

26<sup>TH</sup> ANNUAL



26<sup>TH</sup> LCI CONGRESS  
OCTOBER 22-25, 2024

# State of Lean in our Industry

**Bevan Mace**

**LCI Board of Directors**

**Vice President Balfour Beatty**

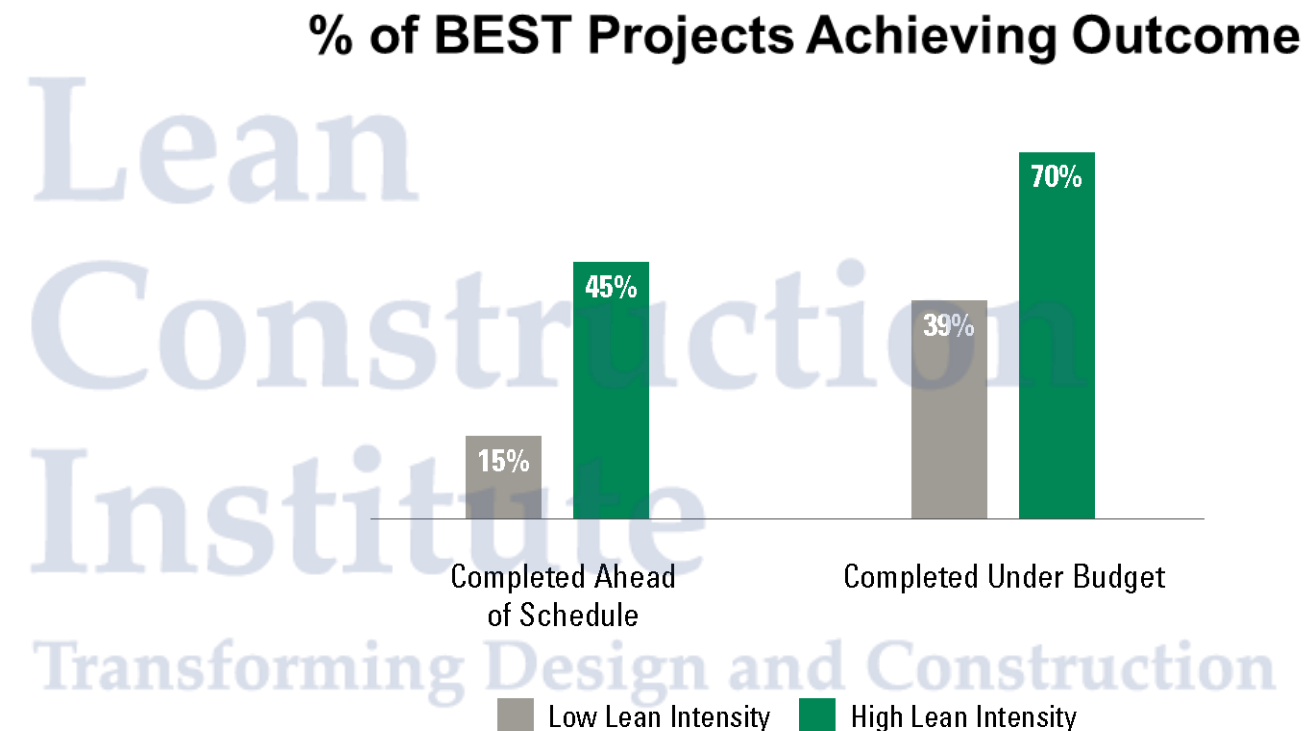
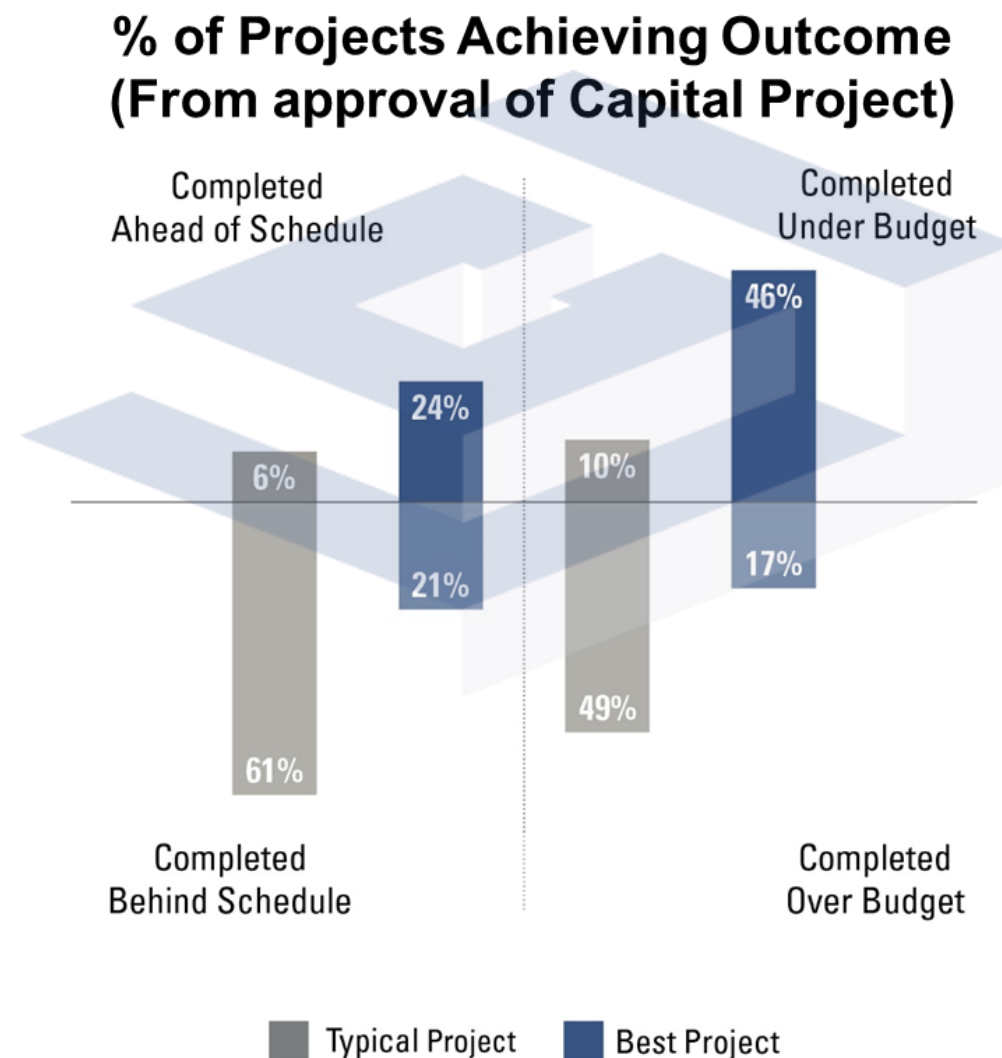
**SURFING THE WAVE OF LEAN DESIGN AND  
CONSTRUCTION**



**Bevan Mace**

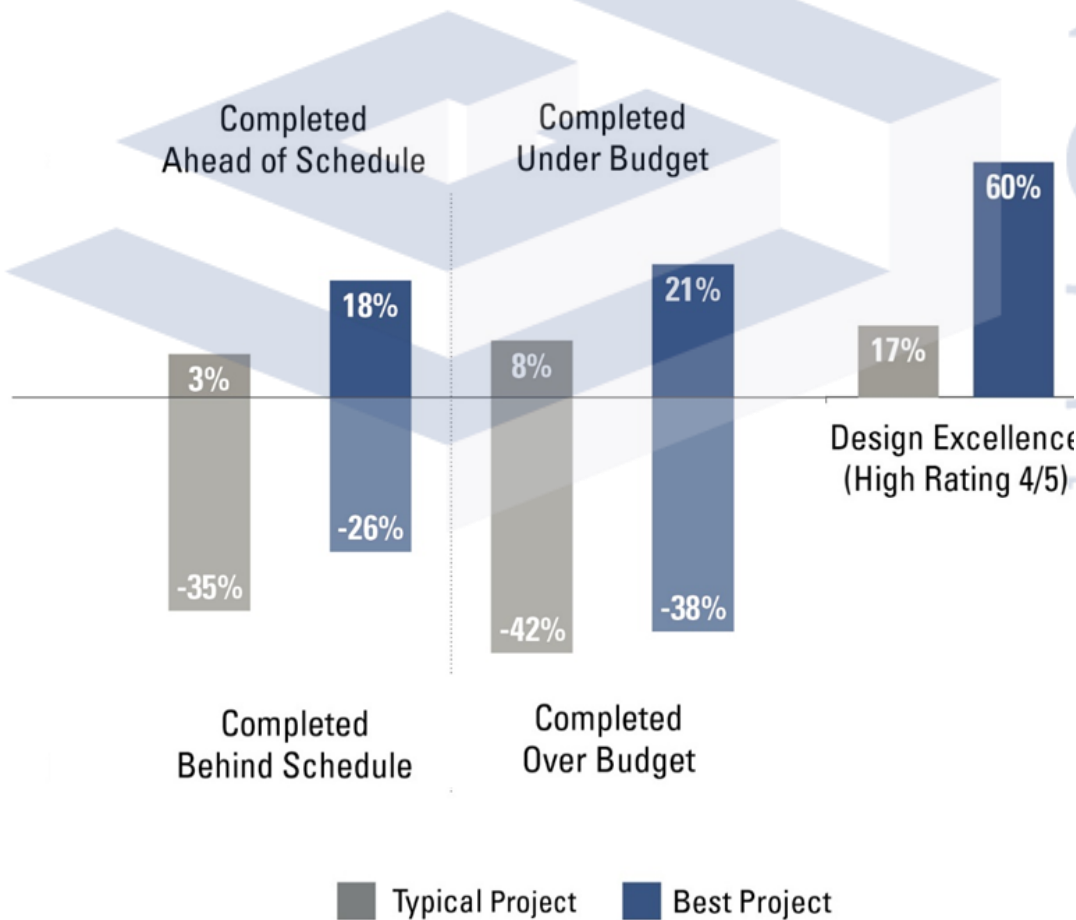
*Vice President, Balfour Beatty*

# Owner's Business Case for Lean (2016)

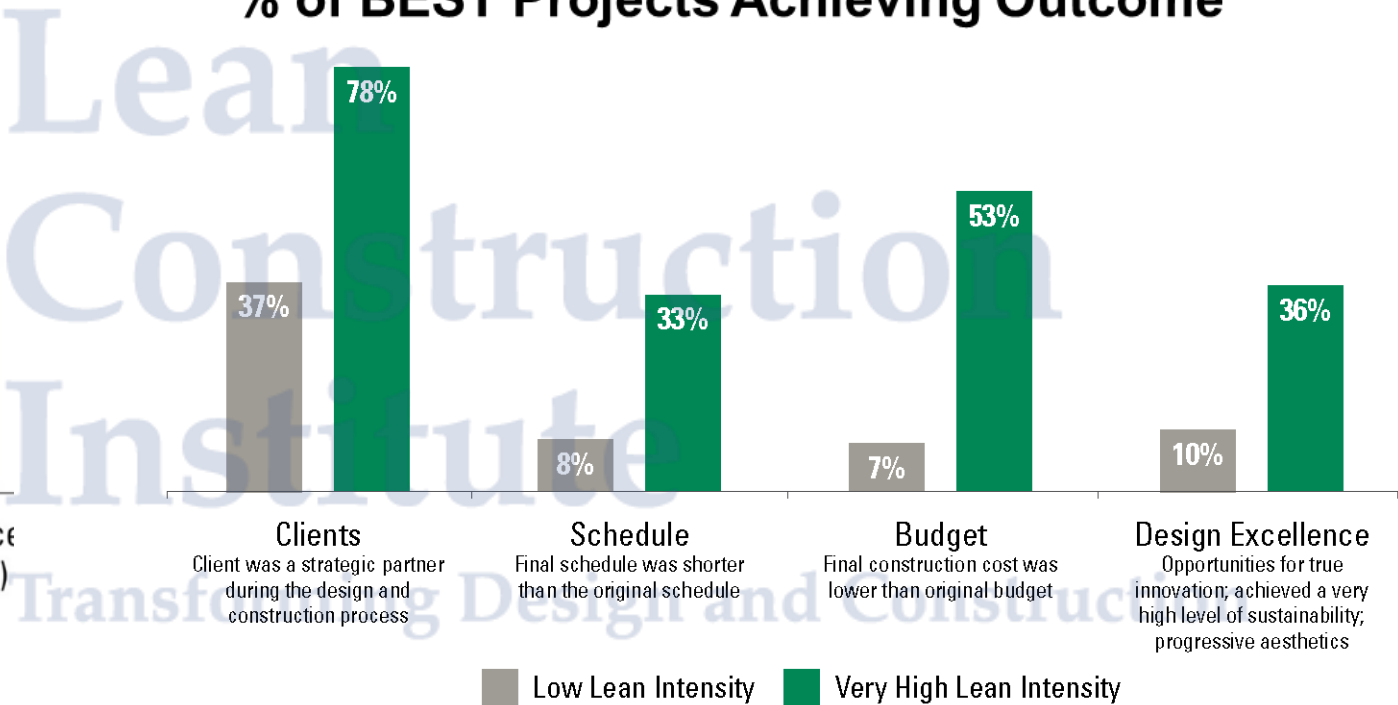


# Great Design Enabled by Lean (2017)

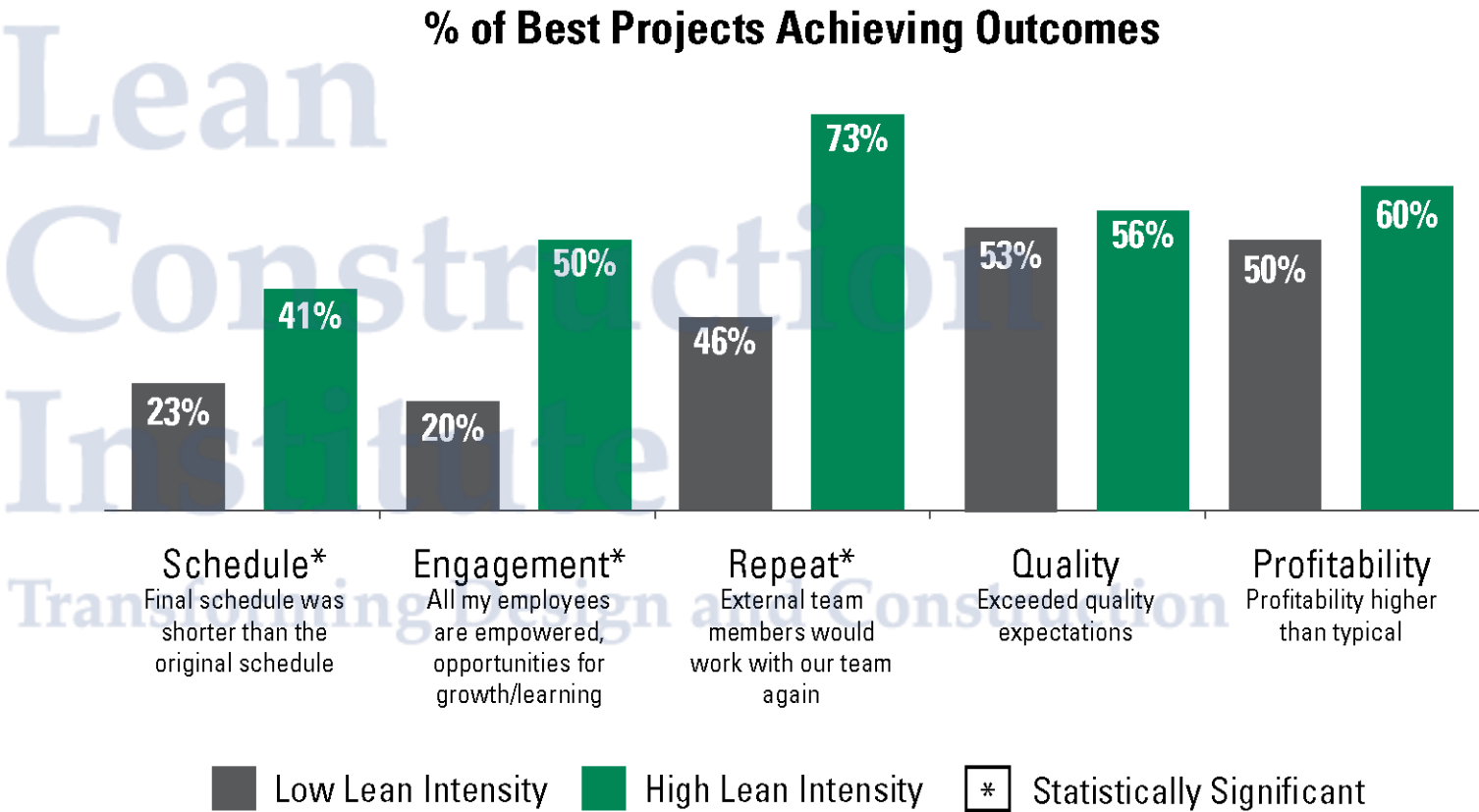
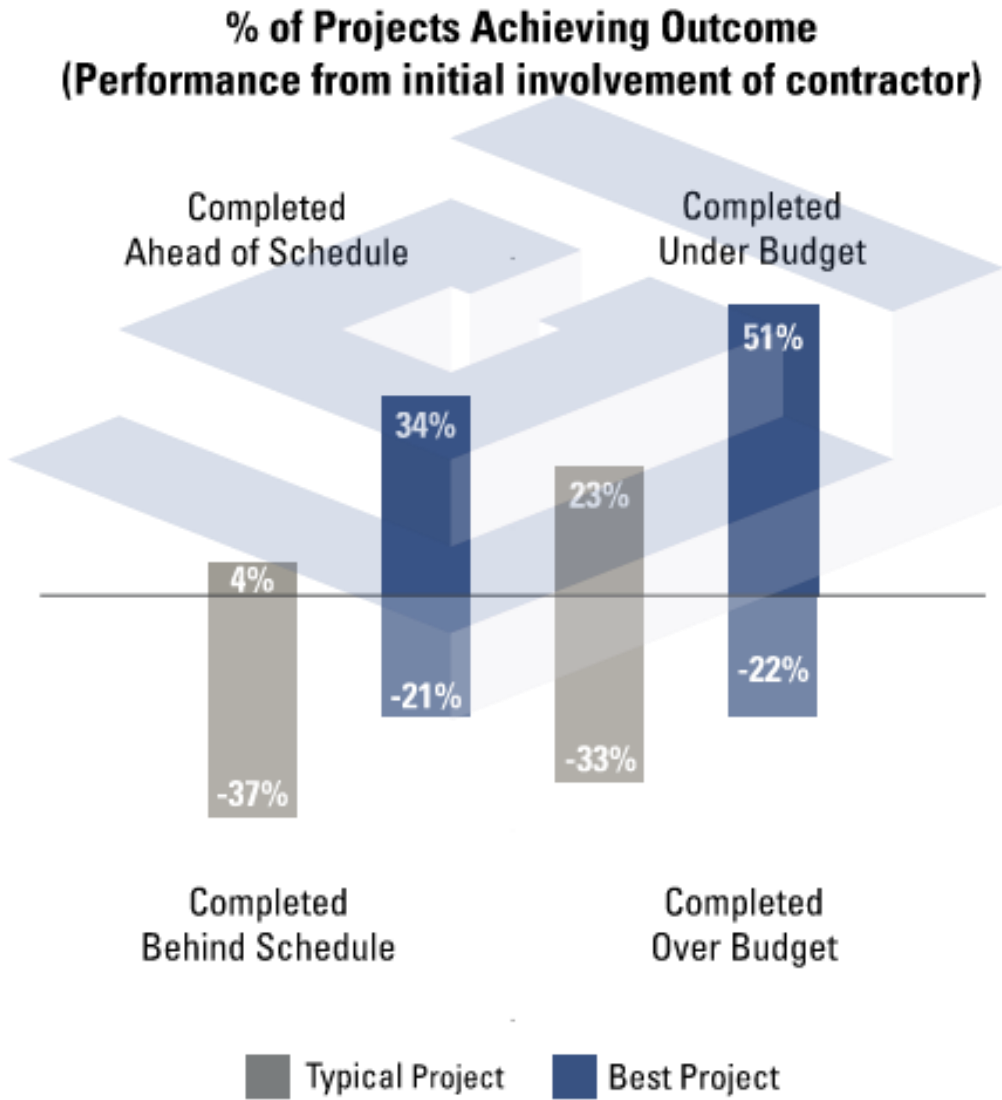
% of Projects Achieving Outcome  
(From initial involvement of Architect)



% of BEST Projects Achieving Outcome



# Operational Excellence Improved by Lean (2021)





# Lean Adoption Survey (2022, 2024)

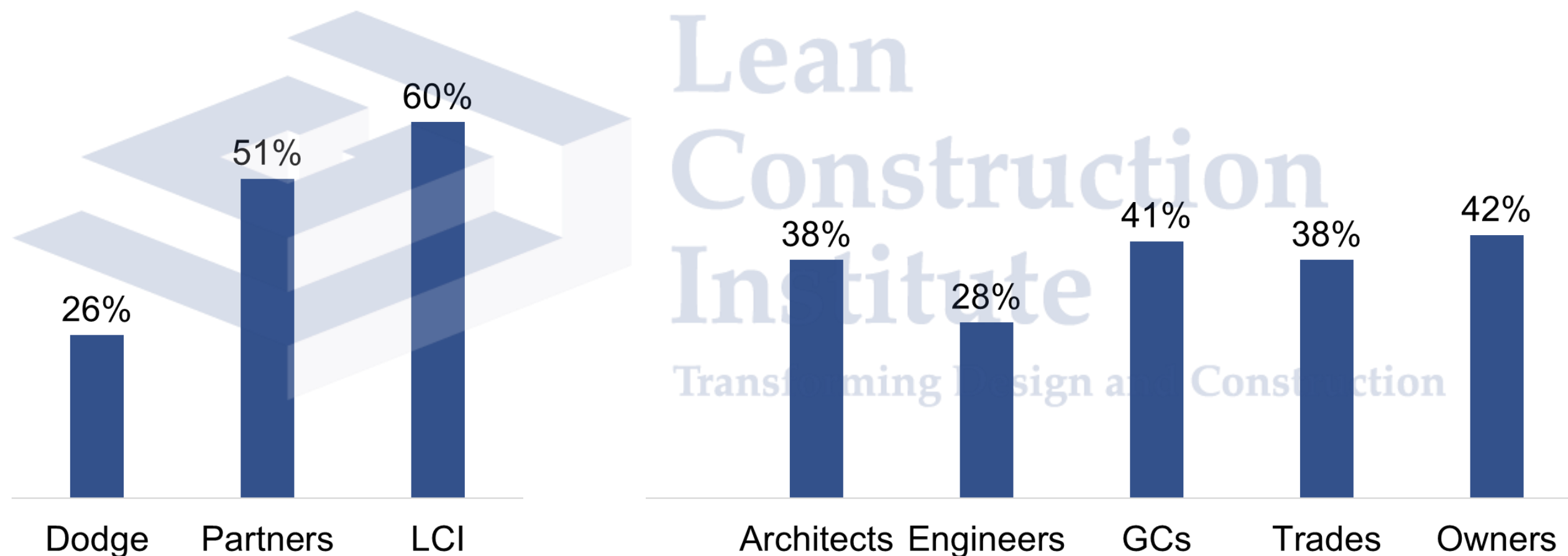
- **809 responses from three groups (33% increase from 2022):**
  - Dodge (461 or 57%) – Dodge's panels and member lists (industry at large)
  - LCI (228 or 28%) – LCI's member list
  - Partners\* (120 or 15%) – Partner organizations member lists (COAA, AIA, AGC)
- **Three types of organizations in each group:**
  - Construction (47%) – General contractor, construction managers, trade contractors
  - Design (35%) – Architecture, engineering and A/E firms
  - Owners (18%) – Building owners, government agencies, institutional organizations

What percentage  
of planned tasks are  
completed on time?

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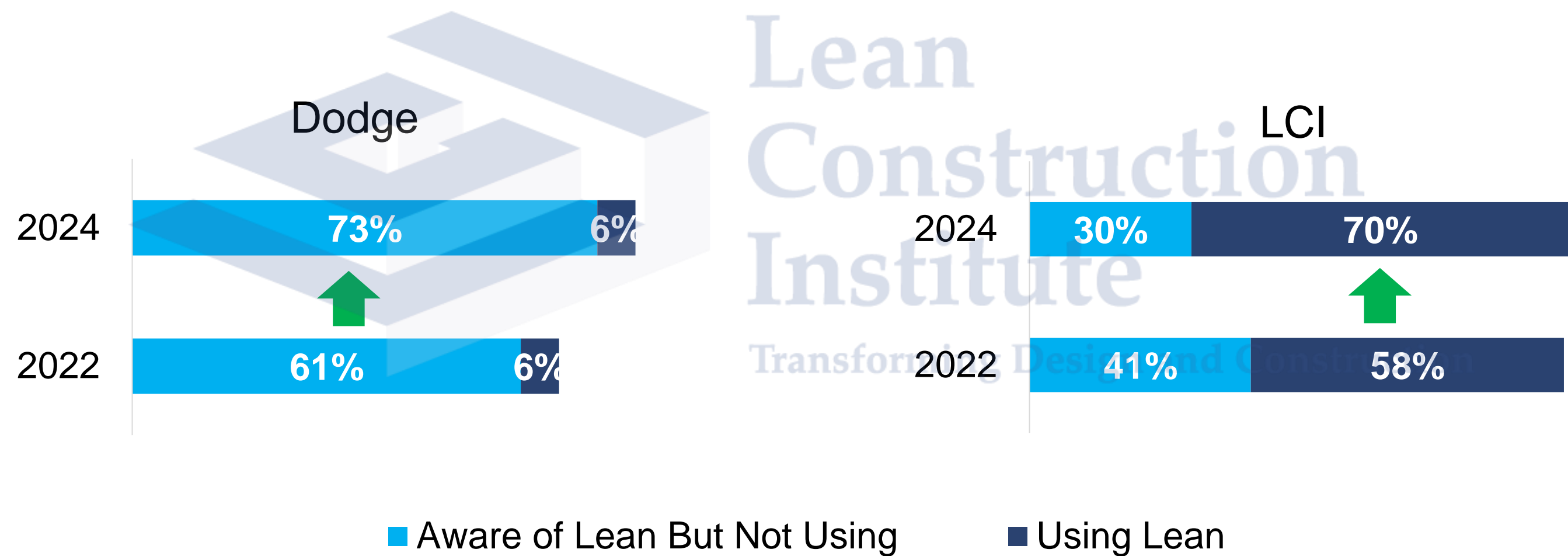


## LCI respondents mostly believe our industry is inefficient or highly inefficient but not the industry at large



% of Respondents who believe the Construction Industry Is Inefficient/Highly Inefficient

# Lean awareness is growing in the industry at large and more LCI respondents are using lean





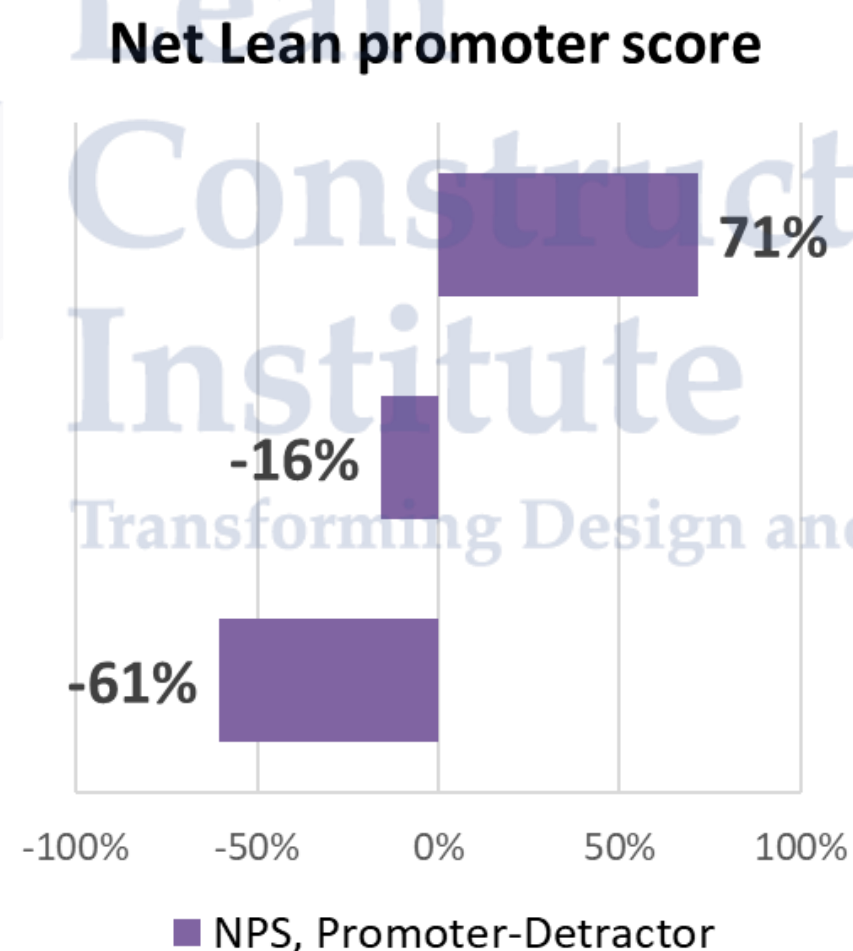
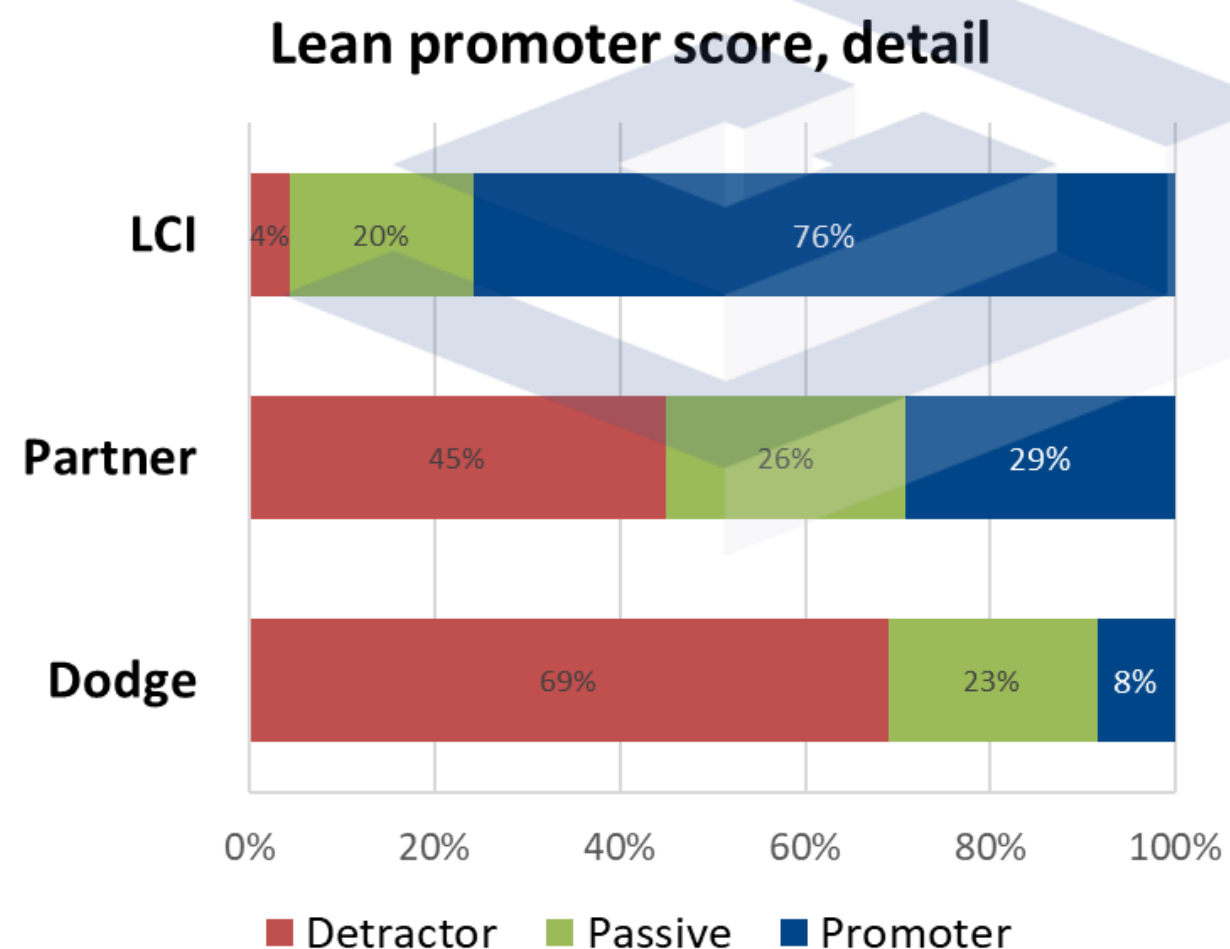
# LCI Goal #1

## Grow Belief

**On a scale of 1-10, how likely are you to recommend the use of Lean to a friend or colleague?**



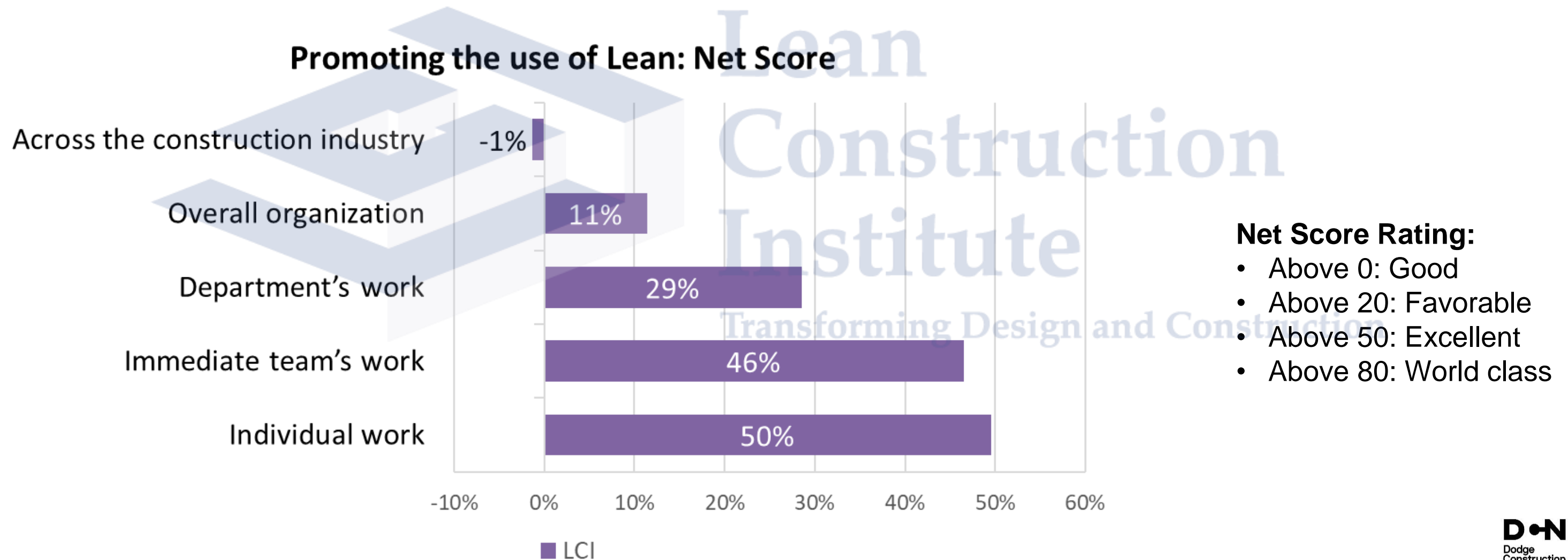
# LCI respondents are excellent promoters but we have serious work to do within our industry at large



**Net Score Rating:**

- Above 0: Good
- Above 20: Favorable
- Above 50: Excellent
- Above 80: World class

# LCI respondents are excellent promoters with their teams but less so across their company and across our industry





# LCI Goal #2

## Drive Application

What lean practices have you or your teams implemented in the last three years?

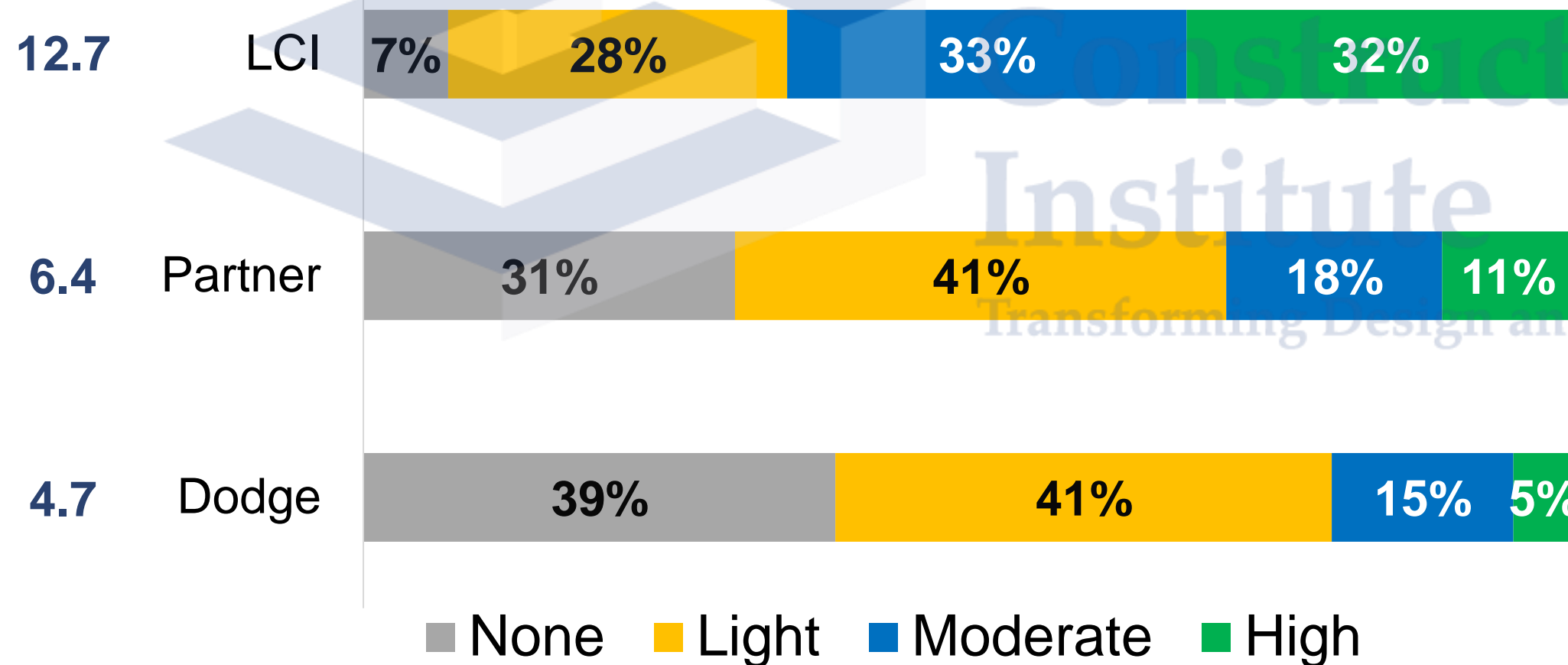




# LCI respondents have the greatest overall Lean intensity and about double average intensity of industry at large

## Average

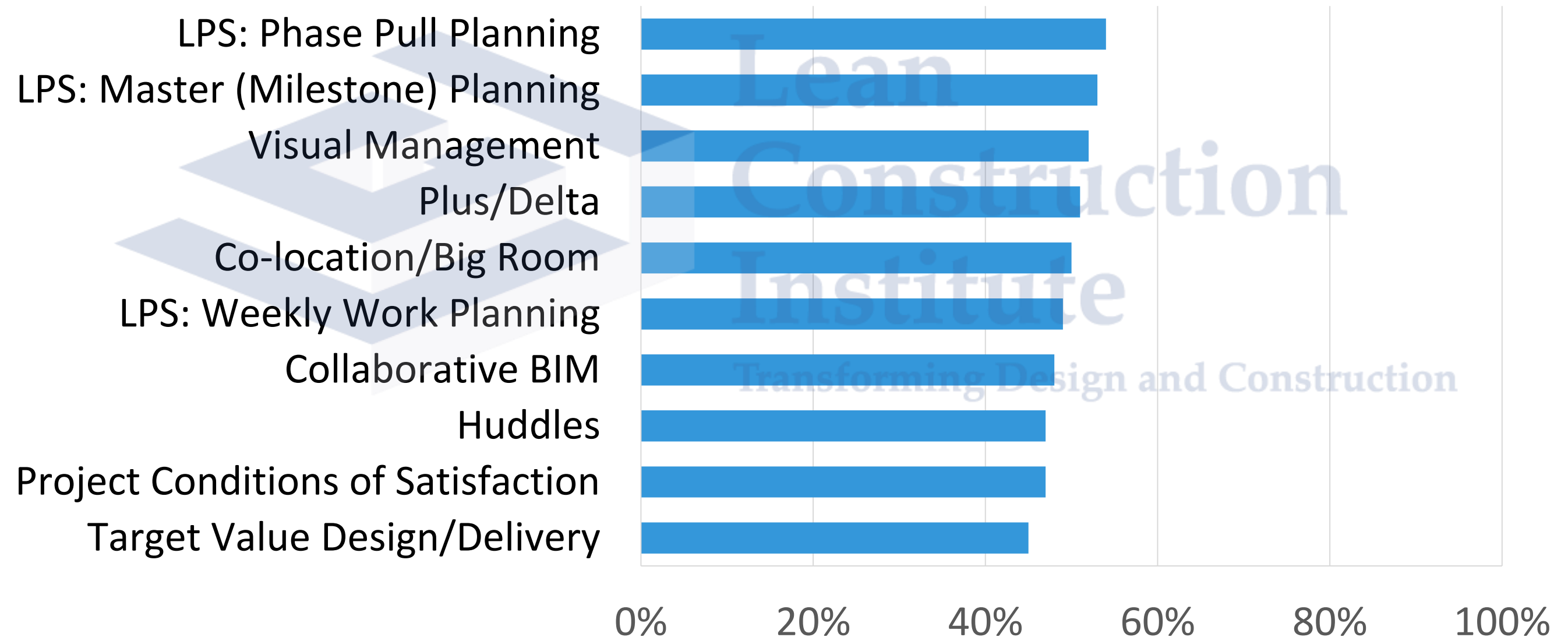
## Lean Intensity by Source of Respondents



### Lean Intensity Scale:

- None: 0 Practices
- Light: 1–9 Practices
- Moderate: 10–17 Practices
- High: 18–26 Practices

# Top 10 Lean Practices implemented by LCI teams are



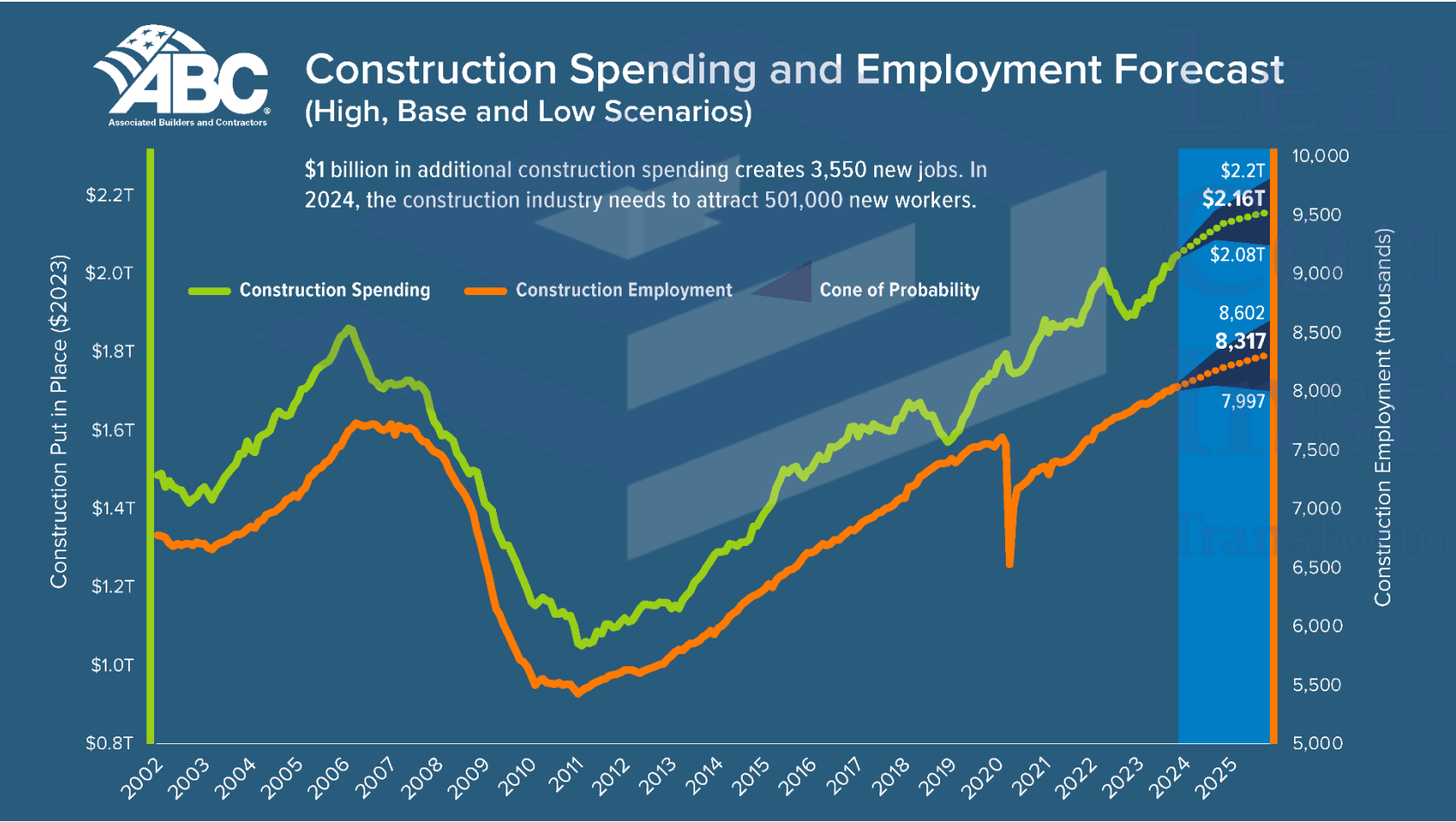


# What action is needed?

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# In the United States... demand for construction continues to increase and productivity continues to lag



Real gross value added per hour worked in construction sector



<sup>1</sup>Australia, China, India, Indonesia, and Japan used as proxies.  
<sup>2</sup>Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the UK.  
Source: McKinsey analysis based on sources from IHS Market, the International Labour Organization, OECD, the UN, and local statistical offices

McKinsey & Company



**We need each of you to be an active promoter,  
lead by example, and inspire followership...**



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