



# MOD Partnering Support Group: collaborative working in tough times

*In defence projects, a collaborative approach can often bring about a higher degree of success for all parties involved. In this special feature, Lesley McNamara of the MOD's Partnering Support Group, looks at the concept of collaborative working and what it can mean for the MOD and wider industry.*

**T**he term 'partnering' is used widely and has a variety of definitions. Partnering, as currently defined by the MOD in the Partnering Handbook, requires specific terms and conditions to be written in the contract which are underpinned by a structured approach to managing the business relationship.

However, MOD contracts generally do not have all these specific terms and conditions, but project teams are working together with industry to deliver their output – collaborative or joint working is a better way to describe this type of arrangement and it can take many forms – Partnering, Alliances, PFI and PPP.

## Benefits

Tangible benefits from joint working are notoriously difficult to identify in isolation, but the National Defence Industries Council (NDIC) Partnering Implementation Working Group (PIWG) consisting of MOD and Industry representatives, have from their project review activities compiled the following expected benefits:

- Greater transparency and openness
- Joint efficiency – delivering improvements against overall target cost
- Incentivised pricing arrangements and joint pain/gain share arrangements driving project efficiencies
- Enhanced reputation
- Traditional approaches are challenged and new ways of working explored
- Communicating with 'one voice' – no duplication of effort
- Achievement of joint success
- Regular measurement of the relationship, driving teams to make improvements through agreed action plans

## Challenges

Collaborative working is not a 'soft' option – in fact it is quite the opposite, it is a tough option and there will be considerable challenges to face. *Collaborative working will not be successful if there is:*

- Lack of:
  - Leadership commitment/management support
  - Governance structure
  - Strategic direction
  - Joint planning
  - Shared goals/success criteria

- Benefit/risk sharing
- Relevant skills and adequate resources
- Cultural mismatch
- Poorly defined measurement
- Hidden agendas
- Poor communication
- Ineffective/poorly defined issue resolution mechanisms

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## Business Relationship Management

There is much evidence (see Endorsement section) suggesting successful project delivery is underpinned by a robust business relationship between the customer and supplier. Taking a structured approach to managing the business and developing the 'right culture' is a key factor in this. *Joint teams need to create the right environment and encourage appropriate behaviours by:*

- Starting as early in the project cycle as possible to identify the areas where working jointly will enhance delivery of the output
  - Articulating these in a Relationship Management Plan
  - Taking a baseline measurement of the business relationship
  - Identifying development actions that will have most impact on delivery
  - Tracking progress on actions and taking regular measurement
- The Skills Group (part of the NDIC Structure) have agreed a set of behaviours for joint working. These are categorised under the following headings:
- Communicator
  - Solution seeker

- Forward looking
- Comfortable with change
- Relationship builder

### Key skills

*When managing a Joint Working programme there should be a strong emphasis on:*

- Leadership
- Change management
- Communication
- Problem solving and decision making
- Negotiating and influencing
- Coaching
- Stakeholder management

### Building Trust

*Building trust between parties will support a successful business relationship. Trust takes a long time to build and can be easily destroyed. It can be encouraged through:*

- Good performance and reliability
- Openness
- Honesty
- Responsiveness
- Commitment
- Fairness
- Sharing information
- Communication
- Early warnings
- Going the extra mile

### Publicly Available Specification 11000 (PAS11000) – Collaborative Business Relationship Framework

A consistent and structured approach to business relationship management is a key enabler to delivering a successful project.

*PAS11000 provides a framework for collaborative business relationships which will become a British Standard by the end of 2010. It follows an 8 stage route map:*

- Awareness – the basis for proceeding and the rationale for adopting a collaborative approach
- Knowledge – establishing a body of knowledge on which to base a collaborative approach
- Internal assessment – MOD's readiness to successfully work jointly with Industry
- Partner selection – using the right selection criteria to appoint a supplier that is capable of working jointly
- Working together – both organisations mutually agreeing a formal foundation for working together
- Additional value creation – establishing procedures for how collaborative working can deliver benefits unattainable from more traditional approaches
- Staying together – recognition that commitment from both parties is required to maintain the relationship at its most effective level
- Exit Strategy – defining the boundaries of the relationship and recognising when the relationship has delivered what it set out to do or is no longer capable of doing so.

There has been a considerable interest in the standard both by Industry and MOD. The MOD Commercial Service Board has endorsed the principle of the PAS, and the MOD Partnering Support Group (PSG) advocate following this approach.

### Partnering Implementation Working Group (PIWG)

The Partnering Implementation Working Group (PIWG) comprises MOD and Industry representatives and promotes best practice in Joint Working (JW) and Business Relationship Management (BRM).

It is co-chaired by the MOD PSG and Industry. The joint chairs of the PIWG are currently reviewing the future operating structure to prepare the PIWG for the anticipated increased tasking from the Commercial Policy Strategy Group (CPSG), and to ensure that its members are all contributing to the development of best practice and its wider aims.

The intention is to set up a core strategic board comprising a maximum of four MOD and four Industry members, and will act as a directing/tasking authority and clearing house for the work produced by its subordinate groups. These are likely to be jointly managed by a select group of PIWG 'associate members', constituted to handle the work streams covering Communications, Policy & Guidance and a Centre of Excellence (for acquiring, reviewing and publishing recommended practice for teams to follow in developing joint working procurements). Membership of these will be small and fluid to allow for maximum Industry participation and to tap into a diverse range of views. The PIWG has recently been tasked to scope how to drive more innovation and benefit from joint working.

### Endorsement

*A number of organisations have recognised that collaborative working will underpin the success of their projects:*

- The National Air Traffic Services have recognised their business success is linked to building partnerships with organisations that have complementary skills and expertise or pursues similar goals.
- Raytheon recognise the importance of partnering and have become one of the first companies in the UK to achieve PAS 11000 certification by BSI.
- BAES have identified that their higher performing projects are supported by an emphasis on collaborative working and are developing, with the MOD, a common framework to manage their business relationships.
- The NAO recognise that 'investing in the relationships and behaviours of organisations in the long and short term delivers superior project performance.'
- UKMFTS have a strategic objective 'to develop a strong and enduring partnering relationship with our Industry Partners in order to best harness the collective skills of Industry and MOD.'

### Way ahead

It has been over two years since the MOD published the Partnering Handbook and the Handbook is currently under review. It is clear that in the current environment of constrained budgets and reducing resources, the MOD and industry need to work closer to achieve mutual objectives.

The MOD PSG is a dedicated team who have a wide range of experience in joint working matters. They are currently focusing on actively supporting and delivering outputs associated with the anticipated implementation of BS 11000. The group operates across the MOD, working closely with the Director General Defence Commercial – Directorate Commercial Systems (DGDC-DCS), the owner of MOD partnering policy.

### Further information

*For further detailed advice on any area of this article please contact:*

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