

Introduction

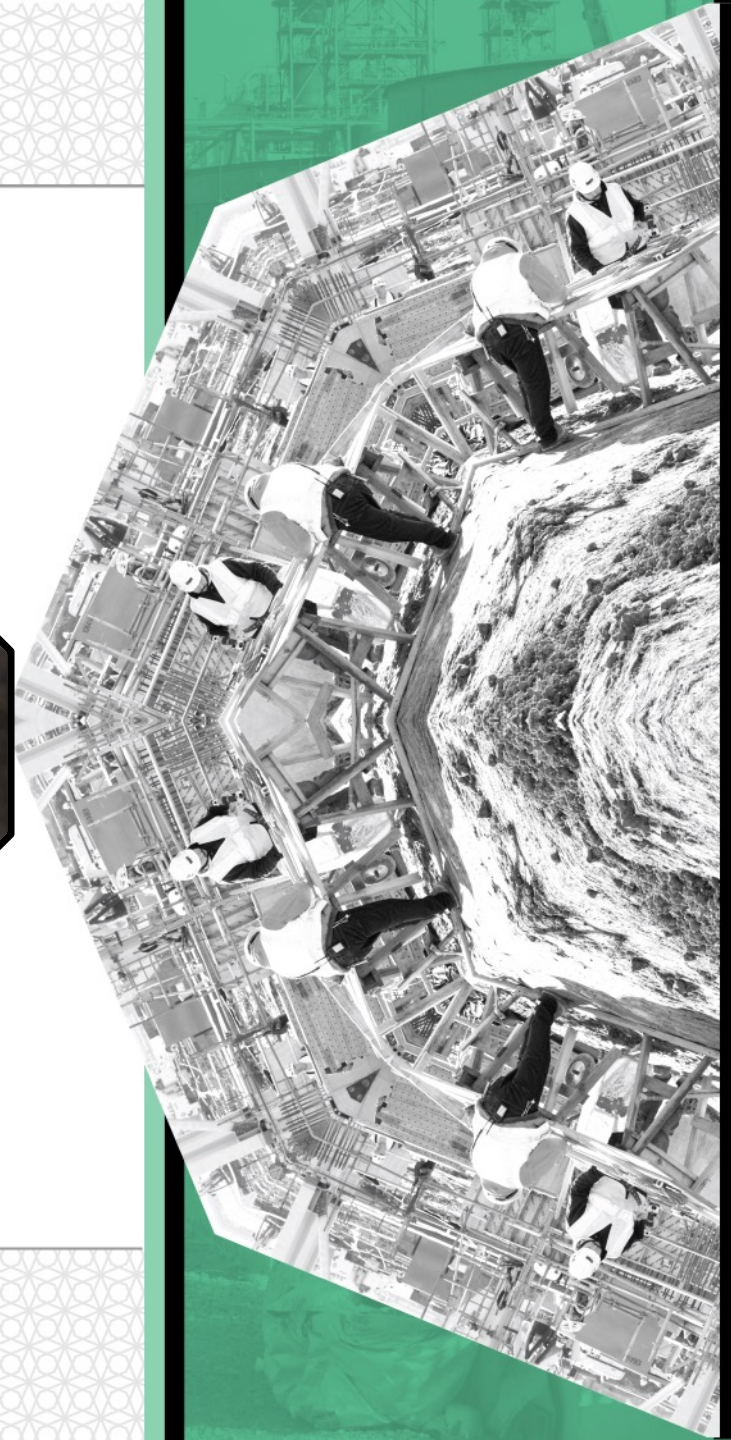
Justin Dahl
ECC Executive Advisory Committee
McKinsey & Co.



Year:
2021

Date:
Sep

Location:
Grapevine, TX



McKinsey Moderated Panel



Garo Hovnanian
McKinsey & Co.



Dr. Luciana Burdi
MassPort



Jit Kee Chin
Suffolk Construction

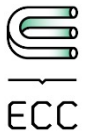


Mike Staun
Lean Construction Institute

53rd Annual ECC Conference

Reinventing Capital Project Delivery

Fundamental Shifts From Other Industries



Team Members:

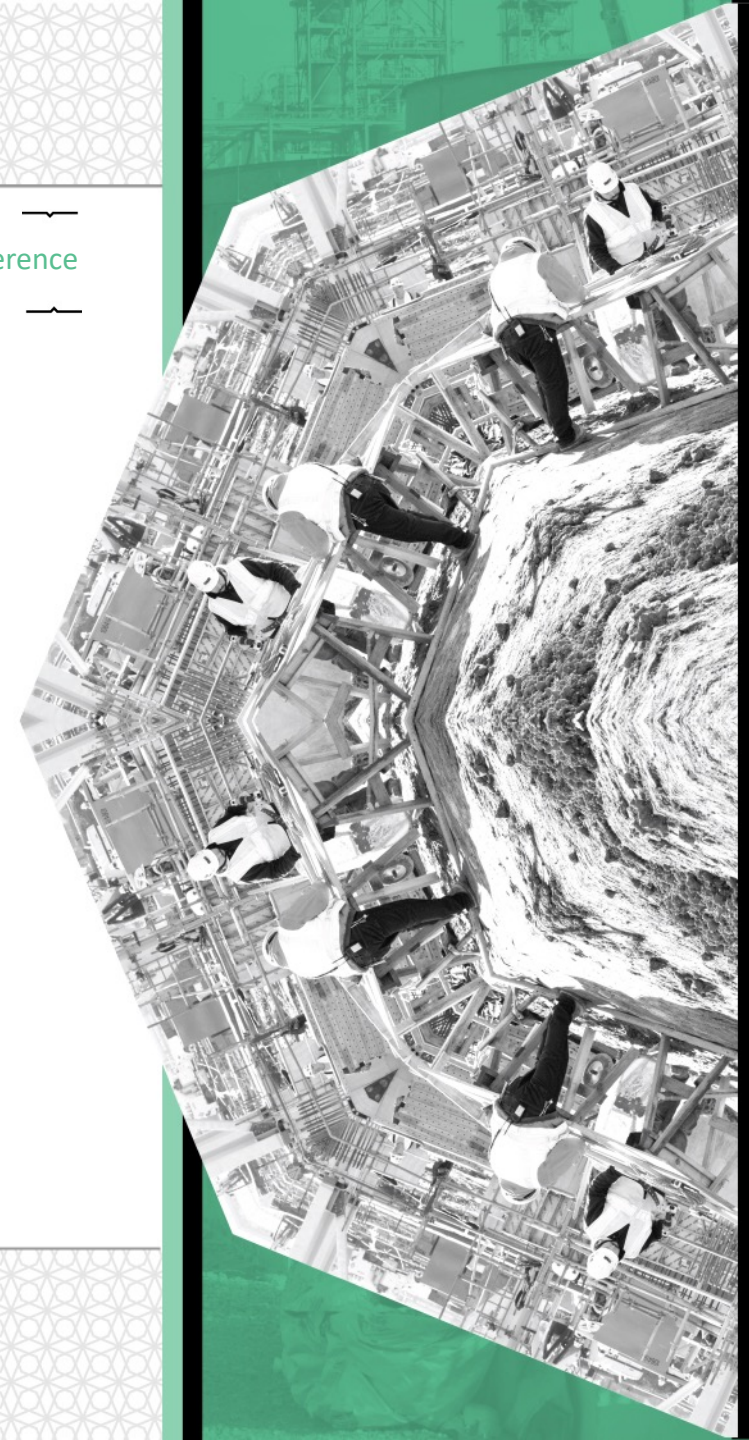
Moderator: Garo Hovnanian, Partner, McKinsey & Company

Panelists:

Luciana Burdi, Director of Capital, MassPort

Jit Kee Chin, EVP, Suffolk Construction

Mike Staun, Engineering Director, P&G - retired



Changing the way companies deliver capital projects has potential to unlock significant value

We surveyed 300+ industry leaders (including owners, contractors and operators), to quantify the **potential improvements across 4 dimensions of cost, time, quality and repeatability** in capital projects delivery

~33%

potential improvements **on actual cost**

~32%

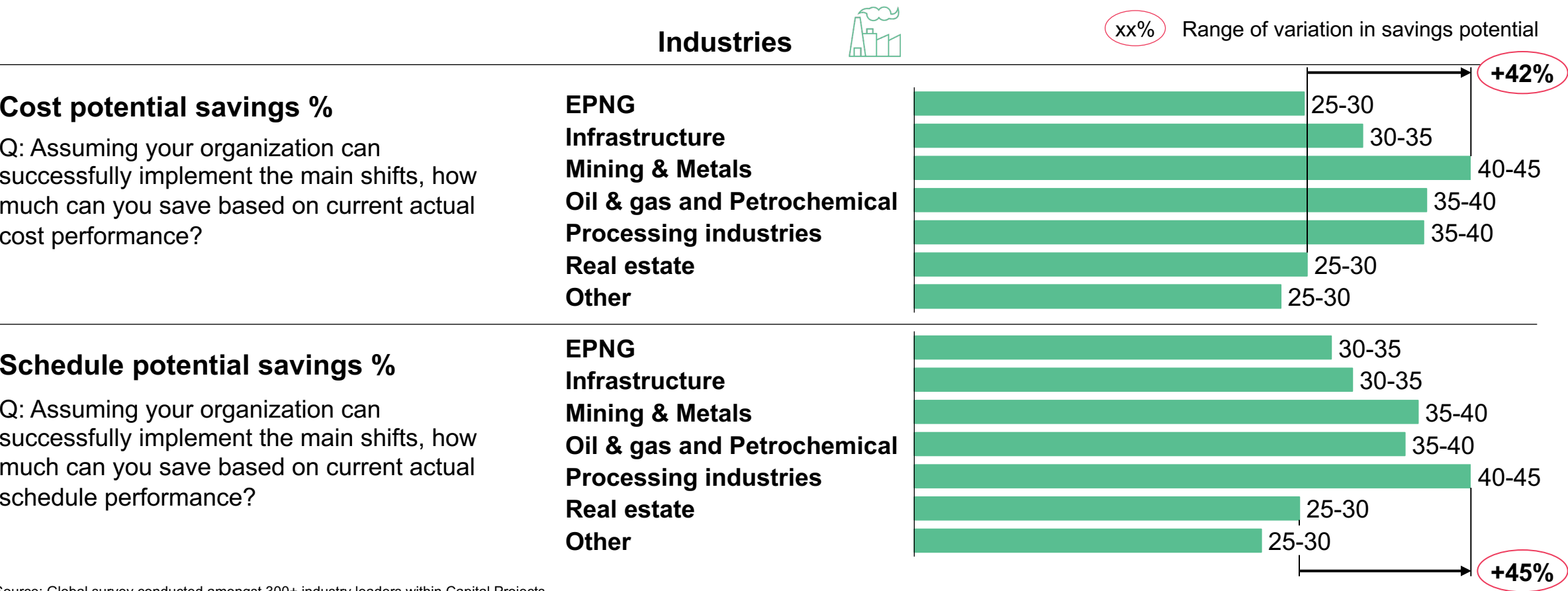
potential improvements **on actual time**

+65%

of industry leaders believe that there is a potential improvement of more than 20% on quality and repeatability

Source: Global survey conducted amongst 300+ industry leaders within Capital Projects, team analysis

Across industries, leaders believe that >30% improvement in capital project outcomes is achievable

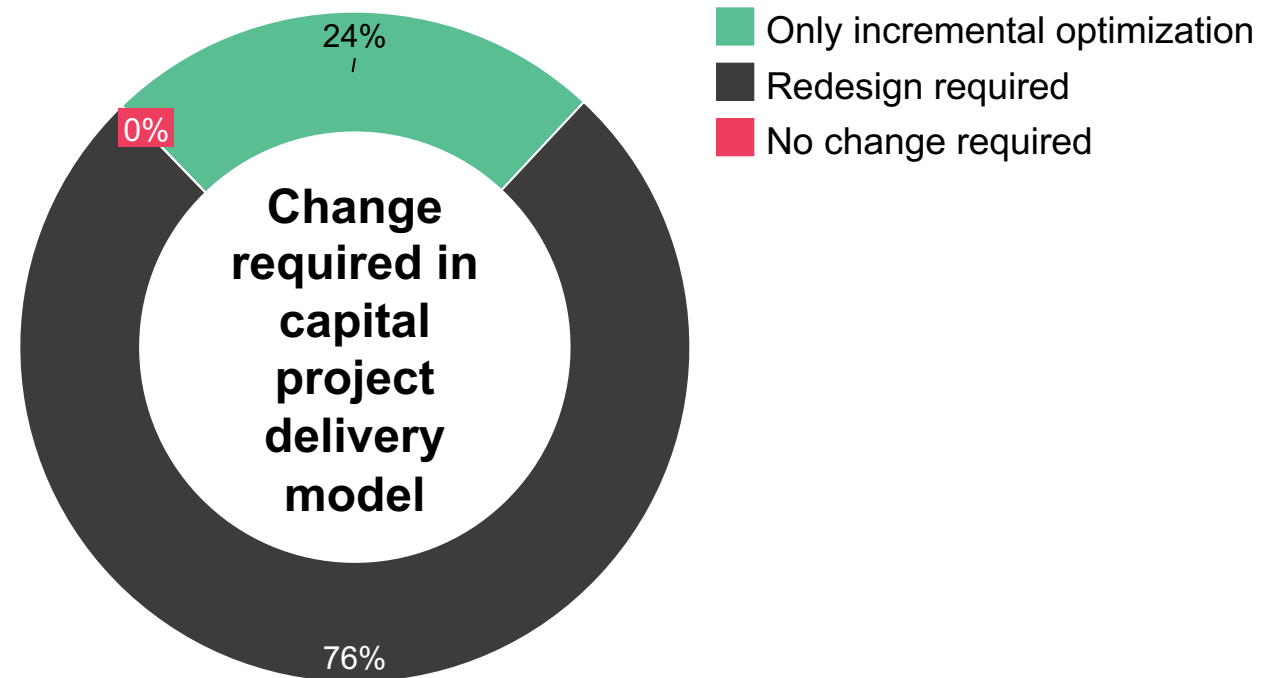


Source: Global survey conducted amongst 300+ industry leaders within Capital Projects

75% of industry leaders we surveyed believe a redesign in large capital project delivery is needed

Q: To what extent do you think that there is a need to change the delivery setup of capital projects and current ways of working? Who should lead this change?

Potential change in project delivery model required,
share of respondents, %



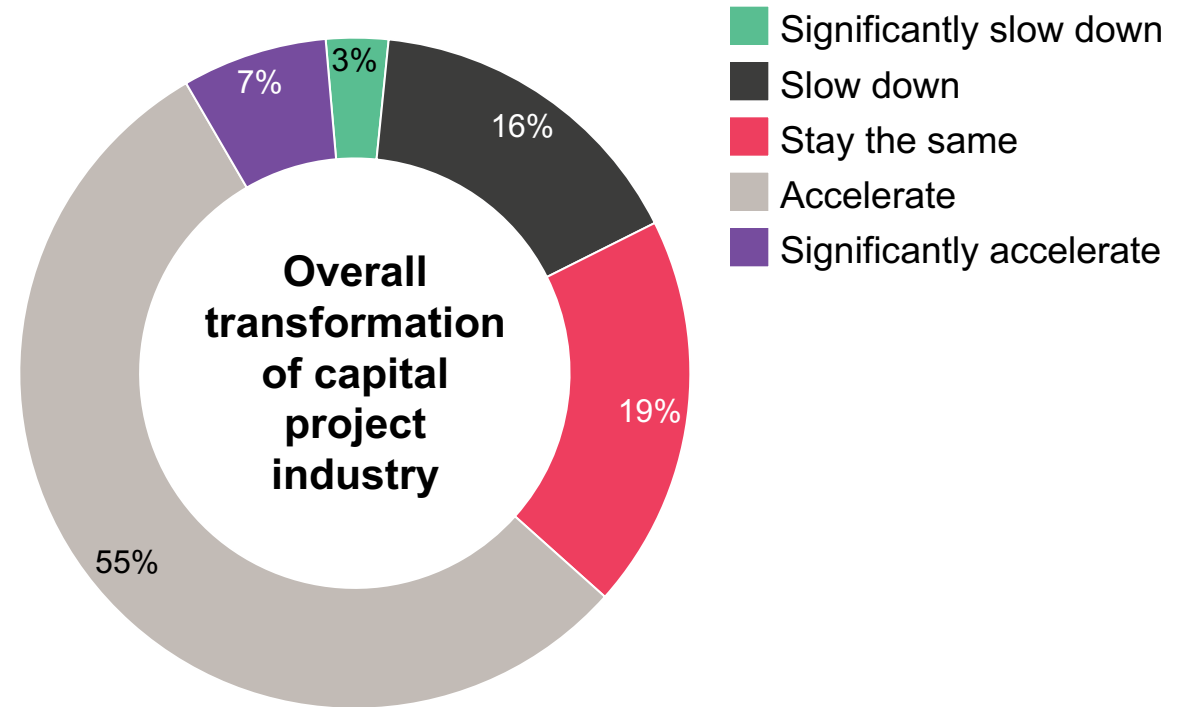
Source: Global survey conducted amongst 300+ industry leaders within Capital Projects

Despite the negative impact of the Covid crisis on capital projects, leaders believe it will accelerate a transformation of the industry

~2/3s of respondents believe that Covid-19 crisis will accelerate the overall transformation of construction industry

Because of the Covid-19 crisis, do you believe that transformation of capital project delivery industry will accelerate, stay the same, or slow down?

share of respondents, %



Source: Survey of 100 industry CxOs, May 2020 (as a part of McKinsey's 'Next Normal in Construction' report)

Leaders believe that lack of right talent, rigid mindsets and lack of collaboration is holding the industry back

Current roadblocks organizations are facing in making the change:

19%

Believe that **lack of right talent and skillset** is the largest roadblock

18%

Believe that **clients', managers', team members' mindset shift** to accept the need for the change is the largest roadblock

17%

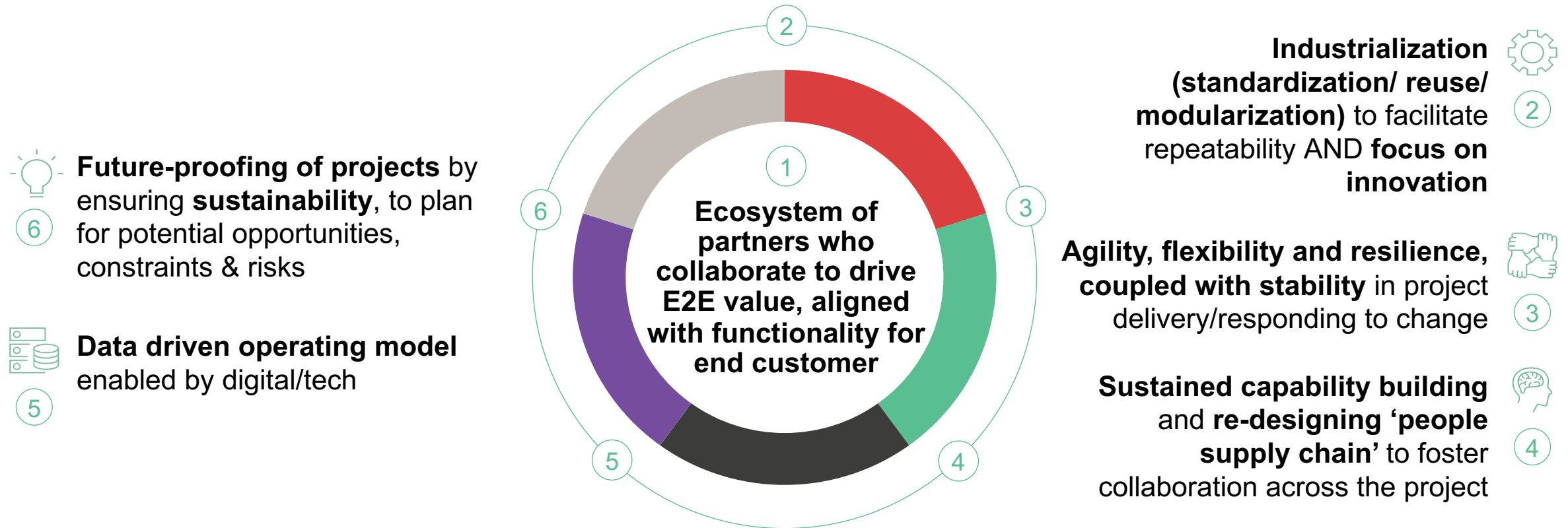
Believe that **cost** of change is the largest roadblock

10%

Believe that **lack of collaboration and win-win situation** for all parties is the largest roadblock

Source: Global survey conducted amongst 300+ industry leaders within Capital Projects

We identified 6 fundamental changes required to transform large capital project delivery model, validated by industry leaders (“Projects 5.0”)



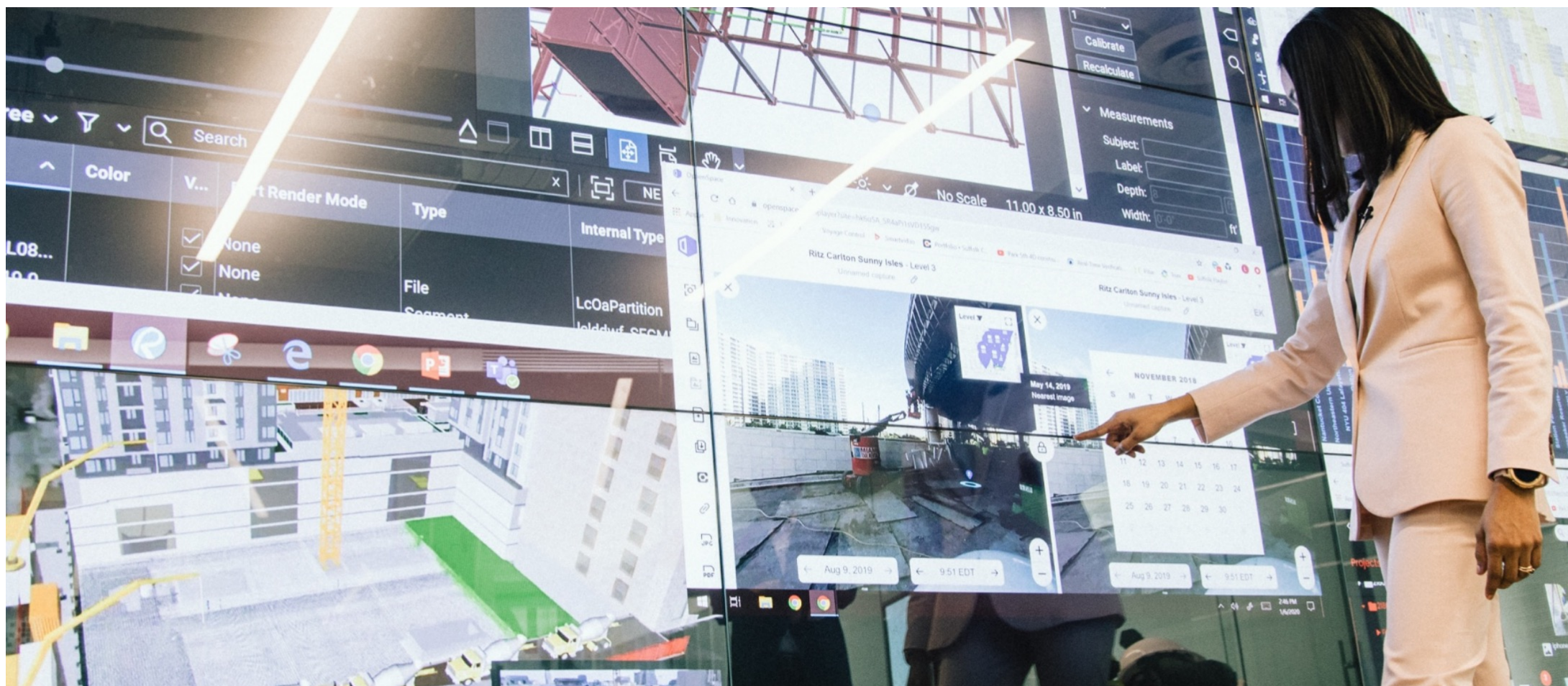
Shift in mindsets to adopt disruptive ideas and ways of working to **unleash value from Projects 5.0**

Source: Team analysis



SEMIWOLE IMHO FOOT HOTEL © CRENO













[← Back to Project Gallery](#)

Logan International Airport

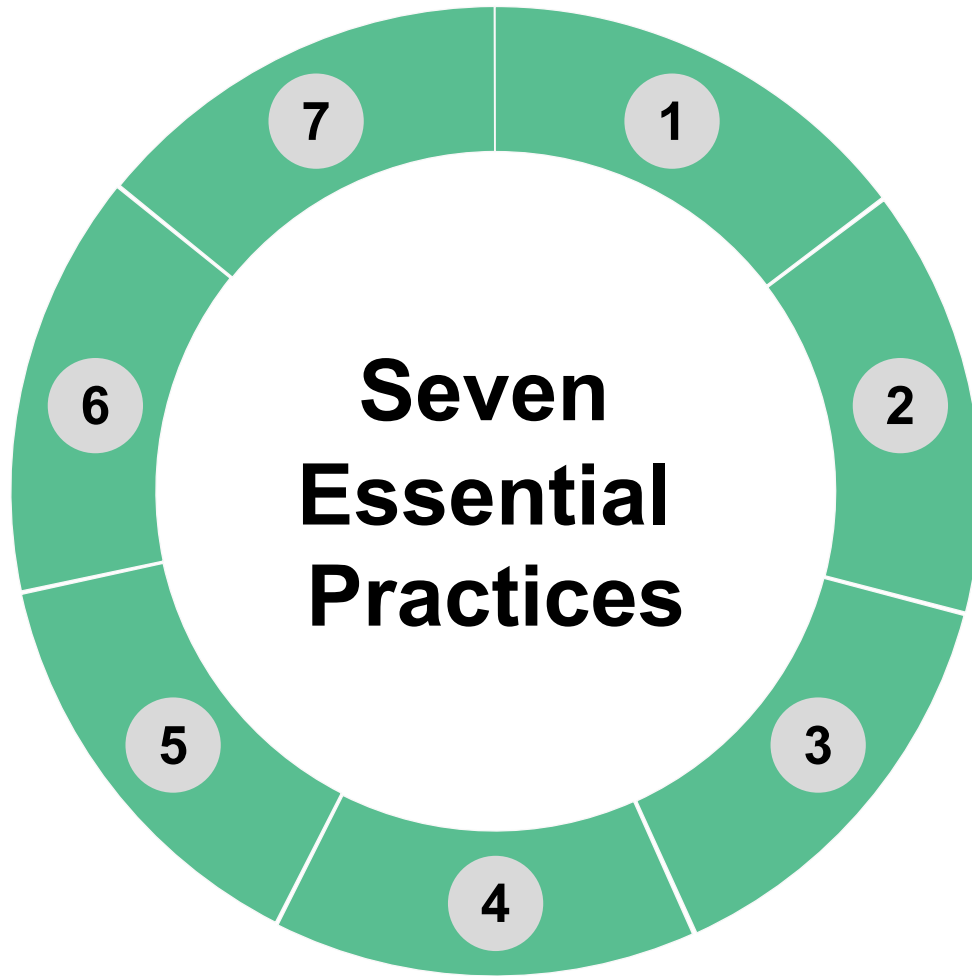
Terminal E Modernization - Boston, MA














P&G essential practices



-  Partner selection
-  Collaborative Design Sessions
-  Big Room
-  Conditions of satisfaction
-  Target Value design
-  Last Planner® System
-  IPD Agreement

Forum Overview

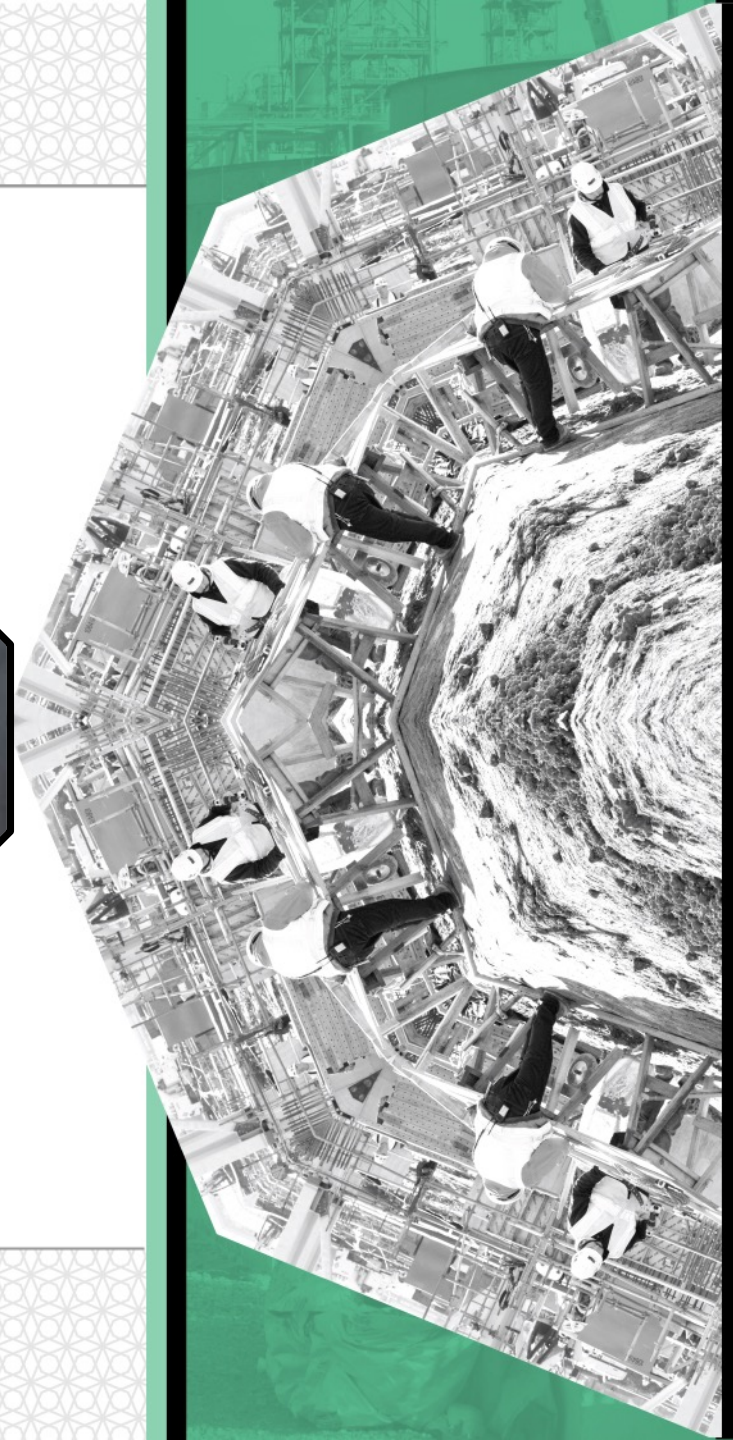
Dave Kayfer
ECC Executive Board of Directors
Dow Chemical



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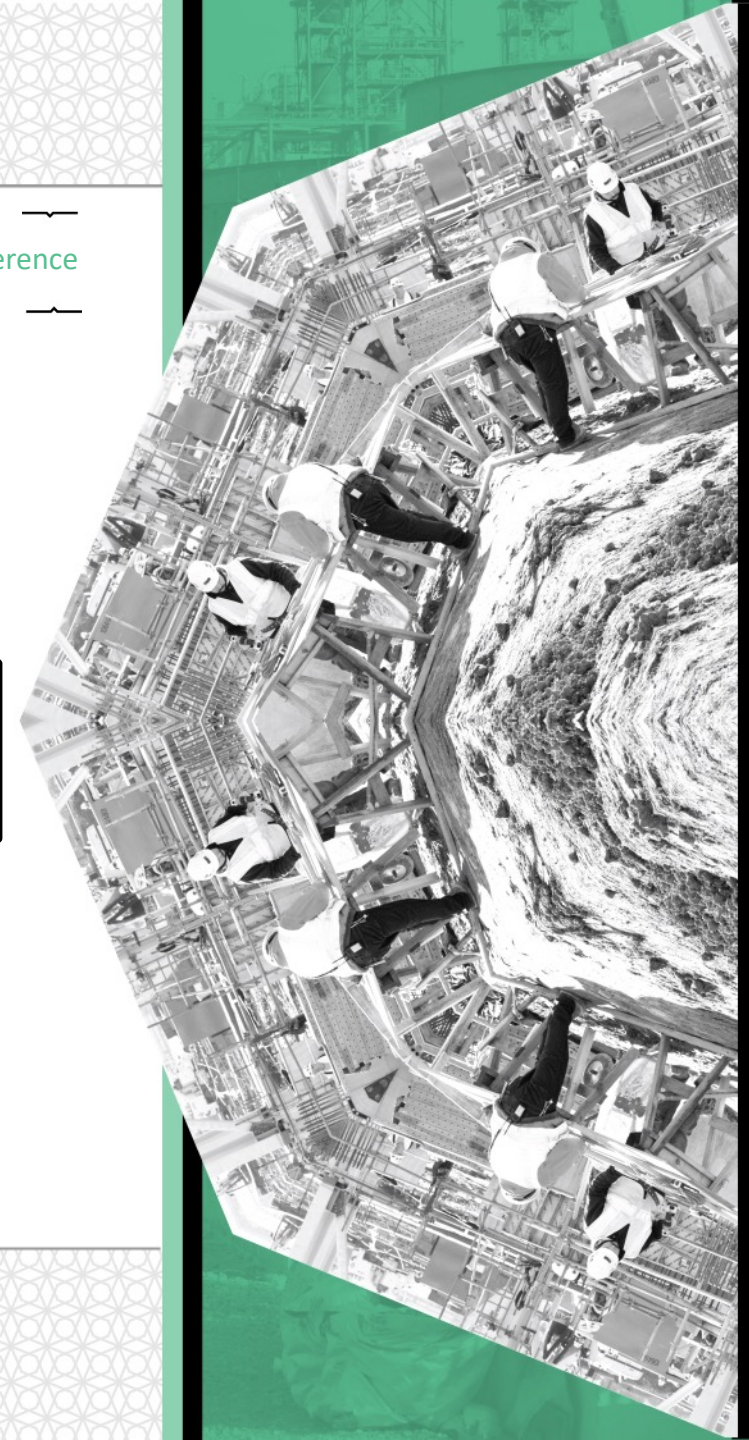
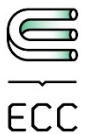
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Performing While Transforming: Executing Now, Evolving for Tomorrow

Kymerly Butts,
Chair - ECC Executive Board
Zachry Group



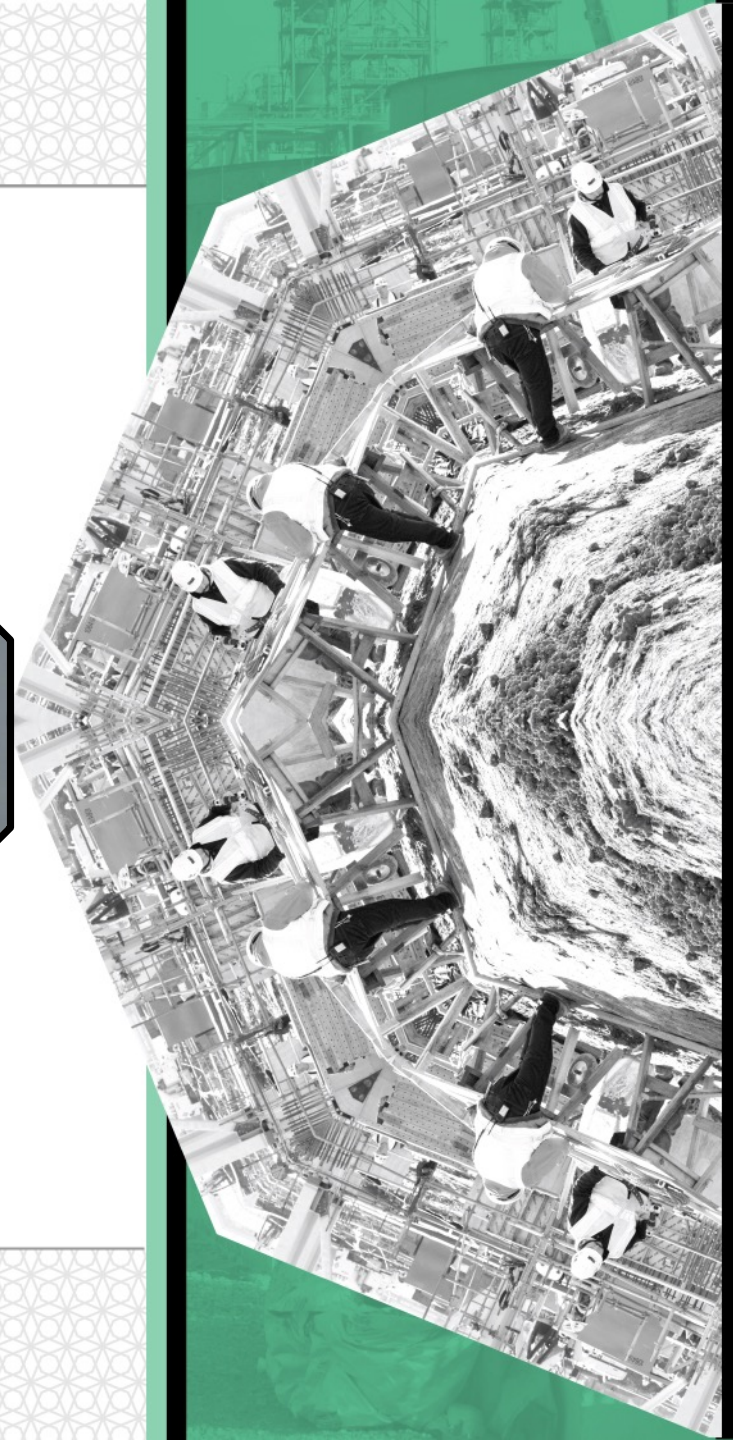
Kyle Lednicky
ECC Executive Board of Directors
Arion Blue LLC



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Emmitt Smith



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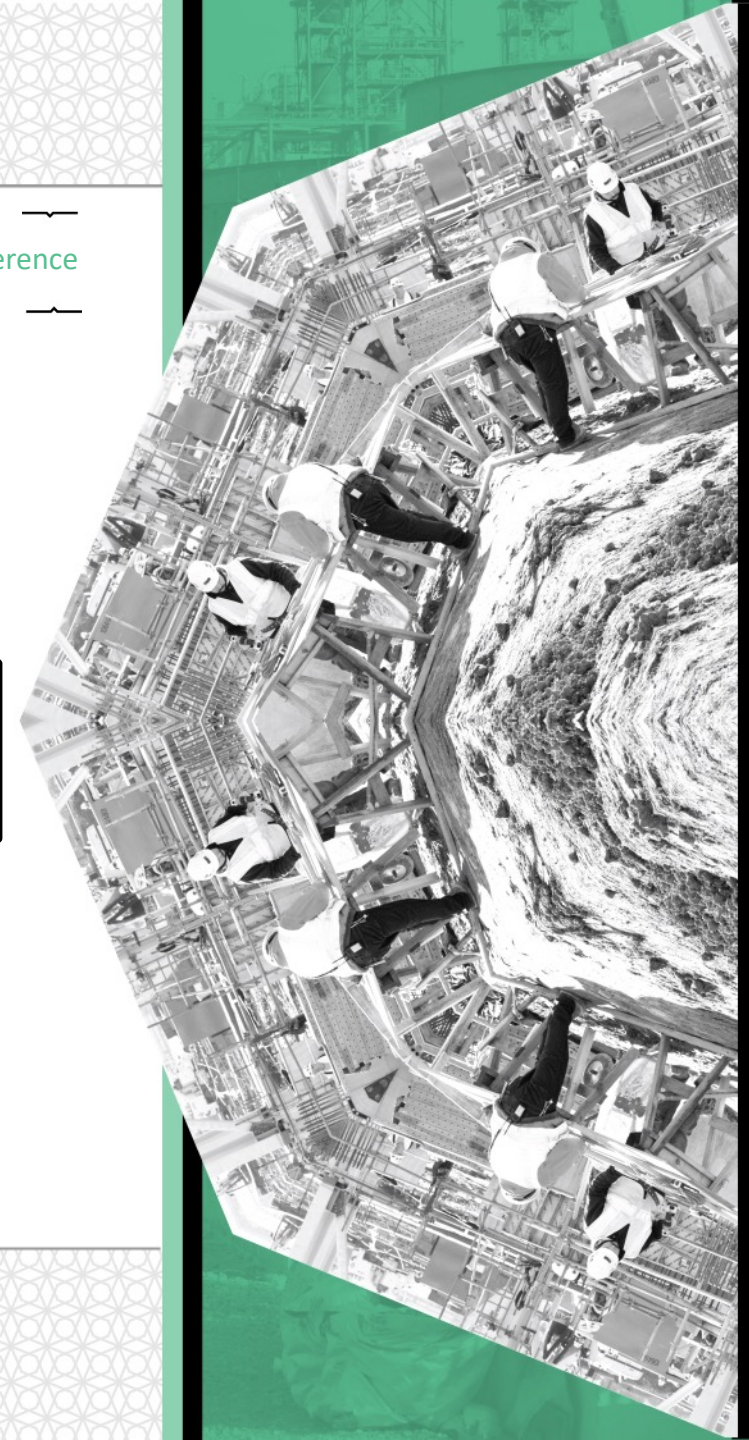
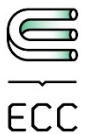
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53rd Annual ECC Conference

Performing While Transforming: Executing Now, Evolving for Tomorrow

Kymerly Butts,
Chair - ECC Executive Board
Zachry Group



2022 Future Leader Liaisons



Jeremy Davis

Eastman



Adam Douglas

KBR

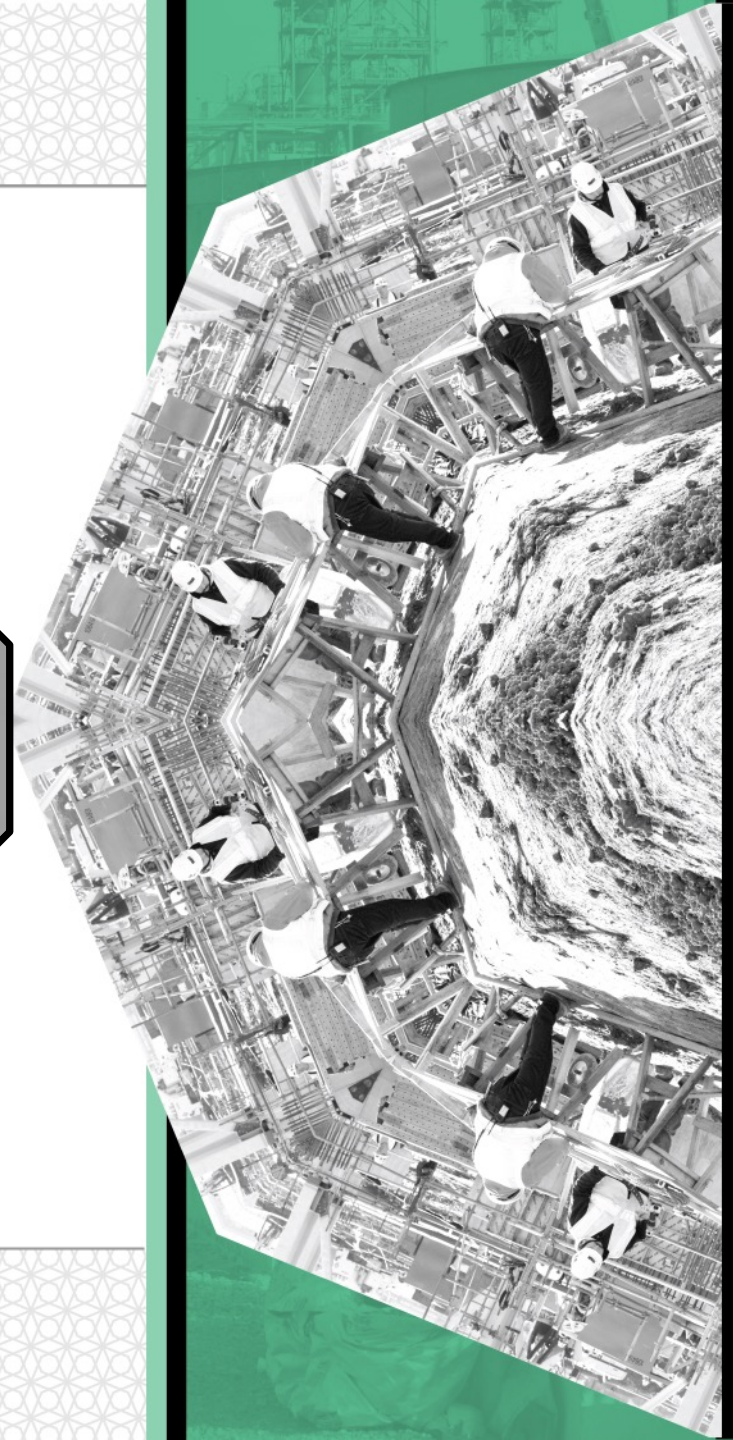
Karen Griffin
Treasurer - ECC Board Member
Fluor



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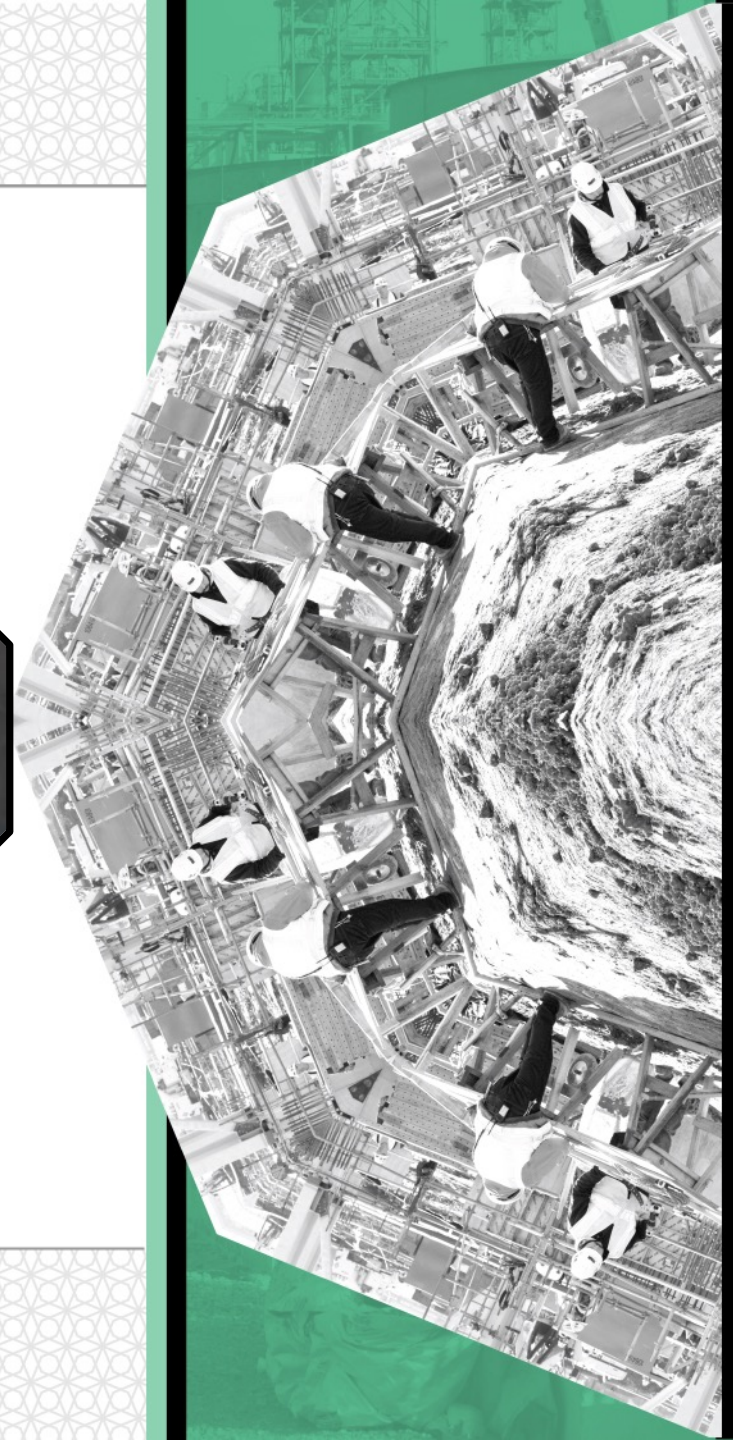
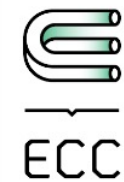
Jim Craig
Vice Chair - ECC Board Member
Chevron



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Jason Kraynek
Chair - ECC Board Member
Fluor



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