



MAY 29, 2014

Sustaining Sponsor



The Construction Owners Association of America (COAA) Spring meeting just took place in Houston, TX

CoP Corner

LCI Chicago Community of Practice asks Illinois Institute of Technology to appoint Lean-knowledgeable

academic: The Chicago CoP has long benefited from the leadership and support of Professor Cindy Menches of IIT, a founding member of the group. When Prof. Menches left IIT for another opportunity out of state, a number of local leaders in design and construction firms, as well as one owner organization, formally requested IIT to select a suitable, Lean-knowledgeable replacement. Their letter may be read [here](#). We consistently encourage all LCI CoPs to cultivate ties with their local design- and construction-related departments of higher education, and perhaps Chicago's example may stimulate others to consider advocating for enhanced involvement of

Their three-day program included insights on current economic challenges, as well as considerable discussion of the importance of collaboration in project delivery. (COAA members tend to be drawn heavily from institutional, especially higher education, owner organizations.) The agenda included many references to IPD and the importance of collaboration, in several cases including mention of Lean Construction techniques. Much dialogue centered on the critical role (and looming shortages) of trade contractor talent at all levels. It was noted that subcontractor working capital had been "crushed" in recent years, leading in some cases to the collapse of firms and project cost impacts that greatly exceed the specific value of the subcontracts. As less stable companies go out of business, a "flight to quality" is occurring: high-performing trade contractors can afford to be choosy about the business they are willing to take on. Owners and GCs with a track record of late payment, excessive contract withholding, and assignment of unreasonable risk to their trade partners will find it difficult or impossible to recruit capable firms; subs burned in the recession are reacting accordingly. Good talent also is driving higher salary costs, with annual 5% increases now replacing the 2% baseline more common during the recession years. The upshot: project cost escalation for owners is a significant and growing issue. The major eastern cities were singled out as major, but not unique, examples.

On the positive side, it was noted by one major national trade partner that IPD is really "taking off" in the field,

...with a marked shift even since last summer toward "more innovative" delivery methodologies. Firms are pleasantly surprised at the benefits and payoff of co-location and other collaborative techniques that elicit new ideas from foremen and

Lean educators from institutions in their back yards. Thanks for sharing, Chicago!

The National Capital Region CoP hosted David MacNeel (On Point Lean Consulting) in presenting an Intro to Lean May 20th. Some 40 attendees heard an exploration of Lean foundational principles and their application to the design and construction of capital projects. Through various exercises, simulations, and lecture, they learned the essentials and an introduction to the tools and processes that are making projects significantly safer, faster, and less costly than traditional delivery. Keep an eye out for other National Lean seminars around the country, and if you would like a similar session set up for your local CoP, let us hear from your core group and we will help facilitate it.

Every month on our calls there is a CoP Spotlight. We would like to thank the Carolinas CoP for being out Spotlight CoP on this past month's call and Eli Mastin from the Upper Midwest CoP for presenting on how he gets Owners involved in his CoP. Nor Cal will be the Spotlight CoP on our call next month so tune in for what promises to be a great presentation about how they keep their events going and their CoP alive.

others not traditionally encouraged to contribute outside their unique work domains. One Linbeck-inspired panel discussion featured owner, designer and contractor representatives all talking about how a Lean project succeeded in spades in terms of cost and schedule savings on a project in which the goal was to meet the delivery schedule at all costs. Five "must haves" to achieve what was termed this "hypertrack project schedule" included: 1. The owner must support the goal. 2. The contractor and architect must be on board early. 3. Leadership must be available and able to make decisions. 4. Design must be standardized. 5. Implement Lean Construction principles. Obviously owner support goes a long way toward achieving the successes enabled by the five "must haves," a fact hopefully not lost on the many owner reps in the audience.



LCI Congress San Francisco (October 7-10, 2014) – abstracts by the numbers

We have reached record numbers of submissions of Congress abstracts this year, and the content is as diverse as ever. The feedback showcases how the community has grown over the years. As we review and work with the presenters over the coming weeks to develop the program, here are some numbers and stats to highlight what the 2014 Congress will have in store: Over 90 abstracts submitted, from 219 unique presenters, representing 126 different organizations (including 35 owners), spanning 8 countries. And the content spectrum is just as diverse, from the owner's business case to post-occupancy operations, internal Lean journeys, as well as project teams, the varied presenter list will speak to all supply chain members, whether you are just starting your journey or looking to push the envelope. With a focus on the People, the Process, and the Performance of Lean in the design and construction industry, this year's Congress is well on its way to being the most impactful yet. By the way, both **Red and Silver level sponsorships for Congress have been temporarily reopened.** For more information or to sponsor, contact

On June 26th the Wisconsin CoP is having an event at Burger Boat Company. Come and take a tour of their facility, hear about their Lean Journey and see how Lean Construction practices and principals are applied to one-off custom yacht construction.

Words of Wisdom

From How Buildings Learn, Stewart Brand, 1994, p. 209. "Loved buildings are the ones that work well, that suit the people in them, and that show their age and history. All it takes is keeping most everything that works, most everything that is enjoyed, much of what doesn't get in the way, and helping the rest evolve. That goes better if the place is neither owned nor maintained by remote antagonists, because they distance the building from its users. What makes a building learn is its physical connection to the people within. Finally, an adapted state is not an end state. A successful building has to be periodically challenged and refreshed, or it will turn into a beautiful corpse. The scaffolding was never taken completely down around Europe's medieval cathedrals because that would imply that they were finished and perfect, and that would be an insult to God."

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Sponsorships for our June 4-5 "Lean in Design" Forum

Sponsorships for our June 4-5 "Lean in Design" Forum have been discounted. If you'd like to see what the Forum is all about and review the sponsorships click the link below. There is still time to register and join us for this premier event for Lean practitioners (and those who seek to be) in the design community.

[Click here for more information](#)

Upcoming Events

June 02

Implementation of Lean
Concepts
(Ohio Valley CoP)

June 03

Learning Last Planner with
Villego
(Georgia CoP)

June 04

LCI_P2SL_AIA Lean In
Design Forum - 2014
(Chicago IL)

June 05

Lean Design and Factories
of the Future
(Los Angeles CoP with
ISPE Greater Los
Angeles)

June 11

4th Annual LEAN Summit

June 11

LEAN Summit -
LCI/CURT/AGC, St.
Charles MO

[View all events](#)

DPR Construction

Congratulations to LCI member DPR Construction, whose project, Sutter Health Castro Valley Clinic, was featured in Metal Miner for its use of Lean practices.

[Click here to read the article](#)

4th Annual Lean Summit - June 11 in St. Charles, MO

Register TODAY for the 4th Annual Lean Summit - June 11 in St. Charles, MO. The 4th Annual LEAN Summit is jointly presented by CURT, LCI, and AGC. It will explore why and how owners can use LEAN construction to improve the delivery of capital projects. We have great owner participation this year, including Lean practitioners from Intel, Disney, UC San Francisco, and others. Numerous sponsorship opportunities also are available.

[Click here to see the agenda](#)

[Click here to register](#)

**LCI Welcomes Our
New Members!**



Upcoming webinars: An "Intro to Lean" webinar will be presented June 17th by Dick Bayer (ReAlignment Group)

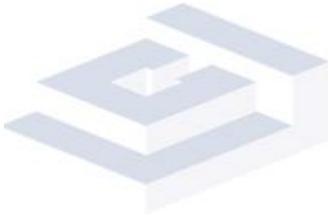
We also will be presenting a Last Planner® System webinar June 27th, led by Dan Fauchier (ReAlignment Group). Watch your Inbox for more information.



[Click here to register](#)

[Learn More Here](#)

Sincerely,



A handwritten signature in black ink, appearing to read "Dan Heinemeier".

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