IN 2014 the Lean Construction Institute continued to implement programs and initiatives to meet the goals established by the board in 2013, based on its 5-year strategic plan. As described below, programs under the plan included specific annual goals and targets based on five key initiatives. Notable progress was made in outreach to owner organizations to encourage their adoption of Lean, and a new, more affordable dues schedule for owners was implemented; a new board committee was set up to lead this outreach effort. Corporate membership growth as a whole was very strong throughout the year: a record 42 new members joined LCI. Our annual national conferences, especially the Congress and Design Forum, both featured enhanced programming and experienced major growth in attendance. The number of national seminars we sponsored doubled from 2013, and hundreds of participants took advantage of a new webinar program begun this year. In the fall we adopted a new set of initiatives described in a Goals/Objectives/Strategy/Tactics (GOST) approach appended to this report. The GOST document will continue to guide and focus our efforts in 2015 with the continuing goal of Transforming Design and Construction.
1. CREATE INDUSTRY DEMAND FOR LEAN

The past year has seen a broad outreach to owner organizations thanks to the dedicated efforts of a number of board members and others. Dozens of owners have been contacted with the goal of helping them understand and take steps to realize the benefits of Lean in their projects. Much of this effort was organized and managed by our new board committee dedicated to owner outreach headed by former board chairman Victor Sanvido. Establishing this group was one of our goals for 2014. Several of our owner members have been most active and influential in this outreach, including in particular those with representation on the board: Walt Disney Imagineering, Intel, and the University of CA/San Francisco. Seven other owner organizations also were members in 2014, including: TN Department of General Services, Google, Advocate Healthcare, DTE Energy, Kaiser, Sutter Health, and UHS. This compares to eight total in 2013.

The chairman of the board was owner representative Michael Bade/UCSF. We noted marked increases in owner attendance at the annual LCI Congress. Bill Seed of Walt Disney Imagineering will serve as vice chairman of the LCI board in 2015. Although our “stretch goal” of increasing the number of owner members to 20 was not met, as 2014 drew to a close several additional owner organizations indicated an interest in joining LCI, and others were in ongoing discussions with us towards joining in 2015.

2. GROW AND SUSTAIN MEMBERSHIP

The membership goal for 2014 was to gain 25 new corporate members (net) with a renewal rate of 85% or better for current members. Actual results were a net of 34 new corporate members joining LCI (37% increase), and a 90% renewal rate. There were 126 corporate member organizations of LCI as of the end of 2014 compared to 92 at year-end 2013. We implemented a first-ever program of offering new members a one-day “Intro to Lean” presentation at no charge to them, working with practitioner consultants as presenters who are active members of LCI. This has proven to be a popular offering.

3. DEVELOP LEAN KNOWLEDGE

Three projects were undertaken in 2014 to expand knowledge. We participated in an AIA-led effort to identify the cost of managing uncertainty in building design and construction. We also contracted with the P2SL organization at UC Berkeley to produce a Target Value Design manual for LCI in 2015. Finally, we sponsored a Lean Knowledge Transfer session in Dallas in December in which 18 knowledgeable Lean practitioners worked over several days to produce articles on two dozen topics in Lean deployment and related topics. The group included, owners, architects, consultants, constructors, and trade partner representatives. These articles will be posted for member access on the LCI website in early 2015.

Our Applied Research Committee worked to classify learning materials for better organization on the website. The Standards Committee produced a glossary of Lean terminology for Last Planner®. And we continued the existing IP licensing agreement with AGC under which they produce Lean construction education materials.

4. DEVELOP LEAN CAPACITY

Industry capacity requires programs to promote training and networking to help our members understand and utilize Lean more extensively on project work. The LCI Education Committee kicked off development efforts to produce educational materials for craft training, IPD/Target Value Design, and Big Room in late 2014.

Capacity building is also the goal of the LCI conference activity (below), which included: Annual Congress in San Francisco; January (Berkeley) and June (Chicago) Design Forums; and an annual Lean Summit held in June (with partners CURT and AGC); six national seminar programs held in conjunction with our Communities of Practice, which also have major role to play in capacity building at the local market level. Our roster of Communities of Practice (CoPs) stood at 28 by year’s end (see CoP section below).

NEW STRATEGIC INITIATIVES LAUNCHED IN 2014

5. TRANSFORM DESIGN AND CONSTRUCTION

17TH ANNUAL CONGRESS: OCTOBER 13-16, 2015
BOSTON, MA | WORLD TRADE CENTER

SPONSORSHIP OPPORTUNITIES
Contact: Ilene Goldberg, Manager, Membership and CoP Relations
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The 2014 Design Forum was held in Chicago, a venue that obviously helped boost attendance significantly from 2013, with 108 participants (more than double the previous year’s count). A board-level evaluation process to review the mission and purpose of the Forum and take steps to rejuvenate and strengthen it paid off in a highly successful program.

We again co-sponsored an annual Lean Summit in partnership with the CURT Project Delivery Committee and AGC. The forum this year included a two-track agenda for beginner and advanced practitioners, with significant support from LCI board members in the presentations and Q&A. This event boasts a sizable audience that is heavily owner-oriented.

The 2014 Congress was budgeted to bring in the same amount of revenue as in 2013, but with a year-over-year increase in attendance of 54%, it considerably exceeded budgeted revenue projections. This year’s meeting was a record-setting in numerous ways that went beyond its 770 attendance number. The program itself was much more varied and expansive, with additional training offerings, Gemba-day tours, and more breakout sessions than ever before. Our Pioneer Award dinner recognized the Walt Disney Imagineering organization for its outstanding, years-long support to LCI as a key owner organization. The second-annual Chairman’s Award for 2014 went to Romano Nickerson/Boulder Associates, whose leadership in our NorCal CoP—and a host of other programs including Congress planning and execution—has brought the association considerable programmatic and financial success.

As noted above, in 2014 we doubled the number of national seminars held, from three in 2013 to six. About 225 attendees took part in these seminars. This was also the year in which we began to sponsor webinar programs for the first time. These have been very popular, with nearly 750 people taking part in nine webinars during the year.

COMMUNITIES OF PRACTICE (COPS)

Our CoPs continue to provide local training and industry-responsive programming across the country. This extensive, member-driven and volunteer-managed set of local activities is the most important means of outreach and assistance to the industry in promoting the Lean journey of the design and building industry. Our 28 CoPs ran the gamut in 2014 from large and active to small and struggling, and significant staff and volunteer committee attention is being directed at all times towards building up and supporting these groups. New and still in formation as of the end of the year were start-up CoPs in IN, Middle TN, and Memphis/Mid-South. The ebb and flow of CoP activities is reflected in the head count of CoP programs over the course of the year: 3,700, which was down 18% from 2013. Total event count was at 95, the same as in 2012, but down 8% from the 104 sponsored in 2013. Challenges common to most CoPs include endeavoring to engage more owners actively in their programs and implementing innovative new programming, plus maintaining active and effective core group leadership as the recovery in the construction economy continues to expand. The LCI staff travelled to 13 individual CoP locations in 2014 to discuss means of enhancing support and building up their programs and outreach to their communities.

Our Practice Committee includes a subset of the leadership of the CoPs, and likewise is charged with working to support and promote their health and expansion over time. The committee’s program in 2014 included these milestone activities: finalizing the formation guide for CoPs; monthly phone calls to share best practices and other support; CoP self-evaluation forms and follow through. The committee met at Congress this year in a very productive discussion session with a large cross-section of CoP participants from around the country.
5. DEVELOP COLLABORATION AND DISTRIBUTION CHANNELS

LCI continues to forge and leverage a variety of external relationships to help spread the word about Lean design and construction and facilitate the rollout of training through joint meetings, seminars, conference presentations, etc. In 2014 we maintained cooperative arrangements with other associations listed below, representing general and trade contractors, designers, owners, and others. Cooperation ran the gamut from signed agreements and co-sponsoring of joint programming to Lean talks at major conferences and meetings.

- Associated Builders & Contractors (ABC)
- Associated General Contractors (AGC)
- Sheet Metal and Air Conditioning National Association (SMACNA)
- Construction Owners Association of America (COAA)
- Construction Users Round Table (CURT)
- American Institute of Architects (AIA)
- Design Build Institute of America (DBIA)
- IGLC (Board vice chairman Will Lichtig has been our interface; attended 2014 meeting)
- Construction Management Association of America (CMAA)
- National Electrical Contractors Association (NECA) and its Electri Foundation

IGLC involvement is indicative of our interest in promoting ties with international groups and assisting Lean practitioners abroad. We consistently encourage creation of sister associations to promote Lean in other national contexts. We addressed numerous requests from such groups for advice and information to help them get established in 2014. We also hosted a session at the Congress in October in which international attendees were encouraged to get together and discuss cooperative efforts, including the potential for creating a true international confederation of Lean groups. We engaged legal support in order to reestablish intellectual property rights to Last Planner® in Europe, with a view to ensuring its continued availability for use on project work in EU member states.