

# constructor

www.constructormagazine.com

THE MAGAZINE OF THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA

January/February 2019

## Bringing BIM to Latin America

The southward expansion of CM-BIM puts certificate holders at the cutting edge of the industry

constructor magazine | JANUARY/FEBRUARY 2019



2019 SERVICE AND SUPPLY BUYERS' GUIDE



www.agc.org

# Growth Through Lean Transformation

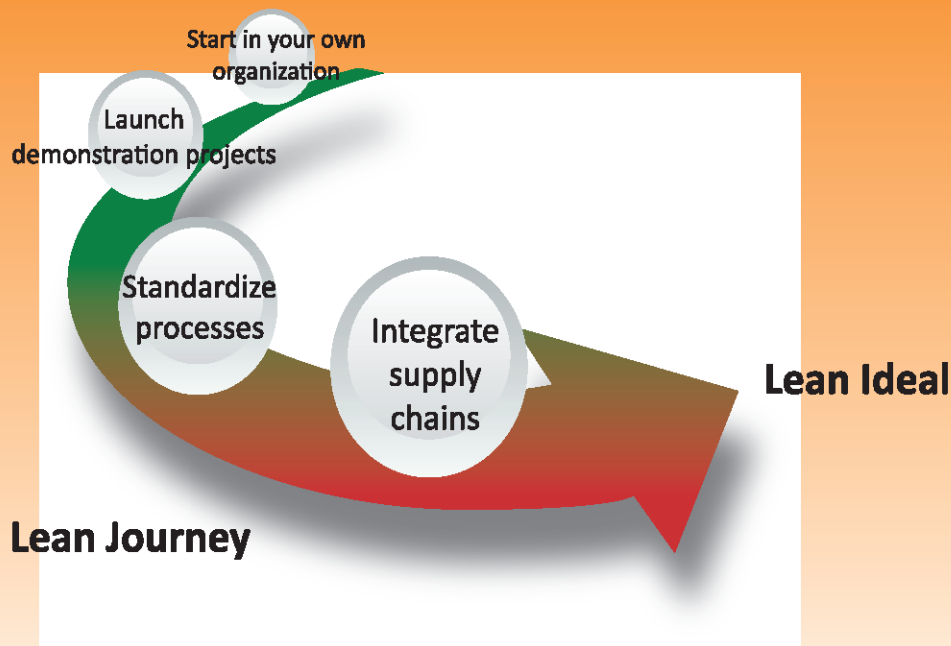
## HOW TO IMPLEMENT A SUCCESSFUL PLAN

BY MICHAEL MCLIN  
MANAGING DIRECTOR, MAXIM CONSULTING GROUP  
AN AGC OF COLORADO BUILDING CHAPTER MEMBER

**SOME PEOPLE MIGHT DESCRIBE** Lean transformation as an endless journey toward perfection. The reality is, however, that many Lean journeys meet an abrupt end before impactful changes can take root. It is truly a transformative paradigm change within the organization that requires massive commitment from leadership if there is any hope of it becoming a cultural norm. Lean transformation is a process through which old processes must be replaced with streamlined methods that are founded in the need for speed, accuracy and progressive thought.

### THE LIFECYCLE OF A GROWING ORGANIZATION

Many organizations begin their journeys strong and with the best of intentions. They learn all the Lean tools, deploy teams to define and implement the right processes and do very well for a few years. But true to human behavior, the newness wears off, the desire to continue the journey wanes and upper executives begin to look for the next big thing. Lean can often be seen as a pure cost-cutting measure – but this is not the correct lens. The goal is not to simply cut costs but to create a





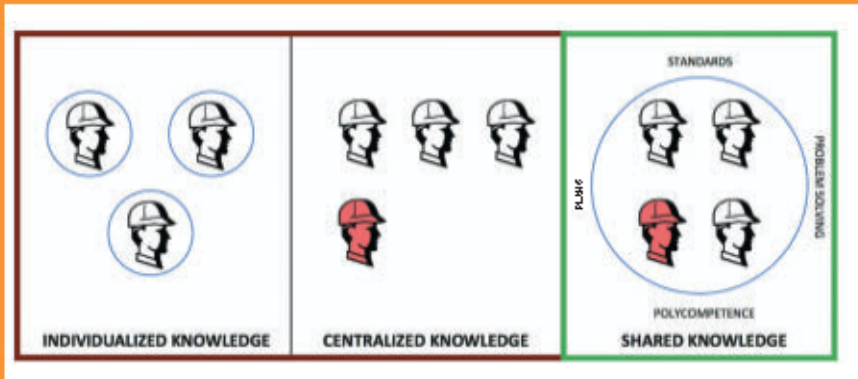
# Finish Ahead

Plan Better.  
Build Faster.  
Together.



The only web-based, accessible-anywhere tool that's proven to help you finish your projects ahead of schedule.

VISIT [www.touchplan.io](http://www.touchplan.io)



continuous improvement process by which an organization can sustainably improve profitability and create more value for their customers.

Within the construction industry, contractors struggle with challenges – schedule compression, pricing pressure and manpower shortages. The answer lies in defining a new business model that addresses these challenges with long-term, viable solutions. This transformation results in an integrated organization with a common view of success, a shared positive culture and a streamlined, effective infrastructure. Every contractor is unique, and Lean transformation does not have a “one-size-fits-all” template to follow.

#### WHAT DOES LEAN TRANSFORMATION INVOLVE?

Here are a few of the areas that are evaluated when integrating a Lean program.

<b>Design Standards</b>	<b>Manufacturing Standards</b>
<b>Installation Standards</b>	<b>Supply Chain Management</b>
<b>Enterprise Scheduling</b>	<b>Material Requirements Planning</b>
<b>Process Standardization</b>	<b>Roles and Responsibilities</b>

With the points listed above, how does a company implement the best possible plan? The following methodologies can help a business create a successful Lean improvement initiative to gain the maximum benefit possible.

**Define Value:** Identify value from a customer’s perspective. Uncover their needs and determine the importance of the activities that generate value to the client.

**Create the Value Stream:** Document the value stream, which will highlight the areas of effort being spent on items that do not generate value for your clients. Examples of waste that are commonly found and must be addressed are: unnecessary or excessive transportation; excessive inventory; unnecessary movement of people, materials or equipment; waiting for tools, information, materials or other trades; overproduction of materials or information; and production of products that do not live up to the standard of the customer.

**Flow:** Ensure there is a continuous flow in the process and value chain by focusing on the entire supply chain. Focus must be on the process and not on the end product. However, the flow will never be optimal until customer value is specified and the value stream is identified. The flow must be





**The goal is to deliver a product that lives up to customers' needs and expectations within the agreed time schedule and is in perfect condition, without mistakes and defects.**

defined across the silos in the organization so the workflow itself is the driving factor, not the work done individually in the departmental silos.

**Pull:** Use pull in the production and construction process instead of push. This means producing exactly what the customer wants at the time the customer needs it and always being prepared to service the changes made by the customer. The idea is to reduce unnecessary production and use the "Just In Time (JIT)" management tool.

**Perfection:** Aim for the perfect solution and continuous improvement. The goal is to deliver a product that lives up to customers' needs and expectations within the agreed time schedule and is in perfect condition, without mistakes and defects. The only way to accomplish this is by having close communication with the client, as well as managers and field staff.

This sounds reasonably simple, right? By identifying, defining and implementing Lean methodologies, as well as examining the relationship between Lean construction and your performance improvement program, you can achieve a far more fluid construction process, defined by streamlined workflow management practices. With Lean transformation's continuous ability to adapt to quickly changing markets, customer needs and technology deployments, it's the ideal improvement initiative to allow your organization to stay profitable, relevant and on the forefront of change. As Lean initiatives take quite a long time to implement, the sooner you begin, the sooner you can observe increased productivity in the field, profitability in your projects and sharply increased value for your customers. ◆

*Michael McLin is the managing director of Maxim Consulting Group, an AGC of Colorado Building Chapter member, responsible for leading the business and guiding the strategic direction. McLin works with construction-related firms of all sizes to evaluate business practices and assist with management challenges. Contact McLin at michael.mclin@maximconsulting.com or www.maximconsulting.com.*

## Lean Construction

- ✓ Safer
- ✓ Faster
- ✓ Less Cost

On Point Lean Consulting is a proud member of AGC of America. Since 2007 we have trained over 400 project teams in Lean Construction and Last Planner® System best practices.



[www.onpointlean.com](http://www.onpointlean.com)

TRUSTED CONSULTANTS TO THE A/E/C INDUSTRY

### Over 80 Metro Areas Served Coast to Coast



Temporary Fence



Barricades



Portable Toilets



Restroom Trailers



Mobile Storage



Temporary Power

**NATIONAL**  
CONSTRUCTION RENTALS

800-352-5675 • [rentnational.com](http://rentnational.com)

Product availability varies by region.