

Welcome to the first

Australian Construction Industry Conference

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What is lean construction

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What is IGLC

What is Lean?

Womack's origin of *Lean*

- **less** labour in design, production and service;
- **less investment for a given production capacity**
- **fewer** delivered defects
- **less rework**
- **less** time from concept-to-launch, order-to-delivery,
- **fewer suppliers with higher skills**
- **lower** volume threshold to cost-effective production
- **less time from problem-to-repair**
- **lower** cost to efficient production of variety
- **less inventory required at every stage**

Essentially lean is

The reduction of waste

and

The creation of value

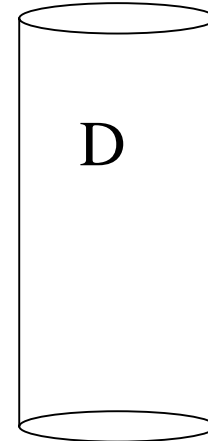
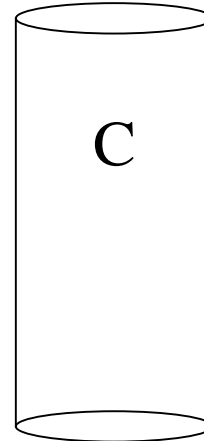
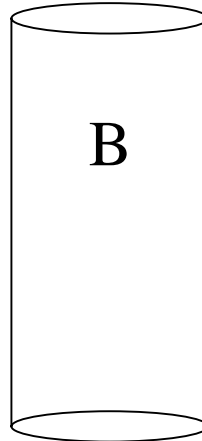
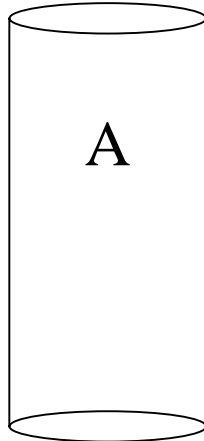
We look at lean under

- Theory
- Project delivery
 - People and teams
 - Supply chain management
 - Safety quality and environmental management
- Reducing waste
 - Production planning and control
 - IT support for lean implementation
 - Prefabrication, assembly and open building
- Maximising value
 - Product development
 - Strategy and implementation

Traditional Project Management Conceptualisation



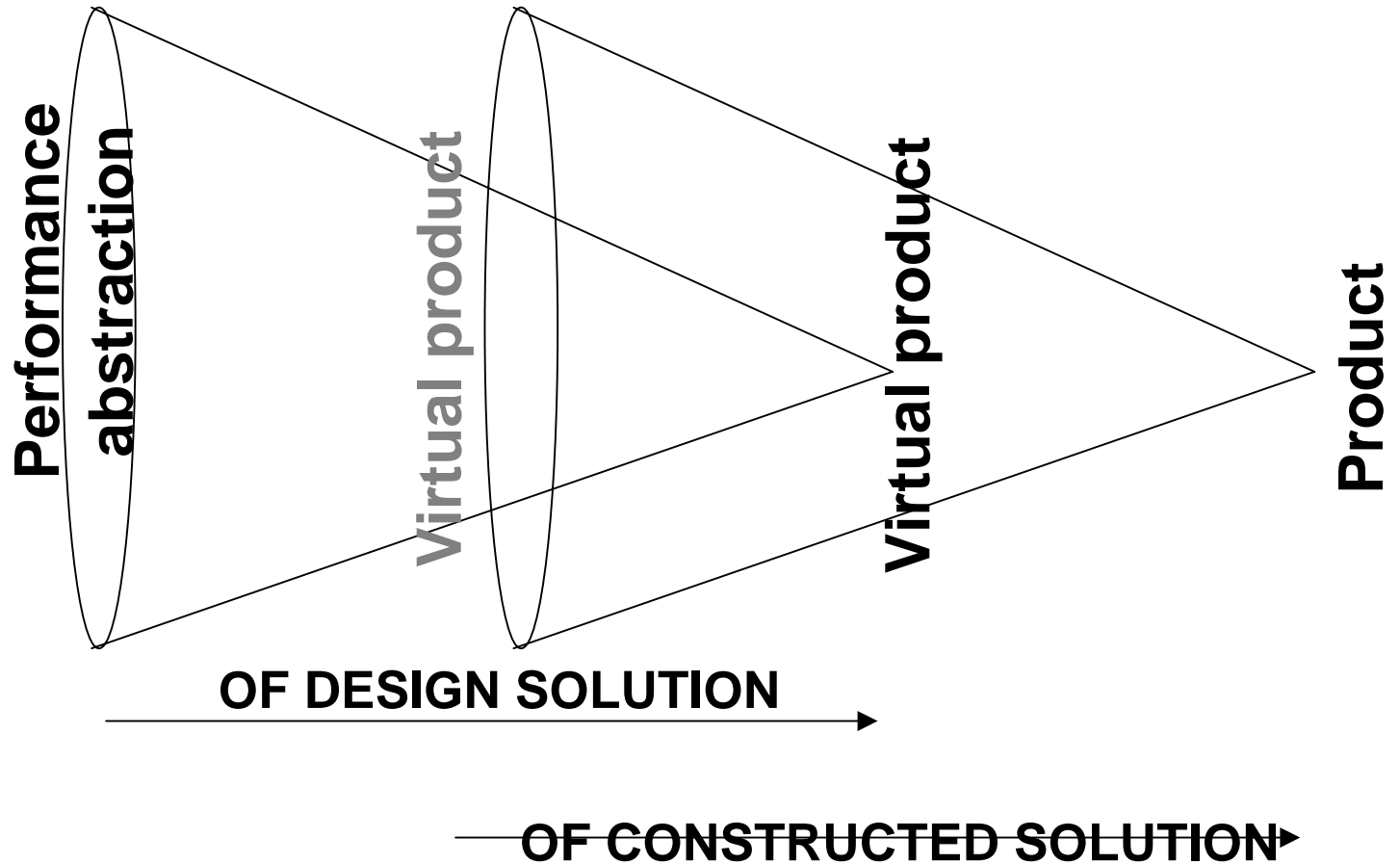
DIVIDE INTO PARTS



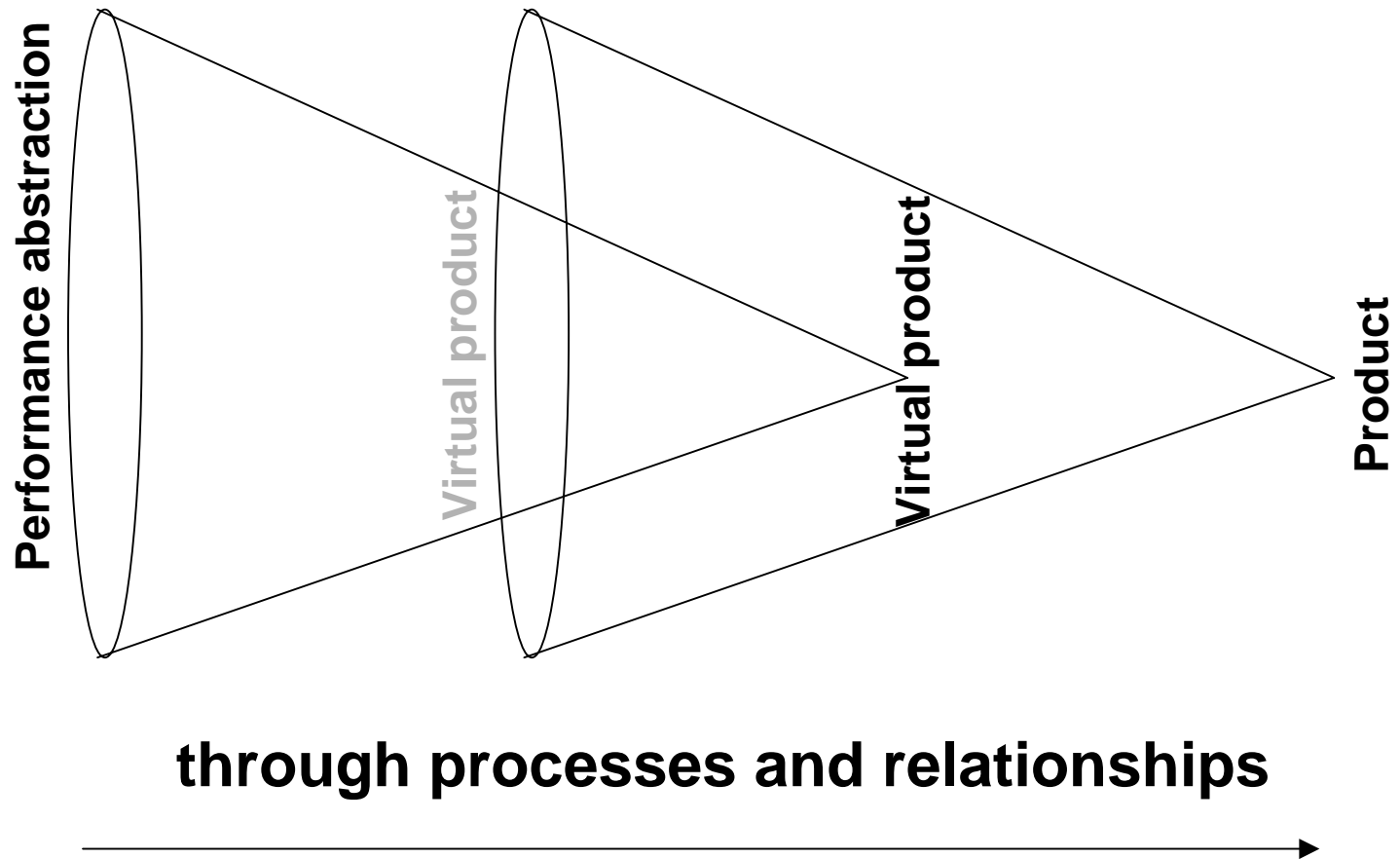
Traditional Management Tasks

- Define the project fully at start
- Create separate contracts for the parts
- Separate documentation for each
- **MANAGE THE CONTRACTS**
- Head Contractor is the broker

A project as processes leading to convergence



As processes of transformation



The new management challenge

- **MANAGING THE PROCESS**
- By seeing construction as a series of discrete processes
 - A series of **sound agreements**
 - **Performance** can and is **measured**
 - **Feedback** is the basis of **learning**
 - Learning is through cross **disciplinary teams**

In conclusion

Lean is a re-conceptualisation of the management challenge

Rather than managing what is certain we creates certainty through lean management