

What's Not On Your Corporate Dashboard?

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Stepping on the scale daily can be invigorating and character building at the same time. I try to get on the scale every day (usually before breakfast) to gauge my weight loss journey. Some days are delightful; some days are a train wreck. Maybe I will take it one step further and check my blood pressure (also before my morning coffee).

The irony in these metrics is that I generally have a good handle on where they will land, so if nothing else they are validating. Eat an appropriate meal and engage in productive physical activity, and I see a decline. Eat like a dumpster-diving raccoon and live a sedentary life on the couch for the weekend, and I see a gain.

Once a year, I have some lab work done as part of my physical. To say I get broken down at the cellular level would be an understatement. Of the 30 - 40 different panels the lab examines, I recognize a handful. Blood sugar, sodium, cholesterol – or as I refer to them, “the usual suspects.” And then there are the others that measure things I didn’t know existed.

Some of these new metrics told me I was healthy, while others were provided more character-building time. Interesting fact we all probably knew but didn’t give much thought to: You can be losing weight and have decent blood pressure but still demonstrate less-than-desirable health conditions.

Before anyone worries, I am fine and the meeting with the doctor was more like the typical “Are you flossing regularly?”



question from the dentist. You take your lumps with the lecture and promise to do better.

However, seeing a voluminous list of personal medical metrics made me think of the countless times a construction organization simply looks at their profit-and-loss statement, sees a modicum of gain and thinks, “Well, we’re having a decent year.”

Unfortunately, they are seeing client attrition, employee departures, endless warranty callbacks, etc., and that decent year is the fifth in a declining trend of overall profitability. But they’re making money, right? It’s a little like seeing an “OK weight” on the scale, only to be one step away from heart failure.

Honestly, profitability is one of the easiest things a firm can track. Safety is another category that seems to track easily. Interestingly enough, both metrics have an “obligatory” feel to them.

There are plenty of metrics you should measure, but questions arise on how to track effectively – a little like the flossing conversation (apologies for mixing metaphors). There is no shortage of metrics a firm could track, but like any key performance indicator, a firm has to ensure that its “dashboard” provides the following:

- » Strategic intent – Are the metrics tied to the strategic direction of the firm, and do they provide validation of strategy, trend lines of performance, or predictive analytics?
- » Long, short, and midline time scales – Metrics have to provide varying views based on time. Just as a dashboard provides insight on speed, it also provides the oil life and total mileage.
- » The critical few – Does the firm dashboard look like your car’s dashboard or that of a 747, with a million dials and gauges?
- » Focus on upstream/downstream – Metrics should be balanced and measure the behaviors (upstream) with the results (downstream). For example, measuring compliance to a safety process to drive improved safety performance.

So, what metrics are you not measuring that could have immense value for the business? How would they be tracked, and what is the desired outcome of such metrics?

TOTAL SCHEDULE DAYS

Sure, you measure the overall timeline with assistance of scheduling software, right? RIGHT? Well, let’s just suspend disbelief and agree everyone measures the total days of a construction project.

Let’s also assume that your firm largely builds similar projects for similar clients. One metric that provides value is the “total construction days” (and yes, this includes the punchlist). Imagine the benefit of not just measuring the days but being able to benchmark across the firm (i.e., “We are showing a 10-day improvement in total build time since we began building for Brand X.”). You would also have the ability to use this data in marketing (“Our firm has progressively improved by saving

7% in total construction time – this allows you to occupy your facility that much sooner.”).

CLOSEOUT TIME

Let’s be clear: This is the time from “substantial completion” to “final acceptance.” This measures the final stage, when most organizations underperform. Measuring “closeout” begins by tracking the final stage of a construction project, similar to the way a NASCAR team measures a pit stop. This data can be used to drive successful conclusions on projects. It can be used internally as a benchmark and externally as a selling tool.

Put another way, this metric could be a measure of total efficiency and “clock management” and help create more discipline around getting done-done.

PENDING CHANGE ORDER EXPOSURE

We all know that we do not do work without a written, approved change order document authorizing extra work. Check. However, in the rest of the real world, it may be important to track “exposure” related to work that is, ahem, waiting on change order “lost in the mail.”

How much exposure does your firm currently have if none of those change orders come through? For example, let’s assume you have five project managers. Each project manager has committed to \$50,000 of work that is not yet approved. So, you have \$250,000 of total exposure. However, this also assumes that each project manager has the same amount of “leash.” What about the project manager who is running the megaproject that has over 200 requests for information (RFIs) and has 50 days of owner-driven delays? The manager has accumulated \$1 million in risk.

Short of speculation, what are the allowable limits for everyone, and where are you on the risk spectrum?

CUSTOMER SATISFACTION

“As long as they don’t call us with complaints, we must be doing great.” Once again, this might not be the most accurate criteria. In fact, many firms talk about customer satisfaction ratings but fail to accomplish them because of a) time constraints and b) becoming a complaint hotline. There are two aims of receiving customer feedback.

First, are we receiving critical performance feedback on our process and team? This doesn't mean we want to give a customer a loudspeaker to pound on our people, especially in subjective areas. It is about learning operational feedback needed to improve or validate our performance.

Second, where can we leverage our customer satisfaction better? Imagine you can accurately tell a client that you are the highest-rated contractor in a market and have the data to prove it! The first step is getting over the fear associated with getting a report card, as ignorance is not bliss.


CUSTOMER SATISFACTION (PHASED)

So, you feel like you crushed it in the preconstruction phase, only to see performance tank in the closeout phase. You receive a "total grade" of C (averaging the A and the F across the entire project schedule).

One metric and process that would provide clarity would be gathering customer satisfaction at critical milestones. If nothing else, you have a captive audience in the client, and an impartial party could ensure project dynamics don't become sticky or awkward.

More importantly, a project team can make corrective actions and work to improve performance. For instance, if the customer felt the communication was unacceptable and it trended upward after this intervention, then mission accomplished.

Ultimately, examining different metrics or even integrating a few new ones on the corporate dashboard may enhance a firm's strategy – and more importantly, its behaviors.

Just like eating a large pizza before that annual blood test, metrics may cast a long shadow or even a dose of accountability to ensure better results for that morning weigh-in. 



About the Author

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