

26TH ANNUAL



26TH LCI CONGRESS
OCTOBER 22-25, 2024

Lean Waves: Transforming Construction in LATAM

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Felipe Engineer | The Boldt Company
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SURFING THE WAVE OF LEAN DESIGN AND CONSTRUCTION

OCTOBER 24, 2024

About us



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Building Beyond Borders: A Lean Transformation



The Challenges of General Contractor starting it's Lean Journey



A GC's Lean Journey



The Challenges

Resistance to Change

Self-Preservation in Leadership Fear of Losing Control

INDIVIDUAL OPTIMIZATION OVER TEAM SUCCESS Siloed Mentality

Communication Barriers **Need for fast Results**

Lack of Trust in the Process

Competing Priorities within Teams Lack of Team Cohesion

Siloed Teams Limited Cross-Functional Trust

Mistrust Among Team Members RELUCTANCE TO SHARE AUTHORITY

Resistance to Collaborative Leadership

Territorial Mindset



LATAM

Labor Skills

Language Barrier

Fast Track Projects



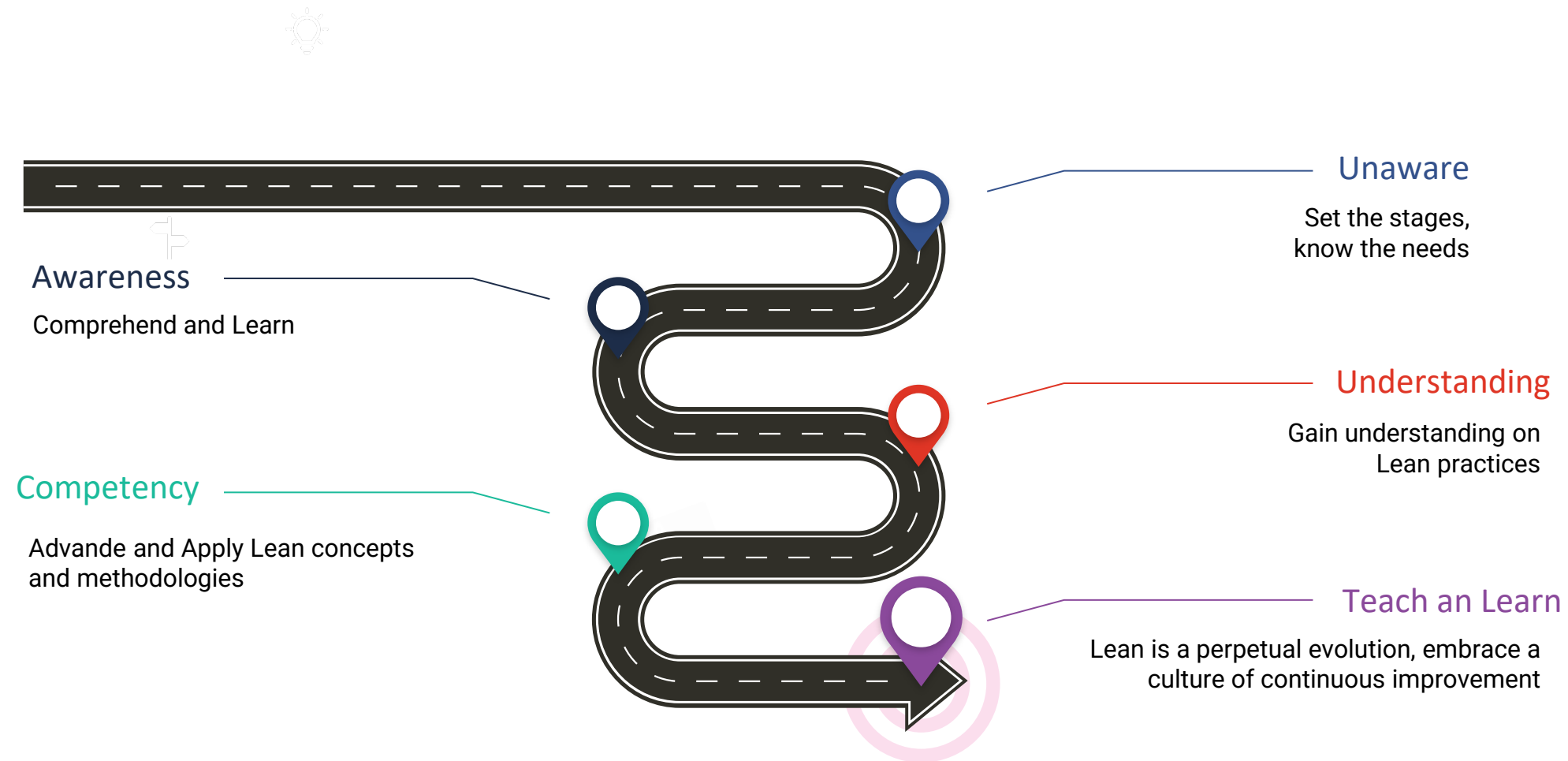
Starting on Shifting Gears in Lean Implementation

Starting in 1st: Culture



Know your why

A Lean Journey to Mastery



Thriving through the destination



To truly thrive in our journey, we need to prioritize building a culture founded on trust and a strong sense of community

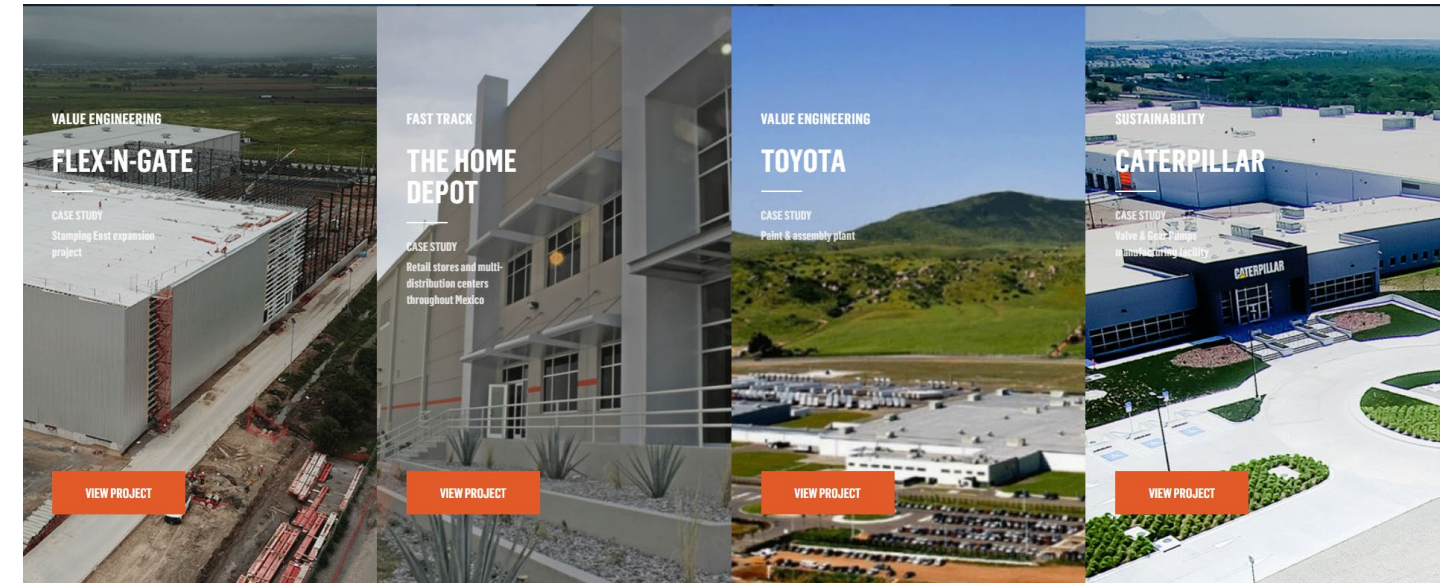
Just as we collaborate to achieve success in our projects, true success in our Lean Journey comes from being part of each other's journey—learning, growing, and collaborating as a unified community.

Leveraging Partnership for a stronger Lean Journey



Market conditions

- On the last decades, In Mexico and Latin-American, construction market has been required to deliver high quality and sophisticated specifications.
- A lot of owners and investors with global experience, has been required to build their infrastructure with Lean methodology and principles:
 - Prologis
 - BMW
 - Procter and Gamble
 - General Motors
 - Ford



Leveraging partnership

Hermosillo lean deployment strategy:

- Creating culture: training and certification programs
- Enforcement with processes and policies: Planning, designing, and executing projects.
- Integrating our subcontractors and suppliers.

But most important part of the strategy has been working together with our customer:

- Value management
- Creating common culture
- Training together



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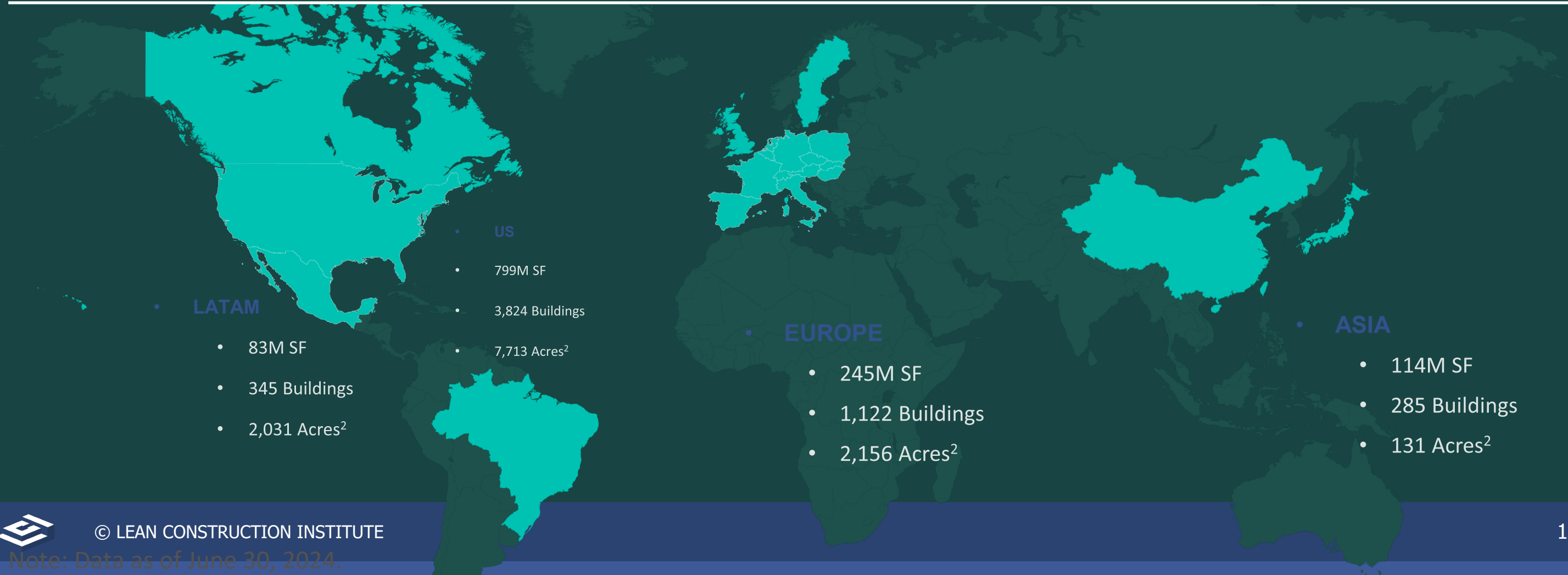
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Prologis in the world

- **\$199B**
 - Assets under management
- **\$107B**
 - Equity market cap
- **6,700**
 - Customers
- **A3/A**
 - Credit rating¹

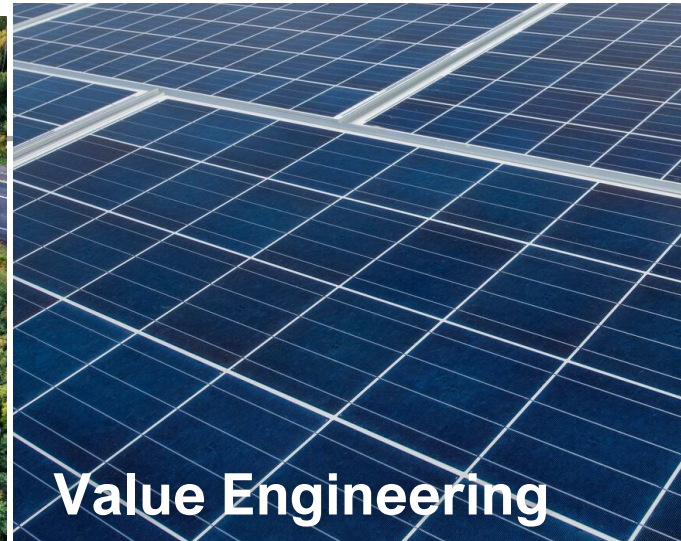


Lean Strategies- Customer Centricity

- Leverage **Prologis** global scale and technology
- Deliver developments faster, more consistently, and proactively mitigate delays
- Utilize advanced schedule techniques and management
- Optimize means and methods
- Execute collaboratively
- Innovate with data-driven expertise



Customer Involvement for Lean Success



- Collaborative risk mitigation reduces project disruptions and ensures smooth delivery

- Optimizing costs without compromising quality, incorporating Customer priorities from the beginning

- Early feedback from the Customer leads to higher quality and fewer defects.

- Improved execution through regular Customer feedback ensures efficient task completion.

Measuring Lean Success with Customer-Centric Metrics



CLIENT FEEDBACK CYCLE:
FAST FEEDBACK BOOSTS TASK
COMPLETION RATES.



CHANGE ORDER RESPONSE TIME:
QUICK APPROVALS AVOID
DELAYS.



**CLIENT ENGAGEMENT
FREQUENCY:**
REGULAR TOUCHPOINTS ALIGN
PRIORITIES AND ENHANCE PPC.

Customer Involvement

Risk Management

- Customers offer insights into operational risks, enhancing early identification and mitigation strategies

Quality Control

- Continuous feedback ensures the project aligns with Customer-specific standards, reducing rework and delays, and enhancing long-term success



Customer Involvement



Cost Optimization:

Customer insights reduce unnecessary expenses while maintaining performance and sustainability goals



Improving PPC Through Customer Feedback



Improving PPC Throu

Real-Time Adjustments:

Customer feedback enables fast issue resolution, reducing delays and boosting task completion rates



How Feedback Reduces Rework and Delays



Reduction of Rework

- Customer feedback identifies issues early, preventing costly rework.



Enhanced Communication

- Regular updates keep customers and teams aligned, reducing misunderstandings



Customer-Driven Solutions

- Faster problem-solving through collaboration results in timely task completion

“Focusing on the customer makes a company more resilient”

Jeff Bezos

Addressing Challenges in the LATAM Industry



Lean practices in LATAM - LCI Mexico foundation

- LCI USA invite a group of professionals in Mexico to founder the LCI in Mexico in 2018
- Since 2019, LCI Mexico started with their annual Congress, with the participation of many speakers around the world.
- Then in 2020, LCI Mexico launch the certification program: EGL (Lean Management Specialist)
- And in 2021, began the first edition of KOBAH, the Lean excellence deployment award, in which many projects compete to demonstrate the highest level and maturity of their Lean journey.



CLIC, EGL, KOBAH



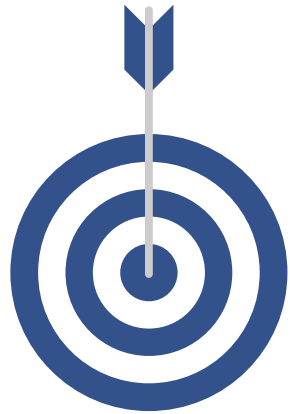
Quick growing to LCI Latam+ (Spanish spoken countries)

In 2022, many LCI leaderships joined and agree to create a community to share strategies



Quick growing to LCI LATAM+ (Spanish spoken countries)

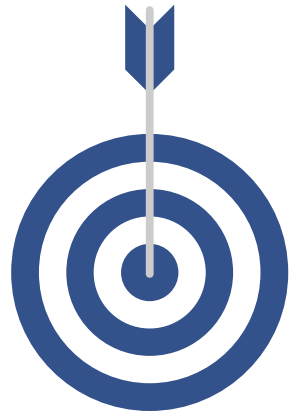
Since 2022, the formal community LCI LATAM celebrate a monthly meeting and we have developed common strategies:



1) Yearly Latam Congress:

- 2022, Cancún, Mexico
- 2023, Lima, Peru
- 2024, Madrid, Spain

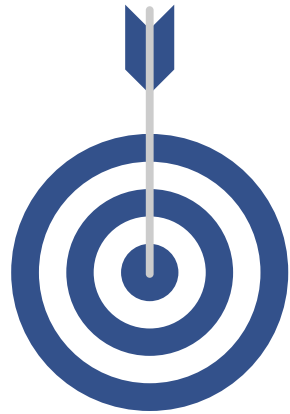
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2) KOBAH award (international)

- Mexico (began in 2021)
- Spain (began in 2024)
- Peru (will begin 2025)

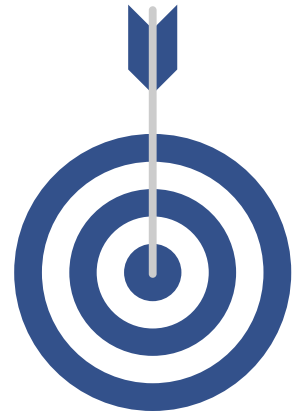
Quick growing to LCI Latam+ (Spanish spoken countries)



3) EGL certification

- More than 20 “trainers associated” in many countries
- More than 315 people certified

Quick growing to LCI Latam+ (Spanish spoken countries)



3) Tech Implementation Gemba (On-site Visits)

- 2024, Spain
- 2025, Japan (Forecasted)



The Lean Construction community are growing around the world.

Key Take Aways: How to Build a Culture

- Respect People: Understand Everyone's Needs
- Acknowledge Each Person's Process
- Lead by Collaborating, Not Commanding
- Learn Together, Don't Preach
- Keep an Open Mind
- Recognize and Celebrate Successes
- Engage with People—Show You Care
- Connect Across Borders—Learn from Each Other's Journey
- Build Strong Foundations: Focus on the 'Why' More Than the 'How'
- As a Customer Collaboration and Feedback is Key
- Engagement as a customer drives success



Where are we in the journey?



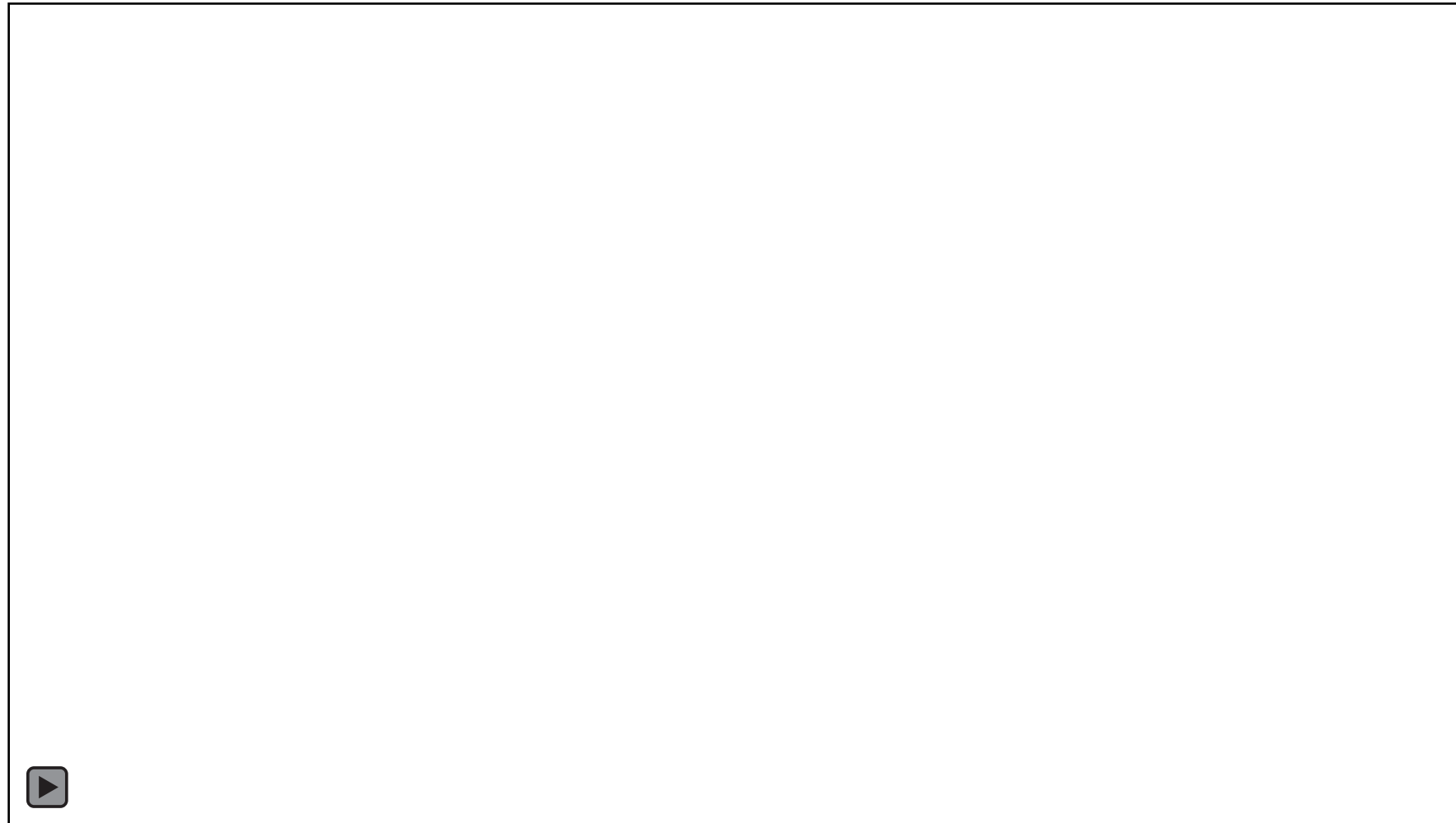
A Lean Journey is ongoing

In Lean success is not defined by the finish line, but by the journey we undertake every day to get better, together



Keep Running, Keep Learning

Let's Build an International Community



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Q&A





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In the spirit of continuous improvement, we would like to remind you to complete this session's survey! We look forward to receiving your feedback.



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Thank you for attending this presentation. Enjoy the rest of the 26th Annual LCI Congress!