



Change Leadership and Lean

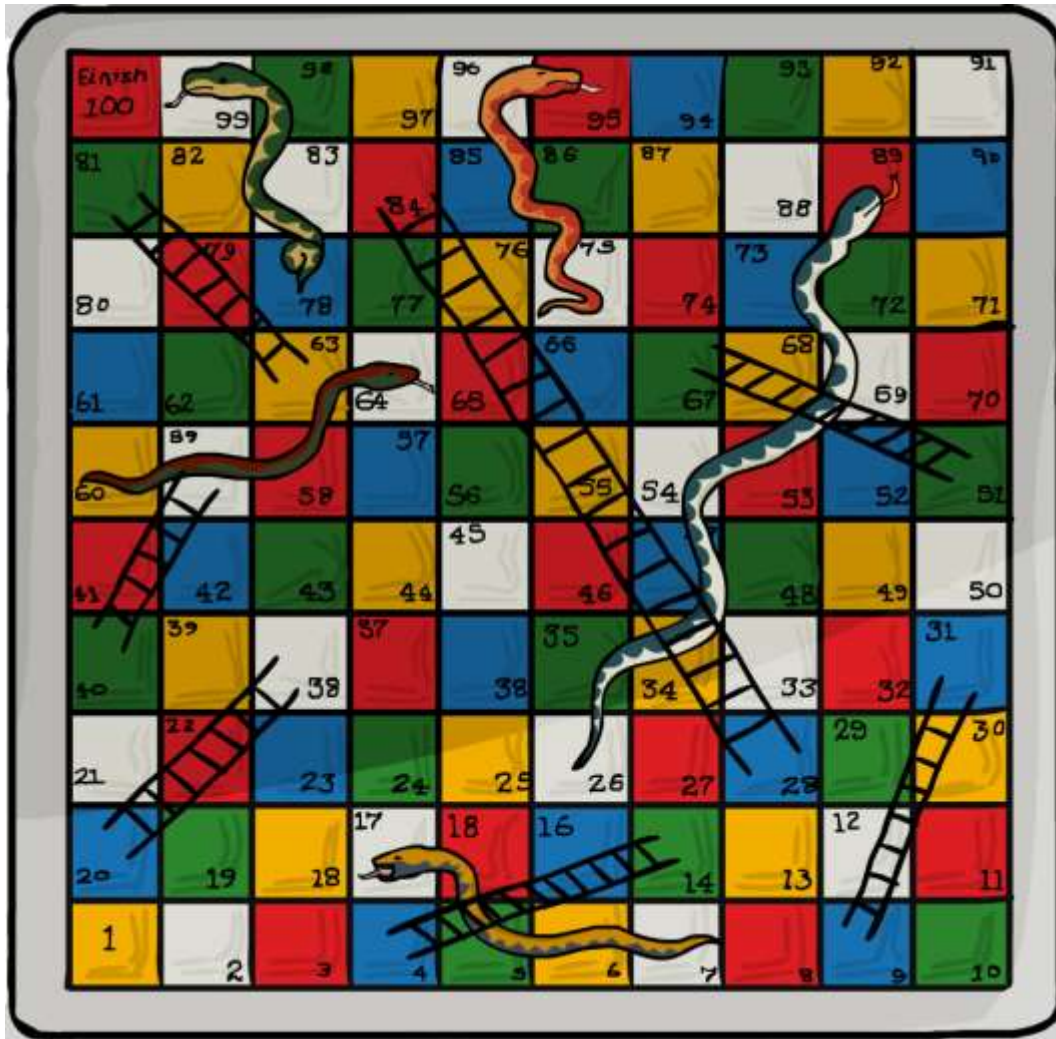
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A real discussion about the highs and lows of LEAN deployment with a focus on the change



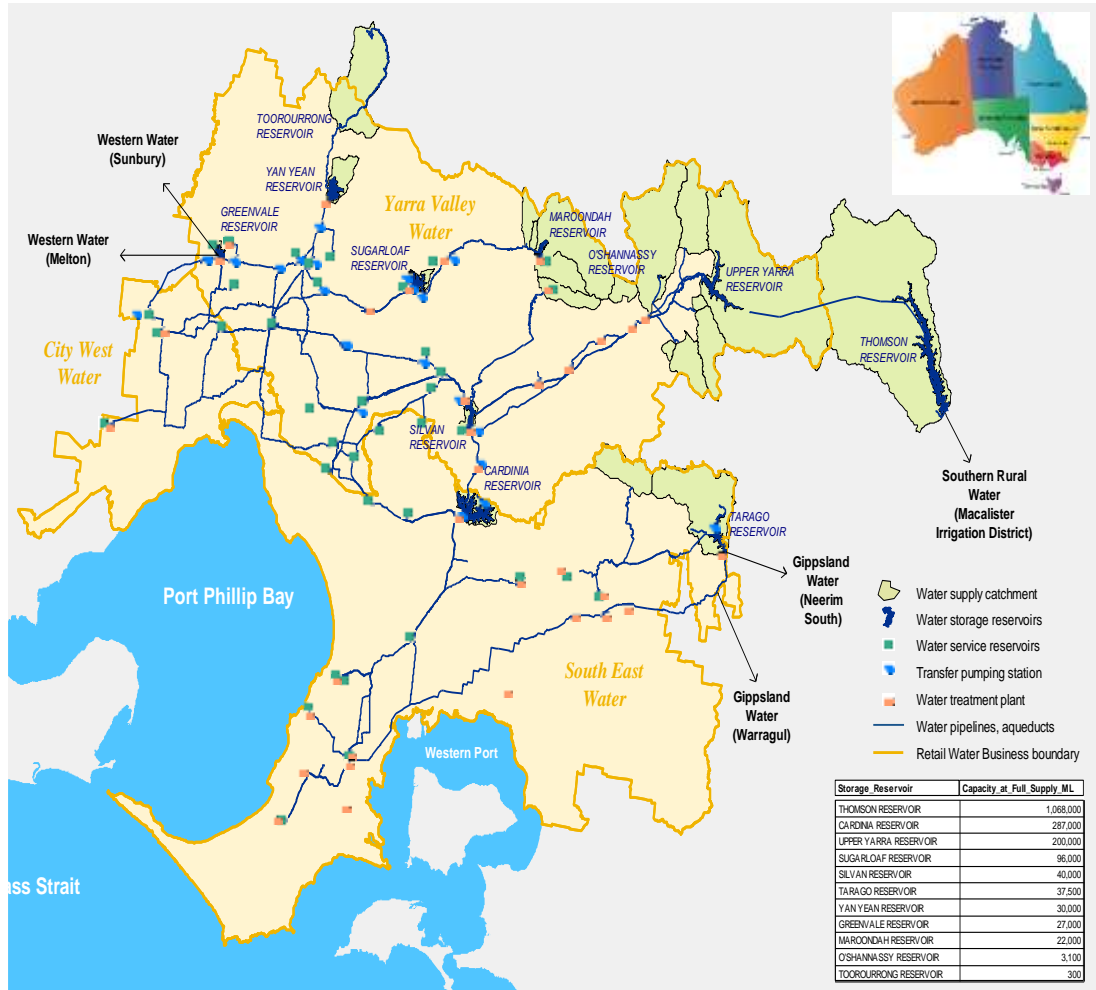
Acknowledgements:

- Sustaining Change (Bronte Jackson) – Provided change support and leadership and I have drawn on her material for this for this presentation
- Systemix who provided LEAN practitioner support during Phase 1 deployment



Introduction and Background

Melbourne Water: We deliver services through projects



Manage \$8.9 billion in assets.

Manage Melbourne's water supply catchments

Treat and supply drinking water

Remove and treat ~91% Melbourne's sewage

Manage rivers and creeks and major drainage systems

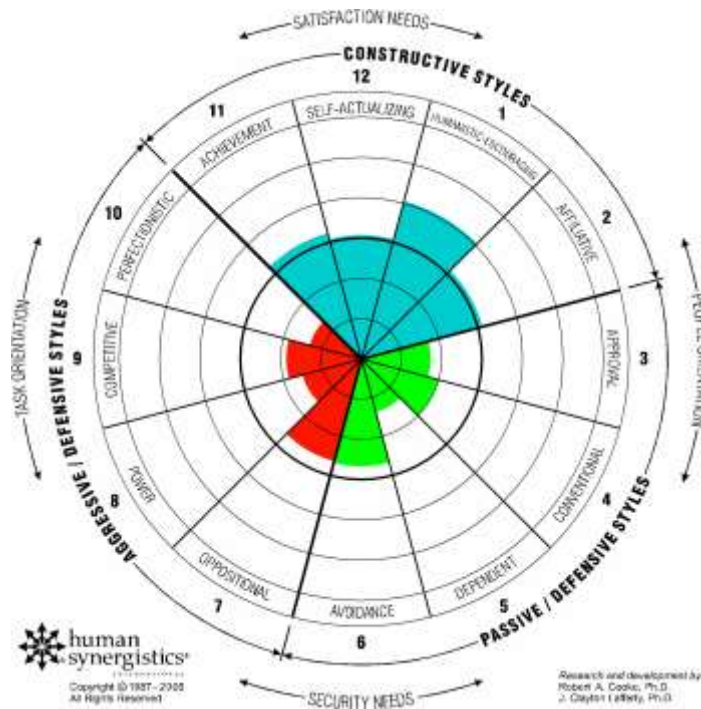
Size of Capital Program \$2.5 Billion over 5 yrs

The all important context: A bit about Australia



The all important context: Melbourne Water culture

All Data; October 2009



The all important context: New Strategic Direction

2011
**ENVIRONMENT SCAN
1ST REPUTATION SURVEY**

2012
**A NEW VISION
AND STRATEGIC
DIRECTION**

2013
**BUSINESS MODEL
OPERATING MODEL**

2014 Onwards
OPERATING MODEL



Context: Construction fads and trends



Ambitious infrastructure projects on plan
Efficiency
Diversity
Market – merging, selling, internationals
Projects becoming more complex
Changes in contractual models
High performing team
Demand for discretionary effort
Demands for flexibility
Some companies struggling need to feed the delivery engine

Diversity, people capability, efficiency needs to become a long-term influence on the future of construction

Our ever changing contracting model



- Industry has changed, we played a part in that
- Each phase is a building block
- FA silent on collaboration but inherent in our approach

**We have the ability to adapt to a changing environment
This has worked best when done pre-emptively**



The LEAN DREAM

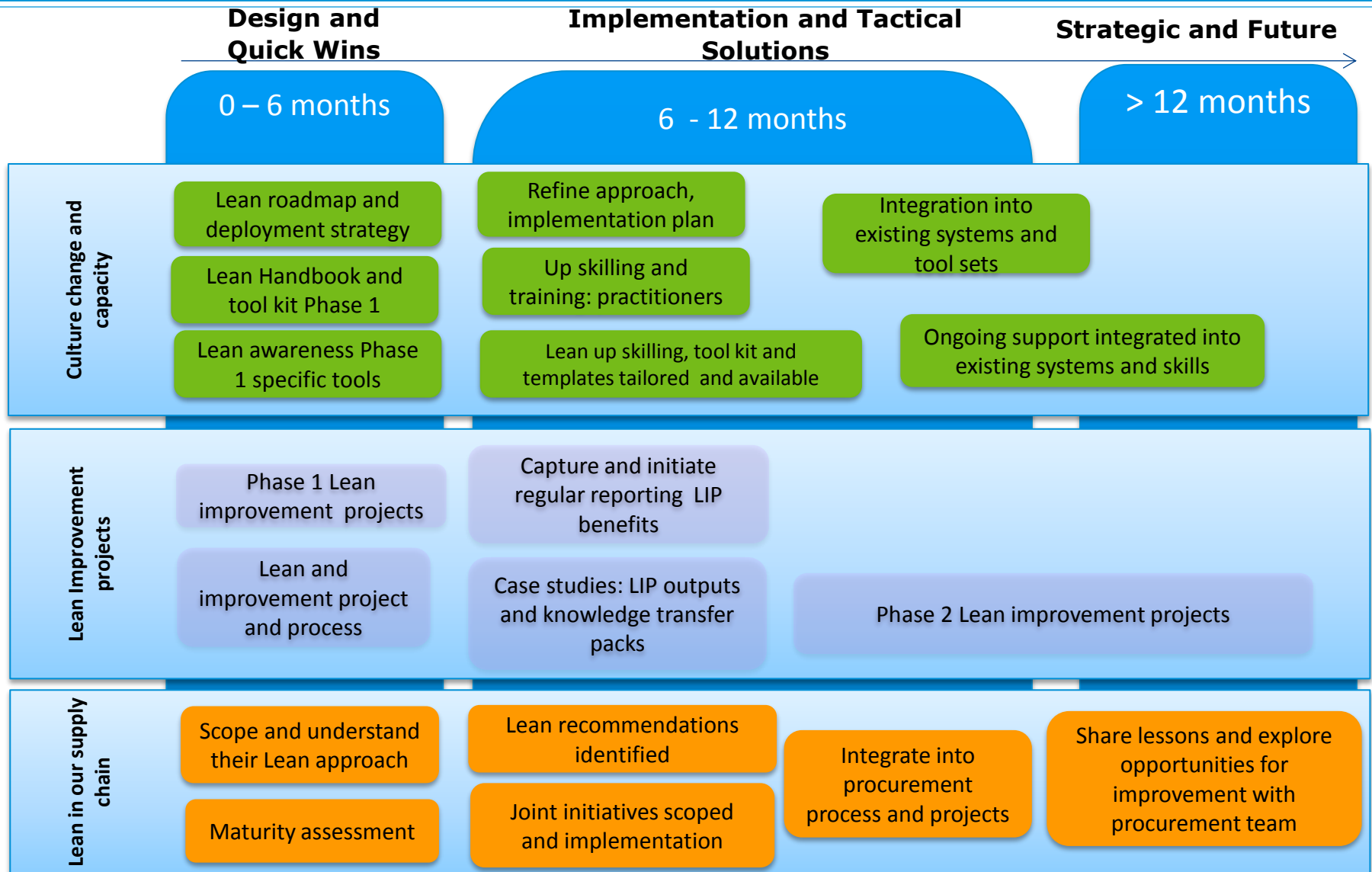
Vision: Major Program Delivery will set industry benchmarks for optimized project delivery

Why LEAN : It can help us achieve our efficiency targets and customer centric focus without compromising service standards.

LEAN MISSION

Lean will help Major Program Delivery identify opportunities for efficiencies and provide tools to implement them. Knowledge and tools strengthen our delivery capability. Strengthening our capability is critical to achieving our targets and delivery value to our customer

What we are doing: The Lean Roadmap. We are nearing completion of phase 1



We are in the early stages: a snapshot of achievements

- Early adopters applying LEAN to real problems and projects
- Culture of improvement growing - there is a desire for a better way and willingness to “give LEAN a go”
- LEAN tool kit and improvement process
- LEAN has been included in RFP and contract for our engineering services panel
- LEAN has been integrated into Project Manager assessment



The LEAN Lessons

When the rubber hits the road: Change and transition is hard



LEAN lessons

Observations

Understand customers needs and where they are at

LEAN was logical solution for we didn't ask/ have a dialogue

Response / next steps

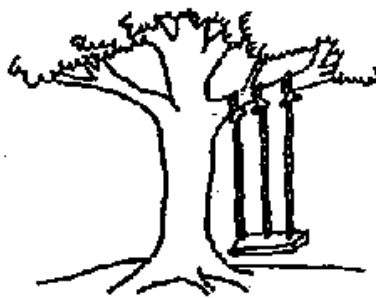
Undertaking review of what is already in place and lessons learnt.

Dialogue vs discussion re Phase 2

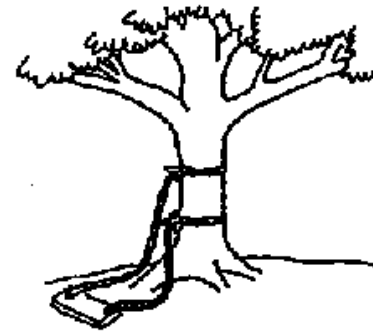
Refining Roadmap and clear path moving forward



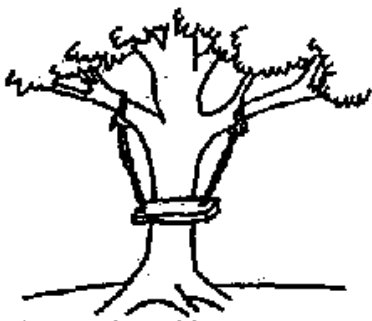
As proposed by the project sponsor.



As specified in the project request.



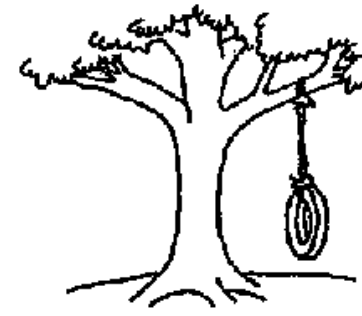
As designed by the senior analyst.



As produced by the programmers.



As installed at the user's site.



What the user wanted.

LEAN lessons

Observations

Leadership

Leadership support is vital

Timing is everything - don't start when Leaders are at change capacity, have other priorities

Ability to work with uncertainty is critical.

Ensure role clarity

Response / next steps

Up skill and strong change leaders incorporated in governance and team

Line up influencers and sponsors



LEAN lessons

Observations

Change Management

Change Leadership and management is critical

Early adopters and one success can change everything - LEAN helped a project in trouble.

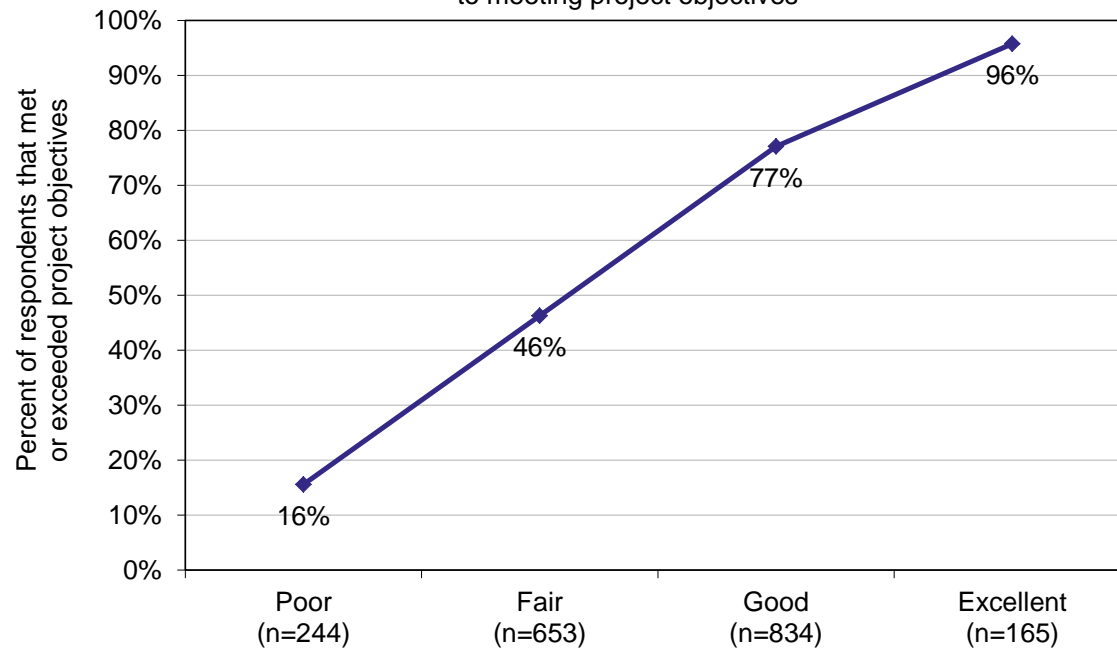
Response / next steps

Incorporate all change elements
Change plans and strategy integrated into program

Understand and acknowledge barriers

Make it real – Integration and the importance of stories

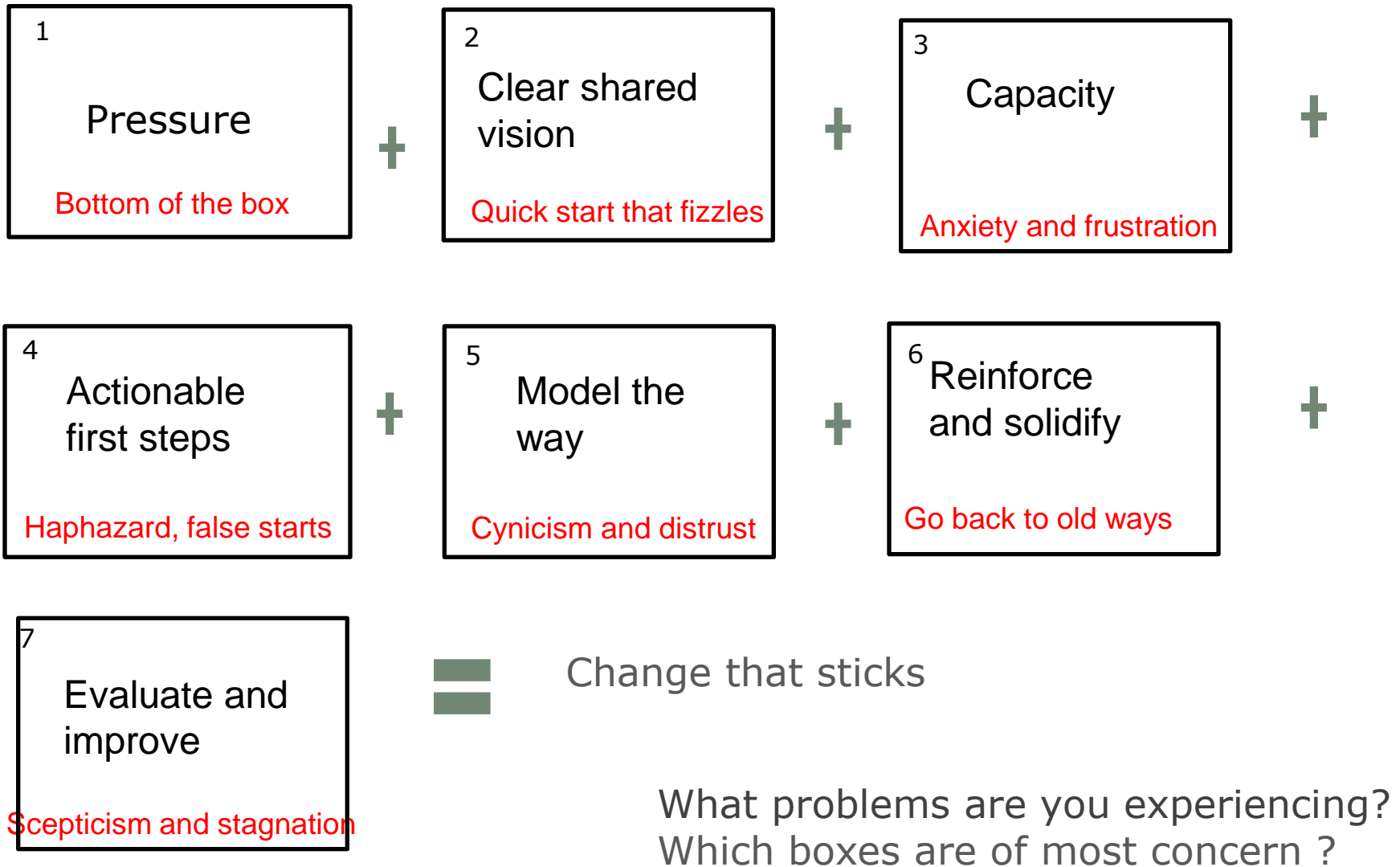
Correlation of change management effectiveness to meeting project objectives



Overall effectiveness of change management program

* Data from 2007, 2009, 2011 and 2013

The change backdrop: important elements and impact on success



Theory is great; need to make it real and acknowledge incremental improvements as success



“It meant I could reduce the time to get out of bed from 4 to 2.5 hours which means I could go to work”

Our barriers to change

- Focus on implementation of a process and tool solution to address a mindset and experience (capability) problem
 - “would you ask someone on site to drive a forklift without experience or training”
- Wanting to see improvement quickly without understanding time commitment and complexity of the change.
 - “culture eats strategy for breakfast”
- Trying to lead from the bottom up, implementation in a traditionally silo based culture that is undergoing significant change
 - “Know thy culture and change capacity”

LEAN lessons

Observations

Response / next steps

Products

Less is more
Easy to focus on the tools and tasks, the products are important but not the focus
LEAN is a mindset change

Simplifying and reducing the language and focus on tools
Integrate with existing initiatives and procedures

LEAN support

Takes time to learn something new – accept productivity decreases and mistakes
Many facilitators , limited practitioners in Australia - we need both.

Up skill our team – focus on early adopters

Change and LEAN is about people and attitudes



With an open mind and determination the impossible becomes possible.