

IPD Advice from Owners

During the Summer of 2013, we interviewed a group of owners who had completed IPD projects. Some owners had many IPD projects under their belts and others only one or two. But all were willing to share their experience and advice to help other owners. The transcripts were summarized in a white paper, still available on the Hanson Bridgett website, [*Integrated Project Delivery: The Owner's Perspective*](#). This information, with some updates, is also included in the upcoming book, *Integrating Project Delivery*, that will be released by Wiley on March 27, 2017. We suggest that anyone interested in the owner's path in IPD review either of these references.

One drawback to the 2013 interviews was that they focused on owners who had completed larger projects and this necessarily biased the group towards healthcare. Last year, I had the opportunity to interview another group of owners, many from the Lean Construction Institute's Large Owner's Group, and who represent a much broader array of project sizes and types. They addressed 10 topics and, as time permits, I will be incorporating their comments into an updated version of *The Owner's Perspective*. In the meantime, I thought that many of you would be interested in the responses to three questions: What are the keys to success? What problems did you encounter? In one sentence, what advice would you give to other owners?

What Are the Keys to Success?

- An engaged owner leading the process. The owner needs to demonstrate the behaviors it wants the team to have. As one participant said: "Your behavior has an overt impact on the team, itself. That is why leadership is so important." Another stated that if the owner doesn't demonstrate collaborative behavior, trust will be destroyed.
- A clear, defined project scope. The owner needs to know what it wants.
- Alignment. Not so much as to contract terms, but as to truly linking up to the project goals to the owner's business goals. These aren't defined by a set of plans and specifications, but by delivering a project that meets the owner's business needs.
- Developing a supply chain that is engaged with the owner's needs and views the relationship as important, or more



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important, than the specific project.

- Getting alignment within the owner's company, management, procurement, legal, etc., which allows a more consistent approach to delivering high performance projects.
- Understanding each party's business risk and actively managing those risks together. Projects should promote active risk management, not just risk transfer.
- The IPD contract model is important, but by itself doesn't guarantee success. It focuses the team and creates the environment where they can be successful. Because they are in a safe environment where costs are being paid, the team can concentrate on the project costs, not their individual costs.
- One party noted that they tried IPD-lite^[1] on their projects, but it wasn't until everyone was on board and able to drive a full Lean IPD approach that they were able to get full value. Others reported that the IPD contract increased reliability, especially when things don't go right.
- An exemplary project needs collaboration, silo elimination, team chemistry, trust, respect and willingness to learn.
- Choose partners that are willing to learn and ready to change. Focus on the people, not the company.
- Coaching. Great teams need great coaches, whether internal or external.
- Using co-location or other means, the project management must create a team bond, all the way down to the people doing the work.
- Creating transparency so everyone knows, by viewing dashboards, exactly where the project is and what needs to be done.
- On a larger project, audit rates and overhead to assure trust and transparency.

What Problems Did You Encounter?

- Starting pre-construction without a clear view of what you want to accomplish. The burn rate in IPD can be high, with very little value generated, if you are just milling around. You need to have a plan before you turn on the faucet.
- Choosing the wrong partners. A company may have the expertise, and may have worked well with the owner in the past, but not be able to function in a collaborative environment. In addition, their knowledge of past problems may cause them to inflate their cost estimates because they won't assume that the collaborative project delivery is any better than their prior experiences.
- Lack of management capability within the Project Management Team/Core Group. A project is a virtual organization and we are asking competent designers and builders to become the executives of a very large organization without giving them the necessary leadership and management training.
- The owner's own willingness and capability to engage collaboratively.
- The length of time it takes to create alignment when the teams are already faced with intense schedule pressure.

One Sentence Advice to other Owners

- Know why you are doing Lean IPD. Don't do it just because it is cool.
- Be very intentional about how you execute Lean IPD.
- Be resilient, you are going to be challenged on a regular basis.
- Don't assume your partners understand the contract or the relationship. Spend the time to educate the entire team.
- Prepare your teams. Make sure everyone knows that change is really, really hard, but worth it.
- Make sure you have support up your management chain because on a large project, someone will try to end run the process.
- Go find some Big Rooms that are going well and learn from them.
- Pick a project that can be successful. If your first project doesn't go well, it will be hard to have a

second.

- Be willing to trust, be trustworthy, and commit to full transparency.

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Ms. Lydia Knowles, IPD Integrator with Haworth, not only provided the group with her insights based on projects as an owner and as a participant, she took excellent notes, which proved exceptionally valuable in preparing this summary.

^[1] Generally, these are projects where the parties informally agree to act collaboratively, but are not bound together contractually, and can thus return to traditional behavior.

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