

WHAT’S THE LATEST IN LEAN PRACTICES?



By Robert J. Brewer, CPA, CCIFP, *Audit Partner and Architecture & Engineering Niche Practice Leader of Grassi & Co.*

While the construction industry has become more informed about the inefficiencies within the current construction process, adopting a Lean approach to improve project planning and efficiencies—resulting in increased client satisfaction—has only been partially assimilated into the industry. The most important challenge to having these cohesive principles adopted by the majority seems to be lack of industry understanding of Lean.

What is Lean and how can it benefit your company?

The central idea of Lean Construction is simple: Lean suggests that architects, engineers and contractors analyze a project holistically and from the perspective of a complete team. It encourages a horizontal, rather than hierarchical, decision-making structure that gathers the various subcontractors, engineers and sub-consultants at the same table *from the start of the project* to plan and design the most efficient and cost-effective way to perform a job.

This creative procedural method has turned a well-known high-end job with an original estimate of 600-650 men to one with an actual maximum of 350 men! These procedural innovations can apply both to tasks large (i.e. a dedicated factory for creating pre-fabricated components of a hospital or hotel room) and small (such as having the steel contractor install plumbing hooks when building the structure’s framework, rather than having the plumbing contractor do so after the fact).

When utilizing such a model, there is often an increase in the time that it takes to plan a job, due to the reorganization of duties among all members of the team. This may sound counterintuitive to an architect or general contractor who prides themselves on the efficiency with which they work, but the accompanying benefits are potentially tremendous, especially from a client’s standpoint. Properly estimating, measuring, and completing practical work goals and reliably anticipating project flow more than makes up for any time lost up front. Engineers can also benefit from Lean practices by eliminating waste, such as working on drawings that are outdated; eliminating wait times, the time spent waiting for internal or external plan reviews; and scaling the team and tools to meet short-term bursts in demand will all help streamline the engineering process.

While the focus on Lean projects in the past has been on getting owners to buy in early, companies have more recently been utilizing the Lean model within their own firms to streamline their processes. According to a 2013 survey by McGraw Hill Construction, of the companies that have embraced Lean practices, and are utilizing it to stay competitive in the marketplace, 84% find it has led to higher quality projects. The same survey also reported that over 77% of participants achieved greater productivity and almost 64% have achieved improved profitability and reduced costs due to their adoption of the practice.

To learn more about Lean practices, contact Robert J. Brewer, CPA, CCIFP, Audit Partner and Architecture & Engineering Niche Practice Leader of Grassi & Co., at rbrewer@grassicpas.com or visit the Lean Construction Institute site.