



Lessons from the 2012 KPIs

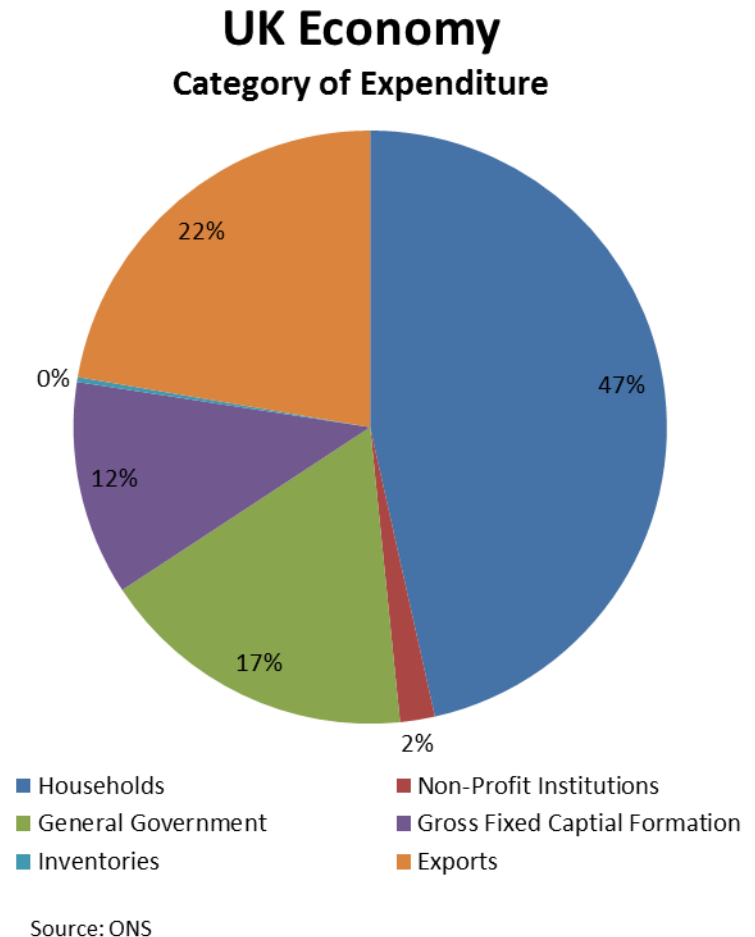
Presented by: Allan Wilén, Economics Director

Date: 5th October 2012



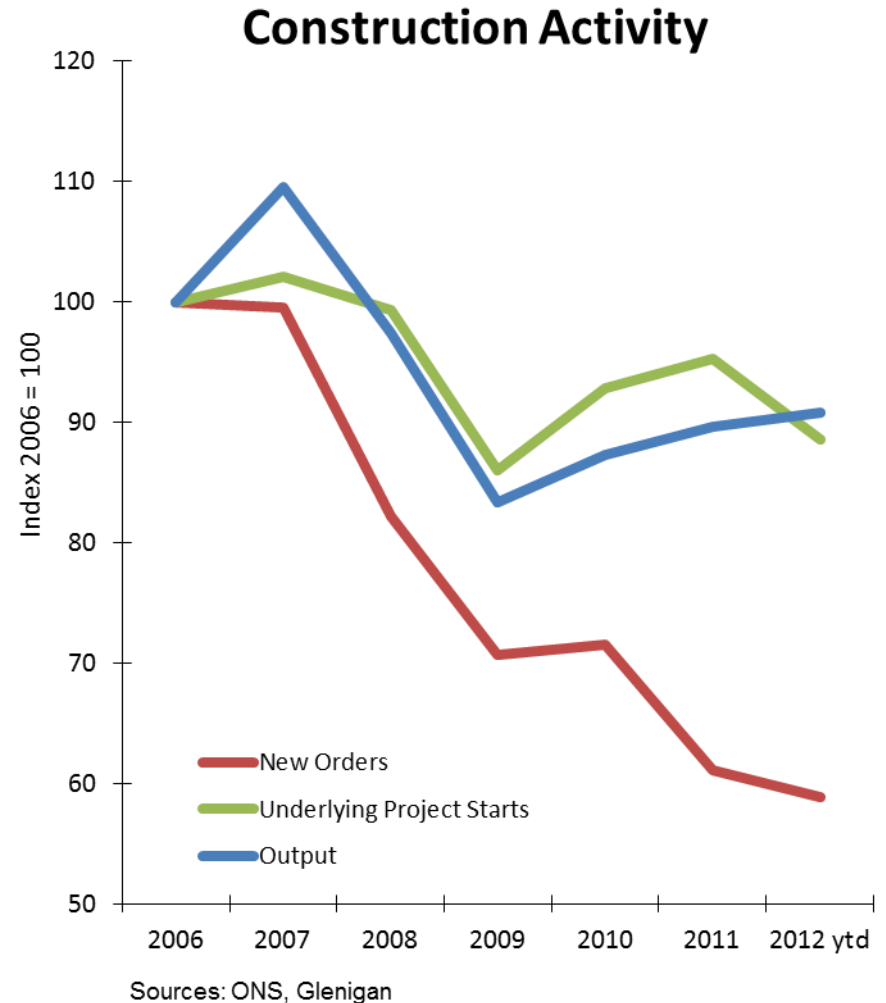
UK Economy

- Weak UK economic recovery
- Deficit reduction limiting growth
- Improved manufacturing sector export dependent
- Access to capital finance remains limited
- Weak consumer expenditure & retail sales growth
- Stalled housing market recovery
- Business confidence fragile

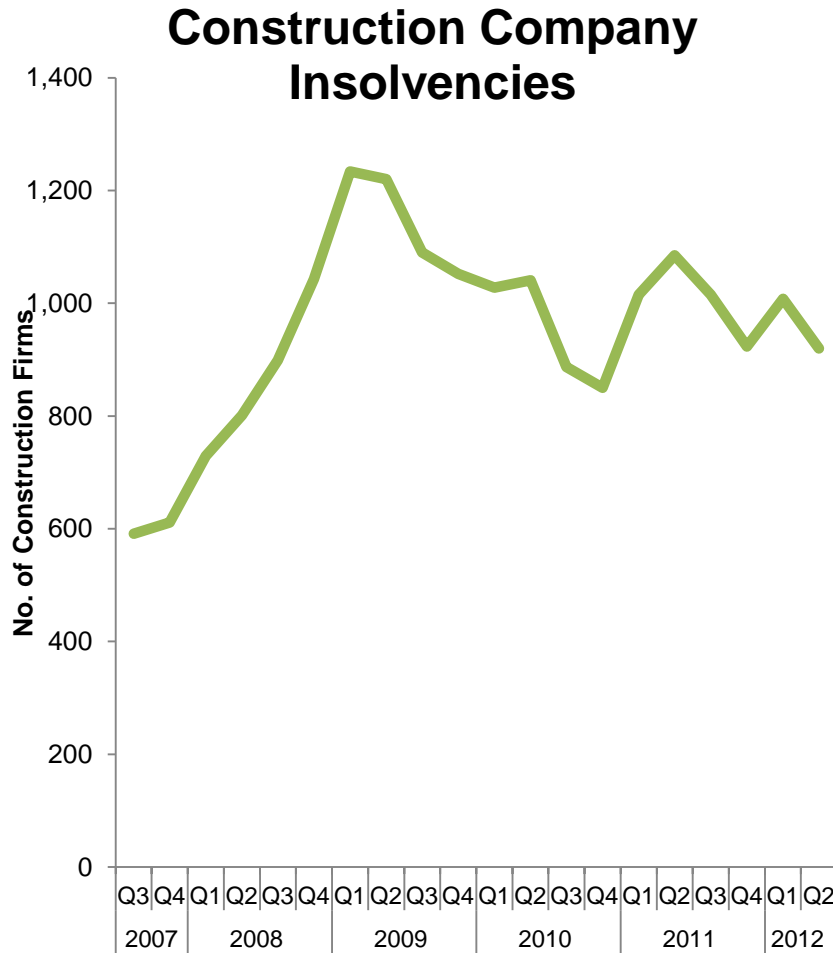


Market Conditions

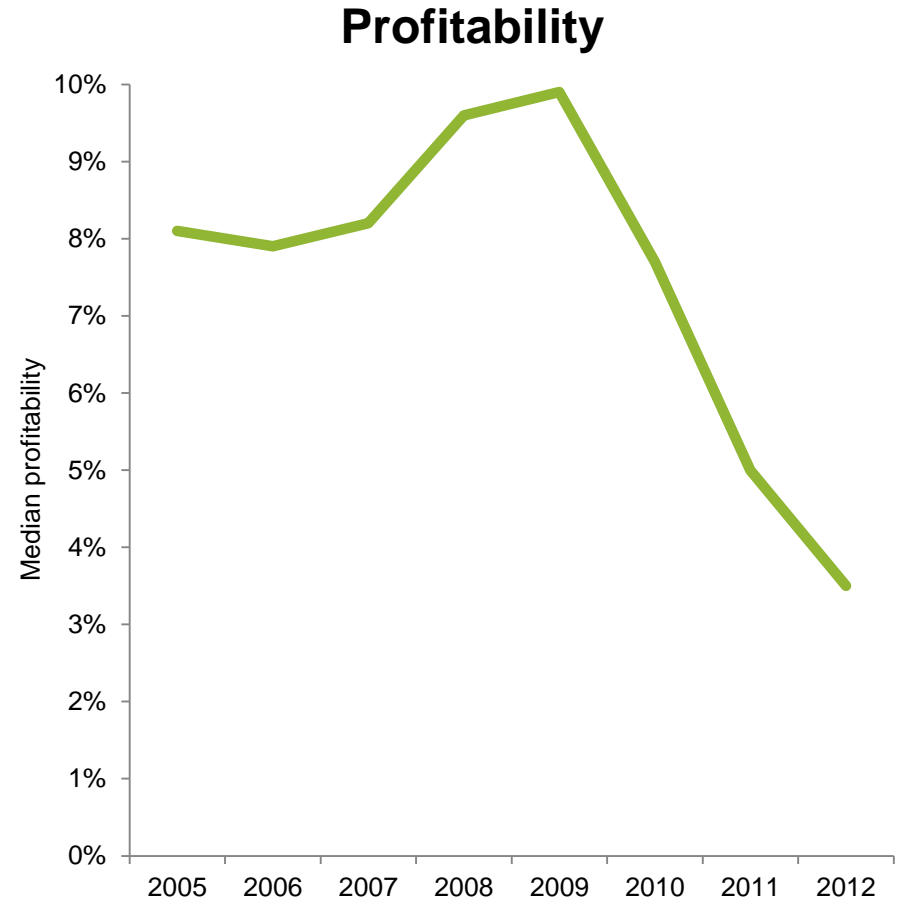
- Double dip recession
- Sharp falls in private sector construction in 2008 & 2009
- Renewed pressure from public sector cuts in 2011 & 2012
- Gradual private sector recovery



Industry Profitability Squeezed



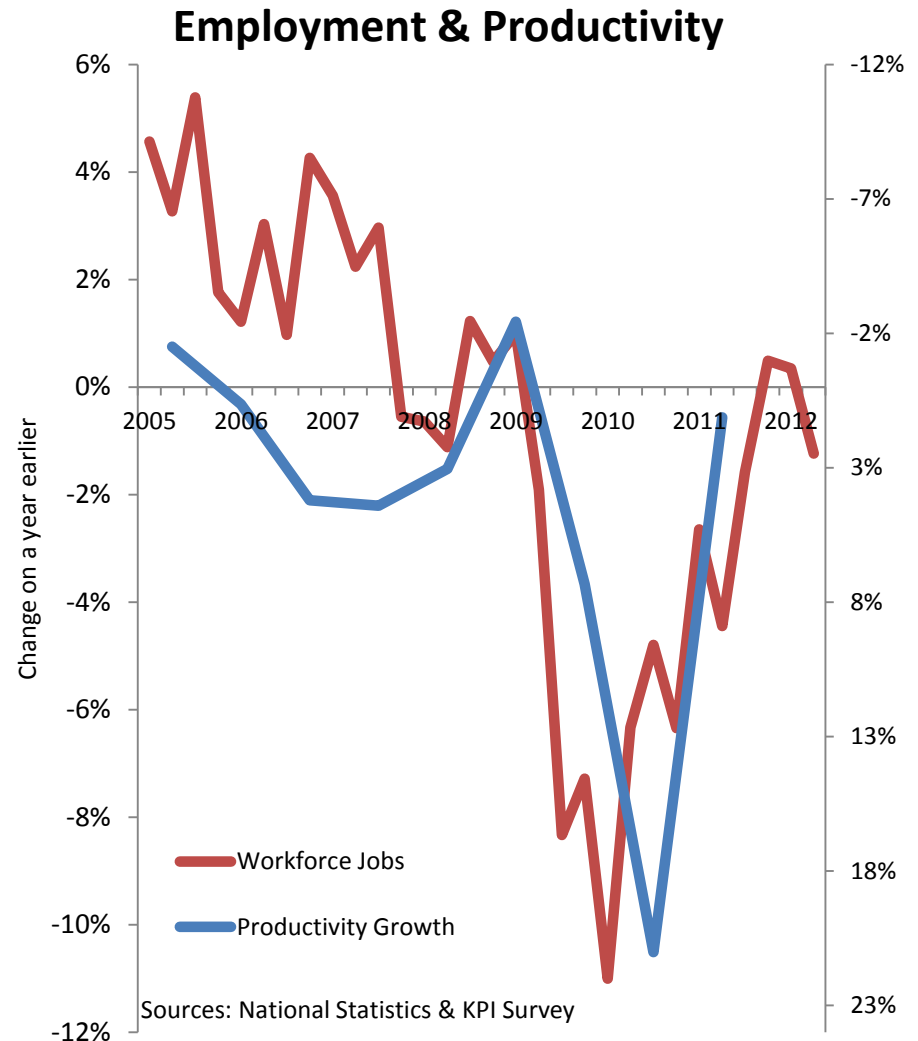
Source: Insolvency Service



Sources: Companies House & KPI Survey

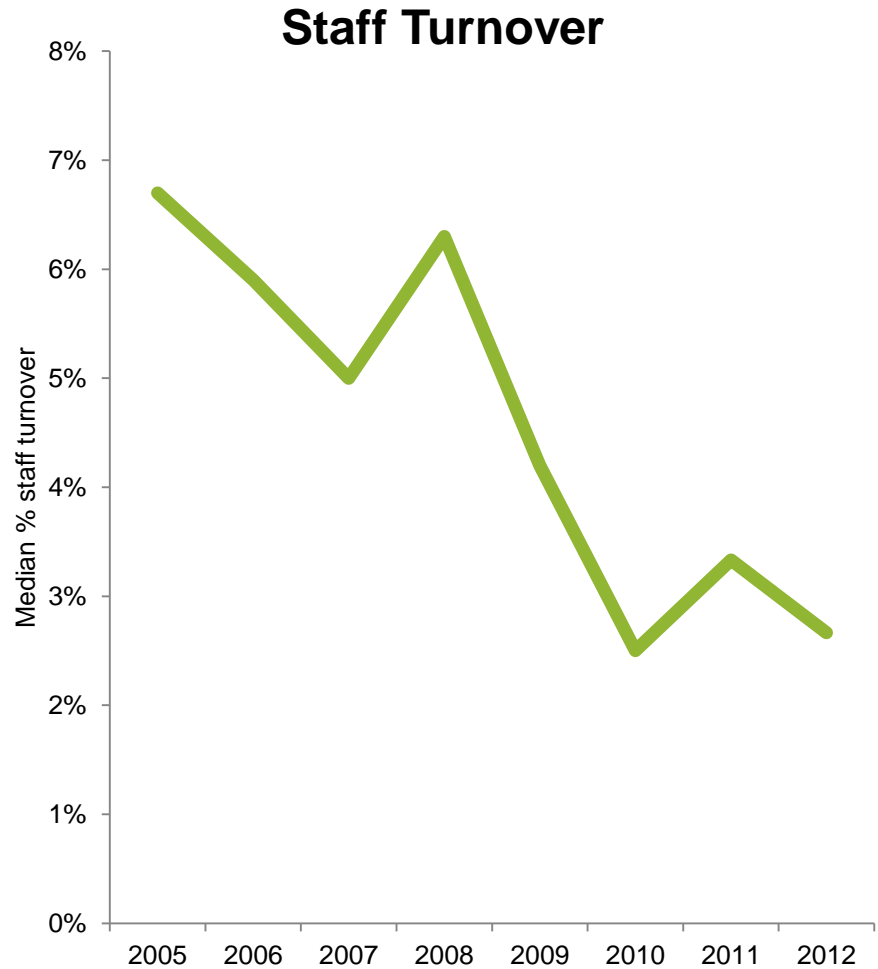
Productivity

- Recessionary boost to Productivity jump
- Impact of recession on
 - Staffing levels
 - Profit margins
- Masks underlying productivity changes
- Long term rise in productivity prior
- 2003 to 2008 - 2% per annum
- Can industry hold on to recent productivity gains



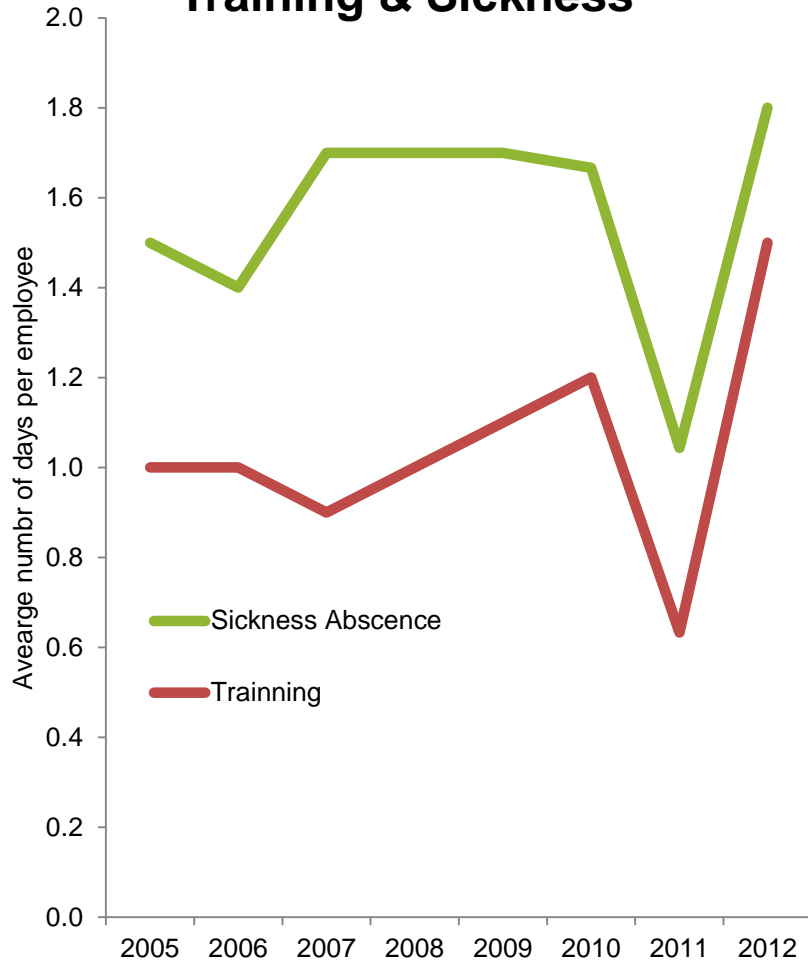
Respect for people

- Low staff turnover...
- ...as departing staff are not replaced
- Greater training provision
- Investors in People
- Rise in skills base

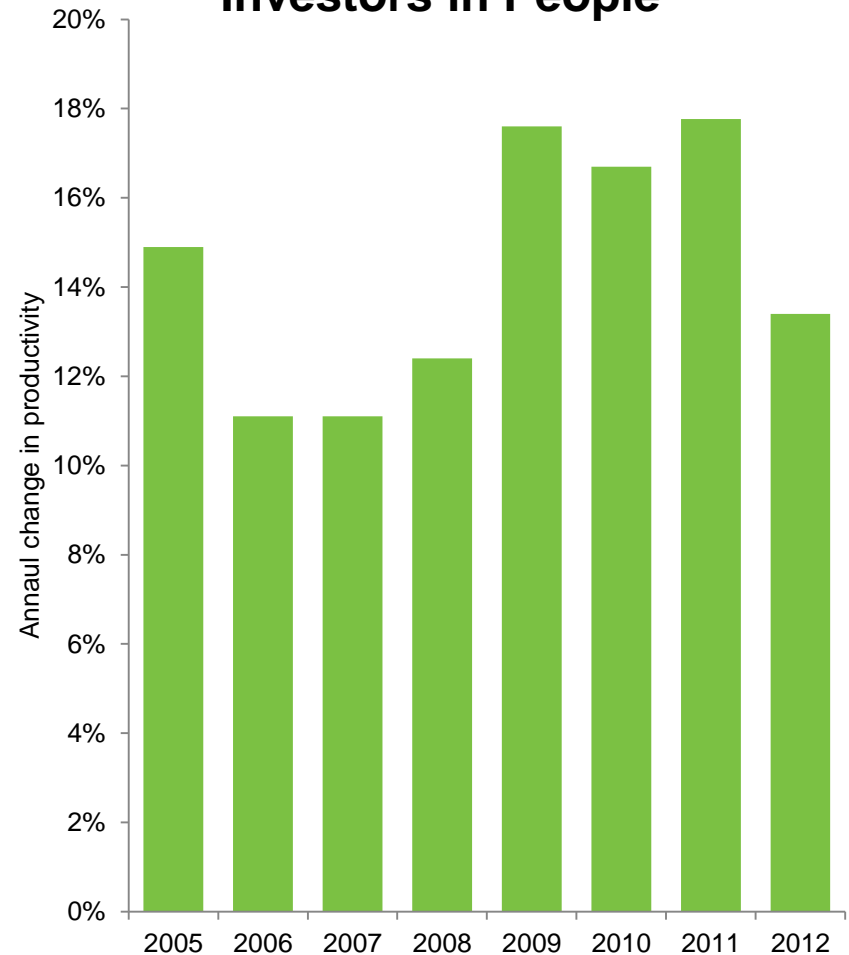


Respect for people

Training & Sickness

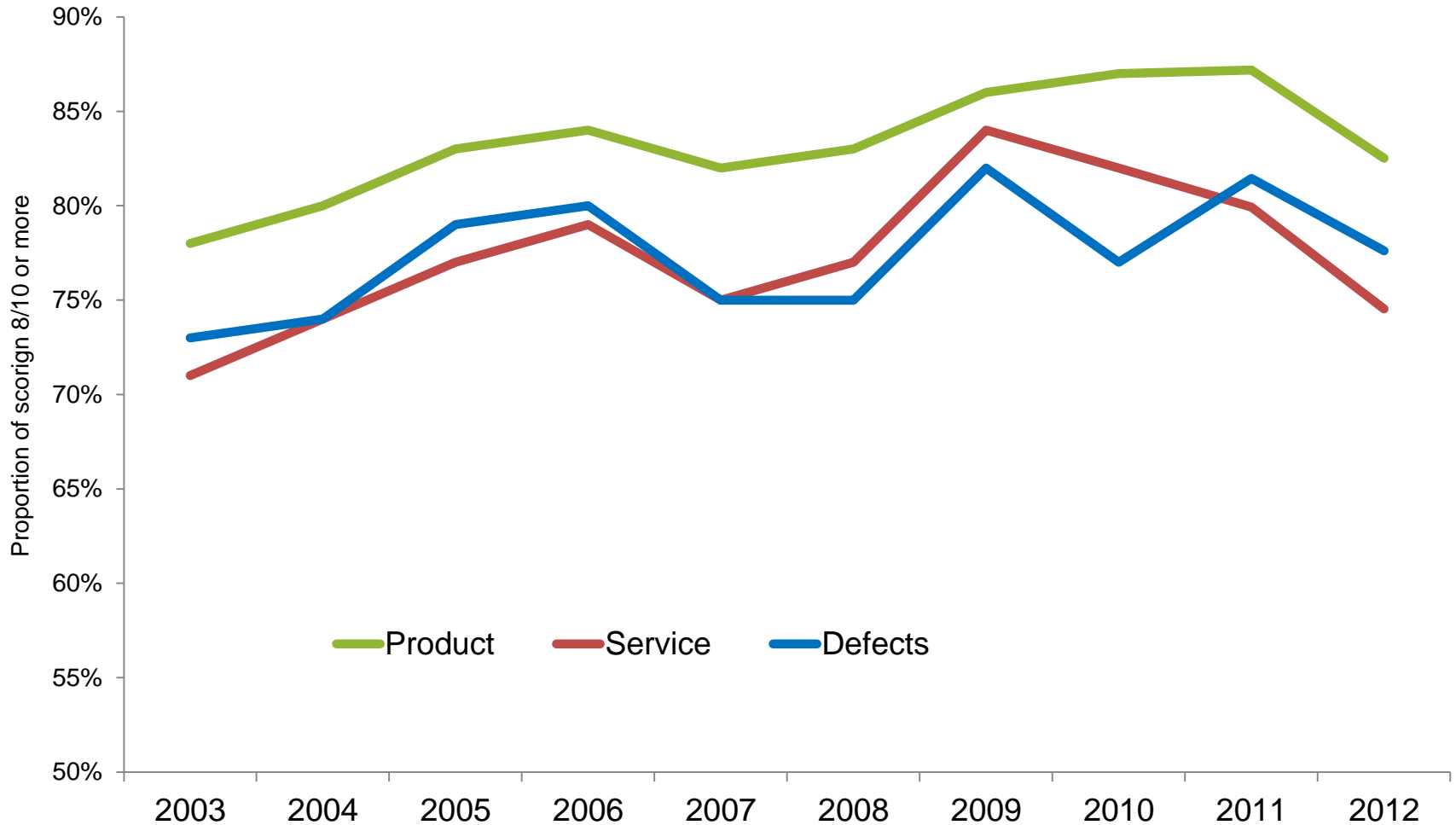


Investors in People

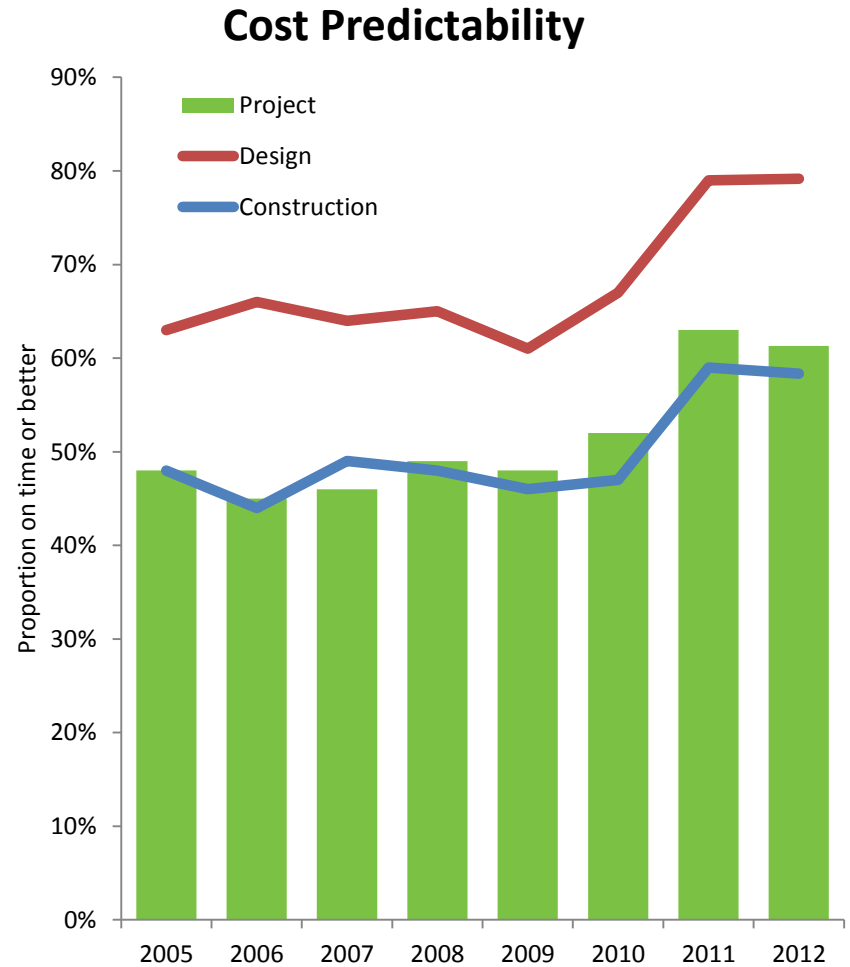
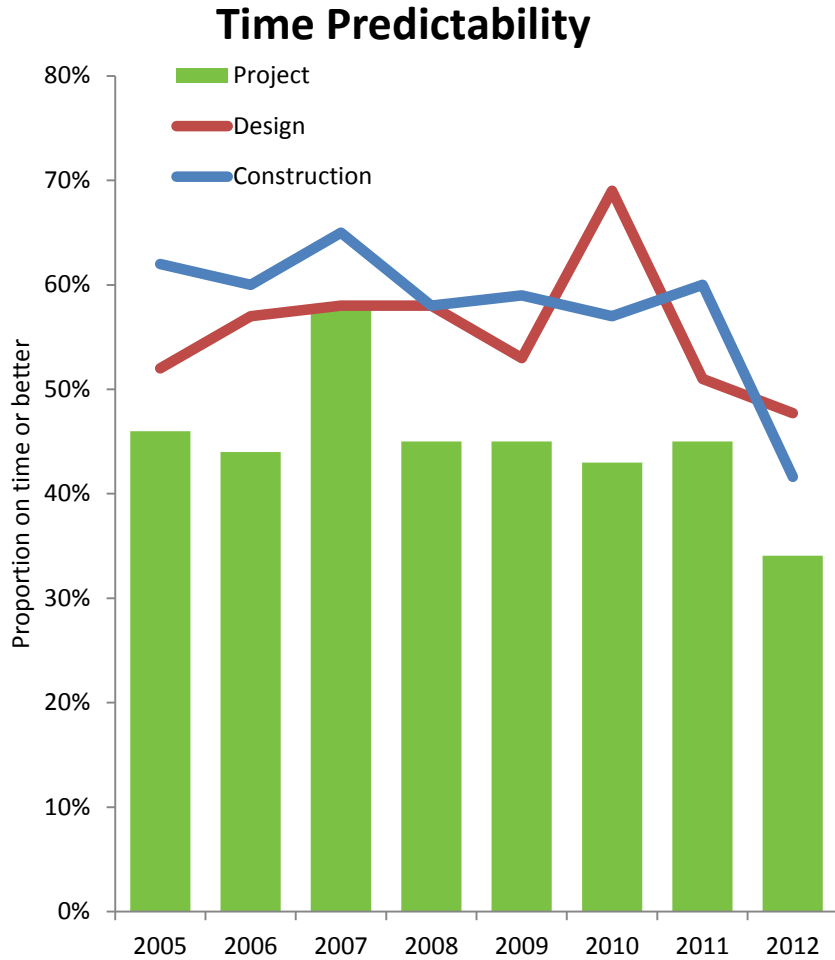


Customer Satisfaction

Client Satisfaction

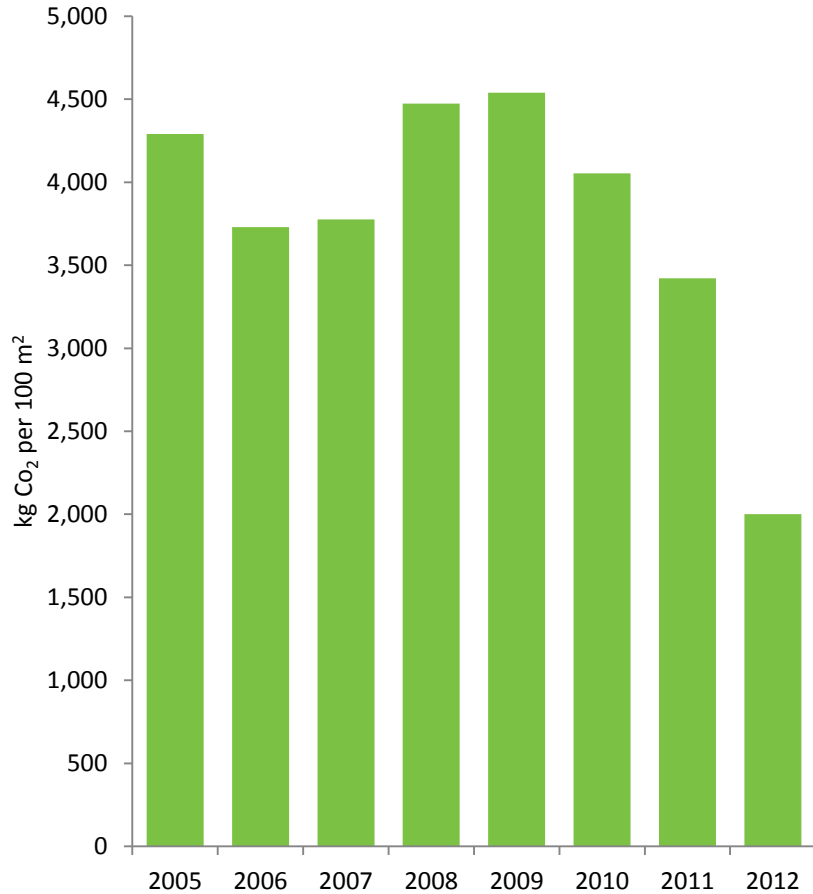


On time & to budget

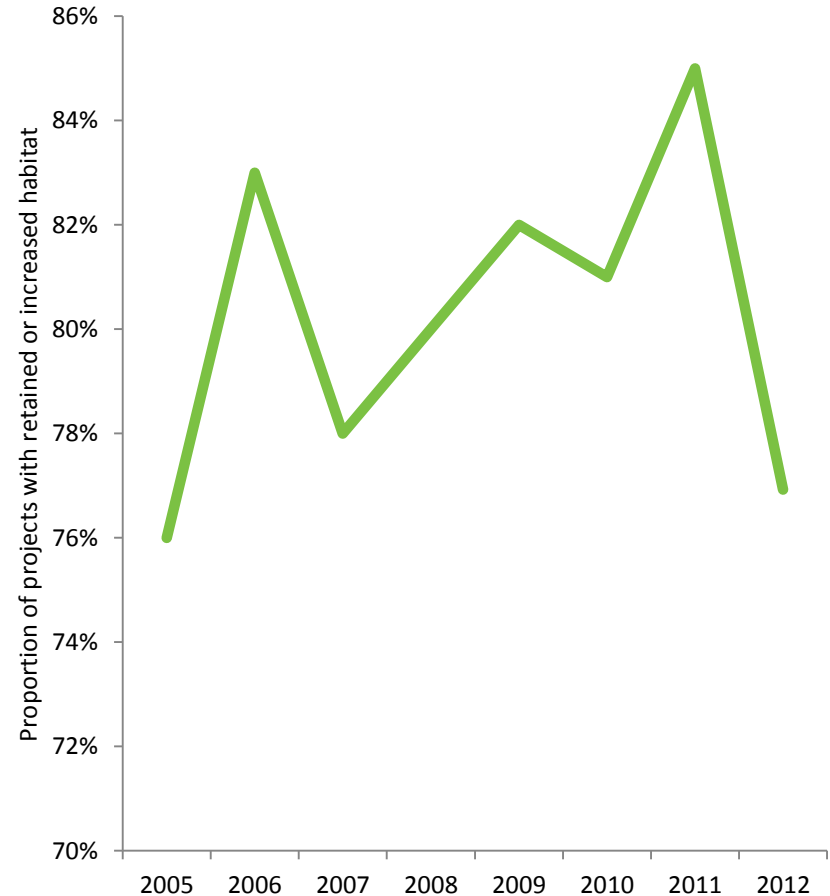


Environmental credit

Designed Energy Consumption

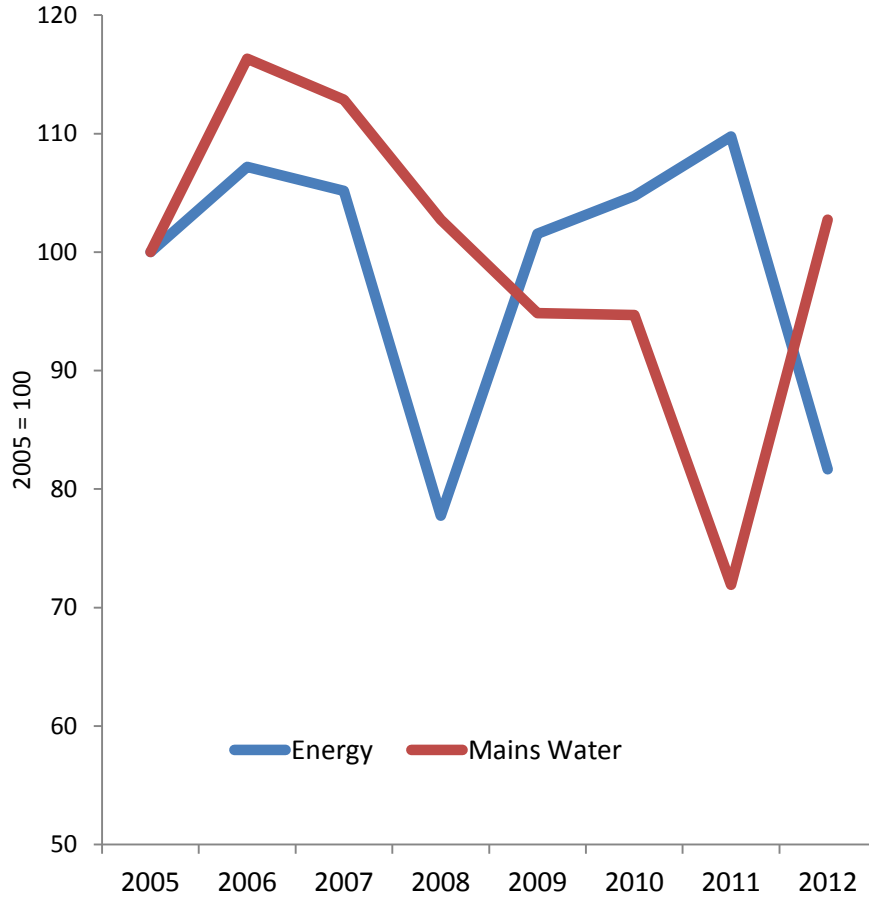


Habitat

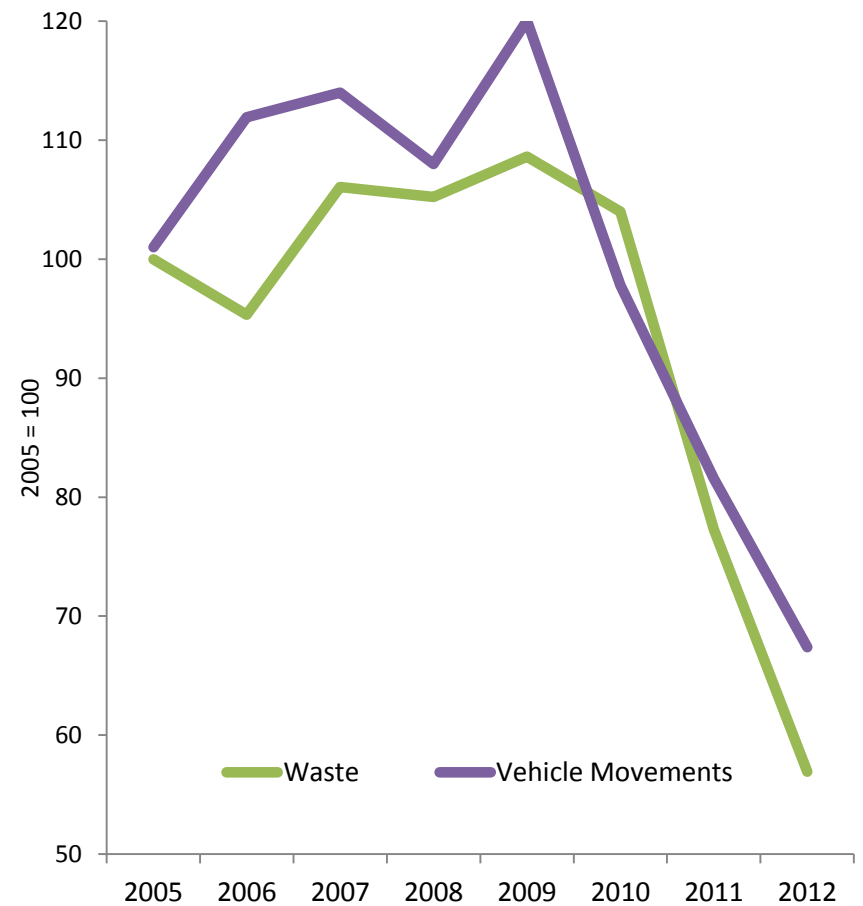


Environmental Performance

Construction Process



Construction Process



Summary

- Industry performance falters as double-dip recession bites
- Industry retrenchment
- Client satisfaction slips
- But stronger where KPIs used on project
- Marked drop in projects delivered to time
- Working to retain capacity & skills base
- Rising to environmental performances challenge

