



BSI Standards Publication

Collaborative business relationships – Part 1: A framework specification

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ISBN 978 0 580 69562 9

ICS 03.100.99

The following BSI references relate to the work on this standard:

Committee reference SVS/1

Draft for comment 10/30212010 DC

Publication history

First published October 2010

Amendments issued since publication

Date	Text affected
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Summary of pages

This document comprises a front cover, an inside front cover, pages i to ii, pages 1 to 40, an inside back cover and a back cover.

Foreword

Publishing information

This British Standard is published by BSI and came into effect on 31 October 2010. It was prepared by Technical Committee SVS/1, *Business services*. A list of organizations represented on this committee can be obtained on request to its secretary.

Supersession

Together with BS 11000-2¹⁾, this part of BS 11000 supersedes PAS 11000:2006, which is withdrawn.

Relationship with other publications

BS 11000 is published in two parts:

- *Part 1: A framework specification;*
- *Part 2: Guide.*¹⁾

Presentational conventions

The provisions of this standard are presented in roman (i.e. upright) type. Its requirements are expressed in sentences in which the principal auxiliary verb is "shall".

Commentary, explanation and general informative material is presented in smaller italic type, and does not constitute a normative element.

Contractual and legal considerations

This publication does not purport to include all the necessary provisions of a contract. Users are responsible for its correct application.

Compliance with a British Standard cannot confer immunity from legal obligations.

¹⁾ In preparation.

0 Introduction

0.1 General

The aim of this British Standard is to provide a strategic framework to establish and improve collaborative relationships in organizations of all sizes. It addresses the requirements for collaborative relationships to ensure they are effective, optimized and deliver enhanced benefit to the stakeholders.

Collaborative approaches have been shown to deliver a wide range of benefits, which enhance competitiveness and performance (for example, but not limited to, better cost management, improved time, improved resource and risk management and delivering incremental business value and innovation). Compliance with this British Standard will help enable collaborative partners to effectively share knowledge, skills and resources to meet mutually defined objectives and to provide new levels of value creation.

Effective collaboration will, over time, create an environment that engenders trust between organizations. This in turn will increase their ability to deliver joint efficiency improvements, challenge traditional working practices and explore new ways of working, enhance transparency and openness, strengthen their ability to challenge and innovate, understand and overlay each party's governance and assurance processes.

Relationships impact every aspect of business operations. In developing any form of relationship management programme, it is important that organizations target their activities to ensure there is a clear direction for investment. The timescale for the relationship building process will vary, depending on the nature and complexity of the relationship. After they are established, business relationships might last for many years and could change considerably over their lifetime.

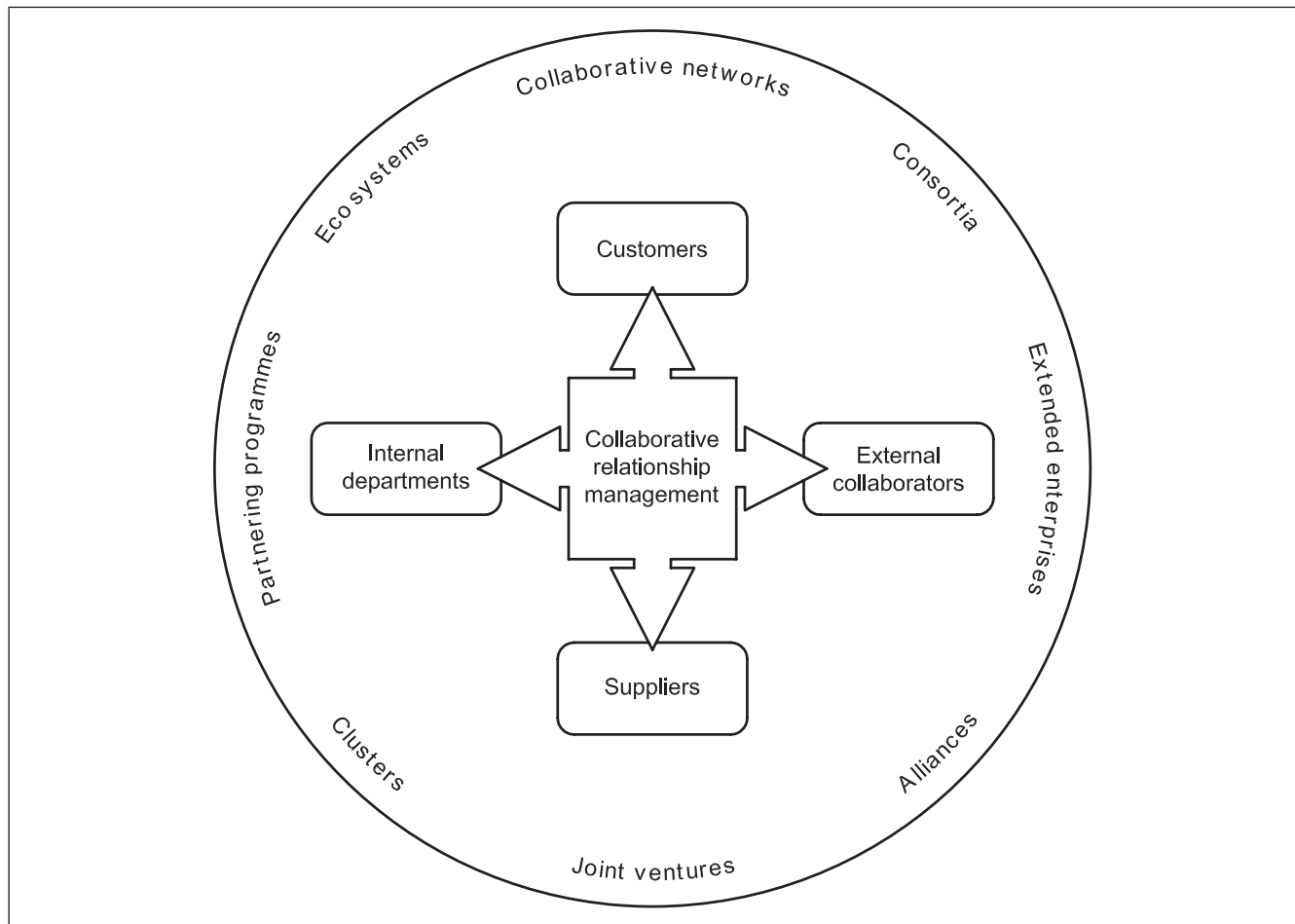
Collaborative relationships in the context of BS 11000 can be multidimensional (see Figure 1). They can be individual one-to-one relationships but more frequently they are networked relationships which might involve multiple parties, including external collaborators/partners or alliance partners, suppliers, various internal divisions and often customers, working together. These are often described as business networks, supply chains, clusters, ecosystems or extended enterprises. It might also be applicable to consortia and joint ventures, even where the individual organizations might not be implementing the standard overall.

The overall process as defined within this British Standard has been established to provide a framework that will allow organizations to incorporate their existing best practice approaches. It is also recognized that given the diversity, complexity and size of organizations covered by this British Standard, the degree of application will by necessity vary within the overall framework. This is particularly important when considering the potential of collaboration between organizations of differing sizes, capability and resources, such as large multinationals dealing with smaller organizations.

The intent of this British Standard is not to create a single one-size solution but to establish a consistent framework that can be applied by organizations of all sizes. The process and applications within this British Standard highlight the key areas which all organizations

should address. The checklist contained in Annex A provides a guide to the key issues and forms the foundation for those organizations seeking to comply with this British Standard.

Figure 1 **Multidimensional relationships**



The structure of this British Standard has been based on pan-industry sector good practice approaches based on the collective experiences and evidence of a broad range of practitioners, the adoption of the PAS 11000 framework and the feedback from pilot programmes. The standard follows the three-phase approach (Strategic, Engagement, Management), containing eight stages as described in the Scope. The first three stages, Awareness, Knowledge and Internal Assessment, provide the strategic foundation that links collaborative approaches to the overall business operation. These stages include the evaluation and benchmarking of collaborative approaches within the industry sectors or across industry in general, as well as focusing on the capability of an organization to collaborate.

When the strategic elements of collaboration have been addressed, the organization will be ready to engage with others. The Partner Selection stage should be used to identify potential new partners or to validate existing relationships, while the Working Together stage sets out how the collaboration will function in practice. Value creation in many organizations might initially start as part of the engagement process and continue on through the management of the relationship.

The management of the relationship is covered by the Staying Together (through delivering the agreed and expected services/benefits, including continual value creation) and Exit Strategy stages, which focus on an individual relationship. However, organizations should consider these stages more broadly when addressing internal processes that might need to be adapted or developed when implementing this British Standard.

Collaborative relationship management is a complex area where the specific demands of organizations will provide a wide range of customization in order to build towards the most effective outcome. This British Standard has been specifically developed to highlight the key elements for success, provide a common route map for ease of integration and a measurable platform to monitor progress.

0.2 Common themes of relationship management

There are a number of common themes throughout the eight-stage framework which are fundamental to the success of any collaborative venture. These are:

- alignment with business objectives and desired outcomes, both internal and those agreed with external partners;
- agreement, governance and alignment of common operations and activities;
- the creation of value and delivery of mutual benefits;
- effective integration of appropriate risk management.

All of these can be captured in the relationship management plan (see 0.9).

0.3 Objectives and desired outcomes

The successful adoption of collaborative approaches should be anchored in the ability of initiatives to deliver defined objectives and outcomes that are integrated with those of the organizations and stakeholders involved, and which need to be regularly revisited to ensure they remain relevant over time. These might not always be fully aligned but should be as a minimum complementary or neutral in terms of the key objectives. Organizations might find that working in a collaborative relationship could introduce challenges to existing operating structures. It is therefore essential that collaborative relationships are seen to be clearly linked to the organization's business objectives.

0.4 Performance, competencies and behaviours

Openness and trust are key facets of any effective collaboration and thus policies, processes and governance should be continuously reinforced to ensure optimum performance and a sustainable relationship. Operating in a collaborative environment and integrating with external parties requires competencies and skills in order to build and maintain an environment that will promote the appropriate behaviours that will underpin the performance. Performance is crucial in any collaborative relationship in terms of maintaining optimized output and behaviours, such as meeting objectives and obligations at all stages of development and implementation.

0.5 Creation of value

The activities of any organization should be focused on delivering value to the stakeholders, however that might be defined by the organization. Collaborative working can provide the basis to create new value which could not be achieved by the organization working independently. Collaboration with external parties can also be a catalyst for innovation, whether this is customer or market driven, process and performance improvement, resource optimization or technology development. It is also important that whilst collaborative initiatives may be set up against a specific value proposition, continual improvement programmes should be maintained.

0.6 Risk management

Collaborative working can provide an effective basis for reducing risk but increasing interdependence could introduce some new elements of risk that had not previously been identified. Any initiating organization wishing to take a collaborative approach to risk management with their partners should first have a foundation of defined processes on which to base such approaches. The organization should have defined processes for risk management. As a minimum, these processes should include defined approaches for:

- identification of risks;
- analysis of risks;
- mitigation of risks;
- ongoing management;
- review of risks, with particular reference to the impacts of collaborative working.

Most organizations with mature processes are likely to have a defined approach to risk management. Therefore, the focus for adoption of collaborative working would be to develop and enhance the process to facilitate a joint approach to be taken to the risk management activities.

0.7 Operations, activities and performance

The objective of this standard is to provide a framework for collaborative business relationships that is integrated into an organization's established operations, activities, processes and procedures, to optimize the benefits of collaboration. In this context, the adoption of a collaborative approach should enhance and not detract from the obligations and responsibilities agreed between the parties. Failure to meet the agreed obligations and performance established between the parties or to manage challenges that could arise is likely to create fundamental pressures on the relationship.

0.8 Exit strategy

The exit strategy is shown as the last stage in the relationship life cycle but is in fact a key aspect that should be addressed and maintained throughout the whole life cycle. The strategy should focus on how the parties plan to disengage when necessary by identifying the triggers and ensuring effective business continuity and customer support. Clarity of focus will strengthen the relationship by recognizing the value of jointly

monitoring and ensuring that the concerns and needs of each partner are duly addressed. It is important to ensure that whilst one particular initiative might come to its useful end due to a variety of factors, others could emerge from successful collaboration. The implication of terminating an agreement might be appropriate but how this is presented and interpreted will influence the way each party proactively approaches engagement, disengagement and future relationships.

0.9 Relationship management plan

The relationship management plan (RMP) functions at two levels of the organization. As a corporate model, it signposts or incorporates the processes to be adopted in the case of collaborative programmes. The RMP could be a single document or a suite of documents that identifies how collaborative relationship management will be applied within each organization. It is important that documentation is proportional to the level of complexity concerned and is kept to the minimum required for effectiveness and efficiency.

The RMP can be used both as a baseline corporate process and adapted as necessary for individual strategic relationships or individual collaborative initiatives. The RMP should capture the links across existing operating practices or alternatively integrate the approaches within existing processes such as customer–relationship management, project management, contract management and supplier–relationship management.

The RMP should evolve over the lifetime of a relationship, providing a core record of the pre-contract development as background information to operating team members. It also establishes a working platform for relationship management through the life of the collaboration, ensuring that relationship management is effectively communicated at all levels and integrated into execution and delivery for all stakeholders.

1 Scope

This British Standard specifies requirements for the effective identification, development and management of collaborative business relationships between discrete organizations. It is applicable to organizations of all sizes from large multinational corporations to micro/small businesses.

The application of this British Standard has to be tailored to the size of the organizations involved.

Application of and/or compliance with this British Standard can be on several different levels, for example:

- a single application (including operating unit, operating division, single project or programme, mergers and acquisitions);
- an individual relationship (including one-to-one relationships, alliance, partnership, joint venture);
- multiple identified relationships (including multiple partner alliances, consortia, joint ventures, networks, and end-to-end supply chains);
- full application companywide for all identified relationship types.

The adoption of collaborative working complements and enhances the operation of existing business activities to provide an improved

relationship that adds value to the parties involved. It can provide a more effective way of working and help to build a more strategic environment that opens the way to create increased performance. The deployment of collaborative approaches does not deflect from any requirements to maintain open and free competition.

The adoption of a collaborative relationship standard is also intended to complement and enhance existing contracting processes. Collaborative approaches are expected to be able to operate in unison with either legislative and regulatory requirements or policies, whether corporate or governmental, aimed at ensuring open and free competition, such as the European Procurement Directives [1 and 2].

This British Standard does not cover business-to-consumer relationships or employer–employee relationships.

The eight-stage framework specified in this British Standard reflects the overall life cycle of a collaborative relationship to assist organizations to assess and develop their own particular approach to collaborative business relationships. These are reflected in the three distinct phases of development, Strategic, Engagement and Management, as shown in Figure 2. It is recognized that in some cases, organizations might not through their specific operating practices execute programmes strictly in accordance with the order of the elements included but would overall address all aspects as appropriate to their business requirements. The key eight stages are as follows.

- Stage 1 (Awareness). Clause 3 addresses the overall strategic corporate policy and processes which lead towards incorporating collaborative working as a recognized approach where it can identify added value.
- Stage 2 (Knowledge). Clause 4 focuses on the development of knowledge against a specifically identified opportunity to create a business case and benefits analysis.
- Stage 3 (Internal assessment). Clause 5 is intended to ensure that organizations undertake a structured assessment of their capability and maturity to successfully engage in a collaborative initiative.
- Stage 4 (Partner selection). Clause 6 addresses the need to undertake a structured approach to the identification, evaluation and selection of appropriate partners.
- Stage 5 (Working together). Clause 7 focuses on ensuring that the partners establish the appropriate operational structure, governance, roles and responsibilities to effectively achieve desired business objectives.
- Stage 6 (Value creation). Clause 8 is specifically focused on the need to establish approaches that seek to build value out of the joint relationship.
- Stage 7 (Staying together). Clause 9 addresses the need to ensure effective measurement and monitoring of the relationship to maintain its optimum performance.
- Stage 8 (Exit strategy). Clause 10 addresses the need to develop and maintain an effective strategy for disengagement where appropriate.

Figure 2 Overview of the principal components of successful collaborative business relationships

Strategic	Awareness (Clause 3)	Establish executive responsible and organizational policy	Identify business objectives and value proposition	Identify and prioritize relationships	Establish resources, competencies and behaviours	Undertake initial risk assessment
	Knowledge (Clause 4)	Develop specific business strategy	Establish knowledge management process	Establish objectives, strategy, business case and identify potential collaborative organizations	Establish initial exit strategy	Incorporate relationship management with risk management processes
	Internal assessment (Clause 5)	Undertake self assessment	Establish collaborative profile	Establish collaborative leadership	Establish partner selection criteria	Establish and implement action plan
Engagement	Partner selection (Clause 6)	Nominate potential partners	Evaluate potential partners	Establish partner selection plans	Create joint objectives and negotiation strategy	Select partner
	Working together (Clause 7)	Establish governance, joint objectives and leadership	Establish organizational structure, roles, responsibilities and processes	Establish performance measurement	Establish joint risk management and exit strategy	Establish contract arrangements
	Value creation (Clause 8)	Establish value creation programme	Define value drivers	Establish improvement team	Establish learning from experience	Implement innovation process
Management	Staying together (Clause 9)	Ongoing management, monitor and measure the relationship	Continual innovation	Maintain behaviours and trust	Manage delivery and performance	Manage issue resolution and monitor joint exit strategy
	Exit strategy (Clause 10)	Develop and maintain joint exit strategy	Establish boundaries for the relationship	Monitor and evaluate changes	Manage business continuity and transition	Evaluate future opportunities
Relationship Management Plan						

Whilst these stages are shown as a linear set of activities, it is recognized that in many cases this will be a series of iterative processes in the light of information obtained, the assessment of it and lessons learned, both inside each individual phase and between phases. For example, during the Strategic phase, aspects relating to the decisions on who to collaborate with, and why, are likely to be re-assessed and modified. In the Engagement phase, information arising during the process will influence which partners to work with, and could modify or change the arrangements for or contents of the relationship between the parties. During the lifetime of the Management phase, changes arising internal to the business or between the parties, or from external factors, will often impact on the outcomes and processes. In addition, the experiences gained from the set-up and running of collaborative business relationships are likely to be fed through to their overall strategy and future direction.

It is also probable that, in some cases, existing relationships might start from differing points in the process. It is recommended that in these cases, organizations should address the earlier stages to establish a firm platform before moving forward. It should also be recognized that after evaluation of the potential benefits and challenges, some relationships might not warrant the investment required for following the collaborative working process, such as purely transactional activities.

2 Terms and definitions

For the purposes of this British Standard, the following terms and definitions apply.

- 2.1 action plan**
process by which an organization identifies and monitors required actions to achieve stated objectives
- 2.2 business objectives**
targets set for specific operations within the organization
- 2.3 collaborative business relationships**
formal and/or informal business arrangements where two or more discrete organizations collaborate to create mutual value
- 2.4 collaborative opportunities**
processes or activities which can be improved through collaboration
- 2.5 collaborative partner**
organization which conducts a business relationship with the initiating organization
- 2.6 competence**
demonstrated ability to apply knowledge and skills to carry out functions or discharge responsibilities effectively
- 2.7 defined procedure**
specified way to carry out an activity or process which has been approved at an appropriate level within the organization
- 2.8 discrete organizations**
organizations with separate management structures, internal or external

- 2.9 executive management**
team including Senior Executive Responsible (SER) from each partner, together with any other agreed executive participants with responsibility for the effective implementation and operation of the collaboration
- 2.10 extended enterprise**
arrangement whereby independent organizations collaborate to create a product or service which they could not provide independently, whilst remaining as separate business entities
- 2.11 initiating organization**
organization initiating the potential relationship
- 2.12 improvement team**
appointed individuals or team selected from members of the collaborating organizations (or from outside if competence needs dictate) who bring complementary knowledge and competencies together, to develop, facilitate and achieve improvement solutions in areas that can improve operating processes, performance or improve on the desired outcomes of the collaboration
- 2.13 joint management team**
individuals or team agreed between the parties that will have day-to-day management of the collaborative programme and its performance to objectives and outcomes
- 2.14 leadership**
individual or group appointed by the SER to create or drive a collaborative initiative
- NOTE Initially, this might be from the initiating organization but it will encompass the counterparts within partner organizations once established.*
- 2.15 organization**
company, corporation, firm, enterprise, authority or institution, or part or combination thereof, whether incorporated or not, public or private, that has its own functions and administration
[BS EN ISO 14001:2004]
- 2.16 partner**
discrete organization participating in the collaborative relationship
- 2.17 partner selection criteria**
key criteria required to evaluate a potential partner's overall match to principal values of the collaboration
- 2.18 supply chain**
linking interfaces between a series of entities through which products/ services are supplied by one entity to the other entity within each link

3 Awareness

COMMENTARY ON Clause 3

The initial stage of the collaborative business relationship programme requires awareness within the initiating organization in order to establish the basis for proceeding. The rationale behind adoption is clearly defined in order to ensure that it is consistent with the overall business objectives of the initiating organization. Collaborative working can offer benefits

to support business objectives, but might require additional investment for the development and implementation. It is important to ensure that available resources are focused to provide maximum benefit and to recognize that in some cases, the adoption of collaborative approaches might not be necessary to achieve business objectives or could even be counterproductive. Areas where it is anticipated that collaborative relationships can add value should be evaluated over time and if no benefits are identified, organizations should consider whether it is appropriate to proceed with the investment of resources.

3.1 Senior executive

The organization shall appoint a Senior Executive Responsible (SER) for the development and implementation of the collaborative business relationship management process with defined responsibility and authority for ensuring that the policies, processes, culture and behaviours required are established, implemented and maintained.

NOTE The SER should provide executive leadership and facilitate the effective deployment of the collaborative relationship programme.

3.2 Policy

The SER shall define and authorize the organization's policy for collaborative working and ensure that within the defined scope of its collaborative working management system, the policy:

- is appropriate to the nature and scale of the collaborations;
- includes a commitment to continual improvement;
- provides a framework for setting and reviewing objectives;
- is documented, implemented and maintained;
- is effectively communicated throughout the organization;
- is available to interested parties and stakeholders;
- is periodically reviewed to ensure its ongoing relevance and applicability.

3.3 Objectives

The organization shall identify its own strategic business objectives and identify where they might be enhanced through collaborative working or require external collaboration in order to be successfully achieved. In order to ensure that collaborative business relationships are appropriate and their related objectives are integrated into and consistent with the organization's strategic business objectives and economic goals, the organization shall:

- clearly identify its strategic business objectives and economic goals;
- establish objectives for collaborative working that are measurable and consistent with the collaborative working policy;
- establish and document the means and time frame by which they are to be achieved;
- designate responsibilities and evaluate and allocate appropriate resources for achieving the objectives.

3.4 Value

Where the potential for collaborative working is being considered, the organization shall initially identify the potential benefits that could be realized and ensure these provide a framework for the formulation of specific objectives.

3.5 Identification and segmentation of business relationships

3.5.1 General

The organization shall have defined procedures for identifying its significant internal and external relationships.

The aims, drivers, objectives and benefits of each type of business relationship shall be clearly identified and confirmed as being consistent with the overall business objectives.

These relationships shall be segmented to provide a clear focus for identifying when implementing a collaborative relationship management programme could offer a business benefit.

Relationships identified as having the potential for a collaborative approach shall then be prioritized and a plan prepared.

3.5.2 Opportunities for collaboration

The organization shall, as appropriate, target areas where collaboration can open new strategic opportunities either from its existing partners or from the identification of potential new collaborative partners:

- clearly defining the potential benefits that might be realized;
- identifying that these benefits provide a framework for the formulation of specific objectives.

3.5.3 Planning for collaboration

Plans developed to meet the requirements in 3.5.1 and 3.5.2 shall include as appropriate:

- objectives;
- potential benefits and opportunities;
- identified risks;
- market analysis;
- key resource requirements;
- leadership and key personnel;
- exit strategy parameters;
- estimated life cycle/length of relationship.

3.6 Resources, competencies and behaviours

The organization shall have in place policies and procedures, including competency models, to ensure that the appropriate behaviours are supported at all times.

The organization shall identify and document the key individuals and their roles involved in collaborative initiatives and ensure they have the appropriate skills to support a collaborative approach.

The organization shall identify and document the key individuals involved in collaborative programmes and assess the risk implications. This shall take into account all stakeholder groups and the implications of both formal and informal relationships. This document shall be maintained and updated at regular intervals and when there is a change of personnel.

Where individual development needs are identified, these shall be addressed.

3.7 Initial risk assessment

The organization shall establish, maintain and implement a defined procedure for conducting an initial risk assessment to identify the specific risks associated with potential collaborative business relationships.

The procedure for conducting the initial risk assessment shall take into account competencies, skills and cultural aspects of the parties potentially involved in the collaborative relationship. The assessment shall result in a quantification of the risks identified and the potential actions to mitigate their effect balanced against the potential benefits of the collaboration.

3.8 Implementation plan

Each significant business relationship identified shall be considered and prioritized in terms of the organization's strategic business objectives and its potential for improvement through the adoption of a collaborative relationship. The organization shall establish an action plan for each significant business relationship identified.

NOTE 1 Each action plan should address the following items, as appropriate:

- a) *key objectives;*
- b) *potential benefits and opportunities;*
- c) *identified risks;*
- d) *key resource requirements;*
- e) *identification of collaborative relationship team leader;*
- f) *exit strategy parameters;*
- g) *estimated life cycle/length of relationship.*

NOTE 2 The purpose of the implementation plan is to provide a structured framework for the strategic development process. Areas which should be considered where appropriate include: market propositions, sectors of the business activity, customer types (e.g. public or private), and geographic segments.

3.9 Documentation

Defined procedures shall be established where required by this British Standard or for the effective operation of the collaborative relationship.

An overview document shall be established that describes the interaction between the organization's documented system and the requirements of this British Standard.

Documents and data required by the collaborative relationship system shall be controlled to ensure that:

- documents are approved for adequacy prior to issue;
- documents are reviewed and updated as necessary and re-approved;
- changes and the current revision status of documents are identified;
- relevant versions of applicable documents are available at points of use;
- the unintended use of obsolete documents is prevented and suitable identification is applied to them if they are retained or archived for any purpose.

NOTE It is important that documentation is proportional to the level of complexity concerned and is kept to the minimum required for effectiveness and efficiency.

3.10 Initiating the relationship management plan

The organization shall establish a collaborative relationship management plan (RMP), either as a separate process that identifies the links across the organization's processes or integrated into other operational plans. The RMP shall include:

- a description of the scope of the collaborative working management system;
- a description of the main elements of the collaborative relationship management system.

NOTE 1 See Annex B for examples of content for an RMP.

NOTE 2 In implementing this standard, the RMP should not be considered as separate from existing management processes and procedures but as a basis for integrating and supplementing established working practices.

NOTE 3 The RMP should provide a framework to document the relationship development process and be a dynamic record of the evolution of the relationship. It provides a focus and background for operational personnel and a centralized record for process audit or assessment.

4 Knowledge

COMMENTARY ON Clause 4

In this stage, the organization needs to establish a body of knowledge on which to develop the strategy and business approach for identified collaborative opportunities. This should include issues which would influence the overall strategy related to competencies, training and development, knowledge management, risk management, value analysis and initial exit strategy conditions. At this point, organizations might decide that a collaborative approach is not appropriate for the opportunity being considered.

4.1 Developing a specific business strategy

Each new collaborative opportunity shall be evaluated and documented to determine specific objectives and key drivers to evaluate if collaboration is appropriate.

NOTE 1 The organization should undertake research and benchmark good existing practices where appropriate relative to the opportunity.

NOTE 2 The drivers for adopting collaboration will vary by organization and opportunity but should be linked to optimizing performance to deliver business objectives. Implementing collaborative programmes can impact operational practices and challenge individuals within the organization. It is therefore important to have clear focus on the rationale and benefits.

NOTE 3 The output of this strategy development stage should be incorporated into an implementation plan and, where appropriate, the RMP should be adjusted to incorporate the specific issues relating to each opportunity.

4.2 Competence and training

The organization shall identify and document the key individuals and their roles involved in collaborative initiatives and ensure they have the appropriate skills to support a specific collaborative approach.

The organization shall have in place policies and procedures to ensure that the appropriate competencies and behaviours are in place and to initiate and maintain any necessary skill development.

NOTE It is expected that each organization will have its own established competency frameworks. However, in many cases these do not embrace the skills and experience for working in a collaborative environment. Working in an integrated collaborative environment with external parties requires additional competencies that might not be part of existing experience. It is unlikely that everyone will have these skills and thus individual or group development might be necessary. See Annex C for examples.

4.3 Knowledge capture, creation and management

The organization shall ensure a defined procedure is in place to capture and manage knowledge (including existing knowledge and lessons learned) within collaborative relationships. This shall include, where appropriate, designating areas which are to be protected from unintended knowledge transfer to collaborative partners.

4.4 Knowledge sharing

Clear guidelines and objectives shall be established for sharing knowledge between organizations. The strategic positioning of knowledge sharing shall be integrated at every appropriate level of the organization.

NOTE Effective collaborative relationships help organizations, both internally and externally, to create environments that encourage the sharing of knowledge and the creation of new thinking for mutual benefit.

4.5 Strategy and business case development

4.5.1 General

Organizations shall have a defined procedure for developing a strategy and business case for each opportunity.

4.5.2 Establishing objectives

Objectives of each collaborative relationship shall be identified and documented and shall be compatible with the policy, value proposition, visions and values, and overall objectives of the organization. The organization shall assess whether the objectives are measurable and consistent with the organization's policy and processes.

4.5.3 Organizational focus

Approval of the collaborative relationship strategy shall be obtained in accordance with the organization's defined procedures and authorities. It shall also be communicated within the organization to ensure common understanding.

4.5.4 Market focus

The strategy shall include an analysis of the direct implications of improving the business relationship on the market sector and customer base.

4.5.5 Customer focus

The requirements and expectations of customers shall be clearly identified and incorporated into the overall strategic approach.

4.5.6 Value analysis

At every stage of the strategy and business case development process, the potential value of the relationship shall be evaluated for each opportunity and demonstrated in the context of the overall business objectives (see 4.5.2) to ensure that the resource investment validates the adoption of collaborative concepts through cost benefit analysis approaches.

4.5.7 Identifying potential collaborative organizations

Organizations might be seeking to introduce collaborative approaches within existing business relationships but where an organization is seeking to develop new relationships, they shall identify potential new collaborative organizations against the specific opportunities.

4.5.8 Exit strategy

An initial exit strategy assessment shall be carried out (see Clause 10 for the complete exit strategy development).

NOTE 1 This aspect has a particular impact on both business risk management and business continuity.

NOTE 2 Understanding the rules of disengagement has been identified as vital to effective collaboration. Most organizations will include within their contracting requirements conditions related to termination, whether through completion of activity, performance default, a change of organizational status or requirement changes. These can be complex where transition to another contracting party is involved. The exit strategy should take a broader perspective, looking at how capability and knowledge is shared within the collaboration and how this will be managed. By identifying the key aspects, organizations are able to address issues during the selection and engagement processes.

4.6 Risk management process

4.6.1 General

The organization shall establish and maintain a defined procedure for conducting risk assessments associated with relationship management and identifying opportunities.

NOTE Risk management in respect to relationship management should be integrated into the overall risk management processes. The advantage that can be derived from a collaborative relationship is that many risks occur at the interfaces between organizations and once subjected to a joint assessment, the risk profile can often be optimized.

4.6.2 Determining risk management policy and method

Evaluations of risk resulting from the way in which risk is to be managed within a relationship shall be initially determined by the initiating organization and the risk assessment shall be documented.

NOTE The risk management processes should have appropriate resources allocated with relevant skills and experience.

4.6.3 Internal review

4.6.3.1 Internal issues

Organizations shall identify and assess internal issues which could result in significant risks to performance. These shall be prioritized and the resulting actions related to these identified, as well as the potential external impacts.

NOTE 1 A benefit of an open collaborative approach is that the partners can share their views of risk and jointly assess which areas should be addressed.

NOTE 2 A review of the end-to-end business processes, irrespective of whether the steps are internal or external, helps to identify areas of risk to the business. This helps ensure that an integrated risk profile is established and then addressed by individual process owners or as a collaborative strategy with external collaborative partners.

NOTE 3 There might also be risks that result from internal practices and culture.

4.6.3.2 Business continuity

A business impact assessment shall be conducted and documented, taking into account the implications of operating a collaborative relationship where overall performance is an integrated responsibility.

4.6.3.3 Sustainability and corporate social responsibility

The links to the organization's visions and value, together with its approach to sustainability, shall be considered within the context of overall risk management.

NOTE The selection of collaborative partners might be influenced by sustainability considerations, because an integrated relationship could transfer roles and responsibilities to third parties and impact overall compliance with values and standards.

4.6.4 Risk ownership

The risk management process shall ensure that a competent individual or organization has ownership of the risk management.

The organization shall ensure that each identified risk is appropriately assigned for resolution or mitigation. The organization's risk management process shall be applied to record all identified risks and appropriate resolutions or mitigation.

NOTE In complex ventures, risks are often found at the interfaces between various operations, whether these are internal processes or across boundaries with external organizations. The greater the number of interdependent operations involved, the more difficult it tends to be to manage the risk profile. Risk profiling is a multi-layered activity and should be analysed from every practical viewpoint by the organization before taking action. In order to establish an effective risk strategy, the identification and evaluation should be completed prior to signing the contract arrangement.

4.6.5 Risk mitigation

Risk mitigation shall include identification of risks that need to be raised with collaborative partners to ensure the most effective mitigation approach is adopted.

NOTE A risk register should be established, documented and available to every member of the programme team. This can be carried forward to become part of the joint risk management programme with the collaborative partner (see 7.5).

4.7 Implementation plan

For every business relationship, the responsibilities, actions, associated time frames and interdependencies shall be established.

The implementation plan (see 3.8) shall be reviewed at defined intervals to ensure as a minimum that the SER can identify which outcomes/deliverables are being targeted.

NOTE This should incorporate a specific RMP or be supported by an RMP.

4.8 Relationship management plan

On completion of the strategy development process, the RMP, or the appropriate documents and processes already in place, shall be reviewed and updated where appropriate to capture the outputs of this stage. Where no specific RMP has been established, this shall be completed. In either case, the required approvals to proceed shall be attained and the contents communicated as appropriate across the organization.

5 Internal assessment

COMMENTARY ON Clause 5

This stage evaluates the readiness of the initiating organization to support a collaborative approach. In developing any collaborative relationship, it is important to understand internal capabilities before defining the expectation of any external party. Acknowledging internal strengths and weaknesses ensures that the collaboration is not established with a bias towards the performance of the external partner.

5.1 Self-assessment

5.1.1 General

The policies and processes established to create the capability and environment to collaborate effectively shall be defined, implemented and appropriately reviewed and updated as required.

5.1.2 Strengths and weaknesses

An internal assessment of the organization shall be undertaken to highlight strengths and weaknesses. The internal assessment shall be reviewed at defined periods and shall, as a minimum, include the following:

- a) organizational structure;
- b) previous collaboration experiences of the organization;
- c) experience and capabilities of individuals;
- d) validation of internal processes.

Assessment shall start at the SER level to ensure that support can be effectively cascaded through the organization.

NOTE Assessing whether an organization is ready for collaboration is crucial to ensuring success by determining complementary partner capabilities and internal development requirements. Annex C can be used as a guide to the issues the organization should consider.

5.1.3 Collaborative profile

An internal assessment shall be carried out to identify whether the principal characteristics required for an effective collaborative profile are present. The organization shall have a defined procedure to assess the effectiveness of its operations in the context of collaborative relationships.

NOTE 1 The collaborative profile can be defined as addressing the attributes, ability and attitude of the organization. This enables an organization to assess its internal development needs and present its capabilities to prospective collaborative partners.

NOTE 2 The Maturity Matrix (see Annex D) can be used by organizations to assess their collaborative profile.

5.2 Collaborative leadership

For each collaborative relationship for which a strategy has been developed in accordance with 4.5, leadership with the appropriate competencies shall be appointed with the responsibility and delegated authority for taking the strategy forward.

NOTE Effective leadership is important to every venture. In the context of managing a collaborative relationship, the role of the leadership is vital. As individuals are replaced over time, their competencies and skills might need to change and the dynamics of the collaborative team are likely to be altered. (See Annex C for a typical competency profile.)

5.3 Partner selection criteria

The organization shall, before moving to the stage of partner selection, establish the required profile on which the potential collaborative partner is to be assessed.

5.4 The challenge of alignment

In order to build on the strengths of the organization, the level of knowledge and skills that exist within the organization shall be identified and any shortfalls shall be addressed by suitable staff development or recruitment.

NOTE Operating within a collaborative environment might not be within the experience of staff. It is important to understand the required competencies and skills in the context of the organization and its objectives and ensure that development programmes are available.

5.5 Consolidating the next steps through internal action plan

If collaboration has been validated as the right strategic way forward, the next step shall be to progress the process by developing an internal action plan. Specific responsibilities shall be assigned with target dates, establishing who does what, by when. When creating the action plan, a specific programme profile shall be developed.

5.6 SER review

At appropriate and defined intervals, the SER shall review the organization's collaborative relationship management system and the associated ongoing collaborations to ensure their continuing suitability, adequacy and effectiveness and relevance.

The outputs from management reviews shall be consistent with the organization's commitment to continual improvement and shall include any decisions and actions related to possible changes to:

- collaborative relationship performance;
- policy and objectives;
- resources;
- recommendations for improvement;
- risk profile.

Relevant outputs from this review shall be recorded.

NOTE This review is intended to be a strategic review of the partnering process within an organization. It is designed to prompt organizations to look beyond the individual collaboration to the overall system for partnering, looking at competencies, resources, technologies, the market and the strategic needs of the organization going forward, to bring executive attention to the partnering frameworks in place and their ongoing suitability.

5.7 Relationship management plan

The RMP shall be updated to incorporate the output of the internal assessment.

6 Partner selection

COMMENTARY ON Clause 6

This stage establishes a process for identifying and selecting collaborative partners by an initiating organization. It can apply to external organizations or to internal groups within an organization which want to work more effectively together, i.e. not seeking external collaborative partners. It assesses not only the performance aspects of each collaborative partner but also evaluates the way in which the two organizations can work together with a more integrated approach for mutual benefit. It is expected, though not mandatory, that partner organizations will have undertaken the preceding steps themselves.

Collaborative relationships offer many opportunities and challenges in the quest to deliver value. They can take many different forms, from outsourcing of support activities to external integration of business processes aimed at creating new business propositions through an extended enterprise.

6.1 Nominate potential collaborative partners

The organization shall nominate potential collaborative partners and obtain internal agreement for the collaborative approach to begin.

A collaborative profile of the potential collaborative partners shall be determined in accordance with 5.1.3.

The collaborative partners' profiles shall be evaluated against the organization's internal assessment to identify the organizational fit.

6.2 Partner evaluation and selection action plans

6.2.1 Partner evaluation

Partner selection shall be conducted in accordance with defined procedures and using the determined partner selection criteria (see 5.3).

The partner evaluation shall assess potential collaborative partners on their compatibility and identify areas for improvement.

NOTE The outcomes of this review may be shared with the potential collaborative partner to assist with the assessment of its organization and also as a foundation for collaborative development.

6.2.2 Establishing partner selection action plans

Partner selection action plans shall be developed by the collaborative relationship team to address the short, medium and long-term issues that result from the partner selection criteria. Appropriate measurements and key performance indicators (KPIs) shall be established to address and monitor outcomes.

NOTE The partner selection criteria result in the recognition of potential collaborative partners and the areas that need to be addressed. They could also identify those potential collaborative partners where there is more work to be done to bring them to higher levels of acceptability, or perhaps where a future relationship in any form is not advisable. They may also be used to encourage potential collaborative partners to evaluate the initiating organization, which can be a useful guide to internal development. The partner selection criteria provide the foundation for future strategy development and implementation.

6.3 Creating joint objectives

The leadership shall provide a structured appraisal of the common objectives of the collaborative organization. This shall be based on the objectives of the initiating organization established in 4.5.2, but shall also take into account the perspective and requirements of the collaborative partner to ensure that individual and common objectives are compatible.

NOTE Collaborative initiatives are often focused on the promise of significant cost savings. While this is clearly possible, the ability of organizations to capitalize on the opportunities depends very much on how the programme is evaluated and, more importantly, developed and implemented. Thus, it is important to establish clear objectives, expectations and a profile of each potential collaborative partner.

6.4 Negotiating for collaboration

The organization shall establish an agreed negotiation strategy to facilitate collaboration and instigate this based on the business strategy, objectives and partner evaluation and the intended principles for working together.

NOTE The nature and style of negotiation between organizations can have a lasting impact on their ability to build an open and trusting relationship. The approach to negotiation needs to take into account the longer term stability of the relationships and not focus solely on short term opportunism.

6.5 Partner selection

Based on the overall evaluation, including the partner selection criteria and negotiations, the collaborative partner or partners shall be selected and the appropriate arrangements and principles agreed.

6.6 Relationship management plan

At this stage, the RMP shall be updated to reflect the evaluation process and basis of selection.

NOTE This input provides a record and solid foundation for those that might take ownership of the operational aspects of the relationships.

7 Working together

COMMENTARY ON Clause 7

Having selected a potential partner, the focus is no longer solely on the initiating organization. The success of a collaborative programme is built on the ability of two or more organizations to develop a joint approach. Each organization accepts the collective responsibility for managing an integrated process, with mutually agreed objectives. This stage establishes the joint approach that should underpin the way the partners work together. The organizations establish and agree a formal foundation for working together, including contractual frameworks or agreements, roles and responsibilities. In some cases, collaborative relationships might involve more than two organizations.

7.1 Governance

7.1.1 Executive management

Each organization shall identify its SERs and ensure there is a mutual agreement to support the joint programme, together with a clear definition of management systems, authorities, performance expectations and the creation of the appropriate operating environment to develop and maintain the ethos of collaboration through defined behavioural principles.

7.1.2 Establishing joint objectives

The SERs shall validate the key objectives of the collaboration and establish the core principles which are to govern the development and implementation of the collaboration.

NOTE Joint objectives should encompass the specific needs and drivers of the individual organizations. It is an integral part of the relationship that each accepts the need to support the other's objectives.

7.1.3 Operational leadership

The executive management shall undertake a competency appraisal and appoint leadership.

NOTE The assessment should cover not only the capabilities of key individuals, but also the interaction between the managers of each organization. As a minimum, the assessment should include the following:

- a) *capability and experience;*
- b) *individual appreciation of collaborative approaches and aptitude for collaboration;*
- c) *commitment to collaborative working;*
- d) *identification of appropriate training and development needs.*

7.2 Organizational structure

7.2.1 Joint management team

A joint management team shall be established from the initiating organization and its collaborative partner. This structure shall clearly define the operational roles, lines of authority and communication. This shall be consistent with the contractual responsibilities and incorporated into contractual agreements under which the collaborative relationship is to be formally recognized.

7.2.2 Setting joint objectives

The joint management team shall review the joint objectives, including continual value creation, and establish effective measurements that are monitored openly and made visible through an agreed reporting process. The joint management team shall identify any additional objectives that could mutually benefit the operation of the collaboration.

7.2.3 Roles and responsibilities

In line with the mutually agreed objectives, the joint management team shall define the primary roles and responsibilities for the team and its members involved in operations and delivery.

7.3 Joint knowledge management

The joint management team shall establish a knowledge management plan which identifies what information is required to meet the objectives together with any known interdependencies. The team shall also define, if applicable, what information may not be shared without executive approval (e.g. intellectual property rights (IPR), proprietary data, etc.)

7.4 Communications management

The joint management team shall establish, maintain and actively manage effective communications in order to:

- encompass the agreed objectives for the collaborative partners and any agreed changes;
- set out what is intended to be achieved from the collaborative environment;
- include the messages for the key stakeholders (including all collaborative parties), the vision, the objectives behind the collaboration and how concerns will be addressed.

7.5 Joint risk management

7.5.1 General

The joint management team shall establish and document the process to be used for risk management within the relationship with specific attention to relationship risks. This shall be approved by the executive management.

NOTE It is likely that the collaborating organizations will have their own approaches to risk management; it should therefore be established and agreed what approach will be used within the relationship.

7.5.2 Risk manager

A competent risk manager shall be appointed; the appointment shall be jointly agreed between the partners. The role and responsibilities of this person shall be jointly defined, documented and agreed.

NOTE It is important to have defined responsibility for managing the execution of the risk management process within the relationship. This person may come from either organization. The risk manager should manage the agreed joint risk management process. "Joint" means that each partner makes a contribution to all of the risk management activities.

7.5.3 Execution of the risk management process

The risk manager shall execute the risk management process jointly on behalf of the collaboration. As a minimum, this shall include:

- joint identification of risks including relationship issues;
- joint analysis of risks;
- joint approach to mitigation of risks;
- joint ongoing management and review of risks.

NOTE Responsibility for each risk should be assigned to the individual best placed to manage the risk, whether from the organization that raised it or not.

7.5.4 Joint risk profile and register

A joint risk register shall be established. This shall incorporate issues previously identified on an individual basis and those resulting from any interdependency. This shall be regularly reviewed under the governance structure and appropriate actions addressed.

NOTE The joint risk register is a key factor in integrating one or more organizations. It should capture both joint risks associated with meeting the objectives of the collaboration and those of the individual organizations. An effective collaboration is one where the parties share responsibility as far as is practical in supporting the individual risk of the partners.

7.6 Business process management

7.6.1 Joint process review

The joint management team shall assess the potential impact of collaboration for both organizations. The joint management team shall use this assessment to ensure that optimization of the collaboration approach is compatible with, or complements, existing operations and to manage change.

NOTE The assessment should include impacts on:

- a) existing business processes;
- b) quality management;
- c) continual improvement.

7.6.2 Operation improvements

The joint management team shall establish areas of the current operations that can be improved or could create additional enhancements to increase performance and establish priority areas for immediate actions to implement the collaborative approach.

7.7 Contracting arrangements

The organizations shall ascertain whether the collaborative relationship is to be covered by a formal or informal agreement.

The process for approving and agreeing contracts shall be in accordance with defined procedures and shall include the framework or policy covering governance structures, roles, responsibilities and authorities to agree and approve contracting arrangements.

When developing a contractual agreement, the joint management team shall consider and mutually agree the most appropriate approach, to ensure the organizations' requirements are met and, where appropriate, those of any end customer, taking into account the joint objectives of the collaborative relationship and supporting collaborative behaviours.

Contract terms shall be reviewed to determine clarity of purpose, encourage appropriate behaviours and identify the potential impacts on or conflict with the aims of collaborative working.

NOTE 1 All performance requirements and measurement methods should be mutually agreed to ensure clarity. Risk and reward models, issue management, exit strategy, knowledge transfer and sustainability should be considered when developing a contractual agreement.

NOTE 2 A joint RMP may be established and annexed to formal contracts to formalize the overall management of the collaborative relationship and encompass the principles of collaborative behaviours. This approach may also be used to establish a common understanding across multiple contracts.

7.8 Performance measurement

7.8.1 Delivery and performance

Once a mutually agreeable contracting approach is established, the organization, in conjunction with its collaborative partner, shall proceed to implement plans for delivery and performance based on the objectives of the collaborative initiative. This shall be monitored against mutually agreed plans and performance criteria. The performance shall be regularly reviewed at both executive and operation levels and, where appropriate, corrective action taken to ensure performance is maintained.

7.8.2 Performance monitoring and continual improvement

The organization shall establish, implement and maintain procedures for monitoring and measuring the effectiveness of its collaborative relationship programme.

The organization shall follow a process of continual improvement to improve the effectiveness of its collaborative relationship programme through review of its policy and objectives, audit results, preventative and corrective actions, reviews of the RMP, management review and the results from value creation.

7.9 Improvement

7.9.1 Organizational collaborative competence

The organization shall evaluate its ongoing ability to collaborate at appropriate intervals. This evaluation shall include the behaviours and competencies required for successful partnering.

NOTE The frequency of this evaluation should be increased during periods of change.

7.9.2 Internal audit

The organization shall ensure that internal audits of the collaborative business relationship management are conducted at planned intervals to determine whether the collaborative management has been properly implemented, is maintained, and is effective in meeting the organization's policy and objectives.

Audit programmes shall be planned, established, implemented and maintained by the organization, based on the risk profile of the organization's activities, and the results of previous audits.

Staff conducting audits shall be impartial and competent to perform them.

7.9.3 Preventative and corrective action

The organization shall establish, implement and maintain a procedure for dealing with any potential nonconformities. The organization shall:

- take preventive action and corrective action;
- investigate nonconformities, determine their causes and take actions in order to avoid their recurrence;
- evaluate the need for actions to prevent nonconformities and implement appropriate actions designed to avoid their occurrence;
- review the effectiveness of corrective actions and preventive actions taken.

7.10 Relationship management plan

Once the governance and operating structure has been agreed, this shall be captured in the RMP. The organization shall prioritize all actions necessary to implement the collaborative programme to align with the joint objectives.

The joint management team shall include in the RMP, as appropriate, the following:

- a) joint objectives;
- b) governance structure;
- c) roles and responsibilities;
- d) business process changes;
- e) performance measures;
- f) intervention process including issue resolution (see 9.7) where necessary;
- g) minimum review cycles.

8 Value creation

COMMENTARY ON Clause 8

This stage establishes procedures for creating value through collaboration, with enhanced alignment between organizations bringing additional benefits. This is achieved by building an environment where those involved are encouraged to contribute new ideas. The importance of continual improvement and innovation should be established within all collaborations. This will enable the organizations to harness the full

potential of their relationship and at the same time create a focus for working together for mutual benefit. It is also one of the key indicators that measures the strength and maturity of a relationship.

8.1 Establishing a value creation programme

The joint management team with the support of the executive management shall establish a value creation process which defines what value means to the collaborative partners. This shall be communicated across the organizations involved.

8.2 Improvement team

An improvement team shall be established by the joint management team, either on a formal or informal basis, to implement the value creation activities.

8.3 Improvement target setting

For the issues and areas of improvement identified, the improvement team shall provide a cost benefit analysis to help to get buy-in across organizational boundaries. Areas covered shall include performance, complexity, cost and risk and prioritizing impacts.

There shall be a development plan that seeks to capture and define a development programme. The improvement team shall propose actions which deliver immediate gains and underpin the collaborative approach.

Target options shall be recorded and reported by the improvement team. Implementation shall be directed by the joint management team, who shall assign appropriate resources and ensure that all activities are measurable and are linked to mutually agreed performance indicators to ensure that progress can be effectively monitored.

8.4 Value drivers

A collaborative innovation programme shall be developed by the improvement team to deliver value, the first step of which shall be clear definitions of value.

8.5 Learning from experience

The joint management team shall research why previous initiatives might have failed, and learn from this experience. In particular, issues that could hinder the collaborative programme shall be identified.

NOTE Collaborative partners should establish a joint learning organization where they can learn from those outside their own organization. This provides not only for the partners to create value for mutual benefit but also to share the knowledge and innovation within their respective organizations.

8.6 Initiating the innovation process

The joint management team shall establish mechanisms for generating ideas and innovations to develop additional value for the collaborative relationship. These ideas shall be evaluated against relevant criteria.

8.7 Relationship management plan

The RMP shall be updated to incorporate innovations which after evaluation and development, as required, are to be incorporated into the operations.

9 Staying together

COMMENTARY ON Clause 9

This stage ensures that the relationship is maintained at its most effective level. Mutually agreed measures to monitor the relationship are put in place so that appropriate action is taken to maximize effectiveness. Continual improvement is addressed as well as the development of a dispute resolution process.

9.1 Monitoring and measuring the relationship

The joint management team shall demonstrate that key aspects of the relationship's performance in terms of outputs, risk profile, alignment, behaviours and trust, are periodically reviewed both in terms of mutually agreed outputs and strengthening of the relationship.

The joint management team shall ensure that appropriate methods of measurement (including process and behavioural models) are established, maintained, recorded and assessed together with the SERs at defined intervals, to ensure the overall integrity and focus of the relationship. Where appropriate, corrective actions shall be agreed and implemented.

9.2 Ongoing management

The joint management team shall, where appropriate, ensure that each organization operates their part of the agreed governance process, including:

- participation in joint bodies;
- joint risk management;
- management systems needed for delivery;
- the appropriate operating environment through maintaining the ethos of collaboration based on the defined behavioural principles.

The SERs shall oversee the joint management team, undertake regular reviews, provide overall support to successful delivery, overcome potential internal barriers, and manage challenges within the collaboration as they arise.

9.3 Continual innovation

Value creation and continual innovation (see Clause 8) is a key element of any collaborative relationship and shall be regularly monitored and reviewed by both the joint management team and the SERs. The joint management team shall ensure that as the relationship matures, it regularly challenges the existing state of affairs to generate fresh ideas and revitalize the relationship.

9.4 Maintaining behaviours and trust

The joint management team with the support of the SERs shall establish a defined process for the ongoing monitoring of behaviours and trust within the collaboration.

9.5 Delivering performance

The joint management team shall ensure that measurable objectives are established that align with and demonstrate achievement of or towards the core principles and overall objectives of the collaboration.

A defined procedure shall be established and maintained to measure and evaluate progress towards and validation of the achievement of these objectives and to ensure that they remain relevant throughout the life cycle of the collaboration.

Records of the results of these evaluations shall be maintained.

9.6 Analysis of results

The SER shall ensure that the results of the monitoring, measurements and evaluations required in 9.4 and 9.5 are reviewed at the most appropriate level of management in order to take any required corrective actions or to facilitate identified improvements, with the aim of ensuring the realization of benefits to all parties and the ongoing successful collaboration.

The results and conclusions of these reviews shall be recorded.

9.7 Issue resolution

A defined procedure for issue resolution shall be implemented by the joint management team, which identifies, addresses and resolves issues at the earliest opportunity and at the optimum level, but provides an escalation procedure, where appropriate.

NOTE Organizations, through their senior executive management, should empower and encourage personnel to resolve issues at the optimum level. Escalation processes should only be invoked when absolutely necessary.

9.8 Joint exit strategy

The joint exit strategy (see Clause 10) is a key facet of any planned duration or long-term, open-ended relationship and it shall be periodically reviewed to ensure its relevance to current and future activities.

NOTE The exit strategy is crucial to ensure that the collaborative organizations and those working in integrated teams understand the influences, triggers and rules for disengagement.

9.9 Relationship management plan

The RMP shall be maintained by the joint management team throughout the relationship and periodically reviewed with the SERs to ensure it reflects current and future developments.

10 Exit strategy

COMMENTARY ON Clause 10

This stage sets out the requirements for a joint exit strategy. By clearly defining the rules of disengagement, organizations can help to engender a culture of openness and honesty, which recognizes changing market dynamics over time. It should not be confused with contractual termination requirements. At the beginning of a collaborative relationship, the exit strategy helps to define the parameters of engagement. During the relationship, it ensures that knowledge sharing is not constrained by lack of clarity. It may also define the performance measures for the collaboration. At the end of a programme, it ensures disengagement is mutually respectful.

10.1 Establishing and maintaining a joint exit strategy

The joint management team shall establish an exit strategy. It shall address the concerns of all parties involved and shall ensure that the relationship is maintained beyond the closing of operations. It shall be reviewed jointly at appropriate intervals to ensure appropriate provisions are in place.

10.2 Analysis of exit strategy

The boundaries of the relationship shall be established, which in turn helps the growth process by being clear about the final objectives. Potential areas of conflict shall be identified.

Exit strategies shall consider impacts on both external and internal stakeholders. The exit strategy shall include an assessment of how the partners will progress once the business relationship has ceased.

10.3 Evaluating changes

The joint management team shall regularly evaluate changes in the organization, business environment, personnel, performance and market to assess their impact on the business relationship.

10.4 Initiating the process

The joint management team shall assess current operations and potential developments in key areas and whether these should lead to the controlled disengagement of the business relationship.

A defined process shall be in place for initiating the exit strategy deployment and disengaging from the relationship. The process shall include the responsibilities and authorities.

10.5 Business continuity and transition

The joint management team shall incorporate as part of their joint exit strategy consideration for maintaining business continuity in the event of premature exit being necessary and where appropriate, the effective and efficient transition to another partner.

NOTE In the case of collaborative arrangements that have a fixed completion point or performance term, such as outsourcing programmes, effective arrangements should be in place for continuity of service and efficient transfer to another party. Establishing the rules of disengagement during the partner selection and contracting stage builds confidence between the parties.

10.6 Future opportunities

When developing an exit strategy, the parties of the business relationship shall consider that they might over time create, dissolve and rebuild configuration to their mutual benefit.

NOTE The reputations of all parties are important and should be supported by commitment to customers.

10.7 Relationship management plan

The RMP shall be updated to reflect the key issues associated with the exit strategy and maintained as appropriate.

Annex A (informative) Assessment checklist

Table A.1 provides a checklist to assist organizations to implement and meet the requirements of this British Standard. These are, for convenience, presented against each of the eight stages.

Table A.1 Assessment checklist

Clause	Requirement	Complete?
AWARENESS		
3.1	Appoint a Senior Executive Responsible (SER) for collaborative business relationship management	
3.2	Define policy for collaborative working	
3.3	Identify strategic business objectives	
3.4	Identify potential value from collaborative working	
3.5	Identify all significant relationships. Segregate and prioritize opportunities and establish implementation plans	
3.6	Establish policy and procedures to support competencies and appropriate behaviours	
3.7	Implement an initial risk assessment associated with collaborative business relationships	
3.8	Establish an implementation plan for each relationship	
3.9	Document defined procedures	
3.10	Initiate relationship management plan (RMP)	
KNOWLEDGE		
4.1	Establish the objectives and key drivers for each collaborative opportunity and evaluate if collaboration is appropriate	
4.2	Identify the experience, skills and competencies of individuals that will be involved in any collaborative initiative	
4.3	Establish a procedure to capture, create and manage knowledge within collaborative relationships	
4.4	Establish guidelines for sharing knowledge between organizations	
4.5.1	Establish procedure for developing a strategy and business case for each opportunity	
4.5.2	Identify and document objectives of each collaborative relationship	
4.5.3, 4.5.4, 4.5.5	Analyse the market sector, customer base, requirements and expectations of customers	
4.5.6	Evaluate value of the relationship in the context of the overall business objectives	
4.5.7	Identify potential collaborative organizations against the specific opportunities	
4.5.8	Develop an initial exit strategy assessment	
4.6.1, 4.6.2	Integrate relationship management into established overall risk management policy and processes	
4.6.3.1	Identify and assess internal issues which could result in significant risks to performance	
4.6.3.2	Undertake a business impact assessment relative to collaborative working	
4.6.3.3	Consider the implications on sustainability within the context of collaborative risk management	

Table A.1 Assessment checklist (continued)

Clause	Requirement	Complete?
4.6.4, 4.6.5	Establish that each identified risk issue is appropriately assigned for resolution or mitigation	
4.7, 4.8	Establish and regularly review the implementation plan and maintain the relationship management plan	
INTERNAL ASSESSMENT		
5.1.1	Establish policies and processes to manage collaboration	
5.1.2	Undertake an internal assessment to identify potential constraints and periodically review	
5.1.3	Establish a collaborative profile and monitor effectiveness	
5.2	Appoint collaborative leadership which is competent in collaborative working	
5.3	Establish partner selection criteria	
5.4	Identify the level of knowledge and skills that exist and suitable staff development or recruitment	
5.5	Establish internal action plan	
5.6	Undertake regular reviews to ensure suitability and effectiveness of collaborative approaches	
5.7	Update the relationship management plan to incorporate output of internal assessments	
PARTNER SELECTION		
6.1	Nominate potential collaborative partners and establish internal agreement for the collaborative approach	
6.2.1	Ensure partner selection process incorporates defined partner selection criteria	
6.2.2	Establish partner selection action plans	
6.3	Undertake appraisal of the common objectives of the collaborative organization	
6.4	Establish a negotiation strategy and instigate this based on the business strategy, objectives and partner evaluation	
6.5	Select collaborative partner(s)	
6.6	Update relationship management plan	
WORKING TOGETHER		
7.1.1	Identify the SERs for each organization to support the joint programme	
7.1.2	Validate the key objectives of the collaboration and establish the core principles of the collaboration	
7.1.3	Undertake a competency appraisal and appoint leadership	
7.2.1	Establish a joint management team	
7.2.2	Review the joint objectives and establish effective measurements	
7.2.3	Define the primary roles and responsibilities for the team	
7.3	Establish a joint knowledge management plan	
7.4	Establish and maintain effective communications management across all stakeholders	
7.5	Establish and document joint risk management processes including joint risk register	

Table A.1 Assessment checklist (continued)

Clause	Requirement	Complete?
7.6	Undertake a joint business process review and implement operational process improvements as appropriate	
7.7	Jointly establish the appropriate contracting arrangements which should support the collaboration	
7.8	Implement plans for delivery and performance against agreed objectives. Measure, monitor and regularly review to ensure performance is maintained	
7.9	Undertake internal audits at planned intervals to ensure collaborative processes remain effective. Implement preventative and corrective actions as appropriate	
7.10	Update relationship management plan to create a joint management platform to align with joint objectives	
VALUE CREATION		
8.1	Establish, implement, record and review a value creation process	
8.2	Establish as required improvement teams	
8.3	Identify issues and areas of improvement	
8.4	Jointly agree definitions of value to the partners	
8.5	Establish a process to ensure learning from experience	
8.6	Establish mechanisms for generating ideas and innovations to develop the collaborative relationship	
8.7	Update relationship management plan as necessary	
STAYING TOGETHER		
9.1	Establish process to monitor, measure and review performance in terms of outputs, risk, alignment, behaviours and trust	
9.2	Ensure ongoing joint management of activities in accordance with objectives and governance	
9.3	Regularly monitor and review value creation and continual innovation	
9.4	Monitor issues related to behaviours and trust	
9.5	Maintain a clear focus on delivering agreed performance by each party	
9.6	Implement SER reviews of monitoring, measurement and performance	
9.7	Establish and maintain process for issue resolution	
9.8	Establish and maintain the joint exit strategy	
9.9	Regularly maintain relationship management plan	
EXIT STRATEGY		
10.1	Establish and maintain a joint exit strategy	
10.2	Establish the boundaries of the relationship including both external and internal impacts	
10.3	Regularly evaluate changes in the organization, business environment, personnel and performance	
10.4	Assess operations and potential developments in key areas which could lead to controlled disengagement	
10.5	Incorporate into exit strategy business continuity and transition	
10.6	Consider future opportunities	
10.7	Update relationship management plan to reflect key issues of exit strategy	

Annex B (informative) Relationship management plan

The relationship management plan (RMP) functions at two levels of the organization. As a corporate model, it establishes the processes to be adopted in the case of partnering or collaborative programmes. However, it also serves as a model for individual relationships or specific programmes. The guidelines shown in Table B.1 have been developed to provide a framework of support and provide a consistent model from which partnering teams with their partners can establish a tailored RMP to suit the specific needs and requirements of individual programmes. Although the RMP can be a standalone document, it can also be practically integrated into other business processes such as project management, process management, key account management, alliance management, etc.

Table B.1 Relationship management plan: general contents guide

Relationship stage	RMP contents
General	<ul style="list-style-type: none"> • Overview of relationship programme • Business objectives (update to joint objectives when partner selected) • Roles and responsibilities (update when partner selected) • Outline of management/governance structure (when agreed with partner selected) • Summary of contract arrangements (if applicable after selection) • Identify principles for visions, values and behaviours (possible team charter)
Awareness	<ul style="list-style-type: none"> • Identify Senior Executive Responsible (SER) • Identify business objectives and drivers • Incorporate benefits analysis • Identify implementation processes or links to existing procedures and processes • Identify constraints and initial risks • Identify resources and skills development requirements
Knowledge	<ul style="list-style-type: none"> • Identify operating models, measurement and practices to be used • Identify performance objectives the relationship is expected to deliver • Establish levels of authority • Identify high level risks including business continuity issues • Identify potential partners • Identify communication plan to ensure stakeholder management
Internal assessment	<ul style="list-style-type: none"> • Identify strengths and weaknesses within the organization (update when partner selected) • Incorporate areas for development/action (update when partner selected) • Establish the partner selection criteria to be used in the partner selection • Identify appropriate development programmes to be used in the "Working together" stage

Table B.1 Relationship management plan: general contents guide (*continued*)

Relationship stage	RMP contents
Partner selection	<ul style="list-style-type: none"> • Incorporate assessment of potential partners • Incorporate methodology for evaluating the collaborative capabilities and culture • Incorporate evaluation of selected partner
Working together	<ul style="list-style-type: none"> • Identify key areas of concern or constraint for each organization • Identify joint process to manage knowledge and information flows across the relationship • Establish a joint programme to assess and develop skills across the relationship • Incorporate focus change or improvement programmes • Establish joint risk and opportunity management
Value creation	<ul style="list-style-type: none"> • Incorporate value creation and innovation processes • Incorporate continual improvement programme • Establish a process for monitoring value, creating initiatives and assessing outcomes
Staying together	<ul style="list-style-type: none"> • Incorporate a joint programme for reviews, performance measurement and reporting • Incorporate a process for issue resolution at the appropriate levels • Incorporate measures to monitor and maintain appropriate behaviours
Exit strategy	<ul style="list-style-type: none"> • Incorporate joint exit strategy • Identify potential triggers for disengagement

The challenge for many organizations entering into collaborative partnerships is first to ensure the effective initial engagement of stakeholders and then to maintain this engagement over the life of the programme, particularly where there are likely to be changes of personnel during the operational phase. The RMP addresses this challenge by establishing open, honest lines of communication between collaborators, as well as providing a framework to both document the development process and create a dynamic record as the programme evolves.

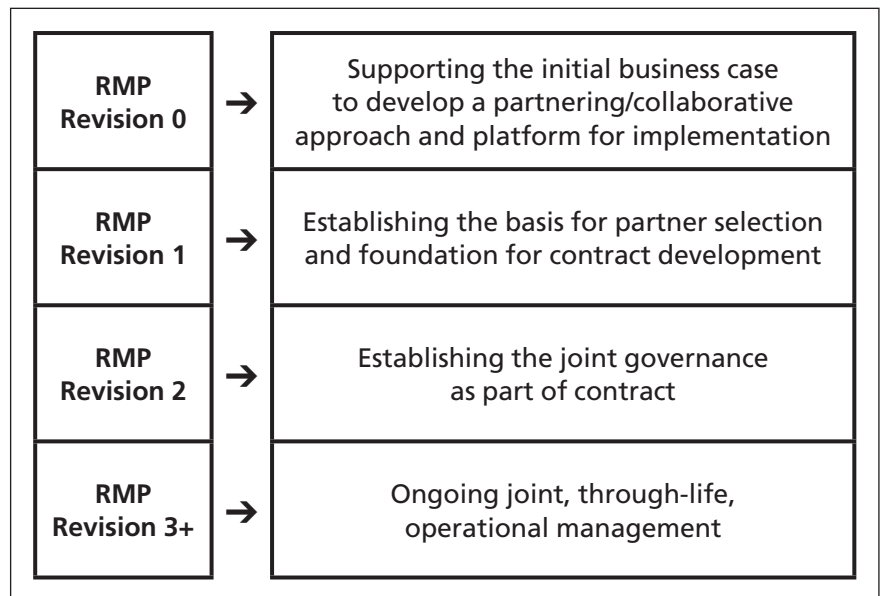
The RMP is vital for a successful programme because it is the common thread that transitions and evolves each phase of the partnering process, and ultimately acts as an agent to build trust. Effectively, the RMP contracts for trust by explicitly detailing the goals and responsibilities of each party, and how each party is going to add additional value via collaboration. In line with open communication, an essential part of the trust-building process includes defining at the start the company-specific information and knowledge that is available to fellow collaborators and what is not to be shared. Although each

programme should be tailored to suit specific needs and individual requirements, the RMP should provide:

- overview of relationship programme;
- business objectives;
- roles and responsibilities;
- outline of management/governance structure;
- summary of contract arrangements;
- principles of visions, values and behaviours.

Each RMP is expected to evolve over the lifetime of a programme, providing both a core record of the pre-contract development as background information to programme team members and an established working platform for relationship management through the life of the programme (see Figure B.1). It also ensures that relationship management is effectively communicated at all levels as well as integrated into contract execution, and that delivery is possible for all stakeholders.

Figure B.1 Relationship management plan evolution



Annex C (informative) Competencies and behaviours

Table C.1 has been included to provide an initial guide to the competencies and behaviours that support collaborative working. The right business environment to support collaborative relationships needs to encourage openness, honesty, responsiveness, commitment, performance, fairness, information sharing, giving early warnings, and doing more than just the minimum required to reach goals. This can be achieved by developing the appropriate competencies and skills, leveraging key enablers and encouraging appropriate behaviours.

Table C.1 Competencies and behaviours

Context	Core competency skills	Organizational enablers
Business skills required in the management of collaborative programmes	Key competencies specific to the role of developing and managing collaborative programmes	Key cultural aspects that enable collaborative working and underpin operational practices
<ul style="list-style-type: none"> • Leadership • Business planning • Communications skills • Team management • Negotiation skills • Conflict resolution • Commercial and financial management • Change management • Project and programme management • Contract management • Risk management • Knowledge management • Business process development 	<ul style="list-style-type: none"> • Leadership through influence • Coaching and mentoring • Stakeholder management • Cultural awareness • Creating strategic alignment • Value proposition development • Collaborative negotiation • Partner selection • Governance development • Measurements and matrix setting • Collaborative working • Joint business planning • Organizational alignment • Relationship management • Transition management • Problem solving and decision making 	<ul style="list-style-type: none"> • Leadership commitment • Joint governance structures • Shared goals/objectives • Cultural alignment • Joint business planning • Defined and appropriate measurement • Strategic alignment • Collaborative ethos • Clearly defined roles and responsibilities • Supportive processes and infrastructure • Clearly defined issue resolution mechanisms • Risk and reward sharing • Clear autonomy and accountability • Adequate resources • Effective stakeholder communications • Competency skills development • Delegation of authority • Aligned incentive programmes

Critical behaviours

- Information sharing, constructive questioning, open and honest feedback
- Listen effectively, respecting opinions of others
- Communicate effectively, consistently, openly, honestly and in a responsive manner
- Recognize the objectives of all parties and seek ways to help maximize their achievement
- Negotiate without taking advantage
- Appreciate and respect differences in cultures; be proactive to resolve potential difficulties and overcome barriers
- Learn from and share experience and setbacks
- Understand and support others in the achievement of their own goals
- Establish joint needs and outcomes and deliver against objectives; act in the best interests of the joint effort
- Balance risk and reward when considering innovative thinking and future possibilities
- Consider the possible future implications of current issues
- Address short-term imperatives without losing sight of long-term objectives; learn from experience and to embrace changes
- Constructive and flexible attitude to change; facilitate creativity in others by encouraging challenge and new ideas
- Accommodate needs of all stakeholders in order to deliver shared goals
- Demonstrate respect and consideration for all partners and consider the impact of actions upon others
- Aim to create mutual understanding but hold people to account for unacceptable behaviour

Annex D (informative) Relationship maturity matrix

Table D.1 outlines the structure for the collaborative business relationship management development maturity matrix. Organizations can determine their current position in their maturity matrix by identifying the most applicable key attributes for each stage of the collaborative business relationship process. This process will produce a maturity profile. Particular attention should then be given to areas which the organization has identified as weaknesses or potential growth areas. The matrix should be kept up to date to reflect changing circumstances.

Table D.1 Outline structure for collaborative relationship management development maturity matrix

Stage	Maturity category			
	D = Limited application	C = Low level of maturity	B = Medium level of maturity	A = High level of maturity
Awareness	An organization where collaborative working has not yet been used but is being considered for the future Collaborative working is recognized but not effectively deployed as yet	An organization where collaborative working is understood but is operated only in isolated cases Collaborative working has been adopted on an exception basis, often customer driven	An organization where collaborative working is understood but not fully integrated Collaborative working has been extensively adopted but not fully integrated across the organization	An advanced organization where collaborative working is fully integrated into policy and operational practices Collaborative working is fully endorsed at the executive level and integrated across the organization
Knowledge	Standard operating practices used	Standard operating practices modified as required	Processes for implementing collaborative working programmes developed on an individual basis	Fully established processes for developing and implementing collaborative working programmes
Internal assessment	Operations are mainly functional	Collaborative teams reactive to market requirements	Collaborative teams established and developed as required	Fully integrated processes for maintaining focus on internal collaborative capability
Partner selection	Selection processes do not currently recognize the impacts of collaborative working	No specific operational processes to identify and select potential collaborative partners	Established operational processes to identify and select potential partners	Established operational processes to identify and select potential partners
Working together	External interfaces are controlled purely through formal contracts	No established collaborative operating and contracting models	Operating and contracting models for specific collaborative programmes	Establish operating and contracting models for collaborative programmes
Value creation	No focus on value creation other than internal continual improvement programmes	Limited specific approaches to promote value creation and innovation	Programme-specific approaches to promote value creation and innovation	Fully integrated processes to promote value creation and innovation
Staying together	Internal operational management processes	Fully established internal operational management processes	Fully established operational management processes	Fully established operational management processes
Exit strategy	Internal exit strategy process	Internal exit strategy process	Established joint exit strategy process	Fully established exit strategy process

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