

DOES COLLABORATION REALLY DRIVE VALUE AND EFFICIENCY IN MAJOR PROJECTS?



Highlights from the Major Projects Association event held on 18th May 2017

Project manager: *'Boss, if we collaborate effectively we can reduce the time and cost of our project by 40%.'*
Boss: *'Great, I've just slashed your budget by 40%.'*

This fearful scenario, posed from the floor, cut to the heart of the debate about collaboration at this Major Projects Association event. The evening discussion sought to unpick why we seek to collaborate on major projects and tried to identify the quantitative and qualitative benefits of doing so.

WHAT'S IN IT FOR ME?

What became clear during the course of the event was that when collaboration works it is extremely effective at driving value and efficiency. It was suggested that one key to success is to tap into self-interest.

This could be in the form of all parties being allowed to make a profit even on public sector projects (where that concept can be hard to get agreed), as panellist John Doyle, Managing Director of B2B Partnering Performance Management, pointed out. Or, according to WYG Consultancy Services Managing Director, JC Townend, it could be to feed the pure 'what's in it for me' motivation that drives individuals in the project team and turn that to the common good.

'A decision to collaborate needs to be taken by an organisation at the top level and requires unstinting effort. But not all relationships need to be collaborative.'
John Doyle, Managing Director, B2B Partnering Performance Management

The notion of creating collaborative relationships with suppliers and competitors to enhance major project delivery is relatively new. The first time the word appeared in the [Major Projects Association's archive](#) was as recently as 2006. There is consensus that this approach to project delivery creates effective working between two or more companies. At best it is non-confrontational, mutually beneficial and relationship-based. But at worst can it be 'too close for comfort'?

COLLABORATION OR COLLUSION

Alex Murray from UCL asked, 'When does collaboration become collusion?' For the panellists there was a clear distinction. John Doyle believed the dividing line was if one party was being cheated – that was collusion. For Townend, collaboration is when you are working for a win-win for yourselves and the client/other parties; collusion is just a win for one organisation.

EFFECTIVE COLLABORATION

Evidence of the effectiveness of collaboration came from Anglian Water's @one Alliance Director, Dale Evans. Since the alliance of seven organisations was created to deliver Anglian's £200m annual infrastructure programme over a decade ago, the cost base of Anglian schemes has reduced by 30%, embedded carbon has been halved and there has been a 40% reduction in the time it takes to deliver projects.

'There are too many examples of organisations requesting or even instructing collaboration. You have to create the conditions for collaboration, you can't ask for it! In particular you have to create the mutual dependency that drives collaboration...If you are not prepared to change, then don't collaborate. The change required will present any organisation with a real challenge.'

Dale Evans, Director, @one Alliance, Anglian Water

Evans said that the real value has come from rethinking procurement. If teams are dropped into a traditional competitive and transactional environment that is how they will behave on the ground, however much something is badged 'collaboration'.

Collaboration requires a different procurement model, he said. And with the development of digital technology, which opens the way to joint working, mutual dependency and common data, that model is not an alternative; it will potentially replace the traditional option. He highlighted the recent Infrastructure Client Group's unveiling of [Project 13](#), which calls for a move away from transactional relationships to the creation of high-performing enterprises in order to deliver complex projects and programmes.

INCLUDE THE WHOLE SUPPLY CHAIN

Dale Evans and UK Power Networks Director of Capital & Procurement, Nirmal Kotecha, both made the point that in order to access real value and efficiency from collaboration, the entire supply chain has to be part of the game. That requires the supply chain to be mature and ready to collaborate, and clients to be minded to create integrated collaboration across the whole supply chain.

'You should only come in with the big guns of collaboration (like ISO 44001) when there is a high degree of complexity and interdependent risk, which means no party can successfully deliver alone.'
John Doyle, Managing Director, B2B Partnering Performance Management

Panellist Kathryn Vowles, Balfour Beatty's Business Development and Strategy Director, confirmed from experience that she had seen real benefits to long-term projects when the company worked closely with its tier two and tier three suppliers, making joint commitments – for example to develop skills.

'Value and efficiency do not necessarily come cheap. The collaborative effort in the right places needs to be factored in.'

Ian Gardner, Director, Arup

Vowles stressed that when contractors are involved early they can help manage risk and real value accrues from that. But in order for collaboration to deliver the best value, the bedrock is the people and process. In terms of process, she highlighted standard tools and guidance along with how the commercial aspects of a project are managed. In relation to people, learning how to unlock collaborative behaviour, in such a way that people feel comfortable, supported and protected, is vital.

SECOND NATURE

Event Chair and Arup Director, Ian Gardner, could see collaboration becoming second nature in project delivery, not least because it plays to the self-interest that drives the people doing the work.

He said that over his career he had come to realise that the journey is as important as the output. People have to enjoy their work. A sense of collectivism creates enjoyment, and over time the pleasure of collaboration will trump game theory and the need to win.

POINTS FOR FURTHER DISCUSSION

- When is collaboration not the right route to take?
- How can the public sector accommodate private sector objectives in collaborative projects?
- How do you change transactional warriors into collaborative empathisers?

FEATURES OF SUCCESSFUL COLLABORATION

1. Those at the top of the organisation need to:
 - commit to a collaborative way of working.
 - share their commitment with those on the ground and support them in their front-line collaborative endeavours.
2. Very deep understanding of joint and shared objectives, how KPIs should be delivered and who is responsible for what.
3. Shared support for the objectives of all parties – e.g. that the private sector companies need to make a profit.
4. Recognition that there are mutual benefits that come with collaborative behaviour.
5. Appropriate alignment of systems, processes and structures.
6. Competency of all the parties.
7. Commitment to continuous improvement of the relationship.

FINAL THOUGHTS

A relay race might be considered as a great example of collaboration. A 4 x 100m relay team has a clear singular objective and they are only successful if they all perform optimally. What is clear is that they need to collaborate. Then what is obvious, but really interesting, is that it is only the baton that does 4 x 100m = 400m. Each of the runners has to do more than their part, so more than 100m.

Why? Because it is all about collaborative behaviour at the interfaces (baton handover) to help optimise the performance of those before and after (or working around) you. The net result of this is that collaboration takes more rather than less effort from the participants.

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With grateful thanks to [Arup](#) for hosting this event.

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Participating Organisations:

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Anglian Water
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Atkins plc
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BP Exploration Operating Company Ltd
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