Viewpoint Blog

Top 11 Construction KPIs Subcontractors Should Track

A Few Helpful Tips for Measuring Subcontractor Project Success

When it comes to setting and measuring construction KPIs, service managers experience better results when they're focused on the process of delivering service, rather than the results. For example, rather than measuring profitability or number of service calls per day, it's better to start by analyzing the success of the processes involved in delivering service.

The list below highlights some of the most important construction KPIs service contractors are measuring today. While each indicator on the list can be important for various reasons, start with only four or five that will be most useful for your business instead of trying to implement all of them at once. Determine which are most important to your organization by evaluating problem areas, and then, only after reaching your original goals, add to the list.

11 Construction KPIs Every Subcontractor Should Know

1. Average travel metrics

Some of the first construction KPIs you need to track are your average travel metrics.

- Average travel time: Track the average time to get from site to site.
- Average travel distance: Track average miles techs spend driving.
- Average travel costs: Track fuel costs, wear and tear on vehicles, and overall cost of getting from place to place.

By reducing the amount of travel and identifying where routing can be more efficient, service teams are able to spend more time on billable tasks and tackle more work orders, not to mention the customer satisfaction that comes from getting to a jobsite and resolving an issue faster.

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2. Response time

The quicker techs respond to problems, the more work they'll be able to do in a day, and the quicker the customer's problem is resolved the happier the customer will be. Hence why this is such an important KPI for construction.

3. Average repair times

Average repair time is a potential indicator of training needs; for example, if one tech is taking much more time to repair the same type of equipment as his peers, then that tech might need additional training. Or it could highlight product serviceability difficulties, which manufacturing might be able to correct with an engineering change order.

4. Average SLA compliance rate

Measuring service level agreement compliance is nothing new, but it’s still very important. If you’re missing the SLAs, that has implications for customer satisfaction and downstream revenue.

5. Technician utilization

To track technician utilization and productivity, divide the amount of time the tech is working on things that are part of the job description vs time filling out time sheets, attending meetings, other activities unrelated to productive work.

6. Measure technician billable time

After you’ve figured out technician productive time, service managers can determine what percentage of that was billable. This construction KPI is important because if organizations have a high ratio of billable to productive time that is a potential indication that not enough equipment is covered by a maintenance contract.

7. Percentage of expiring warranties that are converted to maintenance contracts.

Ideally, as a service organization, you’ll prove your value during the warranty period, so customers will be eager to purchase a maintenance contract through you.

8. Percentage of maintenance contracts that are expiring that have been renewed

If you have a sales person in charge of selling service contracts, make sure they’re also renewing expiring ones. Set up alerts so there’s never any ambiguity as to whose contracts are expiring when.

9. Percentage of ordered parts that are returned unused

If technicians are consistently ordering the wrong parts for their jobs, that has a direct impact on productivity and customer satisfaction. When you don't keep an eye on this construction KPI, you're risking not only time, but also your profit.

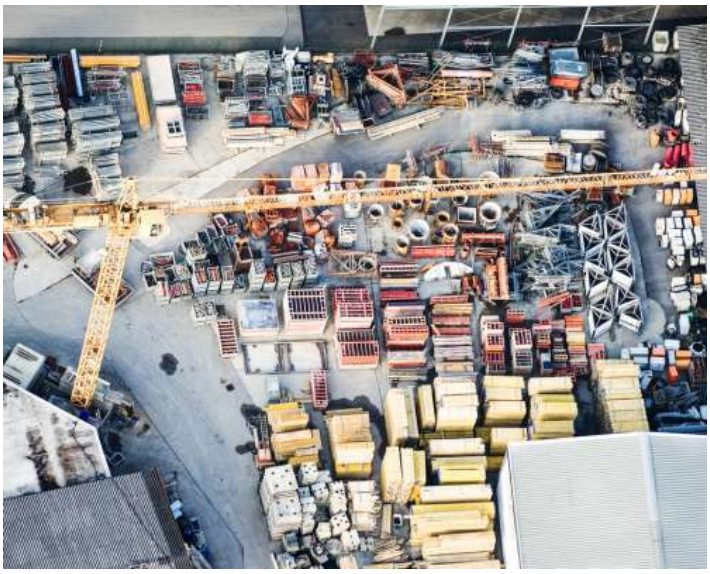
10. Emergency parts order costs

Track how often techs are rushing out to the store to purchase last minute parts, or how frequently parts must be flown in from another location on an emergency basis. These costs add up and also cut into worker productivity.

11. Ratio of preventive maintenance work to reactive work

The higher the PM work, the lower the reactive work will be. Companies that are aggressive about the number of PM programs in place generally reduce the amount of emergency fix calls they get.

New Technologies Make it Easier to Track and Measure Smart Service KPIs



New technologies and service apps have made it easier to identify what to measure and to retrieve accurate information quickly. So while the construction KPIs themselves have remained relatively stable over the last decade, contractors' ability to set smart goals, track performance, and make informed changes has made it more important than ever to perform well and exceed customer expectations.

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Posted By

Andy Holtmann

Andy is Marketing Content & PR Manager at Viewpoint. He has worked in the construction software arena since 2011. Previously, he netted multiple awards as a newspaper and trade media editor.