

# CESW Newsletter #4 – Jan 06

Alan Mossman writes:

*NB: email addresses have been broken to prevent spamming*

## Happy New Year

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In the next issue:

- [KTP – Knowledge Transfer Partnerships](#) – cutting the cost of R&D
- [Lean and Last Planner Workshops](#) – learning how

You can read back issues and sign-up at <http://groups.google.com/group/CESW-Newsletter> Download pdfs of back issues on the Lean Construction Institute site <http://www.leanconstruction.org> – follow the link bottom left.

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## Why am I banging on about Lean & Agile?

Because I believe they are the only viable strategy to move our industry up a gear – anything else is just tinkering at the margins. In my 30 years as a management and organisation development consultant nothing I did came close to what my clients are able to do with lean

I don't know anything else that is so directly based on data and can:

- produce a 40% reduction in cost to the client while increasing the builder's margins over a 4 year period comparing like for like
- systematically compress production programmes and make them more predictable
- focus the whole team on providing what the customer/end user wants and enable staff to feel that they are doing a worthwhile job for customers
- have sub-contractors wanting to work for you even though you are paying them less per unit – because they make more money working for you
- reduce the amount of fire-fighting required on site and in the design office so that managers can focus on improving the way work is done
- recognise and manage risk
- cut unnecessary fat from the system
- payback investment in the same financial year

And for construction product manufacturers

- reduce lead times
- improve quality
- reduce inventory and dramatically improve cashflow
- improve the flow of product to site

Lean is a collaborative strategy. It won't work in an adversarial/blame/command and control culture.

If you know a strategy that can do better than this I'd like to know about it.

Don't get left behind. Waiting until the recession hits is too late – those who are ahead of you will get further ahead and will have enhanced margins to enable them to compete where you cannot. If you want to know, [mailto:alan@cesw.org.uk?subject=Lean\\_info\\_please](mailto:alan@cesw.org.uk?subject=Lean_info_please) or call me on 07968 485 627.

Lean requires new thinking. Lean is a way of life and it is for the long term. Toyota have been doing it for 50 years, are the most profitable car manufacturer in the world and still recognise that they have a

long way to go. Lean is for the long term – you will need *constancy of purpose*. DPR Construction in California have set themselves the goal of being to construction what Toyota is to manufacturing *by 2030*. They will see benefits this year, next year and the year after. The big benefits will begin to kick in after about 5 years.

If you want help finding a consultant to work with do get in touch. There are people out there who understand this stuff – and there are many more who have just added a lean badge to what they do – just as some contractors have done.

If you want to go and talk to a construction company that is doing lean [visit Thomas Vale 24 Jan or 21 Feb](#). For more info [mailto:admin@onsiteinsights.co.uk?subject=Thomas\\_Vale\\_visit](mailto:admin@onsiteinsights.co.uk?subject=Thomas_Vale_visit) or call 02392-468978 and say you are particularly interested in Lean. I did the visit last November and it is a good day.

Dr Richard O'Connor, Lean Improvement Manager at Thomas Vale, will be talking about ***Improving quality, delivery, cost and performance using Lean*** at the **Gloucestershire Club** meeting on Thursday 26th January 1730-1930 Venue: Chargrove House, Shurdington, Cheltenham GL51 4GA . If you want to attend please call Louise Huckfield, 01242 527 277 or [mailto:LHuckfield@camarguepr.com?subject=Gloucestershire\\_Club\\_26\\_Jan](mailto:LHuckfield@camarguepr.com?subject=Gloucestershire_Club_26_Jan)

CESW are organising a **masterclass** to introduce chief executives and managing directors to the principles of lean in construction. For more information [mailto:tim@cesw.org.uk?subject=Lean\\_Masterclass](mailto:tim@cesw.org.uk?subject=Lean_Masterclass). For those who decide they want to undertake a lean transformation in their company, CESW will be organising a support group.

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## Collaborative Research (& Development)

The project nature, fragmentation and low margins mean that R&D spend in construction is very low compared to other industries. It is almost all confined to the larger players as only they can afford it.

But there is nothing to stop smaller companies doing collaborative R&D or to commission research by third parties such as consultants or universities.

I see part of my job as bringing companies with similar research interests together so that they can cut the cost of the research they all want.

If your company wants to do some R or D or both, and you don't think you can afford it or feel that you lack the necessary expertise let me know and I will do my best to link you up with others with a similar interest.

For an example see [Competencies for collaborative construction](#) below.

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## Competencies for collaborative construction

Paul Read, Partnering and Innovations Manager (South West) at Rok wrote earlier this week:

*I am currently looking at core skills and competencies (client and supply chain) for successful partnering. Are you aware of any work in this respect through CE?*

I'm not aware of any and in a subsequent conversation Paul explained more about what he is trying to achieve.

*Partnering is as much about people as it is team building and the process itself. Selecting the right people as part of the partnering team is therefore essential, and understanding the core competences that indicate that an individual is right for the team will be a useful selection and training tool. I have experienced and heard others' stories of people who attend several core group meetings but just 'don't get partnering' and are asked to leave the team. This is a waste of time for all concerned.*

*To minimise the opportunity for this, I would like to have a set of competencies for project managers (Client) contracts managers, site managers, commercial managers, technicians, site operatives, site agents that provide indicators of ability to do the core*

*tasks that each job requires but with further indicators that show an individuals ability to add further value in the context of collaborative partnering contracts. Perhaps even the traditional job titles themselves need reviewing so people can become specialists in partnering?*

Paul has experience of using competencies in his previous role at East Dorset HA. In his current role he is employed two days a week by Devon & Cornwall HA so is able to draw on both the client's competency requirements of site staff as well as the contractors'. (More on this unique arrangement in a future newsletter.)

If you would like to join with Paul in developing a competency framework that you and he could use as the basis for training, development, selection and so on please contact Paul. His phone number is 07795 287640. If you have materials that you think might help the discussions please <mailto:Paul.Read@rokgroup.com?subject=Competencies> (even if you don't want to be involved in the subsequent discussion).

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## Lean Blocks

Steve Ward [WardS@bre.co.uk](mailto:WardS@bre.co.uk), a member of the Construction Lean Improvement Programme team writes:

A masonry team I was working with knew that there would be problems with defects in a fair-faced block wall as it is extremely difficult to tell which was the fair face when blocks are viewed in isolation. After some "discussion" with the supplier we came up with the solution shown in the photo. A practical example of mistake proofing/visual management.



*(and its both cheaper for the manufacturer – less material – and easier to cut in half - ed.)*

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## Lean Service

Construction consultant Janet Campbell attended the recent Rubicon Lean Service Workshop at Axa in Bristol. This is her report:

Most of us are aware of the concept of 'Lean' and have seen the principles applied to manufacture and construction - with great success. So it was with interest I attended a Lean Service workshop that explored the benefits of lean in an office environment. My fellow delegates came from a range of service delivery organisations, from banking institutions to the NHS. They had problems that needed to be addressed, how can we reduce errors in information and paperwork, reduce queues and backlogs, cut down on unnecessary handling and movement of information and paperwork. The answer was - think lean.

In order to actively demonstrate the practical approach we entered into the imaginary world of *Answercard* and took on the roles of customers and call centre staff. The customers tried to get answers and the call centre worked very hard to meet the demand. After only 30 minutes of work queues and wrong paperwork and frustrated customers

there was obviously a need to change. After an introduction to lean theory and practice we were able to make a few changes to our fantasy call centre. The application of end to end process ownership, matching capacity to demand, removing artificial organisation barriers and streamlining processes lead to impressive results and satisfied customers.

We had started to think of customer value and making the work flow easily through the process steps, based of course on customer demand. We had started to apply some basic lean principles.

It was clear that the issues evident on site and in manufacturing are also seen in the office. Whether it is authorising an insurance policy or developing a design specification we saw that there are improvements that can be made by applying lean thinking.

For more information [mailto:SteveBriault@rubiconassociates.com?subject=Lean\\_Service](mailto:SteveBriault@rubiconassociates.com?subject=Lean_Service)

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## European Group for Lean Construction

A couple of colleagues joined me at the EGLC meeting in Copenhagen during the autumn. The two day meeting was attended by 46 participants representing 29 different construction and related businesses and research centres. Over the course of the meeting eleven presentations were given to the plenary group.

*Glenn Parry from the Agile Construction team at Bath U writes:*

I found Lene Dammand's presentation on complexity in the design process of particular interest. Her work looked at the development of strategy to facilitate management of a system that is not predictable. Lauri Koskela presented work on construction and applied metaphysics that provided an interesting overview of the understanding and conceptualisation of construction process management. Bob Owen also presented interesting work on project management with a strong focus on delivering value.

On the final day was a discussion session in which questions could be discussed within small groups in the room and then reported back to the plenary. I found this to be very productive and interesting. I was involved in discussion of the meaning of postponement in construction planning and the potential to develop standard off-site manufactured M&E components to give efficiency gains on site.

This was a working group meeting and not a conference. I felt this to be a strength as the working group atmosphere was conducive to a great deal more open discussion on subjects that participants felt of interest. At the end of each day there was a feedback session to capture what had gone well and what may be done differently at future meetings.

Richard Francis's report will be in a future issue.

**The next meeting is in Delft on 22-23 May.** Let me know if you would like to come this time. <mailto:alan@cesw.org.uk?subject=EGLC3>

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## Newsletter name

We had two suggestions for the newsletter name. *Frances Warren of Warren Associates wrote:*

... its not snappy but what is wrong with the one you have - "Constructing Excellence South West's (CESW) newsletter" - at least everyone knows what is hitting their mailbox and (to paraphrase) it does what it says on the label!

*Pete Stothert, Regional Director, Halcrow Group Ltd wrote:*

You asked for comments and title suggestions.... Thought the content was good. Easy to read, clear summary at the top, not too long, interesting and useful information. Perhaps it needs a "forthcoming events" section.

... and title ... CONEXIONS ??

But I also like the no nonsense approach ... CESW NEWS

Keep up the good work !

Thanks to both of you. Rather than a forthcoming events section we've decided to publish a separate **Events Digest**. Helen Davies edits this. If you didn't see the first copy please [mailto:helen@cesw.org.uk?subject=Events\\_Digest\\_please](mailto:helen@cesw.org.uk?subject=Events_Digest_please). If you want to publicise events in the region please send them to Helen *in Events Digest format*.

### And the winner is ...

We promised a bottle of champagne for the first name out of the hat – we tossed a coin instead – and Frances' side came out on top. So a bottle of champagne was delivered to Frances in time for Christmas.

And we decided to keep the name **CESW Newsletter** – as Frances said it does what it says on the label.

We'd still love to have your feedback on the newsletter including suggestions for improvement.

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If this has been forwarded to you and you would like to receive future issues please sign up at <http://groups.google.com/group/CESW-Newsletter>

Finally – please tell me what you think of the newsletter, what you want to see and what you are proud of doing to improve the overall construction process – or even just the bit you are responsible for.

Thanks for reading

With best wishes

Alan

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For the CESW Events Digest [mailto:helen@cesw.org.uk?subject=CESW\\_Events\\_Digest\\_please](mailto:helen@cesw.org.uk?subject=CESW_Events_Digest_please).

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