

LEAN IN DESIGN FORUM

MAY 31-JUNE 1 • CHICAGO, IL

LEAN IN THE DESIGN PRACTICE

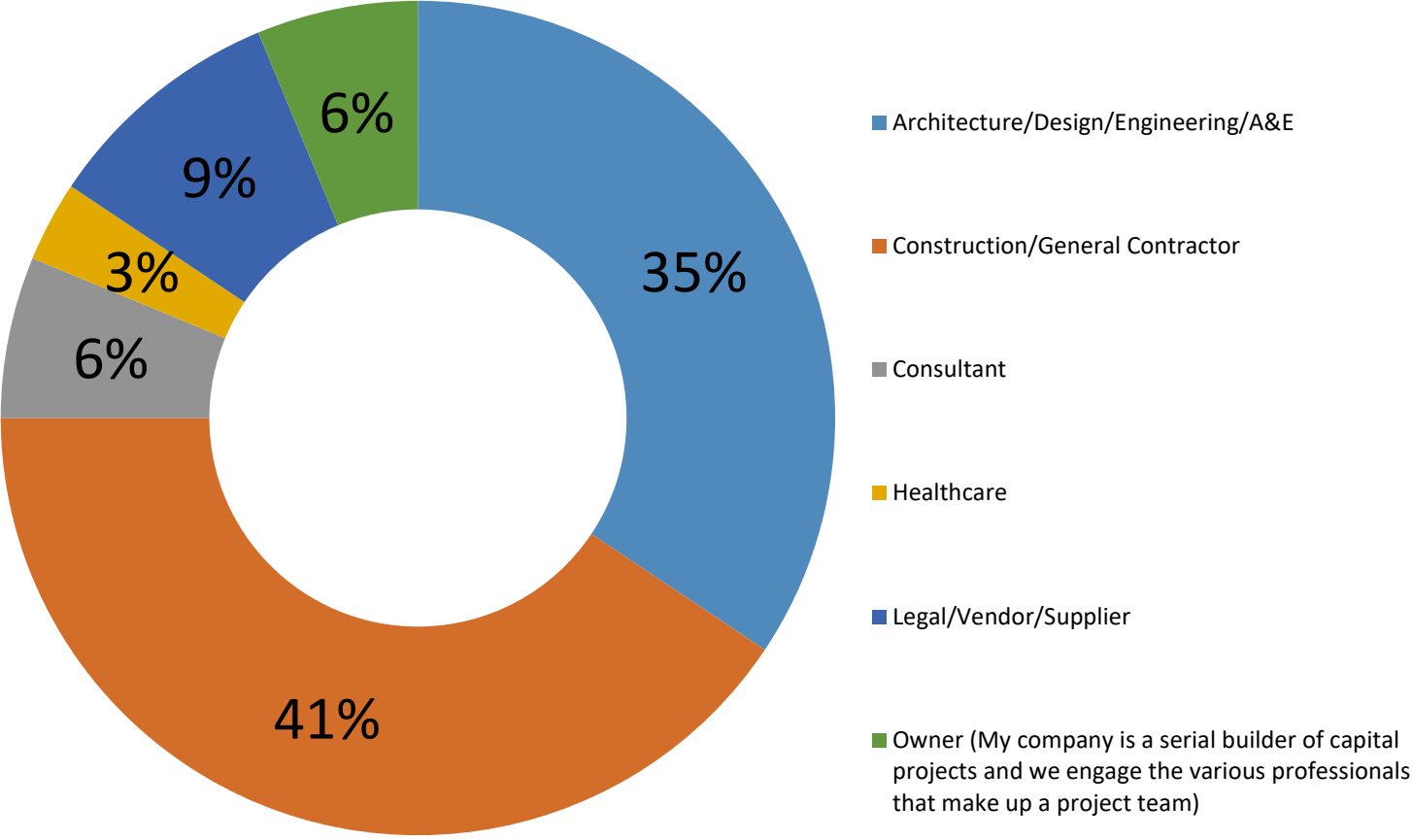


Stan Chiu, AIA, LEED AP, HGA

May 31, 2017

Why are we here?





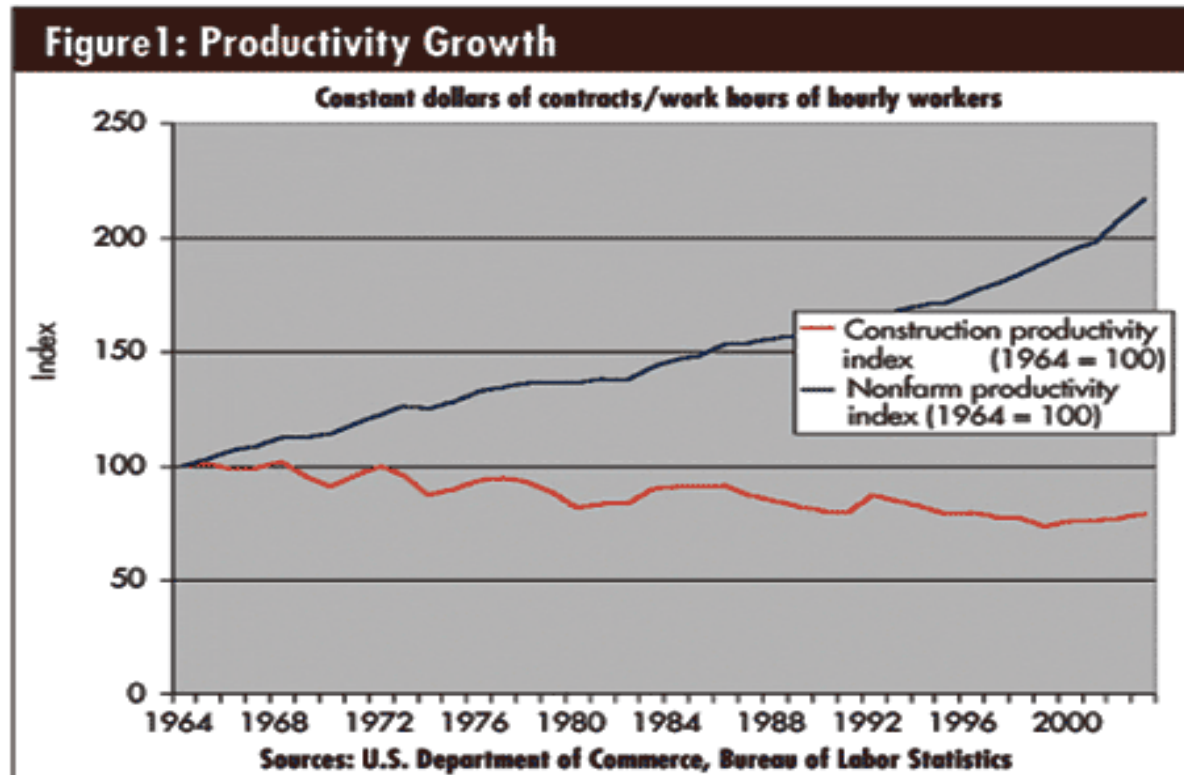
Our time today



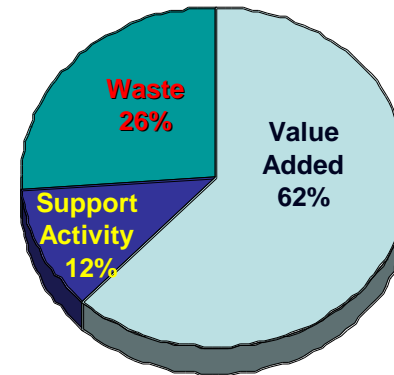
- Intro
- Lean Journeys
- Early returns
- A top down approach
- A model to go forward
- Close



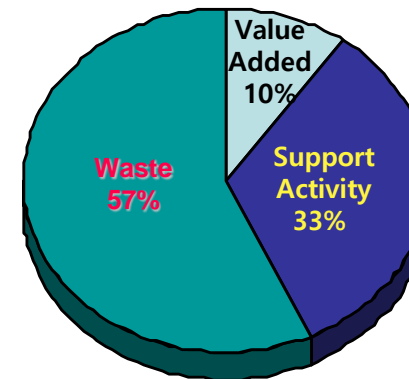
Our industry



Manufacturing



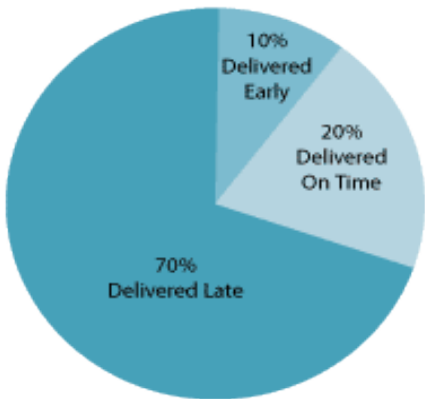
Design and Construction



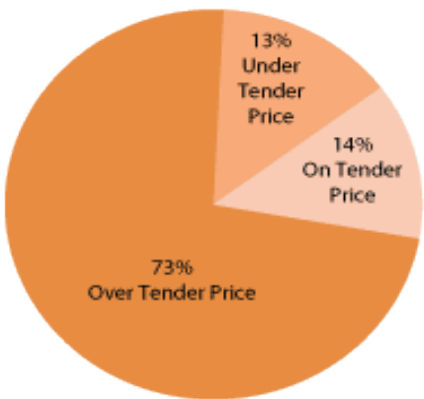
- 30% of projects don't meet schedule
- 37% construction material wasted
- \$1 Trillion per year (2nd after healthcare)
-CMAA / *The Economist*

Reliable? Sustainable?

Time - 70% were delivered late



Cost - 73% were over budget



Source: Benchmarking the Government Client Stage Two Study December 1999

Energy Consumption	65.2%
Primary Energy Use	>36%
Greenhouse Gas Emissions	30%
Potable Water use	12%
Global raw material use	40%

Construction workers are 2.5 times as likely to die compared with other occupations.





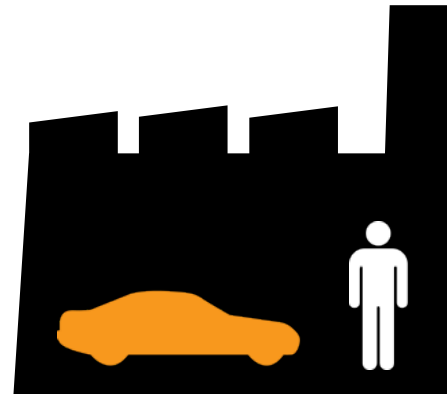


Three wishes.

Production Systems

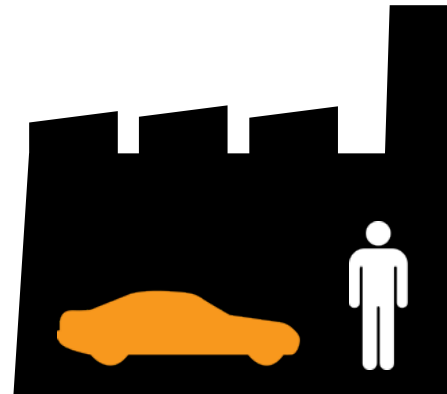


QQQ \$\$\$ CRAFT

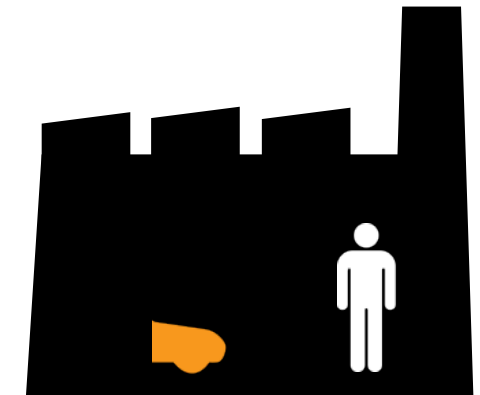
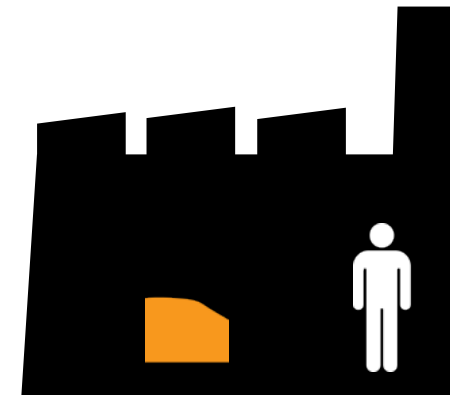
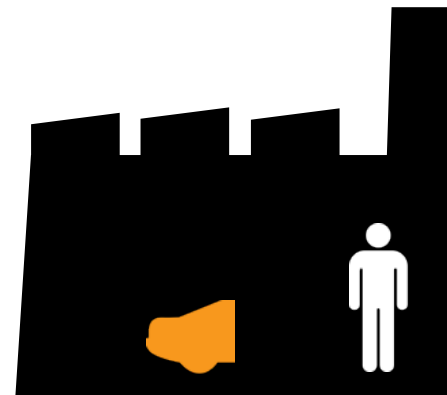


Production Systems

QQQ \$\$\$ CRAFT

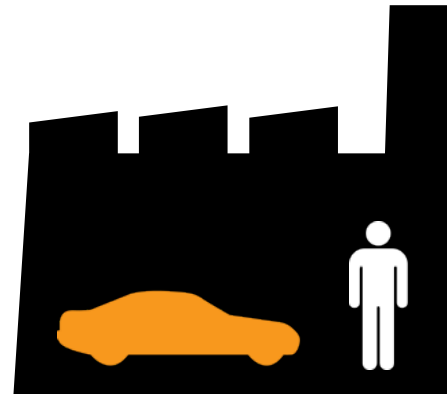


Q \$ MASS

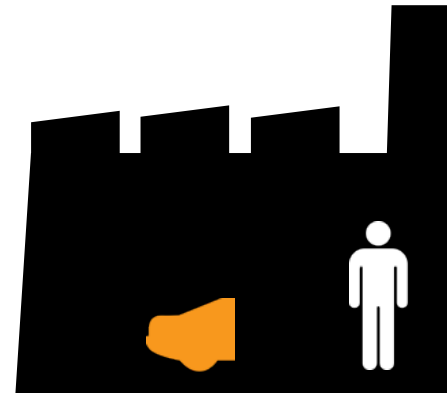


Production Systems

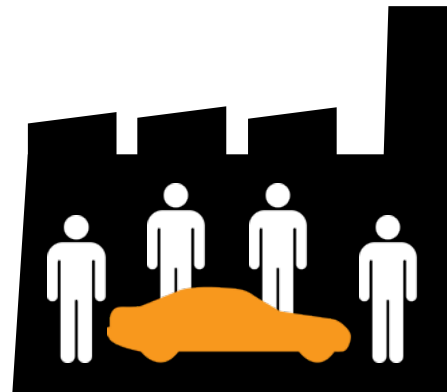
QQQ \$\$\$ CRAFT



Q \$ MASS



QQ \$ LEAN



Today's Pillars

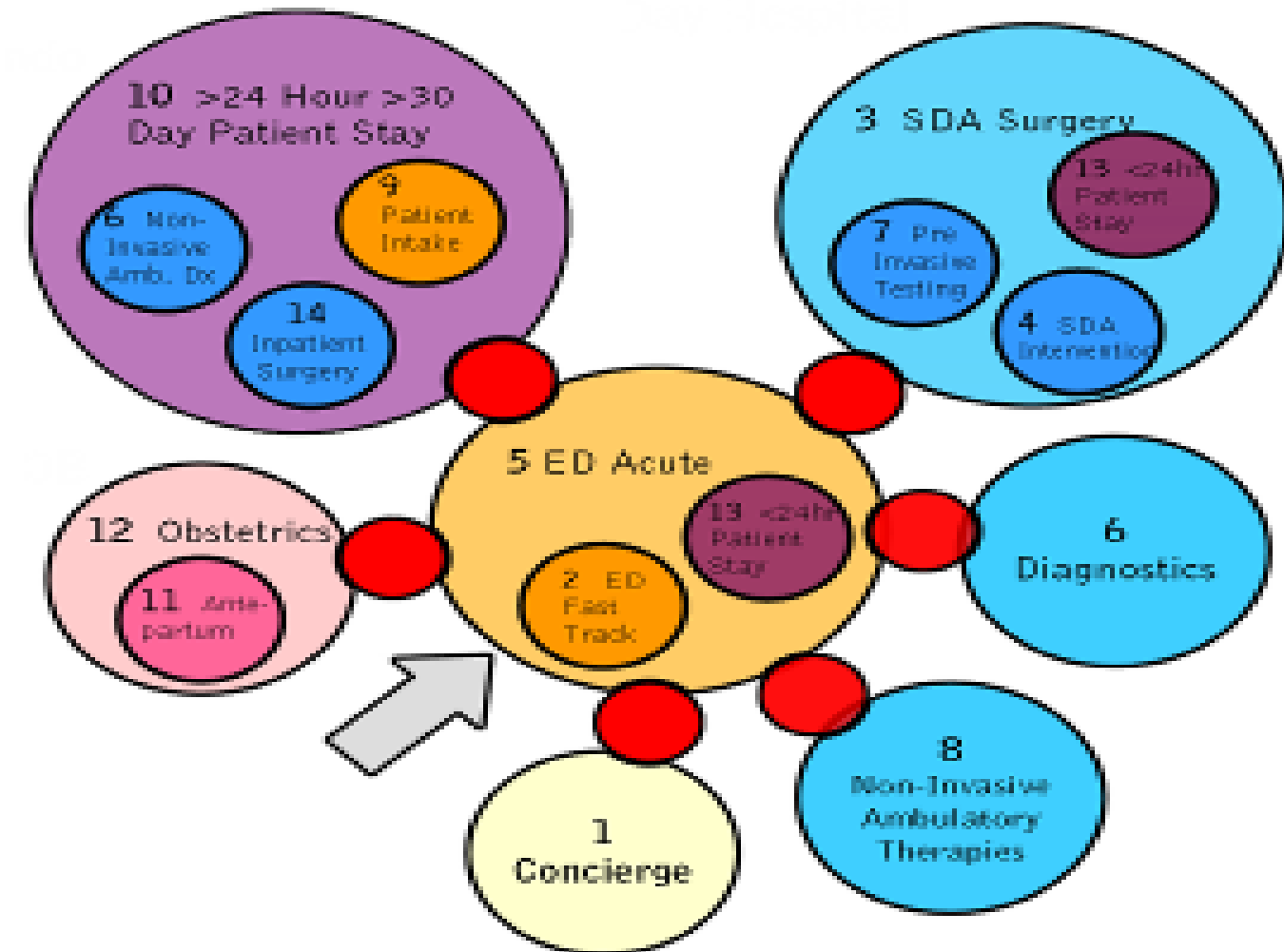
Integrated Lean Project Delivery

**Lean Production
Management**

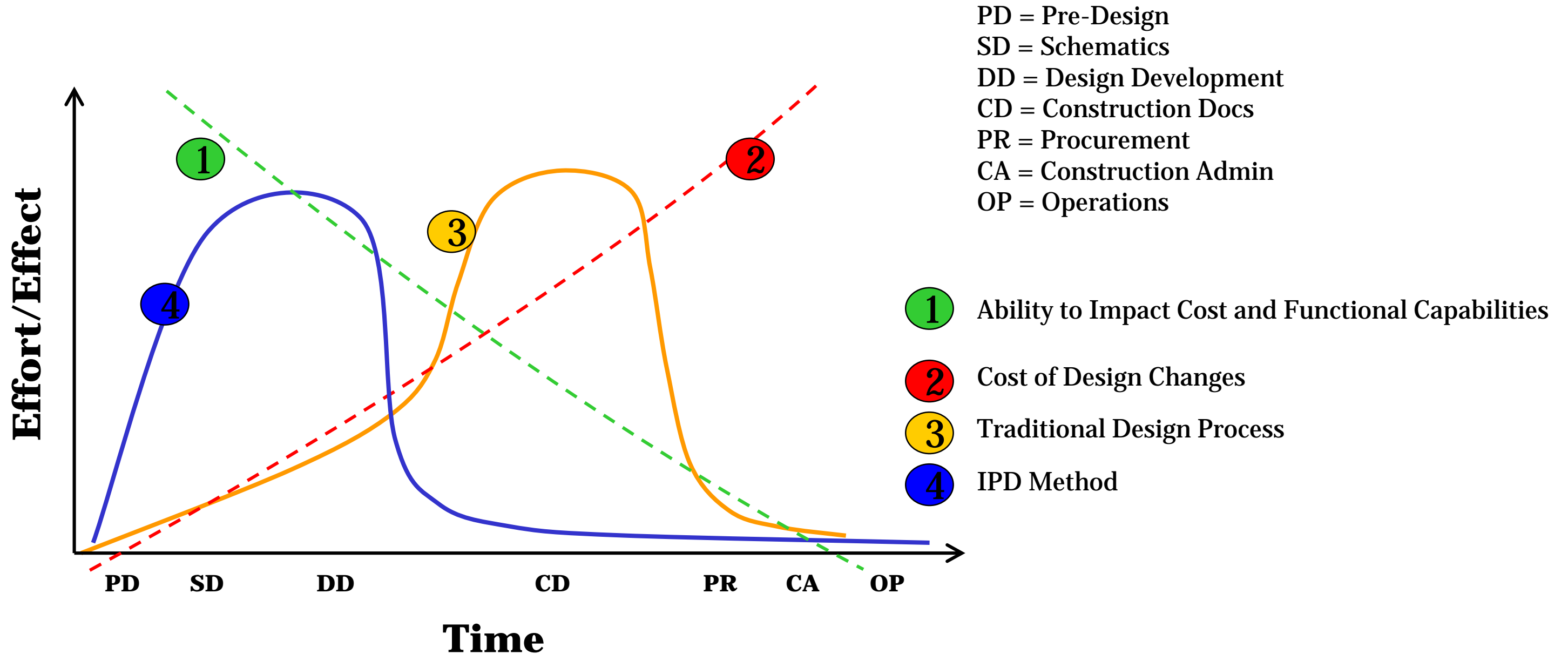
Lean Design



Transactional (manufacturing) lean is...
a recipe, we've done it before and have to
do it again and again, the value is in
removing obstacles to what the customer
really wants.



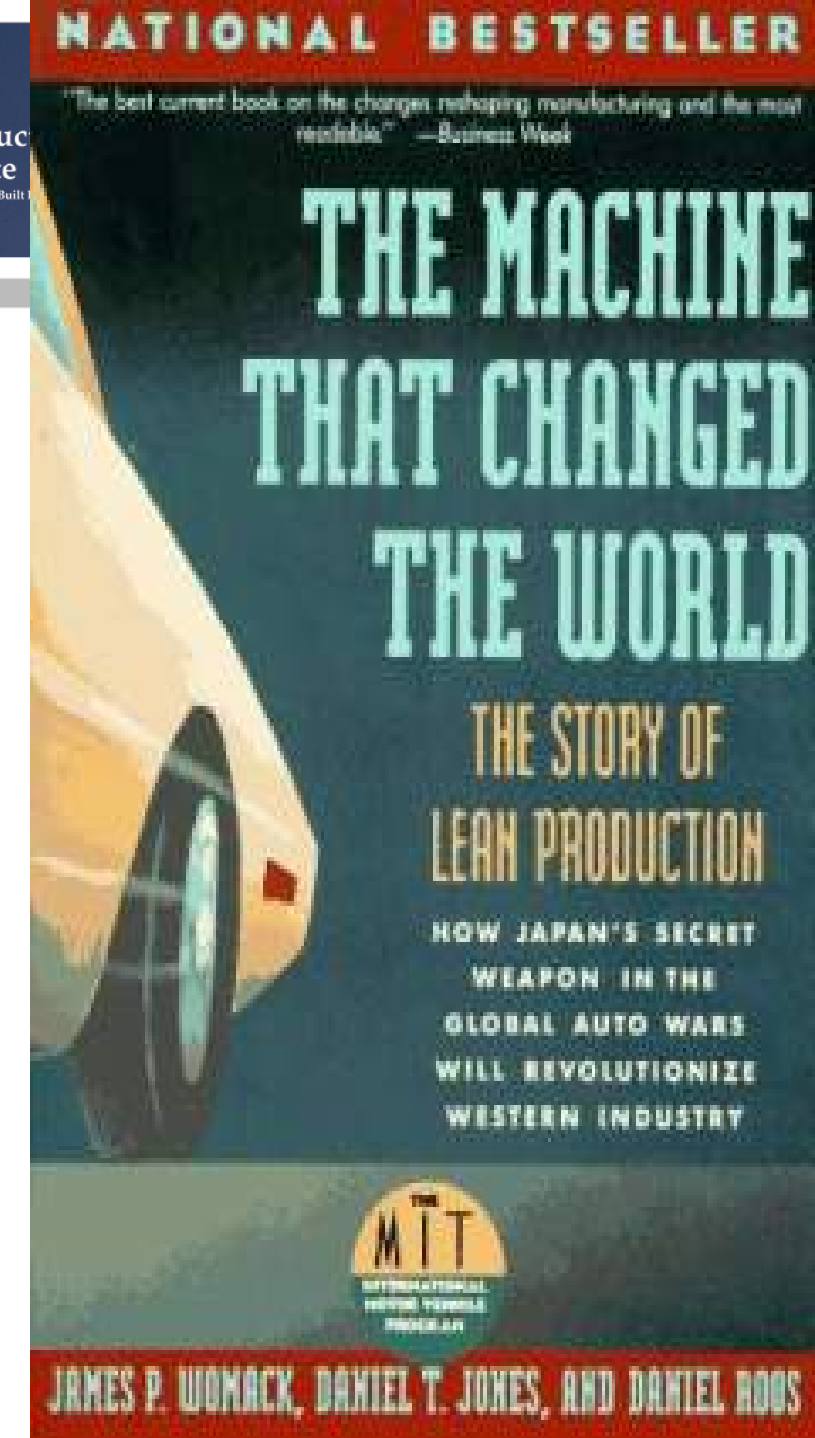
Project Planning



Lean success



- Toyota - #1 global automobile producer in 2007
- All manufacturing now has focus on Lean
- “Just in Time”, “Stopping the Line”, “Built-in Quality,” now part of common vernacular
- Lean has created the modern workforce, and all global organizations employ some versions of Lean within their processes.

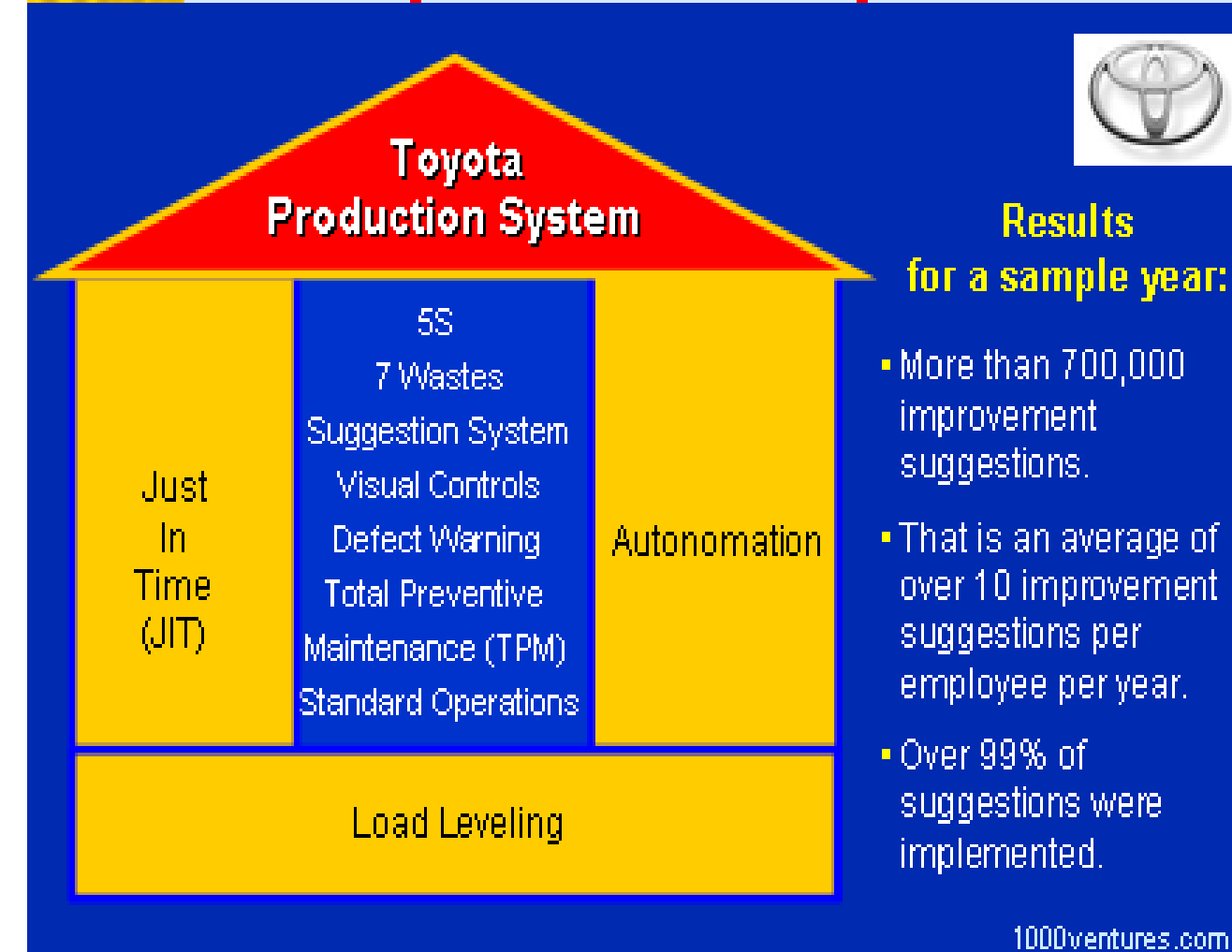


Lean manufacturing

- Developed by Toyota after WWII as a way to increase quality and productivity with minimum expertise and resources.
- Focus on elimination of waste within business processes
- Identify cross-functional training of staff to level resource demands
- Recognize supply chain as integral part of quality and production.



Lean Manufacturing Toyota Production System



Results for a sample year:

- More than 700,000 improvement suggestions.
- That is an average of over 10 improvement suggestions per employee per year.
- Over 99% of suggestions were implemented.

1000ventures.com



lean [lēn]:

- The systematic elimination of waste within a process

less is more

Waste is: Anything that consumes resources but does not provide value for the customer



OVERPRODUCTION



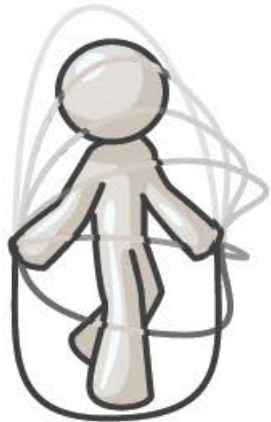
WAITING



INVENTORY



MOVEMENT



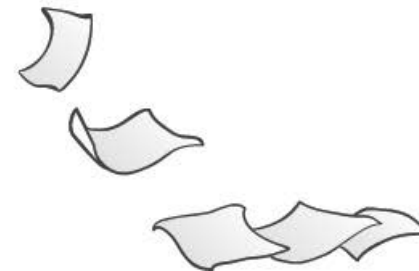
EFFORT



REWORK OF ERRORS

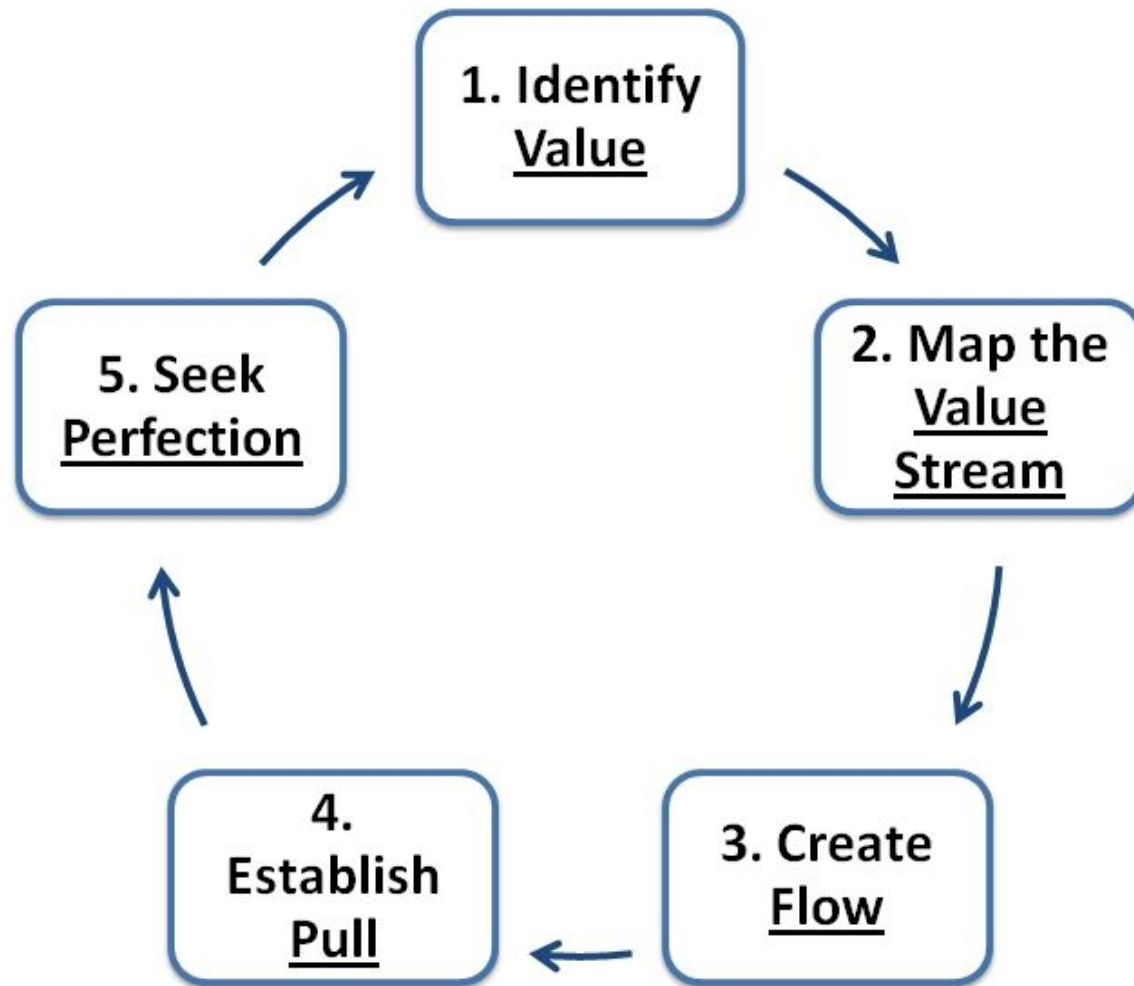


PROCESSING



UNDER-UTILIZED TALENT

Lean manufacturing



Instructions:

- Count off to get into groups of 5 or more people
- Create a process to move the ball through the hands of every person in your group
- You cannot pass the ball to someone next to you
- The ball must return to the person who it started with
- The ball must travel through the air
- The ball cannot be rolled across any surface e.g. floors, walls, tables, etc.

Lean manufacturing



Instructions:

- **NOW** each team is going to create a product
- One product is equal to 8 rounds of passing the ball in the correct sequence
- If you go out of sequence or drop the ball you must start over
- This is a timed event

Lean manufacturing



Instructions:

- Plan (5 minutes)
- Do
- Repeat

Summary definition:

Continual Improvement

PLUS

Respect For People

Summary outcome:

Adding Value **AND** Reducing Waste

Leadership styles

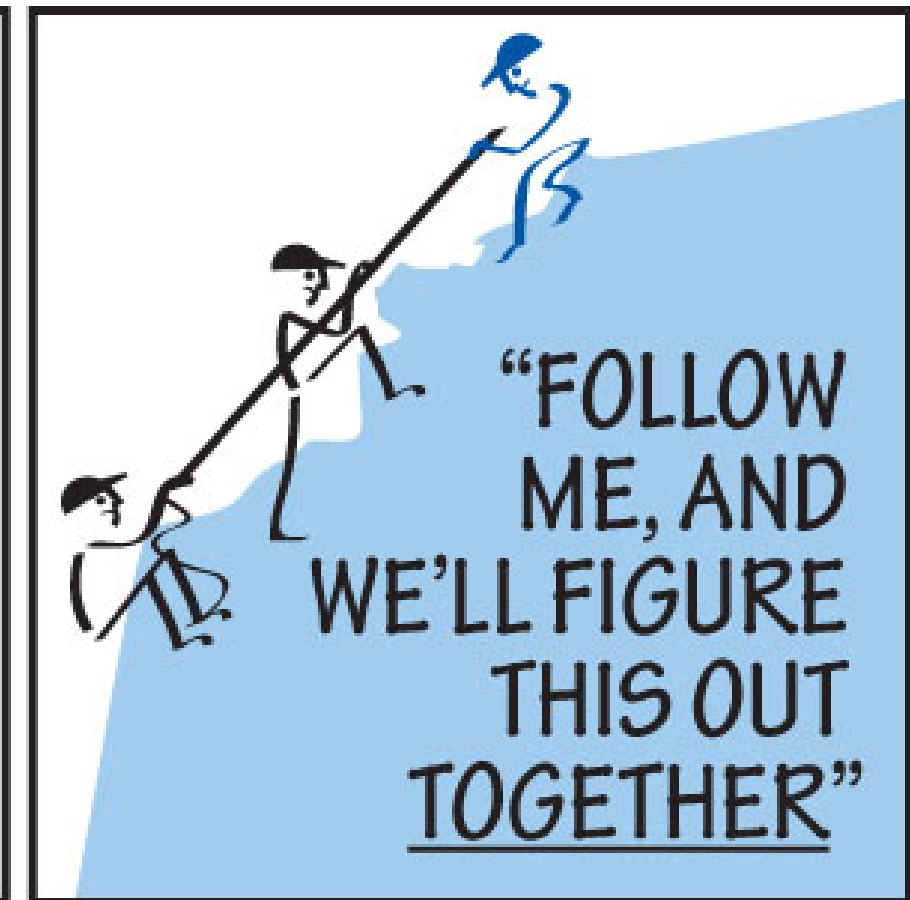
Old Dictator Style



1970's "Empowerment" Style

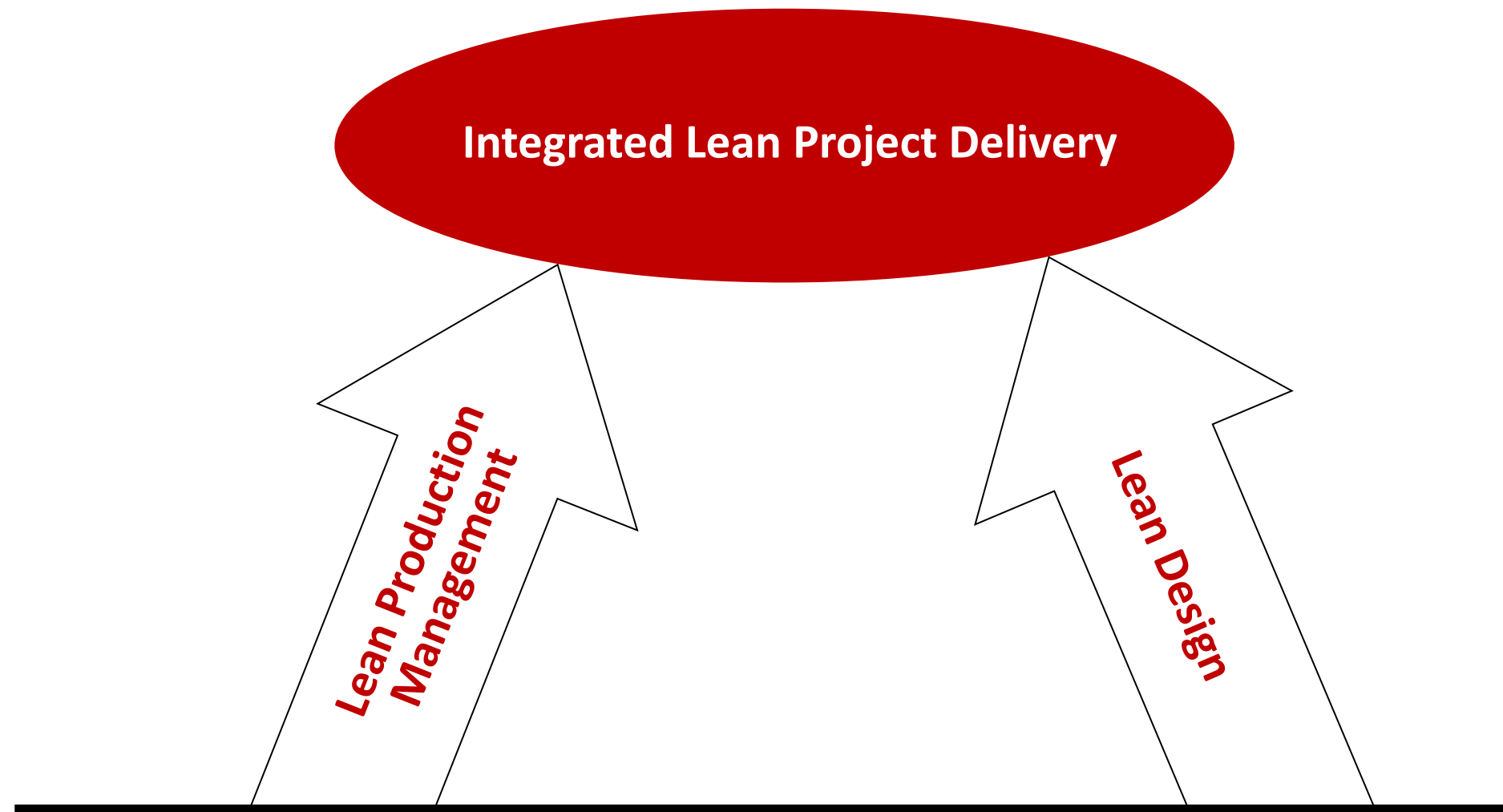


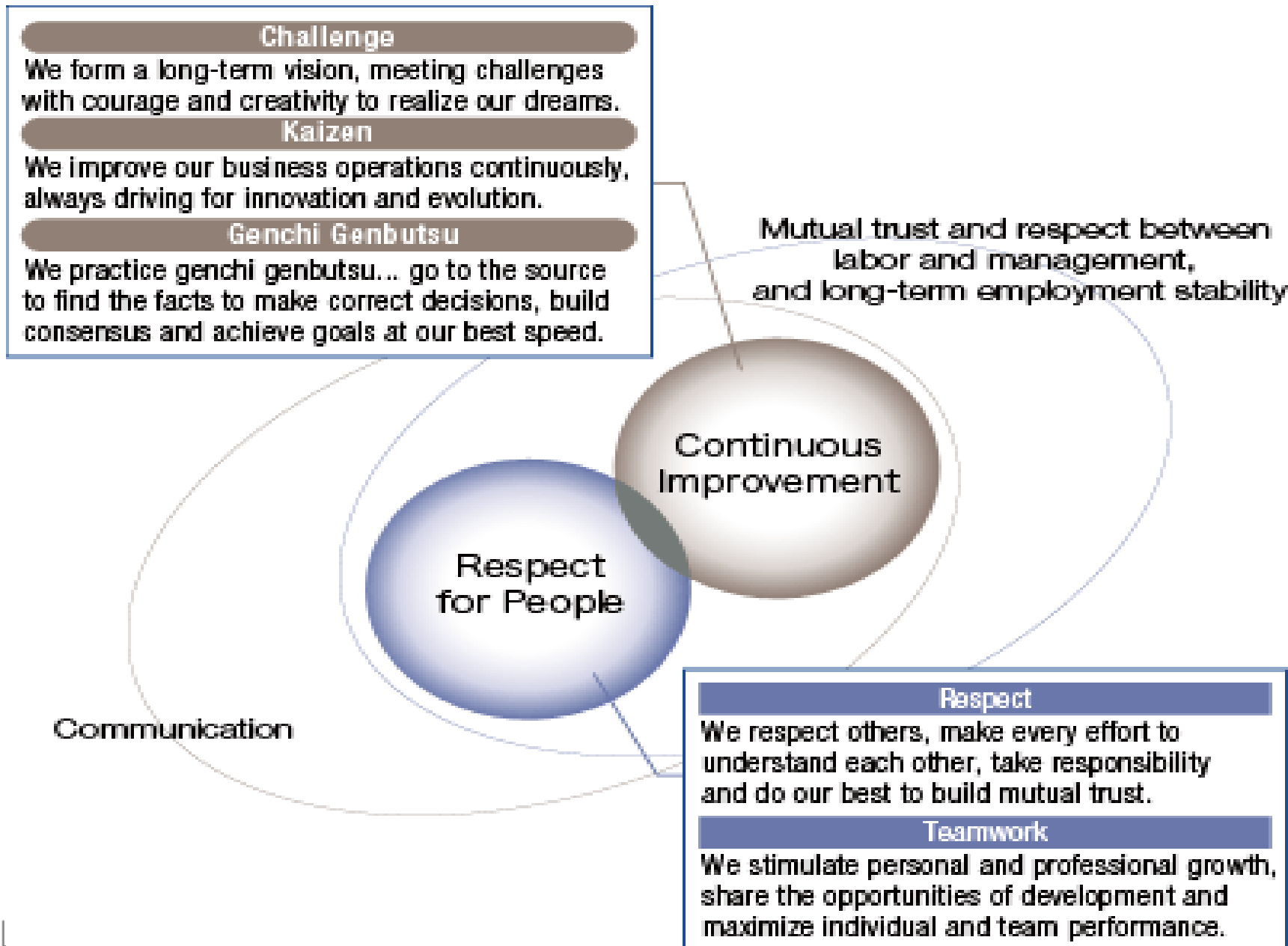
Lean Style



Where did ideas come from?
How were decisions made?
What was leadership like?

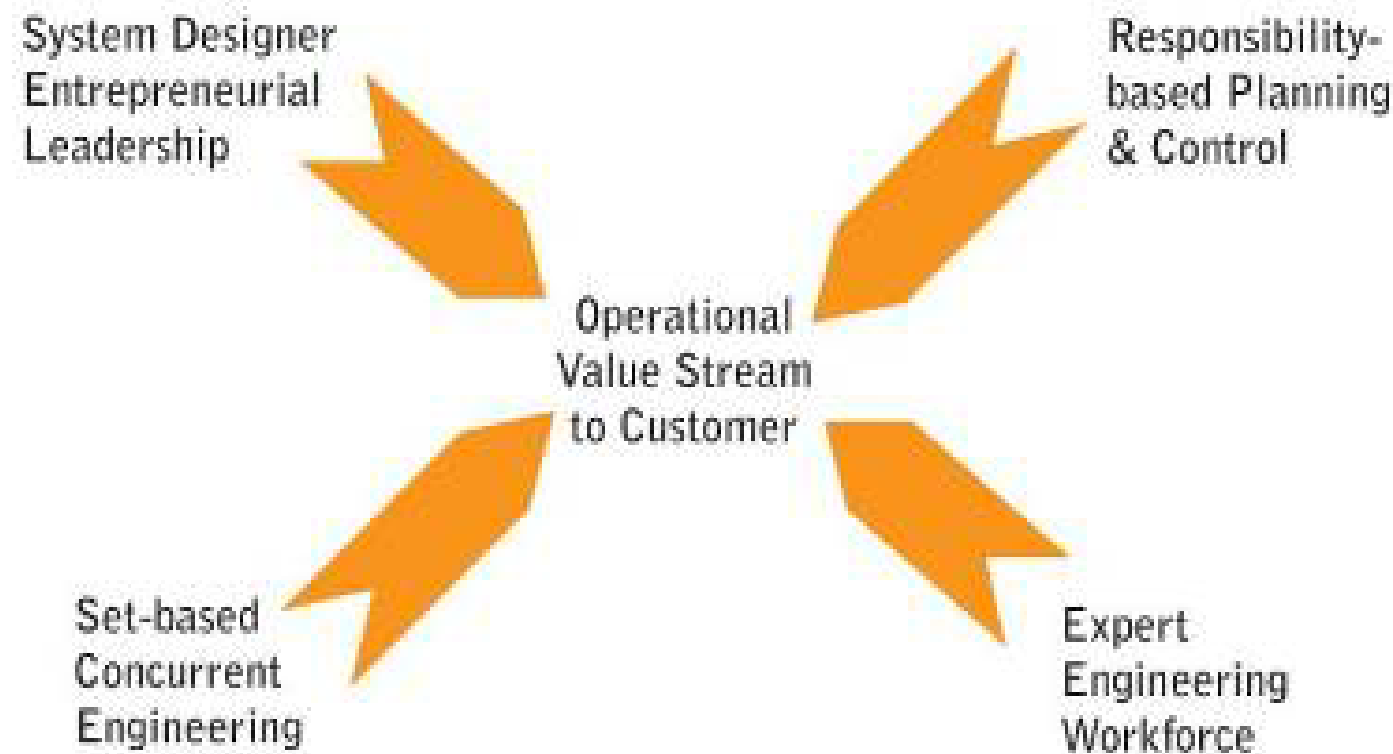






The lean design world

Knowledge-based Development



An operational value stream emerges from the interaction of four critical cultural elements

- Process – Many alternatives from many perspectives
- Workforce – Individual excellence and responsibility
- Leadership – Technical and coaching in nature
- Planning and control – Based on flexible results

Creativity, ideas, innovative, entrepreneurial solutions matched to what the customer might not even know they need

Pull planning

A Project is a Network of Commitments

How can we make the Network clear and transparent?



Risk / Innovation Comparison

3 bicycles, 80% successful components

.8 frame
.8 drive
.8 wheel set
.8 brake
.8 suspension

$= (.8)^5 = 33\%$ chance of project success

$= (1 - .33)^3 = .3 = 30\%$
All three projects fail
Average innovation = 5

80% successful interchangeable components

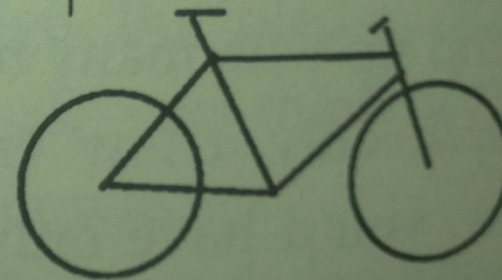
Chance of all components failing
 $= (1 - .8)^3 = .008 = .8\%$

Chance of Project success
 $= (1 - .008)^5 = .96 = 96\%$
Average innovation = 5

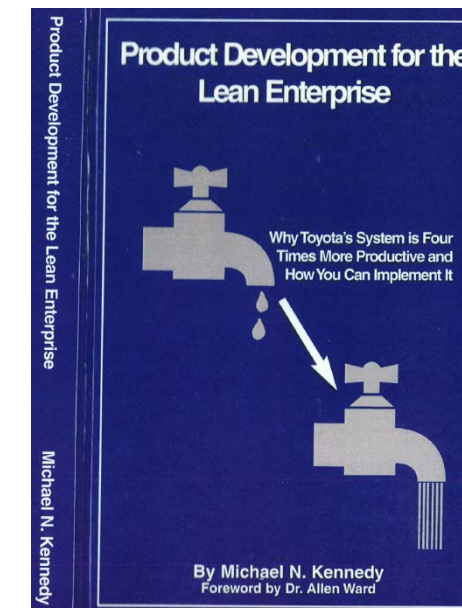
2 component alternatives 80%, one back-up

Project success rate
 $= 100\%$

Average innovation
 $= 5 \times (1 - (.2)^2) = 4.8$

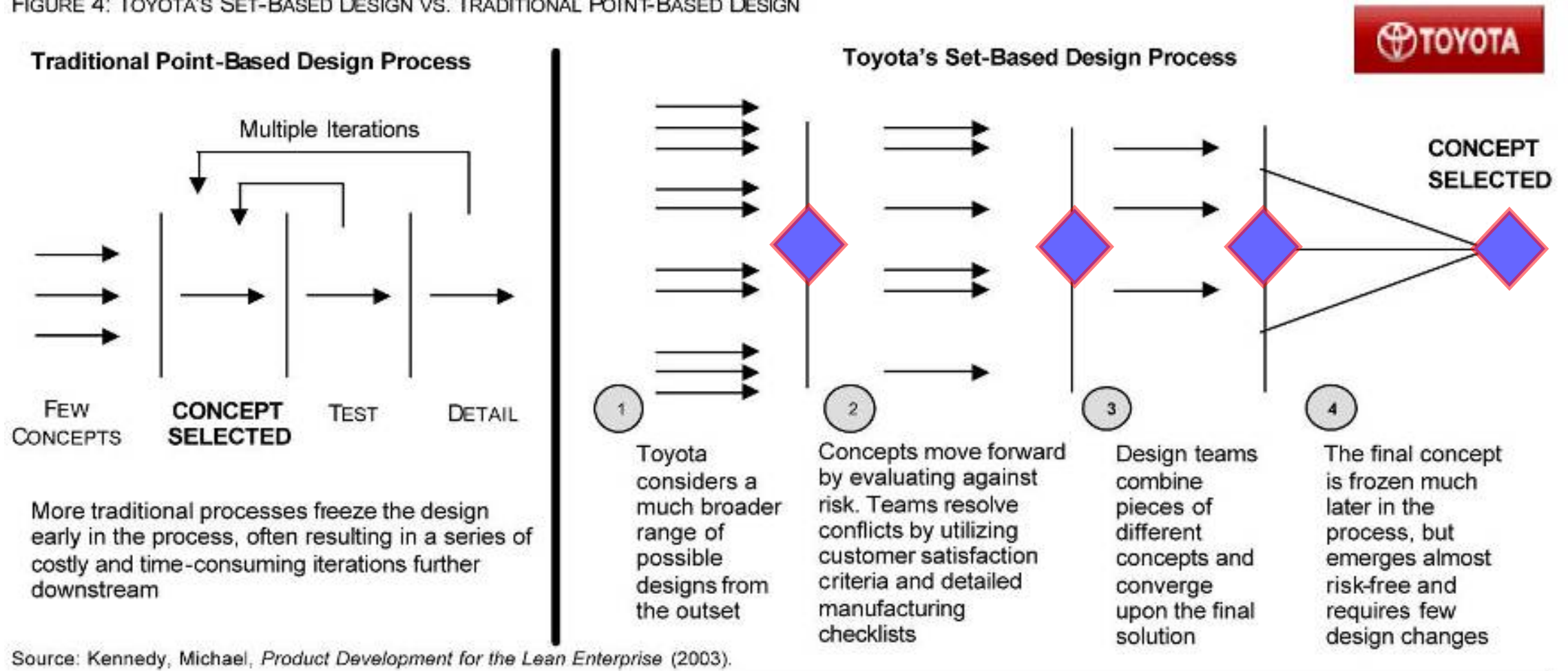


(Figure 5e)

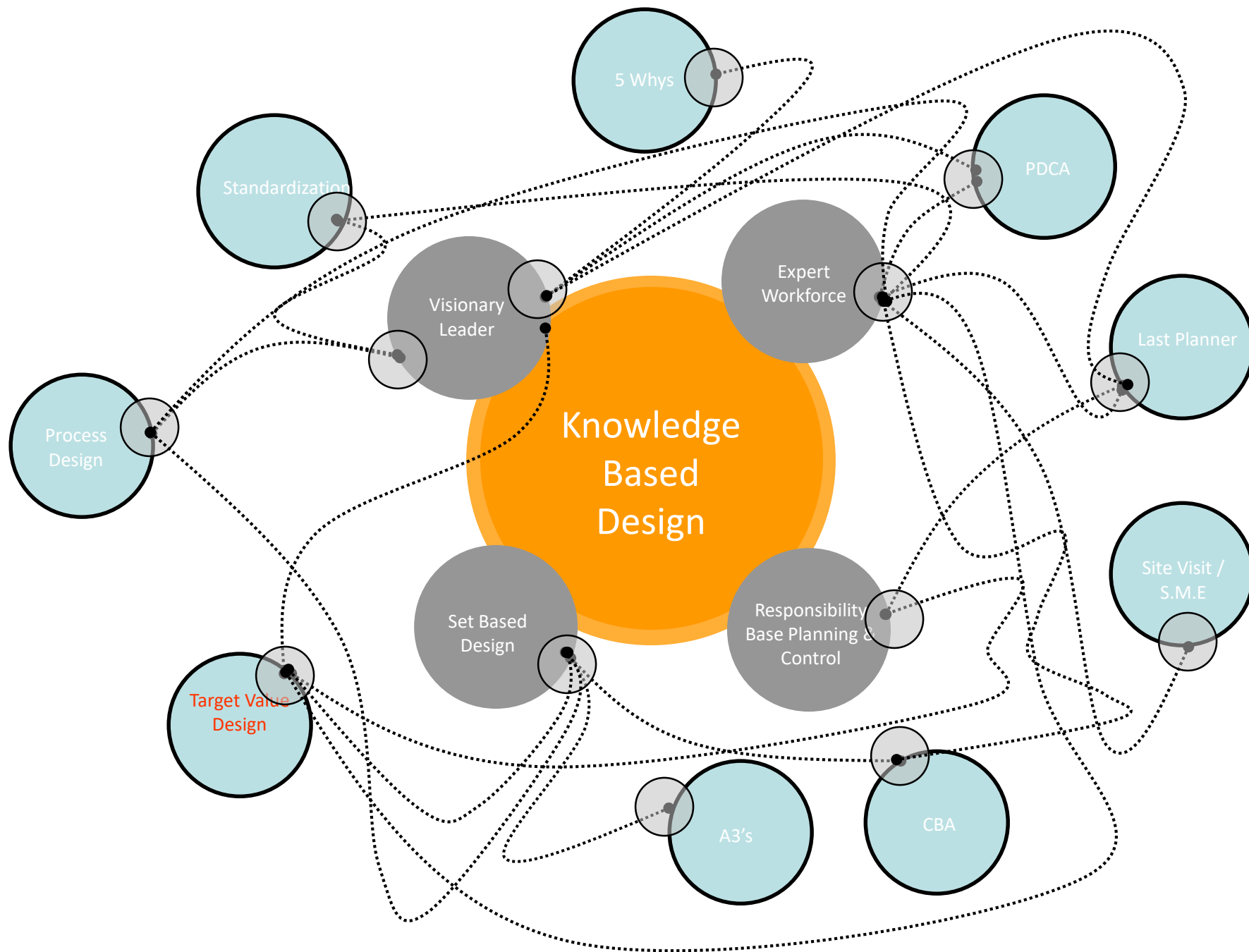


A Set Based Methodology

FIGURE 4: TOYOTA'S SET-BASED DESIGN VS. TRADITIONAL POINT-BASED DESIGN



Source: Kennedy, Michael, *Product Development for the Lean Enterprise* (2003).





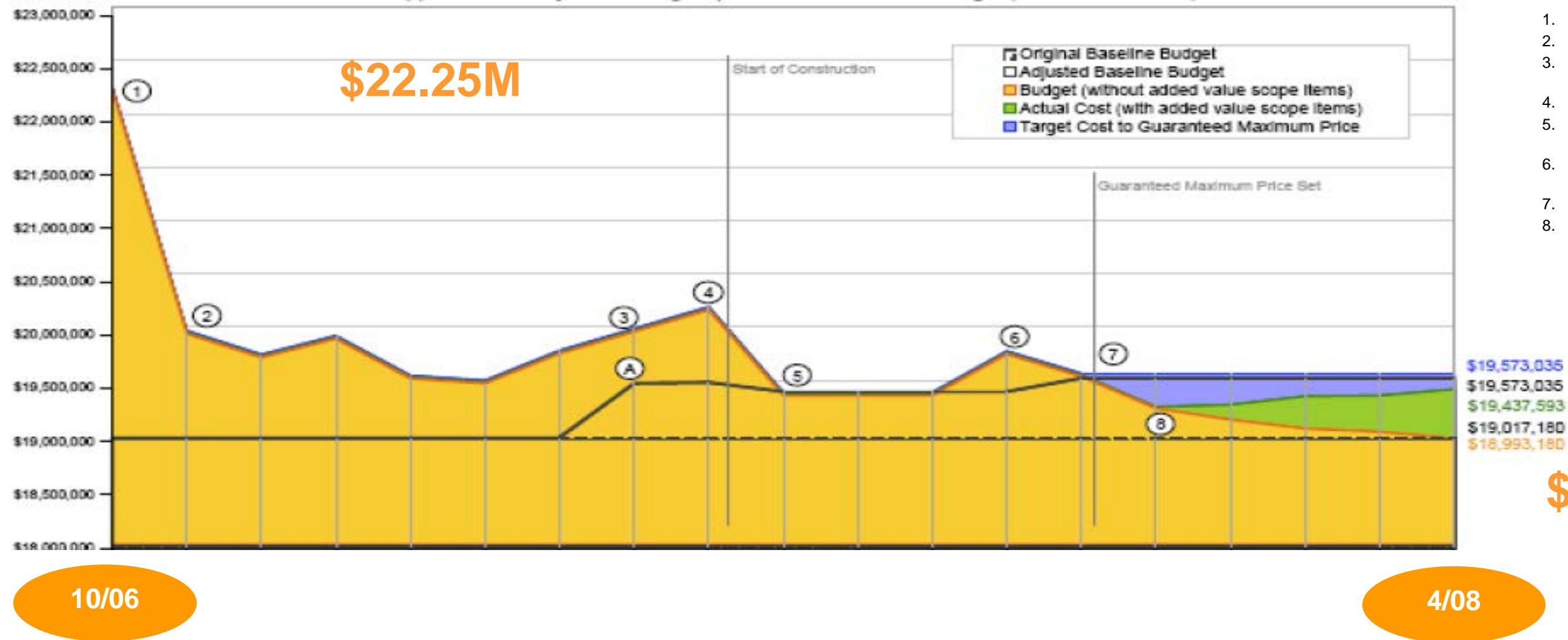
Early Returns.

Creating a Lean Culture within

- Domesticating the wild lean concept
- Top down / bottom up
- Rapid learning
 - Knowledge transfer
 - Breakdowns as learning events



Sutter Fairfield Medical Office Building



1. Original Concept Construction Budget
2. Start of Target Cost Process
3. Added Scope of Monumental Stairs, Canopy and Trash Enclosure
4. Increased Steel Cost
5. Contingency for Design Completion Estimating Removed from Target Cost Estimate
6. Flashing / Sheet Metal and Structural Steel Buyout Amendment to IFOA
7. Savings from Aggressive Buy out
8. Projected Savings from Field Productivity



SUTTER HEALTH

A Very Big Challenge

Increase Throughput
by 50%
~~52~~

Reduce FTE's
by 40%
~~42~~

Reduce Square Feet
by 30%
~~35~~

Reduce Time to Build
by 50%
~~53~~

Reduce Natural Resource Use
by 25%
~~28~~

1/27/2009

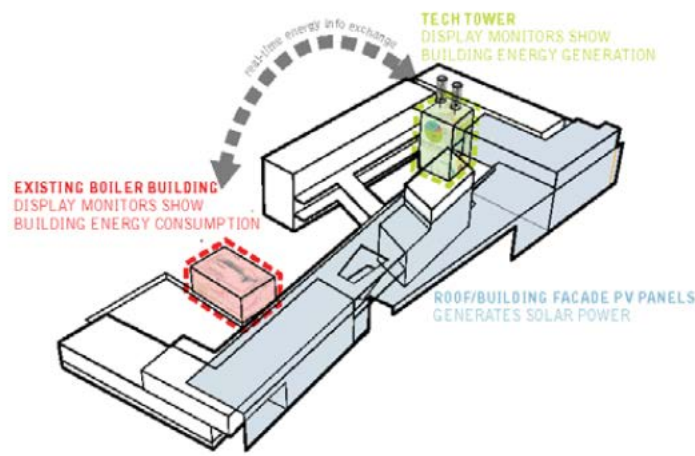
TARGET VALUE DESIGN TEAMS

	1 Patient Management I	2 Patient Management II	3 Staff Efficiency	4 IT/Logistics	5 Cost/Schedule	6 Building Systems/Site	7 Security
XO:	Catherine Knox (XO)	Scott Wing (XO)	Evelyn Warner (XO)	Tom Hoerstman (XO)	Dave Wells (XO)	John Paul Peterson (XO)	Vinson Johnson (XO)
AO:	Jesse Springer (AO)	Cindi Ricker (AO)	Dalton LaVoie (AO)	Kevin Parks (AO)	Steven Powell (AO)	Arnie Dun (AO)	Arun Kaiwar (AO)
Design	Jesse Springer (AO) Paul Nagashima Sheila Ruder	Scott Wing (XO) Claudia Latchman	Evelyn Warner (XO) Dalton LaVoie (AO) Jeff Goodale	Tom Hoerstman (XO) Kevin Parks (AO) Neil Cristal	Mike Godfrey Sing-Sing Lee (AO)	John Paul Peterson (XO) Ron Migliori Kathy Blume Gary Lai	Vinson Johnson (XO) Arun Kaiwar (AO) Bill Valentine
Construction	Bart Robeson	Jeff Wellenstein	(OPS Cost)	Brett Nogelberg	Dave Wells (XO) Craig Greenough Erik Winje	Dave Mitchell Tim Belie	Brian Hill
JV	Sina Yerushalmi	Jason Haim	Ken Lee	Steve Keeter	Jeff Rock Sean Luong Brad Jayne	Bob Levine Greg Stirewalt Arnie Dun (AO)	Dave Michaels Steve Carter
Operators	Catherine Knox (XO) Wendy Still Andrew Swanson Helen Byrd Jim Lett Laura Lycan Sharon LaMar	Cindi Ricker (AO) Chuck Spirk Fountain Hutchison Frances Riddlehoover	Maunani Henry Kim Waits Debbie Hoffman Chris Salmon Patti Crome	Dave Noronha Kathy Page Jerride Evans Mike Holston Gene Lucas Joe Sargent Steve Young John Rogel	Susan Lew Steven Powell (AO)	Michael Bean	Tom Felker Marty Aroian IT: Fred Eichstaedt
Team Resources	CEQA-Traci Michel Kerry Hughes William Roush	CEQA-Martin Tuttle John O'Shaughnessy Dennis Himing	CEQA-Wendy Saunders	CEQA-Todd Chambers	CEQA-Todd Chambers Lauren Trevathan Eric Tjai Dave Redemski Kaushal Diwan	CEQA-Laura Sainz Jim Townsend Larry Summerfield	Steve Keeter Dave Parrish Norm Carlson Don Price Betti Sadler Lisa Meints
Support Person	Steve Morton	Pamela Adams	Andie Moeder	Edgar Nunnelly	Mitch Vaden	None	Clarinda Bisceglia

Program Cost Model Comparisons

	Dec '08 Cost Model 7 Sites	Mar '09 Cost Model - 7 Sites	Mar '09 Cost Model - 6 Sites
Direct Facility Design/Build Costs			
Typical Facility	\$2,620,113,411	\$2,077,070,440	\$1,873,912,888
Type 1 Facility	\$801,158,438	\$672,719,016	\$681,826,604
Type 5 Facility	\$858,824,328	\$718,079,294	\$728,412,634
Total Facility Design/Build Costs	\$4,280,096,177	\$3,467,868,750	\$3,284,152,126
Equipment and IT			
Owner Furnished Equipment	\$227,279,190	\$250,007,111	\$228,050,832
CPR IT Program Costs	\$198,450,000	\$222,760,650	\$209,441,104
Subtotal Equipment and IT	\$425,729,190	\$472,767,761	\$437,491,936
Subtotal Facility Direct Costs	\$4,705,825,367	\$3,940,636,511	\$3,721,644,062
Indirect Costs			
Escalation	\$350,407,776	\$98,753,905	\$75,532,711
Program Contingency	\$500,582,537	\$394,063,651	\$372,164,406
Investment Sustainability Fund	\$300,000,000	\$300,000,000	\$300,000,000
Offsite Infrastructure Allowance	\$343,697,754	\$343,697,754	\$314,459,720
CEQA Allowance	\$104,000,000	\$104,000,000	\$84,000,000
Site Adaptation Allowance	\$35,000,000	\$70,000,000	\$60,000,000
Fees and Permits Allowance	\$26,000,000	\$26,000,000	\$23,000,000
Programming, Planning, Administration	\$21,450,085	\$81,750,064	\$779,451,064
Subtotal indirect Costs	\$2,781,138,152	\$2,155,965,375	\$2,088,606,901
TOTAL	\$7,486,963,519	\$6,096,601,886	\$5,810,250,963

\$7.5B
\$6.1B
\$5.1B



SCUP/AIA-CAE EXCELLENCE IN ARCHITECTURE

Honor

[Harvard University](#) for Tozzer Anthropology Building with J
Consulting Engineers, PC; Green International Affiliates, In
Inc.; Cavanaugh Tocci Associates

Honor

[Los Angeles Community College](#) for Los Angeles Harbor Col
Construction; Saiful/Bouquet; JMC2; Fundament & Associat
Consultancy; Aon Fire Protection Engineering Corp; Finish

Honor

[Stanford University](#) for Windhover Contemplative Center w
Rutherford + Chekene; BKF Engineers; Auerbach Glasow F
Earth Works



- Innovation!
- Alignment with client goals
- Creates stability/predictability on projects
- Identifies and removes waste in current design and construction processes: improving productivity and reducing cost and time to build
- Results in safer projects
- Makes the design and building process fun again

Lean Design and Construction...vs *The Old Methodology*



- Innovation!
 - Alignment with client goals
 - Creates stability/predictability on projects
 - Identifies and removes waste in current design and construction processes: improving productivity and reducing cost and time to build
 - Results in safer projects
 - Makes the design and building process fun again
- *Jumping in without defining the problem*
 - *Waiting for design batches*
 - *Design schedule defined by arbitrary milestones*
 - *Surprises*
 - *Waiting for the bids to come in to know the cost of the project*
 - *VE options arriving late disrupting design*



Success stories?



KBD CONNECTIONS TO HGA STRATEGIC PLAN

1 DISTINGUISH OURSELVES BY EXEMPLIFYING EXCELLENCE

- Improve design quality
- Advance integration of disciplines
- Cultivate our reputation

2 TAKE ADVANTAGE OF NEW MARKET OPPORTUNITIES

- Innovative clients and design
- Integrate A/E services

3 ORGANIZE AND MANAGE OUR FIRM EFFECTIVELY

- Responsibility and authority
“closest to the action”
- Consistent problem-solving methodology and decision-making

4 PRACTICE STEWARDSHIP

- Culture of mentoring
- Sustainable design

5 FINANCIAL SUCCESS

- Accountability
- Enhance our competitive advantage



We did this right.

EDUCATION SESSION 2

WHERE WE'VE BEEN

Education Session 1:
Project Team Organization

Your comments re: Session 1?

WHERE WE'RE GOING

Education Session 2:
Integration Events and
Questions?

EDUCATION SESSION 3

WHERE WE'VE BEEN

Education Session 2:

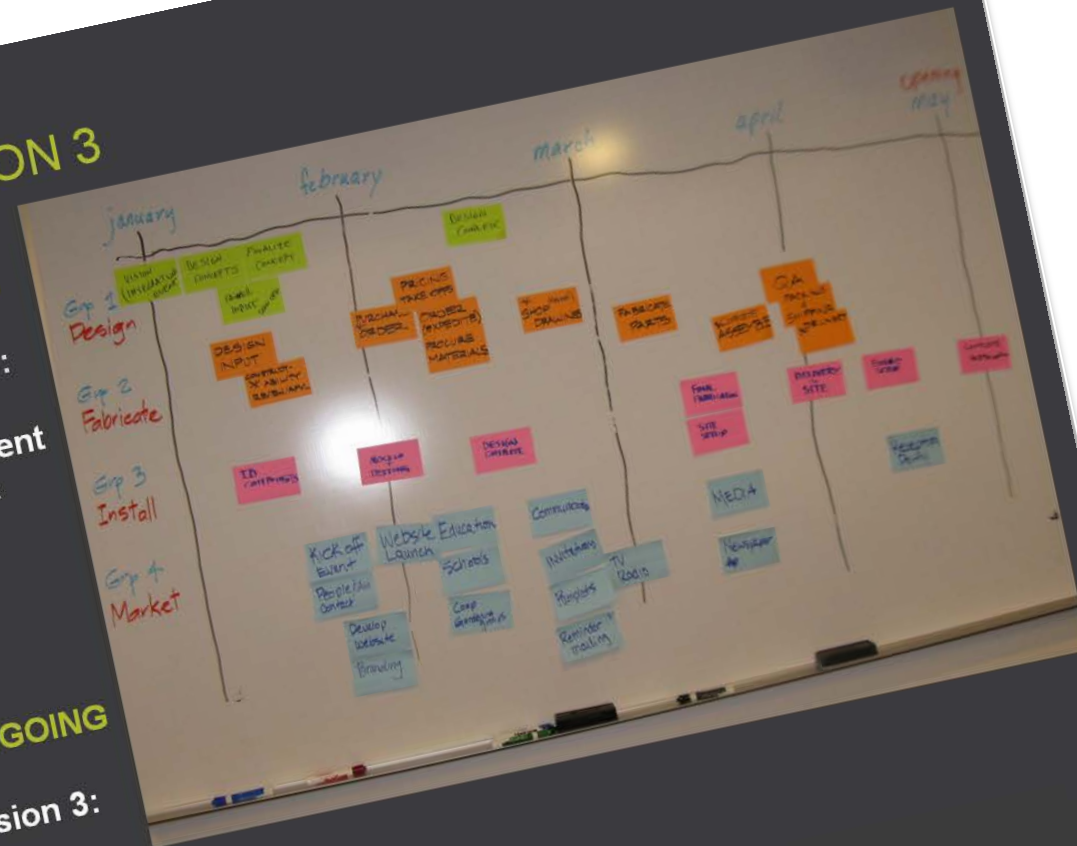
- Integration Event
- Pull Schedule

WHERE WE'RE GOING

Education Session 3:

- Knowledge Sharing
- Set-Based Design

Questions?



- Computer
 - Local Disk (C:)
 - project (\\milwaukee\\milwaukee) (G:)
 - market (\\Milwaukee_marketing\\Marketing) (K:)
 - project (\\losangeles) (L:)
 - Isstanc (\\losangeles\\author)
 - kbdlibrary (\\minneapolis) (O)
- 14-1006_DD2
 - BIM Repository
 - Cross-Disciplinary Resources
 - HGAU
 - KBD Resources
 - A3
 - BIM Capabilities
 - BRH Temp 2013 01 24 Satosl
 - KBD Case Studies
 - KBD Education
 - KBD Staff Training 2010
 - PowerPoints - Education
 - Staff Training
 - Training Session Photos
 - Training Workbook
 - Knutson TVC 2013
 - MSP ASHE 2012
 - Overview Sessions
 - Pharmacy Benchmarking (2012)
 - KBD Equipping
 - KBD HiP Page
 - Pull Schedule
 - Newforma
 - Practice Group Resources



College of Saint Benedict New Academic Building ST JOSEPH, MINNESOTA

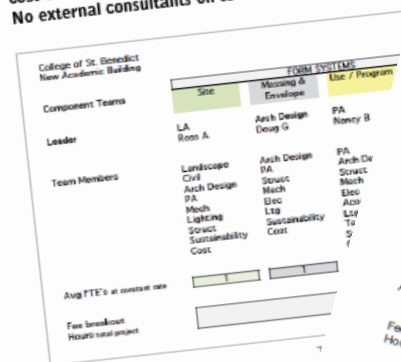
PROJECT SUMMARY

New academic building for CSB housing departments of psychology, mathematics, economics and computer science.

- 110,000 GSF
- 15.5 acres of sitework
- \$41.5 million construction budget
- LEED Platinum or better
- CSB goals for project:
 - Provide the highest quality formal and informal learning spaces for students and faculty
 - Enhance the campus as a whole and connect the community together
 - Set a standard for sustainability and stewardship for the CSB community
- Vision for the use of KBD on the project:
 - Make well-informed integrated design decisions early in the project
 - Engage all disciplines as conceptual thinkers
 - Develop cost/benefit scenarios to assist Owner in decision making
 - Maintain flexibility in the design process so new information can be applied with minimal disruption

TEAM ORGANIZATION

Component Teams were structured around significant building components. The Owner had periodic involvement, by choice (not able to commit time and resources needed for highly participative participation). Contractor was not selected as of completion of SD Phase, so construction was represented by HGA cost estimating. Advised Owner to engage CM for DD P. No external consultants on team.



The Component Team structure he value engineering early in Scherr on the team was engaged in the first day of the project. Early to Predesign team to all team m perspective. Key team mem mechanical, electrical and day... participated in meetings with the Com knowledge of how the design of their system to the College's needs. This multidisciplinary process...

HGA Architects and Engineers

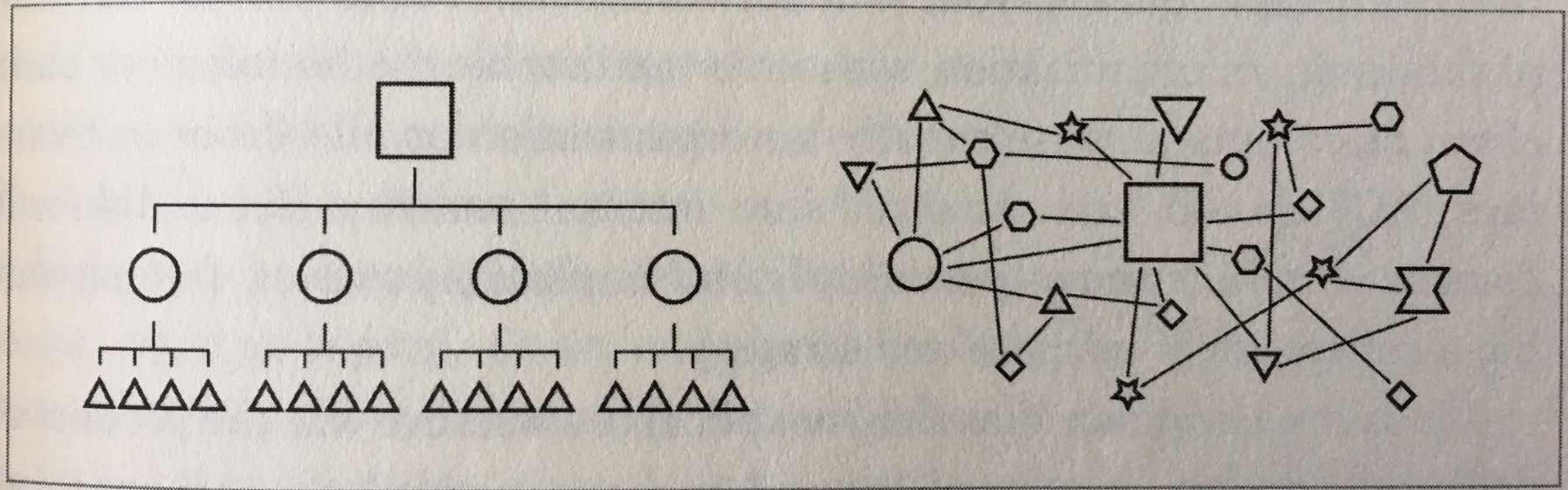
*For Internal Use Only



*For Internal Use Only

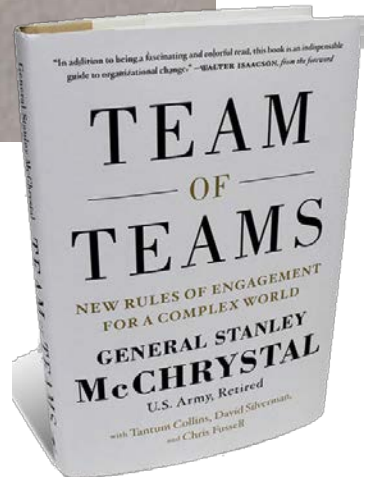
</

It was the best!



What we were designed for

What we were facing

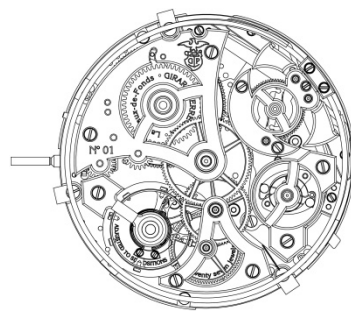




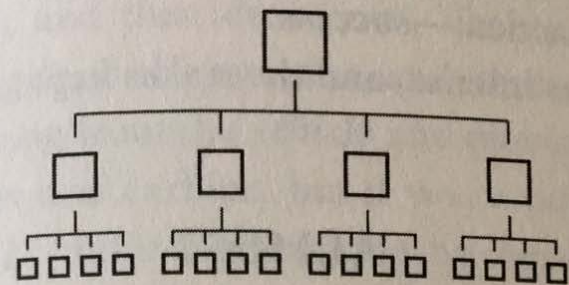
Complicated



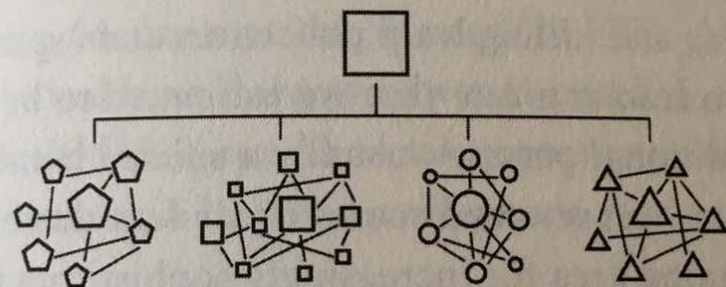
Complex



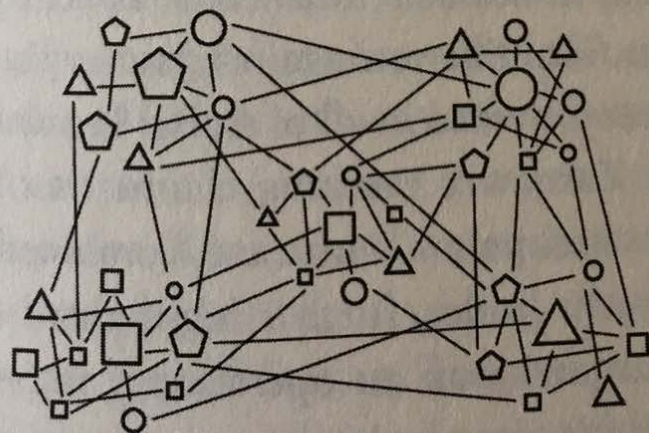
	Complicated	Complex
In planning	<ul style="list-style-type: none">•Describe <i>What</i>; dictate <i>How</i>•Focus on details•Coordinate everything centrally•Deliberate tradeoffs•Solution is often reached through a series of algorithms	<ul style="list-style-type: none">•Describe <i>What</i> but not <i>How</i>•Only key details—the fewer, the better•Limit central coordination to what’s absolutely necessary•Tradeoffs not always foreseeable, and they can shift over time
Goal	Optimal solution	Good enough to learn from and adjust
Focus on	All the details	Potential side effects
During execution	<ul style="list-style-type: none">•Make sure plan is adhered to•Adjust to make things more efficient•Compliance	<ul style="list-style-type: none">•Measure results against all desired outcomes•Don’t get attached to any particular course of action•Adjust constantly and learn



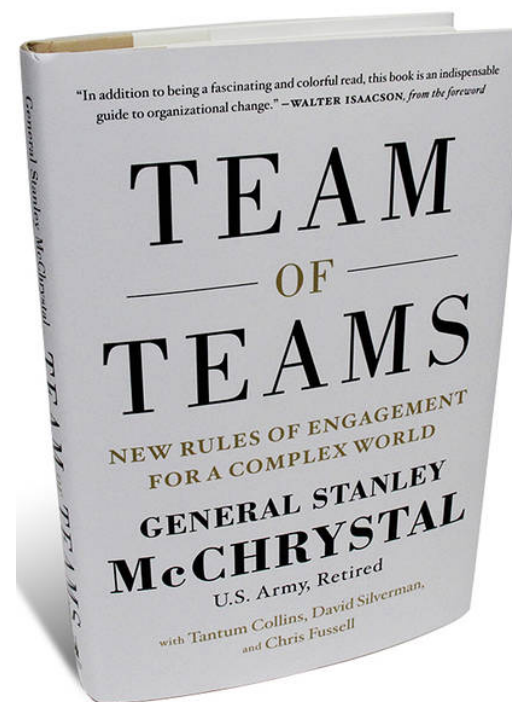
Command



Command of Teams

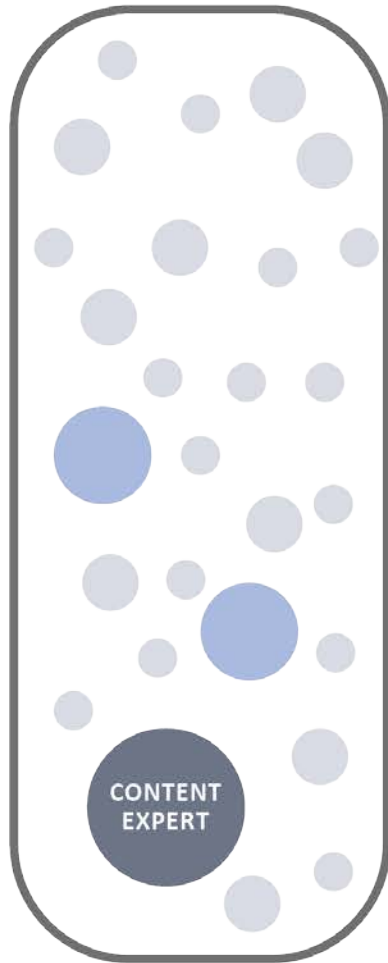


Team of Teams



PRACTICE GROUP

A



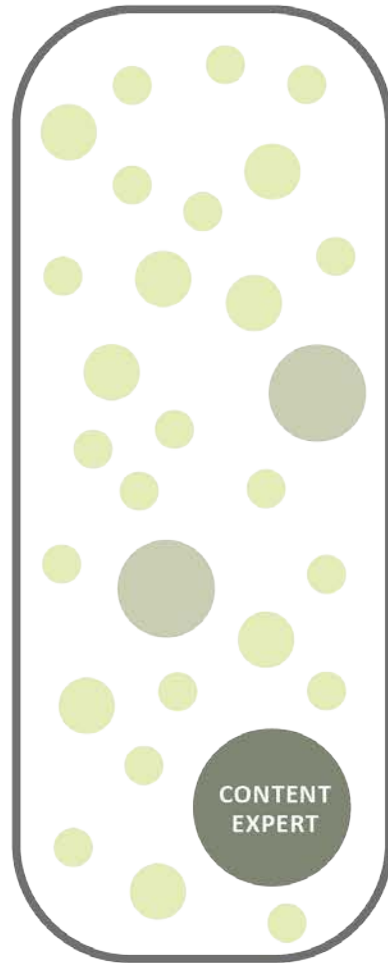
PRACTICE GROUP

B



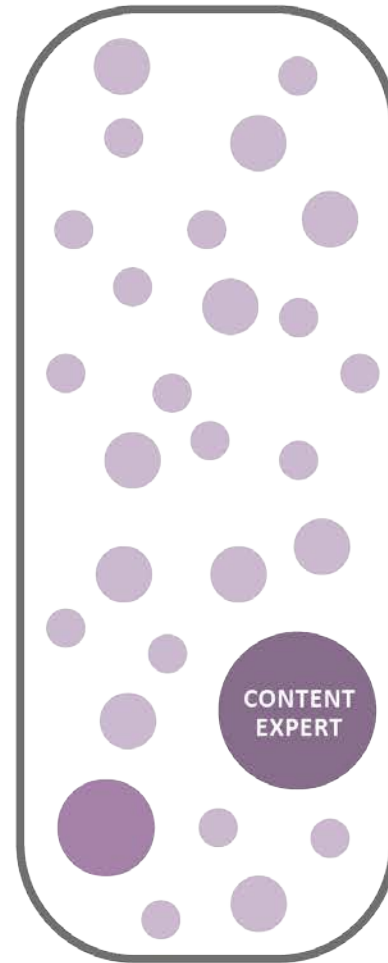
PRACTICE GROUP

C



PRACTICE GROUP

D



PRACTICE GROUP

A

PRACTICE GROUP

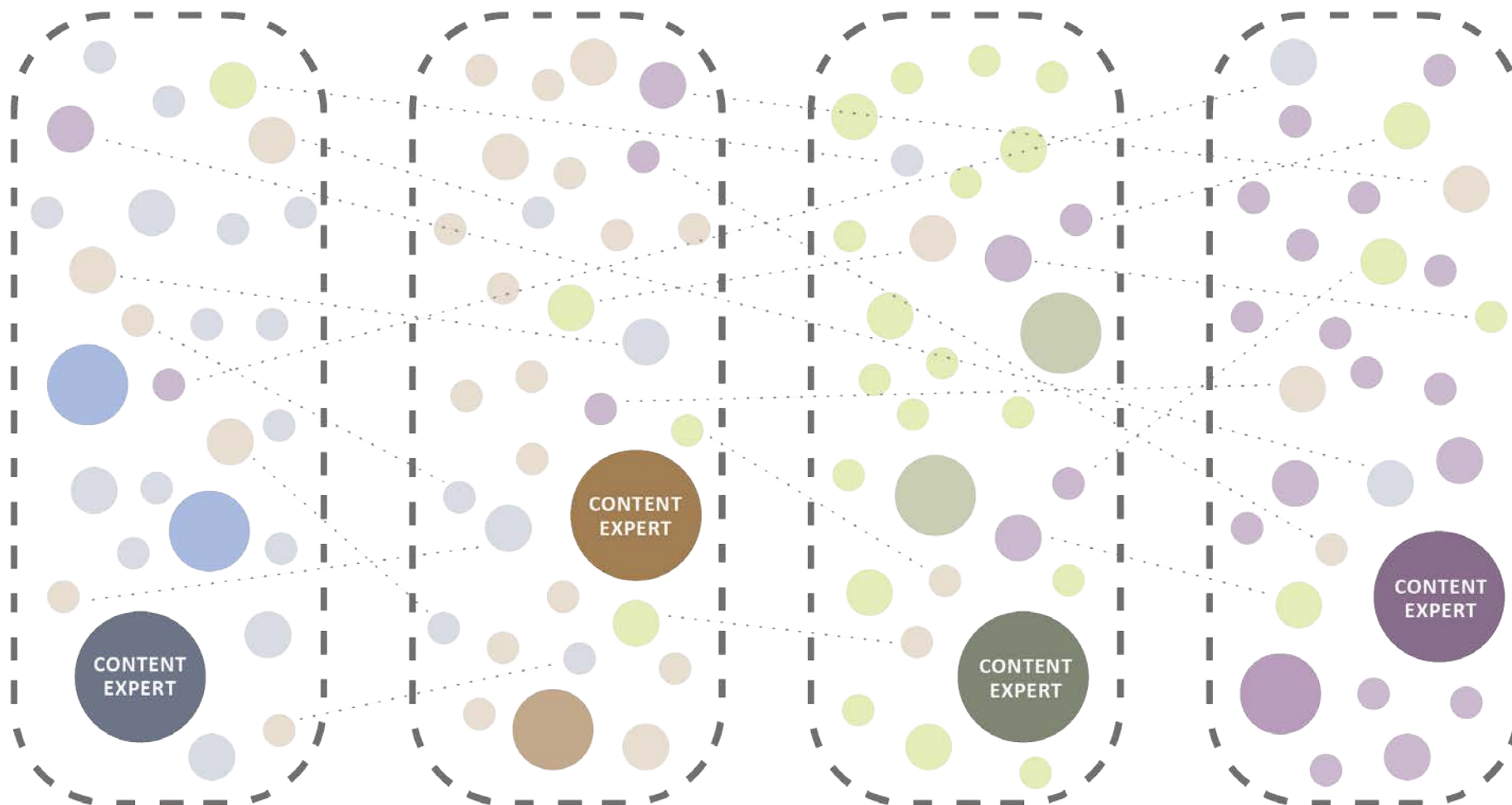
B

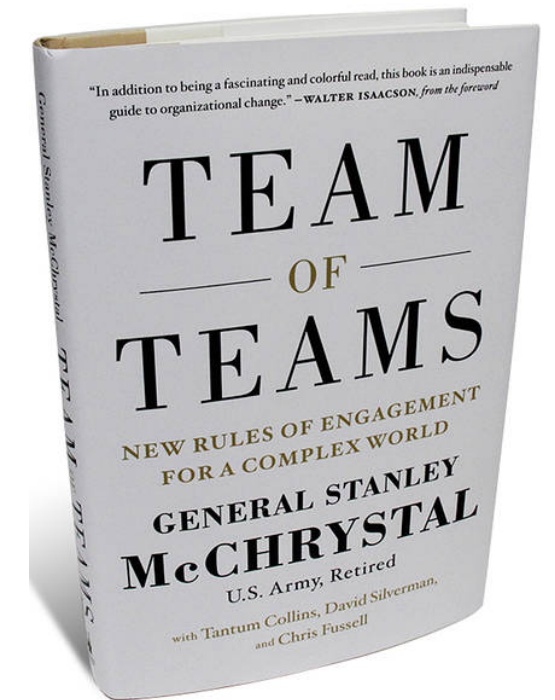
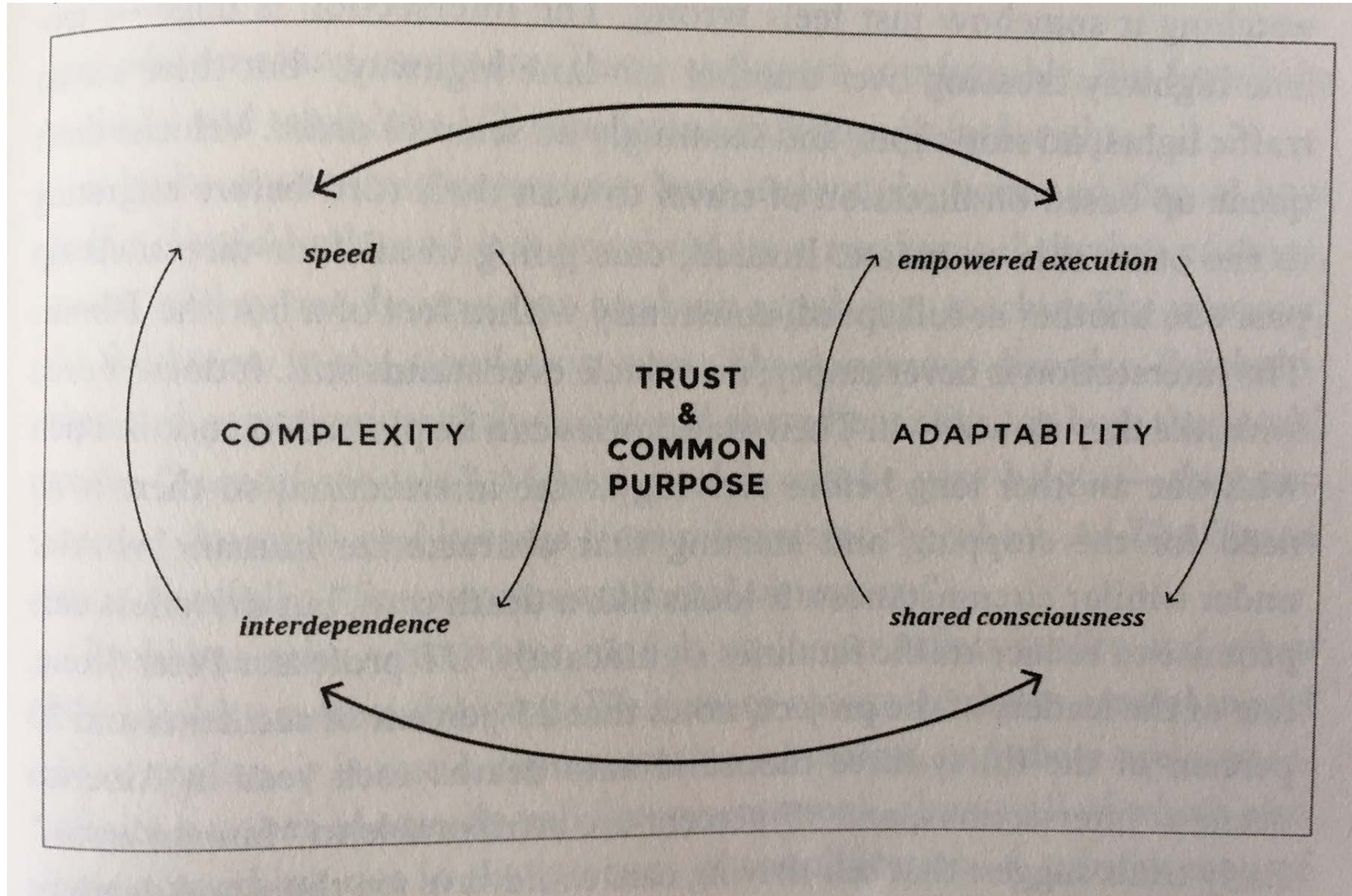
PRACTICE GROUP

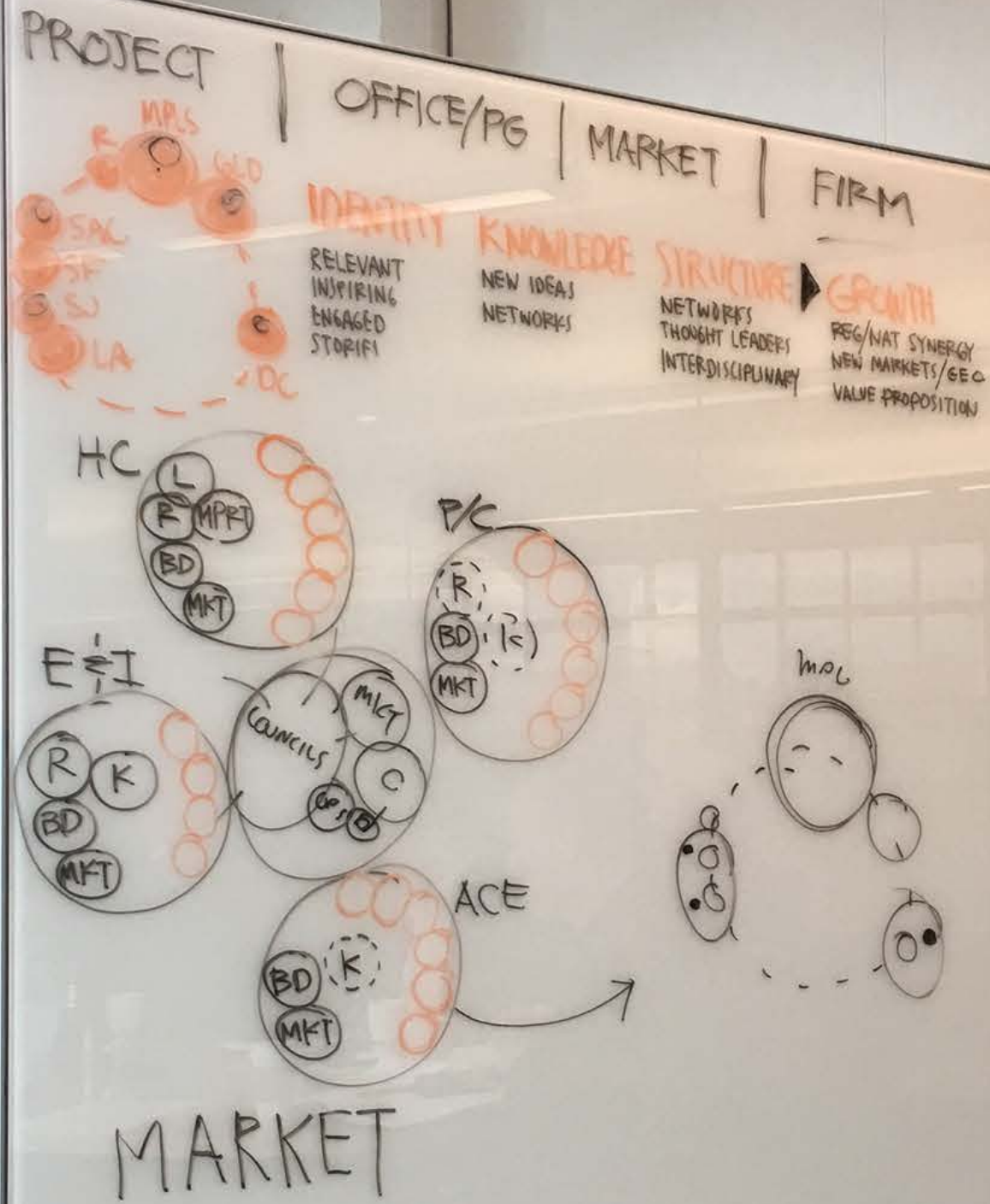
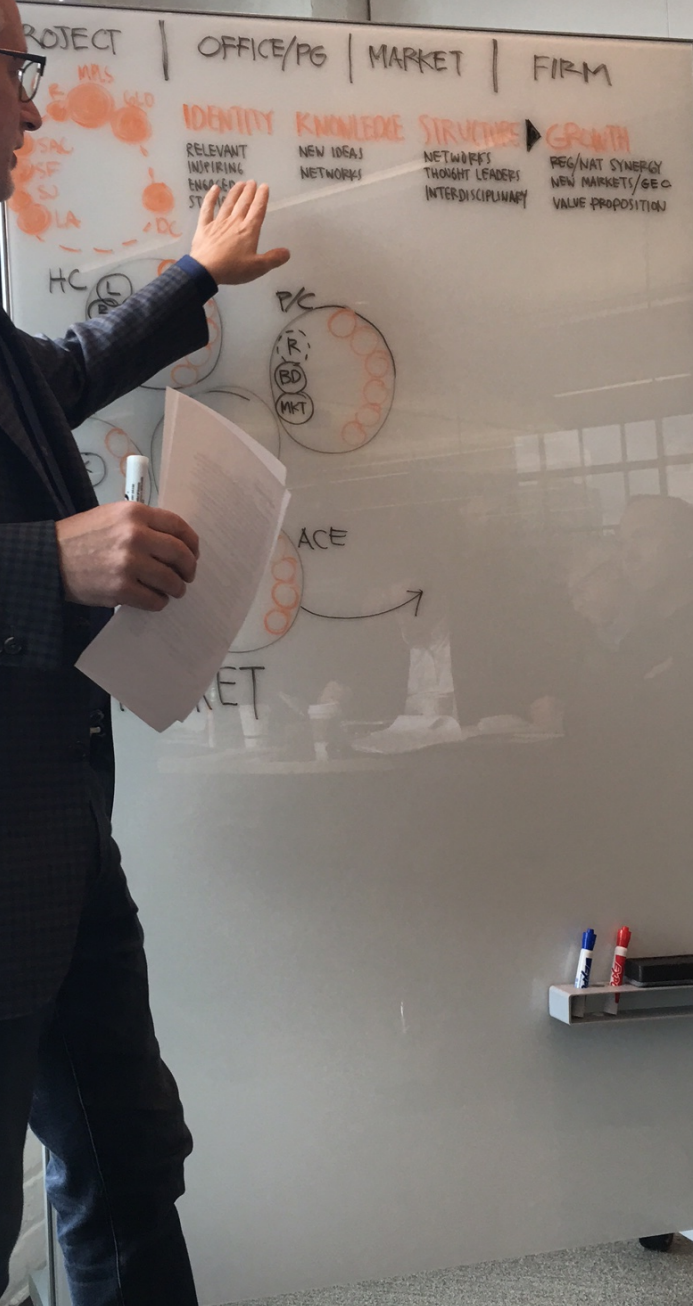
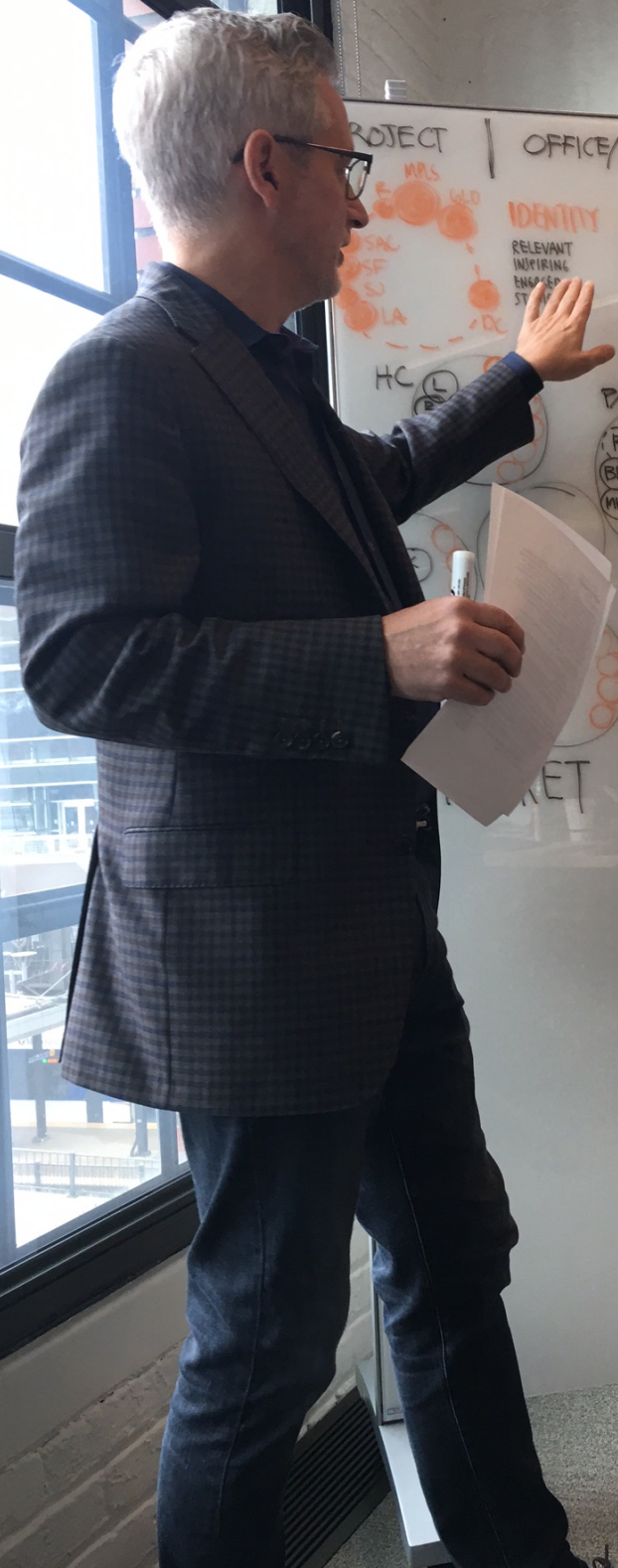
C

PRACTICE GROUP

D









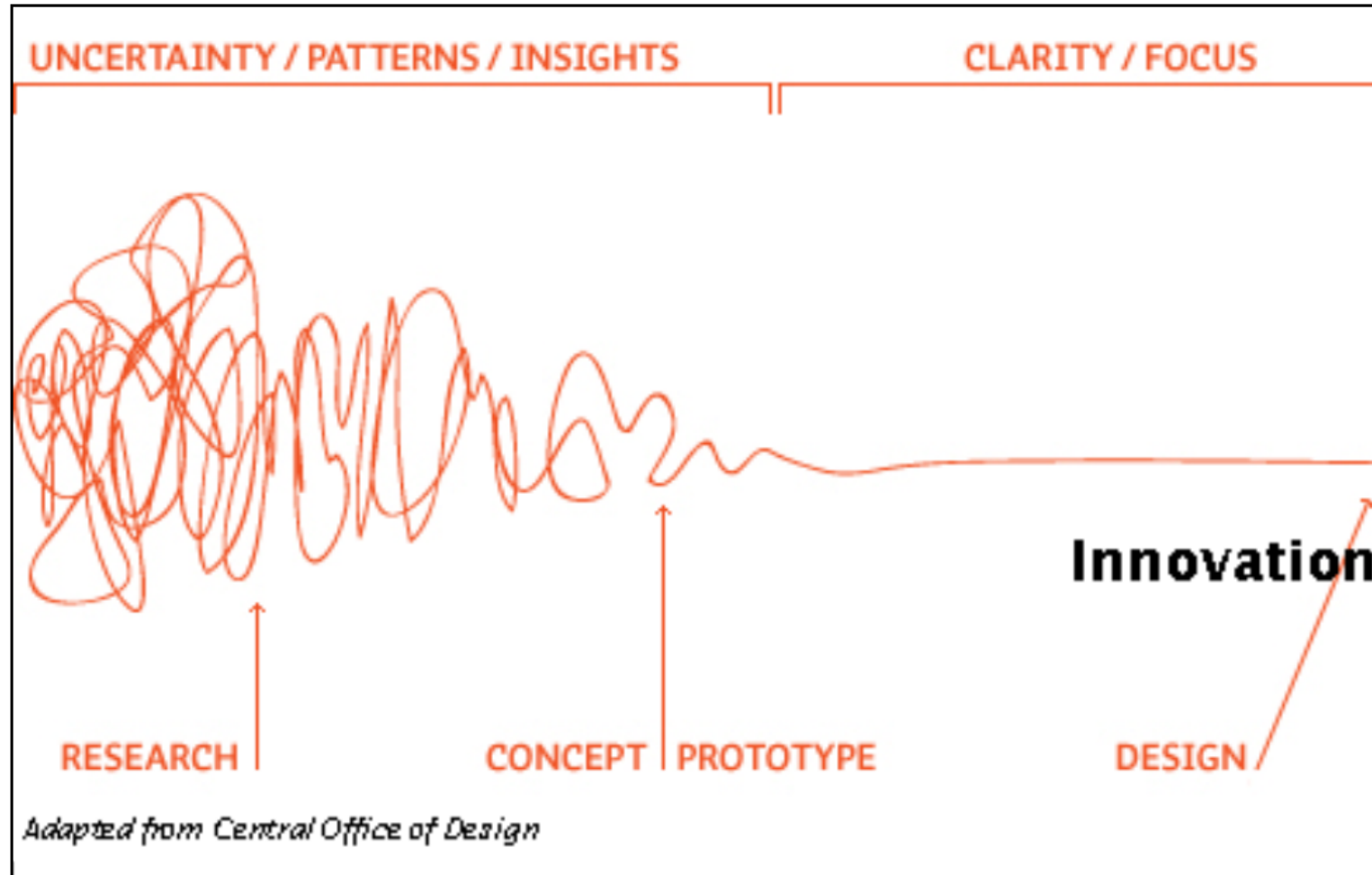
Obstacles on the journey?

The model evolves



Tim Sadchikov
Evan 110
Richard De

Design Thinking as a Strategy for Innovation

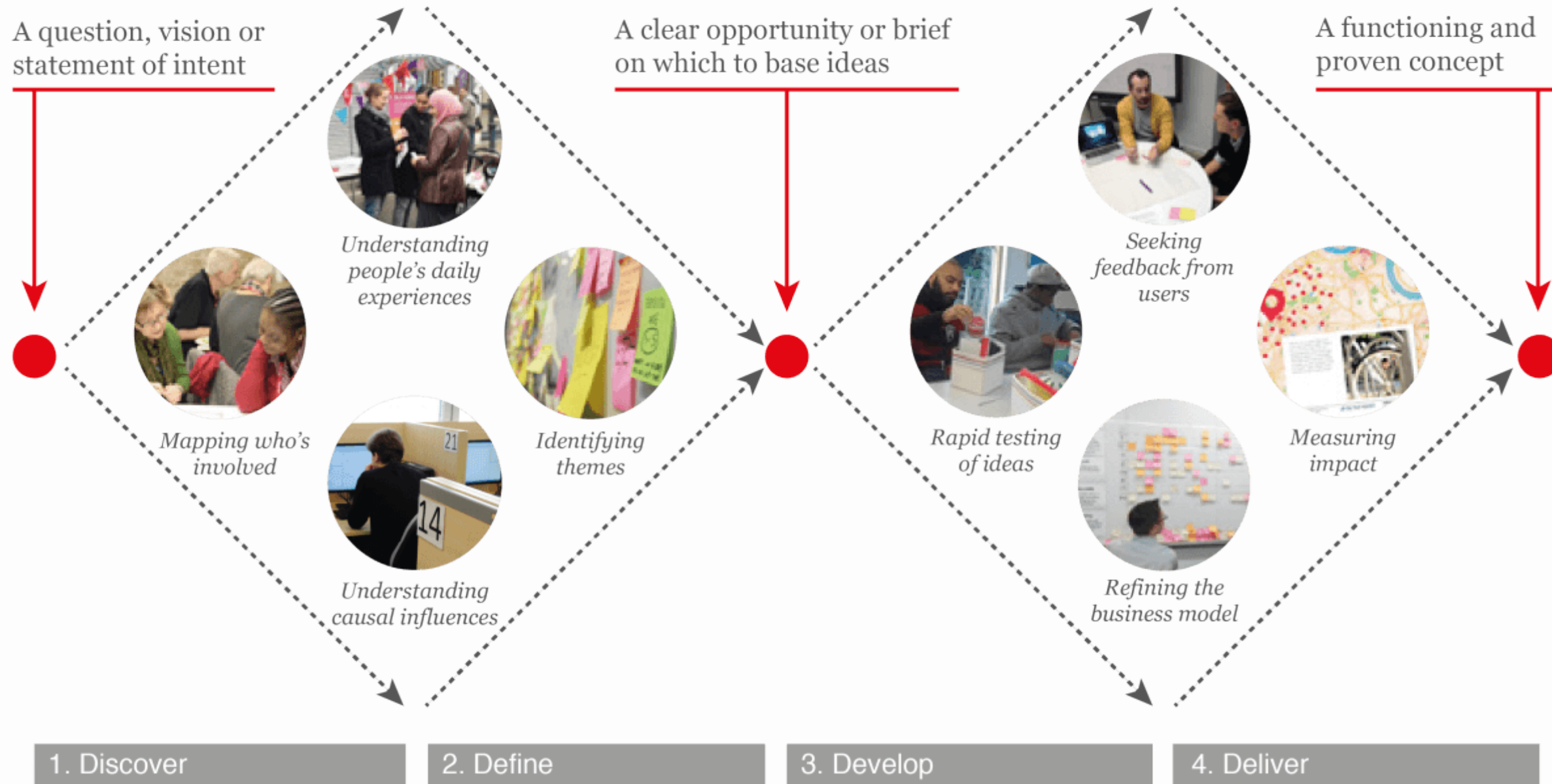


What is Design Thinking?

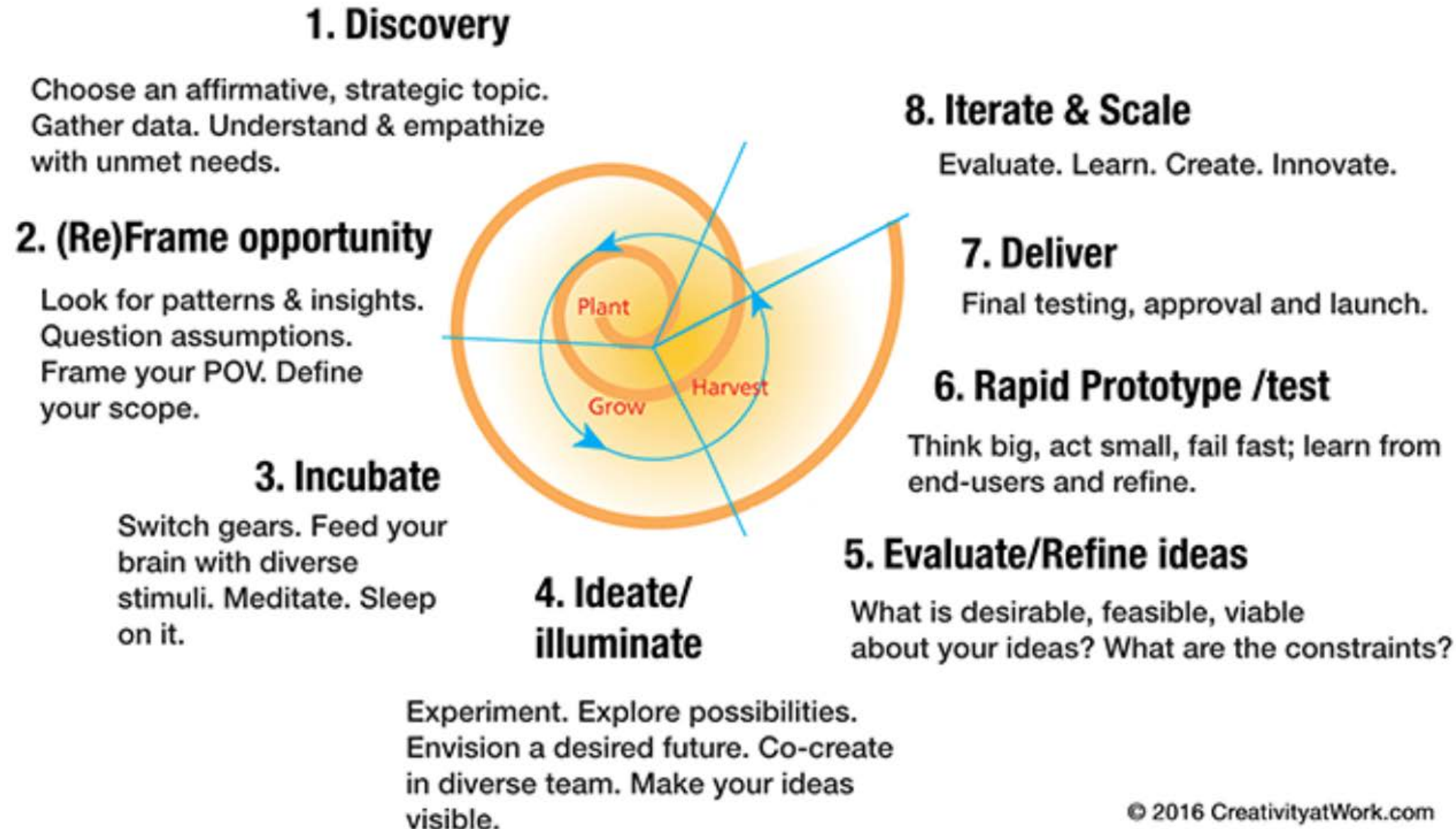
Design Thinking is a methodology used by designers to solve complex problems, and find desirable solutions for clients. A design mindset is not problem-focused, it's solution focused and action oriented towards creating a preferred future. Design Thinking draws upon logic, imagination, intuition, and systemic reasoning, to explore possibilities of what could be—and to create desired outcomes that benefit the end user (the customer).

What and Why

How



A Framework for Design Thinking



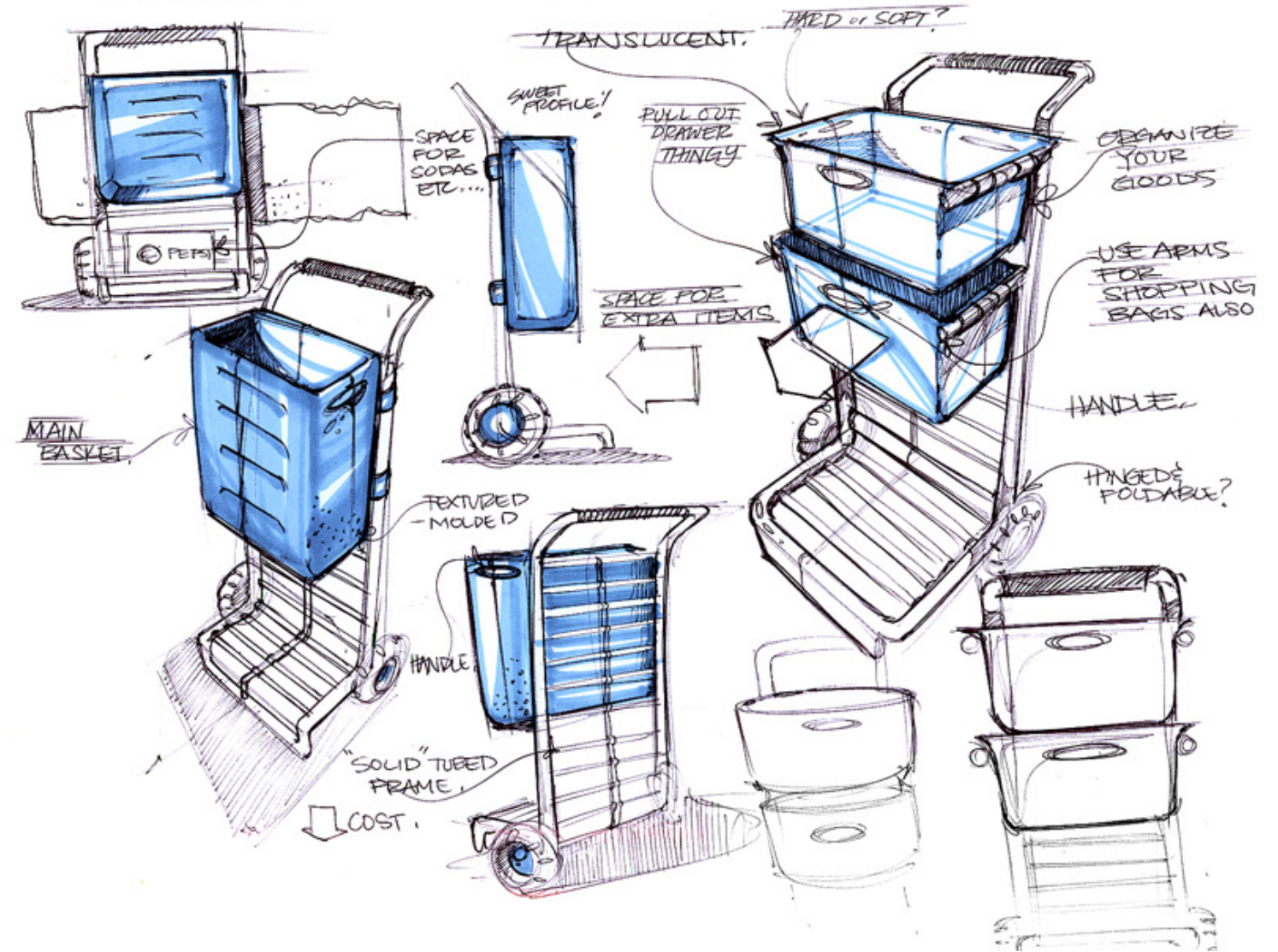
© 2016 CreativityatWork.com

The perfect Lean Design Firm

IDEO, Palo Alto, California

Mainstreamed the idea of “Design Thinking”

- Utilize Going to the Gemba
- QFD studies
- Rapid Proto-typing
- Cross-Functionally trained teams
- TRIZ, etc. All without calling “It that”
- ...and neutral Standard of Care issues

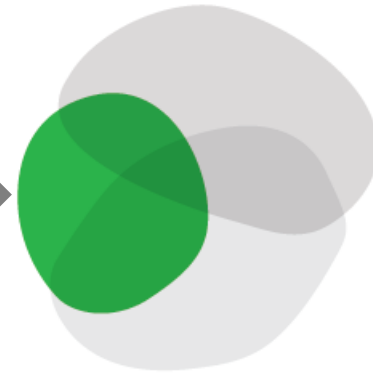
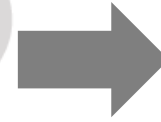




inspire



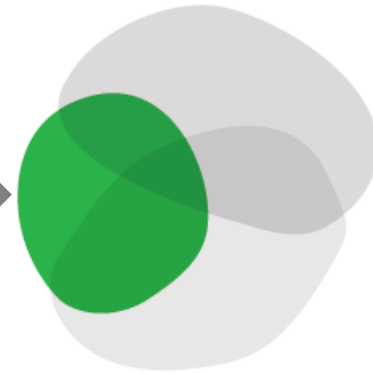
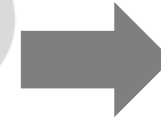
ideate



implement



inspire



Vision

Mission Goals
Desired
outcomes
Workplan
Team
Data request

Current State

Shadowing
Interviews
Volumes /
Thruput
Workflows
Benchmarks



success



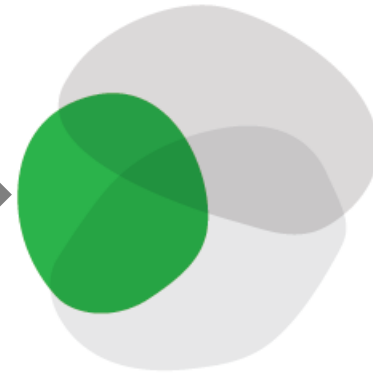
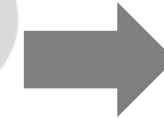
big questions



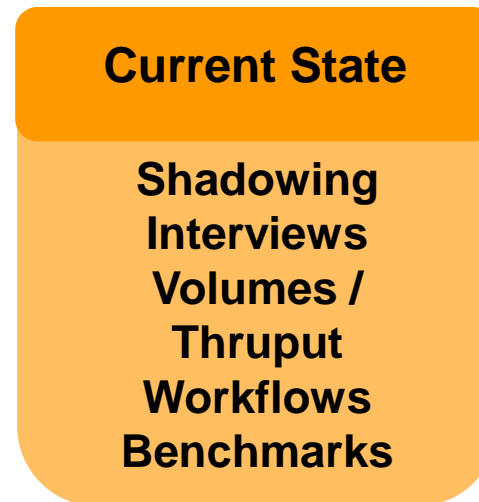
inspire



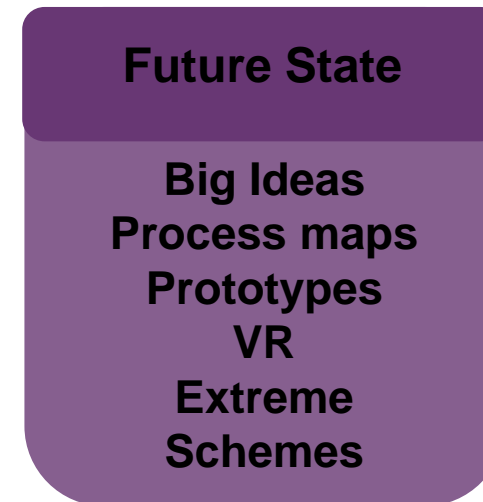
ideate



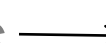
success



big questions



big ideas

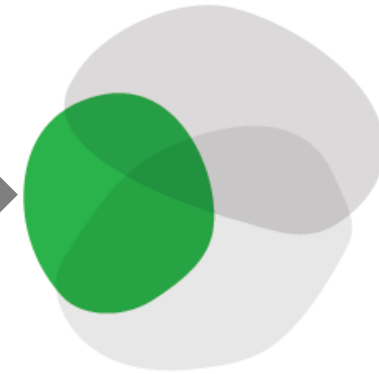
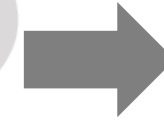




inspire



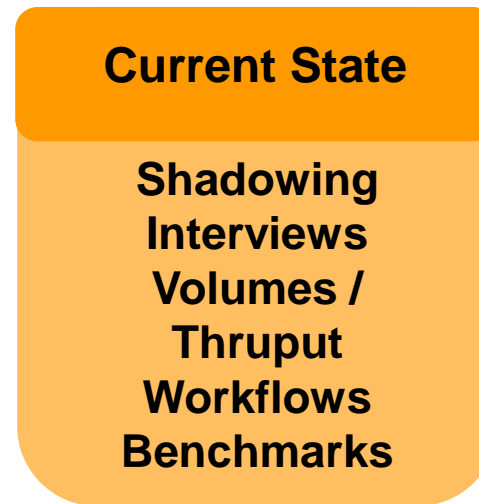
ideate



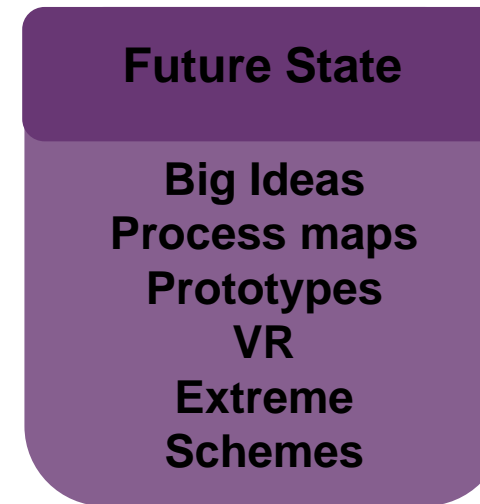
implement



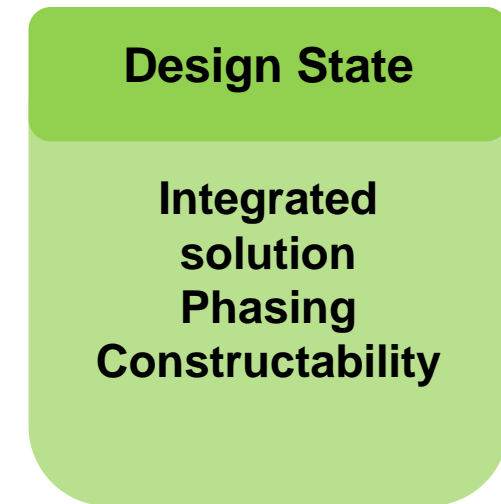
success



big questions






big ideas

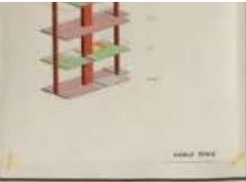

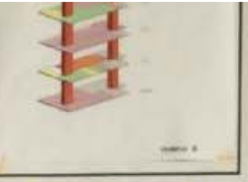














the answer

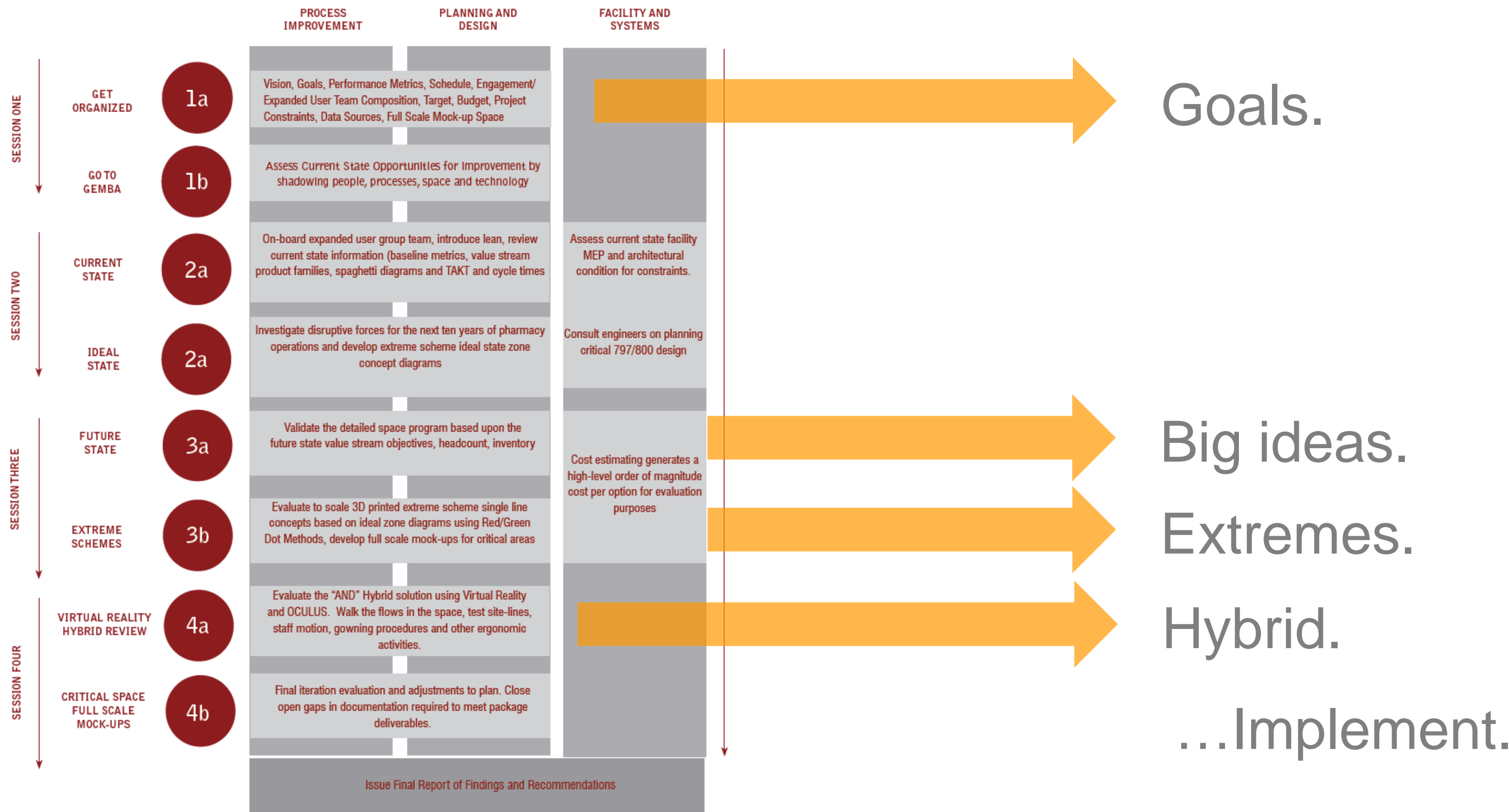
success → big questions → big ideas → the answer

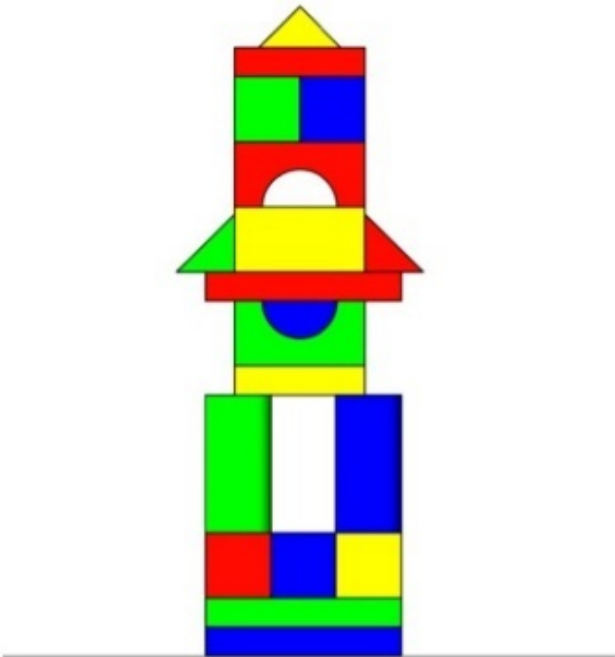
ID	Description	Recommended		Contextual									Safety					Spatial Quality					Structural Efficiency				First Cost			
		NOW	FUTURE	Contextual	Scale	Unifying	Representative	Connection	Heritage	Hospitality	Program Efficiency	Safety	Comfort	State-of-the-Art	Precision	Quality	Competence	Spatial Quality	Comfort & Control	Daylight & Views	Oasis	Circulation	Structural Efficiency	Mech Efficiency	Other Efficiency	Envelope	First Cost	Life Cycle Cost	Ease of Maintenance	Operations
Weighting				10	10	8	8	8	10	10	10	8	8	10	10	8	8	8	10	8	8	8	8	8	8	8	10	10	10	10
IDEA-1		216		-1	-1	1	2	1	-1	1	1	1	1	2	2	2	1	1	1	1	1	1	1	1	1	-1	1	1	1	
		Needs Investigation	Needs Investigation	10	-10	8	16	8	-10	10	10	8	8	20	20	16	8	8	10	8	8	8	8	8	8	-10	10	10	10	
IDEA-2		236		1	1	1	2	1	-1	1	1	1	1	2	2	2	1	1	1	1	1	1	1	1	-1	1	1	1		
		Needs Investigation	Needs Investigation	10	10	8	16	8	-10	10	10	8	8	20	20	16	8	8	10	8	8	8	8	8	-10	10	10	10		
IDEA-3		302		1	2	1	1	1	2	2	1	2	2	1	1	1	1	1	1	1	2	1	2	1	1	1	1	1		
		Needs Investigation	Needs Investigation	10	20	8	8	8	20	20	10	16	16	10	10	8	8	8	10	8	16	8	16	8	8	8	10	10	10	10



			
BUILDING STACKING VOTING MATRIX	WORLD PEACE 79	HYBRID A 48	HYBRID B 75
UTILIZE TECHNOLOGY • Utilize technology to enhance the patient experience • Leverage technology to optimize work flow			
EXPERIENCE			
EFFICIENCY			
FLEXIBILITY			
MY FAVORITE			



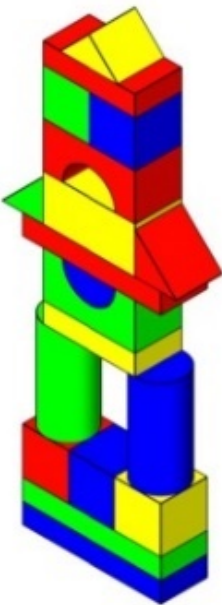




Front Elevation

	Pull Planning Training - Manufacturing Tower	Elevation		
		Project number	Project Number	S1
		Date	Issue Date	
		Drawn by	Author	
		Checked by	Checker	

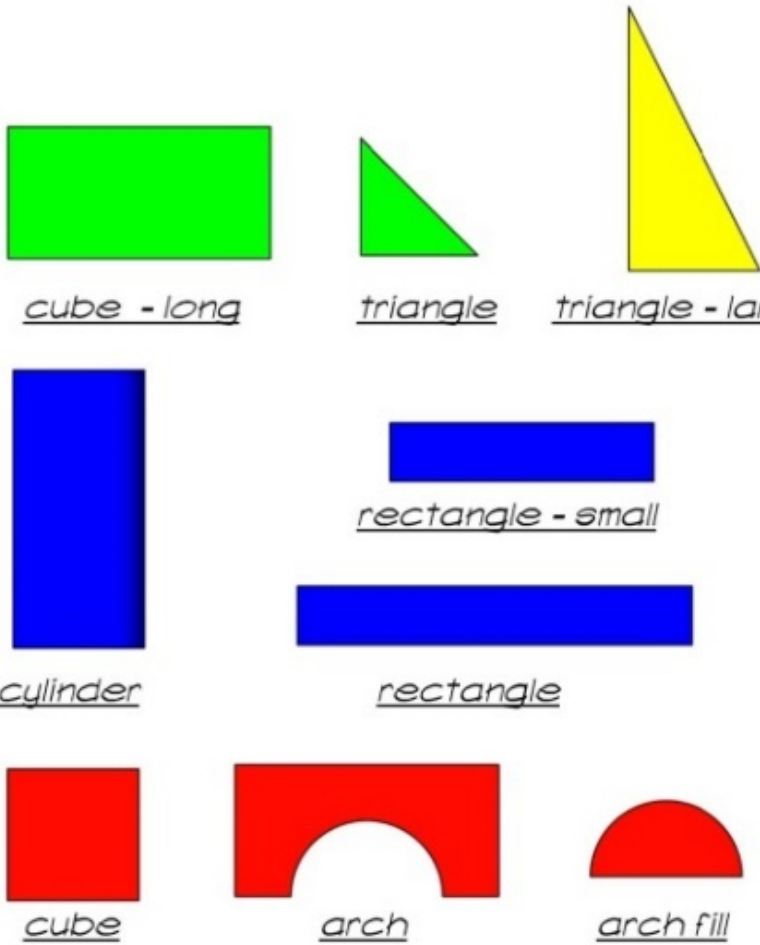
7/7/2012 10:14:13 AM



3D View

	Pull Planning Training - Manufacturing Tower	3D View		
		Project number	Project Number	S2
		Date	Issue Date	
		Drawn by	Author	
		Checked by	Checker	

7/7/2012 10:14:13 AM



Block Names

	Pull Planning Training	Elevation		
		Project number	Project Number	S1
		Date	Issue Date	
		Drawn by	Author	
		Checked by	Checker	

7/7/2012 10:28:21 AM

SIMULATION

Listen. Engage. Enjoy.

Thank you!



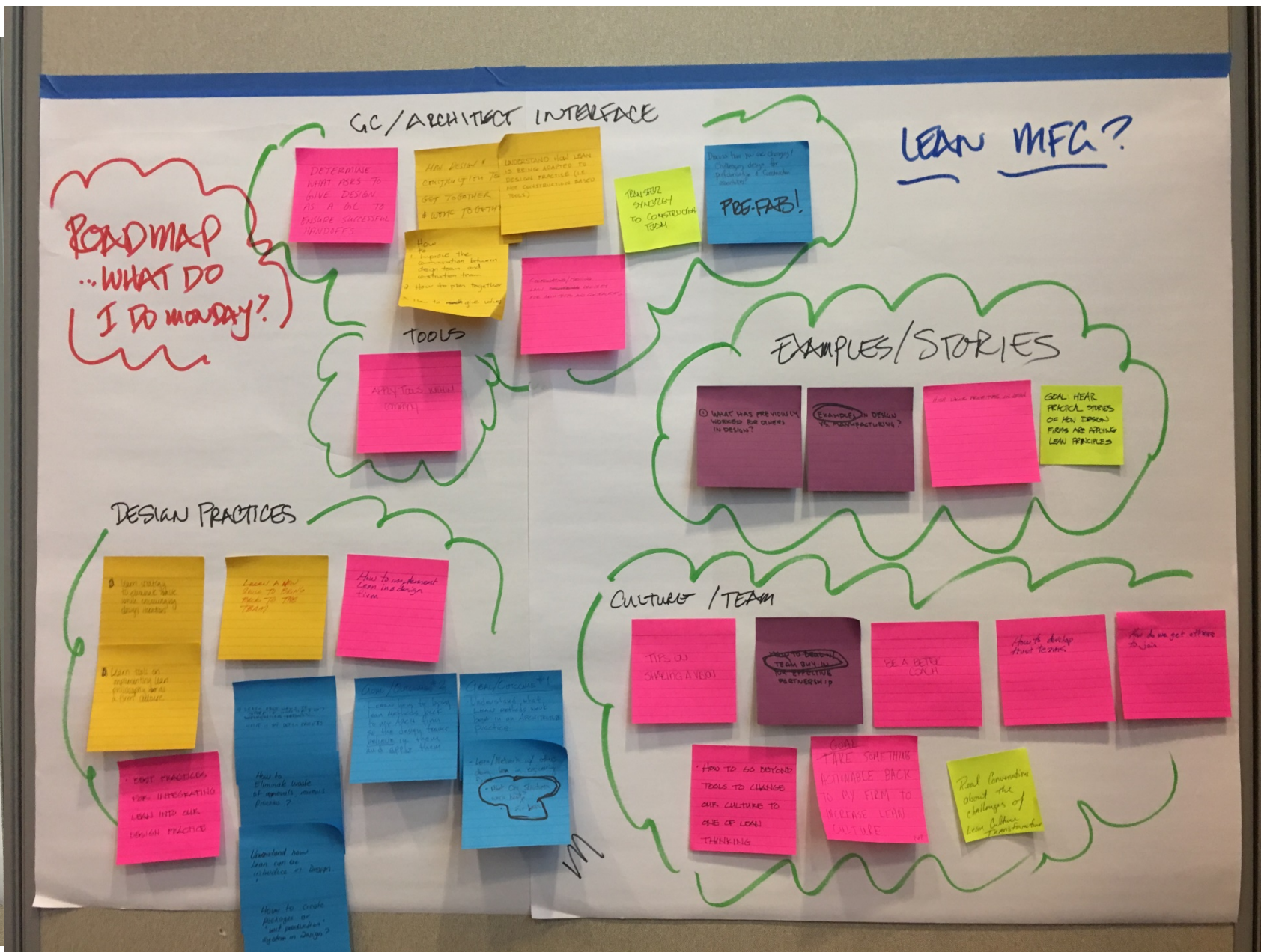
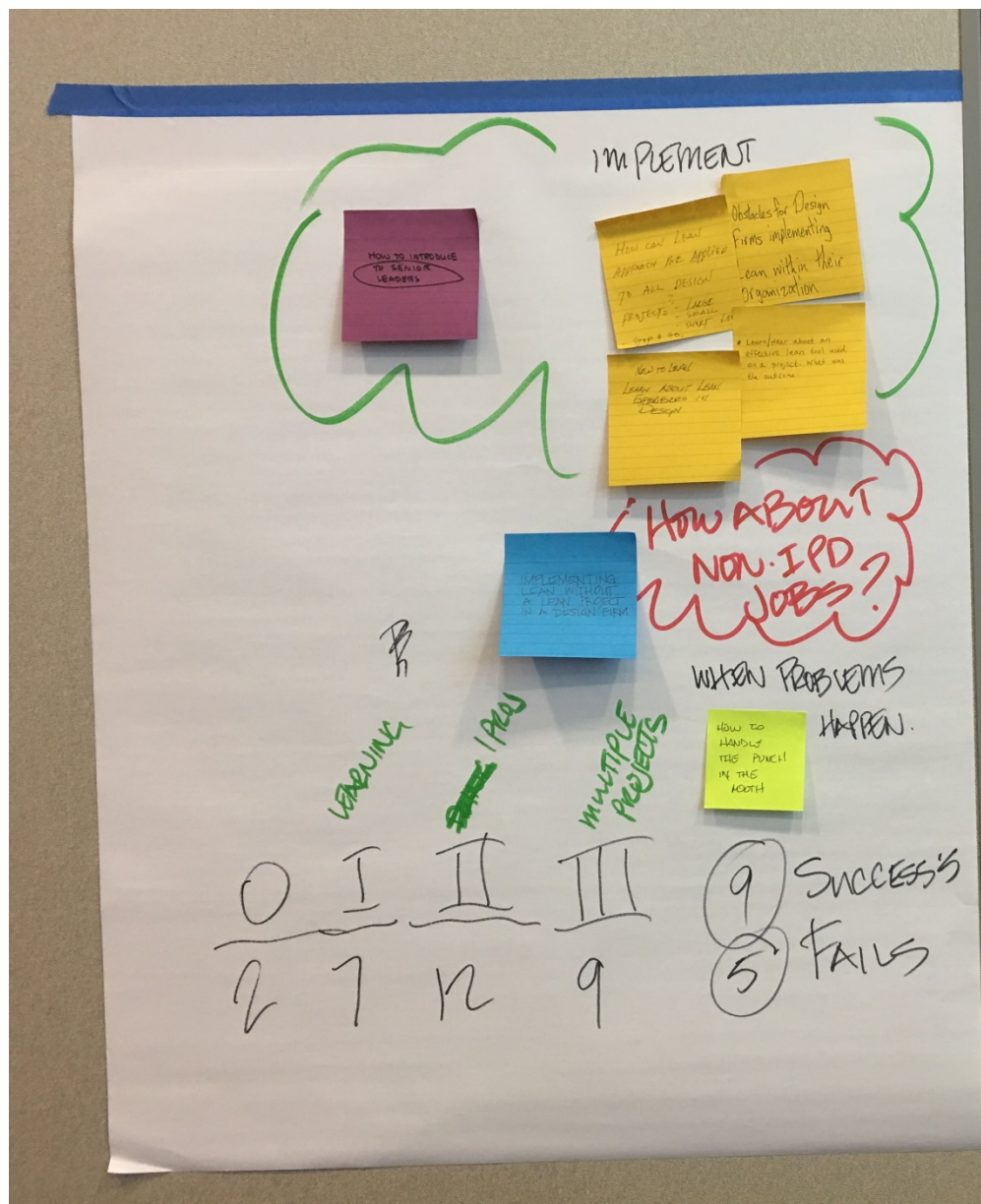
Your Suggestions To Improve This Workshop

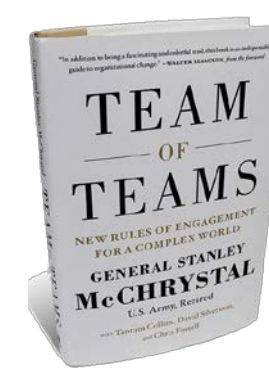
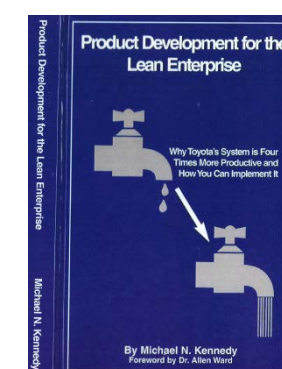
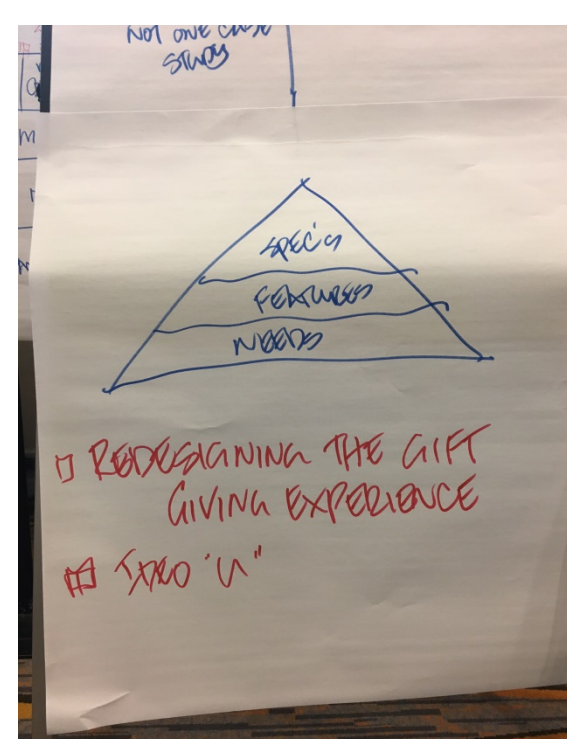
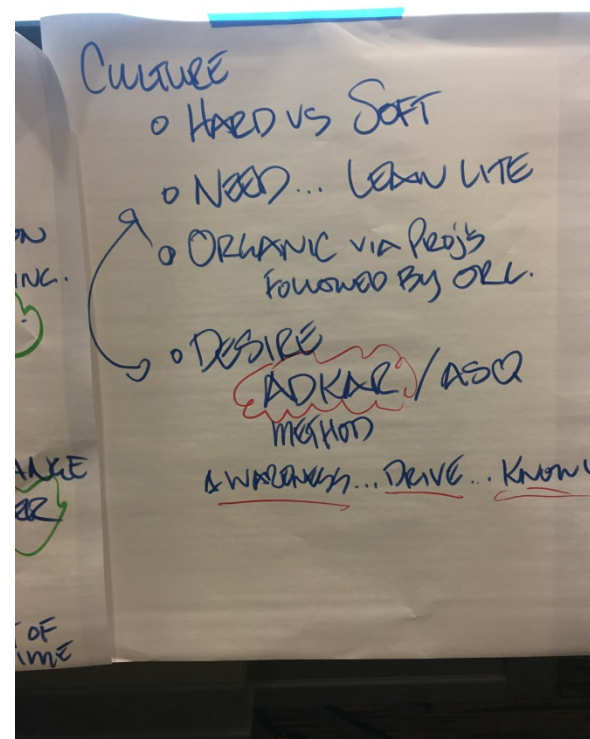
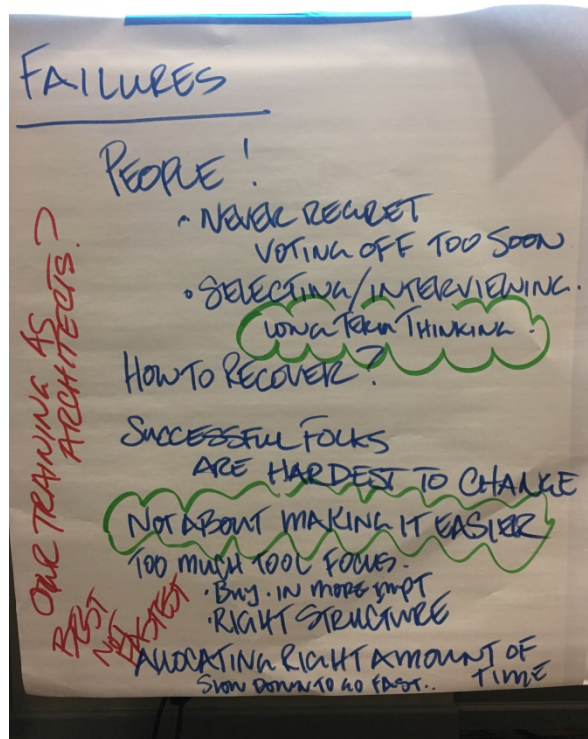
PLUS

Things that helped me today – it added value for me

DELTA

Things we should change that would help you more – ways we would add more value...





Michael Kennedy,
Product Development for the Lean Enterprise

Stanley McChrystal, *Team of Teams*

Jeff and JJ Sutherland, *SCRUM*

Toyota Business practices:

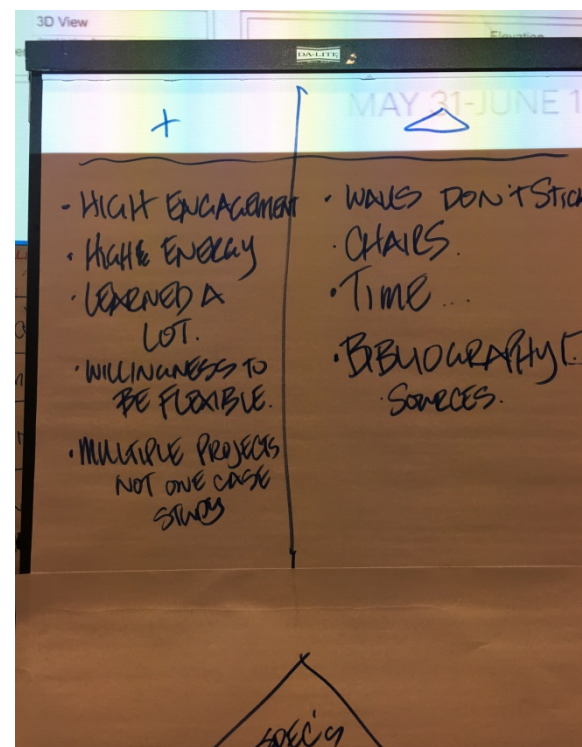
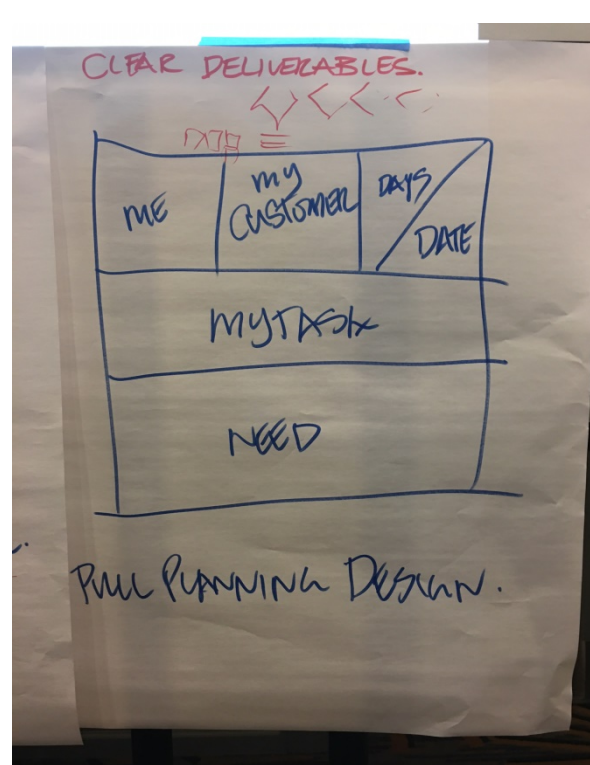
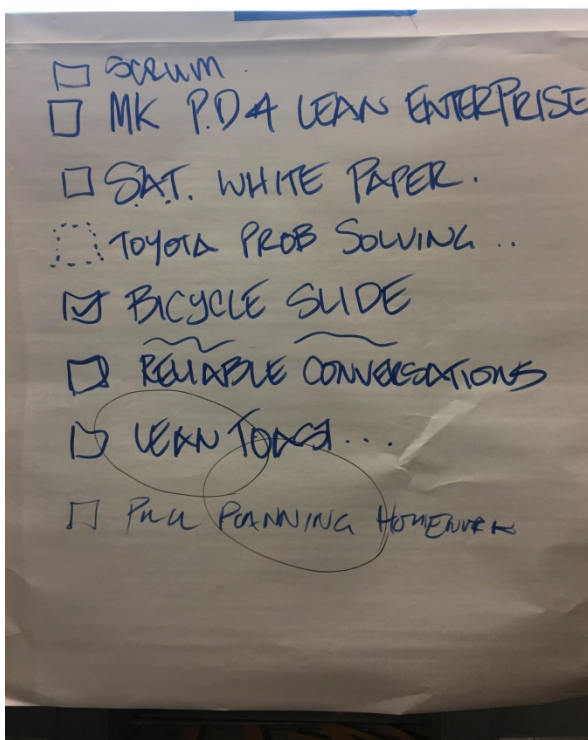
<https://www.dropbox.com/s/q1cx6iigzrkpwao/Toyota%20Business%20practices.pdf?dl=0>

Study Action Teams:

<https://www.dropbox.com/s/53l68n42vikitan/Study-Action-Teams-Opening-Minds-for-Organizational-Change-LPC.pdf?dl=0>

Reliable Conversations:

<https://www.dropbox.com/s/ytffjqig4gy15s1s/Reliable%20conversations.pptx?dl=0>



Icon Library

- These icons can be used throughout your presentation



Plan | Value
Generation



Do



Check



Act | Safety



Continuous
Improvement



Respect for
people | Team



Removal of
Waste



Process
and Flow



Optimize the
Whole



Built
Environment



Tools



Resources



Training



Research



Collaboration

