
Production System Design: Work Structuring Revisited

LCI White Paper #11

by

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ABSTRACT

A guide is proposed for the design of production systems, which are understood to involve both designing and making products. Production system design is called “work structuring” and serves the three goals of production systems: do the job, maximize value, and minimize waste. For each of the latter two, ends-means hierarchies are proposed that progressively answer the question “What should we do to achieve a goal?”, moving from desired ends to actionable means.

MAXIMIZING VALUE AND MINIMIZING WASTE: UNIVERSAL GOALS

Work Structuring¹ is a primary component of the Lean Project Delivery System². Its fundamental purpose is production system design³, which extends from global organization to the design of operations; e.g., from decisions regarding who is to be involved in what roles to decisions regarding how the physical work will be accomplished. Previously, project planning has focused primarily on organizational structuring and creation of work breakdown structures that divide the work to be done. We propose to include the production system itself, which has been virtually invisible and taken for granted. Doing so necessarily involves moving from a conception of production solely in terms of transformation of inputs to the TFV concept of production advocated by Lauri Koskela⁴. TFV adds conceptions of production as consisting of flows of materials and information through networks of specialists, and the conception of production in terms of the generation of customer value.

Creating the conditions for system control and improvement is included in systems design. However, guidelines and techniques for applying control and making improvements lie beyond design and will be treated in later papers.

In the lean approach, products are designed to provide maximum value to their purchasers and users. On the other hand, production systems are designed to achieve the purposes of both their customers and those who ‘deliver’ the system, the producers. Those purposes may vary greatly, but production systems as such have goals that are

¹ See LCI White Paper #5 at www.leanconstruction.org.

² See LCI White Paper #8 at www.leanconstruction.org.

³ For an approach to the design of manufacturing systems (i.e., ‘making’ only), see <http://psd.mit.edu/>.

⁴ Koskela, Lauri (2000). *An exploration towards a production theory and its application to construction*. PhD Dissertation, VTT Building Technology, Espoo, Finland. 296 p., VTT Publications: 408. Available at www.leanconstruction.org

appropriate for all such purposes; i.e., maximize value and minimize waste. A brief digression is necessary in order to lay the groundwork for this key idea.

What is the relationship between the concepts of waste, cost, and value?

Products have value only to the extent that they can be used to fulfill purposes. A product may be said to be more valuable either if it allows greater fulfillment of purpose or fulfills purpose at less cost. A product that does not fulfill purpose has no value regardless of its cost. The cost of products is what must be sacrificed in exchange for their use and can be divided between cost to acquire and cost to use.

Markets are mechanisms for exchange and a means for determining product prices. Although many factors may influence what price a buyer actually pays for a product (not least, having the means to pay!), generally what a buyer is willing to pay for a product is a measure of its value to the buyer—the more valuable, the more a buyer is willing to pay, and vice versa. Paying more than necessary to acquire a product is considered to be waste, one type of which is ‘avoidable cost’. This is the concept of ‘cost to acquire’.

There is also a concept of ‘cost to use’, which is related to how well the product fulfills the purposes of its user (which may or may not also be its buyer). A product that costs more to maintain or has a shorter useful life is considered less valuable. Environmental impacts of use and disposal are included in ‘cost to use’.

Finally, there is the concept of cost to produce. The concept of waste is most firmly related to the cost to produce, minimization of which is desirable. However, minimization of production time is also desirable and in ways that are not always easily monetized.

Maximizing value gives the producer the greatest leverage over pricing. Maximizing value and minimizing waste generates the greatest profit, the difference between price and cost. Consequently, regardless of specific business strategies, profit-seeking producers should strive to maximize value and minimize waste. This also holds true for so-called non-profit organizations.

In what circumstances would it not be in the interest of producers to maximize value or minimize waste? A few come to mind: 1) When producers make money from waste, and 2) When generating value for customers reduces value for producers. For example, producers make money from waste when changes are exploited as a primary source of profit. Inadequate design combined with design-bid-build may leave the construction contractor no alternative but to rely on design errors and omissions to make the contract profitable. As regards the second circumstance, generating value for customers reduces value for producers when there is a choice between increasing the producer’s profit and investing some of that potential profit in upgrading the product through selection of systems, equipment, or parts. Does the fact that producer and customer interests sometimes conflict in the traditional production system invalidate the claim that value and waste are universal goals? We suggest that the conclusion should rather be to structure production systems to avoid such contradictions, which arise because of the way production systems are structured.

Customer purposes may vary widely, from immediate profit generation to market expansion to ease of operation to wanting to delight your mother with a birthday gift. Generating value for customers is to better enable them to realize their purposes.

Minimizing waste in the production may reduce the customer's cost or may increase the producer's profit. Either way, it is an appropriate goal.

Clearly there can be conflicts between the values of producers and customers, between various customers, or between various producers as we face production system design decisions. Aligning interests is a critical element in production system design, but tradeoffs are unavoidable, just as they are unavoidable in product design when there are multiple customers. The unending pursuit of perfection is in large part driven by the desire to elevate the level at which tradeoffs must be made. An example: The level at which time-cost tradeoffs are made is determined by the degree of variability in the system, which can be represented by PPC (percent plan complete). Higher PPC (lower variability) allows greater resource utilization at a given pace of production, or a faster production rate at a given level of resource utilization, thus 'elevating' the level at which the time-cost tradeoff is made.

A warning: Even though maximizing value and minimizing waste are universal goals of project-based producers, nonetheless it is vitally important for producers to decide on business objectives and strategies. As producers get better at designing, operating, and improving (aka, managing) production systems, they often must change the commercial structures in which they work in order to reap those gains. For example, if a producer conceives itself as a service provider and structures contracts to be paid for time provided, the commercial incentive is to spend more time rather than less. As it learns how to do more in less time, this contradiction between commercial objectives and production system capabilities must be resolved. Typically it is resolved by moving from service provider to product provider. But that is a story for another day.

A 3rd Goal for Production Systems

Lauri Koskela proposes a third production system goal⁵. Along with maximizing value and minimizing waste, he adds producing the product, a goal so obvious that it can easily be overlooked. This goal is principally pursued in traditional project design through the development of a work breakdown structure. This 'WBS' divides the total work scope into its elements, and typically is mated with an organizational breakdown structure, which assigns responsibility for 'delivery' of those elements. This guide to production system design is intended to be an alternative to WBS/OBS, appropriate for the TFV (task-flow-value) concept of production as distinct from task only.

The assumptions behind WBS/OBS are flawed: work scope is not divisible into independent elements. Project elements are typically interdependent. Value is delivered because the whole is more than the sum of the parts; i.e., value emerges from interdependence. That flawed conception is the result of a truncated concept of production. However, the task view is a legitimate part of the TFV concept. We suggest that this is, considered within the TFV concept, the realm of contracts between

⁵ Koskela, Lauri (2000). *An exploration towards a production theory and its application to construction*. PhD Dissertation, VTT Building Technology, Espoo, Finland. 296 p., VTT Publications: 408. Available at www.leanconstruction.org

production systems; contracts being the means for coordinating the actions of multiple systems. In the case of project-based production systems, contracts link the temporary system to the larger complex of production systems that exist independently of the project.

It is inappropriate to conceive contracts exclusively in terms of transactions; i.e., the exchange of commodities. Contracts can also be relational; e.g. getting married versus buying a loaf of bread. The contracts that stitch together the elements of project production systems are relational. Misconceiving them in terms of transactions promotes enforcing conformance to contractual agreements, regardless of changes in project objectives, and neglecting the interdependence of production system members.

In any case, in this paper, we neglect the third production system goal, which we intend to treat in future papers.

Uses of this design guide

The following guide for design of project-based production systems differs from those developed for manufacturing systems primarily in the conceptualization of production to include both the designing and making of products. System design is obviously the primary application for this design guide. However, there are also two additional applications. One is for identifying where there are gaps in the research agenda. What do we need to learn how to do or how to do better? Another application is for those implementing the concepts, processes, and techniques developed in research. What are the competencies that need to be developed or strengthened by a producer?

What follows are ends-means hierarchies arranged in outline form. We present the hierarchies for each of the production system goals separately, initially presenting the first three levels, then adding more detailed, actionable levels one at a time.

ENDS-MEANS HIERARCHIES

Maximize Value: Levels 1-3 (Level 1=Maximize Value)

- Deliver products that enable customers to better accomplish their purposes
 - Structure work for value generation
 - Understand, critique, & expand customer purposes
 - Increase system control (ability to realize purposes)
- Deliver projects on time/Reduce cycle time variation
 - Minimize production disruptions
 - Respond rapidly to production disruptions

How maximize value? By delivering products that enable customers to better accomplish their purposes and by delivering those products when they are needed.

How deliver products that...? By structuring work for value generation, by understanding, critiquing, and expanding customer purposes, and by increasing the ability to realize purposes⁶.

Each of these can in turn be expanded into a hierarchy of means that progressively become less goal-like and more actionable.

Maximize Value: Levels 1-4

- Deliver products that enable customers to better accomplish their purposes
 - Structure work for value generation
 - *Align stakeholder interests*
 - *Organize in cross functional teams*
 - *Increase positive iteration*
 - Understand, critique, & expand customer purposes
 - *Use a collaborative project definition process*
 - *Use a set based strategy in design*
 - *Design for all life cycle stages*
 - *Inspect against purposes*
 - Increase system control (ability to realize purposes)
 - *Focus control on the complete system*
 - *Simplify the system (reduce the number of parts and linkages)*
 - *Increase system transparency*
 - *Use Last Planner system of production control⁷*
 - *Reduce variability, including latent product defects⁸*
- Deliver products on time/Reduce cycle time variation
 - Minimize production disruptions
 - *Increase system control*
 - *Reduce variability*
 - Respond rapidly to production disruptions
 - *Use the Last Planner system of production control*

⁶ Project control is usually conceived with the purpose of minimizing negative variance from planned cost and schedule, typically within a contract management perspective, but sometimes dedicated to reducing waste. We suggest that the purpose of control is not only to reduce waste, but more actively, to cause a desired rate and sequence of work to be done so those various work flows are coordinated. It is the coordination of work flows that reduces waste and also increases the ability to realize purposes; i.e., generate value.

⁷ See “Shielding Production” at www.leanconstruction.org.

⁸ Variability can be either of product or process, both understood as variation from an expected or desired state. Some variation is a result of how products and processes are designed and controlled. Some is natural and unavoidable, but only quantifiable within the context of management action. Consequently, the pursuit of perfection progressively minimizes variation, approaching ever more closely its natural limits.

For example, how might we “understand, critique, and expand customer purposes”? By using a collaborative project definition process, by using a set based strategy in design, by designing for all life cycle stages (and the customers of our product in each of those stages), and by inspecting/evaluating prospective or actual system outputs against customer purposes.

A similar ends-means hierarchy can be generated for the goal of minimizing waste, of which there are four basic types: defective products, lack of flow, lost capacity, and avoidable cost⁹.

Minimize Waste: Levels 1-3

- Reduce defective products
 - Improve supplier quality and on-time delivery
 - Improve the quality of intermediate products within the production process, either design or construction
- Make materials and information flow/reduce cycle times (i.e., minimize time mtl's or info spend being inspected, reworked, waiting in queues, being processed, or moving)
 - Structure work for flow
 - Control work for flow
 - Reduce inventories (time spent waiting in queues)
 - Reduce inspection time
 - Reduce processing times
 - Reduce rework time
 - Reduce time materials and information spend being moved and not processed
- Get more from less
 - Increase resource productivity, aka realized capacity (but subordinate to value, defect minimization, & flow)
 - Reduce the cost of acquiring resources, materials, and information
 - Reduce the cost of using materials and information¹⁰

Defects may linger hidden in products after they are delivered to customers. Such defects are categorized under the value heading in this analysis because they reduce the value provided customers. Defects within the production process may be attacked within the suppliers' production systems or within the project production system.

Flow is a fundamental concept indicating the production system's striving for instant delivery. As such, it incorporates both continuity (not stopping) and speed. The coordination of multiple flows is important in all production systems, but especially in project-based production systems like construction because of the complexity of products

⁹ The first three of these categories of waste are groupings of the types of waste proposed by Ohno. Avoidable cost is an added category.

¹⁰ An example: “Critical Success Factors” adopted by Malling Products in the U.K. are defined as 100% Reliability, Lead Time Towards Zero, Six Sigma Quality, Zero Safety Incidents & Suggestions for Improvement by Team Members. All are in support of the ideals outlined in this paper. None address traditional measurements such as cost, ROI, etc.

and the number of suppliers. Coordination of flows obviously reduces delays and rework, but is largely achieved through planning and control. Consequently coordination of multiple flows is considered on the value side of the hierarchy.

Resources are things that can bear load and have limited capacities; e.g., labor, tools, equipment, space, and time. Resource management can be divided between acquisition and use. Getting the most out of resources once they have been acquired has traditionally been pursued under the rubric of ‘productivity improvement’. Minimizing the cost of acquiring those resources also reduces waste, but is subordinate to productivity improvement because of the latter’s impact on production system performance.

A caution about resource productivity: In the construction industry, there has been a tendency to optimize resource productivity locally to the detriment of system performance. Within the lean framework, resource productivity improvement is subordinate to the goals of value generation and waste reduction.

The first task is to achieve a certain level of flow (speed) and defect performance (quality), including the location of capacity buffers as needed to absorb variability without sacrificing cycle time, should minimizing delivery time be valuable. Then, a follow-on task is to reduce the resources needed to maintain or improve that level of flow and defect performance. In no case should flow or defect rate be allowed to worsen in order to improve resource utilization or productivity.

It may also be useful to note that the above hierarchy applies equally well to both designing and making. For example, improving the quality and on-time delivery of design ‘products’ from external suppliers is certainly appropriate. As is increasing the flow of information in design by reducing batch sizes, reducing rework, etc.

Minimize Waste: Levels 1-4

- Reduce defective products
 - Improve supplier quality and on-time delivery
 - *Reduce the number of suppliers and engage them in pursuit of the lean ideal*
 - *Actively learn with suppliers from project to project*
 - *Require evidence of product compliance from suppliers*
 - Improve the quality of intermediate products
 - *Improve design constructability*
 - *Use in-process inspection*
 - *Pay after inspection/quality assurance*
 - *Use commissioning processes¹¹ to demonstrate system and facility functionality and capacity*

¹¹ Commissioning is a set of formal procedures for assuring that what is delivered to customers meets their needs. It typically includes some means for assessing the adequacy of design, conformance of products to the design (including testing and integration of subsystems into functional facility systems), and preparation of the customer for assuming custody and control, as in operator training. It may also include some type of post occupancy evaluation.

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- Make materials and information flow/reduce cycle times (i.e., minimize time mtl's or info spend being inspected, reworked, waiting in queues, being processed, or moving)
 - Structure work for flow
 - *type, size, & locate buffers to absorb variability & match the value of time vs cost for this customer*
 - *Make throughput=demand rate (avoid overproduction [waste] and underproduction [loss of value])*
 - *Structure work in continuous flow processes when feasible*
 - *Layout for flow*
 - *Simplify site installation to final assembly and commissioning*
 - *Minimize negative iteration in design*
 - Control work for flow
 - *Use the Last Planner system of production control*
 - Reduce inventories (time spent waiting in queues)
 - *Reduce variability (a primary reason for inventories)*
 - *Reduce transfer batch sizes (get stuff out of queues asap)*
 - *Reduce setup times (a 'cost' that constrains inventory reduction)*
 - *Pull mats & information through the production system¹²*
 - Reduce inspection time
 - *Make inspection unnecessary or automatic; aka, pokayoke*
 - *Incorporate inspection in processing time*
 - Reduce processing times
 - *Reduce process batches*
 - *Redesign products to require less processing time*
 - *Apply technology that reduces processing time*
 - Reduce rework time
 - *Do in-process inspection*
 - *Identify and act on causes of defective work*
 - Reduce time materials and information spend being moved and not processed
 - *Reduce 'distances' over which materials and information are to be moved*
 - *Increase movement speed*
 - *Reduce the number of moves; e.g., strive for 'one touch' matl hdlg on site*
 - Get more from less

Commissioning has long been done in industrial facilities, especially those involving continuous flow processes (pharmaceuticals, petroleum, etc.), but is now becoming popular in commercial building, especially as buildings go more high-tech. For more information, see the website of the Building Commissioning Association: <http://www.bcx.org/>.

¹² Pull is not a universal means, but rather requires satisfaction of the condition that lead times fall within the window of reliability; i.e., the time in advance that future states of the production system can be accurately forecast. Given the long lead times for many components and services, together with the small windows of reliability now characteristic of the construction industry, push mechanisms will inevitably be needed for some time to come, and perhaps always in some degree. The structuring of pull/push mechanisms is a much needed area for research.

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- Increase resource productivity, aka realized capacity (but subordinate to value & flow)
 - *Increase resource utilization*
 - *Increase resource fruitfulness*
 - *Assign tasks where they can best be done; e.g., shift detailed eng. to suppliers*
 - Reduce the cost of acquiring resources, materials, and information
 - *Reduce transaction costs*
 - *Reduce purchase prices*
 - Reduce the cost of using materials and information
 - *Reduce material scrap*
 - *Reduce unneeded work space*
 - *Reduce 'emissions'*

Minimize Waste: All Levels

- Reduce defective products
 - Improve supplier quality and on-time delivery
 - Reduce the number of suppliers and engage them in pursuit of the lean ideal
 - Actively learn with suppliers from project to project
 - Require evidence of product compliance from suppliers
 - Improve the quality of intermediate products
 - Improve design constructability
 - Use in-process inspection
 - Pay after inspection/quality assurance
 - Use commissioning processes to demonstrate system and facility functionality and capacity
- Make materials and information flow/reduce cycle times (i.e., minimize time mtl's or info spend being inspected, reworked, waiting in queues, being processed, or moving)
 - Structure work for flow
 - type, size, & locate buffers to absorb variability & match the value of time vs cost for this customer
 - Make throughput=demand rate (avoid overproduction [waste] and underproduction [loss of value])
 - *Match bottleneck capacity to demand rate*
 - *Pull materials and information through the production system*
 - Structure work in continuous flow processes when feasible
 - *Balance processing times of the production units*
 - *Use multiskilled workers to smooth work flow between production units*
 - Layout for flow
 - Simplify site installation to final assembly and commissioning
 - Minimize negative iteration in design

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- *Use the Design Structure Matrix (DSM)¹³ to eliminate avoidable iteration*
 - *Use strategies for reducing negative iteration at team assignment level*
 - *Accelerate iteration through team sessions*
 - *Design to the upper end of interval estimates; e.g., loads*
 - *Shift overdesign where estimates can best be made or overdesign can be done at least cost*
 - Control work for flow
 - Use the Last Planner system of production control
 - *Try to make only assignments with the following quality characteristics: definition, soundness, sequence, size, learning*
 - *Measure plan reliability*
 - *Identify and act on root causes of plan failure*
 - *Explode scheduled tasks as they enter the project lookahead window (typically 3-12 weeks)*
 - *Analyze lookahead tasks for constraints and act to remove those constraints*
 - *Allow lookahead tasks to maintain their scheduled dates only if they can be made ready in time*
 - *Balance load and capacity by retarding/advancing scheduled tasks and/or reducing/increasing resources*
 - Reduce inspection time
 - Make inspection unnecessary or automatic; aka, pokayoke
 - Incorporate inspection in processing time
 - Reduce inventories (time spent waiting in queues)
 - Reduce variability (a primary reason for inventories)
 - *Underload resources¹⁴*
 - *Identify & act on causes of variability*
 - Reduce transfer batch sizes (get stuff out of queues asap)
 - Reduce setup times (a 'cost' that constrains inventory reduction)
 - Pull matls & information through the production system
 - Reduce processing times
 - Reduce process batches
 - Redesign products to require less processing time
 - Apply technology that reduces processing time
 - Reduce rework time
 - Do in-process inspection
 - Identify and act on causes of defective work
 - Reduce time materials and information spend moving
 - Reduce 'distances' over which materials and information are to be moved

¹³ See LCI White Paper #10 at www.leanconstruction.org.

¹⁴ Strictly speaking, underloading is a means for reacting to or accommodating variability at the work station where it is implemented, but also reduces work flow variability at downstream work stations.

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- Increase movement speed
 - Reduce the number of moves; e.g., strive for ‘one touch’ matl hdlg on site
 - Get more from less
 - Increase resource productivity, aka realized capacity (but subordinate to value & flow)
 - Increase resource utilization
 - *Match load & capacity (have sufficient load to utilize available capacity)*
 - *Reduce system variability (allows greater utilization for a given throughput rate)*
 - Increase resource fruitfulness
 - *Develop skills*
 - *Improve design for fabrication and installation*
 - *Assign tasks where they can best be done; e.g., shift detailed eng. to suppliers*
 - Reduce the cost of acquiring resources, materials, and information
 - Reduce transaction costs
 - Reduce purchase prices
 - Reduce the cost of using materials and information
 - Reduce material scrap
 - Reduce unneeded work space
 - Reduce ‘emissions’

APPLICATION OF THE DESIGN GUIDE

Priorities

Considering tradeoffs, value generation has priority over waste reduction. In other words, when faced with a choice between generating value and reducing waste, choose value generation. Granted, waste may make the product prohibitively expensive; i.e., despite its value, the customer either cannot afford to pay for it or system waste delays its delivery beyond the point that the product is needed by the customer. When that occurs, the best way to generate value may be to reduce waste. Clearly the priority of value generation over waste reduction is not a simple matter of choosing between alternative actions, as is perhaps clear from the number of instances in which the same means are listed for both ends. However, in all cases, value generation has the higher priority as a goal. Waste reduction emerges as a goal in its own right, rather than a means for achieving the goal of value delivery, for producers rather than customers.

Moving from value generation to waste reduction is also typically the temporal order of design, implementation, and improvement. Within waste reduction, flow and defect reduction have priority over getting more from less., because of the greater impact of the former on system performance.

Metrics

Measurements at lower levels may be useful, but the primary measures of production system performance are at Level 2:

- Deliver products that enable customers to better accomplish their purposes: customer surveys and post-occupancy evaluations
- Deliver products on time: on-time delivery rates
- Make materials and information flow: process flow analysis and project durations (cycle times)
- Get more from less: productivity measurements, costs, scrap rates, etc.
- Reduce defective products and process: % product defects discovered at various process stages and % process defects such as safety and health incidents.

Of the above, some work remains to be done on post-occupancy evaluations and on process flow analysis. Equally important is to instill the discipline of analyzing defects and failures to root causes and acting on those causes.

Designing a Project-Based Production System

Now that we have a hierarchy of ends and means, how might it be used in production system design—especially of project-based production systems?

One use is to answer specific questions of technique; e.g., ‘How do we go about reducing inventories?’. Another use is as a guide to making investment decisions; e.g., ‘Which is more important on this project, keeping the client’s cost within his budget or accelerating project completion?’ Further, like all checklists, the hierarchy can serve as a reminder lest something vital be overlooked. For example, has sufficient consideration been given to minimizing environmental impacts from operation of the facility? Lastly, the hierarchy can be used as a template for construction of system models for simulating alternative designs.

INNOVATIONS PROPOSED IN THIS PAPER

- Conceptualization of work structuring as production system design.
- Maximizing value and minimizing waste are universal goals for producers, regardless of their specific business objectives and strategies.
- Conceptualization of value generation in terms of producer as well as customer purposes.
- Understanding of control as a means for generating greater value, based on control being better accomplishment of purposes.
- Conceptualization of flow as the progression of intermediate products (materials or information) through the production system, as opposed to the traditional lean production/manufacturing conceptualization of flow as all temporal states of materials other than processing; i.e., as non-value-adding states of materials.

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- Categorization of waste into defective products, lack of flow, lost capacity, and avoidable cost.
 - Conceptualization of flow as the system's innate striving for instantaneous delivery and hence minimization of cycle time.
 - Creation of the category: Get More From Less.

NEEDED RESEARCH

Given the above ends-means hierarchies, what do they reveal about needed research? Are there ends for which means need to be developed, tested, or improved? We suggest the following areas where research is needed right away and also show where LCI's current research projects fit into the systems design model:

- *Understand, critique, and expand customer purposes.*
LCI's research project ***Lean Design*** is dedicated to experimental implementation of the processes outlined in LCI White Papers 9 (Project Definition) & 10 (Lean Design).
- *Organize in cross functional teams.*
Experimentation is needed in bringing downstream players into upstream phases, structuring commercial relationships, aligning interests, specifying roles and responsibilities, etc. LCI's research project ***Specialty Contractors in Design*** is tackling this problem as regards involvement of specialty contractors in preconstruction processes.
- *Increase system transparency.*
While many things can be done to increase system transparency, including organizing in cross functional teams and aligning stakeholder interests, a primary area needing development is the application of information technology for this purpose. LCI is allied, along with other organizations, with Reality Capture Technologies in a proposal to NIST's Advanced Technology Program for funding to apply IT to increasing system transparency.
- *Matching buffer type, location, and size to actual variability.*
What's needed is measurement of actual variabilities: processing durations, on-time deliveries, defect rates, etc. Buffer engineering itself doesn't appear to be problematic. This topic is included in Todd Zabelle's research on ***Taking Fab Shops Lean***.
- *Structure work in continuous flow processes.*
Experimental work is needed to see what work can be structured as continuous flow processes and how such processes are best managed. LCI's research project ***Incorporating First Run Studies into Make Ready Processes*** will involve structuring continuous flow processes, as will LCI's research project ***Cycle Time Reduction in Residential Construction*** and Todd Zabelle's ***Taking Fab Shops Lean***. The latter two projects explicitly consider multiskilling and self-directed work teams.
- *Simplify site installation to final assembly and commissioning.*
Obviously modularization and prefabrication are critical elements here. Research is needed to determine the fabrication precision needed, explore the interaction of tolerances, and develop strategies for developing needed supply chain capabilities.

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- *Minimize negative iteration in design.*
Experimental application of the Design Structure Matrix and the strategies for team management of looped design tasks is included in LCI's ***Lean Design*** research project.
 - *Reduce inspection time.*
This is one of the foci of LCI's research project on ***Project Completion***.
 - *Reduce rework time.*
This is one of the foci of LCI's research project on ***Project Completion***.
 - *Improve supplier quality and on-time delivery.*
Research is needed on the formation and management of teams of specialists dedicated to the lean ideal. Some work is being done by LCI on this topic in conjunction with N.L. Barnes, Inc. It is also part of LCI's research project ***Cycle Time Reduction in Residential Construction***.
 - *Improve installation quality.*
This is one of the foci of LCI's research project on ***Project Completion***.

This is certainly not an exhaustive list of research needs or of research initiatives. We have only listed research projects being carried out directly by LCI, excluding even PhD research being done under Tommelein or Ballard. As for needs, almost every item in the hierarchy could be further developed. However, for the most part, we believe that the conceptual model has been developed and what is now needed is systematic experimentation with concepts and techniques. We offer this model to the international research community as a framework within which to further develop lean construction.

Please communicate comments and questions to Glenn Ballard at gballar@pacbell.net.