

22ND ANNUAL



22ND LCI CONGRESS
OCTOBER 19-23

Project Validation Fundamentals & Lessons Learned

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THE ABC'S OF LEAN: TRANSFORMATION THROUGH ACTIONS, BEST PRACTICES AND COACHING

October 19, 2020

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Provider Number H561

Validation Fundamentals and
Lessons Learned

LCIV.VFLL

David Grau

Monday, October 19, 2020



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Course Description

The session will share with the audience the fundamental purpose of validation, its process and benefits. Lessons learned and existing resources will also be shared. Validation proves or disproves whether the project team can successfully deliver project while meeting owner constraints. It results in an informed decision by the owner on whether or not to authorize a project. Validation is executed with little or no design and ahead of the contractual agreement. In essence, the practice of validation builds predictability – the team's ability to anticipate project outcomes early in the delivery process. After the session, attendees will be better prepared to plan for the validation of their projects.

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Learning Objectives



01.

Participants will understand the fundamental purpose of validation, as well as its process and benefits.



02.

Participants will be able to plan and assess the implementation of project validation.



03.

Participants will recognize and be able to discuss how the practice of validation builds predictability.



04.

Participants will learn how to reliably identify owner constraints as a precursor to design & contractual execution.

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Agenda

1. Validation Study (5 minutes)
2. *Polling Session I* (5 minutes)
3. Validation Fundamentals (10 min)
4. *Polling Session II* (5 minutes)
5. Benefits (5 min)
6. *Breakout Session A: Value, Drivers, and Barriers* (30 min)
7. Validation Process (15 min)
8. *Breakout Session B: Project Team Validation* (30 min)
9. Conclusions & Q&A (15 min)

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1. Validation Study

(5 minutes)

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Validation Study in Numbers

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Subject Matter
Experts

60+

Years of Validation Experience

598

Minutes of Interviews

83,624

Words Transcribed

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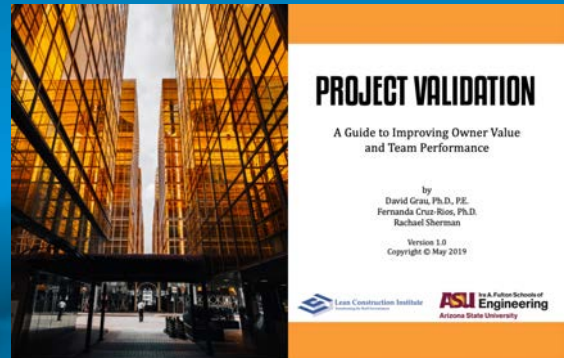
“Project Validation – A Guide to Improve Owner Value and Team Performance”

- Version 1.0 released on May 2019

- 800 downloads to date

- Free resource available at:

<https://www.leanconstruction.org/learning/research/>



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2. Polling Session I (in Pathable) (5 minutes)

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3. Validation Fundamentals

(10 minutes)

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What is Project Validation?

- Project Validation aims at proving or disproving with limited or no design whether the project team can deliver a project that satisfies the owner's business case and scope within the owner's allowable constraints of cost and schedule and with an acceptable level of risk.

"I mean, certainty. So that's, I think, the key power in doing validation. It's not just knowing. It's knowing whether the project is going to happen"

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Validation is Not Design

- Validation characteristics:
 - Go / No-Go decision
 - Dedicated budget and schedule
 - Dedicated team of experts
 - Design is omitted or minimal
- It establishes the basis of design and conceptual estimate

"So, the team discussed three different structural systems that were possibilities. And they ended up in the validation and one of them in the validation estimate. I don't know necessarily that is what ended up in the project, but that's what was in validation"

"In validation, if you don't spend enough time upfront figuring out how do you want to work together and what is it you really want to achieve, you will simply do what you've always done and call it something different"

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Conceptual Estimating

"Some companies get paralyzed at the ability to show a range of costs with little or no information. They cannot do it"

- Ability to accurately estimate costs with minimal or no design information
- Necessary skill among validation team members

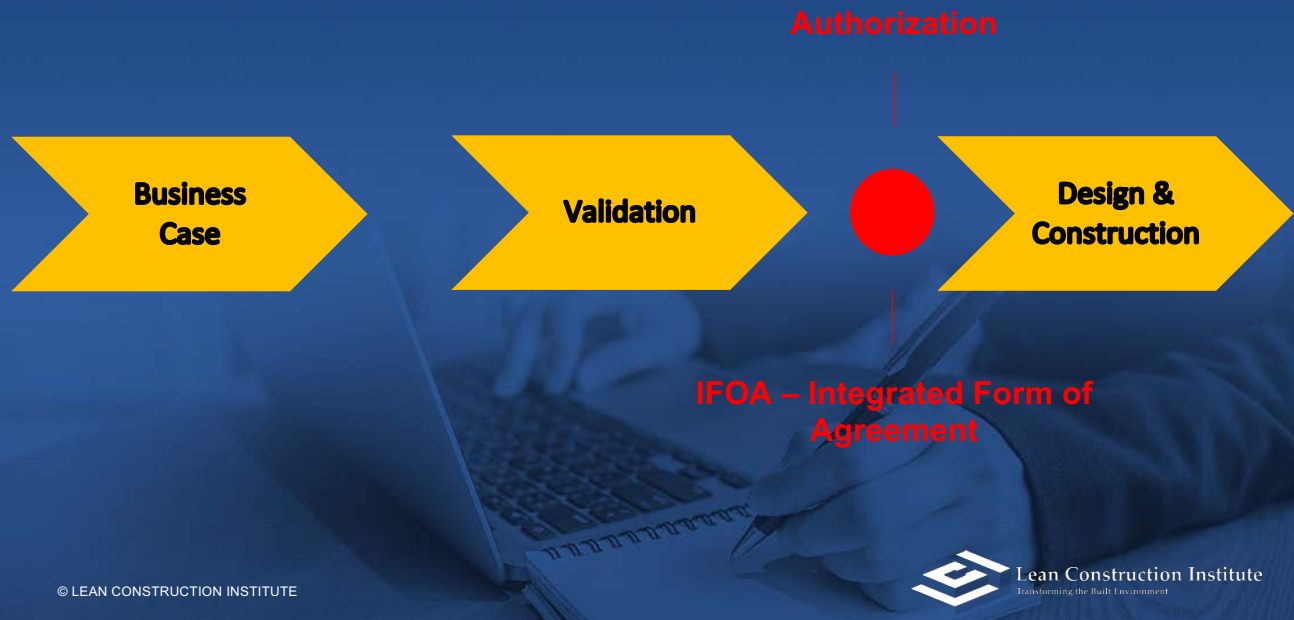
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When?



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Project Team Driven



"I think the soft side, behavioral skills, the kind of things you can't necessarily teach people, getting the right people in the room is absolutely paramount."

"So during validation the task was to answer the question, can we build this program for this much money and get it opened on this date? And that was what the validation process was all about. And the team knew that if the project got approved that they would be collectively at risk for achieving it. They were aligned because they knew what the business deal would be if the project got approved"

"You know, be responsive, be respectful, be professional, be accountable, be collaborative."

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Industry Gap



Common
Practice



Validation
Culture



Resources

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4. Polling Session II (5 minutes)

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5. Benefits

(5 minutes)

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Benefits

- Continuous learning and alignment
- Business case evidence
- Scope definition
- Enhanced value and innovation
- Streamlined Design

"We [designers] do not need to guess since the basis of design becomes very clear"

"At the end of the day, the team walks out of validation with a budget and a schedule and a design and a plan that is theirs, and it's not something that was dictated to them. I think that is invaluable"

"Through validation we have shown some real movement on getting waste out of what's inherent currently in the traditional approach to construction"

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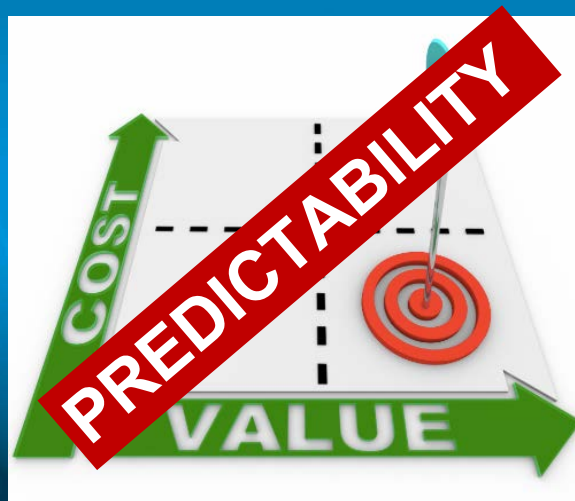
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Pattern of Decreased Costs



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Go / No-Go Informed Decisions



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Competitive Advantage



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Is Validation Always Needed?

- Associated with uncertainty and risk
- Owners set “rules” to determine whether to validate a project
- Projects with foreseeable costs do not require validation



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6. Breakout Session A – Identify Value, Drivers and Barriers

Breakout Session (20 minutes discussion + 10 minutes reporting)

Identify Presenter and Scribe

Breakout Rooms in Zoom – “Breakout Session A” File in Pathable

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7. Validation Process

(15 minutes)

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Process

Select
Team



Team
Kickoff

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Information Exchange Intensive

Setting



- Big room
- Calls
- File sharing
- Onboarding
- Gemba walks
- Pull Planning

Teamwork



- Cluster & team work
- Help requests and needs
- Trade-offs
- Refinement of CoS
- Communication

Certainty



- Project constraints
- Risks & opportunities
- Cost & schedule estimates
- Design
- Needs, wants, nice to have

Management



- Resources
- Progress checks
- Pull planning
- Deliverables
- Metrics

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Approval Solicitation & Decision



NO-GO

Solicit
Approval



GO

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Dedicated Resources

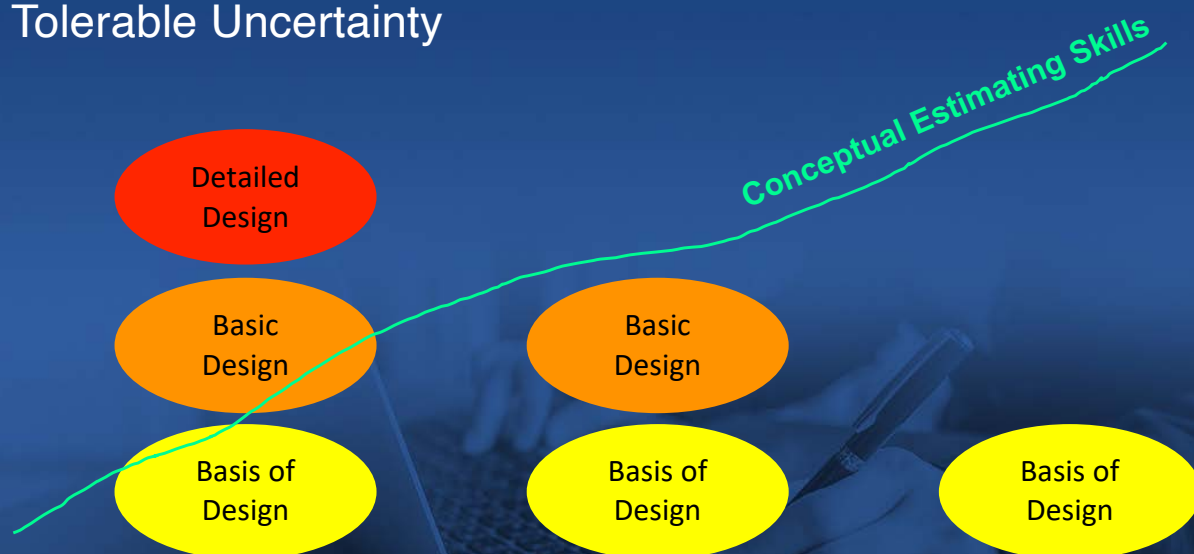


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Tolerable Uncertainty



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8. Breakout Session B – Project Team Validation

Breakout Session (20 minutes discussion + 10 minutes reporting)

Identify Presenter and Scribe

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9. Conclusions & Q&A

(15 minutes)

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Conclusions

- Informed Go / No-Go decision making
- With the right team, foundation for enhanced project team performance
- Natural predecessor of IPD
- Alignment
- Anecdotal evidence of null cost overruns
- Decreased execution costs
- Competitive advantage
- Need for conceptual estimating skills

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This concludes The American Institute of Architects
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