

# Introduction to Lean-Integrated Project Delivery for the Built Environment

### Zofia K. Rybkowski, PhD

Associate Professor Department of Construction Science College of Architecture Texas A&M University



### Acknowledgements to:

### The Construction Industry Advisory Council (CIAC)

Department of Construction Science Texas A&M University

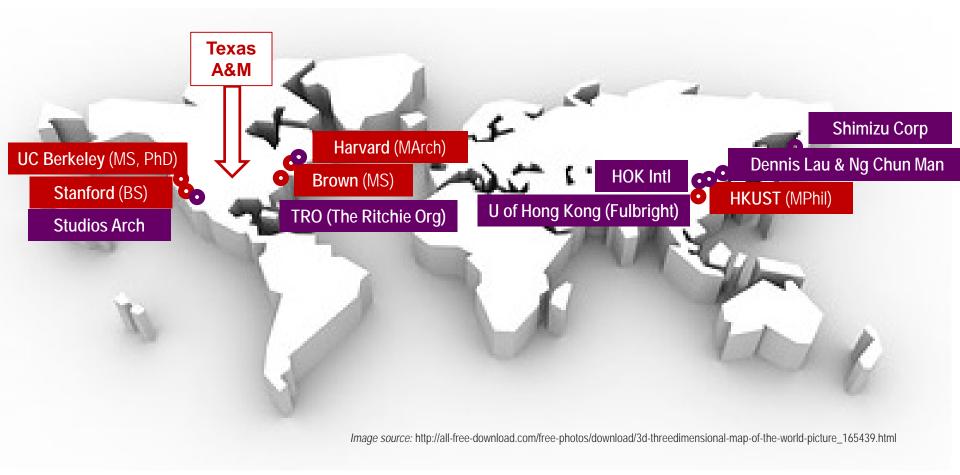
#### Mr. Alan Mossman

The Business Change Ltd. http://www.thechangebusiness.co.uk/home

### the ReAlignment Group of California, LLC

http://danzpage.com/

### **Education & Professional Experience**



# **Learning Objectives**

→ Understand the developmental history of Lean thought
 → Understand and apply the basic elements of Target Value Design
 → Apply continuous improvement to a current Hong Kong challenges



How can we make BETTER QUALITY buildings FINANCIALLY FEASIBLE?

### Why

# Lean Construction

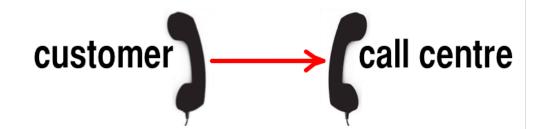
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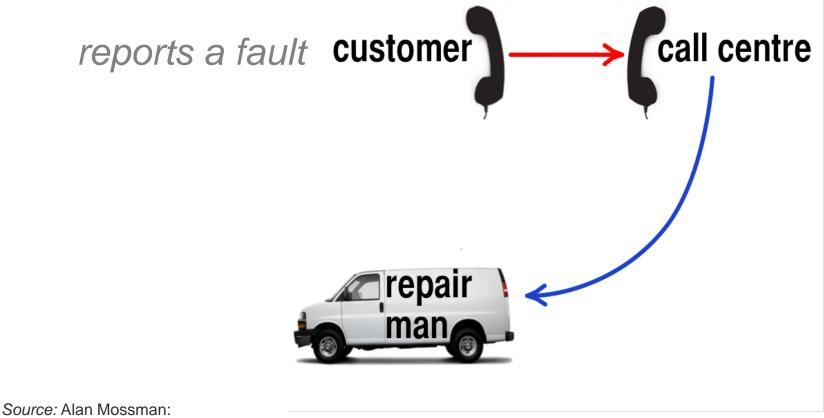
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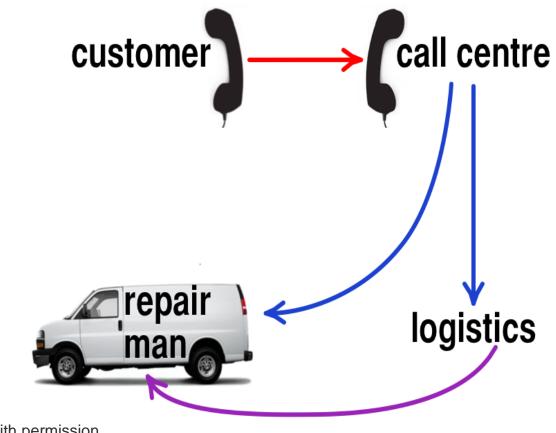


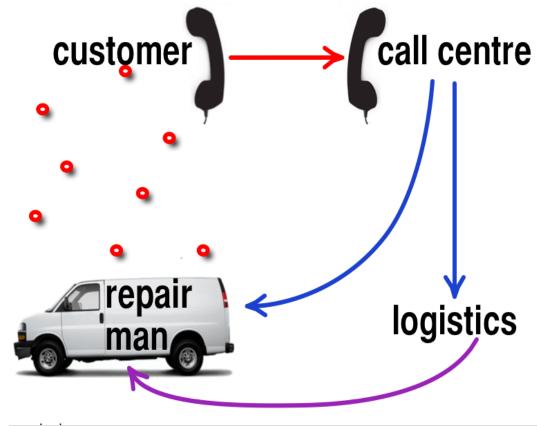
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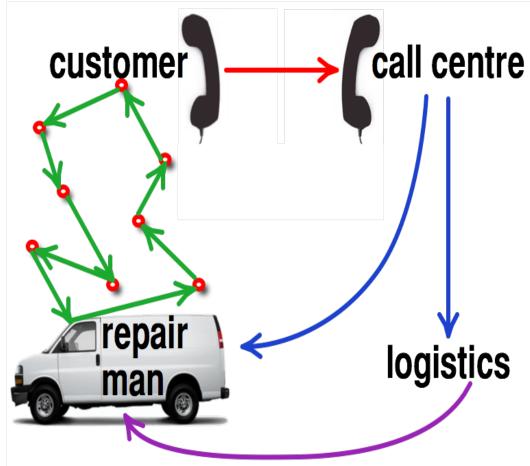
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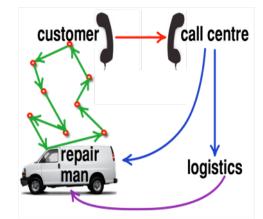


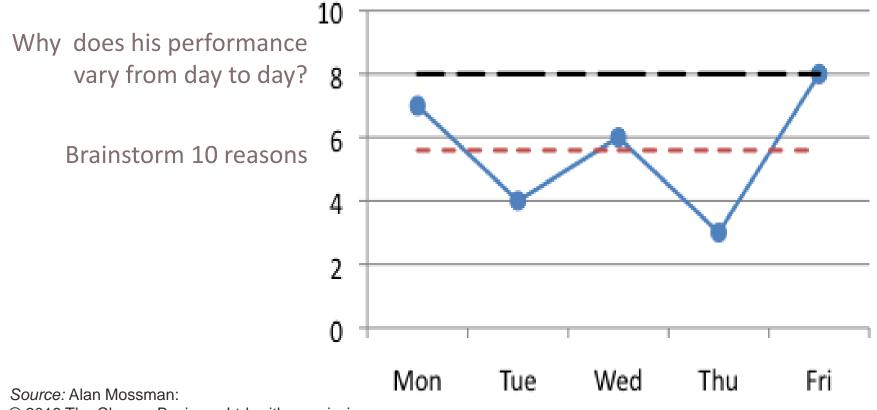


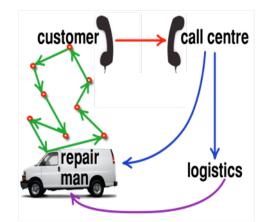


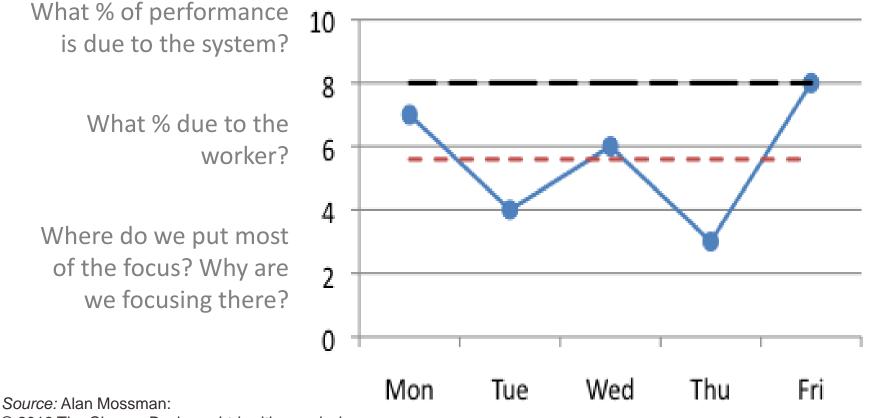


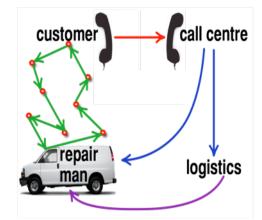


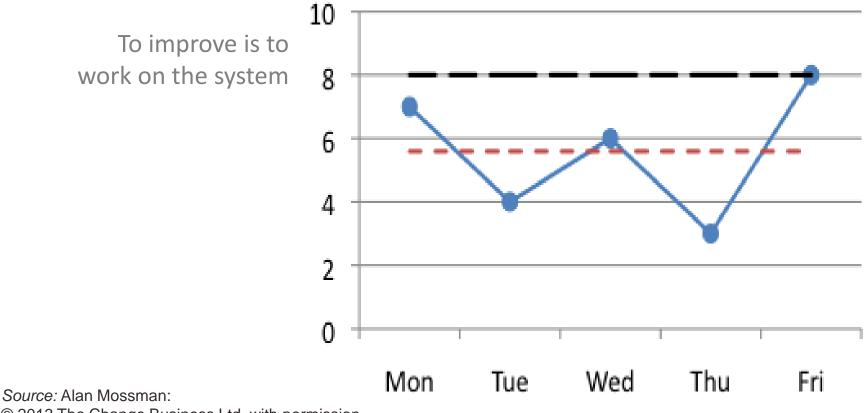


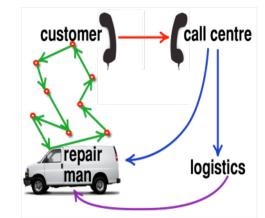


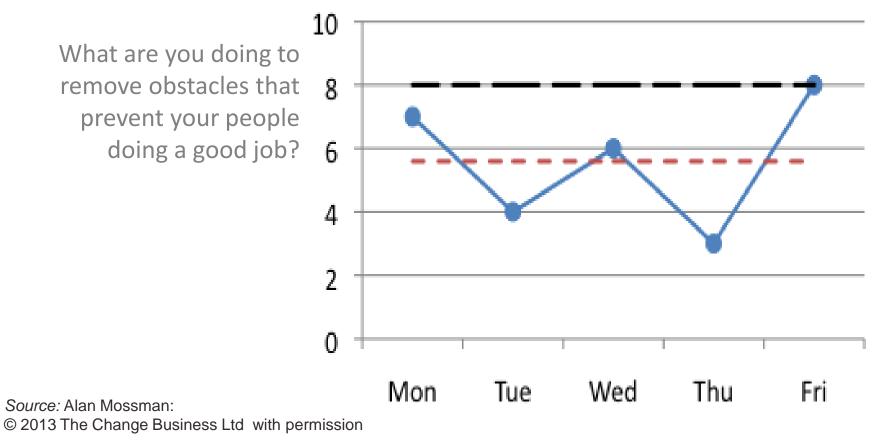












# The big %

People work in a system. The role of the manager is to work on the system to improve it with their help.

# How can we change the system?

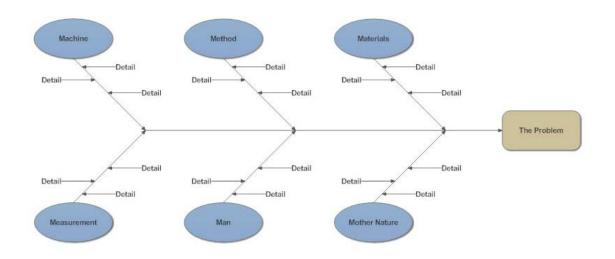
Time, cost, quality, safety, or morale--

# Which of these would you like to most improve for your company's projects?

# Brainstorm at least 10 possible reasons, then use these tools in this order:

(1) Ishikawa fishbone diagram
(2) Pareto chart
(3) 5 Why's Root Cause Analysis
(4) Use the root cause countermeasure to feed into the P-D-C-A Cycle and measure the change in outcome

# "Fixing the system": Key tools



Cause and Effect Diagram

# Where to put your greatest effort

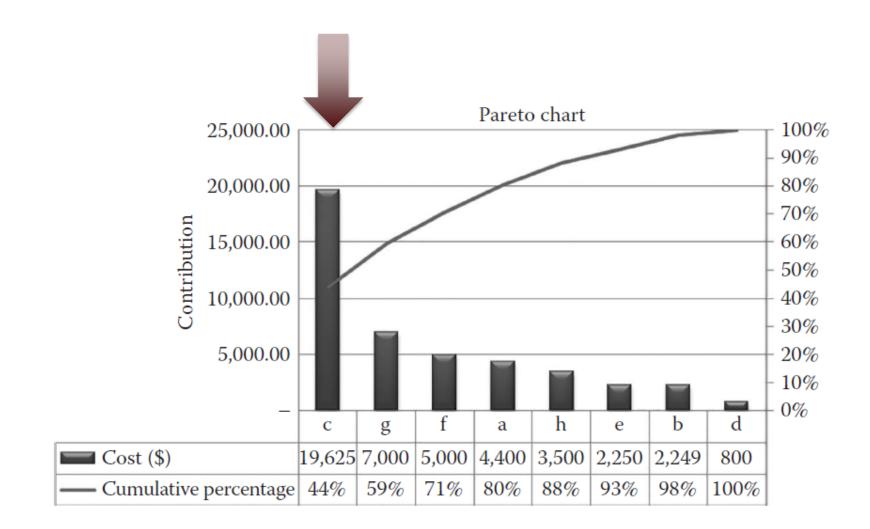
(i.e. Measure and then focus on the largest cause)

Item*	Category	Cost (\$)	Percentage	Cumulative Percentage
с	Not finished on time	19,625.00	44%	44%
g	Wrong window installed	7,000.00	16%	59%
f	Job not done properly	5,000.00	11%	71%
a	Code infraction	4,400.00	10%	80%
h	Damage during installation	3,500.00	8%	88%
e	Not starting on time	2,250.00	5%	93%
b	Leave job site dirty	2,249.00	5%	98%
d	Crew very rude	800.00	2%	100%
	•	44,824.00	100%	

Example of Table Used to Develop a Pareto Chart

*Source:* Adapted from Forbes, L.H., and Ahmed, S.M., *Modern Construction: Lean Project Delivery and Integrated Practices*, CRC Press, Boca Raton, FL, 2010 [as cited in Figure 9.13, p. 270]. Reprinted with permission from Taylor & Francis Group.

\**Note:* Items have been re-sorted in the order of decreasing magnitude to help the project manager focus on items responsible for the largest magnitude of impact.



Pareto Chart

### Fix the Root Cause (this offers the long-term solution!)

Example of Root Cause Analysis Using 5 Whys/Root Cause Analysis

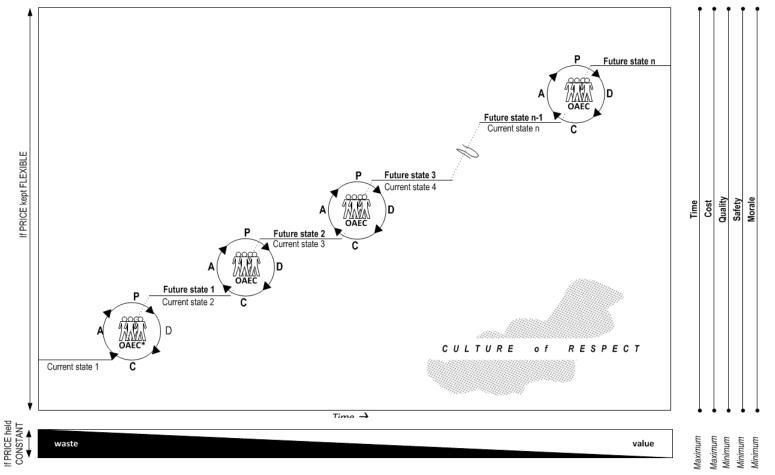
Level of Problem	Corresponding Level of Countermeasure	Result If Action Taken at This Point
There is a puddle of oil on the shop floor	Clean up the oil	Short-term solution
Because the machine is leaking oil	Fix the machine	//
Because the gasket has deteriorated	Replace the gasket	Mid-term solution
Because we bought gaskets made of inferior material	Change gaskets specifications	"
Because we got a good deal (price) on those gaskets	Change purchasing policies	"
Because the purchasing agent gets evaluated on short-term cost savings	Change the evaluation policy for purchasing agents	Long-term solution

*Source:* Liker, J.K., *The Toyota Way*, McGraw-Hill, New York, 2004 (as cited in Figure 20.1, p. 253). Reprinted with permission from McGraw-Hill.

The 5 Whys

# Lean Construction's Kaizen Stairway

Minimum Minimum Maximum Maximum Maximum



**\*OAEC:** Owner Architect Engineer Constructor (*collaborative*)

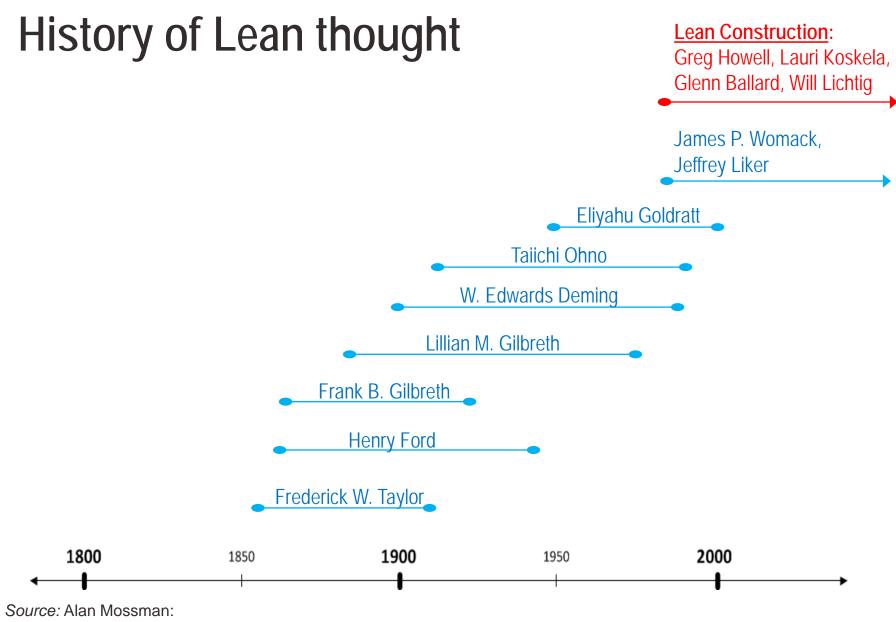
*Source:* **Rybkowski, Z. K.**, Abdelhamid, T., and Forbes, L. (2013). "On the back of a cocktail napkin: An exploration of graphic definitions of lean construction," <u>Proceedings of the 21<sup>th</sup> annual conference for the International Group for Lean Construction</u>; July 31-August 2, 2013: Fortaleza, Brazil, 83-92.

# History

# Of

# Lean





# Antecedent Contributors to Lean Thinking



#### Photo sources:

Frederick Taylor: <u>http://en.wikipedia.org/wiki/Frederick\_Winslow\_Taylor</u> Henry Ford: <u>http://www.spartacus.schoolnet.co.uk/USAford.htm</u> Frank B. Gilbreth: <u>http://www.lib.purdue.edu/spcol/manuscripts/fblg/</u> Lillian M. Gilbreth: <u>http://en.wikipedia.org/wiki/Lillian\_Moller\_Gilbreth</u> W. Edwards Deming: <u>http://en.wikipedia.org/wiki/W.\_Edwards\_Deming</u>







#### Photo sources:

Taiichi Ohno: http://www.gembapantarei.com/2012/03/masaaki\_imai\_remembers\_taiichi\_ohno.html Eliyahu M. Goldratt: http://alumnieen.wordpress.com/2011/06/19/fallece-eliyahu-m-goldratt-autor-de-la-teoria-de-las-limitaciones/ James P. Womack: http://www.amazon.com/James-P.-Womack/e/B000APGWAM Jeffrey Liker: http://www.strategy-business.com/article/08210?gko=60476



### **Pioneers of Lean Construction**



#### Photo sources:

Lauri Koskela: <u>http://www.edc.eng.cam.ac.uk/kim/people/laurie-koskela.html</u> Greg Howell: <u>http://www.leanconstruction.org/howellbio.htm</u> Glenn Ballard: <u>http://www.youtube.com/watch?v=dJyCpuR9xck</u> Will Lichtig: <u>http://www.centralvalleybusinesstimes.com/stories/001/?ID=17475</u>



# What is

# Lean Construction

?





### **Metrics of success**





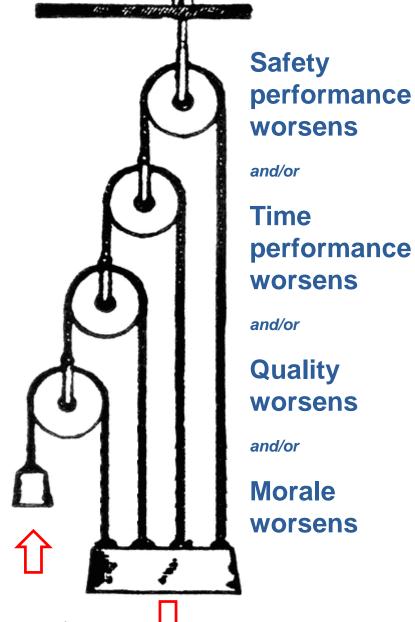
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Photo source: http://c12solutions.com/blog1/sustainability-green-business-models-fdu/



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# With TRADITIONAL delivery systems

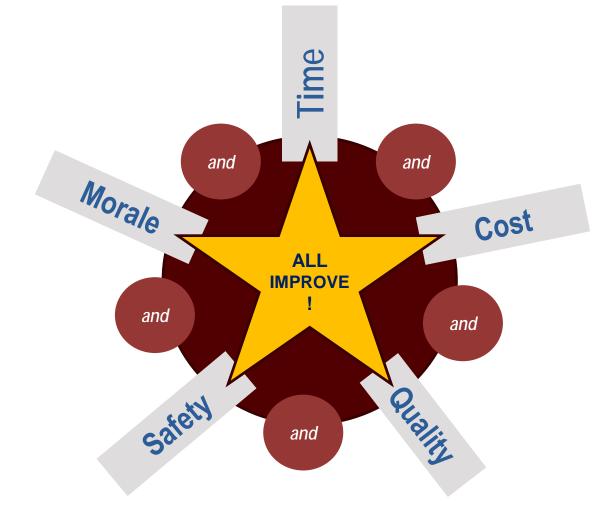


# If cost performance is improved

*Image source:* 

http://etc.usf.edu/clipart/26600/26614/pulleysysten\_26614.htm

### By contrast, With Lean Delivery System...



# Here's a succinct definition of Lean Construction:

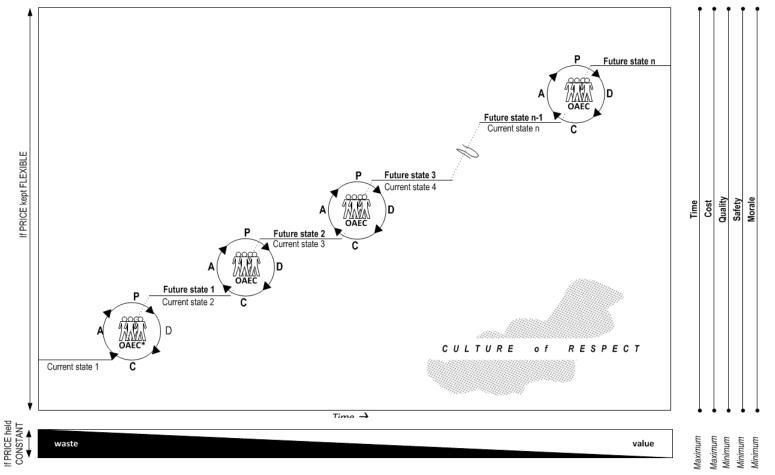
Reduce waste and add value using continuous improvement in a culture of respect.

*Source:* **Rybkowski, Z. K.**, Abdelhamid, T., and Forbes, L. (2013). "On the back of a cocktail napkin: An exploration of graphic definitions of lean construction," <u>Proceedings of the 21<sup>th</sup> annual conference for the International Group for Lean Construction;</u> July 31-August 2, 2013: Fortaleza, Brazil, 83-92



## Lean Construction's Kaizen Stairway

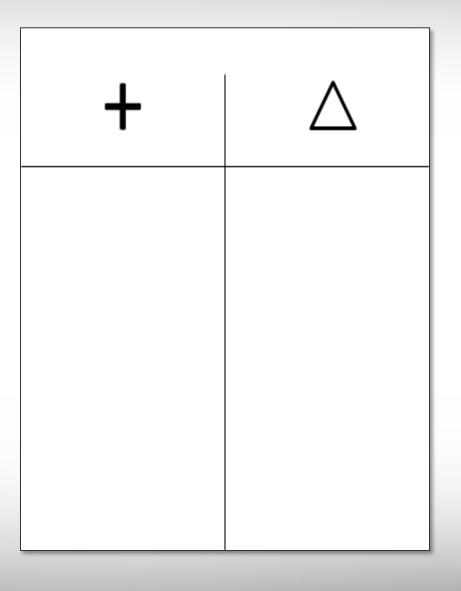
Minimum Minimum Maximum Maximum Maximum



**\*OAEC:** Owner Architect Engineer Constructor (*collaborative*)

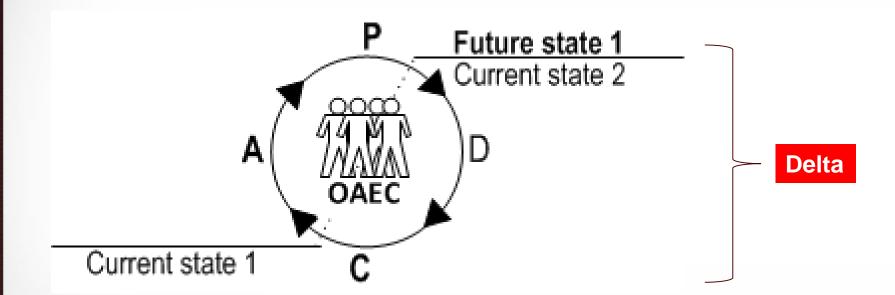
*Source:* **Rybkowski, Z. K.**, Abdelhamid, T., and Forbes, L. (2013). "On the back of a cocktail napkin: An exploration of graphic definitions of lean construction," <u>Proceedings of the 21<sup>th</sup> annual conference for the International Group for Lean Construction</u>; July 31-August 2, 2013: Fortaleza, Brazil, 83-92.

# **Critical tool for Lean**





# Engine of Lean Construction



Source: **Rybkowski, Z. K.**, Abdelhamid, T., and Forbes, L. (2013). "On the back of a cocktail napkin: An exploration of graphic definitions of lean construction," <u>Proceedings of the 21<sup>th</sup> annual conference for the International Group for Lean Construction;</u>

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<ul><li>37. VIETNAM</li><li>Long Duy Nguyen</li></ul>	2. BOLIVIA • http://bit.ly/LC-Bolivia • J. Waldo Marquez	5. CHILE • http://www.gepuc.cl • Prof Luis Alarcon	8. ECUADOR     Mario Fiallo     9. ESTONIA	12. GERMANY  • www.lean-im-bauwesen.de • http://www.lean-management-im-
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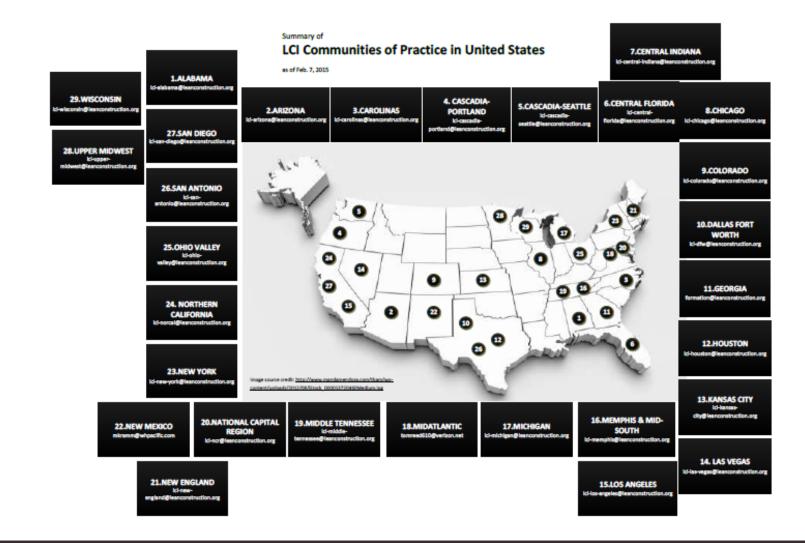
### Present growth of Lean-IPD (Internationally)

Formal Lean Construction presence/office



Published research on Lean Construction

Source credit (as of 2015): Alan Mossman



Present growth of Lean-IPD (in US)

#### Cost performance on some typical construction projects

Problematic construction projects (adapted from Forbes and Anmed 2011, p. 57)					
Name of Project	Budgeted cost	Final Cost	Growth of cost		
-	(\$ millions)	(\$ millions)	(%)		
Hanford Nuclear Facility (2001)	715	1,600	120		
Capitol Hill Visitor Center (2008)	265	621	134		
Denver Airport (1995)	1,700	4,800	180		
Boston Big Dig (2005)	2,600	14,600	460		

#### Decklometic construction projects (adapted from Farker and Alexand 2011 m

#### Cost performance on construction projects using TVD

Examples of cost results following Target Value Design exercises on reduction of capital cost (Glenn Ballard, personal communication, 2012)

Name of Project	Market cost	Final Cost	Reduction of cost
(SF)	(\$ millions)	(\$ millions)	
Project A	98,000,000	89,200,000	9.0
(368,882 SF)			
Project B	13,533,179	11,717,000	13.4
(114,000 SF)			
Project C	13,600,000	11,200,000	17.6
(75,362 SF)			
Project D:	22,000,000	17,900,000	18.6
(230,000 SF)			

#### Cost performance comparing traditional versus Lean-IPD case studies

Adapted from: Forbes, L. H., and Ahmed, S. M. (2011). Modern Construction: Lean Project Delivery and Integrated Practices, CRC Press, Boca Raton. Adapted from: Ball. (personal communication, 2012) . http://www.lcicanada.ca/communities/

## Lean

applied to

# **Real Projects**



**Lean-Integrated Project Delivery** (Lean-IPD) is rich and expansive, but currently focuses on:

- the Last Planner System of Production Control (LPS); and
- and **Target Value Design** (TVD).

Present practice of Lean-IPD



## **Last Planner System of Production Control (LPS)**





## Last Planner System of Production Control

*mage Source:* the ReAlignment Group of California, LLC http://danzpage.com/

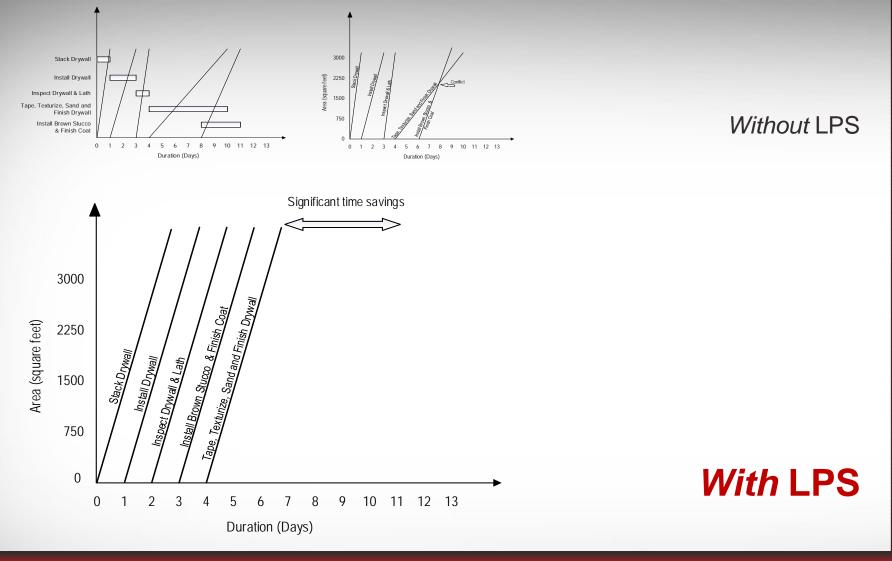




### Last Planner System of Production Control

Images Credit: the ReAlignment Group of California, LLC http://danzpage.com/

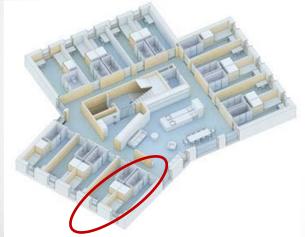




Last Planner: Flow and Takt Time

(Rybkowski, Z. K. and Forbes, 1201





### With LPS (Takt time)

### Last Planner: Flow and Takt Time



(Vatne and Drevland 2016)

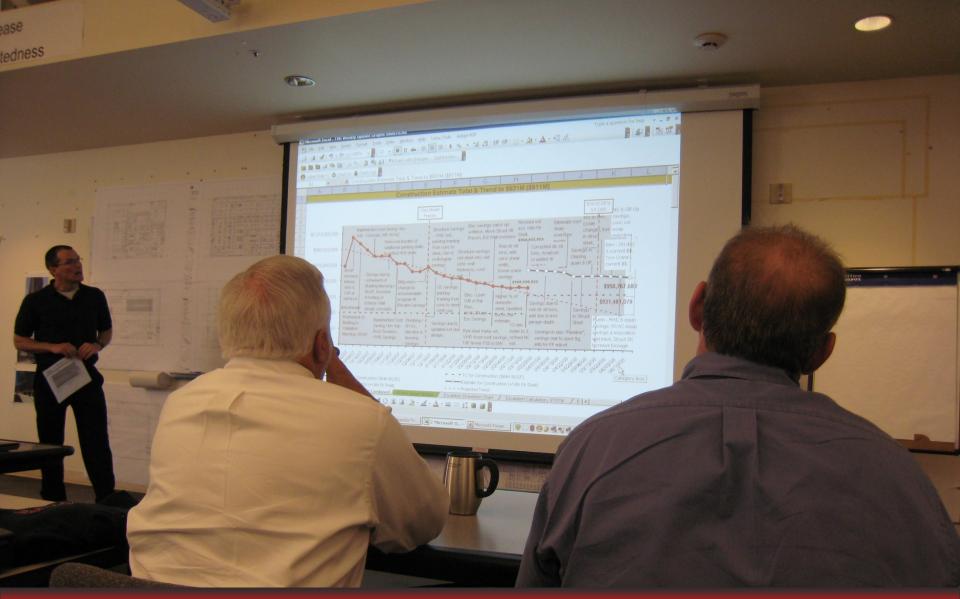
## **Target Value Design** (TVD)





Target Value Design (Sutter Health)

Image Source: Rybkowski 2009



Target Value Design (Sutter Health)

Image Source: Rybkowski 2009

### Zofia K. Rybkowski, PhD

Associate Professor Department of Construction Science College of Architecture Texas A&M University College Station, TX zrybkowski@tamu.edu

### **Education & Professional Experience**

