

# **CONNECTIONS BETWEEN MASS CUSTOMISATION PRACTICES IN HOUSING** AND LEAN PRODUCTION

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Aim of the Paper

to identify a set of Mass Customisation Practices in housebuilding, discuss their underlying concepts and principles, exploring connections with Lean Production.

The identification of common concepts and principles can support the definition of MC strategies for housing companies and also the adaptation of good practices to different organisational contexts.



Mass Customisation

is an **organisational strategy** that aims to **offer products that fulfill customers' requirements**, potentially **adding value**, **through flexible process and structure**, **with costs and delivery time similar to mass production** (Pine, 1993; Hart, 1995; Jiao, Ma, & Tseng, 2003; Fogliatto, da Silveira, & Borenstein, 2012)

Mass Production

Craft
Production
stomers needs and

Maintaining costs and time within expected

Fulfilling customers needs and expectations



MC Strategy Some **key aspects remain unexplored**: **practices** to deliver customized goods, and the definition of **decision categories** that form a strategy.

Connections between MC and Lean

**concepts** and limited empirical evidence on how those connections can enable MC and ease the implementation of related practices.

Lack of prescriptive research

Development of punctual solutions

Poor understanding of the underlying concepts



Which are the customizable attributes and product variants?

Other organizations

Customer Integration

Marketing CRM

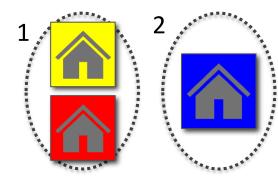
Sales

**Operations** 

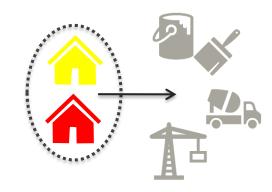
Production Logistics Supply chain Product Design

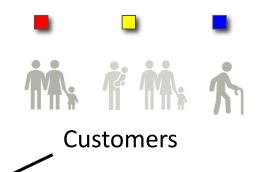
Company

How are these variants translated to product especifications?



How will the product variants be produced and delivered?







Value Generation

Pre-

fabrication

**Continuous** Improvement

Transparency

Increase Output **Flexibility** 

Pull **Production** 

Standardization

Collaboration



Design Science Research

> Understand the problem and Identify Best practices in the literature

Assess practices used in a empirical study

Reflection about underlying ideas and MC and Lean relationship

### Literature Review

Semi-structured Interviews

Direct

Observation

**Open Interviews** 

**Document Analysis** 

Discussions with the stakeholders

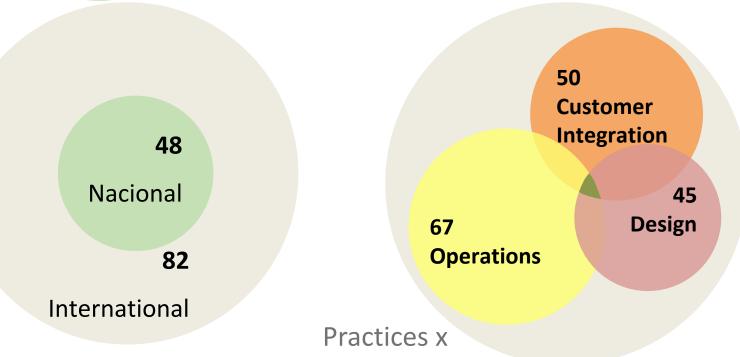
List of MC practices and **Decision Categories** 

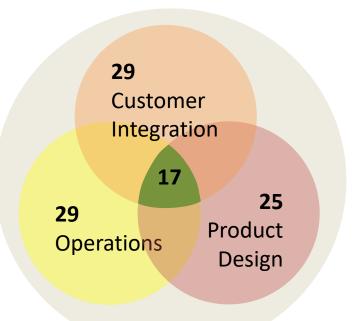
Diagnosis of applied MC practices, identification of improvement opportunities Recommendation of best practices Refinement of MC decision categories and Establishing relationship with Lean concepts



**Practices** 

Activities, methods, tools, techniques, processes and their combination used to support the development of a task or problem **solving** in the organisational context.





130 Identified Practices Functional area



Assessment and Feedback

The need to define approaches to assess demands for customisation to establish a solution space and to evaluate the delivered product after occupancy. It is necessary to establish how is this information will be used to feedback product development.

Communication of MC information

Practices that promote transparency and continuous improvement, by making relevant customisation information available to stakeholders

Customer interaction and relationship

Definition of approaches for customer interaction along the product configuration process and the development of a relationship with customers to achieve loyalty

Devise a communication channel to collect and share data about customers' configuration order, monitor its evolution and ease communication within departments

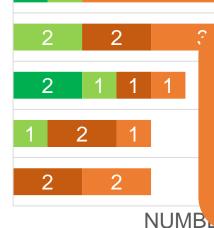


1. Promotion of Customer-Product interaction by visiting a prototype with the main customization units available

2. Establish a conversation between customers and architects to guide product configuration

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SUPPLY CHAIN MANAGEMENT



1. Definition of a limited solution space to achieve scale economies.

Identify the demand for customisation

to define t' e customisation units and

the solution space.

2. The definition of customisation units should balance customers' perceived value with their production costs.

- Applied
- Partially applied
- Not applied
- Improvement recommended
- Recommended



#### MC DECISION CATEGORIES

Assessment and Feedback

Communication of customization information

Customer Integration and Relatioship-

Plataform

Production Planning and Control enphasizing Pull Production

Production System flexibility

Solution Space

Strategy and Level of Customization-

Supply Chain Managment

Visualization Approaches-

#### LEAN CONCEPTS

**Standardization** 

Transparency

Value Generation

Increase output flexibility

Continuous improvement

Reduce lead time

-Collaboration

Reduction of the number of steps and parts

Pull production

-Reduce set up time





Practical and Theoretical

Assessment of the MC strategy adopted by a house building company from Brazil, identifying improvement opportunities

Connections between decision categories and Lean Production concepts, enabling the easier adaptation of some of those practices to different contexts.

Future Research Need for further research development of decisions categories and best practices adopted by house-building companies.

Use of IT and BIM-based tools to support customers' requirement management, visualization approaches, and collaborative processes related to MC



## Thank You !!!

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