



One would think that the week after the Congress would be a time for rest, reflection and recharge. One would be wrong.

Greg was off to Australia the day after the Congress—first in Perth working on lean implementation issues and this week to Brisbane for the Lean in the Public/Private Infrastructure Conference, hosted this year by (at least) the LCI Australia. The conference follows the annual Alliancing Association Convention on October 18 in Brisbane.

The LIPPI conference logically follows the LIPs conference hosted in Karlsruhe in 2009 by Fritz Gehbauer and the one we co-hosted last year in Washington. A number of projects first reported in Germany will be updated including the efforts of the Finnish Transportation Agency to use lean principles combined with Alliancing on a significant bridge project. A major part of the reason we will host our 14<sup>th</sup> Annual Congress in Washington, D.C. next year is the continuing importance of lean principles in public projects. The Australian conference starts on the 19<sup>th</sup> and will concentrate on public infrastructure projects—the more successful those projects internationally, the greater the power of the lean argument. I'm confident upon Greg's return; he will file a full and interesting report on the progress of lean implementation in international public projects.

I was in Colorado last Friday kicking off the Colorado LCI's first "paid" event—in quotes because every event costs something but this one was the first to be funded by participants. It gave me a chance to report on the status of integrated forms of agreement and their use in the industry which is a current, particular interest of mine. The Colorado Community of Practice indulged me for over two hours as I tried to relate the connection between Ian MacNeil's work in relational contracting to how integrated agreements have attempted to change our "maximize the piece, lay off the risk" paradigm for construction contracting.

In preparation I found a discussion by MacNeil of what he calls the "exchange surplus . . . the enhanced utility enjoyed by a *society* as a result of an exchange by members of that society."<sup>i</sup> I think that strikes at the heart of what we do in our community. Will Lichtig has credited Dave MacNeil for a similar sentiment: their firms use lean principles on projects because they learn more than they sacrifice. The lean community also benefits from their *individual* exchanges. We also benefit from every integrated project that is delivered through the network of commitments that we talk about—in reality it is a network of thousands of exchanges that are necessary to create the project. Every exchange creates a pathway of recognized value in the seamlessness of the handoff. That value creation benefits the implementation of lean principles everywhere. In addition, we magnify that material benefit, that richness because of the sharing ethos of our community: we share what we have learned freely. But each of us benefits in that sharing individually and selfishly. That's how it is supposed to be—we strive to get more than we give. But in doing so, we actually create value for our community. This represents nothing more than the recognition that we are complicated, conflicted creations:



Man is both an entirely selfish creature and an entirely social creature, in that man puts the interest of his fellows ahead of his own interest at the same time that he puts his own interests first. Such a creature is schizophrenic, and will, to the extent that it does anything except vibrate in utter frustration, constantly alternate between inconsistent behaviors—selfish one second and self-sacrificing the next. Man is, in the most fundamental sense of the word, irrational, and no amount of reasoning, no matter how sophisticated, will produce a complete and consistent account of human behavior, customs or institutions.<sup>ii</sup>

This “vibration” between two selves actually creates a resonance that enhances our communal learning and almost unconsciously drives our folks to continually share their stories of creation, innovation and implementation of processes aimed at driving value into the built environment. If someone asks you what is LCI’s value proposition—there it is. It lies in the rich value of the very realization of the commitments we make every day to one another, in the exchanges we consummate and in the way we track and share the successes (and failures at times) of those efforts.

While those exchanges happen at the cellular level on projects everyday (in the handoffs between trades and actually in the work of journeymen with apprentices), they happen at the corporate level as well as they inform the relationships between the companies for whom the exchangers work. They occur at the industry level in that they lead to production and installation innovation. They happen in design where designers are freed to exchange ideas more rapidly and productively because of the close association between their work and the cost and constructability of their efforts. And they happen in our communities where health facilities are constructed more efficiently at less cost, our public projects benefit from labor and materials efficiencies and our cityscapes are populated by thoughtful, sustainable projects. This is the value proposition we bring to the table every day. I’m humbled and honored to be part of this great community where “exchange surplus” is our everyday product.

Thanks for all you do to create that “exchange surplus.” Without you, there would be no community.

---

<sup>i</sup> David Cambell, Ed., The Relational Contract Theory of Contract: Selected Works of Ian MacNeil, Sweet and Maxwell (2001) at 94.

<sup>ii</sup> Ibid, at 90.