UK plc has a great interest in being able to deliver major projects efficiently and effectively. If the industry does not get it right it will not attract investment. This will impact both the public through poorer quality services and those looking for a robust pipeline of future work for their businesses. The Major Projects Association hosted a debate over whether collaboration is the panacea for project delivery or just a pipe dream.

WHAT IS COLLABORATION?

Collaboration is a positive approach to project delivery that creates effective working between two or more companies. It is:

- Non-confrontational
- Mutually beneficial
- Open and honest
- Non-traditional
- Relationship-based
- Integrated organisations

CONDITIONS FOR SUCCESSFUL COLLABORATION

Behaviour

Fundamentally there is a need to set up the right teams of people to make the collaborative effort work. You cannot simply impose it by declaring a collaborative arrangement; people have to behave in the right way to create success. Key to this is choosing people who can and do behave in the right way.

Behaviour in a contracting arrangement has three main drivers in increasing importance: a form of contract allowing certain behaviours, a commercial model that rewards those behaviours and outcomes, and procuring in the right way.

Starting the procurement process with a focus on creating a good team dynamic across all parties is important. Leading organisations balance their bidder appraisals towards non-cost elements to ensure that relationships and behaviours are at the forefront. This avoids the ‘cost illusion’ of a cheap initial bid followed by lost value during delivery from poor behaviour.

Leaders in the collaborative environment need a degree of emotional intelligence in order to both manage the relationships effectively and pick up on signals when individuals are putting forward what they think people want to hear, rather than truths about the project that are perhaps harder to digest.

Governance and accountability

Client intelligence and governance need to be maintained. Dangers exist in the collaborative environment of moving away from the application of clear accountability and governance rules due to the close nature of their working relationship. If clear accountability and governance within the project are lost, then even if the relationships are good the project performance will deteriorate.

Long-term relationships could be viewed as allowing laziness to creep in, allowing eyes to come off accountability and governance. This would destroy value, so the inclusion of regular ‘break points’ in the contract provides a focus for good behaviour and good governance. Clear visibility of performance aids the discussions necessary in maintaining that focus.

“We all build teams in our everyday work, so why do we forget to do this when it comes to procurement? Our Chief Exec regularly checked the focus of the [delivery partner] procurement activity back to its goals and aims, not just as an efficient process. This provided Anglian Water with a great outcome from that process.’

Dale Evans, Director, @one Alliance

In 2014 Infrastructure UK produced Improving Infrastructure Delivery: Alliancing Best Practice in Infrastructure Delivery. Published with the backing of HM Treasury it identified four main themes needed for the successful running of a collaborative alliance:

- Behaviour
- Leadership
- Integration
- Commercial arrangements

If these four themes are appropriately addressed then the chance of success was shown to be improved. The group looked across many sectors delivering infrastructure investment and concluded that, in the right circumstances, there was a positive business case for collaborative working.

“It is easier to equip people who already have the right behaviours with technical capability than it is to equip people who have the right technical capability with the right behaviours.”

Peter Forsyth, Director, Strategy & Investment, Carillion
**Hard and Soft**
Collaboration is not arrived at by ‘fluffy words’ within contracts. There are examples of contracts containing what looks like the right vocabulary about alliances, collaboration, partnering and not trying to do each other down, but which also have many more subtle clauses that erode the behaviours. Contracts need to be clear and precise about their encouragement of collaboration, not fluffy.

It is not easy; it is hard work. Traditional arrangements are black and white, which is quite comforting even though it is not necessarily delivering what we all need. There is a definite long-term commitment needed to change personnel, individual behaviours and organisational behaviour, where necessary.

Do we have people with the right behaviours in the right positions? Can they take the rough with the smooth? Can they sign that change order? Can they take quick but informed decisions? Can they hold true to the intent of the contract? Can they be honest in identifying where the risks lie and with whom?

**Alignment**
Incentivisation is important in order to ensure that the right outcomes and behaviours are rewarded. Incentives that share rewards based on risk and opportunity management will reinforce collaborative behaviours.

Managing the risks and opportunities robustly requires aligning the risks and rewards. It also requires the individuals involved to hold to the intent of the contract. Robustly and honestly applying the contract will ensure the alignment is maintained during the life of the relationship.

The relationships will be sustainable only if there is mutual benefit and the client’s outcomes are delivered. During procurement it needs to be made clear that the outcomes of the client are the key measures of success.

**Is it applicable everywhere?**
While collaboration is useful, the investment of money and time, and the level of commitment required for success indicates that it is not applicable in all circumstances. Longer, larger, more complex projects are likely to benefit from the opportunities collaboration creates. Innovative thinking can thrive in this environment, allowing novel solutions to seemingly impossible challenges.

Perhaps collaboration is a panacea, but it is certainly not a silver bullet.

> ‘When antibiotics were first used they had an enormous and immediate positive impact on health. Vaccination did not have such a large and obvious impact on health as antibiotics. However, some 200 years later it has eradicated smallpox completely. Vaccination works by aggressively treating every outbreak of disease and developing a herd immunity. By addressing each ‘outbreak’ of non-collaborative behaviour and making collaboration the norm, managers “vaccinate” their teams and lead the culture necessary for collaboration to thrive.’

Martin Arter, Programme Development Director, Network Rail

> ‘I’m on a one woman mission to remove fluffy words from contracts ... by all means have the contract make it clear that you want to avoid the old dog-eat-dog approach, but it is hard work on the relationships, commercial model and individuals’ behaviours that deliver success.’

Victoria Peckett, Partner, CMS Cameron McKenna

**POINTS FOR FURTHER DISCUSSION:**
- Do we really know what a good collaboration looks like?
- How do you ensure that sufficient attention is paid to unlocking the benefits?
- What is best practice in terms of team selection?
- Do all organisations have the appetite and energy to put in the effort that is required?
- What is the right mindset to collaborate?
- Do we really know what a good collaboration looks like?

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