

Missed Opportunities: Mistakes that Limit IPD Success

[The University of Minnesota/IPD Alliance study](#) reported very positive experience with [IPD](#) and our experience is similar. But approximately 10% of the participants reported that IPD produced *less* overall value than other project delivery methods. And some very successful teams have reported that they could have done better. We should celebrate success, but it is clear that we must also examine what behaviors limit performance, and consider how to counter them.

The first four articles in this *IPD Insights* series described key behaviors that were employed by highly successful teams. We noted that successful teams:

- In [Values First](#), we explained the importance of key values and how they guide project management.
- In [All Aboard!](#) we examined the need for continuous, effective on-boarding.
- In [Location, Location, Co-location](#) we discussed why co-location was critical to project performance and examined some of the difficulties that can accompany co-location.
- In [Targets of Opportunity: The Art of IPD Target Setting](#), we looked at target setting as an alignment and motivational tool.

Because successful teams do these things well, it follows that *not* doing these things can significantly lessen performance. The posts, accessible through the links above, provide more detailed information and implementation suggestions.

In addition to these key behaviors, there are several other recurring issues that we believe reduce IPD effectiveness.

1. Reversion

Virtually every IPD team has instances where team members have reverted to using their traditional processes and behaviors and succumbing to reversion lessens performance. Change does not guarantee success, but improvement is impossible without it. As succinctly stated by a Finnish IPD team at the recent Lean in the Public Sector conference: “Nothing changes if nothing changes.”

Reversion is understandable. Executing work in a new way is awkward and undermines confidence and our feeling of



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competence. One project manager remarked that if it feels comfortable, you are doing it wrong. It takes effort and repetition to make a new behavior a habit.

It is also easy to rationalize doing things the old way. Faced with intense schedule pressure, team members may think they don't have the time to learn a new skill—even if it will save time once it is mastered. They also may abandon skills that they have learned, such as Last Planner™, as they near completion and schedule pressure increases. Great IPD teams stay focused on executing the project using Lean, IPD principles, even when stressed by cost and schedule.

There are four strategies we have seen teams use to counteract reversion.

- Using external trainers and coaches

Teams, especially teams that are undertaking their first IPD project, really benefit from external coaching and training. In some instances, the teams don't know how they should organize and interact. Training can greatly accelerate team integration. In addition, it is often difficult to see your own behavior. An external coach—i.e. one that is not part of the project team—may be able to see dysfunctions unapparent to the team members.

- Reinforcement with visual tokens.

Patrick Lencioni, in *The Advantage*, counsels that team management must communicate their vision, and then over-communicate. One of the ways teams do this is with signs, pictures, charters, meeting rules and other reminders of how the team should communicate and interact.

- Asking what are we doing differently?

We recommend that project teams periodically ask themselves what they are doing that differs from their prior projects. If the answer is “nothing” or “very little”, then the teams are on the wrong path. This is a good question to be on every project management team/core group agenda.

- Empowering everyone to declare “breakdown”.

In a manufacturing setting, lean team participants are *required* to immediately notify management when a defect is discovered to allow corrective action to be immediately taken. This is the [Andon](#) cord in the Toyota Management System. In a similar way, design and construction teams should immediately notify project management when the collaborative system is breaking down. Management should investigate and then develop and institute a corrective action plan. Team members who declare breakdown should be respected for having help preserve the collaborative environment.

2. Unrealistic Expectations

A great many IPD teams have achieved extraordinary results. Unfortunately, we have seen some parties assume that just executing an IPD agreement will result in miraculous results. Ironically, these parties are often those who don't see any need to change their own behavior.

IPD is worth the effort, but it requires commitment and hard work. Unrealistic expectations coupled with an unwillingness to change can only lead to disappointment, which leads to disenchantment, and then to abandonment. One of the purposes of target validation is to assure aggressive, but reasonable goals.

3. Inadequate Planning/Training/Coaching

Teams get very nervous if they aren't producing "real work." As a result, they often want to begin work before they really understand what they have to do, the sequence in which it should be done, and the techniques they should employ. This violates the Lean principle of "Go slow to go fast."

In addition, cash flow in IPD projects (because of early involvement of key participants, co-location and similar activities) is front loaded, with more being spent earlier than in other project types. At the beginning, it may seem that much is being spent, but not a lot accomplished. Also, because projects with aggressive financial targets are initially over budget, the pressure to develop cost reductions may conflict with spending resources on preparation and coaching.

These concerns tend to reduce the amount of time and resources spent on planning and training. But there is a real risk that avoiding cost will result in waste. Work done before processes and goals are developed is often misdirected and valueless. Moreover, very few teams come to an IPD project fully organized and fully trained. And it takes time and effort for teams to learn new ways of working and lessons need to be repeated until they are fully understood. Training is a continuous process, not a singular event.

It may be possible to do too much training, and it is possible to be inefficient in executing training, but we have never had a team report that it should have done less and we often have teams report that they should have done more.

4. Inadequate Cost/Change Management

Collaboration requires accountability. In most IPD compensation, the owner guarantees cost, but not profit. If a change occurs on the project, the owner will pay for the cost whether a change order (variation) has been agreed. This has lulled some teams into putting change management below other project priorities. But if a team doesn't keep its risk, opportunity and change logs current, it risks not knowing where it is financially. This makes it hard to manage to the target cost because you no longer know where you are or what it is.

Better managed teams keep careful control over costs, forecasting, budgeting and change management. The information is summarized on a near real-time basis and displayed in well-designed dashboards that provide the information necessary for decision making and can be displayed in the big room to allow everyone to know where the project is, where the project needs to be, and to focus on getting it done.

5. Not Cutting Losses

Sometimes people or companies just don't work out. Ideally, compatibility issues will be resolved during the selection process. But in the real world, problems arise after the project has commenced. This may be because of changed circumstances or just an incompatibility with collaborative work. If a problem arises, the first step is to try to counsel, train and support. At some point, however, the team will have to decide whether further efforts to support a team member or company are worthwhile or whether a change should occur. As one project leader said, "You have to change the people or change the people."

It is hard to terminate an IPD company, or to request that project participants be changed, but where it has occurred the teams generally report that they should have made the change earlier. There is significant research and practical experience to back up what every grandmother knows: "A bad apple spoils the barrel."

6. Company Hubris

Companies enter into IPD contracts, but IPD projects are executed by people. We have seen several examples where good companies have had very successful projects and then seem to assume that the knowledge gained on one project would be automatically imputed to a later project team. This leads to waste as the new team struggles to learn for itself, what the earlier team had learned. In a similar way, companies will transfer new personnel into an IPD project without putting them through the same level of training and on-boarding that the project received and just assume they will “get it”. They won’t.

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