



No contract? How Lean methods can overcome traditional contractual challenges

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

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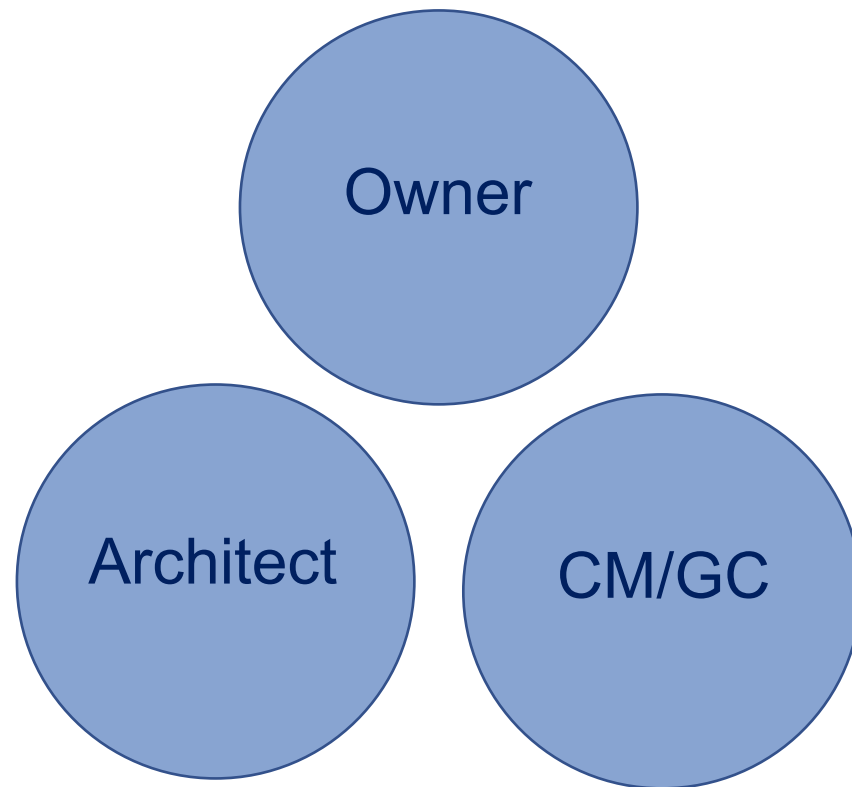
Background – “Lean vs. The Contract”



Does Lean Construction *REALLY* work?

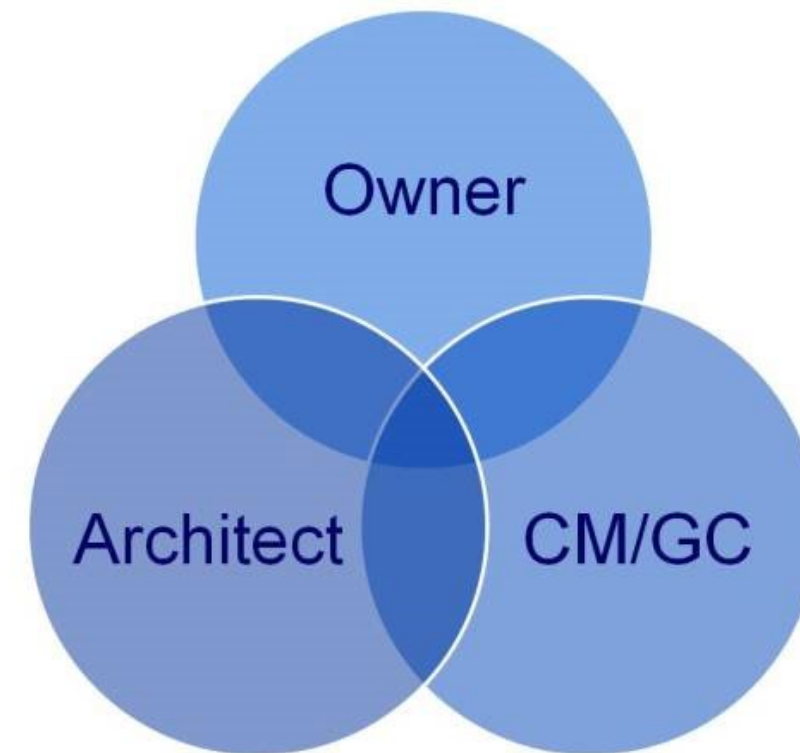
Traditional Contracts

- Separate Agreements



Lean Approach

- IPD, IFOA



The Project

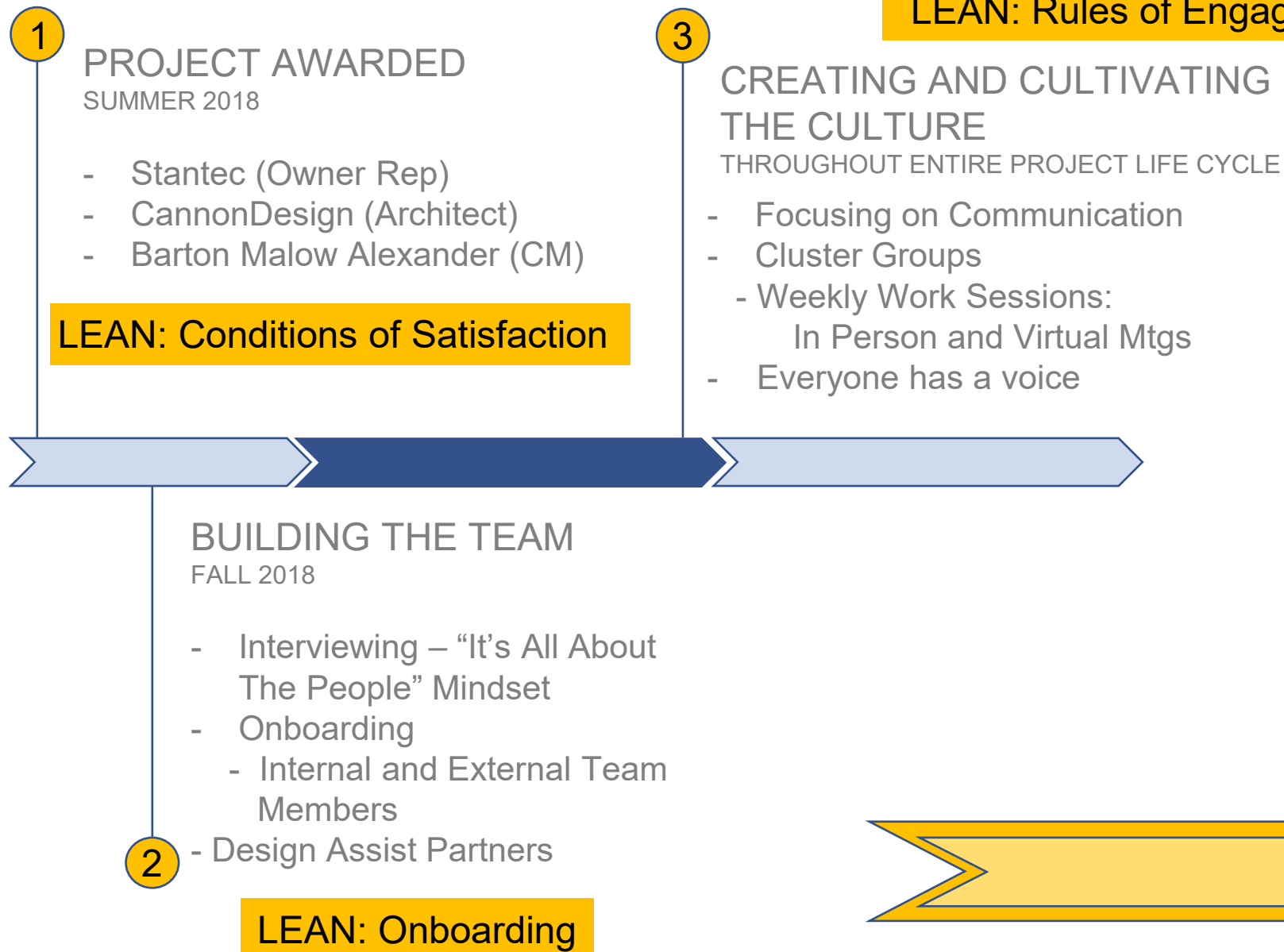
- \$200M New, Acute Care Hospital (300,000 sf)
 - 108 Patient Rooms, 6 Operating Rooms, Specializing in Women & Baby Care, 2 Cath Labs, 1 MRI, 2 CAT Scans, Nuclear Medicine
 - 12,000 Prefabricated Central Utility Plant (CUP)

AGGRESSIVE PROJECT SCHEDULE

36 mo.  26 mo.



When does LEAN begin?

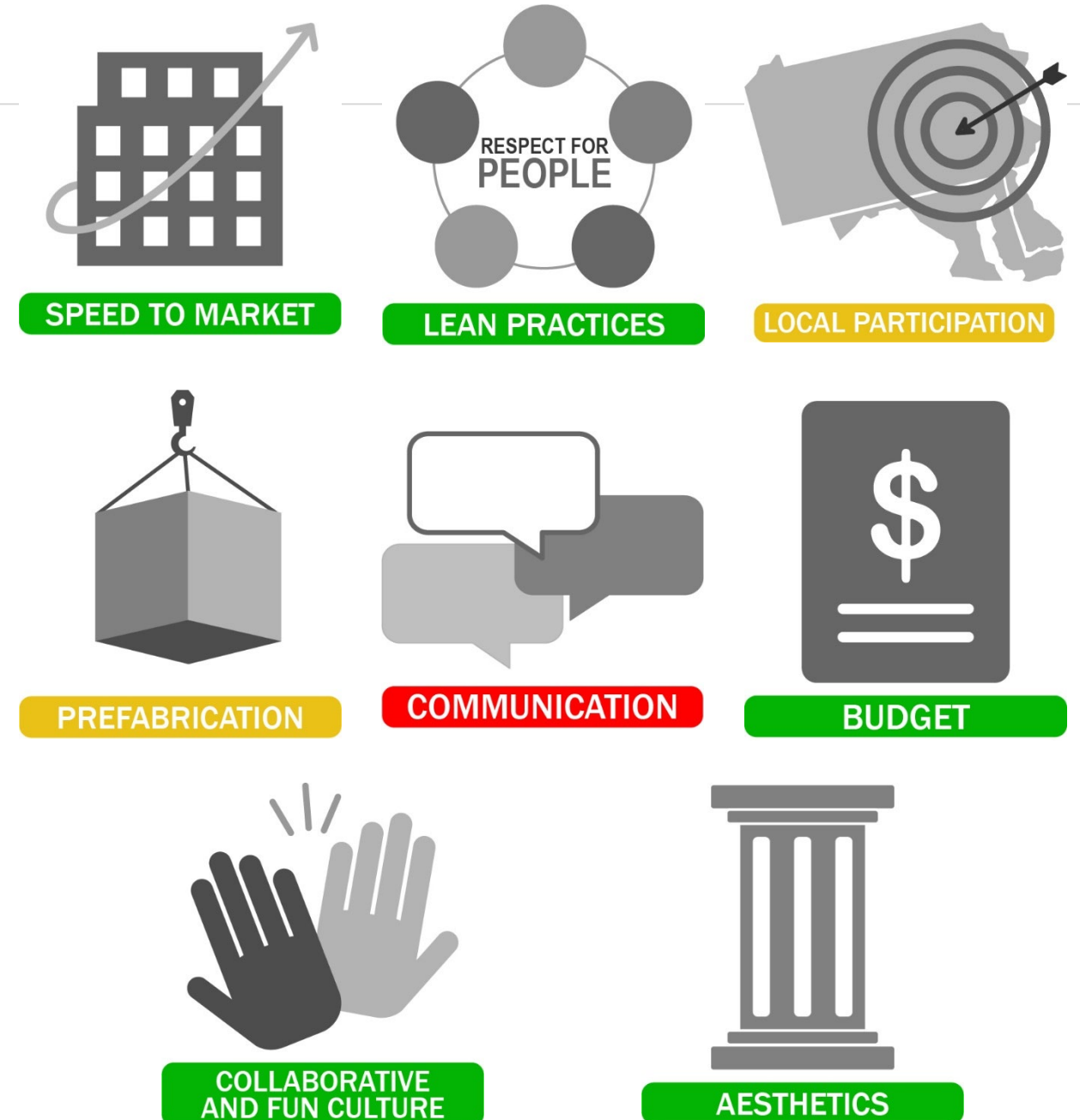


STEP 1: Aligning The Team

CONDITIONS OF SATISFACTION

- Project priorities that guide the decision-making process throughout the project life-cycle
 - Co-developed (All Stakeholders Involved)
- ☐ Alignment of Interests
 - ☐ Clear Communication of Goals
 - ☐ Organizational Agreement

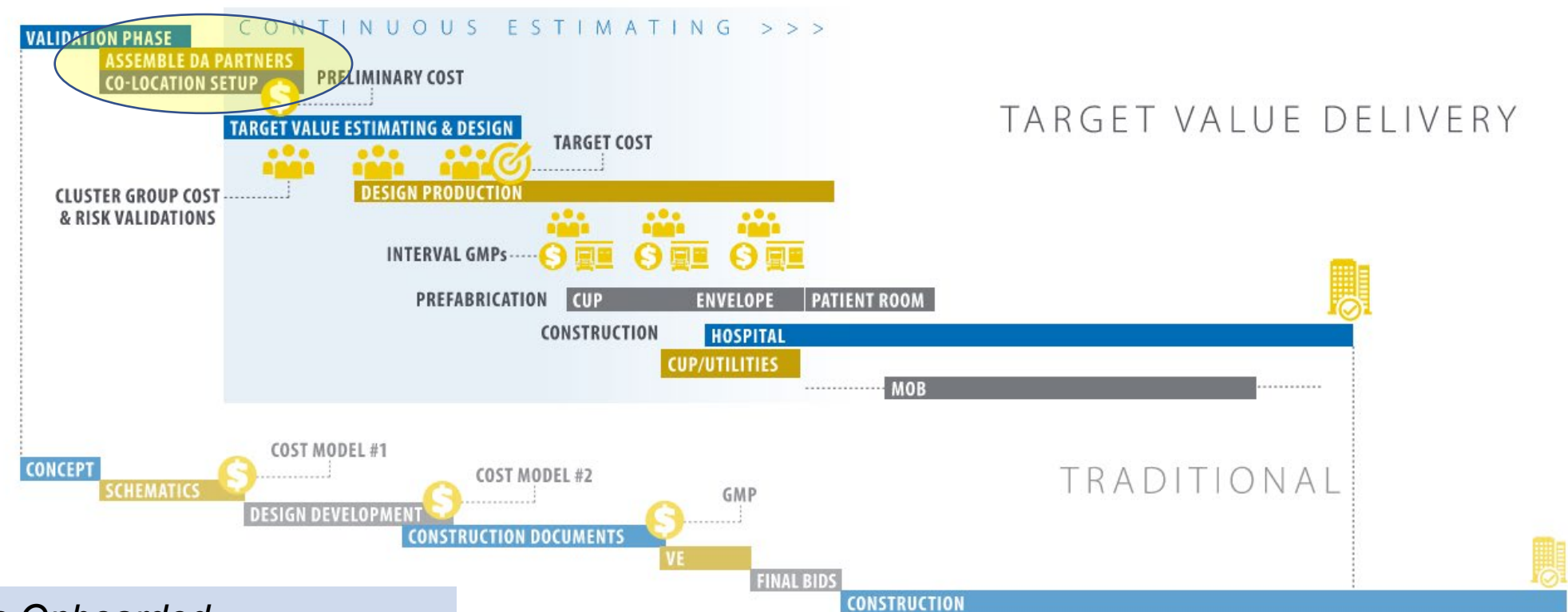
KPI Health Tracking: (Key Performance Indicators)



STEP 2: Design Assist (DA) Partners Onboarded *Early*

ONBOARDING THE TEAM

SPEED TO MARKET



Every Team Member is Onboarded

STEP 3: Communicating The Strategy

RULES OF ENGAGEMENT

- **Clear, concise delivery of project expectations**
 - *Relates back to Conditions of Satisfaction*
- **Deliberate focus on contact information**
 - *Right people in the room*
- **High level of importance placed on the value of Lean used on this project**
 - *Colocation, Huddleboards, Big Room Meetings / Dashboards, LPS, Prefabrication...and more!*



ALWAYS: Respecting People

Creating a culture that encourages collaboration

- “Design Assist” is expected from everyone
- Ideas are welcomed
- Healthy conflict is encouraged



Challenges – “...and How we Overcame them”



Lean Practices and Challenges

- CHALLENGE: Owner Inexperience with Lean vs. Speed to Market

 LEAN PRACTICE: Target Value Design (TVD)

- *Design Assist Partners*
- *Big Room and Cluster Groups*
- *Pull Plan from Construction Start*



Lean Practices and Challenges

- CHALLENGE: Adding Design Assist Partners

LEAN PRACTICE: Onboarding

- *A3 Proposal*
- *Shortlist / Choosing by Advantage (CBA)* Δ
- *Interview Process with +/-*

Lean Practices and Challenges

- CHALLENGE: What is Lean?



LEAN PRACTICE: Design Assist
(DA) – Sitework?

- *Estimating / GMP*
- *Calling out the Civil Engineer*
- *Making a Difference*

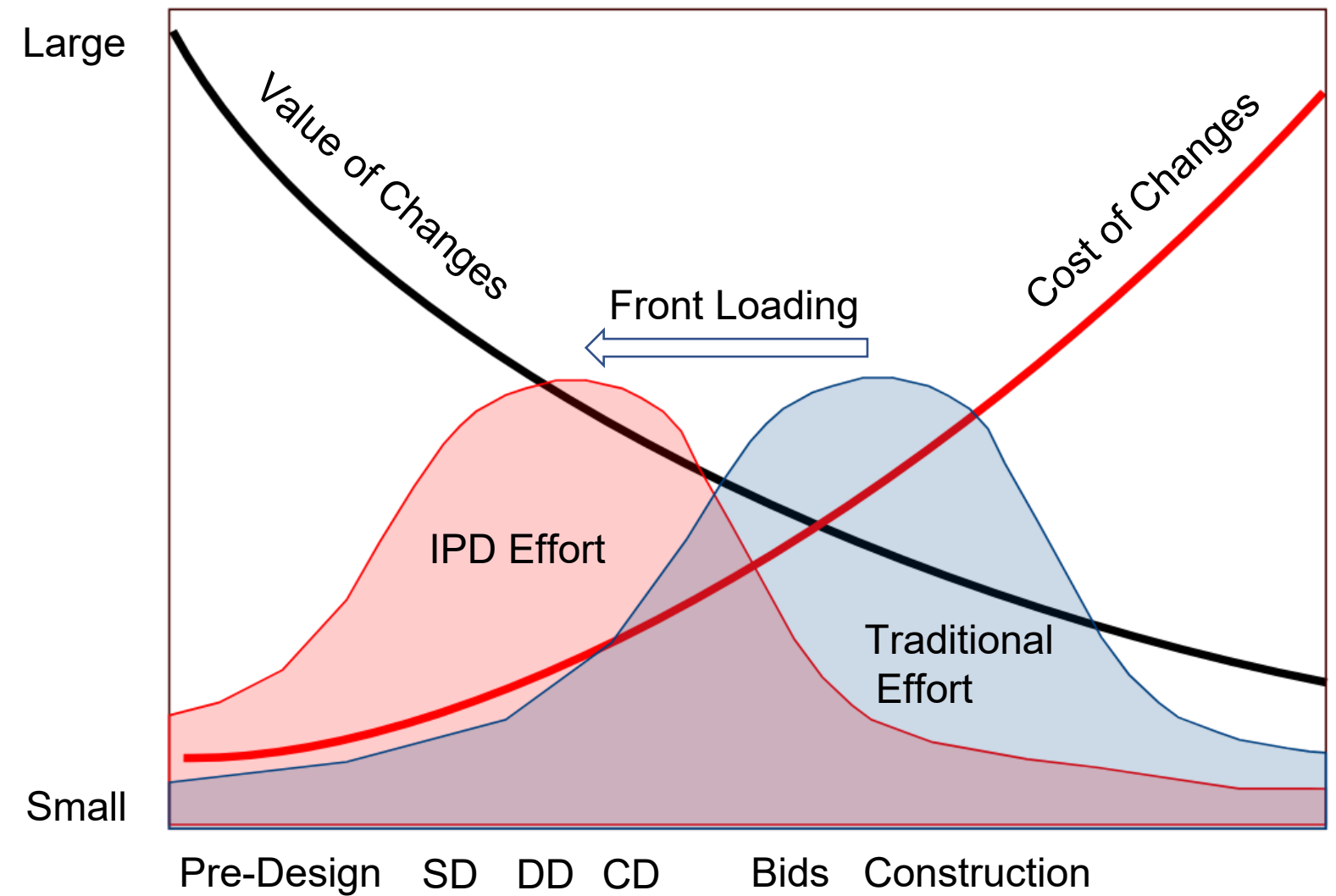
Take Aways



STRATEGY: Is Lean Worth the Investment?

- *Substantial Financial Investment Up Front*
 - *DA Partners, Colocation*
- *Returns Found On The Back End of the Project*
 - *Fewer Change Orders*

The MacLeamy Curve



RESULTS: Is Lean Worth the Investment?

➤ *On Budget*

- *\$30M Design Adjustment To Stay on Track*

➤ *On Schedule*

- *26 mo. vs. 36 mo. with 9 mo. of Construction Remaining*



What's the Big Idea?

- **Owners**

- *Don't be afraid to ask for Lean even if IPD Contracting is not an option*

- **Architects / Design Firms**

- *Be willing to break traditional design deliverable processes, in exchange for Lean ones.*

- **Construction Managers**

- *Focus on Lean methods that change how you do business and assign a champion to promote continuous improvement.*

- **Trade Contractors**

- *Commit to the Lean movement, even if you had never heard of it, or think it might not apply to your trade.*



Contact Us

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