



Go LEAN to Build Infrastructure On or Below Budget!

A recent op-ed in the Toronto Star asked “*Why can’t anything be built on budget?*”

The author posed his answers to the question. Including the deliberate understating of the budget by promoters to obtain approvals - relying on the reality that once the project is started, it’s unlikely it will be stopped.

Suggested that the solution is to reward on-time and on-budget projects.

Great concept!

But then went on to describe a convoluted approach whereby the contractor would have to finance a portion of the upfront costs.

And would only get paid if the project is on-time and on-budget.

So, the so-called ‘reward’ is the contractor gets its money back?

Hardly a great incentive.

And, we all know, of course, that the considerable ‘risk’ attached to possibly getting that so-called ‘reward’ is simply built into the construction price. Then, if the contractor in fact GETS this so-called ‘reward’, it’s then more of a ‘bonus’.

And the owner pays twice.

Brian doesn’t usually weigh in via media. But in this case he did respond talking about LEAN Integrated Project Delivery (IPD). In this new project delivery model, owners, contractors, designers and other key players in the project truly SHARE risk and reward.

When the project ends under budget, they all SHARE the savings, in addition to their normal costs, overhead and profit.

The model is built on collaboration, commitment and trust.

Now THAT is an incentive approach proven on hundreds of LEAN IPD projects to date.

Read the op-ed and Brian’s comments [HERE](#).

Strategies 4 Impact! has added LEAN education, coaching and project facilitation to its range of service offerings. Brian is a Senior Associate with [The ReAlignment Group](#), one of the top LEAN consulting firms in the U.S.