

# **A NEW MODEL FOR COLLABORATION**

## **An Introduction to BS 11000**

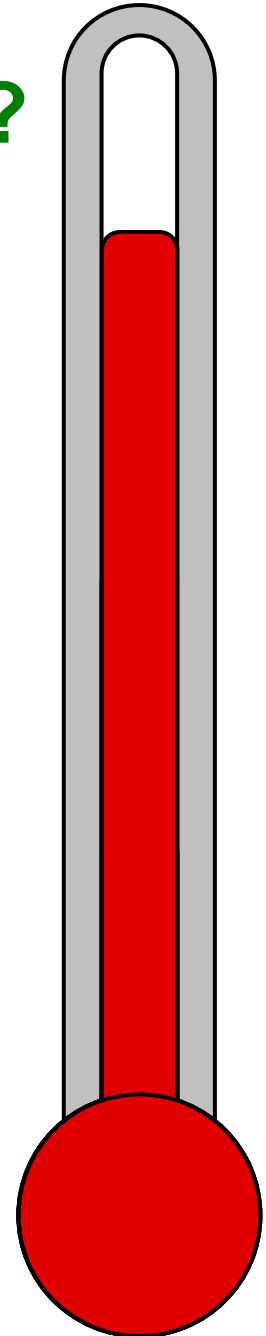
Paul R Greenwood  
Managing Director  
Greenwood Consultants

London Constructing Excellence Club  
8<sup>th</sup> April 2014, London Capital Club

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# What is Your Partnering Temperature?

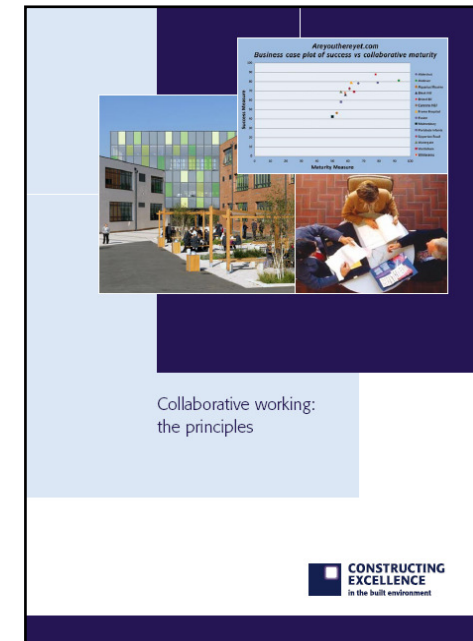
- Strategic Partnering
  - Objectives + Incentivisation + Dispute Prevention + ...
  - Strategic alliance agreement or term contract  
eg. SAA + PPC 2000 or TPC 2005
- Project Partnering
  - Partnering Charter + Objectives + Incentivisation
  - Non-confrontational form of contract  
eg. NEC, Opt C (Target), Opt X12 (Part'), Opt X20 (KPIs)
- Non-Confrontational Contract
  - Non-confrontational form of contract eg. NEC (ECC)
  - No special mechanisms
- Partnering Charter + Traditional Contract
  - Commitment to working together
  - Traditional form of contract eg. JCT



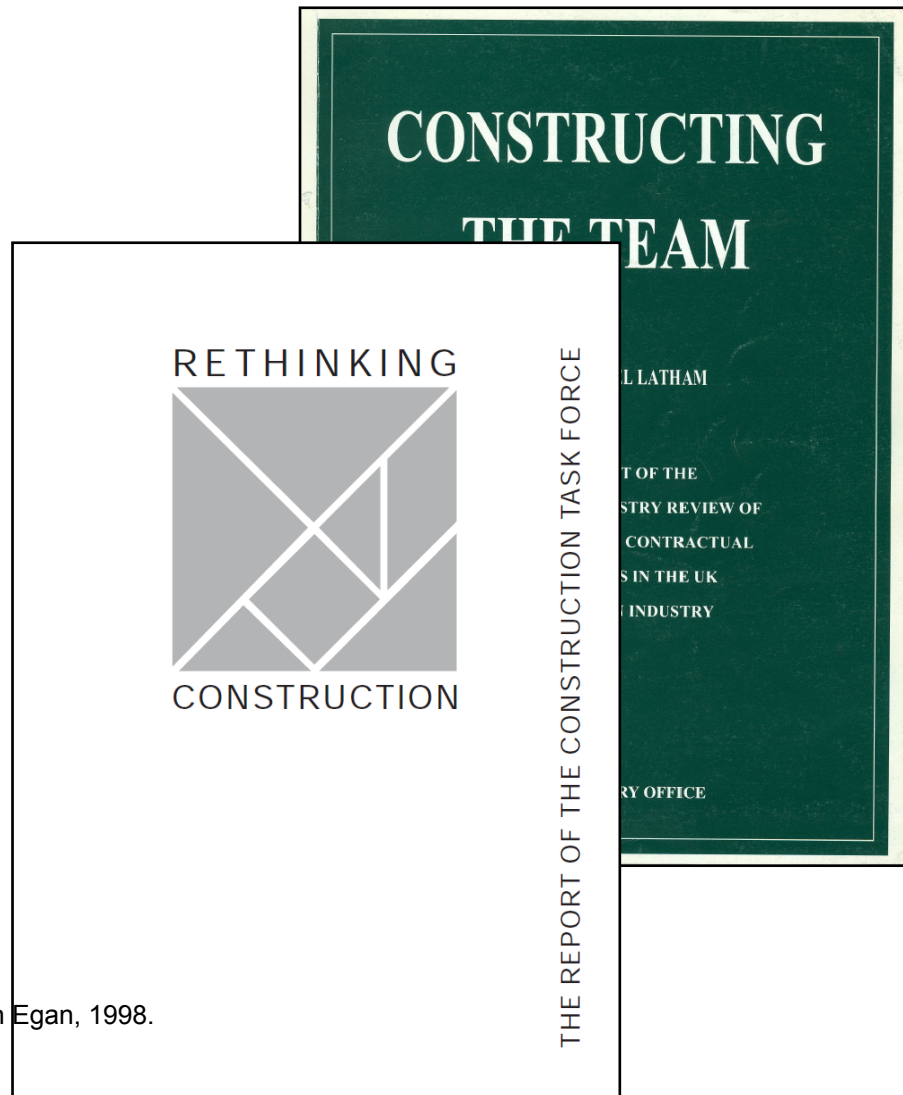
# Agenda

- The CE Approach to Collaborative Working
  - Latham and Egan Reports
- Background to BS 11000
- The BS 11000 Framework
  - Stages 1 to 8
- BS 11000 Themes
- BS 11000 Benefits
- BS 11000 Application

# The Constructing Excellence Approach to Collaborative Working



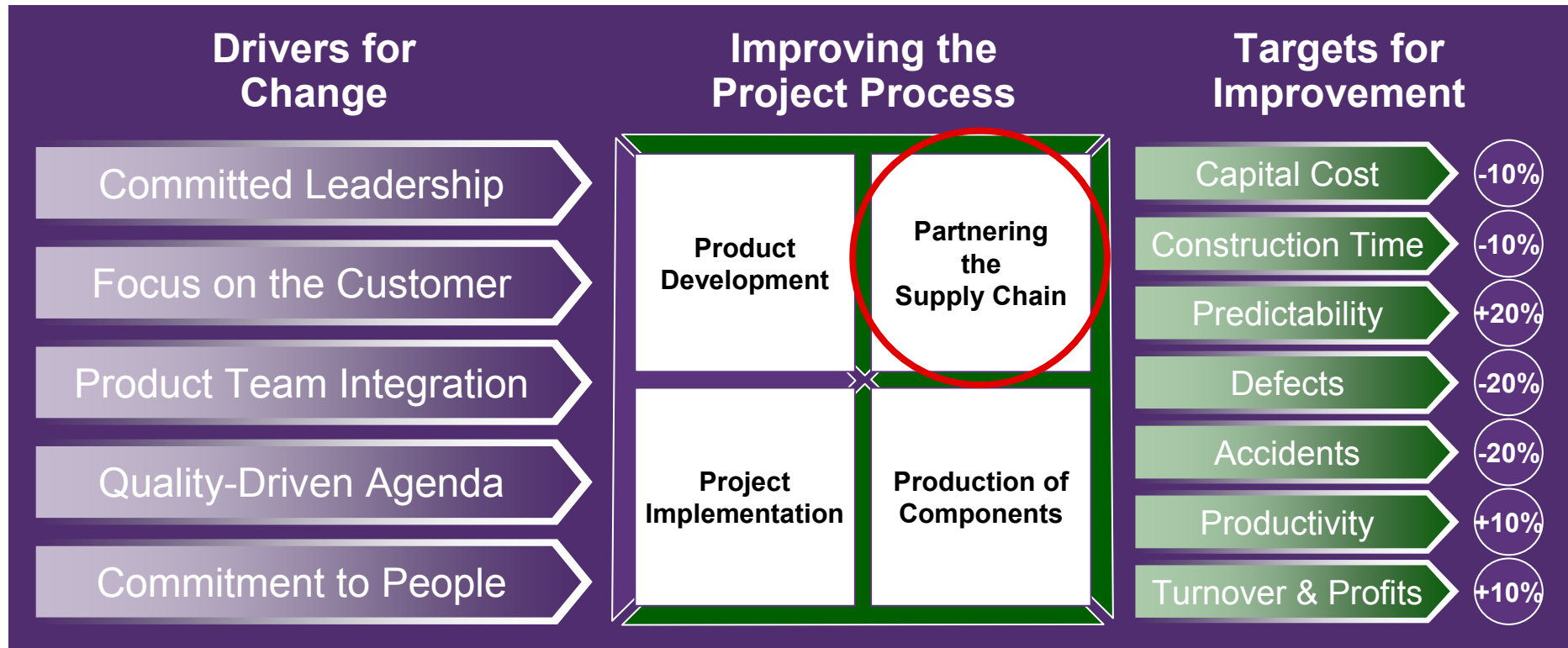
# Drivers for Partnering in the UK



'Rethinking Constructing', The Construction Task Force, Chaired by Sir John Egan, 1998.

'Constructing the Team', Sir Michael Latham, 1994.

# Egan 5-4-7

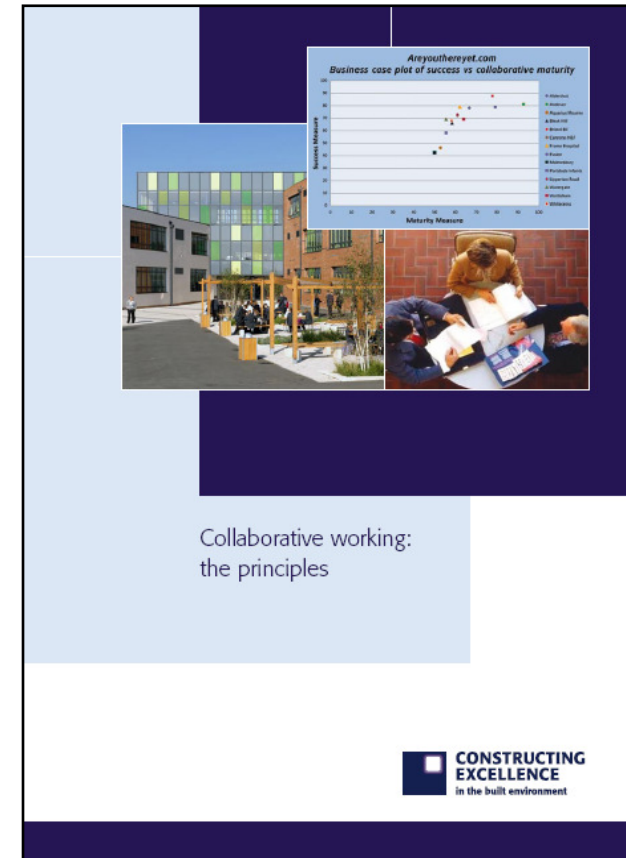


'M4I Strategy Model',  
Movement for Innovation (M4I), Anniversary Report, 1999

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# Three Overriding Principles

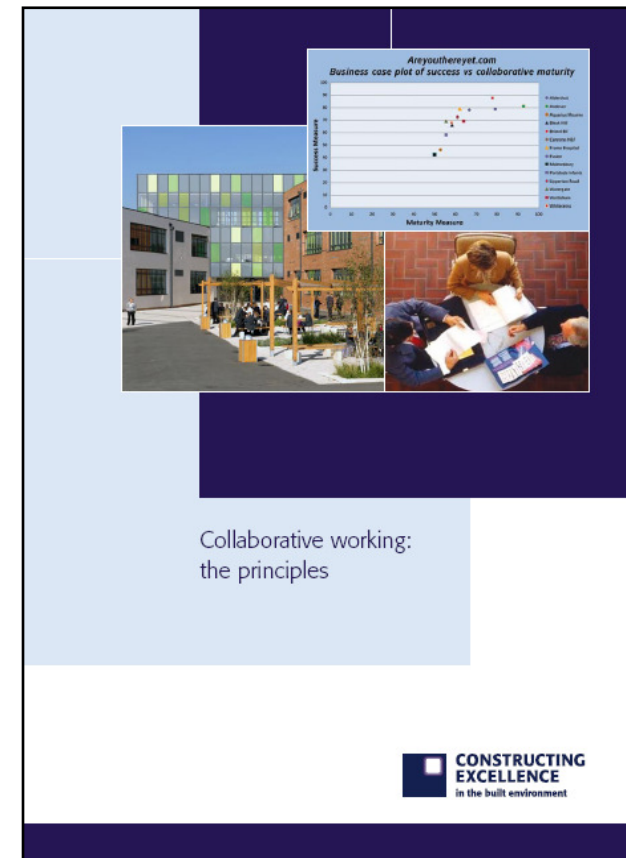
- Common Vision and Leadership
- Collaborative culture and behaviours
- Collaborative processes and tools



'Collaborative Working - The Principles',  
Constructing Excellence, 2011

# Six Critical Success Factors

- Early involvement
- Selection by value
- Aligned commercial arrangements
- Common processes and tools
- Performance measurement
- Long-term relationships



'Collaborative Working - The Principles',  
Constructing Excellence, 2011

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# Toolkits



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**The Toolkit Guide** is where to find out Why? What? and How? It is the place to go to whether you have just begun or are ready for the next steps.



See the **Integrated Supply Chain workbooks** for practical step-by-step advice and tools for supply chain integration.



See the **Integrated Project Team workbooks** to help you achieve integration as seamless as if everyone is part of the same company.

**FIRST TIME USERS START HERE**

- Who developed the Toolkit?
- Who is using it?
- Frequently asked questions

## By Industry for Industry

If you want...

- Outcomes that better meet your needs, delighting your clients, customers and end users
- Delivery that is 25% – 40% faster than your competitors with 11% – 30% less capital required
- Improved profitability, reduced operating costs and more sustainable outcomes
- Significantly improved predictability of programme, price and quality
- To work in a safer environment where empowered people are open, honest and realistic and go home feeling trusted, valued and fulfilled

...then the **Strategic Forum for Construction Integration Toolkit** is for you

The Integration Toolkit offers information, advice, guidance and training – signposts and pointers to help you find answers that suit your particular needs, projects and challenges. It will help you decide how to change, offering insight into what the best are doing.

However, the Integration Toolkit is not a step-by-step instruction manual nor is it intended for people who do not have access to in-depth understanding of the complexity and risks associated with construction activity.

### Related Links

[Communities and Local Government](#)

Users can access further help using this link to a list of additional websites, literature and toolkits. This list is also available as you use the toolkit from each of the main section pages.

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Designed by [Format Design](#)

# Background to BS 11000

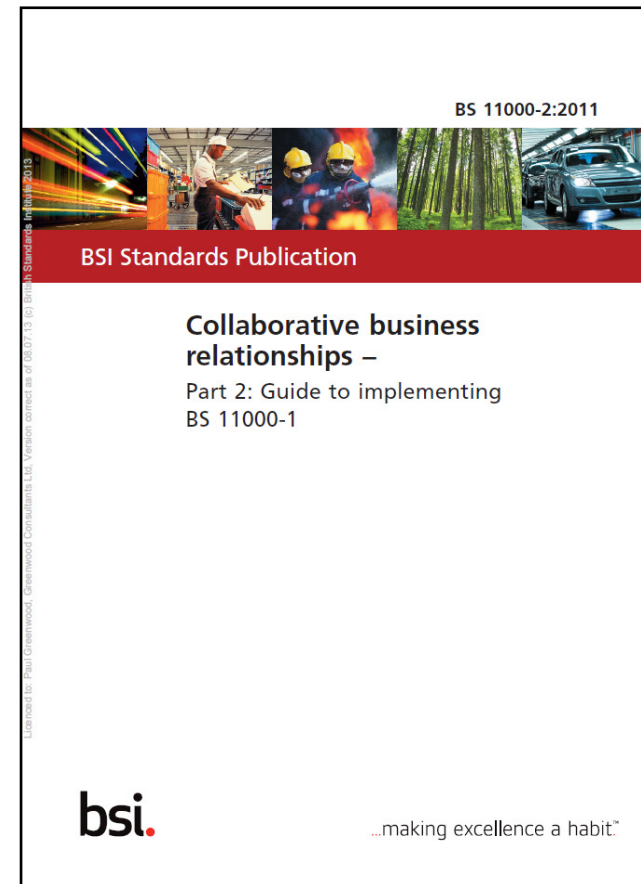
# What is BS 11000?

- “... a strategic framework to establish and improve collaborative relationships in organisations of all sizes.”
- From concept to disengagement
- Developed by DTI/CBI Partnership Sourcing Ltd
- First national standard of its type



# What is BS 11000?

- Part 1
  - Framework Specification
    - What = 'shall'
- Part 2
  - Guide to Part 1
    - Why
    - How

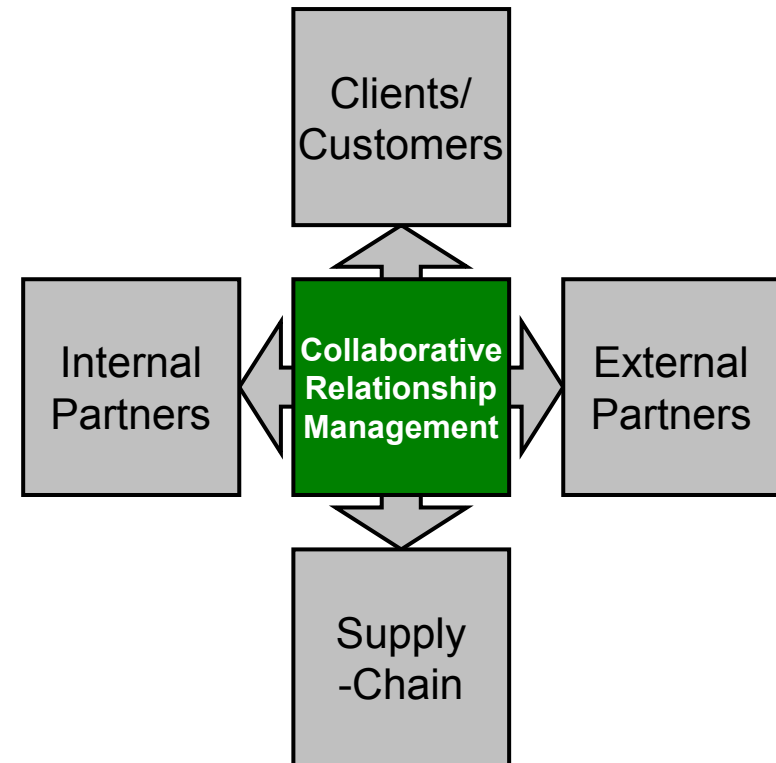


# Applicable Relationships

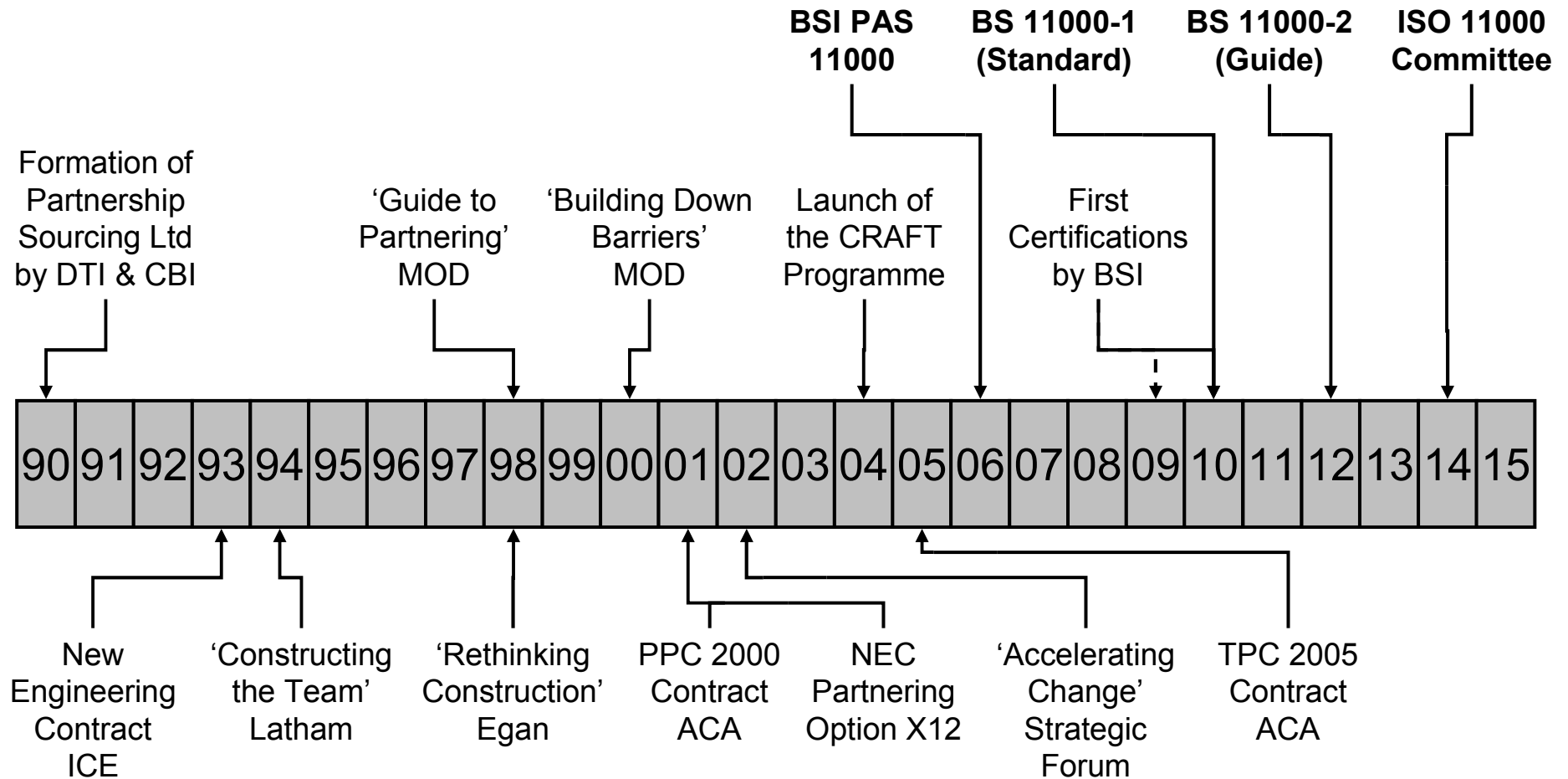
- Single programme or project
- Individual relationship
- Multiple relationships
- Particular types of relationships
- ...

*“... where collaboration can open new strategic opportunities”*

*“... potential for improvement through the adoption of a collaborative relationship”*



# Timeline

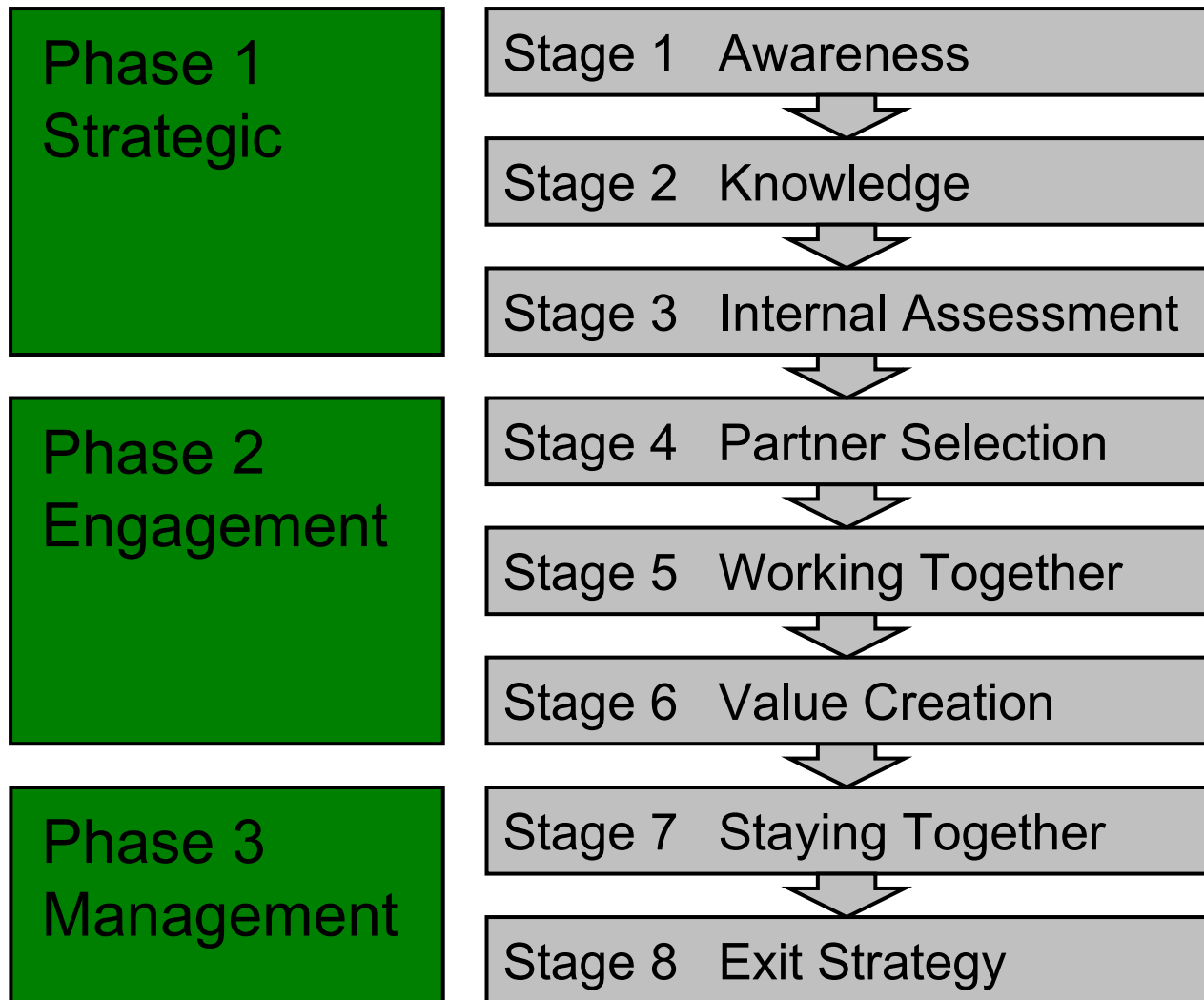


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# Early Adopters

- PAS 11000
  - Aerospace
- BS 11000
  - Defence
  - Rail
  - Facilities
  - ...
- EMCOR, Lockheed Martin, Raytheon Systems, NATS
- MOD, Boeing, Fujitsu, HP
- Network Rail, Babcock Rail, Balfour Beatty, Colas, Costain, Hochtief, Rail Tech
- Babcock, Capita, Mouchel
- ...

# The BS 11000 Model





# Phase 1 Strategic

*Development of strategic commitment to collaborative working, based upon a thorough understanding of the opportunities, benefits, risks and constraints of this approach*



## Phase 1 Strategic

## Phase 2 Engagement

## Phase 3 Management

Stage 1 Awareness

Stage 2 Knowledge

Stage 3 Internal Assessment

Stage 4 Partner Selection

Stage 5 Working Together

Stage 6 Value Creation

Stage 7 Staying Together

Stage 8 Exit Strategy

# Phase 2 Engagement

*Selection of committed partners and the establishment of joint objectives, structures, processes and systems for creating new value*

Phase 1  
Strategic

Phase 2  
Engagement

Phase 3  
Management

Stage 1 Awareness

Stage 2 Knowledge

Stage 3 Internal Assessment

Stage 4 Partner Selection

Stage 5 Working Together

Stage 6 Value Creation

Stage 7 Staying Together

Stage 8 Exit Strategy

# Phase 3 Management

*Management of  
the joint value-  
creating  
relationship and  
systematic  
disengagement*

Phase 1  
Strategic

Phase 2  
Engagement

Phase 3  
Management

Stage 1 Awareness

Stage 2 Knowledge

Stage 3 Internal Assessment

Stage 4 Partner Selection

Stage 5 Working Together

Stage 6 Value Creation

Stage 7 Staying Together

Stage 8 Exit Strategy

# Stage 1 Awareness

*Development of awareness and the overall strategic approach to collaborative working*

Phase 1  
Strategic

Phase 2  
Engagement

Phase 3  
Management

Stage 1 Awareness

Stage 2 Knowledge

Stage 3 Internal Assessment

Stage 4 Partner Selection

Stage 5 Working Together

Stage 6 Value Creation

Stage 7 Staying Together

Stage 8 Exit Strategy

# Stage 1 Awareness

- Senior executive
- Policy
- Objectives
- Value
- Identification and segmentation of business relationships
- Resources, competencies and behaviours
- Initial risk assessment
- Implementation plan
- Documentation
- Initiating the relationship management plan

**Collaborative Policy**  
3.2

- Established
- Commitment
- Framework for setting/reviewing objectives
- Documented
- Communicated
- Periodically reviewed

**Network Rail Collaborative Working Policy Statement**

Delivering our significant and growing capital works programme in a safer, quicker and more efficient manner is a key corporate objective and is an imperative given the challenges laid out to the industry to deliver better value for money for the fare paying passenger and the tax payer. The successful delivery of these programmes depends on the critical link between outcomes and the means of delivery. The implementation of our partnering approach with our supply chain is designed to introduce greater levels of innovation and deliver value for money. Knowledge and experience are essential, but it is through collaborative work that sound, cost efficient solutions will be found. Working together with our suppliers, from the early stages, will enable us to overcome uncertainties and risks.

BS11000 provides us with the strategic framework to develop, with our key suppliers, the policies and processes, the culture and behaviours required to establish successful collaborative relations and to drive continual improvement. Maintaining collaborative business relations will lead to benefits for Network Rail and our stakeholders.

Network Rail is committed to working towards meeting the British Standard BS11000 for Collaborative Business Relationships. As Senior Executive Responsible (SER) for the development and implementation of the collaborative business relationship management process, I am personally committed and I expect relevant project staff to be equally committed to the principles of the standard. I also expect staff working on collaborative programmes with suppliers to encourage them to adopt the principles of the standard and to develop appropriate policies for collaborative relationships.

I will delegate specific responsibilities for implementing the standard to appropriate managers and staff and they will be named in the individual project Relationship Management Plans.

*Simon Kirby*  
Simon Kirby  
Managing Director, Investment Projects  
January 2012

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**Business Relationships**  
3.5

- Identification and segmentation of business relationships
  - Significant internal and external relationships
  - Opportunities for collaboration
  - Planning for collaboration [see 3.8]

**Risk x Cost**

High	<b>Opportunistic Relationships</b> (Potentially Collaborative)	<b>Strategic Relationships</b> (Collaborative)
Low	<b>Transactional Relationships</b>	<b>Development Relationships</b> (Potentially Collaborative)
	Low	High

**Complexity x Time**

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'Suggested Approach to Segmentation in Business Relationships', Figure 4, BS 11000-2:2011 'Collaborative Business Relationships - Part 2: A Guide to Implementing BS 11000-1'

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# Stage 2 Knowledge

*Establishment of a body of knowledge and the development of a specific strategy, business case and implementation plan for each identified opportunity*



Phase 1  
Strategic

Phase 2  
Engagement

Phase 3  
Management

Stage 1 Awareness

Stage 2 Knowledge

Stage 3 Internal Assessment

Stage 4 Partner Selection

Stage 5 Working Together

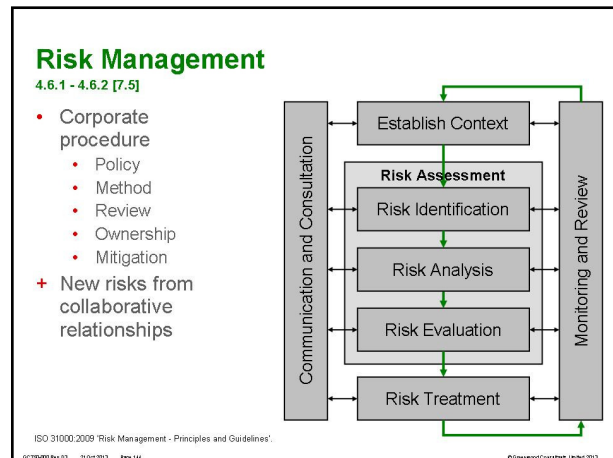
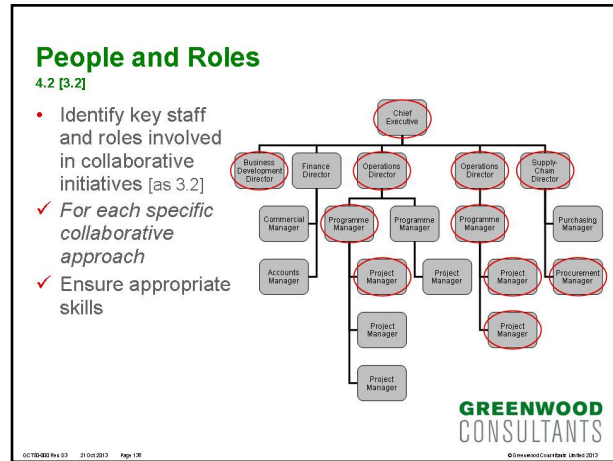
Stage 6 Value Creation

Stage 7 Staying Together

Stage 8 Exit Strategy

# Stage 2 Knowledge

- Developing a specific business strategy [drivers and objectives]
- Competence and training
- Knowledge capture, creation and management
- Knowledge sharing
- Strategy and business case development
- Risk management process
- Implementation plan
- Relationship management plan



# Stage 3 Internal Assessment

*Undertaking a structured assessment of the capability and maturity to successfully engage in a collaborative initiative*

Phase 1  
Strategic

Phase 2  
Engagement

Phase 3  
Management

Stage 1 Awareness

Stage 2 Knowledge

Stage 3 Internal Assessment

Stage 4 Partner Selection

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Stage 8 Exit Strategy



# Stage 3 Internal Assessment

- Self assessment
- Collaborative leadership
- Partner selection criteria
- The challenge of alignment
- Consolidating the next steps through internal action plan
- SER review
- Relationship management plan

## Collaborative Maturity

5.1.3

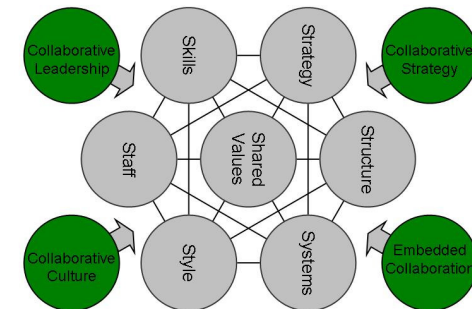
Attributes	Ability	Attitude
<b>A</b> Operational processes are well defined and incorporate collaborative approaches	High level of experience of effective collaboration at all levels	Clear corporate commitment and leadership that cascades throughout operations
<b>B</b> Limited application of shared processes and performance indicators	Individuals at various levels have demonstrable skills in collaboration	Successful individual collaborative programmes in effect
<b>C</b> Robust internal process and performance indicators	An appreciation of collaborative approaches, but a lack of skills	Appreciation, at an operational level, of the value of effective relationships
<b>D</b> Operates with a traditional contract and procedural based approach	No appreciation of the value of collaborative relationships	Operates a robust and effective arms length contracting approach, only

Table 5. Maturity Assessment Profile, BS 11000-2:2011 'Collaborative Business Relationships - Part 2: Guide to Implementing BS 11000-1'. OCT10:00 Rev 03 31 Oct 2013 Page 16

## What Does a Collaborative Partner Look Like?

5.3 [6.2.1]

View a potential partner from a different angle



McKinsey 7S Model, 'In Search of Excellence', Tom Peters and Robert Waterman, 1982

OCT10:00 Rev 03 31 Oct 2013 Page 16

# Stage 4 Partner Selection

*Undertaking a structured approach to the identification, evaluation and selection of appropriate partners*

Phase 1  
Strategic

Phase 2  
Engagement

Phase 3  
Management

Stage 1 Awareness

Stage 2 Knowledge

Stage 3 Internal Assessment

Stage 4 Partner Selection

Stage 5 Working Together

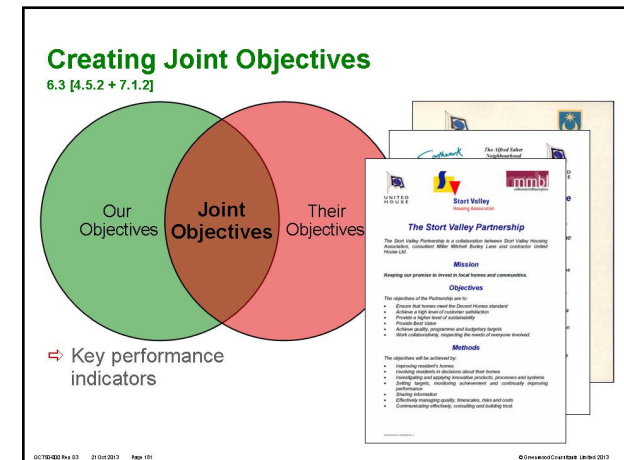
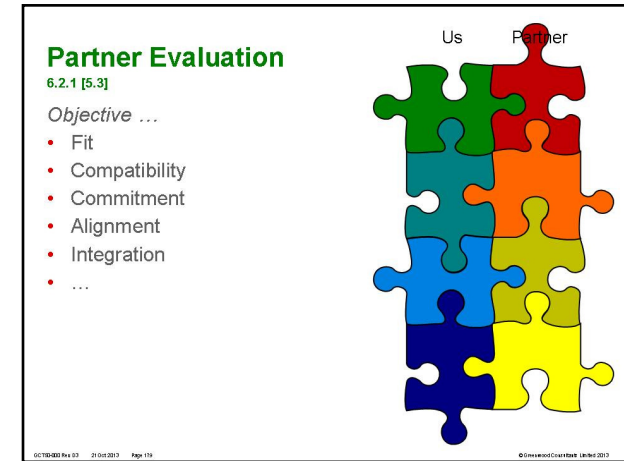
Stage 6 Value Creation

Stage 7 Staying Together

Stage 8 Exit Strategy

# Stage 4 Partner Selection

- Nominate potential collaborative partners
- Partner evaluation and selection action plans
- Creating joint objectives
- Negotiating for collaboration
- Partner selection
- Relationship management plan



# Stage 5 Working Together

*Establishing the right platform for collaborative working*

Phase 1  
Strategic

Phase 2  
Engagement

Phase 3  
Management

Stage 1 Awareness

Stage 2 Knowledge

Stage 3 Internal Assessment

Stage 4 Partner Selection

Stage 5 Working Together

Stage 6 Value Creation

Stage 7 Staying Together

Stage 8 Exit Strategy

# Stage 5 Working Together

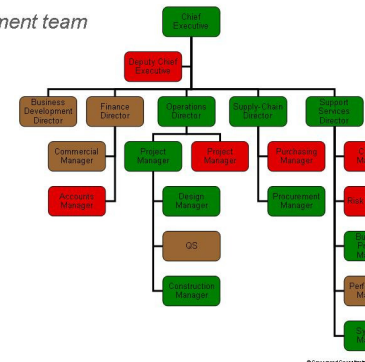
- Governance
- Organizational structure
- Joint knowledge management
- Communications management
- Joint risk management
- Business process management
- Contracting arrangements
- Performance measurement
- Improvement
- Relationship management plan

## Organizational Structure

7.2

*The joint management team*

- Roles
- Responsibilities
- Authorities
- Reporting
- Contract compatible



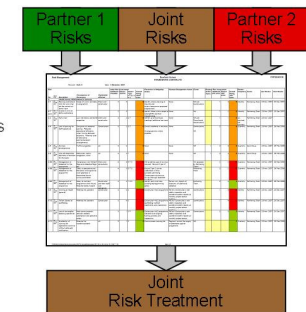
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## Joint Risk Management

7.5 [4.6]

- Joint process
- Risk Manager
- Risk Register
  - Individual partner risks
  - New interdependency risks
- Risk Ownership
  - Partner best able to manage the risk
- Opportunity management



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# Stage 6 Value Creation

*Establishing approaches that seek to build additional value out of the joint relationship*

Phase 1  
Strategic

Phase 2  
Engagement

Phase 3  
Management

Stage 1 Awareness

Stage 2 Knowledge

Stage 3 Internal Assessment

Stage 4 Partner Selection

Stage 5 Working Together

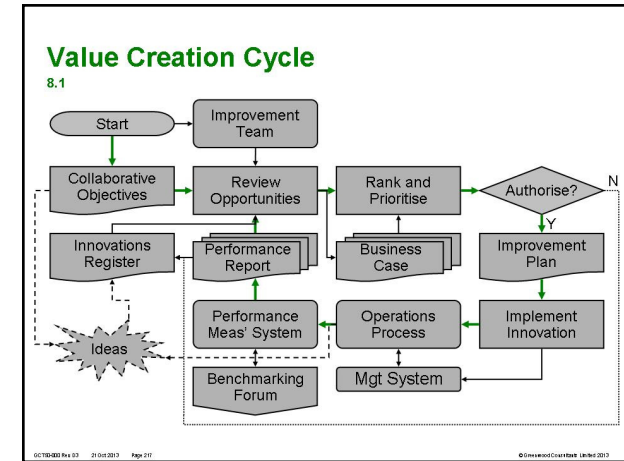
Stage 6 Value Creation

Stage 7 Staying Together

Stage 8 Exit Strategy

# Stage 6 [Additional] Value Creation

- Establishing a value creation programme
- Improvement team
- Improvement target setting
- Value drivers
- Learning from experience
- Initiating the innovation process
- Relationship management plan



# Stage 7 Staying Together

*Ongoing joint management of collaborative initiatives*

Phase 1  
Strategic

Phase 2  
Engagement

Phase 3  
Management

Stage 1 Awareness

Stage 2 Knowledge

Stage 3 Internal Assessment

Stage 4 Partner Selection

Stage 5 Working Together

Stage 6 Value Creation

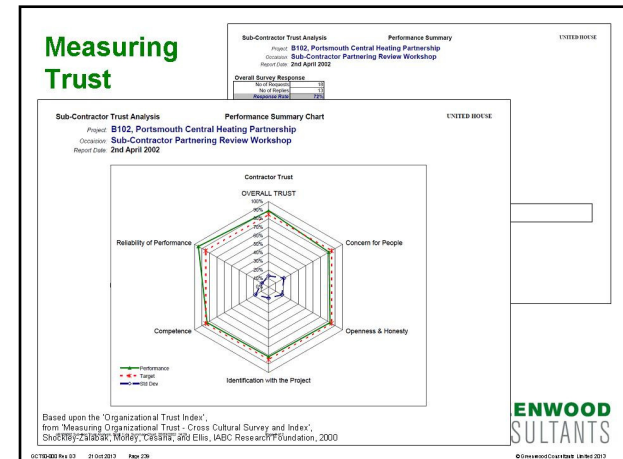
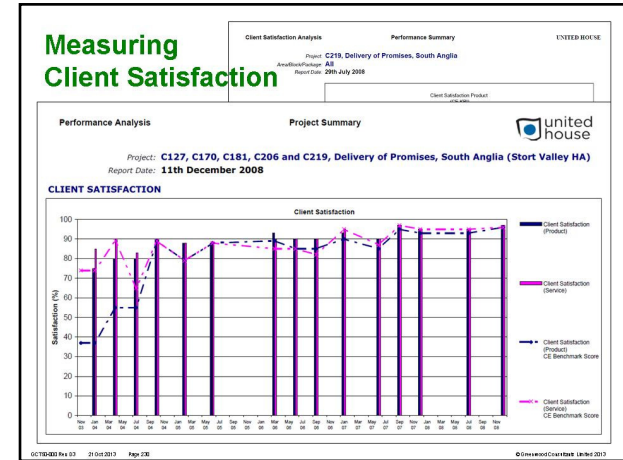
Stage 7 Staying Together

Stage 8 Exit Strategy



## Stage 7 Staying Together

- Monitoring and measuring the relationship
- Ongoing management
- Continual innovation
- Maintaining behaviours and trust
- Delivering performance
- Analysis of results
- Issue resolution
- Joint exit strategy
- Relationship management plan



# Stage 8 Exit Strategy

*Developing and maintaining an effective strategy for disengagement*

Phase 1  
Strategic

Phase 2  
Engagement

Phase 3  
Management

Stage 1 Awareness

Stage 2 Knowledge

Stage 3 Internal Assessment

Stage 4 Partner Selection

Stage 5 Working Together

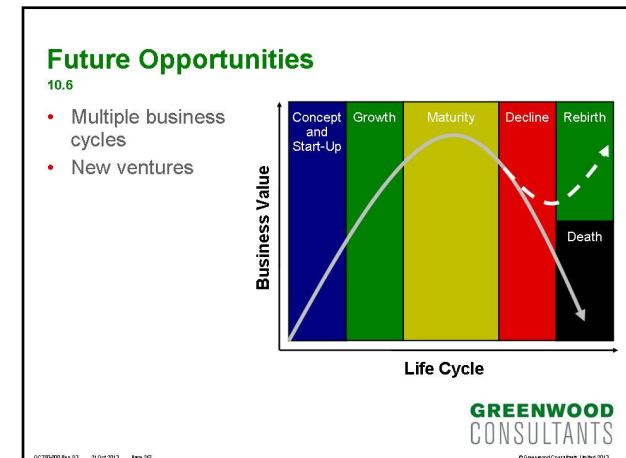
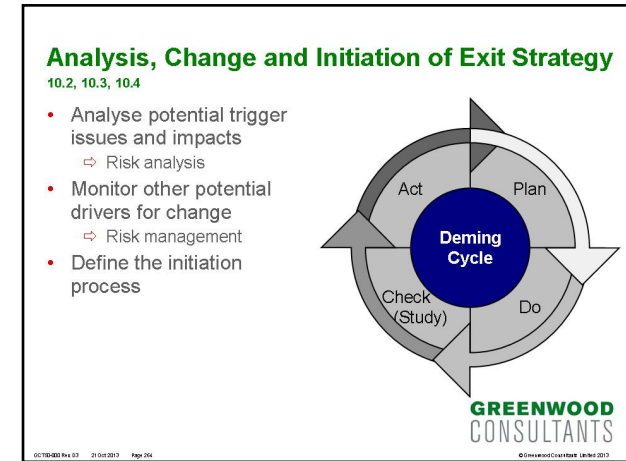
Stage 6 Value Creation

Stage 7 Staying Together

Stage 8 Exit Strategy

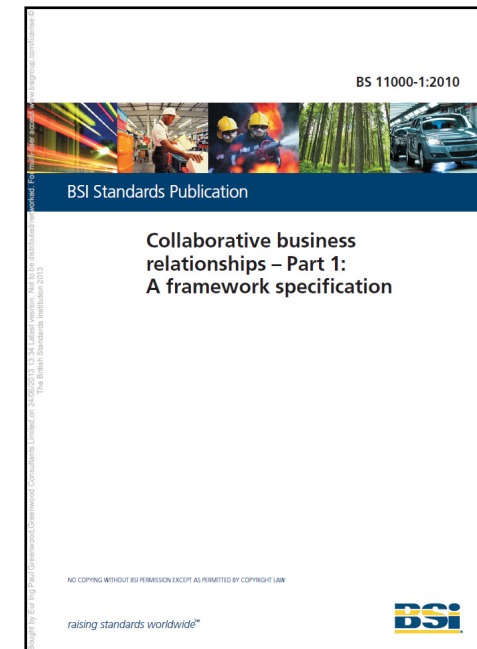
# Stage 8 Exit Strategy

- Establishing and maintaining a joint exit strategy
- Analysis of exit strategy
- Evaluating changes
- Initiating the process
- Business continuity and transition
- Future opportunities
- Relationship management plan



# BS 11000 Themes

- Leadership
- Objectives
- Competence and Behaviour
- Value Management
- Risk Management
- Knowledge Management
- Governance
- Exit Strategy



# BS 11000 Benefits

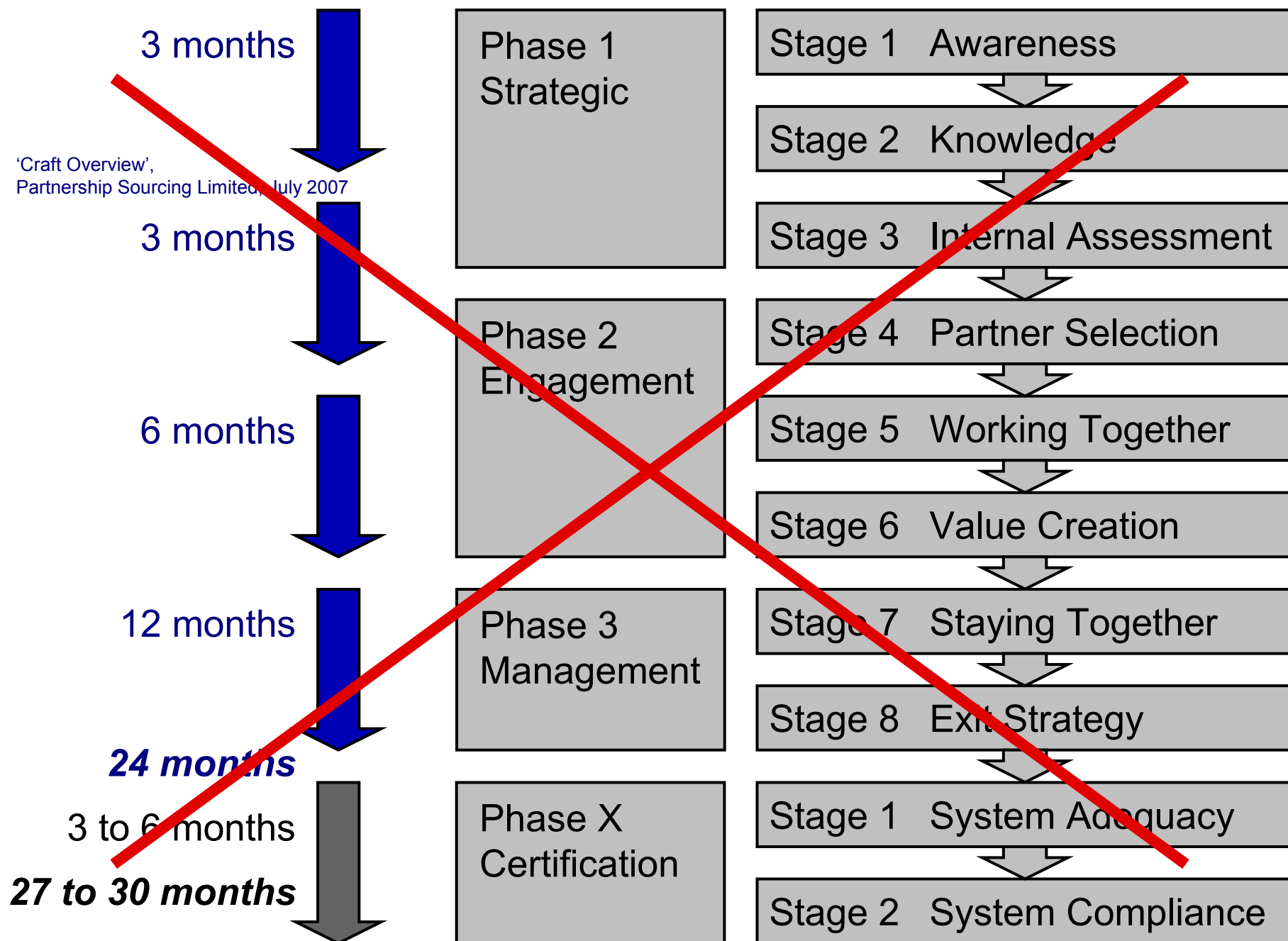
- Neutral consistent framework
  - Collaborative language
  - Change programme
  - Management system
  - ⇒ Basis for gap analysis
- Identifies key value creation issues
  - Leadership, competence and behaviour
  - Value, risk and knowledge management
- Meshes different business cultures, structures and systems
  - Public - private - third sectors
  - Large - medium - small businesses
- Provides mechanism for value creation



- Reduces risk
- Reduces time to implement
- Improves probability of success
- Improves overall value

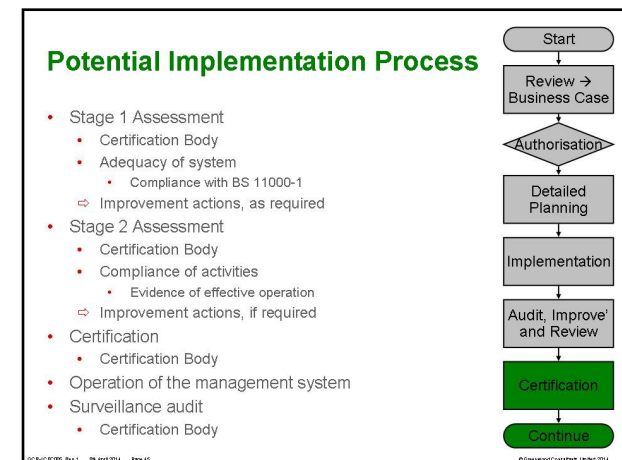
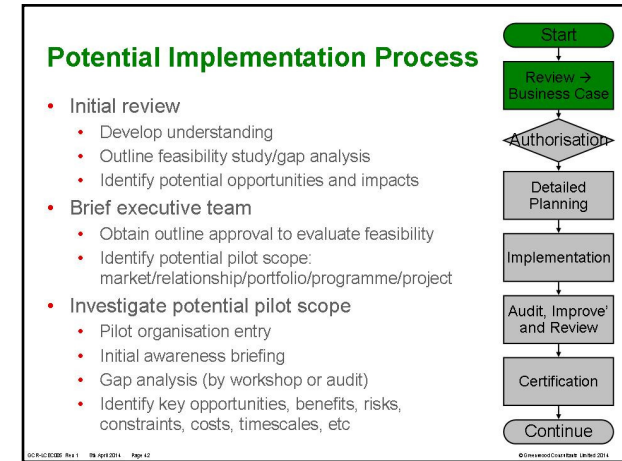
# BS 11000 Application

'Craft Overview',  
Partnership Sourcing Limited, July 2007



# Simplified Implementation

- Identify benefits
  - Where could CW add value?
- Identify scope and resources
  - Build knowledge
  - Identify the gaps
  - Outline a plan and budget
- Obtain authorisation
  - Business case
- Integrate new processes and systems
- Implement new process
  - Stages 1 to 6 on new relationship?
  - Stages 7 to 8 on extant relationship?
- Obtain validation
  - Certification



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# BS 11000-1 Certification

*... a milestone, not the goal*

- Assessment
  - 186 requirements
  - Standard two stage process

- Certification Bodies  
BSI

- 4 pilot certifications to PAS 11000-1
- >55 certifications to BS 11000-1 [Jan 2014]
- >120 organisations "actively preparing for certification" [Jan 2014]

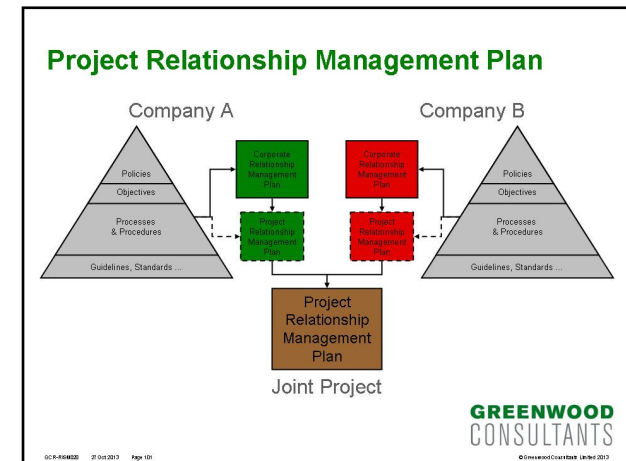
## Lloyds

- First certification 2013 [Jan 2014]

## Others ...

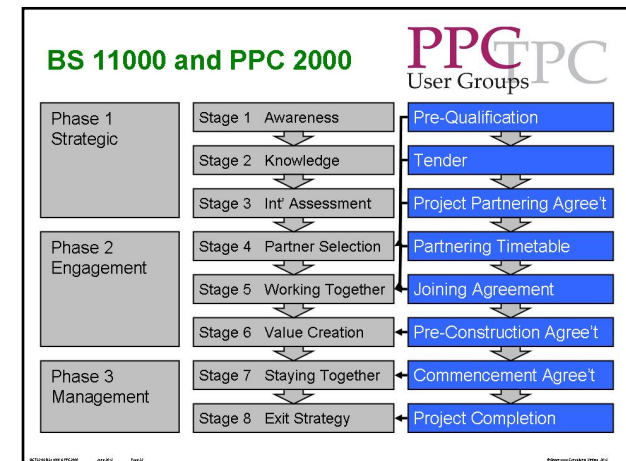
- Accreditation

- Maintains standards across Certification Bodies
- Not yet available [following publication of ISO 11000?]



# Conclusions

- Collaboration does not happen by chance
  - 95% perspiration, 5% inspiration
  - Driving a partnered relationship takes more time [up-front] - not less
- Established construction-specific models
  - Toolkits
  - Contracts
- BS 11000
  - Universal language and application
  - Change programme
  - Management system
  - Compatible with construction contracts



***... its about culture and behaviour***

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## Q&A

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# Our Services

