Agenda

• Introductions
• Background/Why Benefits Realisation is important
• Benefits Realisation – some thoughts on how to do it
• Group discussion
• Conclusions/Feedback
Background
Lean Benefits Realisation Management & its importance

Lean benefit realisation management (LBRM) is a **systematic** way of ensuring that the outcomes of a Lean improvement programme deliver benefits that are advantageous to stakeholders

- Lean is increasingly becoming the **preferred business improvement** approach within both public and private organisations within the construction sector
- Organisations do not undertake Lean for its own sake – we do it because we want to improve the way our **businesses operate**
- The challenge now is to sustain the drive for benefits by moving from the capture of **isolated improvements** towards the **systematic delivery** of a Lean culture
- LBRM is the best way of providing **benefits evidence**, but more, it can change the way we set about implementing Lean by providing a **common focus**, a **motivating and collaborative goal** and an impetus to maintain continuous improvement
Lean Benefits in Construction—why different?

• Many improvement activities are simple implementation projects – ‘known solutions to known problems’. Lean, however, is a process of continuous improvement where the solution (and sometimes the exact problem) is not known until the improvement activity is started. Benefit expectations often emerge during the improvement activity and are sometimes difficult, often impossible, to define precisely at the start.

• The undertaking of a Lean approach often requires or leads to a significant cultural change within an organisation. The benefits of this can be far reaching and lead to improvements that appear unrelated to the original activity. When Lean becomes ‘business as usual’ relating benefits to actions becomes even more challenging.

• In the construction environment there is a contractual, often adversarial, approach to managing construction schemes. Current contractual relationships do not cater well for the equitable sharing of benefit (and disbenefit) so we should not be surprised that the declaration of benefits are often coloured by vested interest.
A Systematic Approach – 3 levels

Level 1 – Organisation, Programme or Project
- Hard Reconciliation review – KPIs to Organisational Performance
- Strategic Objective
- Core purpose and operational Value Streams Mapped

Level 2 – Value Stream
- KPIs
- Regular analysis of Value Stream performance – current vs future state
- Value Streams

Level 3 – Lean Improvement
- Fuzzy Reconciliation review – value stream measures to Lean community improvements
- Lean Improvement through initiatives, mini lean and daily lean
- VS Potential mapped and profiled to drive Lean improvement activity

Lean Benefits Realisation Management - LCI 2013
Benefits Capture & Reconciliation

- Individual lean improvements
- Value Stream Analysis
- Fuzzy Reconciliation to track and compare the direction and scale of change
- Hard Reconciliation of VS KPIs to Organisational Performance
- Current State
- Future State
- Hard Reconciliation of VS KPIs to Organisational Performance
- Organisation, Programme or Project Benefits
Useful Tools & Techniques

Details and examples of these tools and techniques (and others) are shown in the guide.

- Balanced Scorecard
- SMART objectives
- Roles and Responsibilities grid – RACI
- 5S
- Voice of the customer (VOC) & CTQ
- Enablers for change model
- Quad of aims
- Stakeholder benefits matrix
- Stakeholder management grid
- Value Stream Mapping

- 8 wastes – TIMWOODS
- Visual Management Boards
- Policy deployment matrix
- Benefits capture form template
- Benefits realisation plan
- Business case
- Risk register and mitigation actions

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Challenges

- The lean improvement teams are not identifying and delivering the benefits required
- Value Stream analysis has not been done within the organisation
- Lean is being done ‘bottom up’ only
- Stakeholder requirements have not been communicated
- All partners on the project are not working together in a lean way
- We are not seeing the benefits in our organisations overall performance
- If we make an improvement the client takes all the gain
- We don’t know how to evaluate benefits
- Conflicting client / business / department KPIs driving dis-benefit or preventing improvement
- Contractual arrangements (typically with sub-contractors) preventing improvement /not promoting the requirement for change
- We need evidence of benefits to show our audit board as proof that we are delivering benefits
Breakout questions

• What challenges have you faced in realising lean benefits in your organisations?
  – Where has it worked well
  – Where have you struggled

• Is there something here that you can apply to your organisation?
  – How might you go about this
Current state map of house building process (from ASCE, 2009)
Future state map of house building process (from ASCE, 2009)