

# Using **Lean** for Property's Process Improvement

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June 2015



# Continuous Improvement Journey

## Our Plan

This initiative is another step in our department's evolution and CI journey

## Our Objective

To continually evolve and improve



## Our Purpose

The delivery of value for money property and fleet services, quality advice to our customers and the optimal management of Council's service property portfolio



## Our Vision

World class property function that is financially astute, and delivers on Auckland's expectations and aspirations

# Five key areas of attention

**Focused  
Responsibility**

**Integration**

**Alignment / Gaps**

**Flatter leadership  
structure**

**Culture**

# Current State



## Focus on measurement evolving

- Data integrity
- System integration
- Suppliers rationalised
- Dashboard evolving



## Wide range of improvement initiatives: underway

- Systems and data improvement plan
- Customer : relationship and performance
- Supplier : relationship, performance and leverage
- Capability review
- Benchmarking

# Missing



**Overall CI framework**



**Leadership –**  
Passion and drive to  
improve patchy



**Bottom up –**  
Team culture

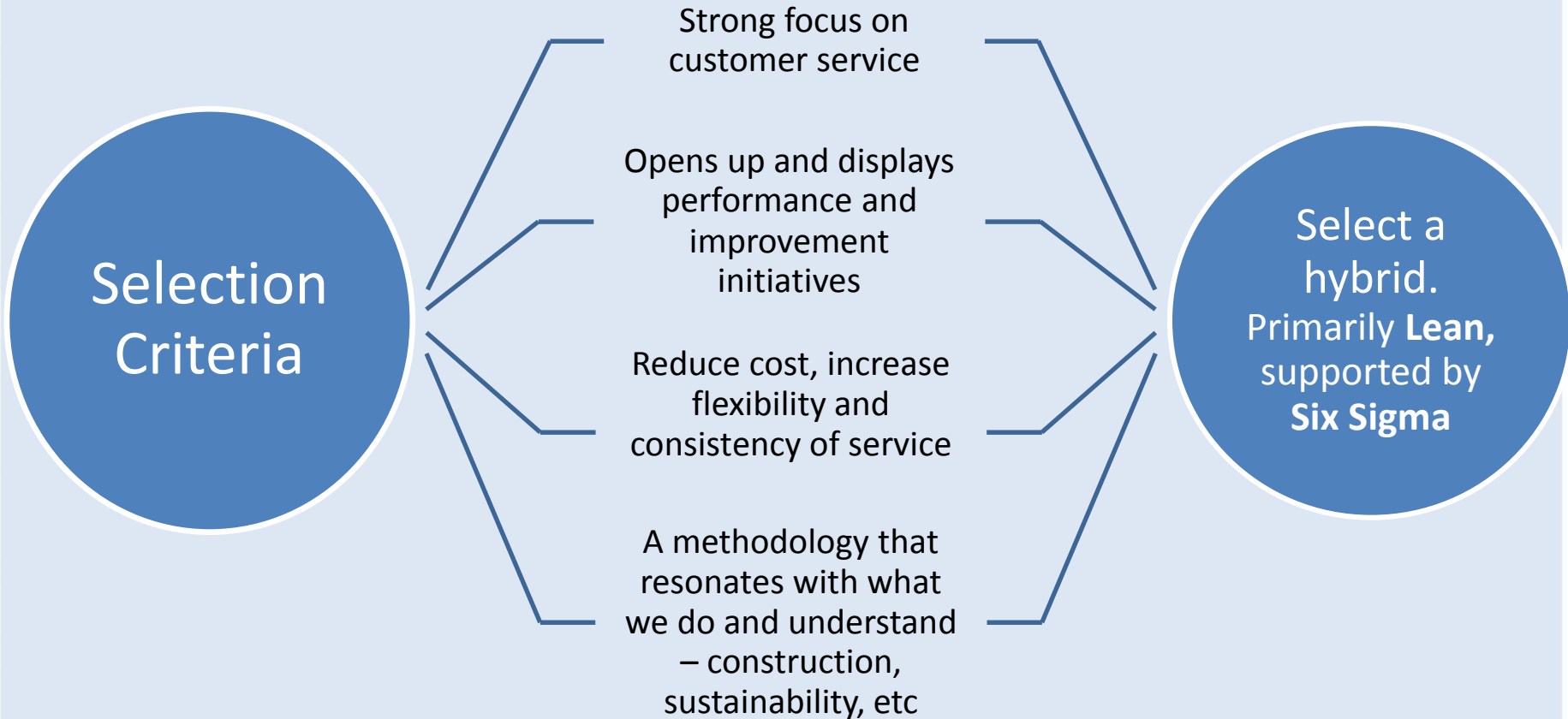


**Measure at right level –**  
Department vs  
functional vs teams



**Visibility and regular review**

# CI Methodology



# It's a journey....

We're here



**Foundation**



**Assessment**



**Capability building**



**Performance**

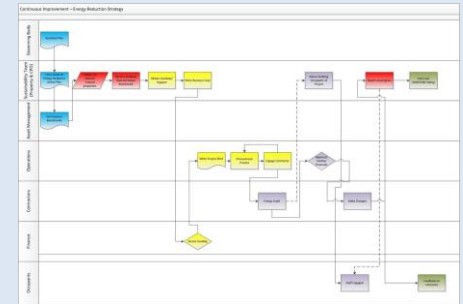


**Sustaining**



**Lean/  
CI culture**

# Foundation and Assessment Stages

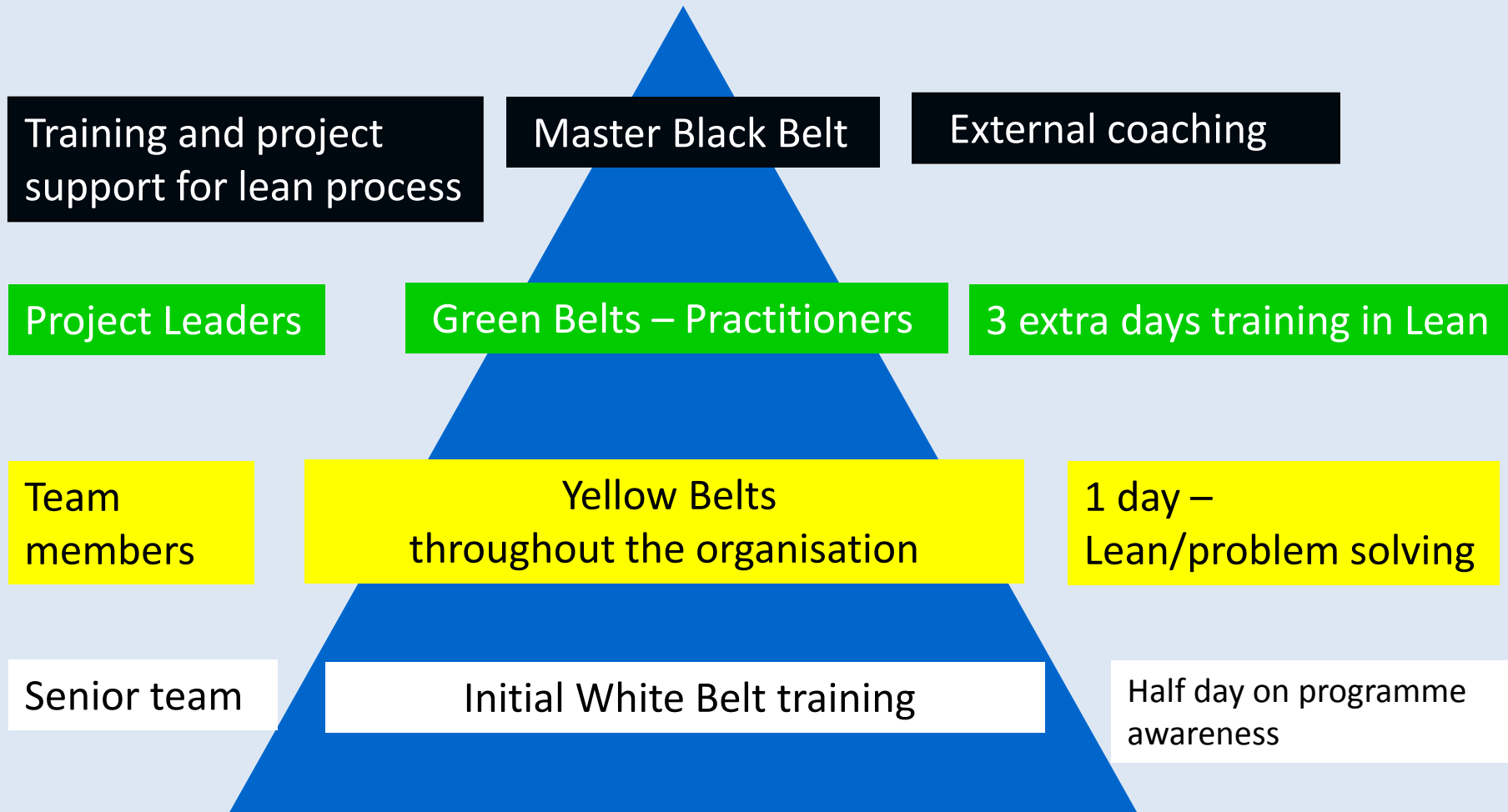


- Started Oct 2014
- Management team keen to engage ‘
- Senior team attended lean awareness workshop
- Identified candidate projects
- Checked project alignment with business plans

Decided to adopt PDCA roadmap

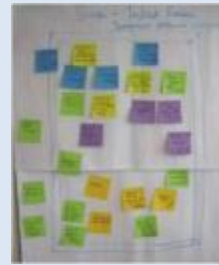


# Capability Building – training structure used

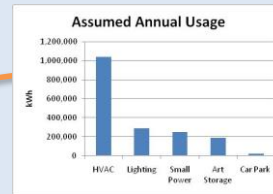


# Performance – Green Belt projects

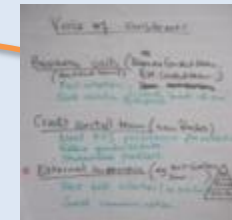
- Building energy optimisation
- Workspace request process
- Actioning maintenance requests dashboard
- Fleet vehicle management system
- Renewal work process



Project scope



Data capture



Project issues

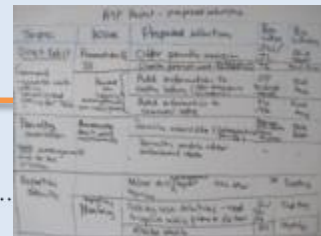
Customer needs



Prioritise issues



Solutions

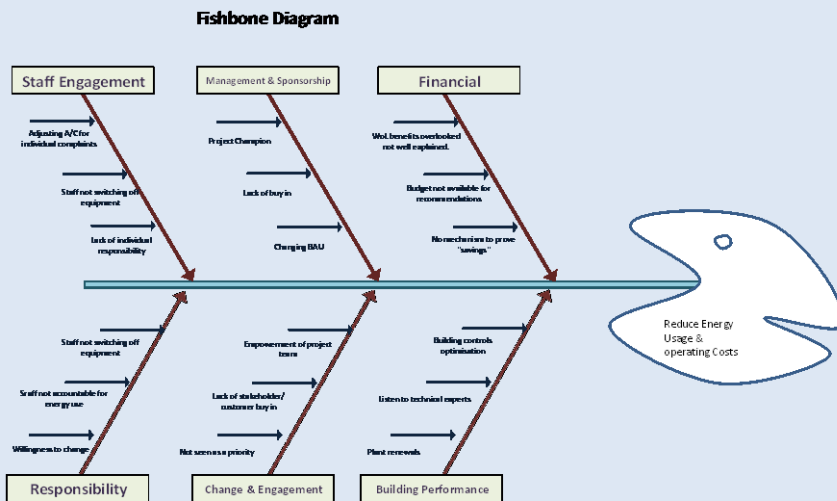


Most projects at the 'Do' stage

Teams have used Plan-Do-Check-Act lean tools



# Sustaining – lessons learnt



## Property Department Balanced Scorecard

| Customer & Community                           | Current | Target | Var   |
|--|---------|--------|-------|
| Customer experience satisfaction (internal)    | 57%     | 80%    | -23%  |
| Customer experience satisfaction (external)    | 82%     | 80%    | 2%    |
| Service Requests (time, quality, satisfaction) | 97%     | 95%    | 0.02  |
| Energy Usage (GWh)                             | 35      | 33     | -2.07 |
| Water Usage (ml)                               | 29.33   | 19.95  | -9.38 |
| Waste reduction                                | John O  |        |       |

| People                                     | Current | Target | Var    |
|--|---------|--------|--------|
| Staff Development                          | 3       | 20     | -17.00 |
| Engagement (Survey)                        | 60%     | 75%    | -15%   |
| Health and Safety (LTI Frequency rate)     | 7       | <3.5   | -3.50  |
| Continuous improvement Lean/Sigma projects | 0       | 5      |        |

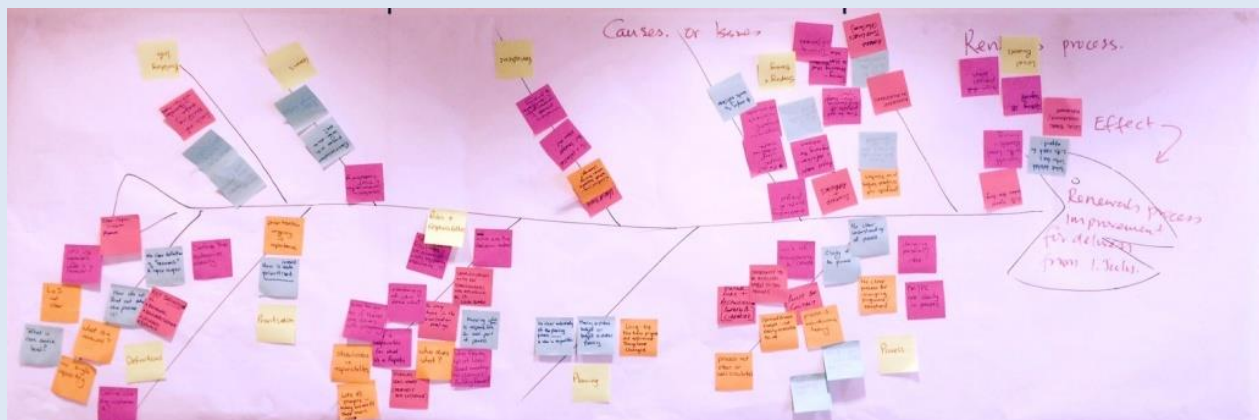
| Finance                                  | Current    | Target    | Var    |
|--|------------|-----------|--------|
| Revenue/expense (on budget)              | 1%         | <5%       |        |
| New asset /capex investment delivery     | 99%        | 75%       | 24%    |
| Non rates revenue ('000s)                | 3,098      | 3,000     | 98     |
| FM expenditure per m2                    | \$45.43    | \$59.00   | -13.57 |
| Projects delivered to plan               | 70%        | 75%       | -5.00% |
| Fuel (fuel consumption litres per annum) | ...1.1M... | ...1 M... | -0.3   |

| Productivity                         | Current | Target | Var   |
|--------------------------------------|---------|--------|-------|
| Fleet reduction                      | 10      | 13     | -3.00 |
| Fleet utilisation                    | 58%     | 70%    | -12%  |
| Workstation density per sqm central  | 12      | 12     | 0.00  |
| Workstation density per sqm regional | 16      | 12     | 4.00  |
| Occupancy Housing for Older People   | 97%     | 97%    | 0%    |
| Occupancy Community Leases           | 98%     | 98%    | 0%    |

- Finding a balance between BAU and improvement
- Making the process robust across re-organisation
- Linking improvement with existing KPI's and making meaningful improvements
- Start with manageable size improvements
- Site reference visits help
- Leadership: energy, top priority and presence
- Cross-project support and competition

# Moving towards a Lean culture



- Empowering the team to improve processes
- Accelerating project completion
- Make it 'easy' to improve
- Moving from just functional to cross-functional projects

Aiming for 'self-initiated' improvement