,000 employed per year (All incidents equivalent to a three-day loss & above)

4 Summary of Strengths and Weaknesses











Legend:  Stronger performance all areas  Weaker performance all areas
 Stronger overall performance  Weaker overall performance

		Strengths	Weaknesses
5. Project Performance		•	•

6. Staff & Management Survey

6.1 Staff View		•	•
6.2 Management View		•	•

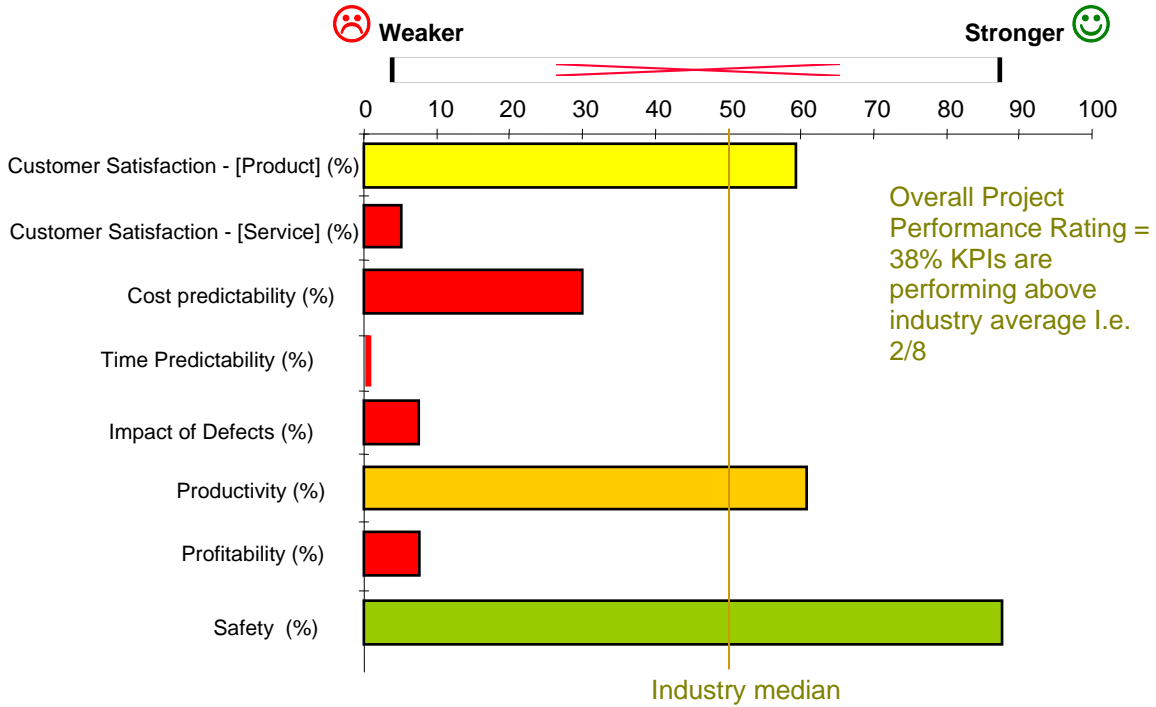
7. Competitive Analysis

7.1 Profitability		•	•
7.2 Financial Management		•	•
7.3 Productivity		•	•
7.4 Investment		•	•
7.5 Growth		•	•
7.6 Customer Satisfaction		•	•
7.7 Innovation		•	•
7.8 Suppliers		•	•
7.9 People Management		•	•
7.10 People Satisfaction		•	•

5 Project Performance (Construction Industry KPIs)

Headline Construction KPIs (Key Performance Indicators) are published by CBPP (The Construction Best Practice Programme) & The DETR (Department of Environment, Transport & the Regions)

This report compares the performance of project delivery to the rest of the construction industry using data gathered by the DETR. The indicators are mainly based on factual information (e.g. ability to deliver on time) with some opinion-based information (e.g. customer satisfaction with the service).



Summary

A ↓ Weaker Overall Performance

Definition of Terms

Leadership - this section covers the role senior manager's play in shaping the organisation through its values, mission and vision, and behaviour. The actual behaviour and involvement of the senior managers are emphasised, rather than relying on statements or policies. The extent to which managers demonstrate their commitment to the customers and to the quality standards of the company is also assessed.

Policy and Strategy - this section seeks to identify the existence of policy and strategy statements. It looks at how planning activity takes into account any policies and strategies of the organisation. It also examines how the company relates its performance to the company strategy and objectives.

People Management - this section looks at how the organisation views the development of its employees. It also examines the way that peoples performance and training needs are assessed, and the way that these are related to the needs and requirements of the business. The degree of employee empowerment and the scope of internal communications are also assessed.

Resource Management - this section looks at the way that key business information is organised and communicated throughout the company. The alignment of resources such as IT, finance and new technologies, with the goals and targets of the organisation, are also assessed.

Processes - in this section the key processes of the organisation are identified. The means by which they are managed and controlled is also covered in this section. Changing the processes and improvement activities, and how these are communicated and acted upon, are also examined.

Customer Satisfaction - this section covers the type of relationships the organisation builds with their customers. It asks about customer perceptions and the measurement of them, and then looks at understanding what the customer measures are used for.

People Satisfaction - this section covers the measurement methods and communication of employee satisfaction. How these are used for comparative purposes is also covered. It also examines the type and level of employee empowerment existing within the company.

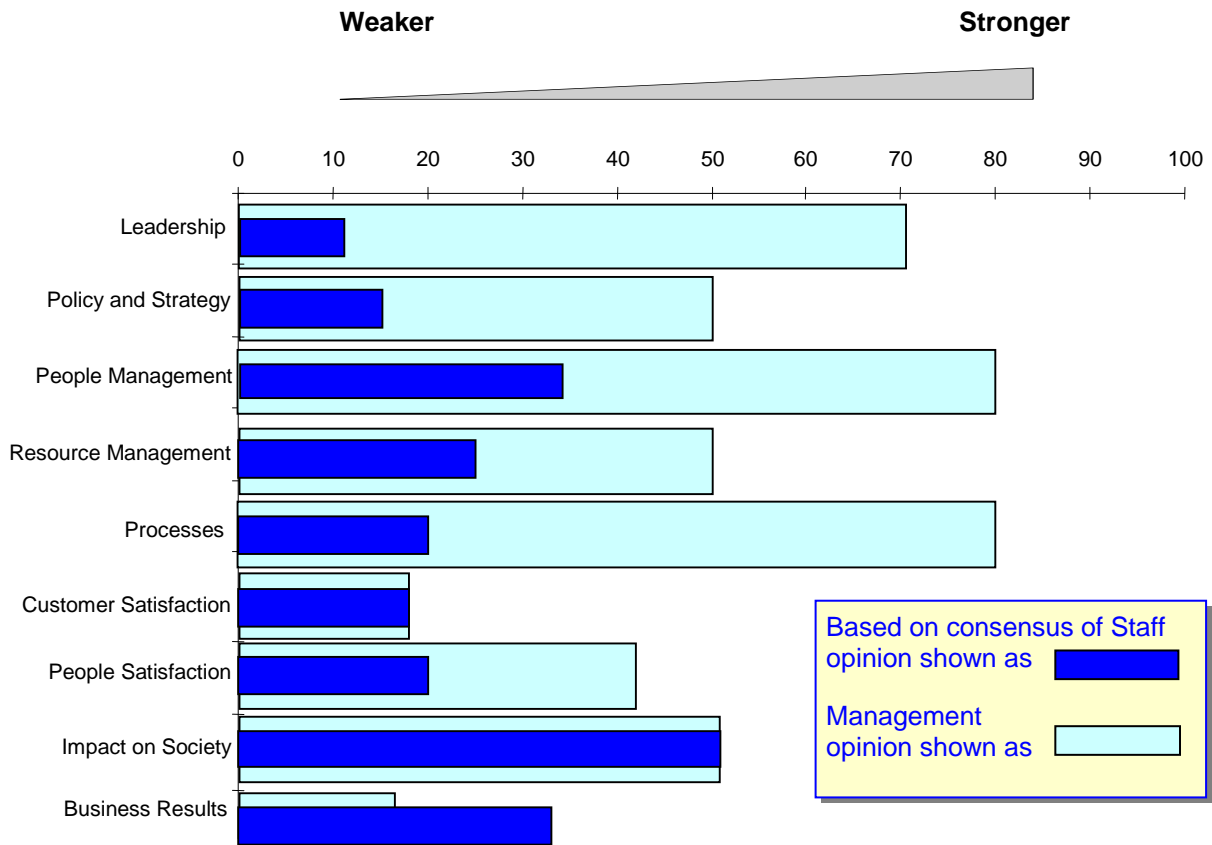
Impact on Society - this section looks at the involvement of the organisation in the community in which it operates, beyond any legislative responsibility. It also addresses issues of ethical standards and how they are identified and communicated.

Business Results - this section covers the management of financial and non-financial performance measures. It also looks at various measures and comparisons that the organisation makes on its performance.

6 Staff & Management Survey

Staff & Management survey using the ‘**Business Excellence Model**’ questionnaire published by EFQM (European Federation for Quality Management)

This report compares the opinions of the staff & management in a range of business areas. The scores are benchmarked using a database of over 3000 company’s pan-industry. The indicators are all based on opinions using a multiple-choice questionnaire



Measure	Relative	Your Actual	Low	Low Qtile	Median	Upper Qtile	High	Sample
Leadership	11	5.00	0.00	9.00	11.00	13.00	15.00	3395
Policy and Strategy	15	3.00	0.00	6.00	8.00	9.00	11.00	3395
People Management	34	9.00	0.00	8.00	12.00	14.00	18.00	3395
Resource Management	25	4.00	0.00	4.00	7.00	8.00	10.00	3395
Processes	20	7.00	0.00	8.00	10.00	12.00	15.00	3395
Customer Satisfaction	18	6.00	0.00	8.00	10.00	12.00	15.00	3395
People Satisfaction	20	6.00	0.00	7.00	9.00	11.00	14.00	3395
Impact on Society	51	4.00	0.00	3.00	4.00	6.00	9.00	3395
Business Results	33	6.00	0.00	6.00	8.00	9.00	12.00	3395

Summary – Management

A ↑ Stronger Overall Performance

Summary - Staff

A ↓ Weaker Overall Performance

7 Competitive Analysis

Competitive Analysis Report using the Benchmark Index provided by the DTI (Department of Trade & Industry)

This report compares the business performance of Grail Limited to competitors of similar size, T/O & operating in the same products & services area. The indicators are mainly based on factual information (e.g. Value added per employee, Supplies delivered on time etc.)

The report comprises x benchmarks arranged under 10 categories. These are:

- ◆ **Profitability**
- ◆ **Financial management**
- ◆ **Productivity**
- ◆ **Investment**
- ◆ **Growth**
- ◆ **Customer Satisfaction**
- ◆ **Innovation**
- ◆ **Suppliers**
- ◆ **People management**
- ◆ **People Satisfaction**

At a glance you can see how the company compare. A benchmark score of 100 means that the company is the best in the sample group. A benchmark score of 100 means that the company is the worst in the sample group.

Profitability - Definition of Terms

* Indicates an inverted ratio

Pre Tax Profit / Turnover (Profit Margin, %) - this is the profit before tax expressed as a percentage of turnover. It is an indicator of profitability and growth and provides a useful comparison for how well the costs have been controlled.

*Calculated as: (Pre Tax Profit / Turnover) * 100 %*

Return on Capital Employed (ROCE, %) - this is the profit before tax expressed as a percentage of the capital employed, where capital employed is taken to be the aggregate of shareholders' funds, long term loans, and long term liabilities. It is an indicator of both profitability and growth as it measures how effectively the business is using its funds in growing the size of the business itself.

*Calculated as: Pre Tax Profit / (Shareholder's Funds + Long Term Loans + Other Long Term Liabilities) * 100 %*

Return on Net Assets (RONA, %) - this is the profit before taxes expressed as a percentage of net assets (fixed, intangible and intermediate assets plus current assets less creditors and other current liabilities). It is an indicator of both profitability and growth regardless of method of financing.

*Calculated as: Pre Tax Profit / (Total Assets - Other Current Liabilities - Creditors) * 100 %*

Return on Total Assets (ROTA, %) - this is the profit before taxes expressed as a percentage of total assets. It is an indicator of both profitability and growth.

*Calculated as: (Pre Tax Profit / Total Assets) * 100 %*

Turnover / Orders (\$) - this ratio provides an indication of the average order value expressed as pounds per order.

Calculated as: Turnover / Orders

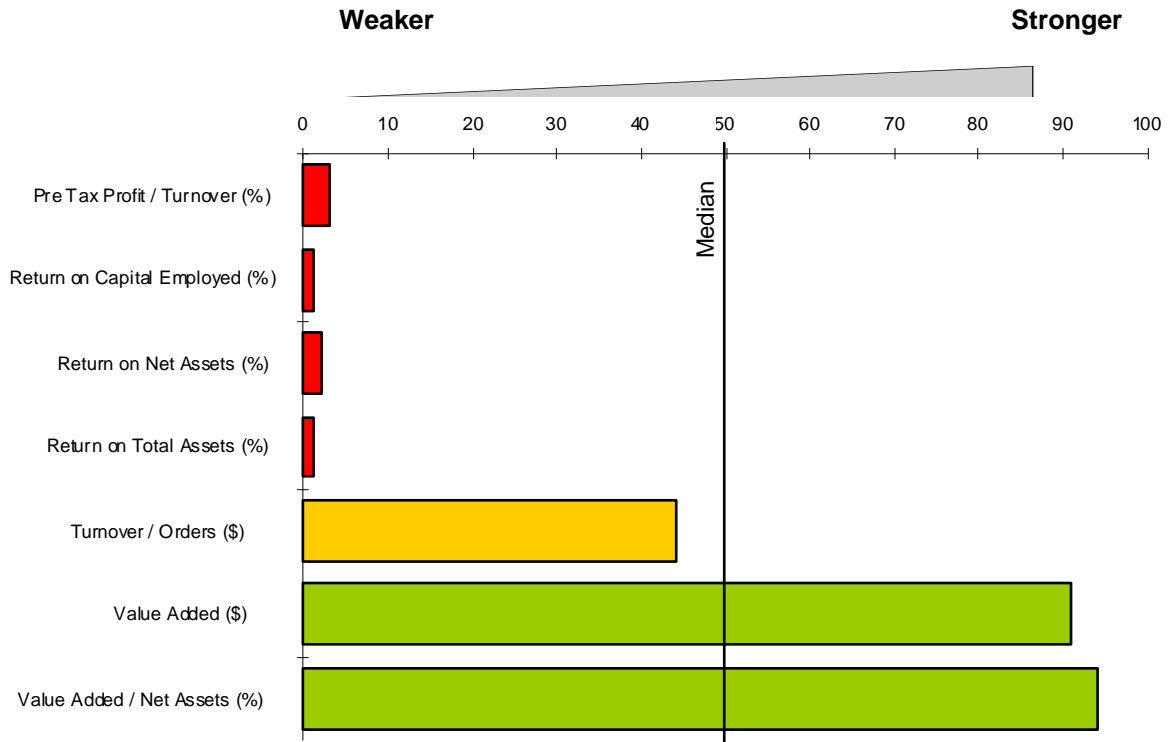
Value Added (\$) - this is the difference between the cost of raw materials and the sale price - that is the amount of value that the business has added to the raw material.

Calculated as: Turnover - Value of Bought In Materials

Value Added / Net Assets (%) - this is the value added expressed as a percentage of net assets. It is an indicator of the ability of a business to use its assets to deliver a surplus over raw material costs.

*Calculated as: (Turnover - Value of Bought In Materials) / (Total Assets - Other Current Liabilities - Creditors) * 100 %*

7.1 Profitability



Measure	Relative	Your Actual	Low	Low Qtile	Median	Upper Qtile	High	Sample
Pre Tax Profit / Turnover (%)	3	-10.04	-5.85	0.82	2.78	5.75	13.38	502
Return on Capital Employed (%)	1	-168.70	-40.11	6.15	19.96	41.27	126.12	495
Return on Net Assets (%)	2	-75.08	-29.44	3.70	12.98	27.03	81.71	501
Return on Total Assets (%)	1	-50.15	-12.43	2.03	6.21	13.30	29.48	501
Turnover / Orders (\$)	44	4,015.20	776.97	2,406.81	10.62K	85.31K	448.38K	32
Value Added (\$)	91	4,599.00K	326.93K	600.89K	1,053.85K	2,052.91K	6,004.08K	502
Value Added / Net Assets (%)	94	520.84	0.00	91.21	157.33	272.28	582.12	501

Summary

A ↓ Weaker Overall Performance

Can set performance targets from these figures achieved by competitors

Financial Management - Definition of Terms

* Indicates an inverted ratio

Cash in Bank / Turnover (%) - small companies find the non availability of cash their largest problem. This ratio gives an indicator as to the accessibility of cash. Companies which hold too much cash may however not be investing their funds to the best advantages of their business.

Calculated as: $(\text{Cash in Bank} / \text{Turnover}) * 100 \%$

Credit Payment Days (#) - this is the creditor value divided by turnover and represents the average payment period that company takes to pay its bills. It is an indicator of profitability and supplier relationships.

Calculated as: $(\text{Creditors} / \text{Turnover}) * 365$

Debtor Days (*) - this is the debtor value divided by turnover and represents the average collection period that customers take to pay their bills. It is an indicator of profitability and customer relationships.

Calculated as: $(\text{Debtors} / \text{Turnover}) * 365$

Gross Gearing (% , *) - this figure demonstrates a company's ability to finance liabilities from liquid assets.

Calculated as: $((\text{Short Term Loans} + \text{Long Term Loans}) / \text{Shareholder's Funds}) * 100 \%$

Net Gearing (% , *) - this ratio is a measure of the dependence of the company on loan finance.

Calculated as: $((\text{Short Term Loans} + \text{Long Term Loans} - \text{Stocks} - \text{Debtors} - \text{Cash}) / \text{Shareholder's Funds}) * 100 \%$

Pre Tax Profit / Interest (Interest Cover #) - this ratio indicates the proportion of profit taken up by interest payments. The larger the ratio the less vulnerable a company is to a fall in profits or rise in interest rates.

Calculated as: $\text{Pre Tax Profit} / \text{Interest Paid}$

Short Term Assets / Current Liabilities (Acid Test, #) - this ratio measures the company's liquidity, and it's ability to pay all their short-term liabilities instantly.

Calculated as: $(\text{Debtors} + \text{Stocks} + \text{Cash in Bank}) / (\text{Creditors} + \text{Short Term Loans} + \text{Other Current Liabilities})$

Short Term Debt / Long Term Debt (% , *) - this ratio shows how an organisation has structured its debt. Generally it is preferable to have long term debt rather than short term debt. A large ratio relative to other businesses may indicate that they are managing their debt more effectively.

Calculated as: $(\text{Short Term Loans} + \text{Other Current Liabilities}) / (\text{Long Term Loans} + \text{Other Long Term Liabilities}) * 100 \%$

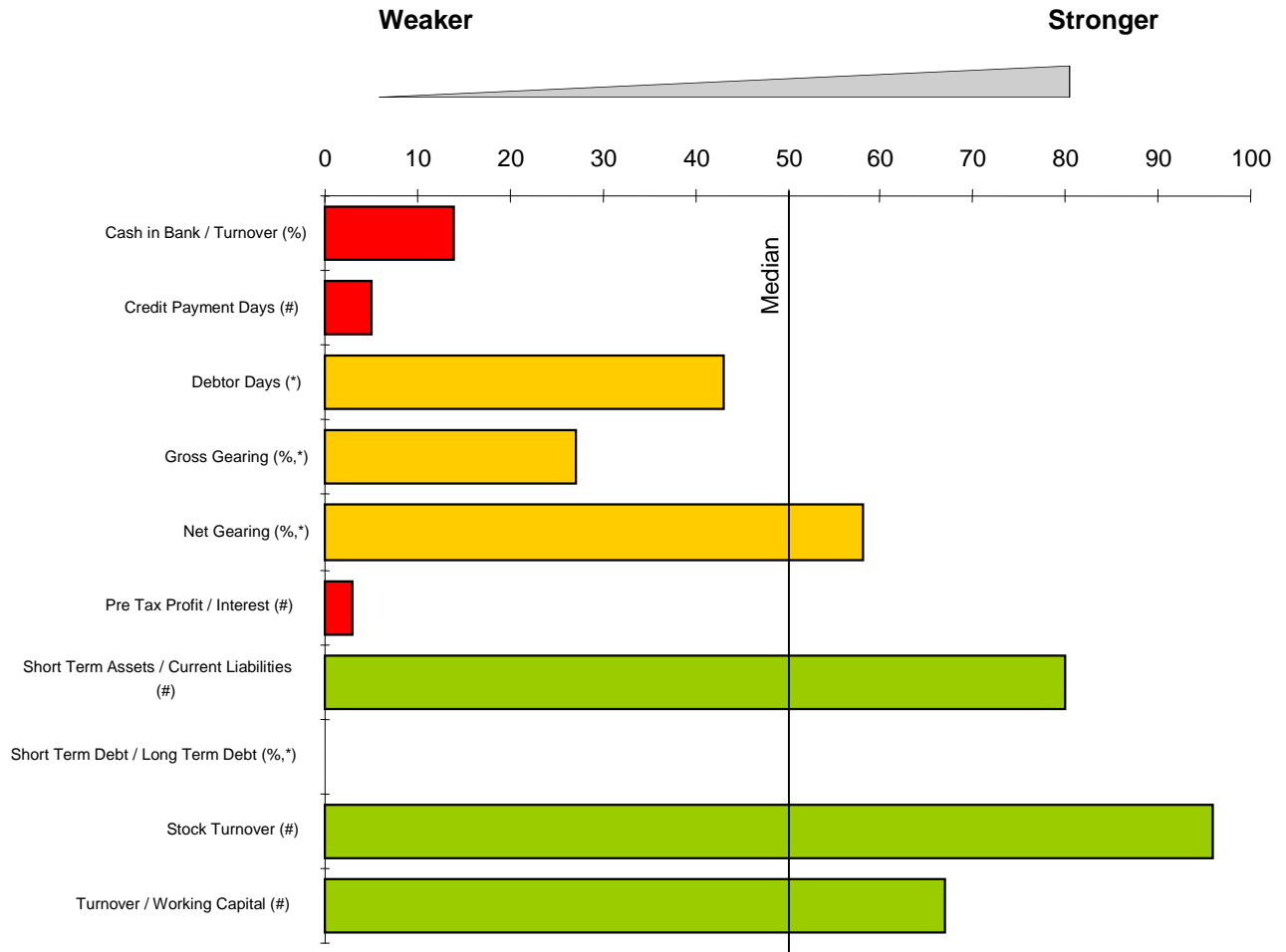
Stock Turnover (#) - this is the turnover divided by stocks, giving the number times stocks are turned over during a year, or how quickly stocks are moved through the business. It is an indicator of profitability.

Calculated as: $(\text{Turnover} / \text{Stocks})$

Turnover / Working Capital (#) - this ratio measures a company's ability to generate sales from available working capital. A high figure signifies more effective use of working capital.

Calculated as: $\text{Turnover} / (\text{Total Assets} - \text{Fixed Assets} - \text{Creditors} - \text{Other Current Liabilities} - \text{Short Term Loans})$

7.2 Financial Management



Summary

A ↓ Weaker Overall Performance

Productivity - Definition of Terms

* Indicates an inverted ratio

Pre Tax Profit per Employee (\$) - this is pre-tax profit divided by the number of employees. It is an indicator of profitability.

Calculated as: Pre Tax Profit / No of Employees

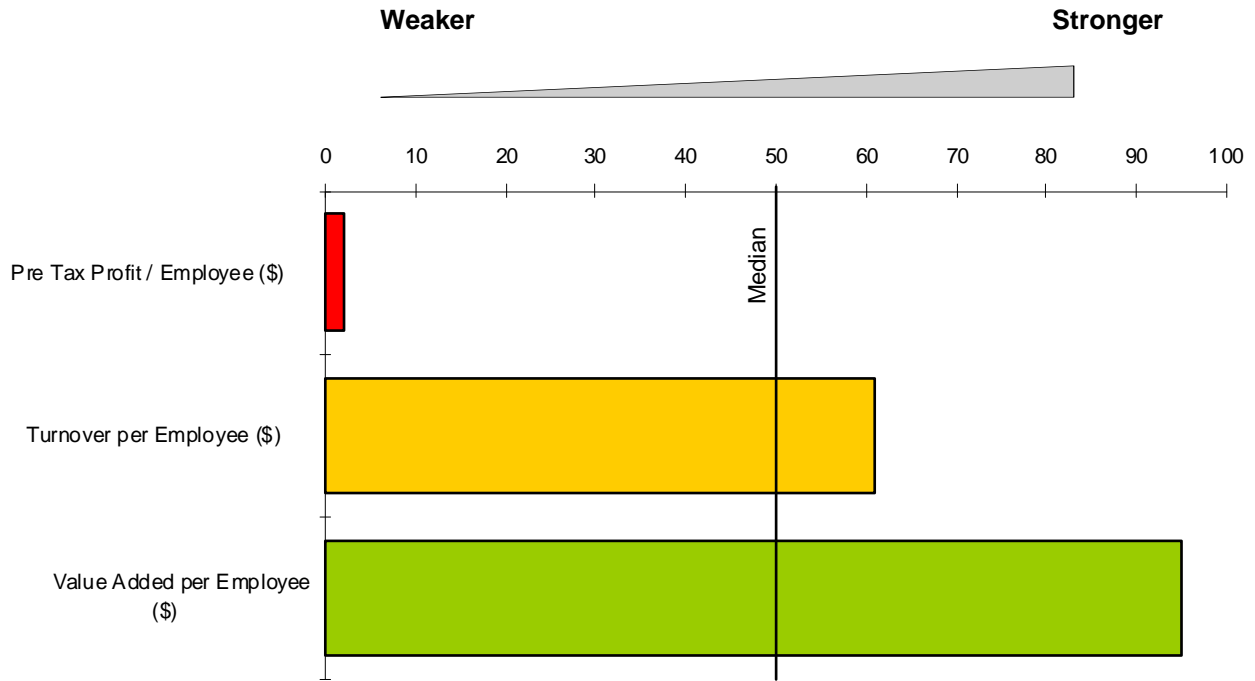
Turnover per Employee (\$) - this is the ratio of sales divided by the number of employees. It is an indicator of profitability.

Calculated as: Turnover / No of Employees

Value Added per Employee (\$) - this is value added divided by the number of employees. It is an indicator of profitability.

Calculated as: (Turnover - Value of Bought In Materials) / No of Employees

7.3 Productivity



Measure	Relative	Your Actual	Low	Low Qtile	Median	Upper Qtile	High	Sample
Pre Tax Profit / Employee (\$)	2	-4.48K	-2.28K	292.03	1,095.86	2,543.95	7,122.24	502
Turnover per Employee (\$)	61	44.60K	20.71K	31.36K	40.29K	54.61K	89.23K	502
Value Added per Employee (\$)	95	31.07K	5,740.20	11.56K	13.92K	17.41K	30.79K	502

Summary

A ↑ Stronger Overall Performance

Investment - Definition of Terms

* Indicates an inverted ratio

Capital Investment / Depreciation (%) - this is a measure of the level of investment compared to the depreciation of the current fixed assets.

*Calculated as: (Capital Investment / Depreciation) * 100 %*

Capital Investment / Pre Tax Profit (%) - this is an indication of a company's ability to fund investment from profit.

*Calculated as: (Capital Investment / Pre Tax Profit) * 100 %*

Capital Investment / Turnover (%) - this is an indication of how much the company continues to invest in itself .

*Calculated as: (Capital Investment / Turnover) * 100 %*

Marketing Expenditure / Turnover (%) - this is an indication of the companies investment in its marketing activity.

*Calculated as: (Marketing Expenditure / Turnover) * 100 %*

R&D Expenditure / Pre Tax Profit (%) - this is an indicator of a company's investment in it's future expressed in terms of profit generated by it's current products.

*Calculated as: (R&D Expenditure / Pre Tax Profit) * 100 %*

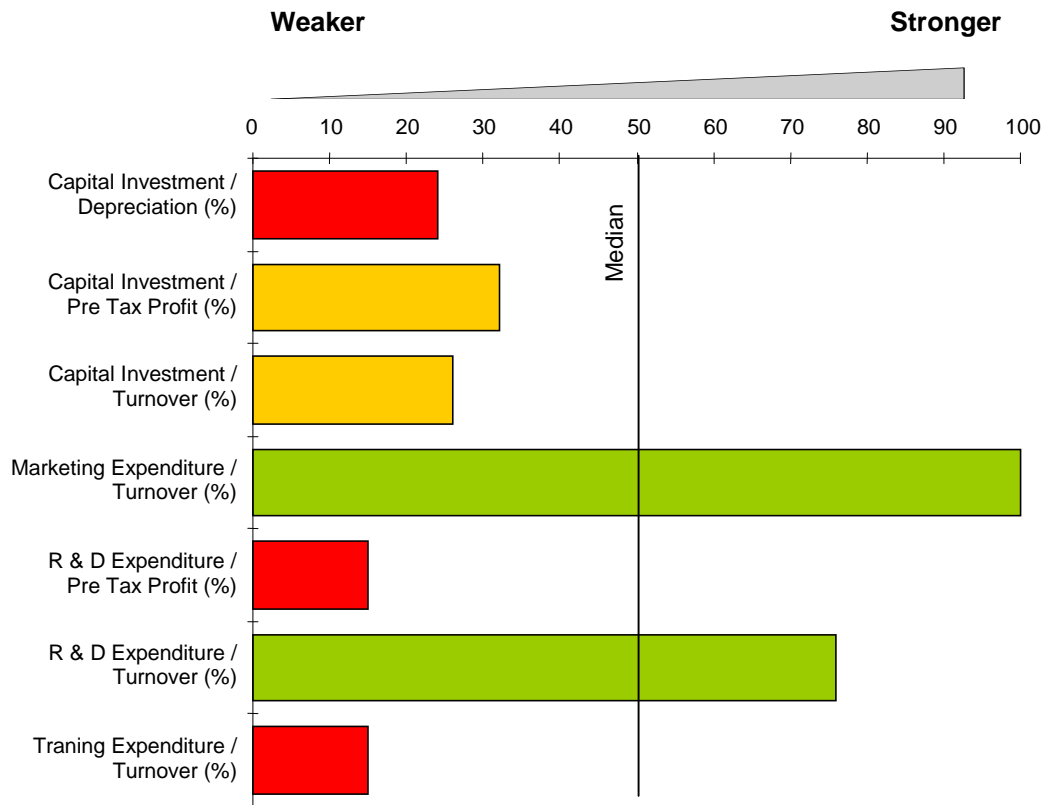
R&D Expenditure / Turnover (%) - this is an indication of the companies investment in the future, of its capacity to be innovative.

*Calculated as: (R&D Expenditure / Turnover) * 100 %*

Training Expenditure / Turnover (%) - this is an indicator of the company's investment in it's employees.

*Calculated as: (Training Expenditure / Turnover) * 100 %*

7.4 Investment



Measure	Relative	Your Actual	Low	Low Qtile	Median	Upper Qtile	High	Sample
Capital Investment / Depreciation (%)	24	0.00	0.00	4.19	136.49	238.33	1,482.54	29
Capital Investment / Pre Tax Profit (%)	32	0.00	-46.27	0.00	47.17	86.41	583.75	28
Capital Investment / Turnover (%)	26	0.00	0.00	0.00	1.06	2.49	25.27	31
Marketing Expenditure / Turnover (%)	100	12.35	0.00	0.25	0.59	0.93	1.97	34
R & D Expenditure / Pre Tax Profit (%)	15	-0.30	-24.88	0.00	0.00	0.00	9.09	27
R & D Expenditure / Turnover (%)	76	0.03	0.00	0.00	0.00	0.03	1.04	29
Traning Expenditure / Turnover (%)	15	0.00	0.00	0.05	0.12	0.29	0.42	33

Summary

A ↓ Weaker Overall Performance

Growth - Definition of Terms

* Indicates an inverted ratio

Capital Investment / Turnover (% Growth) - this is an indication of a company's investment in itself on a percentage of turnover related to the previous year.

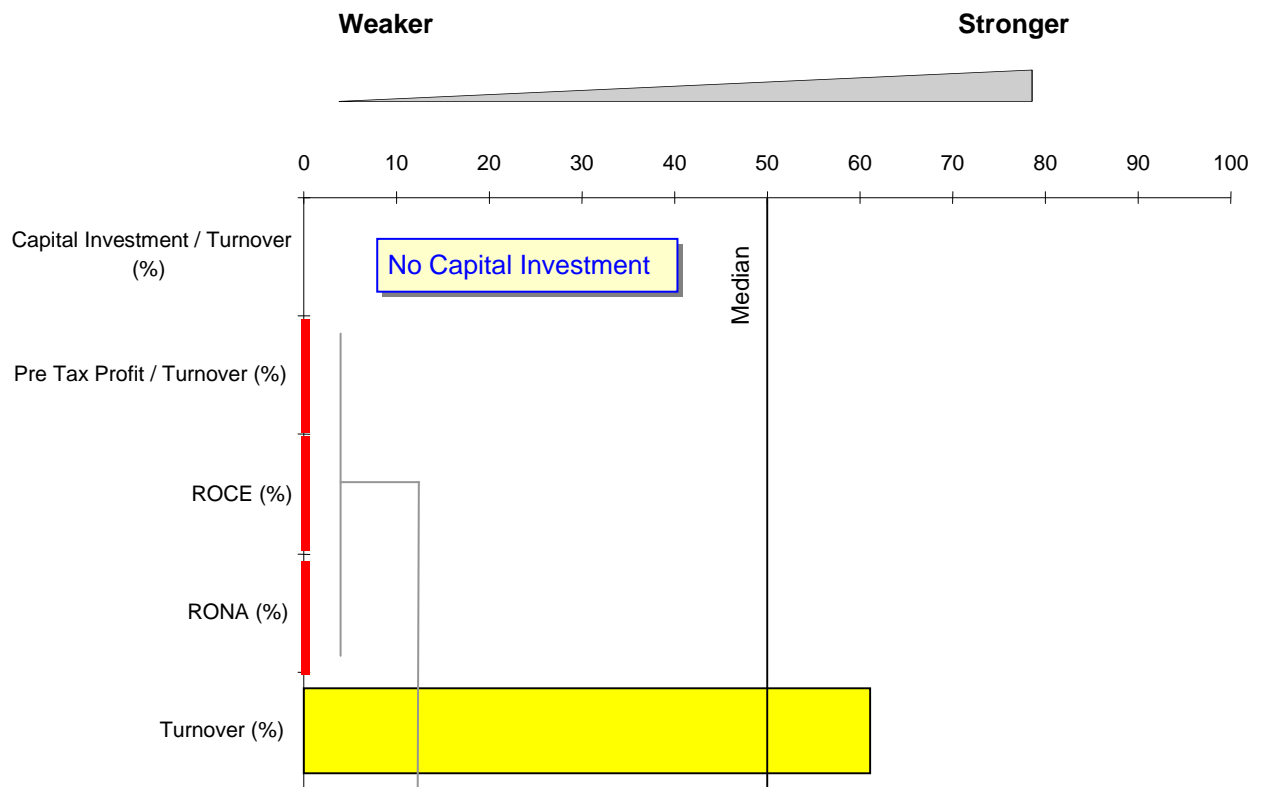
Pre Tax Profit / Turnover (% Growth) - this indicates the changes to the profit margin compared to the previous year. It indicates how well costs have been controlled when compared to growth changes.

Return on Capital Employed (% Growth) - this indicates the how much more or less profit the client company is making with the capital employed in the business. It measures how profitable the growth is. The sector comparison indicates how profitable the growth in other companies has been.

Return on Net Assets (% Growth) - this indicates the how much more or less profit the client company is making on the assets of the business. The sector comparison indicates how well others are using their assets, regardless of the financing structures of the companies.

Turnover (% Growth) - this indicates the company's change in sales compared to the previous year. The sector data indicates sales changes for the companies in the chosen set.

7.5 Growth



Measure	Relative	Your Actual	Low	Low Qtile	Median	Upper Qtile	High	Sample
Capital Investment / Turnover (%)			-89.37	-3.61	0.00	74.10	235.45	29
Pre Tax Profit / Turnover (%)	0	-50.30K	-324.86	-74.87	-10.15	47.46	389.54	492
ROCE (%)	0	-93.82K	-380.12	-83.19	-15.61	36.43	457.70	487
RONA (%)	0	-93.95K	-3.03K	96.08	1,006.76	2,458.14	7,389.48	491
Turnover (%)	61	19.54	-24.08	-2.08	12.55	31.01	128.28	494

Summary

A ↓ Weaker Overall Performance

Customer Satisfaction - Definition of Terms

* Indicates an inverted ratio

Complaints / Orders (% , *) - this is a method of assessing customers satisfaction with the product and services supplied. It is sometimes desirable to seek complaints from customers as it is better to know that they are not happy with the product or service in order to put it right. However, it is important to look at the nature of complaints to ensure that repeat ones are rectified as soon as possible. The trend for this measure can be useful to indicate improvements in performance, and is also a key indicator for lost business.

*Calculated as: (No of recorded customer complaints / No of orders received) * 100 %*

Complaints / Customers (# , *) - this is a method of assessing the average number of complaints per customer independent of number of orders and customers. The trend for this measure can be useful to indicate improvement in performance.

Calculated as: (No of recorded customer complaints / No of customers)

Order Value of Complaints / Turnover (% , *) - this figure expressed as a percentage measures the total dissatisfaction of customers independent of the number of orders and customers.

*Calculated as: (Order value of recorded complaints received / Turnover) * 100 %*

Orders Failed Prior to Delivery / Orders (% , *) - this measure shows how effective a company is at preventing failed products from reaching the customer. It also measures the quality of the production process.

*Calculated as: (No of orders which are failed before delivery to customer / No of orders received) * 100 %*

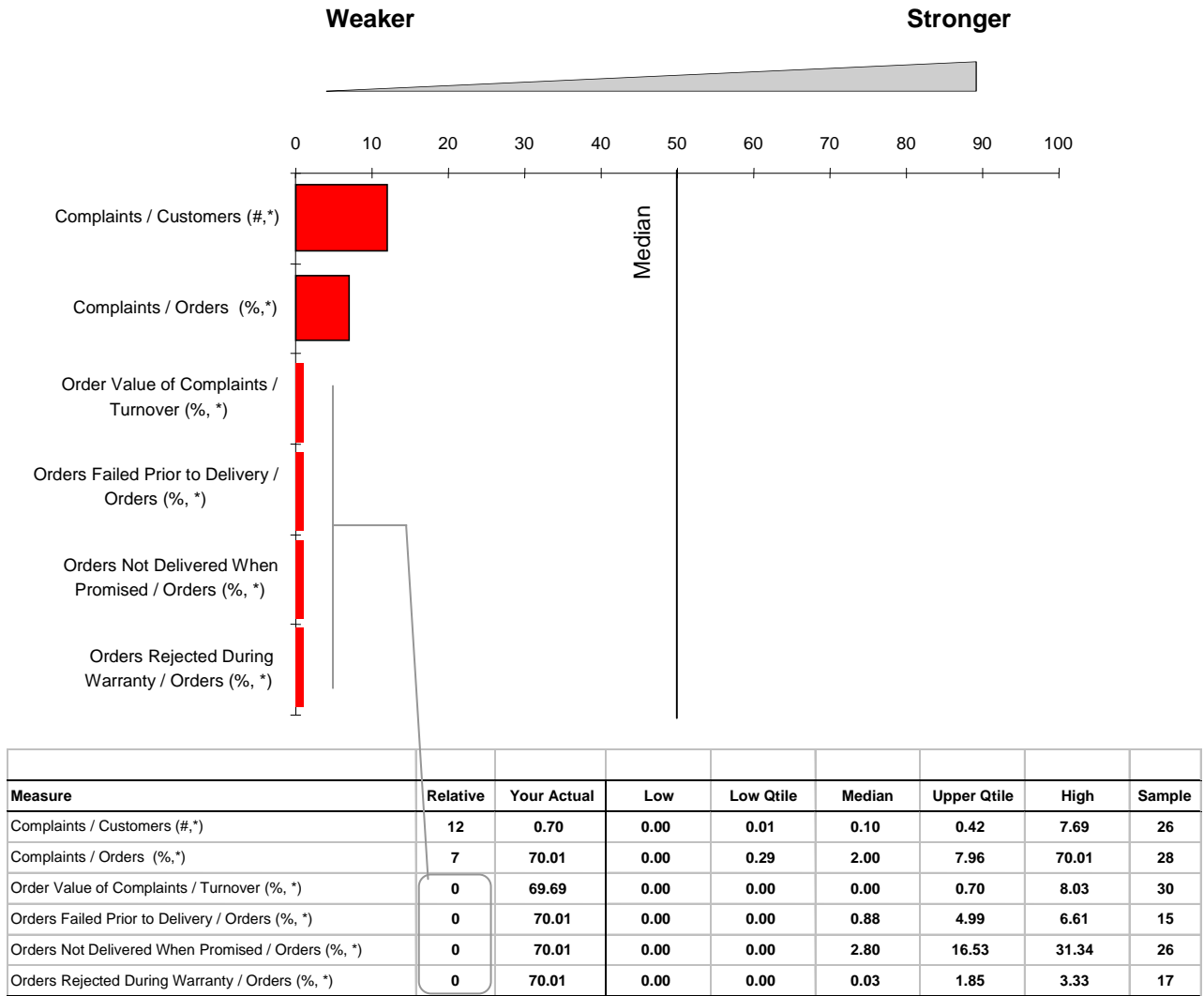
Orders Not Delivered When Promised / Orders (% , *) - this shows how well a business is meeting it's commitment for delivery promises. A lower figure indicates better performance.

*Calculated as: (No of orders which were not delivered when promised / No of orders received) * 100 %*

Orders Rejected During Warranty / Orders (% , *) - this shows how satisfied customers are with the quality of the products supplied. The lower the percentage, in general, the better, as it means that more orders are supplied with which customers are satisfied with.

Calculated as: (No of orders rejected during the specified warranty period / No of orders received) * 100 %

7.6 Customer Satisfaction



Summary

R Weaker Performance All Areas

Innovation - Definition of Terms

* Indicates an inverted ratio

Income From New Geographies / Turnover (%) - this identifies how successful a company is being at developing new geographical territories.

*Calculated as: (Turnover from new geographical markets / Turnover) * 100 %*

Income From New Market Segments / Turnover (%) - this identifies the ability of a company to generate sales from new market segments.

*Calculated as: (Turnover from new market segments / Turnover) * 100 %*

Income From New Products / Turnover (%) - this measures how successful a company is at developing and introducing new products.

*Calculated as: (Turnover from new products and services / Turnover) * 100 %*

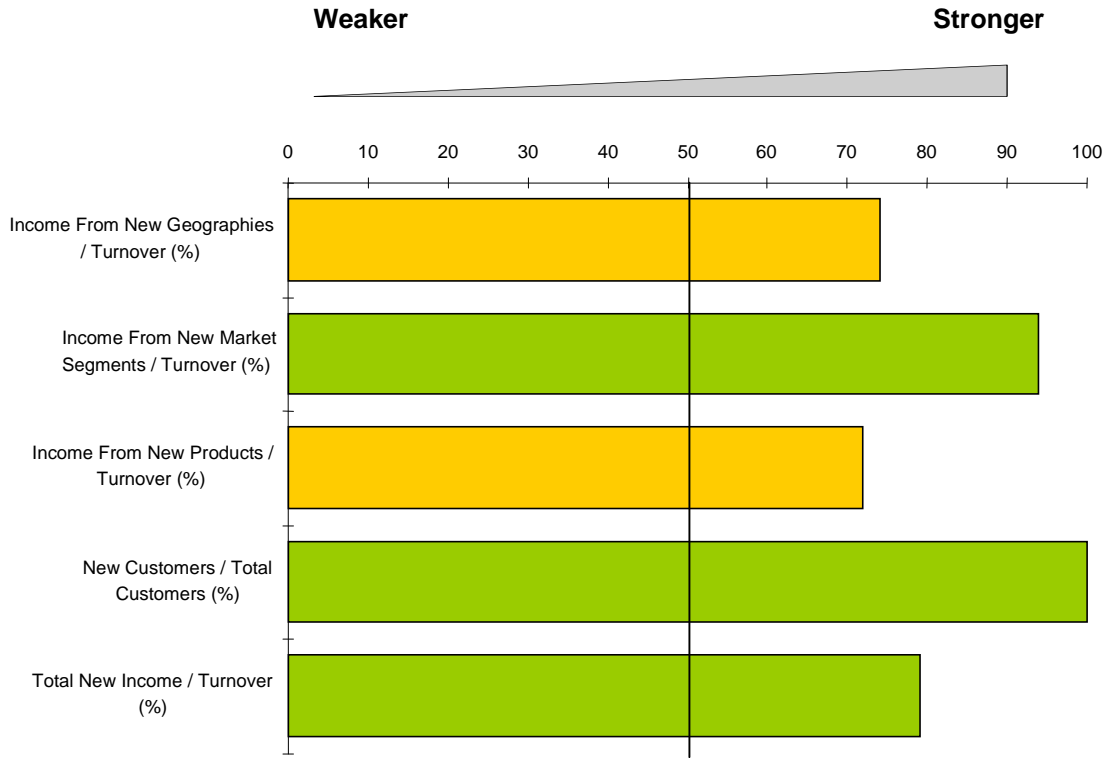
New Customers / Total Customers (%) - this figure, expressed as a percentage, identifies the growth in customer numbers regardless of new business generated.

*Calculated as: (No of new customers / No of customers) * 100 %*

Total New Income / Turnover (%) - this identifies the ability of a company to generate additional turnover from new customers.

*Calculated as: (Turnover from new geographical markets + Turnover from new market segments + Turnover from new products and services / Turnover) * 100 %*

7.7 Innovation



Measure	Relative	Your Actual	Low	Low Qtile	Median	Upper Qtile	High	Sample
Income From New Geographies / Turnover (%)	74	0.00	0.00	0.00	0.00	0.47	13.38	31
Income From New Market Segments / Turnover (%)	94	12.12	0.00	0.00	0.00	3.31	12.12	32
Income From New Products / Turnover (%)	72	0.00	0.00	0.00	0.00	0.54	10.48	29
New Customers / Total Customers (%)	100	96.90	4.55	8.00	20.00	33.33	89.66	28
Total New Income / Turnover (%)	79	12.12	0.00	0.00	0.00	6.98	33.19	29

Poor sector for Innovation

Summary

G Stronger Performance All Areas

Suppliers - Definition of Terms

* Indicates an inverted ratio

Bought In Materials / No of Suppliers (\$) - this ratio measures the average value of business for each supplier. A higher figure demonstrates a minimising of supplier relationships.

Calculated as: (Value of bought in materials / No of suppliers used for delivery of core products and services)

Sub Standard Supplies / Bought In Materials (% , *) - this figure highlights the quality of suppliers expressed on a percentage of total purchases.

*Calculated as: (Value of supplies which are sub standard on delivery / Value of bought in materials) * 100 %*

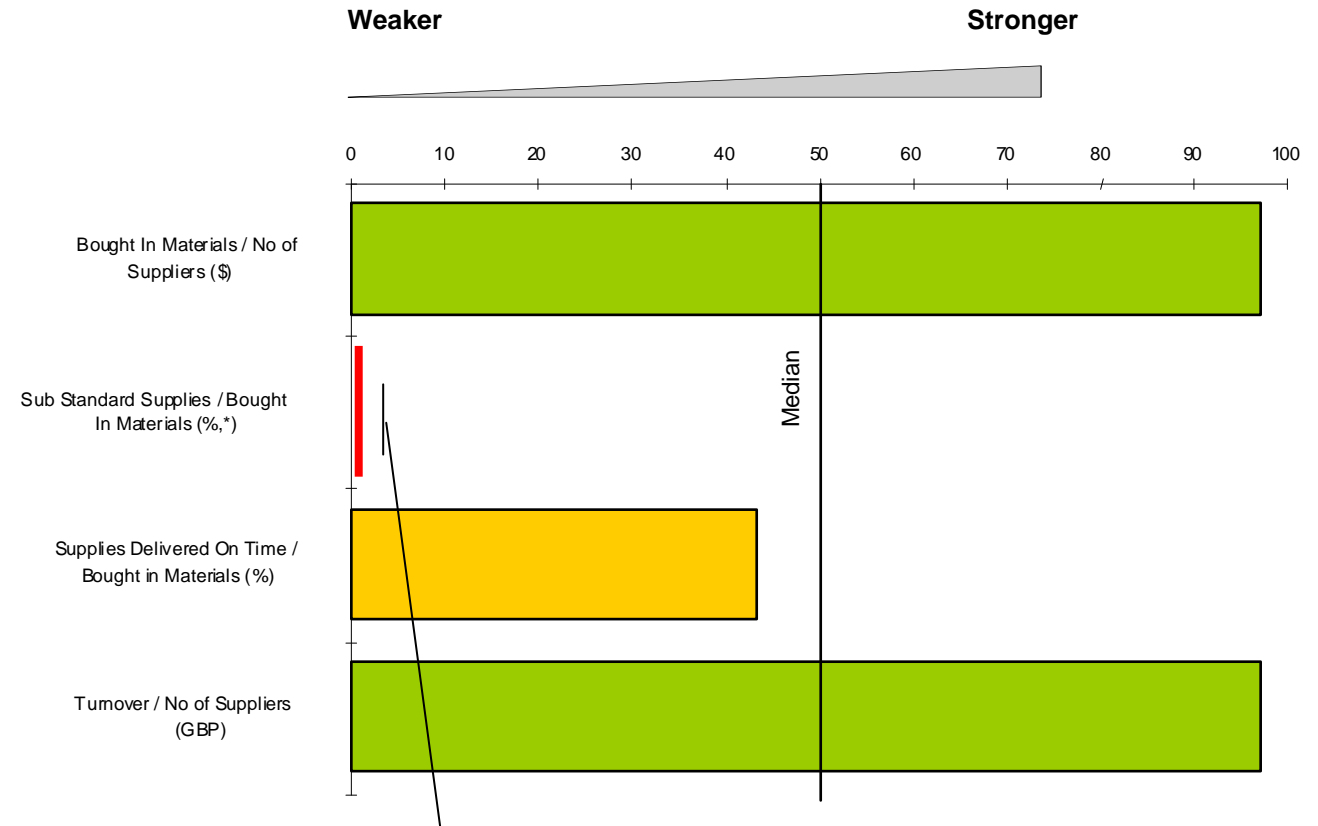
Supplies Delivered On Time / Bought In Materials (%) - this percentage measures the ability of a company's suppliers to deliver on time. A higher figure demonstrates use of reliable suppliers.

*Calculated as: (Value of supplies delivered on time / Value of bought in materials) * 100 %*

Turnover / No of Suppliers (\$) - this ratio demonstrates the number of suppliers for the turnover of the organisation. A higher figure demonstrates a minimising of supplier relationships.

Calculated as: (Turnover / No of suppliers used for delivery of core products and services)

7.8 Suppliers



Measure	Relative	Your Actual	Low	Low Qtile	Median	Upper Qtile	High	Sample
Bought In Materials / No of Suppliers (\$)	97	400.40K	0.00	15.38K	66.31K	107.67K	267.73K	30
Sub Standard Supplies / Bought In Materials (%,*)	0	59.94	0.00	0.00	1.01	4.99	12.40	27
Supplies Delivered On Time / Bought in Materials (%)	43	19.98	0.00	0.00	69.78	89.51	93.00	23
Turnover / No of Suppliers (\$)	97	1,320.20K	6,250.77	52.02K	112.77K	250.00K	773.33K	30

Note – at least 25% of competitors NEVER deliver on time!

Summary

A ↑ Stronger Overall Performance

People Management - Definition of Terms

* Indicates an inverted ratio

Directs / Indirects (#) - this measures the number of employees directly involved in output-related activities compared with supporting activities

Calculated as: (No of employees directly involved in the provision of service or product / (No of employees - No of employees directly involved in the provision of service or product))

Employees / Managers (#) - this measures the number of employees to each manager / supervisor. It enables organisations to see the appropriateness of their level of management and supervision.

Calculated as: (No of employees / No of managers)

Graduates / Employees (%) - this looks at the ratio of graduates to all employees. It is one way of assessing the level of education that is incorporated within the organisation.

*Calculated as: (No of graduates / No of employees) * 100 %*

Number of Management Levels (#, *) - this assesses the relative flatness or hierarchical nature of the organisation.

Calculated as: (No of management levels)

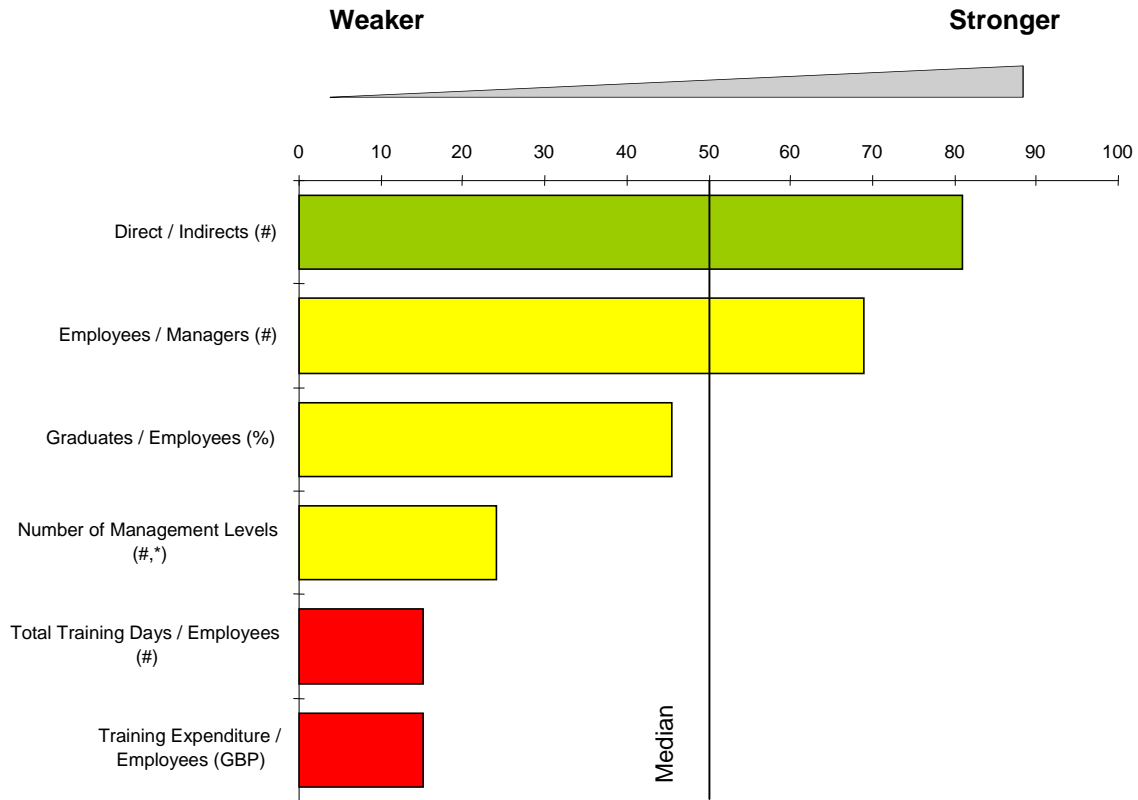
Total Training Days / Employees (#) - this measures a company's level of investment in it's staff expressed on an average number of days training per employee.

Calculated as: (Total number of days training per year / No of employees)

Training Expenditure / Employees (\$) - this measures the company's financial investment in it's employees, expressed as an average training spend per employee.

Calculated as: (Training expenditure / No of employees)

7.9 People Management



Measure	Relative	Your Actual	Low	Low Qtile	Median	Upper Qtile	High	Sample
Direct / Indirects (#)	81	9.57	0.71	1.70	3.07	8.33	13.44	27
Employees / Managers (#)	69	10.57	2.57	5.00	7.81	11.20	14.00	32
Graduates / Employees (%)	45	1	0.00	0.00	1.35	5.00	10.00	31
Number of Management Levels (#,*)	24	3.00	2.00	3.00	3.00	3.00	4.00	33
Total Training Days / Employees (#)	15	0.14	0.11	0.40	0.95	3.37	5.39	27
Training Expenditure / Employees (\$)	15	0.00	0.00	31.43	89.29	171.43	246.91	33

Summary

A ↓ Weaker Overall Performance

People Satisfaction - Definition of Terms

* Indicates an inverted ratio

Accidents / Employees (#, *) - this measures the number of accidents per employee. It demonstrates the level of commitment to safety that the organisation displays and importance that is attached to providing a safe working environment.

Calculated as: (No of accidents or incidents / No of employees)

Early leavers / Employees (% ,*) - this indicates the extent to which the organisation has been successful in recruiting and selection people who are right for the position and right for the organisation. A large ratio of early leavers to employees indicates a mismatch of expectations between the individuals recruited and the organisation or job that they were recruited to perform.

*Calculated as: (No of people who leave within six months of joining / No of employees) * 100 %*

New Employees / Employees (% ,*) - this is a measure of the relative experience level of a workforce. A higher figure signifies a low experienced workforce or it may reflect a high growth rate.

*Calculated as: (No of new employees / No of employees) * 100 %*

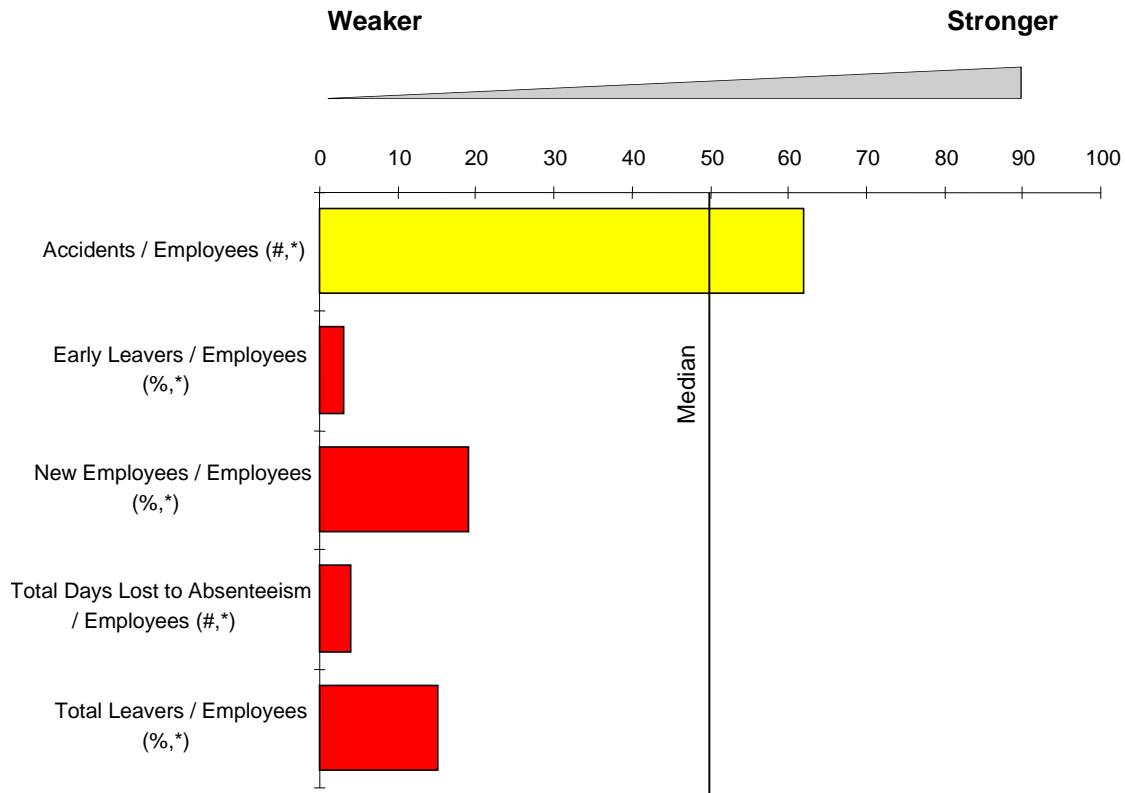
Total Days Lost to Absenteeism / Employees (#, *) - this measures the amount of time that people spend away from work due to sickness, unexplained absence and other reasons why people do not attend work on a "voluntary" basis.

Calculated as: (Absenteeism rate / No of employees)

Total Leavers / Employees (% ,*) - this measures the rate at which the staff of an organisation turnover per year. It can give an indication as to how happy staff are with their workplace, it can also demonstrate the effectiveness of the selection procedures in terms of getting the right people in the right positions.

*Calculated as: (No of people who leave the organisation / No of employees) * 100 %*

7.10 People Satisfaction



Measure	Relative	Your Actual	Low	Low Qtile	Median	Upper Qtile	High	Sample
Accidents / Employees (#,*)	62	0.01	0.00	0.01	0.05	0.26	0.59	29
Early Leavers / Employees (%,*)	3	29.05	0.00	1.05	4.44	12.35	28.33	32
New Employees / Employees (%,*)	19	40.54	4.62	12.22	19.44	36.92	78.00	31
Total Days Lost to Absenteeism / Employees (#,*)	4	5.07	0.03	0.62	1.97	3.20	4.27	23
Total Leavers / Employees (%,*)	15	33.11	2.14	4.62	11.54	26.67	51.85	33

Summary

A ↓ Weaker Overall Performance

8 Glossary of Terms

The Company: the client company whose data has been collected

Benchmark Set: the companies which have been chosen, using benchmarking criteria, as the basis for comparing the Company's data against.

Graphs

All graphs within the report are a plot of Relative vs. Measure.

Relative performance calculations have been made so that for all measures a small bar indicates that the company is performing weaker when compared to the chosen benchmarking set, and a larger bar indicates that the company is performing stronger.

Tabular Information

Measure: a ratio derived from the input questions which is used for benchmark comparisons. Some ratios are regarded as Inverted Ratios.

Relative (Relative Performance): for a given measure, this is the company's relative performance figure when its value is compared to the other companies in the benchmark set.

Relative performance is a percentile calculation which ranks a Company's performance for a given measure against all the other companies performance in the given benchmark set.

Your Actual: is the companies actual value for the given measure, expressed as either a percentage (%), a number (#) or in Sterling (\$) depending on the individual measure.

Group Actual Data: five data points (see below) for each measure which gives an indication of the "spread" of the current database.

Low: this figure represents the 5th percentile of the database. This has been chosen so that the very extremes of the database are not displayed. Consequently, there is a five percent band of companies' information below this point and therefore a Company may have an actual figure which is lower than the "low" but a relative performance of greater than zero.

Low Qtile: this figure represents the 25th percentile (also known as the Lower Quartile) of the database.

Average: this figure represents the 50th percentile (also known as the Median) of the database.

Upper Qtile: this figure represents the 75th percentile (also known as the Upper Quartile) of the database.

High: this figure represents the 95th percentile of the database. This has been chosen so that the very extremes of the database are not displayed. Consequently, there is a five percent band of companies' information above this point and therefore a Company may have an actual figure which is higher than the "high" but a relative performance of less than 100.

Sample: for each measure, this figure represents the how many companies worth of data is being used for the comparison.

Other

Inverted Ratios: in most cases, a higher actual value for a given measure is better (Eg. A higher Profit Margin is preferable to a low one) In some cases, however, a lower value is generally better (Eg. Absenteeism) It is these ratios which we refer to as Inverted Ratios.

When the relative performance is calculated for inverted ratios, this is automatically taken into account so that when the graphs are plotted a larger bar will **always** mean a stronger performance.

9 Appendix – Input Data

Financial Revenue and Costs

	Last Year	Previous Year
1 Turnover – UK (\$)	6,601,000	5,522,000
2 Turnover – Export (\$)	0	0
3 Pre Tax Profit (\$)	-663,000	1,000
4 Depreciation (\$)	3,000	
5 Value of Bought in Materials (\$)	2,002,000	
6 Employee Remuneration (\$)	3,121,000	
7 R & D Expenditure (\$)	2,000	
8 Training Expenditure (\$)	0	
9 Marketing Expenditure (\$)	815,000	
10 Interest Paid (\$)	50,000	

Financial Capital

	Last Year	Previous Year
11 Fixed Assets (\$)	10,000	
12 Capital Investments (\$)	0	0
13 Stocks / Inventory (\$)	22,000	
14 Debtors (\$)	1,300,000	
15 Cash in Bank (\$)	0	
16 Total Assets (\$)	1,322,000	1,700,000
17 Creditors (\$)	229,000	195,000
18 Short Term Loans (\$)	500,000	
19 Other Current Liabilities (\$)	210,000	180,000
20 Long Term Loans (\$)	0	0
21 Other Long Term Liabilities (\$)	0	0
22 Shareholders Funds (equity, net worth) (\$)	393,000	570,000

Customer Satisfaction

	Last Year	Previous Year
23 Number of Customers	1,644	
24 Number of orders received	1,644	
25 Number of orders which were not delivered when promised	1,151	
26 Number of recorded customer complaints	1,151	
27 Order value of recorded complaints received (\$)	4,600,000	
28 Number of orders which are failed before delivery to the customers	1,151	
29 Number of orders rejected by the customers during warrantee period	1,151	

Product and / or Service Innovation

	Last Year	Previous Year
30 Turnover from new products / services (\$)	0	
31 Turnover from new market segments (\$)	800,000	
32 Turnover from new geographical markets (\$)	0	
33 Number of new customers	1,593	

Suppliers

	Last Year	Previous Year
34 Number of suppliers used for delivery of core products	5	
35 Value of supplies delivered on time (\$)	400,000	
36 Value of supplies which are sub-standard on delivery (\$)	1,200,000	

People Management

	Last Year	Previous Year
37 Number of employees	148	
38 Number of managers	14	
39 Number of management levels	3	
40 Total number of days training per year	20	
41 Number of new employees	60	
42 Number of graduates	1	
43 Number of employees directly involved in the provision of service/product	134	

People Satisfaction

	Last Year	Previous Year
44 Number of people who leave the organisation	49	
45 Number of people who leave within six months of joining	43	
46 Absenteeism rate (number of days per year)	750	
47 Number of accidents/incidents	2	

CONSTRUCTING EXCELLENCE

Constructing Excellence aims to achieve a step change in construction productivity by promoting the business case for continuous improvement.

Through focused programmes in Innovation, Best Practice Knowledge, Productivity and Engagement, Constructing Excellence has developed a strategy to deliver the process, product and cultural changes that are needed to drive major productivity improvements in the sector.

Constructing Excellence focuses upon and establishes new thresholds of performance based on cross industry networking and collaboration combined with a strong regional engagement strategy. Tools are developed which offer industry the capability to change its image and improve performance exponential. Whilst beginning life in the UK in 1998, via a series of MOUs, Constructing Excellence is fast becoming a world wide network of knowledge sharing organisations. Constructing Excellence NZ is a hands-on organisation that delivers complementary services across New Zealand.

WWW.CONSTRUCTINGEXCELLENCE.NZ

CONSTRUCTION CLIENTS GROUP

The CCG was established in New Zealand in May 2005 as a peer group for public & private sector clients of construction, both vertical & horizontal.

Members share a common aim, that is to both lead and encourage performance improvement across the industry in areas such as cost reduction & predictability, programme certainty, improved quality, safer projects and a profitable, sustainable supply chain.

Many members are successfully trialing new forms of procurement and encouraging innovation from the supply chain and they are willing to share the outcomes and lessons with their peers via this forum.

WWW.CLIENTSUCCESS.ORG.NZ

THE PARTNERING NETWORK

The Partnering Network is a club established to enable individuals to share their knowledge & learn about alternative forms of construction procurement and how they can contribute to better performance for our customers, our businesses and ourselves.

The Network makes it easy for forward thinking and up & coming managers to get ahead of the crowd by being better informed.

Individuals register & choose the topics on which they would like to receive information, be invited to events or contribute to talks & discussions.

WWW.PARTNERINGNETWORK.CO.NZ