



2019 OPPORTUNITIES FOR CONSTRUCTION COMPANIES

Breakfast briefing, 21 November 2018



Your Presenter



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Management Consulting Partner, RSM Ireland

- Key focus on technology and process enhancement/automation projects
- Goal to help clients consider their options regarding optimising how they do business
- Guided many businesses, including construction entities, through change
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AGENDA

Agenda

- RSM Ireland
- Key Construction Industry Challenges
- How Lean may help
- What is Lean?
- What are the benefits of Lean?
- Early steps
- Our relevant experience
- Potential funding sources
- Further information

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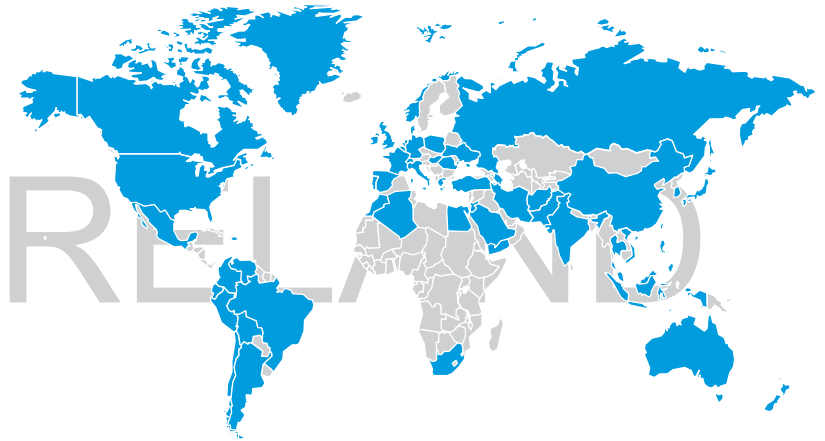
Our firm's history goes back to **1987**. Grown to become one of the **top 10** professional services firms in Ireland specialising in providing business advice to **mid-market businesses**. Circa **150 professional staff** at present. Provide **audit, tax, consulting and transaction services** (corporate finance and corporate recovery). **Successful partnership with CIF** across last decade. Deep construction expertise.

RSM International:

One of the fastest growing global networks of its type:

- ✓ We are the **sixth largest** with combined revenues of **\$5.1bn**.
- ✓ Our member firms operate out of more than **800 offices** in over **120 countries**. We have over **41,400 staff worldwide**.

Network coverage map:





KEY CONSTRUCTION INDUSTRY CHALLENGES

Key Construction Industry Challenges

- 2019 - a year of opportunity, but...
- most construction businesses will still face challenges including:
 - tight contract margins = pressure re profitability and cashflow
 - keeping your customers happy
 - managing operational contract risk
 - addressing skills shortages
- Good news: some of the answers may rest within your control
- Time to revisit how you do business – on site and off site



HOW LEAN MAY HELP

How Lean May Help

- If successfully adopted, Lean can help the business to:
 - focus on eradicating embedded wasteful practices which erode profitability
 - be driven by what your customer really wants
 - streamline and simplify processes which normally equals reduced operational risk
 - standardise and simplify processes to enable staff to perform to their maximum

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WHAT IS LEAN?

What is Lean?

- Lean has been around a long time – form of continuous improvement:
 - Pioneered by Ford in the early 1900's
 - Perfected by Toyota post WWII
- Focused outwardly on being flexible to meet customer demands
- Inwardly focused on waste and cost reduction in all processes
- What activities add value? Focus on processes across your business on site and off site
- Scale of business or nature of activities do not matter

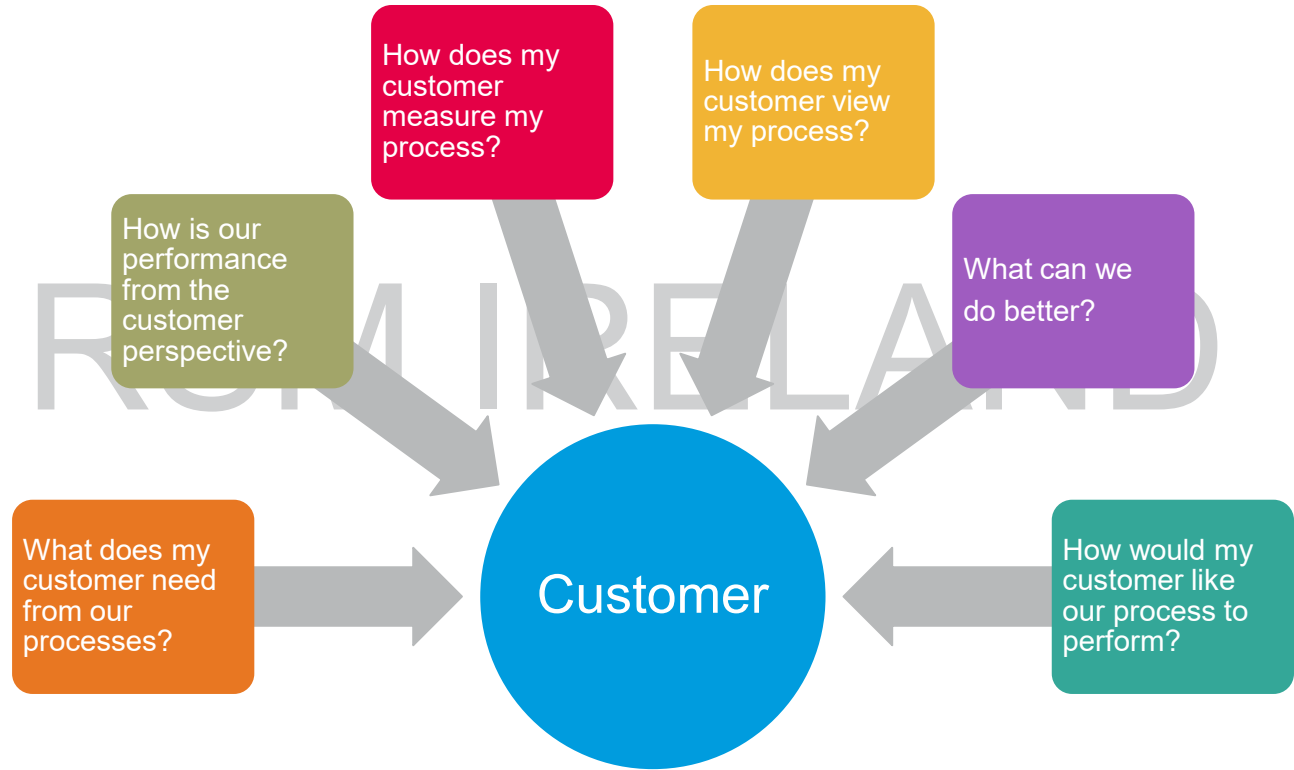


“The ability to eliminate waste is developed by giving up the belief that there is ‘no other way’ to perform a given task. It is useless to say, ‘It has to be done that way,’ or ‘This can’t be helped!’

At Toyota, we have found that there is always another way.”

Study of the Toyota Production System

Customer Focus



What processes do you need?

- All processes must either:
 - add value to the customer or
 - help you comply with the law or regulation
- All other processes must be challenged

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Eliminating Seven Wastes – TIM WOOD

1. Waste of **T**ransportation (staff/material)
2. Waste of holding **I**nventory (or WIP: too much or too long)
3. Waste of **M**ovement (Worker)
4. Waste of **W**aiting (Idle)
5. Waste of **O**verproduction
6. Waste of **O**ver Processing (Doing more than needed)
7. Waste of Making **D**efective Products (Snagging)

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WHAT ARE THE BENEFITS OF LEAN?

What Are The Benefits of Lean?

- Reduce defects, cost and waste – time, people, material, energy, stocks, WIP. Continuous scrutiny of what you do and how?
- Simplify and streamline all processes (operational and administrative) to promote consistency between teams, projects, sites.
- Reduce risk in projects as consistent approach to delivering quality, teams more interchangeable.
- Processes developed will underpin health and safety.
- Problem-solving tools are core to Lean. Allow rapid response to issues arising via Kaizen events, root cause analysis.

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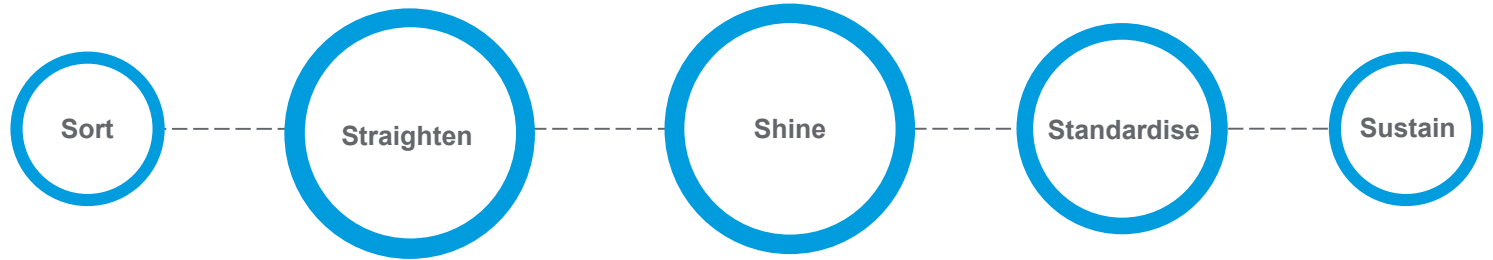
EARLY STEPS

Early Steps

- 5S – simple example on following pages
- Process mapping, value streaming – with your customer (main contractor)
- Root cause analysis
- Pareto chart
- Kaizen events
- **Key advice: Take small steps, deliver successful projects, build confidence, create enthusiasm**

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5S



- 5S is a method to reduce waste and improve productivity through maintaining an orderly workplace and using visual cues to achieve more consistent operational results.
- 5S represents 5 disciplines for maintaining a Visual Workplace (visual controls and information systems).
- These are critical to the Kaizen process (continuous improvement) and the basis of "Lean Manufacturing" (waste removing) concepts.
- The 6S's (5S + Safety).

5S – The Impact





OUR RELEVANT EXPERIENCE

Our Relevant Experience





POTENTIAL FUNDING SOURCES

Potential Funding Sources

- Enterprise Ireland

- LeanStart
- LeanPlus
- LeanTransform
- GreenStart
- GreenPlus

- Local Enterprises Offices (LEO)

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FURTHER INFORMATION

Further Information

RSM IRELAND WEBSITE – <https://www.rsm.global/ireland/>

LEAN BUSINESS IRELAND - <https://www.leanbusinessireland.ie/>

LEAN CONSTRUCTION IRELAND - <http://leanconstructionireland.ie/>

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Thank you
for your time
and attention