Generating Value Through Integrated Engagement

Barbara J. Jackson, PhD, DBIA – Director
Burns School of Real Estate and Construction Management
Daniels College of Business
University of Denver

Part 1

Integrated Engagement
The Integrated Project Imperative

• Common denominator for all integrated project approaches
  • The expectation for the team to act “AS ONE”
  • Capturing the collective knowledge and expertise of the multi-discipline perspective
  • To deliver comprehensive, integrated solutions

I’m sure glad the hole isn’t in our end...
Tall Order for This Industry

- Traditional mentality of segregated services
- Low bid environment
- Short term thinking
- Isolated and independent perspectives
- Competing agendas
- Lack of understanding, respect and trust

Busted Process and Approach

- Design-Bid-Build and the Low Bid mentality that it embraces, drives distrust and conflict
- 70% of construction projects finish late and over budget
- Up to 50% of the cost of projects is consumed in inefficiencies and waste
- These inefficiencies and waste adds $500 BILLION of unnecessary costs to projects every year
The Usual Suspects in Project Delivery

If all any one discipline can contribute is there single discipline perspective:

- We aren’t really able to develop integrated solutions
- Project results will suffer from the tug-a-war
- The owner will sacrifice achieving the full potential that an integrated process offers

Who’s ready to participate on an integrated team?
Typically, each discipline presses for its own viewpoint and agenda:

• Architects press for enhanced design, while discounting the need to adhere to budgets and schedules
• Contractors press for budgets and schedules, while discounting opportunities for design enhancements

Owner wants it ALL!

Tug-a-War Approach to Project Participation

Power struggle begins

• Each party feels threatened by the other
• It becomes a clash as to whose point of view wins
• The viewpoint of the discipline “leading” the team will typically trump all the other viewpoints

Tug-a-War Approach to Project Participation
• Such discipline bias results in:
  • Compromised solutions
  • Missed opportunities
  • Inefficiencies
  • Waste
  • Delays
  • Cost overruns
  • Head arches & heartburn

What the Owner Gets...

• The Owner is the ultimate leader of the project...
  • Sets the goals, objectives, program, and purpose for their projects
  • Indeed, owner would plan, design, construct, and commission their projects by themselves...
  • But they can’t!

So they hire us...
New and Necessary Integrated Team Competencies

Integrated Project Participants

- Uniquely qualified and able individuals
- Much more than an Architect, Engineer, CM, PM, or Contractor
- Should be identifiable in the marketplace as a distinct professional
- An Integrated Project Participant, Manager, or Leader MUST be more!
Skills Beyond Technical Competence and Expertise

Creative Intelligence (Also Called Design Thinking)

- Ability to use “creative process” to anticipate and access added value
- Understanding the interdisciplinary problem solving process
- Leveraging the collective knowledge, expertise, and experience of the team
Relationship Awareness

Analytical Thinking
• Considers HOW
• Looks at the parts and pieces as independent, non-related entities
• Produces knowledge

Systems thinking
• Considers WHY
• Looks at the interactions of the parts and pieces holistically
• Produces understanding
Strategic Intelligence

Part 2
Real Value Generation
How to Access Value

http://www.youtube.com/watch?v=a6kbeERdmCw

How to Access Trust...
• Generating Value from a Program and Project perspective:
  • Faster schedules
  • Reduced budgets
  • Higher quality
  • Greater efficiencies
  • Reduced waste

Traditional Focus

Program and Project Level

WHAT  HOW

Generating Value
• Overall project schedule reduction
• Reduced change orders
• New ideas/concepts from proposals
• Improve sustainability performance
  Team resolution of issues – no claims
  Etc.

Typical Program
and Project Value

• Generating value from a **BIGGER** perspective requires re-thinking our focus:
  • **People**
  • **Purpose**
  • Program
  • Project
Generating Value

Adding the People & Purpose Level

Healthcare outcomes
- Clinical outcomes
- Hospital-acquired infection rates
- Safety outcomes
- Medication error rates
- Medication rates
- Re-hospitalisation rates
- Length of stays
- Patient transfers
- Costs per unit of service
- Patient satisfaction
- Visitor satisfaction
- Staff morale
- Staff turnover

Organisational Operating Costs

WHAT HOW WHY

People
Spaces

Making the Connection...
The OMG Factor

Continuously Against Virtually Everything

20% Toxic – C.A.V.E. Dweller
The bottom 20% (C.A.V.E dwellers) cost business $550 billion/year
Web Surfing Time Waste = an overall 5% drain on profits
118 million depression prescriptions per year (2005)
70% of Millennials say that as the economy improves they will seek other employment

The Cost of Dis-Engagement

Case 4 Space
Space Matters...
The Magic in Engagement

Triple Bottom Line Benefits

Delivering value beyond Budget, Schedule, and Quality
$23 million saved annually for our clients’ bottom lines, not their energy bills

70,000 people we touched in 2012

21,000 cars worth of CO2 emissions kept out of the atmosphere

96 million gallons of water each year saved from pouring down the drain

30,000 dump truck loads that never went to the landfill

How Are You Measuring Project Success?

Business Participation Outcomes
- LBE Participation Goals
- DBE Participations Goals
- Local Hire Goals
- New Hire Goals
- Create Jobs

Economic Outcomes
- Exceed Revenue
- Reduce O & M Cost
- Local Economy Improvement
- Increased Competition
- Maximize Impact on CPE

Construction Outcomes
- Safety Incidents
- Operational Impacts
- Profitable Outcome for All
- Non-Conformance Work
- Disputes/Claims

Sustainability Outcomes
- Social Inclusion
- Environmental Stewardship
- Economic Responsibility
- Maximize Performance
- Optimize Operations

Design Outcomes
- End User Experience
- Project Recognition/Awards
- End User Satisfaction
- Creative Solutions
- Innovative Solutions

Project Management Outcomes
- Budget Performance
- Schedule Performance
- Activation/Startup Goals
- Have Fun
- Partnering Goals

Exceptional Project Performance
A Changed World with Changed Expectations...

Engagement Then and Now....

Focus – No Discretion

Fluid – Real Time
From Vertical Specialization to Integrated Solutions

Where Engagement Happens

Where Innovation & Creativity Happens

From Alone

To Together
When Engagement Happens

Ideal for Predictable Optimized Work
Built for Relatively Smooth Sailing

Business Is Now More Like North Seas
From Known to Unknown/Unknowns

From Push Engagement...
To Pull Engagement...

From Organizational Fiction to Reality
IF ENGAGEMENT... is the elixir that produces creativity, innovation and profits for our clients...

Isn't improving engagement a way to add value way beyond the program and project level?

Value beyond the program and project level...

Integrated Delivery

People impact workplace...

Workplace impacts people...
MOVING FROM COST REDUCTION TO VALUE CREATION BY INFLUENCING ENGAGEMENT

- What is value?
- How is it defined?
- Who defines it?
- How do we access it?
- How do we generate it?

Value Generation Through Integrated Engagement
http://www.youtube.com/watch?feature=player_embedded&v=d2SEPoeQegqA

How to Access Value
Burns School of Real Estate and the Built Environment

Masters Degree in REBE
- Areas of Focus
  - Real Estate
  - Integrated Project Delivery
  - Property Development
  - Customized program

Executive Masters and Executive Certificates
- Fully online – Same offerings as MS including IPD

Non-Academic Certificates
- Energy Land Management
- Integrated Project Leadership
- Etc.

The Burns School is ready, able and willing to partner with you or your firm to help up-skill your team to deliver value on every project...

The Beginning...

Questions?
barbara.jackson@du.edu