A NEW MODEL FOR COLLABORATION
An Introduction to BS 11000

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London Constructing Excellence 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


Drivers for Change
- Committed Leadership
- Focus on the Customer
- Product Team Integration
- Quality-Driven Agenda
- Commitment to People

Improving the Project Process
- Product Development
- Project Implementation
- Partnering the Supply Chain
- Production of Components

Targets for Improvement
- Capital Cost: -10%
- Construction Time: -10%
- Predictability: +20%
- Defects: -20%
- Accidents: -20%
- Productivity: +10%
- Turnover & Profits: +10%

'Egan 5-4-7'

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

- Common Vision and Leadership
- Collaborative culture and behaviours
- Collaborative processes and tools
Six Critical Success Factors

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

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.
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

- Formation of Partnership Sourcing Ltd by DTI & CBI
- New Engineering Contract ICE
- ‘Constructing the Team’ Latham
- ‘Rethinking Construction’ Egan
- ‘Guide to Partnering’ MOD
- ‘Building Down Barriers’ MOD
- PPC 2000 Contract ACA
- NEC Partnering Option X12
- Launch of the CRAFT Programme
- First Certifications by BSI
- BSI PAS 11000 (Standard)
- BS 11000-1 (Guide)
- BS 11000-2 (Guide)
- ISO 11000 Committee

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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
- ...

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The BS 11000 Model

Phase 1 Strategic
- Stage 1 Awareness
- Stage 2 Knowledge
- Stage 3 Internal Assessment

Phase 2 Engagement
- Stage 4 Partner Selection
- Stage 5 Working Together
- Stage 6 Value Creation

Phase 3 Management
- Stage 7 Staying Together
- Stage 8 Exit Strategy
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 2 Engagement

Selection of committed partners and the establishment of joint objectives, structures, processes and systems for creating new value.
Phase 3  Management

Management of the joint value-creating relationship and systematic disengagement

Phase 1  Strategic
- Stage 1  Awareness
- Stage 2  Knowledge
- Stage 3  Internal Assessment

Phase 2  Engagement
- Stage 4  Partner Selection
- Stage 5  Working Together
- Stage 6  Value Creation

Phase 3  Management
- Stage 7  Staying Together
- Stage 8  Exit Strategy
Stage 1  Awareness

Development of awareness and the overall strategic approach to collaborative working

Stage 1 Awareness
Phase 1 Strategic
Phase 2 Engagement
Phase 3 Management
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
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

Stage 1 Awareness
Stage 2 Knowledge
Stage 3 Internal Assessment

Phase 2 Engagement

Stage 4 Partner Selection
Stage 5 Working Together
Stage 6 Value Creation

Phase 3 Management

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
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
Stage 4  Partner Selection

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

Stage 1 Awareness

Stage 2 Knowledge

Stage 3 Internal Assessment

Phase 2  Engagement

Stage 4 Partner Selection

Stage 5 Working Together

Stage 6 Value Creation

Phase 3  Management

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

Stage 6  Value Creation

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
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
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
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 1 Strategic
Phase 2 Engagement
Phase 3 Management
Phase X Certification

3 months
3 months
6 months
12 months
24 months
3 to 6 months
27 to 30 months

'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
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?]

Project Relationship Management Plan

Company A

- Policies
- Objectives
- Roles & Responsibilities

Guidelines, Standards

Project Relationship Management Plan

Joint Project

Company B

- Policies
- Objectives
- Roles & Responsibilities

Guidelines, Standards
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

... it's about culture and behaviour
Our Services

- Collaborative Business and Project Relationships
- Performance Measurement and Improvement
- Management Systems
- Projects
- Major

- Organisation and Process Design and Reengineering
- Process Review and Improvement
- Facilitation

Greenwood Consultants