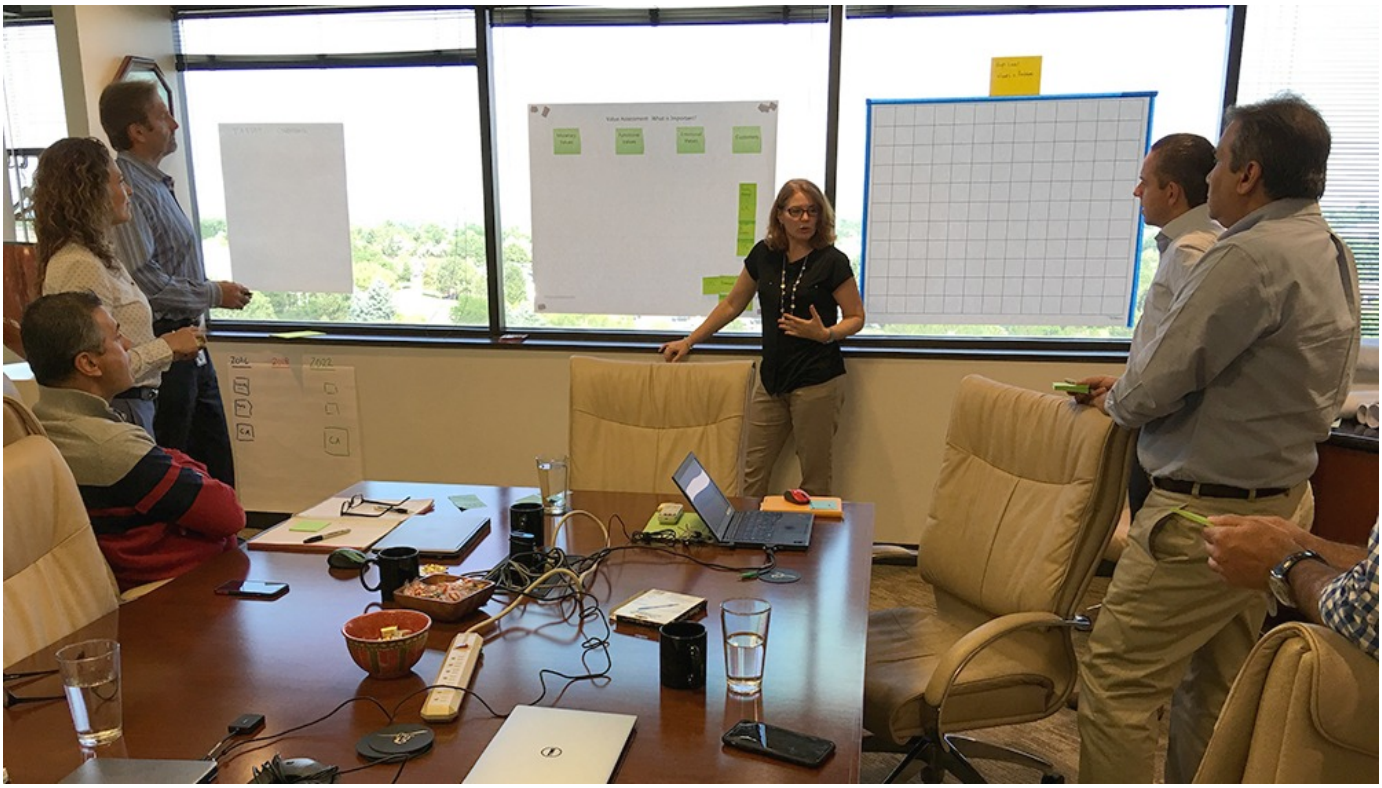


Project

Lean thinking applied across remediation portfolio helps client reduce risk

16%

reduction in environmental and business risk

25%

improvement of spend/unit of risk

Summary

- Our client wanted to know if it was spending money across in the right places across its portfolio to best reduce risk.
- We used Lean consulting to development a portfolio evaluation tool that provided standardized data for each site.
- This work allowed the client to confidently allocate resources in its remediation efforts.

Client challenge

HALEY ALDRICH

Our client, which manages regulatory compliance and remediation for a large portfolio of properties, wanted an answer to the question that haunts remediation portfolio managers everywhere: “Am I spending my money in the right places to best reduce risk?” The client’s diverse portfolio contains sites with differing conditions and challenges that could be addressed with a multitude of approaches. Without a standardized, baseline understanding of potential risks, it is difficult to assess if spend is appropriate.

The client’s longstanding relationship with Haley & Aldrich prompted them to tap into our Lean consulting to guide the development of a Portfolio Evaluation Tool (PET). Lean is a systematic way of engaging people to identify the root causes of problems and then work together to solve them. The tool is used to evaluate spend versus risk across the portfolio and provide standardized data for each site within the portfolio to make informed, confident decisions.

Our approach

Haley & Aldrich led a team to assess an overarching value stream across the engineering, financial, and legal challenges the client faced. By looking at remediation efforts from a system-wide perspective with various stakeholders, we were able to identify key metrics and define risk across numerous relevant criteria that aligned directly with its short- and long-term objectives. We embedded that intelligence in the spreadsheet-based PET and collaboratively quantified and ranked the cost versus risk of specific remediation projects in the context of the client’s entire remediation portfolio.

We used Lean principles throughout to continuously improve the PET as the client used the tool for evolving purposes including acquisition of additional, diverse sites. A key component of the success of this work was Haley & Aldrich’s ability to effectively facilitate the collaboration of competing engineering firms to codevelop a product flexible enough to manage a diverse portfolio for their common customer under varying business conditions.

Value delivered

The PET promoted risk reduction and increased site closure rates by helping to ensure client resources are allocated to the highest and best use in their remediation efforts. By applying Lean thinking across the portfolio:

- Reduced environmental and business risk by 16% and costs by 9%, improving spending per unit of risk by 25%
- Cut time spent managing sites’ finances by more than 50%
- Developed PET that provided client a history of data points to show progress, identify significant trends, evaluate contractor performance, and support future decisions

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