

CQI Construction Body of Knowledge

AN INTRODUCTION TO BS 11000

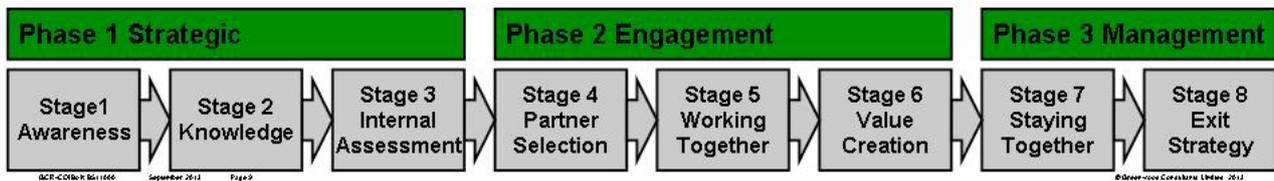
Rev 1 - For Publication

This section provides an overview of BS 11000 'Collaborative Business Relationships'. It describes the genesis of BS 11000, outlines its structure and explains its core requirements. This section does not attempt to describe the benefits of collaboration, which are covered in the earlier section on 'Collaboration'.

EXECUTIVE SUMMARY

BS 11000 provides a framework for collaborative relationships in organisations of all sizes, from concept to disengagement. BS 11000 has two parts: Part 1, a 'Framework Specification' (the Standard) and Part 2, a 'Guide to Implementing BS 11000-1' (the Guide).

The framework consists of three Phases and eight Stages. The framework ranges from: initial exploration of the potential of collaborative working to enhance strategic objectives, in Stage 1; through the establishment and ongoing management of a collaborative relationship; to the consideration of future business opportunities, in Stage 8, following exit from the collaborative relationship.



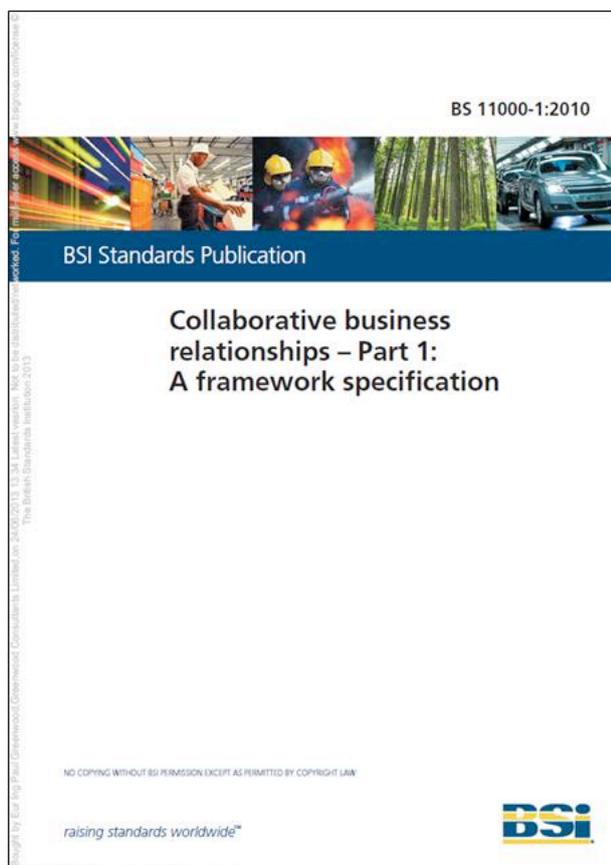
The Standard was initially developed and applied to complex relationships in the aerospace and defence contracting sectors, but has now been successfully applied in construction in most relationship topologies, including: client/constructor, constructor/constructor JVs and constructor/supply-chain.

In a manner similar to conventional management systems standards, BS 11000 provides a common language and neutral starting point for change. This reduces the risk of change and the time to implement it, whilst improving the probability of success.

INTRODUCTION

BS 11000 provides "a strategic framework to establish and improve collaborative relationships in organisations of all sizes", from concept to disengagement, and is the first national standard of its type. BS 11000 has two parts: Part 1, a 'Framework Specification' (the Standard) and Part 2, a 'Guide to Implementing BS 11000-1' (the Guide).

The Standard includes both a change programme for the development of a collaborative relationship and a system for managing it. It provides a basis for gap analysis and, in a similar manner to partnering contracts, such as the JCT/Constructing Excellence contract, reduces the risk of collaboration and time to implement, whilst improving the probability of success.



The Standard is flexible and may be applied across a variety of relationship topologies; for example, by a:

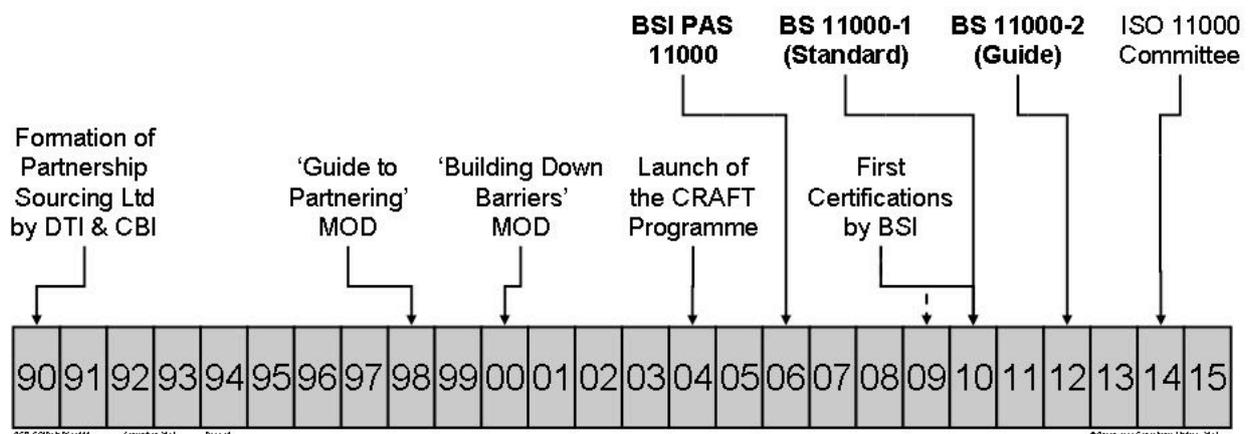
- Client, its consultants and constructors, on a single programme/project
- Client and constructor, in a relationship managing a portfolio, programmes or projects
- Constructor, managing their supply-chain.

The Standard should *only* be applied "where collaboration can open new strategic opportunities" or provide "potential for improvement" - that would not otherwise be available in a more traditional relationship.

BACKGROUND

The Standard has its genesis in the early 1990s. Whilst construction was searching for a better way of working, with the publication of the ICE 'New Engineering Contract' (NEC) and 'Constructing the Team' (Latham), the DTI (now BIS) and the CBI established a joint venture, Partnership Sourcing Limited (PSL), to help businesses develop effective partnered relationships. The joint venture facilitated partnerships and developed a range of tools, techniques and processes that became the CRAFT framework (Collaborative Relationship Assessment Fulfilment Transformation). Subsequently, CRAFT was published, as a publicly available specification, PAS 11000, in 2006.

PAS 11000 was first adopted in the traditionally challenging aerospace and defence contracting sectors. An assessment and certification process was trialled and, shortly after the publication of BS 11000-1, in 2010, a group of pilot organisations were certified to the Standard, by BSI.



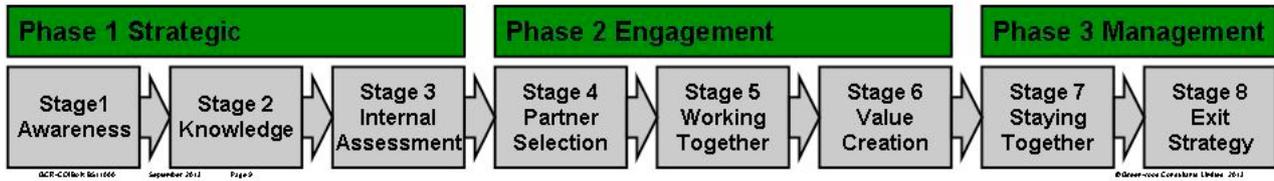
The Standard has since been applied extensively in the rail sector and is rapidly being adopted for major infrastructure and facilities management frameworks.

COMPATIBILITY WITH COLLABORATION IN CONSTRUCTION

The 'hard' systems tools, techniques and processes that are embedded in the Standard; such as those for risk, value and performance management, are similar to those espoused in Rethinking Construction and embedded in partnering contract forms, for example, PPC 2000, and industry tools/techniques, for example, the Strategic Forum Integration Toolkit and the Housing Forum Partnering Toolkit.

However, the Standard seeks to influence such 'soft' items as leadership, behaviour and competencies for collaboration, at a much earlier stage than most collaborative frameworks - before any commitment to a particular procurement programme or form of contract.

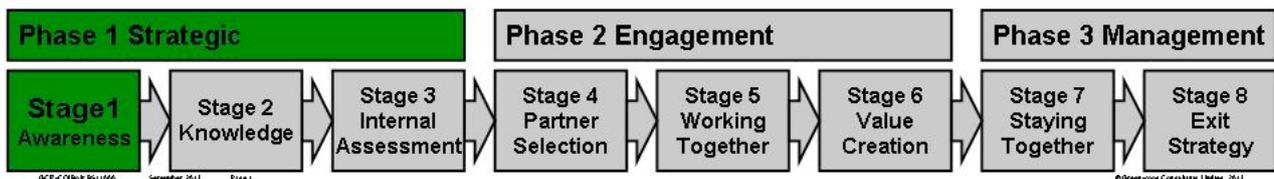
THE FRAMEWORK



The Standard's framework consists of three Phases (Strategic, Engagement and Management) and eight Stages, ranging from Awareness (Stage 1, an initial exploration of the potential benefits of collaboration) through to Exit Strategy (Stage 8, the rules for disengagement).

The Standard contains detailed 'requirements' - they are often more detailed than familiar management system specifications, for example, ISO 9/14/18001. The Guide describes potential methods of implementing each requirement and shows how these fit together as mini-processes within each Stage. In practice, construction businesses may find it more appropriate to adopt a gateway approach, ensuring that all requirements in a Stage are satisfied before the end of it, rather than following the strict serial processes shown in the Guide.

Awareness



In this opening Stage, the business is required to reviews its objectives and explore the potential benefits and opportunities of collaboration. The Standard requires that the business:

- Establish its awareness of collaborative working, and develop its policy for collaboration
- Identify its strategic objectives and where these may be enhanced by collaboration, and
- Identify the potential benefits that may arise.

With the initial direction and commitment established, the business is required to analyse current and potential relationships to find out where collaboration may provide additional benefits or new opportunities.

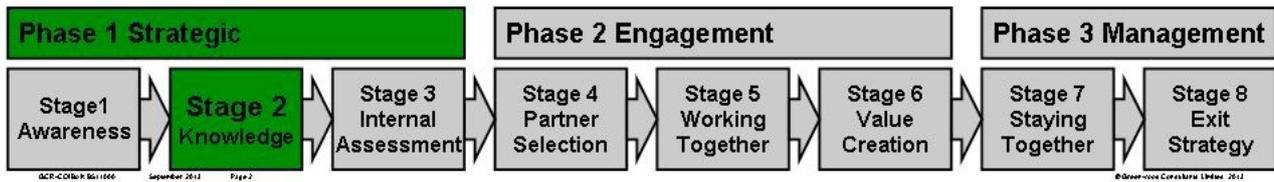
This is a conventional strategic business approach. Where the Standard may now differ is in its early focus on:

- Having competency models in place (that will assure collaborative behaviour)
- Identifying key staff and their roles in potential collaborative initiatives, and
- Ensuring that such individuals have appropriate skills to support collaboration.

The Standard requires the business to undertake risk assessments for the potential relationships. Again, this is quite conventional, but it also requires early consideration of competency and cultural aspects.

Finally, the Standard requires the business to: prioritise and plan for each significant relationship identified; and to establish: procedures, a Relationship Management Plan (RMP) and other documentation.

Knowledge



In this Stage, the business builds its knowledge in order to be able to evaluate the potential opportunities, identified above, and to develop a specific implementation strategy for each of them.

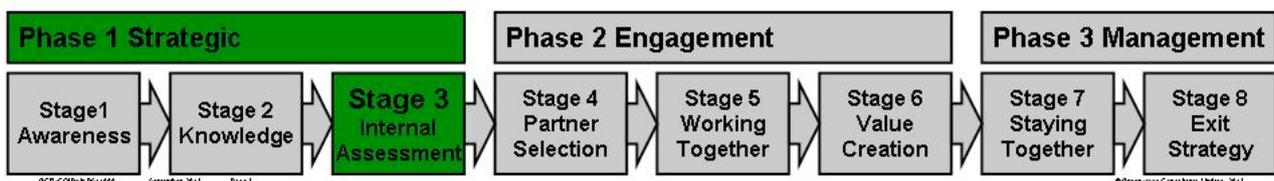
The Standard requires that procedures be in place to capture and manage knowledge and, particularly, to establish what knowledge is to be shared with, or to be protected from transfer to, collaborative partners.

The Standard sets out detailed requirements for the development of the strategy and business case for each opportunity - including consideration of an initial exit strategy, ie the rules for disengagement.

At this stage, the Standard also defines more detailed requirements for ensuring appropriate competencies and behaviours are in place, and for establishing and maintaining the risk management process.

From this point forward through the framework, each Stage finishes with the requirement that the RMP be reviewed and updated to capture the outputs of the Stage.

Internal Assessment



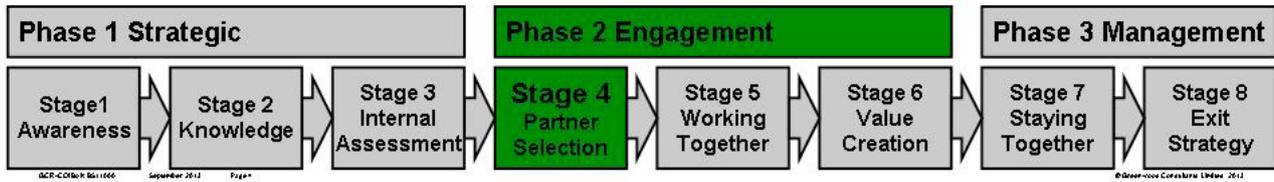
In this Stage, the business undertakes an assessment of its capability and readiness to engage successfully in a collaborative relationship. This is important in order to understand further internal development needs and to establish the fit required with a potential partner.

Thus, the Standard requires the business to carry out a structured assessment of its strengths and weaknesses, starting at executive level, and then to establish a collaborative profile. Typically, the profile will be in the form of a management maturity grid, highlighting gaps where, for example, additional staff development or recruitment may be required.

The business is required to map out a profile of a potential partner as a basis for future selection for a particular collaborative opportunity. This must be accompanied by an internal action plan to carry the business through the next Stages.

It is at this Stage that the Standard introduces a general requirement for senior executive review of the collaborative relationship management system - analogous to Management Review in ISO 9/14/18001.

Partner Selection



In this Stage, the business implements a structured approach to the identification, evaluation and selection of a partner for each collaborative opportunity. This is, perhaps, the first Stage where anyone working in a traditional construction regime will recognise a similarity with their normal design/procure/construct process.

The Standard requires the business to nominate potential collaborative partners and to evaluate their profiles against the collaborative profile developed in the previous Stage. In a traditional construction regime, this would be the pre-qualification process.

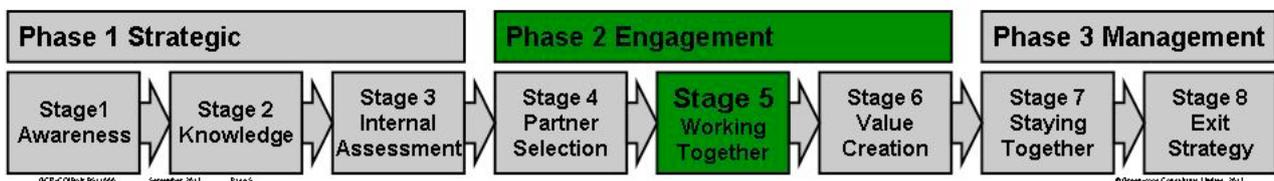
The Standard continues with partner evaluation and selection; requiring the establishment of 'partner selection action plans' based upon the partner selection criteria developed in the previous Stage. In a traditional construction regime, this is would be the tender planning process.

The Standard then breaks from a traditional construction regime and requires the structured development of common/joint objectives - based upon the objectives of the initiating business and the requirements of the new collaborating partner. This is similar to the approach taken in some partnering arrangements.

The Standard continues with the requirement for the business to: "establish a negotiation strategy to facilitate collaboration and instigate this based on the business strategy, objectives and partner evaluation and intended principles for working together."

Finally, the Standard requires that the collaborative partner is selected (based upon the overall evaluation, including partner selection criteria and negotiations) and appropriate principles and arrangements agreed.

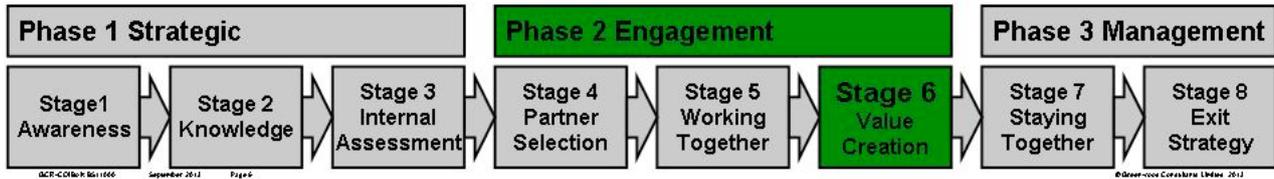
Working Together



In this Stage, the initiating business and the new collaborating partner together establish a joint platform for collaborative working.

Thus, the Standard contains requirements for establishment of: governance, organisation, knowledge management, communications management, risk management, business process management, contracting arrangements, performance measurement, monitoring and continual improvement. This detailed pre-contract approach is similar to that in the pre-construction phase of the PPC 2000 series of contracts.

Value Creation



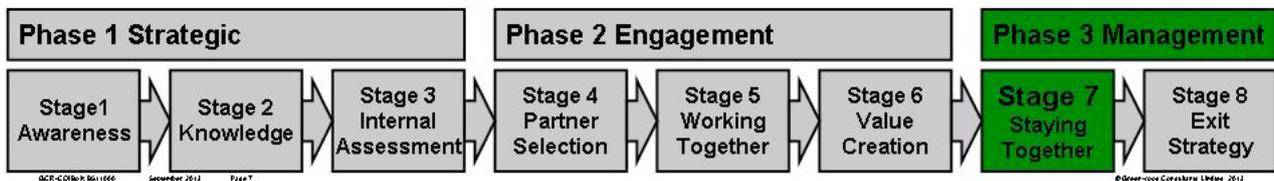
In this Stage, the partners define how they will create additional value from the collaborative relationship through innovation and continual improvement. The Standard requires the establishment of:

- A value creation programme (including a requirement to definite what is 'value' to the partners)
- Performance indicators and specific improvement targets, and
- An improvement team to execute the programme.

Again, this has parallels with the VE and CI programmes embedded in partnering contracts.

Finally, the Standard requires the establishment of a learning process to capture knowledge from within/without the relationship and an innovation process that generates value-adding ideas for implementation.

Staying Together



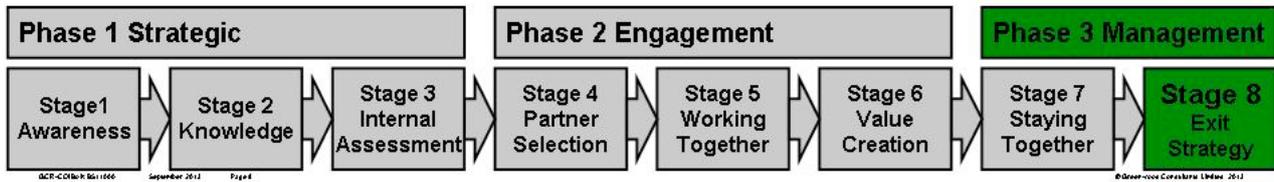
In this Stage, the partners now implement the agreed arrangements, jointly managing the relationship and creating value for each partner. Here the Standard requires:

- Ongoing management, ensuring that each partner operates their part of the governance process
- Joint monitoring and measurement of the relationship
- Maintenance of behaviours and trust
- Delivery of measurable performance, and
- Creation of additional value through improvement and innovation.

Again, this is parallels best practice construction partnering processes.

Finally, the Standard requires the operation of a joint issue-resolution procedure, with appropriate escalation, and the periodic review of the joint exit strategy, which is described in the following Stage.

Exit Strategy



In this final Stage, the partners jointly define the rules for disengagement, recognising that relationships, like the business environment, are subject to change. Early definition of such rules, recognises potential trigger points, ensures clarity of arrangements and, subsequently, helps assure the long-term value of the relationship to each partner after disengagement. The Standard requires that the joint management team establish and maintain a joint exit strategy. The exit strategy must take into account:

- The planned end of the relationship or the premature exit of one party
- The potential affect of exit upon other internal and external stakeholders
- Arrangements for business continuity, and
- If necessary, the need for an orderly transition to another partner.

Whilst these exit strategy requirements go beyond conventional construction partnership arrangements, it is increasingly common for strategic frameworks, structured under a Strategic Alliancing Agreement and/or the PPC/TPC contracts, to provide for this orderly disengagement/engagement of partners.

CONCLUSION

Although BS 11000 has only recently become known outside of its original defence and aerospace niche, it is now providing a more detailed and robust framework for collaboration than had been previously implemented, other than under bespoke Alliancing/M&A arrangements.

At the time of writing, mid-2013, approximately 70 businesses were known to have received, or be committed to, certification to the Standard.

REFERENCES

- 1 BS 11000-1:2010 'Collaborative Business Relationships - Part 1: Framework Specification', British Standards Institution, 2010
- 2 BS 11000-2:2011 'Collaborative Business Relationships - Part 2: Guide to Implementing BS 11000-1', British Standards Institution, 2011
- 3 'Raising the Standard for Collaboration', David E Hawkins, The British Standards Institution, 2013
- 4 'Collaborative Working: The Principles', Constructing Excellence, June 2011
- 5 'Integration Toolkit', Strategic Forum for Construction, 2004
- 6 'Partnering Toolkit', Housing Forum, 2004.