

## LEAN CONSTRUCTION INSTITUTE 2015 Annual Report

### Summary

In 2015 LCI experienced another banner year based on multiple measures. Our annual Congress meeting, a hallmark event for us each year and the premier learning and networking opportunity for Lean design and construction practitioners, reached the 1,000-person attendance level for the first time. Membership growth was strong, including among owners who are increasingly seeing the benefit of Lean approaches in reducing cost and schedule while enhancing the quality of project outcomes. Learning opportunities were characterized by a record number of national webinars held, and we published our first book, *Transforming Design and Construction: A Framework for Change*. In other projects, research took center stage as we kicked off two new efforts to better understand owner satisfaction levels and why IPD and Lean approaches lead to better outcomes. Our mission remained unchanged in 2015: Transforming the Design and Construction Industry, but the board implemented a new set of guiding criteria for our programs organized around a “GOST” document that captured the Goals, Objectives, Strategy and Tactics for LCI.

### Objective 1: Deliver Standard Building Blocks for Lean and Integrated Delivery

In our pursuit of promulgating standard practices for Lean the Education Committee began to work with a vendor who specializes in curriculum development support. Our curriculum development process now includes standard facilitator and participant guides. Approved curriculum includes a standard “Intro to Lean,” and additional curricula were created for testing at the Congress in October. The Congress training days become in part the opportunity to test and improve coursework with a view to developing LCI-approved content. By year’s end a new approach to designating instructors who are qualified to teach LCI materials also was on the drawing board. This “Improved Instructors” program was poised for roll-out in 2016. Also new in 2015 was the publication of two new LCI books: *Transforming Design and Construction*, and *This is Lean*. The latter book was created by a keynote speaker for the 2015 Congress, Nicholas Modig, who developed it specifically to be introduced at Congress. Both were very well received, and the *Transforming* book had been distributed to over 4,000 recipients by year’s end. The Standards Committee created new content as well in the form of standards for Last Planner® implementation.

### Objective 2: Create Construction Industry Demand for Lean

Our efforts at building demand succeeded in another record year of membership growth, particularly among the all-important sector of owners joining the Institute. Total membership at the close of 2015 stood at 172, up 36% from the 126 who were members the previous year. Owner members stood at 25, more than doubling the previous year’s numbers. New members were provided the opportunity of receiving a free “Introduction to Lean” program by a qualified industry consultant-member of LCI. Also important to encourage demand for Lean was our 6<sup>th</sup>

annual co-sponsorship of a Lean Summit with AGC and the owner organization CURT (Construction Users Roundtable). Dozens of owner representatives were reached in this day-long program.

### Objective 3: Achieve Customer and Supply Chain Value while Eliminating Waste throughout the Project Life Cycle

LCI contracted with outside organizations to produce two special studies in 2015, with the anticipated final results of each occurring in 2016. Our industry (owner) satisfaction survey was established to gather data from owners on a typical vs. a “best” project, with a view to understanding how satisfied owners are with project work as a whole, and some factors that seem to lead to higher levels of satisfaction. Preliminary results based on 32 respondents were encouraging and suggested that collaborative approaches like Lean were responsible for better outcomes. The study is being kept open through mid-02016 in an effort to encourage a broader response. Preliminary results were briefed widely at LCI and other industry events.

A second major, national study was contracted for with the University of Minnesota. This study is looking at eleven IPD/Lean projects across the US (one in Canada) and seeking to determine in more specific terms how and why collaborative forms are leading to improved outcomes. The full results of this study are expected to be made available in the third quarter of 2016.

Among the hoped-for outcomes of our research efforts is a more widely-accepted identification of key metrics to characterize project success against we can measure the progress of collaborative project forms in enhancing owner satisfaction in the future.

### Objective 4: Create Construction Industry Capacity for Learning & Sharing Best Practices

We pursued this objective in 2015 through a variety of conference and other educational programs, plus the ongoing outreach and programs of our Communities of Practice around the country. Our Congress program in Boston broke all records for attendance and programming: with 1,000 attendees (up 29%) for the first time and a greatly expanded set of training programs over two days, Congress received rave reviews from attendees who had a broad array of breakout and education sessions from which to choose. With the theme of “Scaling Lean in the Enterprise,” the 17<sup>th</sup> annual Congress was a memorable event and a great springboard from which to launch the 2016 conference in Chicago.

Our major national awards are given out at this meeting as well. Our Pioneer Award went to Iris Tommelein for her foundational work in supporting LCI in its early years as well as her considerable achievement as an educator of large numbers of Lean aficionados. The third-annual Chairman’s Award went to Bernita Beikmann/HKS, a leader in our Dallas CoP as well as many other programs in which she has led and taught, has been responsible for significant programmatic and financial success over the years.

The annual June Design Forum program was similarly well received among the design firm participants and other attendees who took part. Continuing with the structure of the previous year, the program featured a half-day training program with options to take an introductory course on Lean in Design or a Target Value Design simulation-based program. The next day's plenary session was followed by the popular "Lean labs"-type breakouts, in which discussion leaders guided participants through highly interactive exchanges on how some key Lean tools and concepts could be fruitfully utilized in design.

We sponsored 10 national seminars and 26 webinars in 2015, a significant increase over our 2014 programming numbers. Topics covered a wide range of subject matter, from Intros to Lean, Last Planner Systems®, Choosing by Advantages, Target Value Design, owner experiences with Lean implementation, our industry satisfaction survey, and the safety benefits of Lean.

A unique "knowledge transfer" session was held in May in Dallas in which some 15 practitioners gathered to develop white papers on 41 facets of Lean in a concentrated, 3-day work session. The papers later were edited into book chapters in our popular *Transforming Design and Construction* book, noted above. This methodology has become the framework for LCI's continuing development and documentation of knowledge about Lean.

The LCI network of Communities of Practice (CoPs) maintained another active year of programs to provide training and networking opportunities to Lean practitioners and those seeking simply to learn more about Lean in the 27 markets our CoPs serve. Programs ranged from the highly popular Lean coffees that provide interactive discussion through an informal structure that encourages dialogue, to structured, seminar-style training programs. Some 3900 people participated in these programs nationwide.