



COMMUNICATE COMMIT DELIVER

2018





Balfour Beatty

Competing in a
Lean Environment

AGENDA

ABOUT BALFOUR BEATTY

DEFINING LEAN IN CONSTRUCTION

A LEAN COMPETITIVE ADVANTAGE

LEAN IMPLEMENTATION

LEAN BEHAVIOR

Meet Balfour Beatty

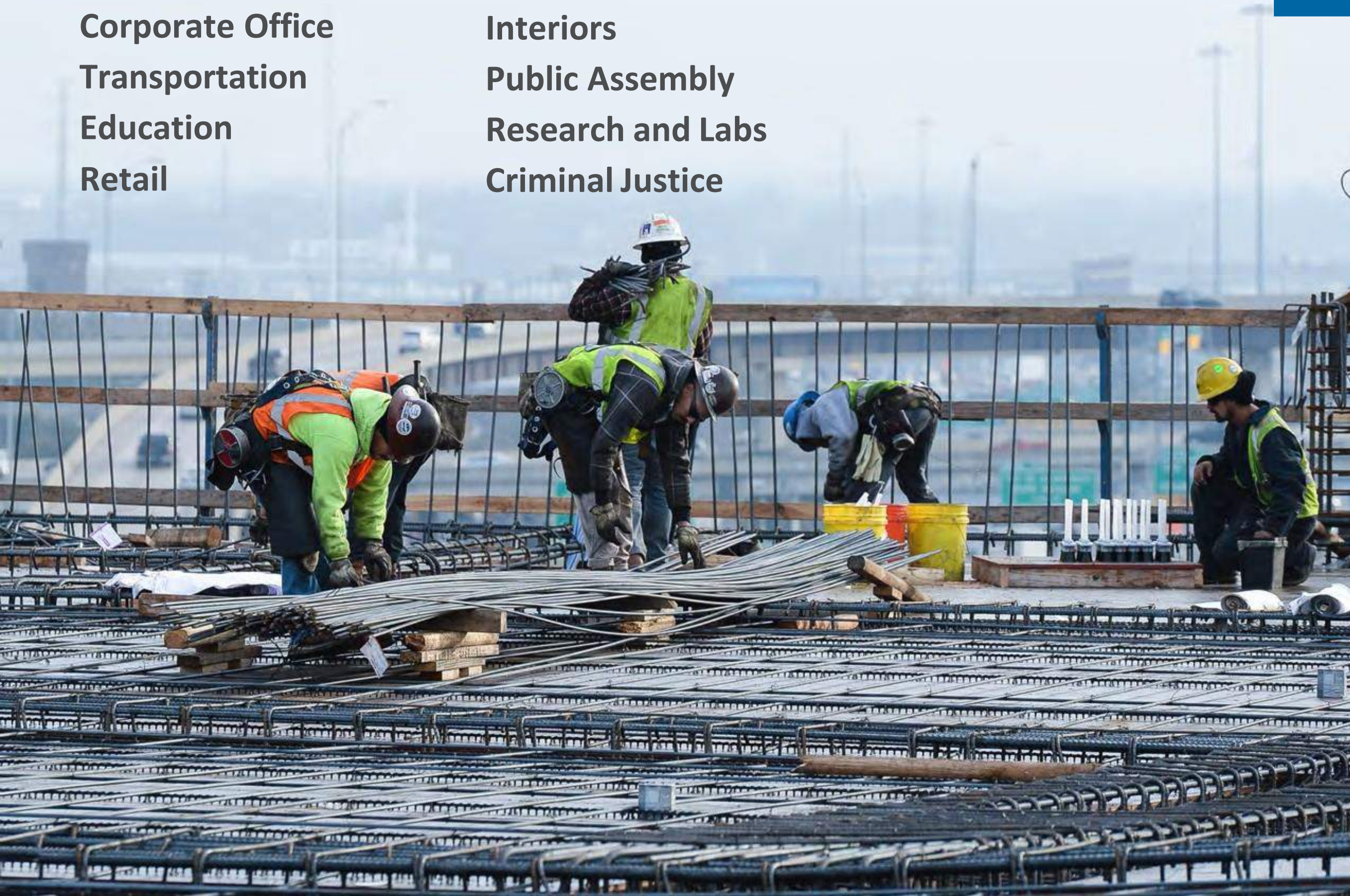
A recognized leader in the U.S. construction industry for more than 80 years, Balfour Beatty assists both public and private clients from coast-to-coast. We offer the resources and reach of an international company while providing a local service that meets individual needs and exceeds industry standards. With 3,000 employees nationwide and 19 offices working in collaboration, we provide our clients with the quality and predictability of the Balfour Beatty “signature experience.”

Market Strengths

- Hospitality
- Multifamily Residential
- Corporate Office
- Transportation
- Education
- Retail
- Healthcare
- Government
- Interiors
- Public Assembly
- Research and Labs
- Criminal Justice

Our Locations

- Atlanta
- Austin
- Charleston
- Charlotte
- Dallas
- *Fort Lauderdale
- Worth
- Houston
- *Jacksonville
- LA-OC
- *Miami
- *Orlando
- Phoenix
- Portland
- Raleigh
- Riverside-SanBer
- San Diego Fort
- San Francisco
- Seattle
- Ventura
- Washington, D.C.
- *Florida Division



Florida Division

Established in Miami in 1933 by Frank J. Rooney, the Florida division of Balfour Beatty has enriched the lives of Florida residents, visitors and clients through the development of some of the largest and most recognizable landmarks across the state including the Dr. Phillips Center for the Performing Arts in Orlando, and the state-of-the-art Tradition Medical Center in Port St. Lucie. Our project expertise includes a vast portfolio of hospitality, multifamily, higher education, K-12 education, healthcare, corporate office, public assembly, criminal justice, mission critical, retail, transportation and special projects that have earned us over 145 Excellence in Construction awards from the regional and national chapters of the Associated Builders and Contractors and we are consistently ranked a top contractor both locally and regionally.

Florida by the Numbers

200+
Employees

\$500+
Million in Annual Revenue

145
Awards for Excellence in Construction

16
Market Sectors

33
LEED™ Professional Employees



BALFOUR BEATTY US
EMPLOYEES

4,200
NATIONWIDE



CLIENT SATISFACTION
RATE



2016 PROJECTS
COMPLETED

133 = 9,035,000
PROJECTS SQUARE FEET

BALFOUR BEATTY US
2016 REVENUE

\$4,600,000,000

2016 NEW PROJECTS
WON

\$3,800,000,000

PARENT COMPANY

BALFOUR BEATTY, PLC
LONDON STOCK EXCHANGE: BBY

Balfour Beatty

Every Dream

We work with each client to ensure we deliver their needs, wants, and wish lists.

FIU Student Academic Success Center



#1 Southeast Contractor

ENR Southeast, 2016

Dr. Phillips Center for the Performing Arts



Loews Sapphire Falls Resort at Universal Orlando



Solitair Brickell Apartments



Tradition Medical Center Martin Health System



As a leader in construction, we believe in strong foundations, lasting achievements, and staying engaged with our community. From aquatic centers to classrooms, we're building up training grounds for every dream across the community.

Top Headlines

ENR Southeast Top Contractor 2016

US General Builder (ENR)

Top 400 Contractors (ENR)

Top Contractor (BD+C)

BIM Construction Firm (BD+C)

Multi-Family Sector Construction Firm (BD+C)

Multi-Unit Residential Contractor (ENR) Green

Building Construction Firm (BD+C) ENR

Southeast Contractor of the Year



A construction worker in a safety vest and blue pants is carrying a large, weathered wooden beam across a construction site. The site is filled with rebar, scaffolding, and the skeletal structure of a building under construction. The lighting suggests late afternoon or early morning, with long shadows cast across the ground.

Balfour Beatty

WE DO
MORE THAN
BUILD BUILDINGS.
WE BUILD
DREAMS.

WHAT IS “LEAN”?

- Maximize Value
- Reduction of Waste
- Focus on Productivity & Flow
- Continuous Improvement
- In a Word - Optimize

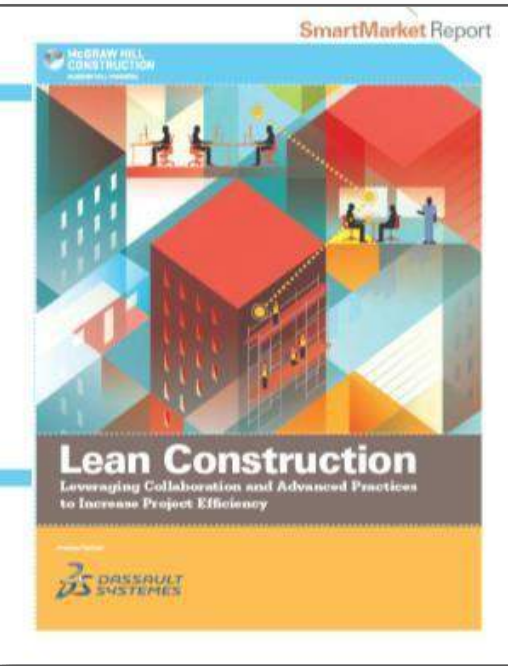
REFERENCES



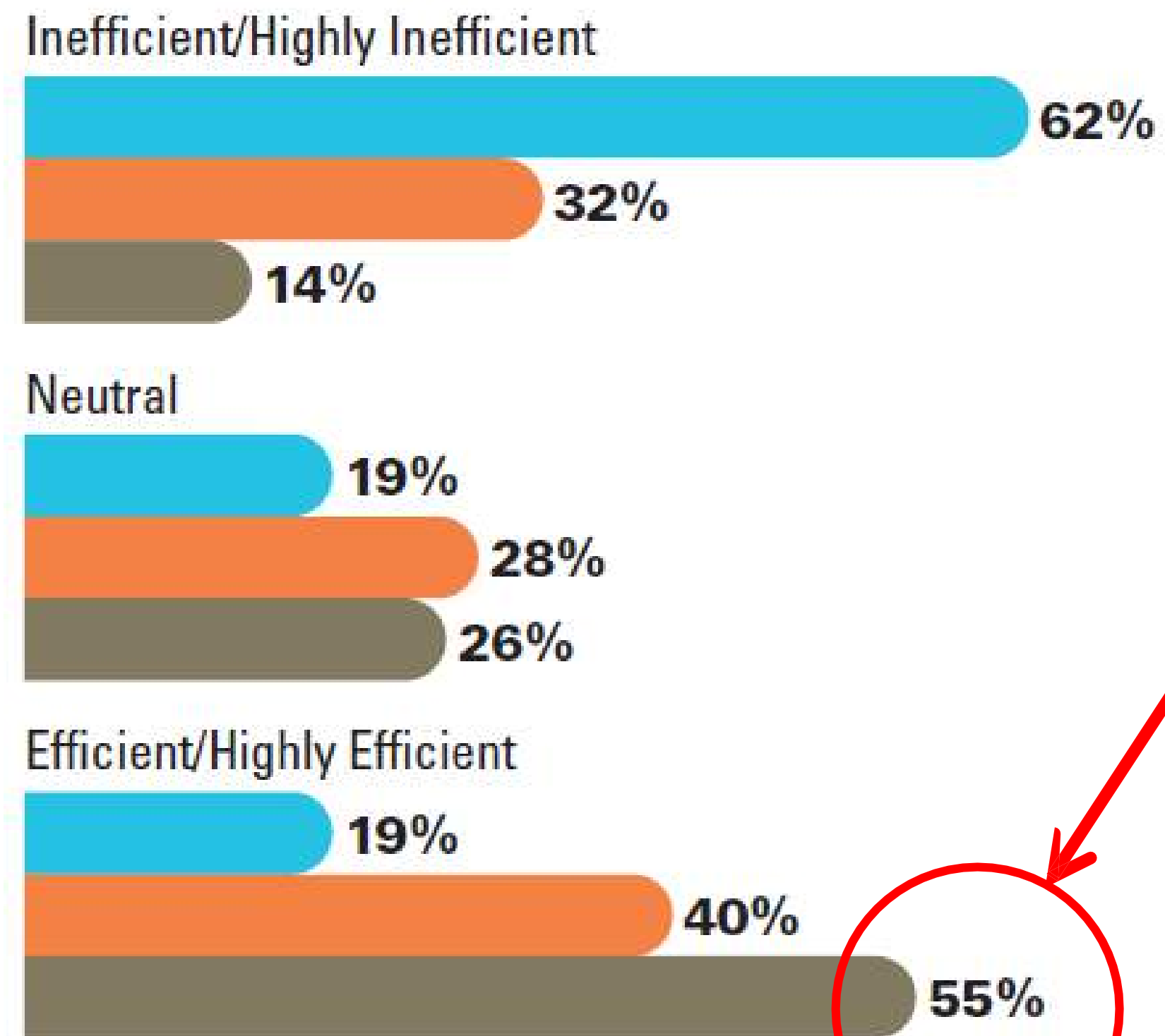
INDUSTRY EFFICIENCY

WHAT DO YOU THINK?

INDUSTRY EFFICIENCY



- Implemented Lean Practices
- Familiar with Lean Practices
- Not Familiar with Lean Practices



Most who never heard of Lean think the industry is Efficient



INDUSTRY EFFICIENCY

The McKinsey Global Institute: February, 2017

Reinventing construction through a productivity revolution

“...the industry has an intractable productivity problem...”

The Economist: August, 2017

Least-improved: Efficiency eludes the construction industry

“...American builders’ productivity has plunged by half since the late 1960s...”

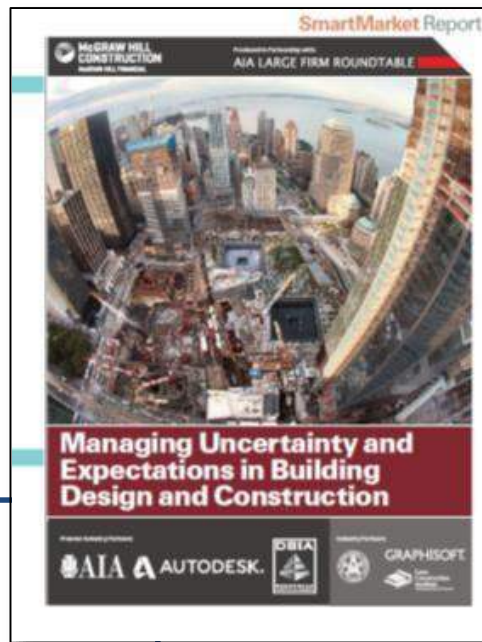
“...an industry that raises prices for clients and mostly ignores tools that might improve productivity.”

WHY LEAN?

- Client satisfaction
- Redefine success
- Competitive advantage

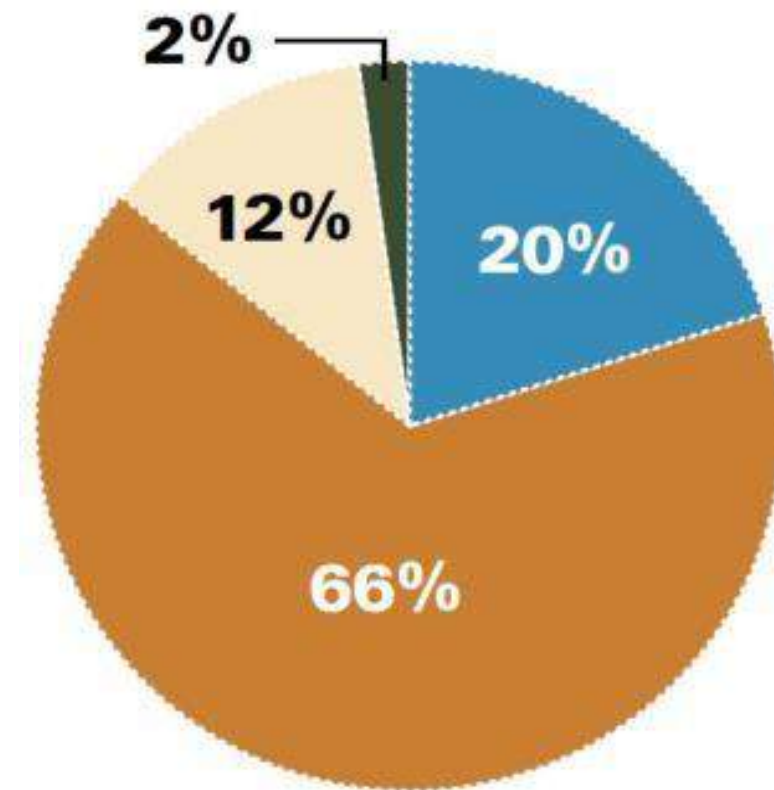


CLIENT SATISFACTION



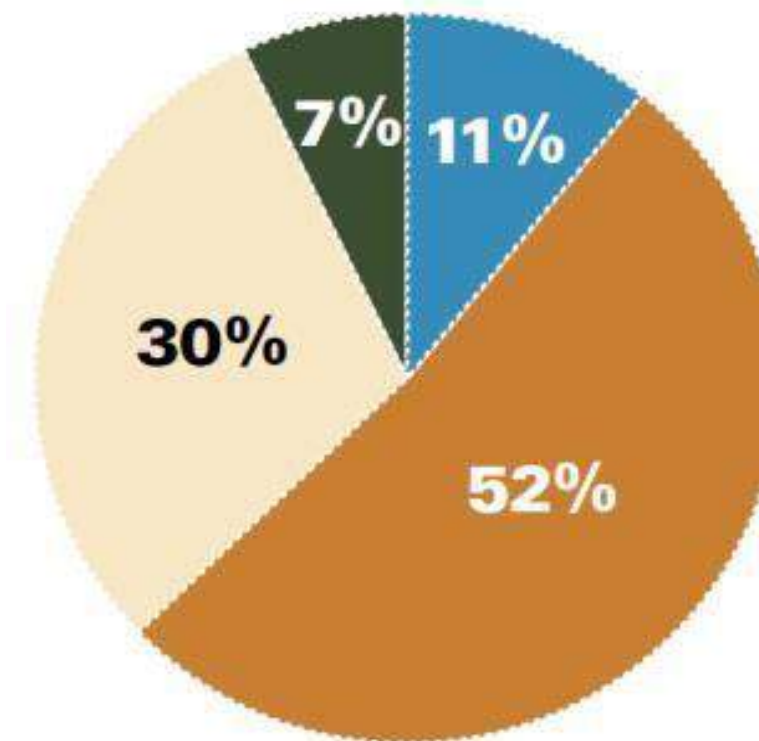
Quality

Owners



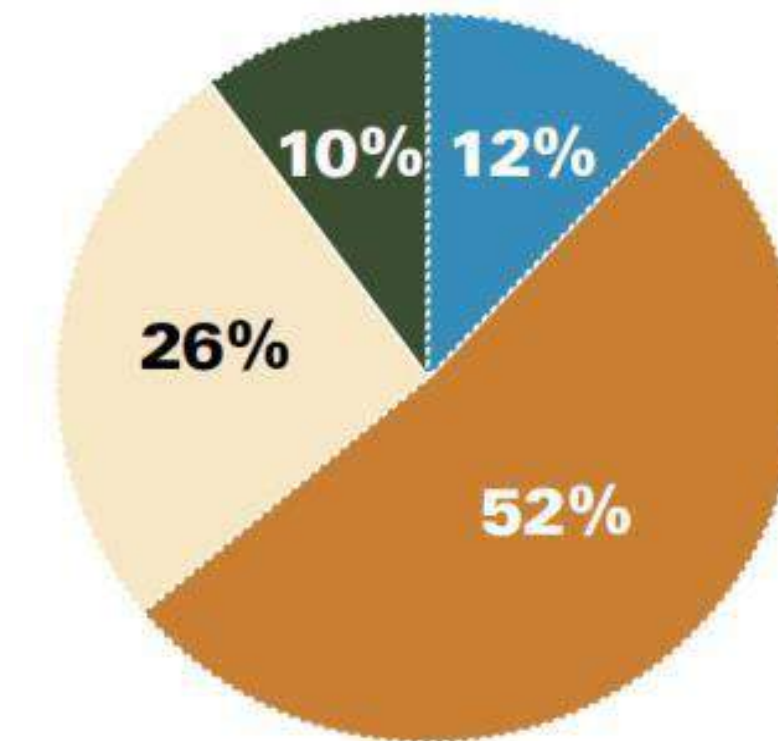
Cost

Owners



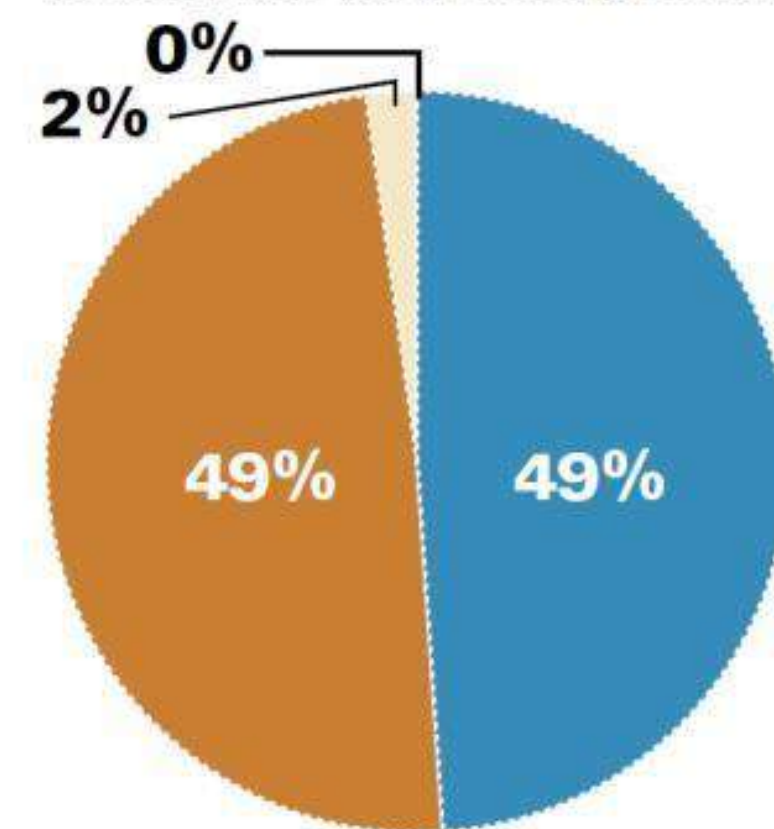
Schedule

Owners

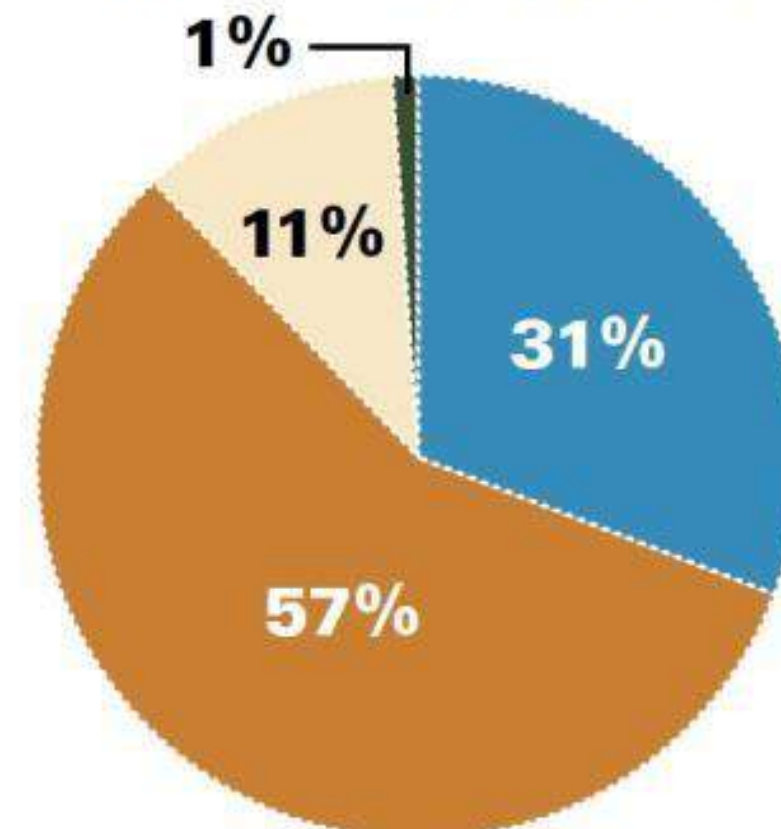


- Always
- Frequently
- Sometimes
- Infrequently/Never

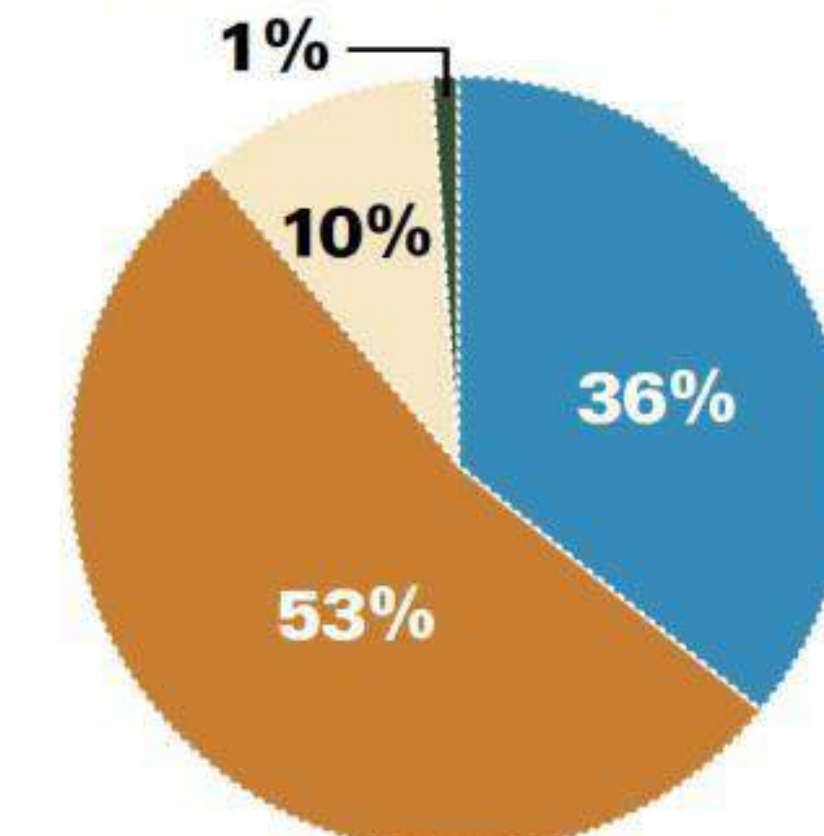
Architects and Contractors



Architects and Contractors

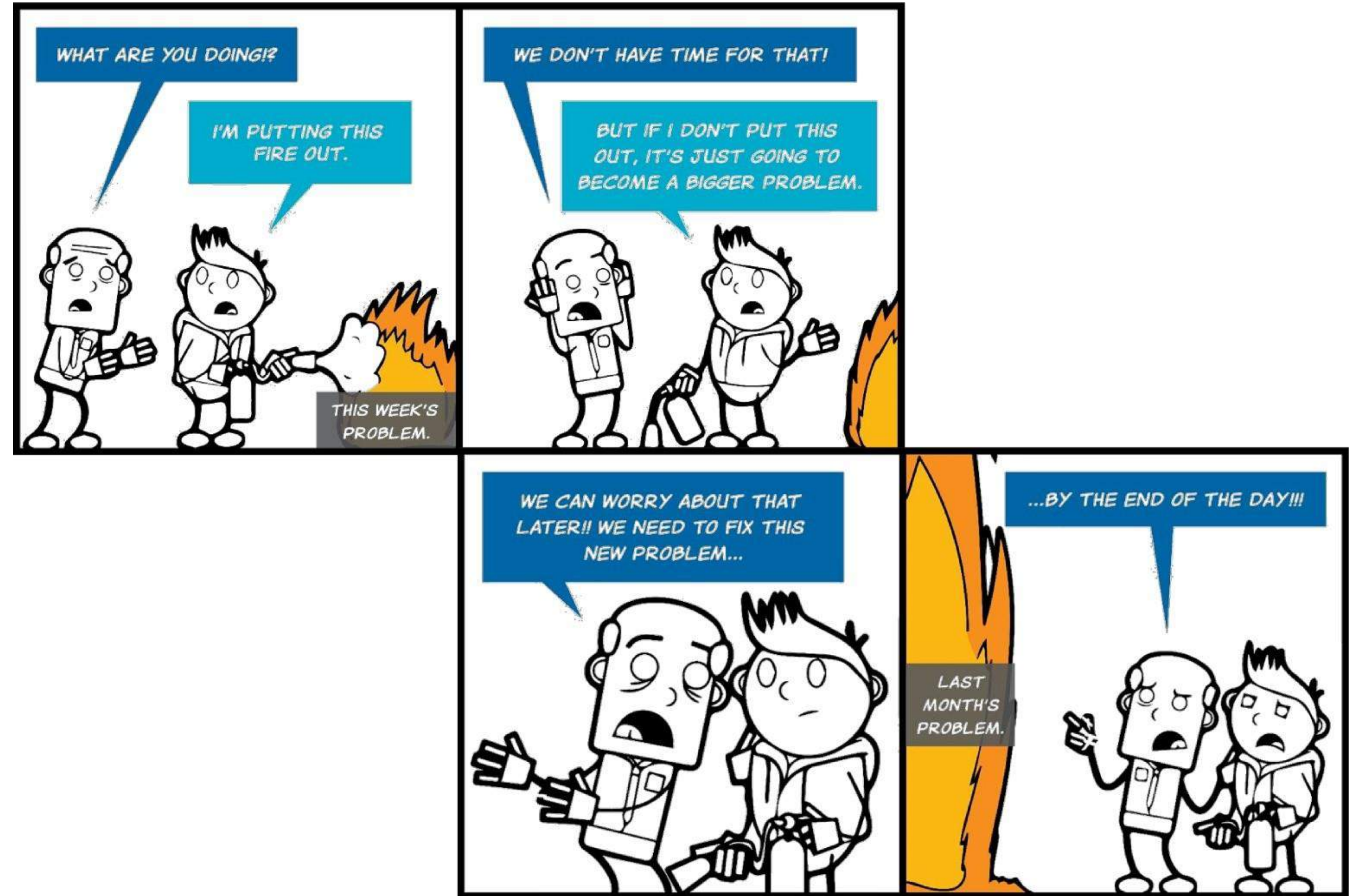


Architects and Contractors



REDFINE SUCCESS

- Productivity
- Predictability
- Shorter Schedules
- Teamwork
- Shared Success
- Less Firefighting



COMPETITIVE ADVANTAGE

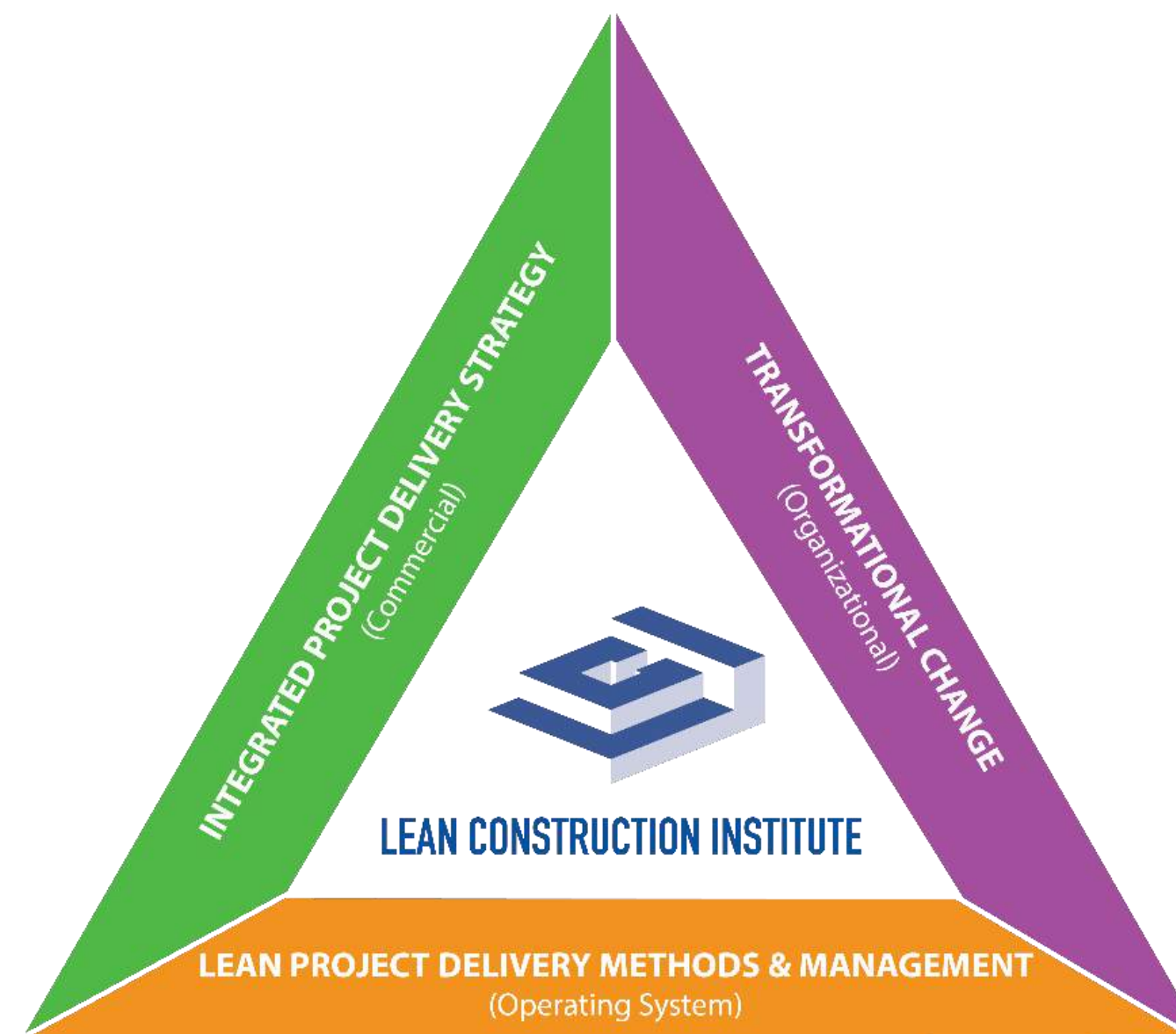
PROJECTS with HIGH LEAN INTENSITY

are MORE LIKELY to complete

AHEAD OF SCHEDULE & UNDER BUDGET

3X

2X



COMPETITIVE ADVANTAGE

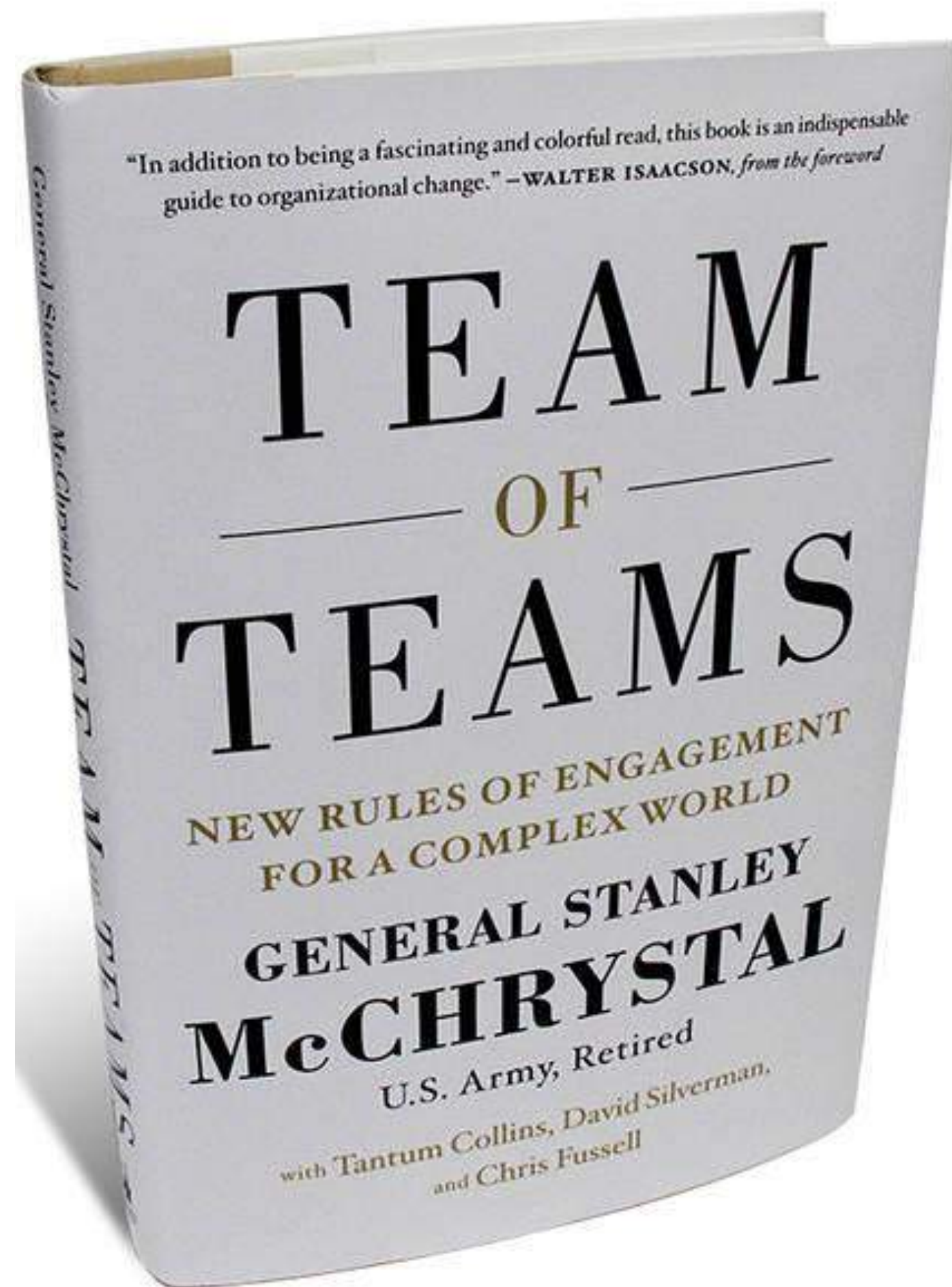
71% of trade contractors that implement lean construction practices see **improved profitability** to their firm's bottom line

IMPLEMENTATION

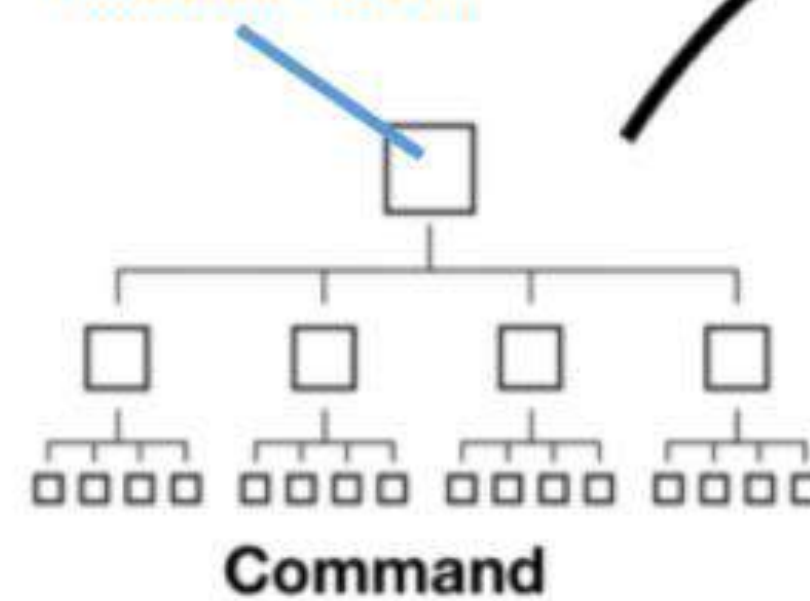
- Digital Documents
- BIM Coordination / VDC
- Prefabrication & Modularization
- Laser Scanning / Digital As-builts
- Just-In-Time Delivery
- Visual Management
- On-Boarding
- Collaborative Planning



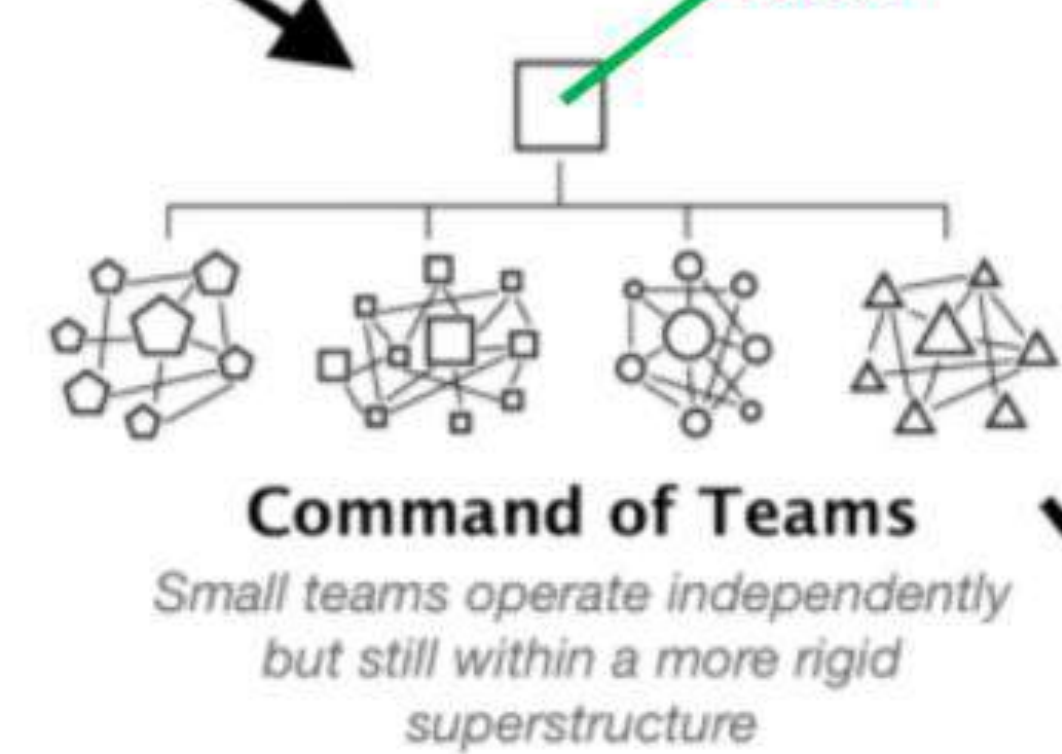
ADOPTING A SIMPLE STANDARD



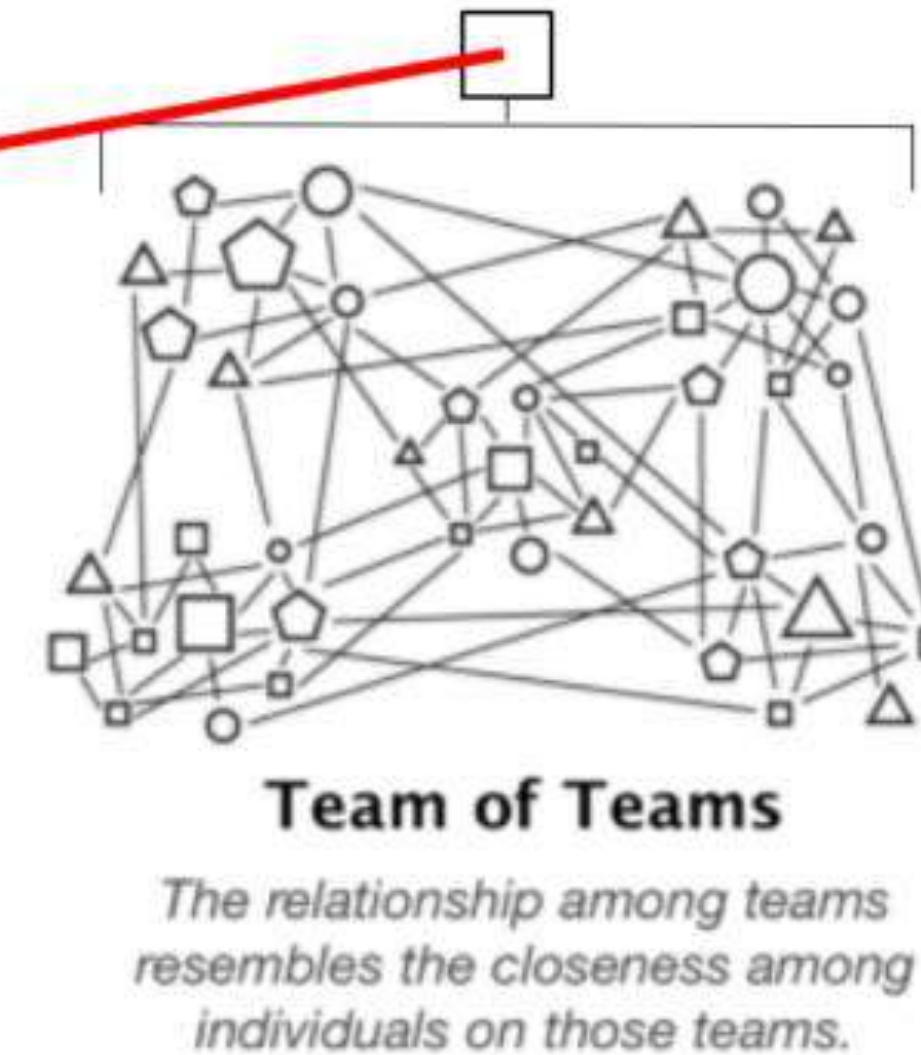
1. General McChrystal as a Traditional leader



2. General McChrystal as a Transition Leader

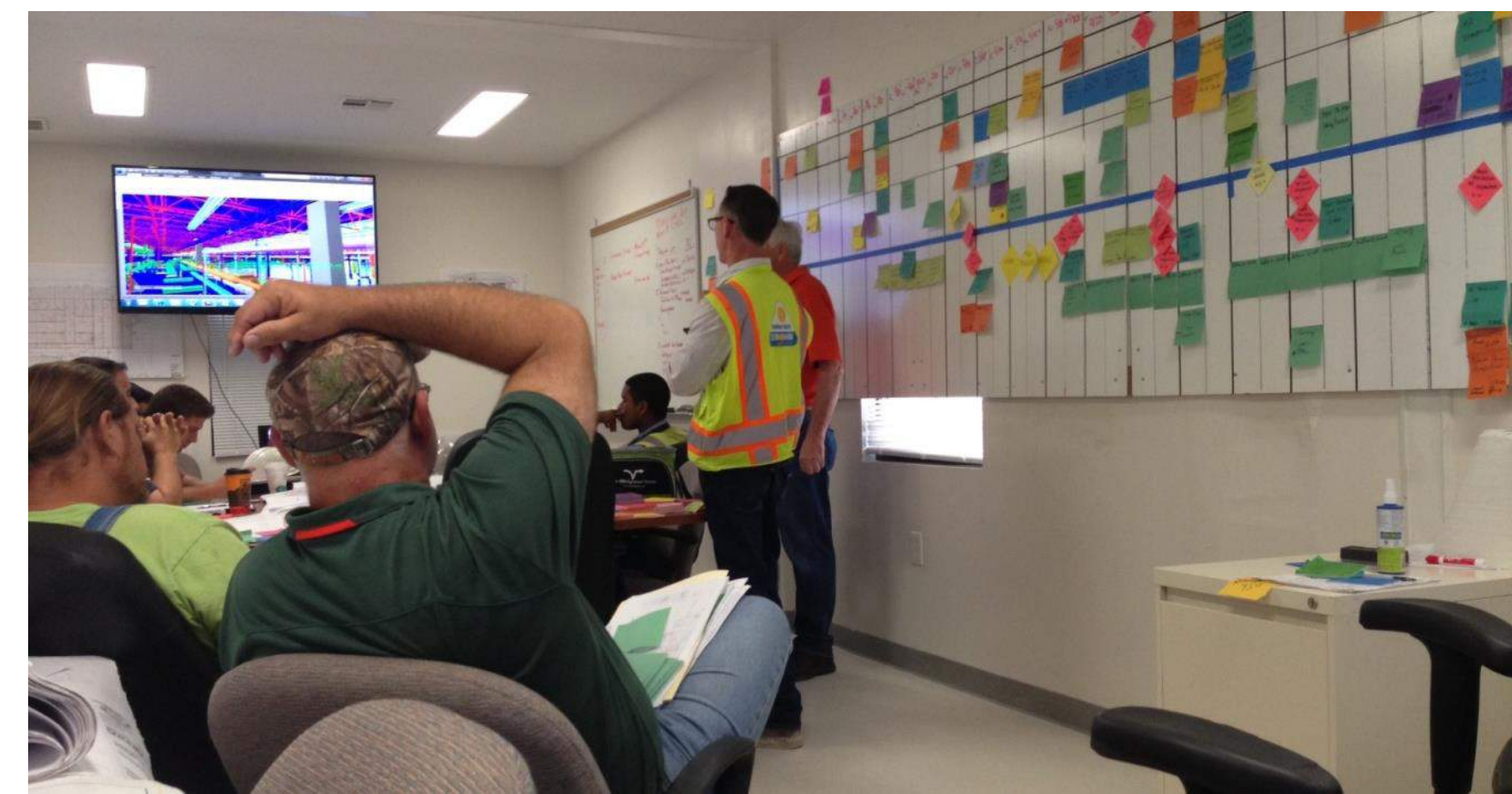
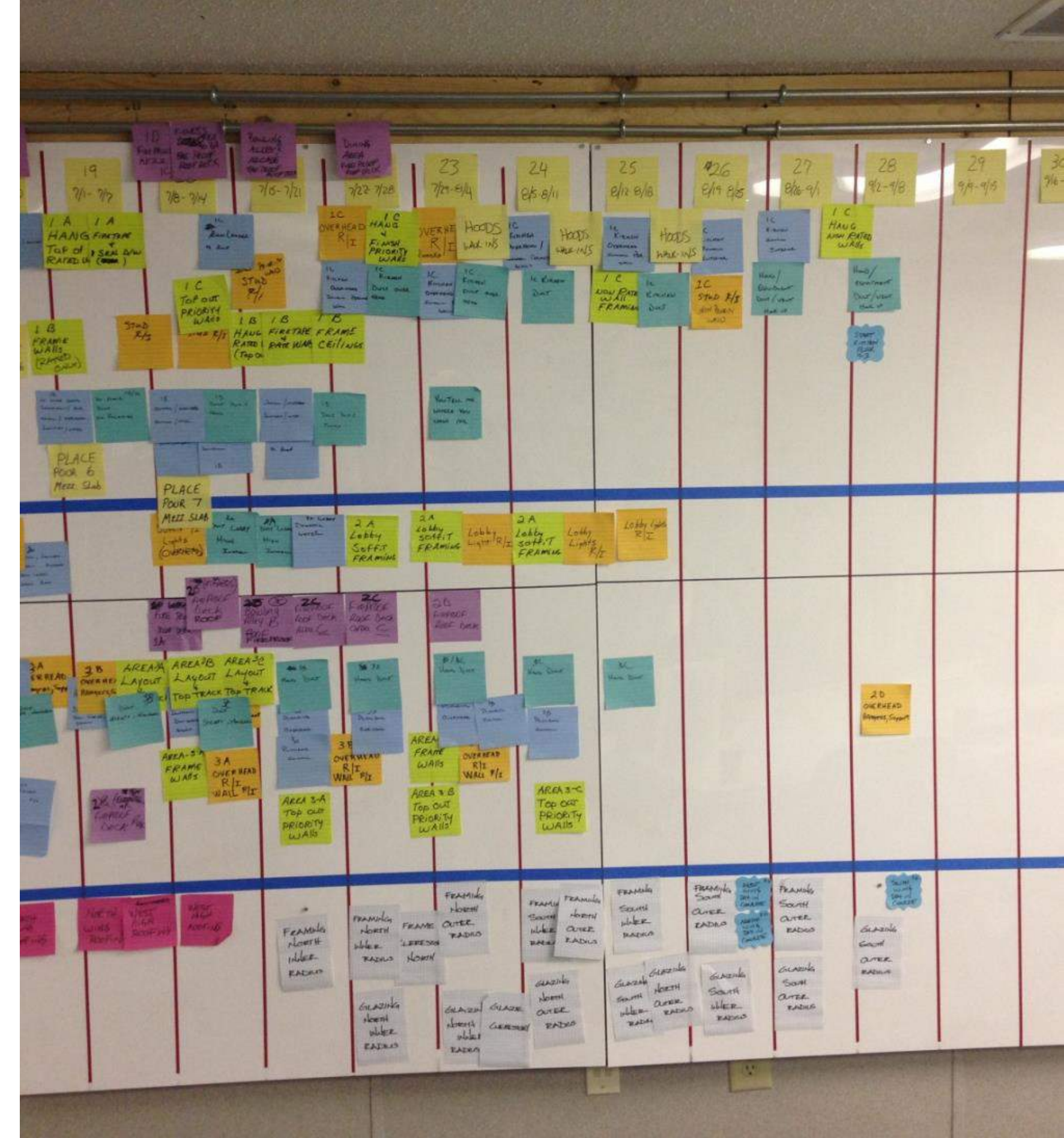


3. General McChrystal as a Design-Centric Leader



PULL PLANNING

- Milestones
- Phases are planned by weeks
- Near-term work planned by day
- All major trades included & have a voice
- Focus on project productivity and work flow
- Simple, low tech and real time
- Visual communication
- Easy to track and update / adjust
- Issue resolution



ITS ALL ABOUT BEHAVIOR

WHAT DO YOU HAVE TO THINK?

- Waste is prevalent in our industry
- We can do better - together
- Trust in the expertise of others
- Planning is critical
- Work flow and productivity matter

WHAT DO YOU HAVE TO DO?

- Pay attention to other trades
- Train & empower the field staff
- Make clean hand-offs (get all the way done)
- Be open about issues and help resolve them
- Always learn and always give feedback



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