

BS 11000-2:2011



BSI Standards Publication

Collaborative business relationships –

Part 2: Guide to implementing
BS 11000-1

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Summary of pages

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Foreword

Publishing information

This part of BS 11000 is published by BSI and came into effect on 31 December 2011. It was prepared by Subcommittee SVS/1/4, *Collaborative business relationships*. A list of organizations represented on this committee can be obtained on request to its secretary.

Relationship with other publications

BS 11000 is published in two parts:

- Part 1: A framework specification;
- Part 2: Guide to implementing BS 11000-1.

This part of BS 11000 should be read in conjunction with BS 11000-1, which gives requirements for implementing a strategic framework for establishing and improving collaborative relationships. This part of BS 11000 provides support to organizations seeking to implement the requirements in BS 11000-1.

Information about this document

Assessment and certification can only be undertaken by a single company or part thereof. Where two or more organizations are working together, they may use as evidence common material and data relating to the stages from 'Working together' (Clause 7) onwards.

Use of this document

As a guide, this part of BS 11000 takes the form of guidance and recommendations. It should not be quoted as if it were a specification or a code of practice and claims of compliance cannot be made to it.

Presentational conventions

The guidance in this standard is presented in roman (i.e. upright) type. Any recommendations are expressed in sentences in which the principal auxiliary verb is "should".

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.

0 Introduction

0.1 General

This part of BS 11000 aims to provide guidance that supports the effective implementation of Part 1 in order to establish and improve collaborative relationships in organizations of all sizes.

The case for the significant business value and benefits to be derived from collaborative working was made in Part 1. This guide has been developed, using pan-industry best practice, including the experience of early adopters of Part 1, to help organizations understand why each element of this part of BS 11000 is important together with the practical approach to be taken.

In Part 1, the multi-dimensional nature of collaborative relationships was specified, many of which have an outward focus, emphasizing the importance of collaboration in managing differing goals, objectives, expectations, cultures and behaviours between organizations. Collaboration can also be used to focus on internal interfaces to optimize existing activities, consolidate internal rationalizations or to speed up the process of integration during acquisitions and mergers; in these circumstances the guidance in this part of BS 11000 is also relevant.

0.2 How to use this guide

This part of BS 11000 has been structured so that the clause numbering mirrors those used for the corresponding clauses in Part 1. This enables the reader to easily locate and apply the guidance that supports a specific clause in Part 1.

This part of BS 11000 covers the eight stages from Part 1, which are introduced by commentary that explains more about the purpose and aims of each stage. A flowchart is included at the start of each clause to illustrate the path through the steps within each stage; each box within the flowchart represents both the clauses contained in Part 1 and the supporting clauses in this part of 11000.

Each of the clauses is structured in the same simple format as follows:

- 'what' covers the requirement of the matching clause in BS 11000-1 (see BS 11000-1:2010, Annex A, for the mirroring checklist);
- 'why' covers the relevance and importance of supporting the development of effective collaborative working;
- 'how' covers the implementation of the matching clause in BS 11000-1, e.g. suggested approaches and areas for consideration.

Where appropriate, the clauses are supported by tables, figures, and models and methods that might be used in the course of implementation.

Further useful information is provided in the annexes to this part of BS 11000, all of which can be used to implement Part 1.

0.3 The relationship management plan

Part 1 requires an organization to establish a relationship management plan (RMP): see BS 11000-1:2010, Clause 0, for a detailed overview of the role and purpose of this document. An organizational RMP is owned by the Senior Executive Responsible (SER); lower level RMPs for specific parts of the organization or for a specific relationship may be developed and owned by an appropriate SER for that area, reflecting the overall corporate approach.

The RMP is a living document, which is referred to in BS 11000 (all parts). There is a need for the document to be updated with the relevant information created by following the steps identified in this part of BS 11000.

When created and maintained with sufficient detail and care, effective RMPs can help to:

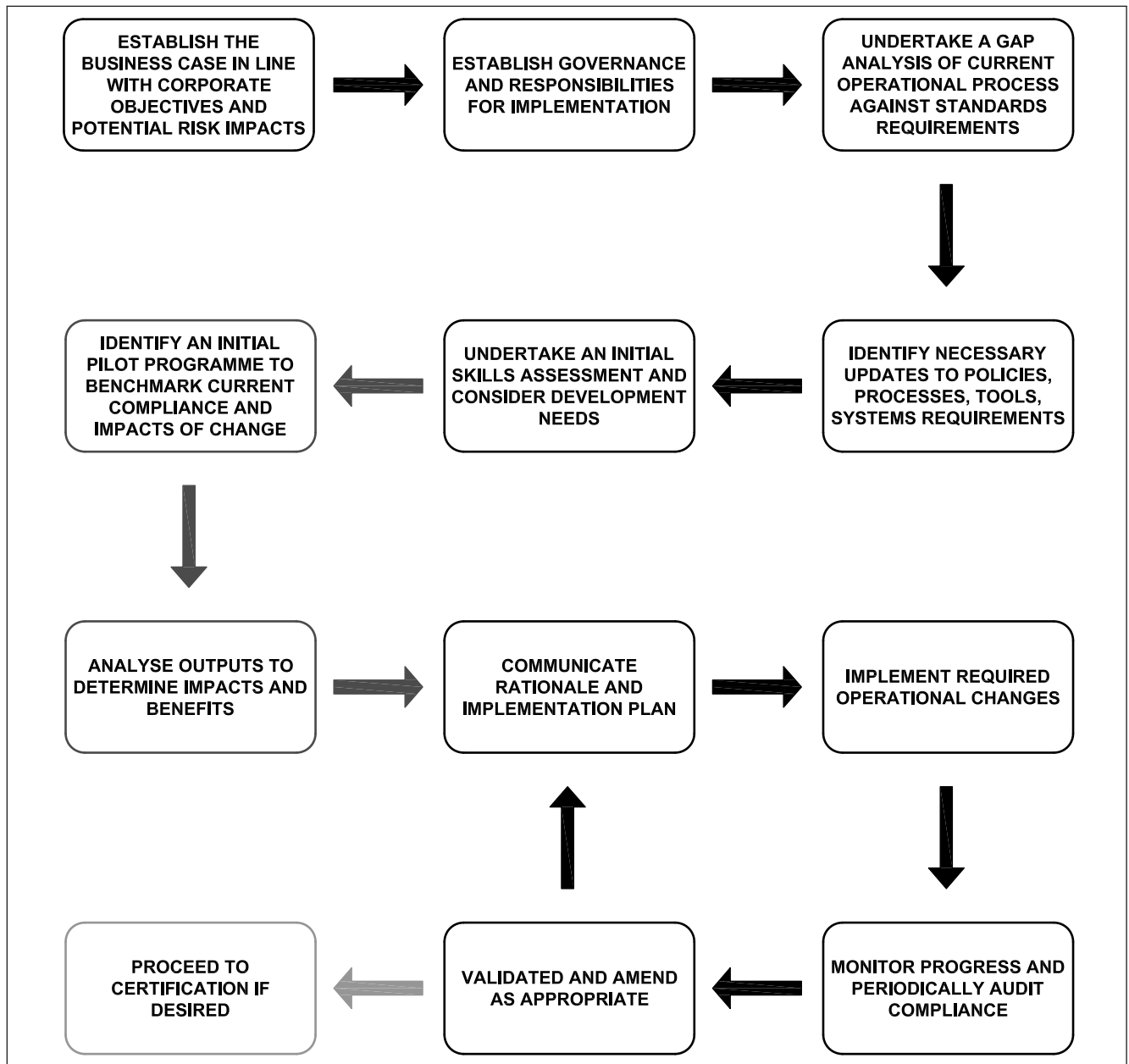
- document and share the business case and strategy for collaborative working;
- provide an actionable implementation plan for the deployment of collaborative working;
- provide overviews for stakeholders of key processes and tools that support collaborative working activities;
- provide evidence of compliance to Part 1 in support of audits;
- incorporate a joint document as an addendum to a contract where organizations elect to;
- document joint ways of working agreed between parties in a collaborative relationship.

Where the RMP is used within a specific collaborative relationship to define joint ways of working, it is important that the document is jointly owned and is agreed by all the parties of the collaboration.

0.4 The sequence of stages in Part 1

While Part 1 follows the three-phase approach (Strategic, Engagement, Management), containing eight stages (see BS 11000-1:2010, Figure 2), it is recognized that for many organizations, the entry point might vary based on the nature of the specific collaborative relationship being addressed. The high level flowchart in Figure 1 has been developed to provide general guidance for organizations, which assists in the overall implementation of BS 11000-1 but is not directly related to the clauses within this British Standard.

Figure 1 High level implementation flowchart



1 Scope

This part of BS 11000 provides guidance to organizations on implementing BS 11000-1 in order to achieve successful collaborative business relationships, as well as on each clause to help organizations use and implement the framework specification effectively.

This is applicable to any organization regardless of size, type or activity.

2 Normative references

The following referenced documents are indispensable for the application of this document. For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies.

BS 11000-1:2010, *Collaborative business relationships – Part 1: A framework specification*

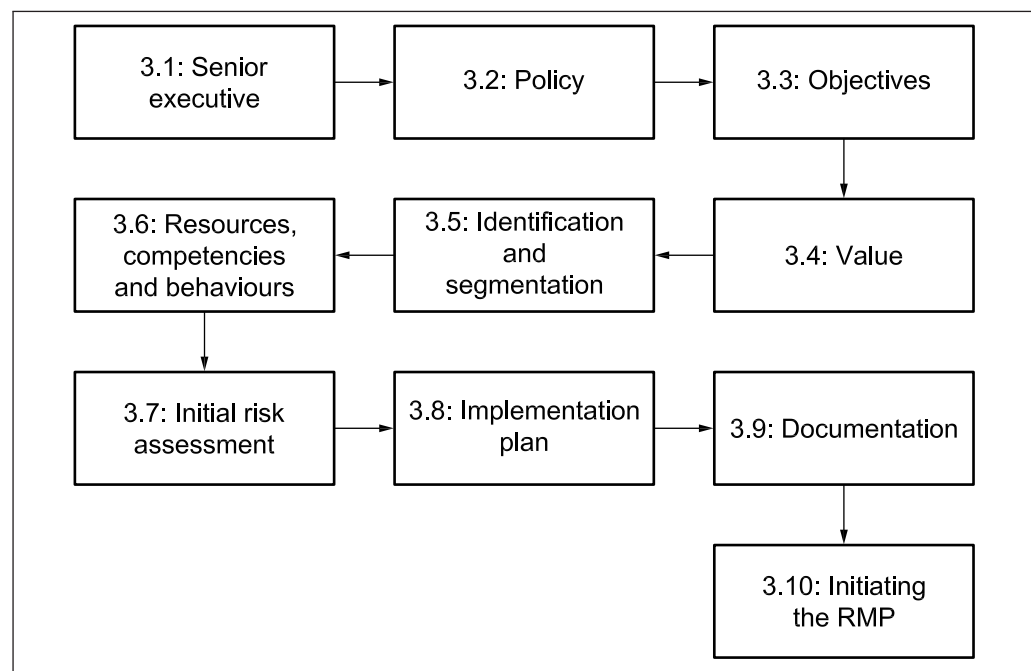
3 Guidance on Stage 1: awareness

COMMENTARY ON Clause 3

This clause gives guidance on BS 11000-1:2010, Clause 3.

“Awareness” addresses the overall strategic corporate policies and processes that can lead to incorporating collaborative working into business operations. This recognized approach can be used to identify where value can be added. At this stage organizations are advised to assess the appropriateness of adopting a collaborative approach and plan their integration of it, identifying the benefits and value along with the business impacts, considering both internal and external constraints. Figure 2 illustrates the steps through Stage 1.

Figure 2 Awareness process flowchart



3.1 Senior executive

What?	Appoint an SER for collaborative business relationship management.
Why?	To ensure that there is senior executive sponsorship and support for any changes required to deliver collaborative working.
How?	<p>The senior executive management should establish a clear mandate and overall strategy for the creation and implementation of collaborative relationships.</p> <p>Appointing an SER ensures that:</p> <ul style="list-style-type: none"> • authority and recognition are given to the implementation; • overall business objectives are aligned; • internal and external stakeholders are engaged; • the impact on operating practices and resources are recognized; • those charged with implementation are accountable; • an appropriate governance model is implemented; • overall responsibility for successful collaboration is undertaken. <p>The SER should have the necessary central authority to be able to influence the multiple organizations and functions represented within the business relationship, without necessarily having line management authority. The SER and the joint management team have overall and individual leadership responsibility for the performance of each collaborative relationship. Maintaining disciplined governance arrangements are important for supporting this role.</p> <p>The SER has responsibility for determining who the most appropriate level of management is to review the performance data based on the areas that they are responsible for. Data should be reviewed, conclusions drawn and information passed throughout the organization at all levels. In particular, data should be passed to the level of management that makes decisions on how to respond to conclusions and to allocate resources, etc. based on the outcomes.</p>

3.2 Policy

What?	Define policy for collaborative working.
Why?	Defining policy should establish and embed collaborative concepts, approaches and behaviours in the business relationship so that they are consistently applied and maintained across the organization. Defining policy underpins sustainable success to deliver defined outcomes.
How?	<p>The policy for collaborative working should:</p> <ul style="list-style-type: none"> • include authorization by executive management; • be underpinned by processes and training; • be consistent with the organization's vision and values; • use language that is relevant within the organization; • be understandable to all stakeholders; • be relevant to the organization's environment; • build on existing policy where appropriate.

3.3 Objectives

What?	Identify strategic business objectives.
Why?	Organizations need to review their objectives to determine how and where delivery of these can be enhanced by use of collaborative working.
How?	<p>The business objectives should be defined at the outset to ensure a clear understanding of the desired outcome. These might be corporate-wide, divisional or functional objectives.</p> <p>Objectives should be:</p> <ul style="list-style-type: none"> • focused on specific benefits and outcomes; • linked to policy; • linked to measurable milestones; • defined by time; • linked to adequate resources with accountability defined. <p><i>EXAMPLE:</i></p> <p><i>Objectives can be evaluated and selected as specific, measurable, achievable, realistic and time-bound (SMART).</i></p>

3.4 Value

What?	Identify potential value from collaborative working.
Why?	<p>Collaborative working requires effort and resource to be successful. Therefore identifying the potential value in collaborative working should ensure that the value proposition has been sufficiently evaluated to:</p> <ul style="list-style-type: none"> • demonstrate specific benefits; • address internal barriers; • evaluate output versus investment; • identify opportunities and risks to be exploited; • drive innovation.
How?	<p>Areas that can deliver value to the organization from a short, medium and long-term perspective should be identified; see Figure 3 for examples of potential benefits from collaborative working.</p>

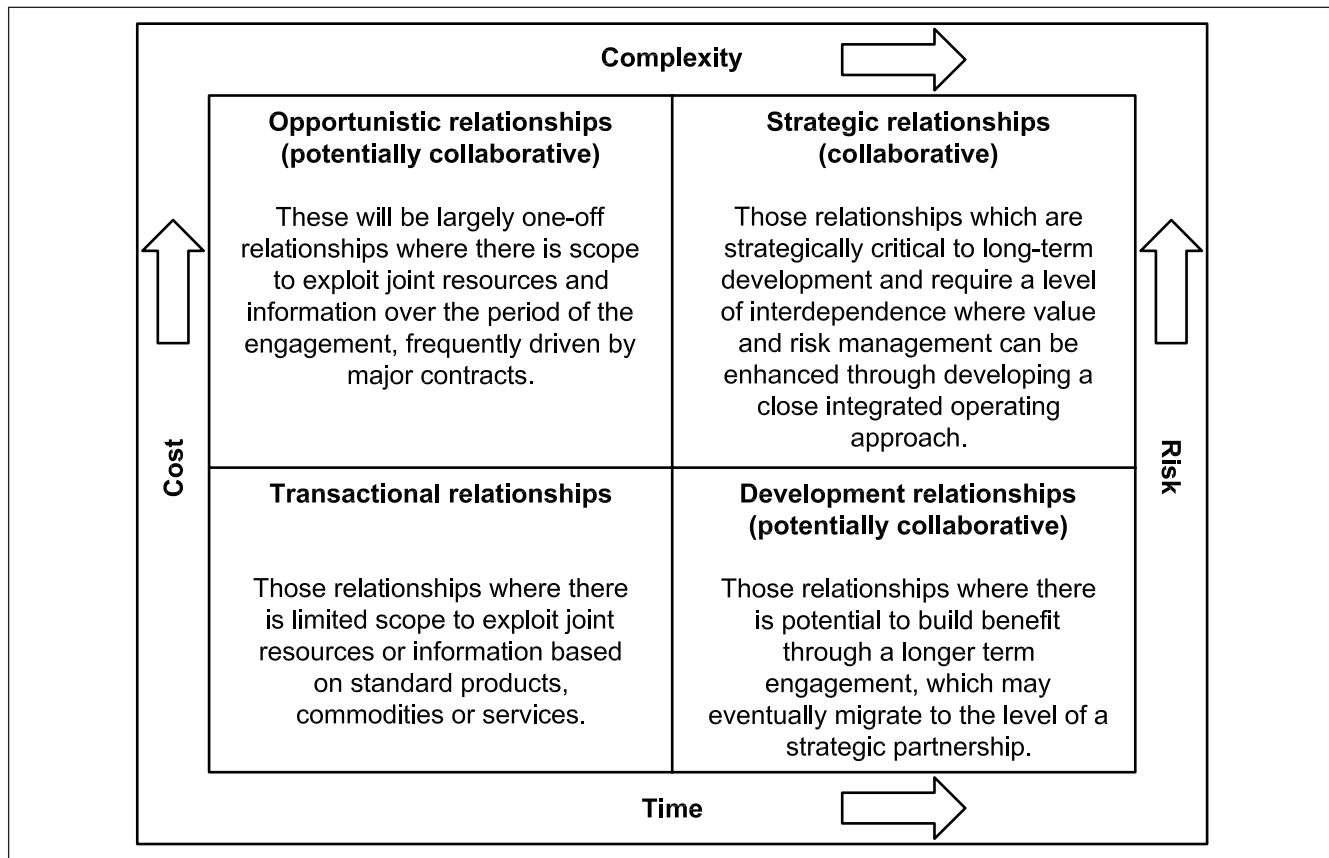
Figure 3 Examples of benefits from collaborative working

Identify total cost of ownership	Improved efficiency	Optimized effectiveness	Enhanced performance
Cost reduction	Product development	Market development	Delivery improvement
Waste reduction	Remove duplication	Customer engagement	Joint risk management
Resource optimization	Supply security	Scalability of resources	Sustainable development
Improve profitability	Information sharing	Skills enhancement	Innovation
Business growth	Process improvement	Maintain competitive advantage	Dispute reduction

3.5 Identification and segmentation of business relationships

What?	Identify all significant relationships. Segregate and prioritize opportunities and establish implementation plans.
Why?	Collaboration should be focused on where it can deliver the most benefit: <ul style="list-style-type: none"> • assessed for appropriateness and implications; • contributing to the business objectives; • focusing resources and effort.
How?	The model in Figure 4 gives an approach for initial segregation (whether customers, suppliers or partners) based on combinations of four parameters: cost, risk, complexity and time. Prioritization should be based on those that deliver greater value (see 3.4), which subsequently establishes a sequence for proposed implementation and assignment of resources.

Figure 4 Suggested approach to segmentation in business relationships



3.6 Resources, competencies and behaviours

What?	Establish policies, procedures and resources to support competencies and appropriate behaviours.
Why?	Operating within a collaborative programme introduces a number of challenging concepts that might not be common within the current operating structures. Operating this way should ensure that as the programme evolves the appropriate behaviours and skills can be established and maintained.
How?	<p>The competencies and skills required should be established and where appropriate training and development should be implemented (see BS 11000-1:2010 Annex C, for additional guidance).</p> <p>When considering the suitability and experience of individuals to work in a collaborative environment, it is important to recognize the critical impact of behaviours. When assessing individuals, approaches such as neuro-linguistic processing (NLP) can be helpful, particularly when considering leadership roles (as these set the tone for all staff). Organizations should introduce an induction programme where the principles of collaborative working can be highlighted for those joining a collaborative programme.</p>

3.7 Initial risk assessment

What?	Implement an initial risk assessment associated with collaborative business relationships.
Why?	<p>The specific implications of risk associated with collaborative working should be assessed. Collaboration and partnering can offer many opportunities to mitigate risks for both customer and suppliers throughout the value chain. However, it can introduce new risks that might not have been considered.</p> <p>An effective initial risk assessment should enable the organization to evaluate:</p> <ul style="list-style-type: none"> • the risks to engagement in collaboration; • how collaboration might reduce risks in prospective opportunities; • any identified risk issues when assessing prospective partners; • who is best placed to manage the identified risks.
How?	Some areas to be considered when identifying the risks associated with a prospective collaborative opportunity are given in Table 1 (the examples given are not exhaustive). This should be done in addition to any existing risk management policies; the proposed mitigation for each risk should be established, where practical. Addressing risk might be a facet of the collaboration (e.g. can partners help?) through joint risk management or an issue that collaboration might introduce and should therefore be assessed during strategy development (see 4.5) and partner selection (see 5.3 and Clause 6).

Table 1 Examples of potential risks associated with collaborative relationships

Reputational risk	Cultural/behavioural risk	Operational risk
<ul style="list-style-type: none"> • Customer acceptance • Organizational values • External perceptions • Stakeholder acceptance • Sustainable agendas • Market resistance • Ethical and responsible trading 	<ul style="list-style-type: none"> • Organizational culture (e.g. public/private sector) • Organizational behaviours • National cultures • Historical relationship (e.g. prospective partner is a previous client) • Levels of trust 	<ul style="list-style-type: none"> • Organizational structure (e.g. rigid or flexible) • Process stability/maturity • Resource/capability • Business continuity • Continued competitive advantage • Interdependencies

3.8 Implementation plan

What?	Establish an implementation plan for each relationship.
Why?	This should define an approach for each type of relationship (as identified in 3.5) that supports business objectives and recognizes external influences and risks that might either aid or constrain the programme.
How?	At this stage, the organization should establish and implement a process to identify where collaborative working is to be deployed to meet specific objectives and implement appropriate changes to operating practices where necessary.

3.9 Documentation

What?	Document defined procedures.
Why?	This should provide clarity, transparency and consistency across the organization and underpin collaborative working, complementing existing business processes.
How?	<p>The organization should undertake a review to establish whether the existing processes are consistent with collaborative working or require modification. Those implementing BS 11000-1 should incorporate documentation within existing policies, procedures and systems rather than create an additional level of documentation.</p> <p>The RMP can provide a mechanism for documenting any additional requirements.</p>

3.10 Initiating the RMP

What?	Initiate RMP; see BS 11000-1:2010, Annex B.
Why?	This should provide a framework for documenting the relationship development process and be a dynamic record of the evolution of the relationship. The RMP provides a focus and background for operational personnel and a centralized record for process audit or assessment.
How?	<p>At this stage the RMP should act as a corporate model for collaborative working. It should document the various elements, processes, procedures and shared systems of work, while at the same time communicating strategic issues such as objectives, targets, milestones, key contacts and areas of responsibility.</p> <p>The RMP can be presented in many forms, from a simple booklet to an on-line database, depending on the nature of the collaboration and/or the nature of the collaborating organizations.</p> <p>The RMP should:</p> <ul style="list-style-type: none"> • be fit for purpose; • show that all stakeholders are identified and engaged in the process; • reflect the culture and environment that it is designed to support; • be maintained as a live, evolving document; • have clear ownership and be used as a basis of a future joint RMP; • be approved by the SER (once finalized); • be subject to review at appropriate intervals; • be updated at every stage of the development.

	<p>In establishing the initial high level RMP, the document should incorporate a default approach for each of the elements defined in BS11000-1:2010, Annex B. At this stage, the RMP should have a fully defined response to the general and awareness details given in this clause (which should remain constant as specific RMPs are developed for individual approaches), including:</p> <ul style="list-style-type: none"> • identifying the SER; • identifying business objectives and drivers; • incorporating benefits analysis; • identifying implementation processes or links to existing procedures and processes; • identifying constraints and initial risks; • identifying resources and skills development requirements.
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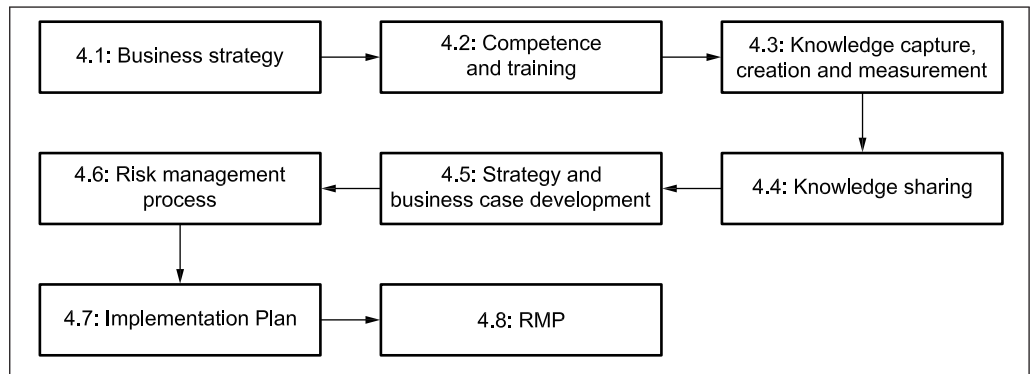
4 Guidance on Stage 2: knowledge

COMMENTARY ON Clause 4

This clause gives guidance on BS 11000-1:2010, Clause 4.

“Knowledge” focuses on the development of a specific implementation strategy for an identified opportunity, creating a business case and analysing benefits around building a collaborative approach to deliver strategic objectives. While there is an overall corporate approach to developing collaborative relationships, each individual business relationship is established against a variety of specific drivers, objectives and influences. Each relationship needs to encompass both the overall governance processes but also reflect the necessary adjustments to achieve the desired outcomes. Figure 5 illustrates the steps through Stage 2.

Figure 5 Knowledge process flowchart



4.1 Developing a specific business strategy

What?	Establish the objectives and key drivers for each collaborative opportunity and evaluate if collaboration is appropriate.
Why?	Collaborative working can drive added value in many areas of business, however, it might not be appropriate or necessary for all types of business relationships. The organization should ensure that the investment needed for collaboration is proportionate to the potential benefit.

How?	Having identified ways in which collaboration can add value in 3.4, the specific value drivers for each collaborative opportunity should be identified as a basis for establishing measurable objectives for the business case submission and approval.
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4.2 Competence and training

What?	Identify the experience, skills and competencies of individuals that will be involved in any collaborative initiative.
Why?	A collaborative approach might challenge traditional working practices and therefore be a potential constraint. People with the appropriate skills and experience should be assigned to work together effectively. There might also be a need to redefine operational roles and responsibilities in the context of the collaboration.
How?	There is a clear distinction between business skills and those additional practical collaborative skill sets, which might be required to support a collaborative relationship. The organization should undertake a review of the resource requirements against existing skills, experience, competency models and implement selection and training as appropriate with a particular focus on key personnel (see BS 11000-1:2010, Annex C, for further information).

4.3 Knowledge capture, creation and management

What?	Establish a procedure to capture, create and manage knowledge within collaborative relationships.
Why?	<p>A key benefit of collaborative relationships is that they increase the knowledge pool, improve transparency and provide an environment for knowledge creation.</p> <p>Collaboration increases the flow of information and this should be handled in a controlled manner to prevent potential conflicts, duplication, inefficiency and misunderstanding, which can lead to mistrust.</p>
How?	<p>The procedure should include process controls and designated responsibilities for how and when knowledge is recorded and how it is shared.</p> <p>What needs to be shared and what information should be controlled within contractual and legal constraints should be understood by those involved in the relationship.</p> <p>Organizations should also evaluate their standard contract clauses relative to knowledge sharing to ensure that these are compatible with collaboration and, if necessary, document specific variations.</p> <p>Developing a knowledge map or information matrix can help to provide a structure to identify what might be shared; an example is shown in Figure 6.</p>

Figure 6 Knowledge map: examples of areas for consideration

Industry standards	Regulatory requirements	Partnering programmes	Product strategy	Business plans	Strategic plans
Product information	Market research	Patent applications	Research and development strategy	Research and development results	Investment plans
Industry trends	Bidding strategy	Specific pricing	Pricing structures	Margins	Corporate financials
Market information	Current contracts	Marketing plans	Customer contacts	Customer relationships	Incentive programmes
Customer trends	Sales plan	Sales targets	Sales leads	Skills development	Organization changes
Public information	Supplier contracts	Supplier agreements	Technical and product data	Cost data	IPR/design

4.4 Knowledge sharing

What?	Establish guidelines for sharing knowledge between organizations.
Why?	<p>Through effective collaborative relationships, organizations can capitalize on wider knowledge pools that might otherwise be constrained by systems, individual perceptions and concerns about sharing knowledge. Knowledge sharing might be between:</p> <ol style="list-style-type: none"> individuals; groups; divisions of the organization; collaborative partners or customers.
How?	<p>In 4.3 a procedure was established for knowledge capture, creation and management. During this step organizations find it helpful to provide guidance on sharing knowledge because it ensures appropriate information is exchanged, which drives the right behaviours underpinning collaborative working. Individuals should recognize the importance of knowledge sharing and see clearly how it is linked with the business objectives of the organization. Examples include:</p> <ul style="list-style-type: none"> formal and informal communications; staff briefings; newsletters; intranet; social media; shared working environments.

4.5 Strategy and business case development

4.5.1 General

What?	Establish procedure for developing a strategy and business case for each opportunity.
Why?	Collaborative working might challenge the internal operating processes of the organization. Commitment and resources are required to deliver the desired outcomes, therefore, there should be a clear strategy for implementation and a robust business case for adopting a collaborative approach for each relationship.
How?	<p>Organizations should evaluate existing strategy development approaches to ensure that they address the implications of collaborative working. Key elements of any business strategy should include:</p> <ul style="list-style-type: none"> • clarity of objectives; • establishment of the required organizational structure and resources; • roles and responsibilities; • evaluation of market conditions; • assessment of customer adoption; • value benefits analysis; • identification of appropriate organizations to work with; • consideration for exit strategy. <p>These elements are outlined in more detail from 4.5.2 to 4.5.8 and the defined approach should be incorporated into and supported by an RMP.</p>

4.5.2 Establishing objectives

What?	Identify and document objectives of each collaborative relationship.
Why?	Only when there is a clear understanding of what an organization wants to accomplish can specific objectives for a collaborative relationship be set. In many cases the failure of external relationships can be attributed to organizations failing to understand or define their own direction.
How?	<p>By defining and prioritizing the desired outcomes, the following questions should be answered.</p> <ol style="list-style-type: none"> a) What are the benefits from collaborative working? b) What does success look like? c) How is the progress towards these goals measured? d) When have they been achieved?

4.5.3 Organizational focus

What?	Establish the responsibility and necessary approval for developing this specific relationship and communicate appropriately.
Why?	There should be clarity across the organization about managing the collaboration. Even people outside the direct collaborative activity can impact on its eventual success.

How?	<p>Internal interfaces should be established and where the responsibility lies for developing and implementing the relationship should be identified as part of a governance model. This might be:</p> <ul style="list-style-type: none"> • a specifically nominated team; • a functional group (marketing, sales, operations, supply chain); • an operating division; • a regional operating unit.
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4.5.4 Market focus

What?	Analyse the market sector.
Why?	<p>Consideration should be given to the broader economic and political changes in the external environment that might introduce pressures on the collaborative arrangement. This might be particularly relevant when working with overseas organizations. However, collaborative approaches are often developed to meet external challenges, responding to changes in markets, and can be highly successful.</p>
How?	<p>Market analysis to consider the implications of a collaborative approach should be undertaken. A simple method of capturing these issues is by utilizing SWOT (see Table 2) and/or PESTLE (see Table 3) models.</p>

Table 2 SWOT analysis

Strengths	Weaknesses
What are our strengths?	What are our weaknesses?
Opportunities	Threats
What are the opportunities to enhance our business through collaboration?	What are the threats that could undermine the success of collaboration?

Table 3 PESTLE analysis

Political	Economic	Social
What is the current political environment and the implications for the success of collaboration?	What are the current economic conditions and their implications for the success of collaboration?	What are the social implications that could impact collaboration?
Technological	Legal	Environmental
What are the technology issues, current and future developments, that could impact the success of collaboration?	What are the legal implications of a collaborative approach?	What are the environmental considerations, in particular, the implications for corporate social responsibility and sustainability impacts?

4.5.5 Customer focus

What?	Define the customer base, establish the customers requirements and expectations.
Why?	<p>In some cases, a collaborative opportunity might be initiated by customers or the need to meet customer requirements. The customer might be part of the collaboration. In fact, an important aspect in optimizing performance through collaboration is that partners might interact directly with customers and develop better customer relationships.</p> <p>It is also possible that the customer's acceptance of collaboration or of specific collaborative partners might be a crucial factor in developing the right approach.</p>
How?	<p>When considering a collaborative approach, where possible the aspects that might be influenced by the customer should be identified. These might include:</p> <ul style="list-style-type: none"> • the customer's attitude to collaboration; • the customer's preference for partners; • the risk of working with multiple organizations; • contracting processes and legal constraints.

4.5.6 Value analysis

What?	Evaluate value of the relationship in the context of the overall business objectives.
Why?	Before launching a collaborative programme that might require specialist capability, it should be ensured that the projected value of such an arrangement warrants the investment. At the same time, defining the potential value to be derived from a collaborative relationship, organizations can validate their approach.
How?	<p>Most organizations have an established process but if not they should establish a process for undertaking these evaluations. This might involve a variety of considerations, including:</p> <ul style="list-style-type: none"> • financial benefits and risk reduction; • improved performance and efficiency; • extending product or service capability; • product development and innovation; • improved performance through behavioural change.

4.5.7 Identifying potential collaborative organizations

What?	Identify potential collaborative organizations against the specific opportunities.
Why?	While the potential of collaborative working might have been identified, its success rests largely on being able to identify suitable partners, for example, operating outside national boundaries where the collaborative approach might not be widely recognized. Where there is a customer-driven requirement, the options might be constrained by customer preference.

How?	<p>Potential collaborative partners might emerge from a variety of sources, including:</p> <ul style="list-style-type: none"> • existing trading relationships; • those identified to provide specialist capability; • those identified from geographic or market development drivers; • specific customer requirements; • future products or services. <p>These potential partners might include organizations, which for a variety of reasons have not previously been considered, e.g. for ethical, commercial or historical reasons. However, since they might now potentially be integrated into your own organization's delivery process, their reputation and yours become linked, therefore, how to align visions and values should be evaluated.</p>
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4.5.8 Exit strategy

What?	Develop an initial exit strategy assessment.
Why?	In developing a strategy for the implementation of a collaborative approach, the issues that might trigger the need for exiting the relationship should be understood. This ensures that as the implementation proceeds, these aspects are kept transparent to avoid any hidden agendas, together with identifying those key issues that need to be addressed and which form part of a joint exit strategy.
How?	Organizations should consider at this stage those issues that might impact the ongoing development of the strategy; see Clause 10 for a detailed breakdown of an exit strategy. Table 4 gives examples of items for consideration for an exit strategy.

Table 4 Examples of considerations for exit strategy

Possible exit triggers	Key concerns	Process issues
<ul style="list-style-type: none"> • Unilateral withdrawal of the partner • Performance failure • Change of ownership • Policy or regulatory changes • Change of requirement • Market changes • Completion of objectives 	<ul style="list-style-type: none"> • Intellectual property • Customer relationship management • Knowledge transfer • Loss of capability • Resource allocation • Reputation • Ongoing liabilities 	<ul style="list-style-type: none"> • Breakdown of governance • Business continuity • Controlled transition • Resource transfer • Costs and timing • Supply chain impacts

4.6 Risk management process

4.6.1 General

What?	Integrate relationship management into established risk management.
Why?	<p>When dealing with any aspect of collaboration, there should be a good understanding of risk management. Introducing the concept of risk helps to create new thinking both to mitigate risk and, where practical, exploit it. It is often difficult to establish a risk management culture that accepts that risk is a joint responsibility.</p> <p>Many risks impact on the integrated venture in the same way as they affect a single organization. Collaborative relationships can address many of the challenges and opportunities introduced by risk through effective risk management but in doing so they might also introduce new risks.</p>
How?	A review of the current risk management approach should be undertaken. In particular, the need to consider where collaboration and relationships might introduce risk or might be utilized to mitigate risk should be highlighted. Those responsible should seek to identify partner risk where this could influence engagement and performance.

4.6.2 Determining risk management policy and method

What?	Establish risk management policy and processes.
Why?	The traditional trading and contracting models tend to focus on risk from an internal perspective, whereas in a collaborative relationship risk should be a joint consideration. Frequently organizations are tempted to focus solely on transfer of risk rather than working to ensure risk is managed by the party best placed to address specific risks. The adoption of a risk averse approach is likely to stifle collaborative working between organizations.
How?	Organizations should review their existing risk management approach to ensure the risks from collaborative working are recognized. There are many aspects of risk and each aspect should be identified, addressed and applied to all partners within the business relationship. Effective approaches should be developed in order to minimize the risk.

	<p>For the collaborative relationship, risk in the following areas, for example, should be assessed, where applicable:</p> <ul style="list-style-type: none"> a) health and safety; b) reputational; c) performance; d) supply; e) environmental; f) short term; g) long term; h) financial; i) change; j) intellectual property rights (IPR); k) technology; l) business continuity.
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4.6.3 Internal review

4.6.3.1 Internal issues

What?	Identify and assess internal issues which could result in significant risks to performance.
Why?	Collaborative working is likely to impact on many functions within an organization, which might be called upon to support changes in operational approaches, even though they might not be directly involved with the relationship. To ensure success of a collaborative approach, these issues should be identified and addressed where necessary to ensure they do not become a risk to achieving the objectives.
How?	An assessment of those aspects of the current operating practices and approaches that might introduce internal risk to collaborative working should be undertaken. Table 5 gives examples as a starting point for this process; this is not an exhaustive list.

Table 5 Initial analysis of internal risks to effective collaboration

Organizational issues	Cultural issues
<ul style="list-style-type: none"> • Policies • Processes • Systems • Authorities • Resources • Stakeholders 	<ul style="list-style-type: none"> • Leadership • Ownership • Lack of innovation • "No change" culture • Values • Behaviours
Capability issues	Commitment issues
<ul style="list-style-type: none"> • Business skills • Competencies • Collaborative experience 	<ul style="list-style-type: none"> • Confidence • Reporting structures • Performance goals • Incentive schemes • Career paths • Job security

4.6.3.2 Business continuity

What?	Undertake a business impact assessment relative to collaborative working.
Why?	Working collaboratively results in organizations placing greater reliance on partners to deliver the required outputs. This might reduce the level of direct control that an organization has and as such could introduce new risks to the business and business reputation. These might stem directly from the outputs of the partner or from the loss of expertise and resource in the organization as tasks transfer to the partner. In looking at the impact of collaboration, organizations should understand the extent of the risk they are facing through entering a collaborative arrangement so that mitigation can be established to protect ongoing business delivery to the customer base. They should also consider the positive impacts and determine how these can be secured.
How?	Areas of interface and reliance should be assessed to determine the risks that might be introduced and the mitigation that can be put in place. In doing this, the business continuity strategy and its mitigations should be coherent with the final exit strategy as both address similar issues, albeit the timing of risk realization and the impact might be different. The opportunities sought through collaboration should be reviewed to assess how this particular collaboration might influence their achievement. Table 6 provides some examples to be considered.

Table 6 Influences on business continuity

External factors	Joint factors	Internal factors
<ul style="list-style-type: none"> • Natural disaster • Criminal action • Terrorist threat • Political change • Economic change • Social/civil unrest • Labour action 	<ul style="list-style-type: none"> • Resource reduction • Programme completion • Transition • Customer support • Supply chain vulnerability 	<ul style="list-style-type: none"> • Relationship breakdown • Knowledge transfer • Change of direction

4.6.3.3 Sustainability and corporate social responsibility

What?	Consider the implications on sustainability within the context of collaborative risk management.
Why?	Sustainability and corporate social responsibility have a high profile within business strategy and should be factored into any collaborative programme. By working with collaborative partners, many aspects of sustainability can be better addressed to support corporate visions and values. Collaboration can introduce alignment and reputational challenges between partners and for customers.
How?	A review of the current sustainability programme should be undertaken internally and the implications of a collaborative approach, which might increase the risk or provide a joint approach that is more effective, should be assessed. It should also be recognized that by association the actions of external partners can have an impact on an organization. Table 7 gives some examples for consideration.

Table 7 Sustainability implications and opportunities

Sustainability opportunities	Sustainability risks
<ul style="list-style-type: none"> • Transport/CO₂ reductions • Waste management • Materials optimization • Resource development • Energy savings • Packaging reduction 	<ul style="list-style-type: none"> • Supply chain vulnerability • Reputation by association • Labour exploitation • Human rights • Ethical trading

4.6.4 Risk ownership

What?	Establish that each identified risk issue is appropriately assigned for resolution.
Why?	Risk should not be channelled down or simply transferred through the supply chain; there is a danger that the risk is not addressed or could result in additional risks that are not being identified.
How?	A risk register should be established and each risk should be appropriately assigned internally for ownership and necessary action until the joint risk management process is set up.

4.6.5 Risk mitigation

What?	To ensure that all identified risk issues are addressed and, where practical, consideration is given to how these risks are to be mitigated.
Why?	A collaborative approach has impacts across the organization and risk can be identified by separate elements or functions within the organization. These risks influence the degree of integration and performance. By establishing a comprehensive risk register, risks can be assessed and appropriately handled. Eventually the aim should be to have a joint risk register, if one has not been established, and a jointly managed risk programme that draws on the capabilities of collaborative partners, ensuring that risks do not become issues.
How?	A risk register should be established that includes the following, as a minimum: <ul style="list-style-type: none"> a) risk description; b) risk assessment (likelihood, impact, triggers, stakeholder perception); c) identification of responses to reduce risk (prevention, reduction, transference, acceptance, contingency); d) translation of risk responses into action plans: assigned risk owner; e) quantification of risks to establish necessary financial provision; f) re-assessment of risks and responses as required until closure.

4.7 Implementation plan

What?	Establish and regularly review the implementation plan.
Why?	Creating a strategy is only a step in the process of bringing additional value to the relationship. In the development stage the practical implementation should also be addressed and planned. The process that monitors progress should be clearly documented by the team.
How?	The organization should utilize its current operating practices to establish how it intends to move forward with the specific opportunity in accordance with BS 11000-1. This can be embodied in the RMP.

4.8 Relationship management plan

What?	Establish and maintain the RMP for the specific opportunity.
Why?	While there is likely to be a common approach to implementing a collaborative relationship, each case has its own specific aspects to be considered and this is reflected in the RMP. The RMP is designed to capture these within the context of the corporate process and provide a baseline and history for those involved to move forward. It also provides a reference point for those joining the operations at a later date.

How?	<p>The detail of the RMP should be updated in accordance with 3.10; see BS 11000-1:2010, Annex B, for further information to:</p> <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 plans to ensure stakeholder management.
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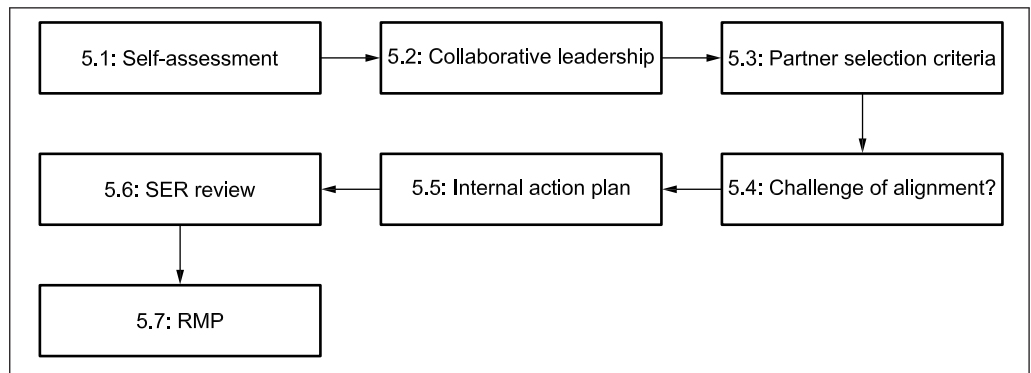
5 Guidance on Stage 3: internal assessment

COMMENTARY ON CLAUSE 5

This clause gives guidance on BS 11000-1:2010, Clause 5.

“Internal assessment” is intended to ensure that organizations undertake a structured assessment of their capability and maturity to successfully engage in a collaborative initiative. The assessment focuses on identifying the strengths and weaknesses of an organization and, where appropriate, development needs. It also incorporates the creation of a collaborative profile and specific partner evaluation criteria. A structured approach can be taken for internally assessing an organization’s capability, maturity and partner requirements when successfully engaging in collaborative working. Successful collaborative working might require the development of new skills and different ways of working as it involves a closer business relationship and a generally more integrated approach. Internal assessment is often completed before engaging with potential partners. In broad terms this involves taking account of where the organization currently sits and where it needs to be to work in a more collaborative environment. Figure 7 illustrates the steps through Stage 3.

Figure 7 Internal assessment flowchart



5.1 Self-assessment

5.1.1 General

What?	Establish policies and processes to manage collaboration.
Why?	An organization's policies and processes should support the strategic direction for collaboration and evaluate how they accommodate a different way of working. All policies and processes should align with the changing business environment and requirements. This starts with strategic direction and objectives flowing down through the organization's policies, processes and guidance, where appropriate, to ensure consistent implementation. Over time behaviours should remain aligned to the agreed objectives and goals.
How?	<p>All business policies and processes should be checked so that they reflect and support a collaborative approach, where appropriate, and they should define the rules of engagement.</p> <p>A holistic approach should be taken in order to take account of the business environment, people, performance and the specific requirements of the organization.</p> <p>Policies and processes should enhance what is already in existence; the following questions should be asked to check whether new policies and processes are not being added unnecessarily.</p> <ol style="list-style-type: none"> a) Does the business plan include objectives to be achieved through collaborative working? b) How does governance support collaborative working? c) How is a collaborative programme implemented, including education, training and recruitment? d) How does collaboration change the management of risk? e) What is the policy on transparency? f) How are issues dealt with at the lowest possible level to avoid escalation and friction? g) Is the organization structure suitable and able to provide the flexibility for collaborative working?

5.1.2 Strengths and weaknesses

What?	Undertake an internal assessment to identify potential constraints and periodically review.
Why?	There is a need for organizations to understand the “hard” and “soft” requirements of collaborative working, assess the development needs, communicate and speak with one voice and start to formulate the partner selection criteria.
How?	<p>Organizations should undertake an analysis of their strengths, weaknesses, opportunities and threats before engaging in collaborative working and establishing a potential partner profile.</p> <p>Through the use of an analytical tool such as SWOT analysis (see Table 2) to help the organization, with key individuals, identify critical areas for action. This should be reviewed periodically.</p> <p>Both hard and soft strengths and weaknesses should be incorporated. Hard issues include: objectives, processes, procedures, systems’ reporting, resources, management and organizational structure. Soft issues would include: leadership, experience, capability, communication, motivation, culture, concerns and behaviours needed to ensure a collaborative approach.</p> <p>In addition, organizations should be looking at how to build trust between partners through: performance, openness, honesty, responsiveness, commitment, fairness, information sharing, communication, giving early warnings, going the extra mile and having no hidden agendas.</p>

5.1.3 Collaborative profile

What?	Establish a collaborative profile and monitor effectiveness.
Why?	Organizations should understand the fit with the market they want to exploit and the profile they project externally to customers and potential partners. This ensures that there is a common approach to internal and external assessment to match capabilities and competencies with third parties. Organizations should identify areas of compatibility and highlight development actions needed to attract potential new partners. Potential partners should see the organization as an intelligent partner they can work openly with.
How?	Table 8 gives a simple model that might be used as an initial starting point for assessment alongside BS 11000-1:2010, Annex D. This should be reviewed on a periodic basis to evaluate progress and identify areas for improvement.

Table 8 Maturity assessment profile (MAP)

	Attributes ^{A)}	Ability ^{B)}	Attitude ^{C)}
A	Operational processes are well defined and integrated collaborative approaches	There is a high level of experience at all levels focused on effective collaboration	There is clear corporate commitment and leadership that cascades throughout the operation
B	There is a limited application of shared processes and performance indicators	There are individuals at various levels that have demonstrable skills in collaboration	There is evidence of successful individual collaborative programmes in effect
C	There is an appreciation for shared internal processes and performance indicators but a lack of implementation	There is appreciation of collaborative approaches but a lack of skills	There is appreciation at the operating level of the value of effective relationships
D	Focuses only on a traditional contract and procedural-based approach	No appreciation of a practical approach to the value of a relationship	Only operates a robust and effective arms length contracting approach

^{A)} These are the relevant elements of the organization's processes and procedures.

^{B)} This comprises the capabilities and experience of the organization with respect to collaborative relationships. If relationship management is new, organizations should develop training programmes to support their strategic aims.

^{C)} The attitude of an organization is driven from the top and it should assess whether the concepts of collaboration are established and communicated, both externally and internally, by senior management.

5.2 Collaborative leadership

What?	Appoint collaborative leadership which is competent in collaborative working.
Why?	The success of any business venture is strongly influenced by leadership. In a collaborative working environment effective leadership is a crucial element for maintaining a clear focus on performance, facilitating change where necessary and supporting a culture that promotes the appropriate collaborative behaviours. Collaborative working might require organizational and/or process changes and realignment of roles and responsibilities, where the leadership should provide strategic direction, guidance and support to those involved in implementation.
How?	In selecting the leadership for collaborative programmes, organizations should look beyond the traditional technical, command and control capabilities to identify those leaders with the ability to influence, coach and mentor those required to adapt to new models of operating. Effective collaborative leadership might not come from the traditional hierarchical management structure and careful consideration should be given to this critical role, which sets the behavioural tone and direction. Collaborative leaders should be champions of change and provide a focus for alternative thinking and innovation.

	<p>In assessing the profile, experience and competencies required to be a collaborative leader, with particular attention to the following attributes, those needed are to be a:</p> <ul style="list-style-type: none"> • strategic thinker; • committed collaborator; • effective communicator; • relationship builder; • an agent of change; • pragmatic solution seeker; • coach and mentor. <p>See BS 11000-1:2010, Annex C for collaborative competencies and behaviours.</p>
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5.3 Partner selection criteria

What?	Establish partner selection criteria.
Why?	<p>Creating partner selection criteria provides a basis on which to benchmark an internal perspective on what the ideal partners should look like, beyond the traditional financial, quality and performance measures. These criteria are different from the normal evaluation and selection criteria. The organization should, before moving to the phase of partner selection, establish the required profile on which the potential collaborative partner is to be assessed. The criteria should be articulated, documented and agreed as this forms the basis of the partner evaluation process.</p>
How?	<p>The partner selection criteria areas, which are specific to supporting collaborative working and in addition to more traditional selection criteria (financial, quality, time, cost, performance), should be internally identified. These should also be incorporated into any existing partner selection process. These criteria might include the following:</p> <ul style="list-style-type: none"> a) level of commitment; b) level of capability; c) dynamic culture, change and flexibility; d) appropriate organization structure; e) governance and issue resolution; f) level of communication; g) commercial model; h) quality programme; i) commitment to vision and values; j) customer focus; k) attitude to collaboration; l) transparency and data sharing; m) focus on continual improvement; n) working to joint objectives; o) approach to joint risk management.

5.4 The challenge of alignment

What?	Identify the level of knowledge and skills that exist and initiate suitable staff development or recruitment.
Why?	Levels of experience regarding collaborative working can vary. In addition, roles might require change and it is important to be prepared. It might be necessary to recruit or undertake training to meet the requirements of collaborative working.
How?	A skills gap analysis should be undertaken before planning how gaps are to be addressed through education, training, coaching, induction and recruitment. See BS 11000-1:2010, Annex C for collaborative competencies and behaviours.

5.5 Consolidating the next steps through internal action plan

What?	Establish internal action plan.
Why?	This provides an audit trail; identifying owners and timelines for completion of actions. Unless there is a plan it is difficult to monitor progress.
How?	The action plan should draw upon the actions and activities identified in 5.1 to 5.4, ensuring that all are identified, listed, prioritized and allocated. The plan should form part of the suite of documents used by management and the SER to oversee delivery.

5.6 SER review

What?	Undertake regular reviews to ensure suitability and effectiveness of collaborative approaches.
Why?	At a suitable senior level, management systems and implementation should be reviewed at regular intervals. This ensures continued commitment to the direction, checks suitability, adequacy, effectiveness and relevance. It also gives a level of confidence and acts as a gateway review.
How?	SER reviews should be undertaken and documented at regular intervals. They should be more frequent in the initial stages to ensure momentum is maintained. They should take a structured approach and revisit the action plan to check it is sound and reflects the present situation.

5.7 Relationship management plan

What?	Update the RMP to incorporate output of internal assessments.
Why?	At this stage, the RMP provides the foundation for partner selection and therefore should reflect both internal development needs and the basis for evaluating potential partners.

How?	<p>At this stage, the RMP provides the foundation for partner selection and therefore should be updated to reflect both internal development needs and the basis for evaluating potential partners; see 3.10 and BS 11000-1:2010, Annex B, for further information to:</p> <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 (see Clause 7).
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6 Guidance on Stage 4: partner selection

COMMENTARY ON Clause 6

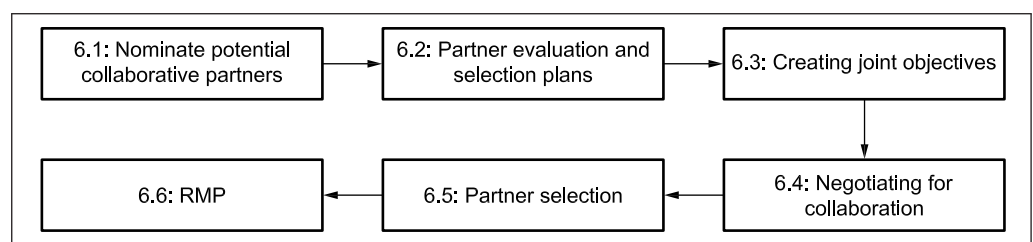
This clause gives guidance on BS 11000-1:2010, Clause 6.

"Partner selection" addresses the need to undertake a structured approach to the identification, evaluation and selection of appropriate partners. The process encompasses the evaluation of specific partner's capabilities and skills to bring complementary strengths to the relationship, then setting the platform for identifying whether a partner's aims and objectives are compatible with the overall strategic objectives.

An evaluation of a specific partner's capabilities and skills is to be undertaken to see how they can bring complementary strengths to the relationship. This also identifies whether a partner's aims and objectives are compatible with the overall strategic objectives and in addition takes account of the consideration for any potential impact on organizational procedures and processes together with, legal and regulatory requirements.

This positions the organization to undertake a structured approach to identification, evaluation and selection of appropriate partners. Figure 8 illustrates the steps through Stage 4.

Figure 8 Partner selection flowchart



6.1 Nominate potential collaborative partners

What?	Nominate potential collaborative partners and establish internal agreement for the collaborative approach.
Why?	This helps to identify potential partners across the market place where an investment in collaborative working is likely to deliver added value. In terms of customer acceptance, location, market reach and cultural alignment, together with technical and resource capability, some partners fit better than others. Any nominations should be balanced against internal strengths and weaknesses, focusing on finding complementary skills, resources and capabilities. This initial selection process helps to reduce administration cost.
How?	<p>The market should be examined for collaborative potential; external alliances, existing suppliers, consortia, new suppliers should be assessed for how their strengths and weaknesses fit with the organization and how they:</p> <ul style="list-style-type: none"> • deliver the required capability; • assess their suppliers market; • assess their aptitude for collaborative working. <p>Where the field of choice is limited or perhaps the selection is customer driven, these assessments should still be carried out to identify where the potential risks are with the prospective partner so that they can be managed.</p>

6.2 Partner evaluation and selection action plans

6.2.1 Partner evaluation

What?	Ensure partner selection process incorporates defined partner selection criteria.
Why?	This highlights any resource implications there might be and provides a structured approach to identifying the strengths and weaknesses of potential collaborative partners, based on the needs of the initiating organization.
How?	The profile, criteria and process by which partners are to be selected should be determined. The outline criteria to be used should be in accordance with 5.3 and should now be refined and incorporated into the evaluation process. Organizations have existing commercial processes for evaluating tenders and the partner evaluation process should form part of this and should carry appropriate weighting.

	<p>The key to collaborative working is to understand the way potential partners work and the behaviours they exhibit; there are a number of approaches that can be used to evaluate collaborative capabilities as follows:</p> <ul style="list-style-type: none"> a) historical collaborative performance trends: these might include existing matrices, balanced scorecards, EFQM excellence model, etc.; b) scenario testing: simulating environments to test real-life situations, ideally undertaken by team members in key roles, continuing into contract delivery; c) interviewing: selecting different levels through prospective partnering organizations to gather evidence of collaborative working, including interviewing customers and supply chain, providing evidence of the potential partners collaborative culture; d) testimonials: supporting evidence that answer specific questions that indicate collaborative working as standard practice, including testimonials from customers and supply chain; e) reference site reviews: testing the collaborative relationship in practice, gaining insight and evidence of the potential partners collaborative culture, potentially evaluating components and services that are being considered for use. <p>Organizations should consider a balanced mix of both subjective and objective assessments. Whichever approach is taken, a record of the assessment, which can be validated and revisited in the future, should be documented. Areas of concern should form aspects of the negotiations and possible joint improvement plans.</p>
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6.2.2 Establishing partner selection action plans

What?	Establish partner selection action plans.
Why?	A partner selection action plan provides an audit trail, identifies owners and timelines for completion of actions. It also highlights the need to build in extra time for interviews, scenario testing, etc., and to establish if there are suitably qualified people to evaluate the partnering aspects of the bid. This can be used for the financial evaluation, negotiation and mobilization.
How?	A consolidated partner selection plan underpinning the process should be established in accordance with 6.3 , 6.4 , 6.5 and 6.6 .

6.3 Creating joint objectives

What?	Undertake appraisal of the common objectives of the collaborative organization.
Why?	Organizations have existing business objectives and they should identify where partnering can deliver shared business objectives. There should always be a recognition and focus on how, through collaborative working, the relationship can achieve more. This helps when selecting the right partner and once in a contract it gives a common focus.
How?	<p>What the shared common objectives for the collaborative organization might be should be established. At this stage, commercially sensitive information and competition constraints should be given due regard. However, organizations should seek to understand what their objectives are and build a dialogue around common objectives and ensure the shared objectives are compatible.</p> <p>Following this, it should be identified where objectives overlap and common goals can be achieved.</p> <p>The steps in a) to f) should be followed.</p> <ol style="list-style-type: none"> Each party should identify their own objectives. The rationale behind them should be explained to the other party. Common objectives should be established. Objectives that can be achieved without conflict or consequences should be established. Of the remaining objectives, it should be established whether those that do conflict can be managed. Finally the joint objectives should be agreed and documented.

6.4 Negotiating for collaboration

What?	Establish a negotiations strategy and instigate this based on the business strategy, objectives and partner evaluation.
Why?	A strategy should be developed for negotiating with potential partners. The way contracts, requirements and partnering compatibility are negotiated is key to ensuring both parties get what they want and sets the tone for the relationship going forward. The negotiations should be pitched at the right level to focus on the benefits and the longer term stability of the relationship rather than the short-term opportunities taking into account the technical and commercial capabilities/constraints of the partners.
How?	<p>Organizations should take into consideration the potential partners' aims, aspirations and priorities from the deal.</p> <p>Each relationship might need a different approach. Negotiations should be robust and commercially focused while always keeping the end game in sight.</p> <p>It should be recognized when discussing performance measures that the key performance indicators (KPIs), which influence and drive behaviours in the relationship, are incorporated into the contract.</p>

6.5 Partner selection

What?	Select collaborative partner(s).
Why?	A partner should be selected based on the results of the discussions and evaluation in 6.4, ensuring that all aspects of the selection process have been taken into account. The agreed partner should be identified and notified in accordance with the corporate policy.
How?	At this decision point, with specific partners in mind, an action plan should be developed to bring the organizations together based on the analysis already undertaken and incorporated into a joint RMP. Feedback should be provided to both successful and unsuccessful bidders, providing them with areas for improvement in the future.

6.6 Relationship management plan

What?	Update RMP.
Why?	The RMP is likely to form a fundamental part of the joint governance process and should provide a record of how and why the partner was selected. This establishes a foundation for those charged with managing the collaborative programme going forward. In some cases it might be advisable to incorporate the RMP as part of the contract format.
How?	At this stage, the RMP should be updated to reflect the selection process and provide the foundation to move forward to working together and a joint RMP in accordance with 3.10; see BS 11000-1:2010, Annex B, for further information to: <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.

7 Guidance on Stage 5: working together

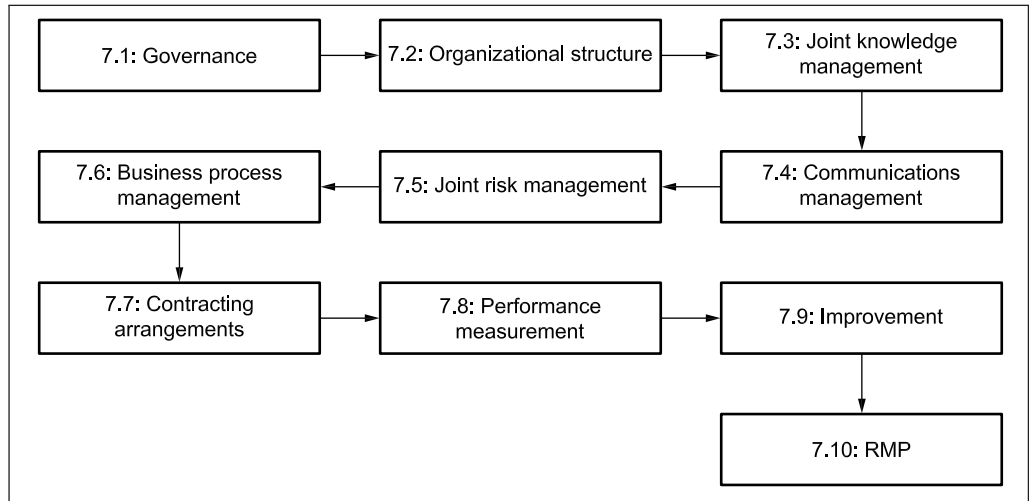
COMMENTARY ON Clause 7

This clause gives guidance on BS 11000-1:2010, Clause 7.

“Working together” focuses on establishing the right environment to support collaborative working. This is based on a sound foundation of executive sponsorship, operational structure, governance, roles and responsibilities that effectively achieve the desired business objectives, operating practices and appropriate performance measurement.

Governance can provide clarity for those directly or indirectly involved to ensure a clear understanding of the parameters of the relationship and how each party is to contribute and benefit from the desired outcomes. This is particularly relevant to long-term relationships where participants and stakeholders might change over time. Figure 9 illustrates the steps through Stage 5.

Figure 9 Working together flowchart



7.1 Governance

What?	To establish the appropriate governance to support collaborative working and ensure effective operation.
Why?	Operating in a collaborative environment might change the roles and responsibilities of operational functions. The key to successful collaborative working is clarity of focus and jointly agreed operational processes and management.
How?	The collaborative partners, SER and joint management team should agree what the required processes and roles to deliver the agreed objectives are. This is particularly important where adopting a fully integrated delivery model. Table 9 gives examples of key issues that are to be considered both positive and negative in developing overall governance.

Table 9 Focusing on collaborative improvements

Positive contributors to collaboration	Negative impacts on collaboration
Leadership	
<ul style="list-style-type: none"> • Executive sponsorship • Committed leadership • Early stakeholder engagement 	<ul style="list-style-type: none"> • Unprepared employees • Poor behaviour management • Lack of stakeholder commitment • Lack of collaborative skills • Lack of shared goals or too ambitious • High focus on risk transfer • Hidden agendas
Strategy	
<ul style="list-style-type: none"> • Clarity of objectives • Relationship management plan • Joint skills development • Joint change management • Joint exit strategy 	<ul style="list-style-type: none"> • No clear vision • Goals set too far in the future • Quick fixes • Lack of strategic direction • Lack of exit strategy
Operations	
<ul style="list-style-type: none"> • Integrated planning • Joint governance structure • Joint risk management • Effective information sharing • Early integration of processes • Appropriate performance measurement • Integrated continual improvement • Effective dispute management 	<ul style="list-style-type: none"> • Poor communication • Disregard of the domino effect • Poor partner evaluation • Poorly defined measurement • Lack of benefit analysis • Ineffective dispute resolution
Culture/Behaviour	
<ul style="list-style-type: none"> • Open book (if appropriate) • Good communication at all levels • Joint ownership of success • Behavioural charter 	<ul style="list-style-type: none"> • Lack of planning, preparation and time • Misunderstanding of change • Legacy of previous change • Employee resistance • Fear of failure • Traditional thinking • Failure to address cultural issues

7.1.1 Executive management

What?	Identify the SERs for each organization to support the joint programme.
Why?	A collaborative working relationship involves integrating operational approaches and cultural changes within the constraints of traditional contracting and operational needs. To overcome potential internal barriers and manage challenges within the collaboration, there should be strong executive support; this helps to ensure the success of any collaborative initiative.
How?	<p>SERs should provide overall sponsorship and support for, and leadership of, the joint management team. They might not be involved in day-to-day operations but should oversee performance. Organizations should establish clear responsibility for the successful execution of collaborative relationships. The SERs should be the senior representatives overseeing and addressing issues that cannot be resolved at the working level, whether these are operational issues or constraints that might arise from outside the operating team.</p> <p>The SER should have:</p> <ul style="list-style-type: none"> • clear lines and limits of authority; • a clearly identified position in both the project governance and the organizations own management chain; • an unambiguous role and responsibilities specified within the RMP.

7.1.2 Establishing joint objectives

What?	Validate the key objectives of the collaboration and establish the core principles of the collaboration.
Why?	<p>Whenever two or more organizations work together there are likely to be at least three sets of objectives: that of the primary organization, the collaborative partner and those of the joint collaboration. The objectives, the benefits to each party and the role each plays in delivering or supporting these aims should be understood. The individual objectives do not have to be the same so long as they are complementary and not contrary to the joint objectives.</p> <p>Collaborative working might require changes to operating practices in many areas. Having clear objectives enables all stakeholders to understand and recognize the aims and the interdependence required to achieve them. If objectives and drivers for collaboration are not well defined, it becomes difficult to communicate the rationale for seeking external partners, particularly where these relationships might affect internal functions.</p>

How?	<p>The organization should validate the joint objectives by ensuring that:</p> <ul style="list-style-type: none"> • they are clearly defined; • they align with the desired outcome; • they are easily measurable using agreed terms; • each party understands the objectives and their role in delivering them. <p>The objective should be underpinned by a set of core principles for the relationship that:</p> <ul style="list-style-type: none"> • promote the desired values and behaviours; • motivate the team's performance; • maintain a joint focus on the output of the collaboration; • exploit the synergies of the organization; • promote joint ownership of opportunities, outcomes and risks; • promote an environment for innovation.
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7.1.3 Operational leadership

What?	Undertake a competency appraisal and appoint leadership.
Why?	Operating in a collaborative venture is likely to introduce new challenges to management, outside the traditional command and control model. Those charged with managing these relationships should have the experience, skills and attitude to drive the collaboration and, where necessary, should actively support those who are assigned to work within a collaborative environment and ensure stakeholder engagement. Effective joint management of the business relationship is key to the success of any collaborative initiative. Where practical, the appointment of a single joint leader is likely to establish the clearest focus for integration.
How?	Potential leaders should be identified and their capabilities should be assessed (see 5.2). Where necessary development support should be identified. It should be recognized that while many might be successful managers the requirements of managing a collaborative programme through influence might not suit their personal approaches. Business skills, core competencies, organizational enablers and critical behaviours are outlined in BS 11000-1:2010, Annex C.

7.2 Organizational structure

7.2.1 Joint management team

What?	Establish a joint management team.
Why?	In order to drive effective collaboration, there should be a strong management team drawn from or encompassing appropriate representation from the partners focused on delivering the joint objectives.

How?	<p>A joint management team, which would ideally report into an executive management team, should be established with appropriate accountability for the shared function. The team should have a clear mandate and empowerment to ensure ownership and performance targets. Points of contact, roles and responsibilities, authorities and dispute resolution processes should all be defined. As the relationship starts to evolve, the management team should have overall responsibility for delivering desired outcomes.</p> <p>They should also have day-to-day management control of the necessary resources, avoiding wherever possible duplication of roles, to achieve the agreed joint objectives.</p>
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7.2.2 Setting joint objectives

What?	Review the joint objectives and establish effective measurements.
Why?	<p>While objectives have been established during the partner selection process, it is frequently the management team that takes them forward. The goals that are set, agreed, and refined where appropriate, should be clearly understood and suitable performance measures should be established. It might also be appropriate to consider supplementary objectives and aims as a result of developing the relationship, such as joint training and skills development.</p>
How?	The joint management team should review the objectives and agree which are appropriate for a collaborative approach. There are many potential objectives that might be addressed through collaboration (see Figure 3).

7.2.3 Roles and responsibilities

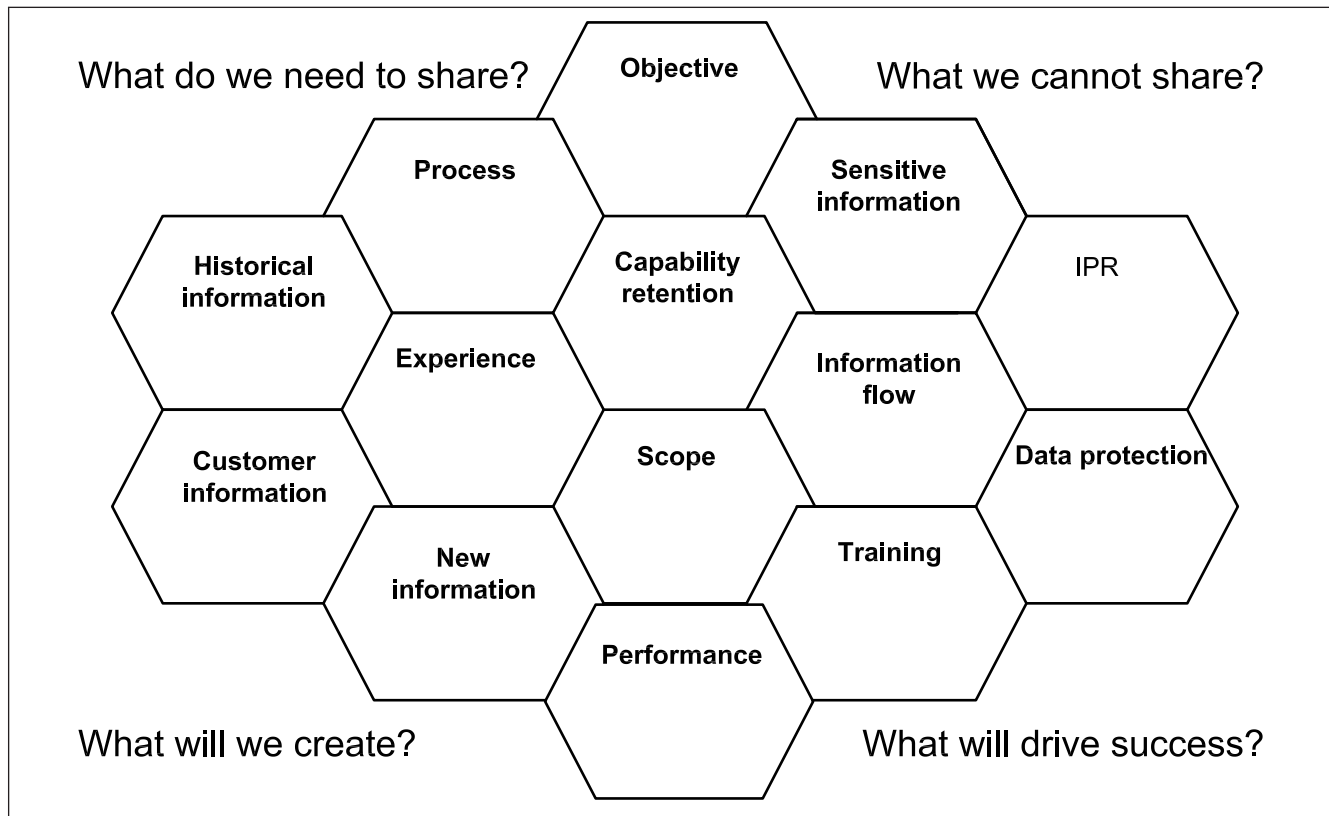
What?	Define the primary roles and responsibilities for the team.
Why?	<p>Any fully integrated collaborative approach is likely to impact upon the existing roles and responsibilities within the organizations involved, often involving changes in reporting lines. A lack of clarity can lead to potential confusion, inefficiency, possible conflict and a dilution of performance.</p> <p>In establishing the organizational structure within the collaborative team, positions should be filled by those best equipped to carry them out on the basis of technical competence, attitude and demonstrated behaviours. The organization the individuals come from within the collaboration should only be a secondary consideration, if considered at all.</p> <p>Clear lines of communication between all members of the team, and in particular between those providing leadership to their teams, should be established and maintained.</p> <p>Collaborative working might be a new environment for some members of staff. The various roles within the collaboration should be communicated so that team members can see where they fit into the team and the overall picture.</p>
How?	All roles should be clearly defined, documented and communicated. All responsibilities involved within the roles should be unambiguous. When delineating responsibilities, the authorities that support those responsibilities and where they reside within the collaboration should be clearly defined.

	<p>Behaviours are key in any successful collaboration so key roles should be filled by those who demonstrate the relevant behaviours identified in BS 11000-1: 2010, Annex C. Key roles might include those:</p> <ul style="list-style-type: none"> • involved in the management of others; • that can have strong influences on others involved in the collaboration, including technical or commercial; • involved in establishing effective interfaces; • engaged in any necessary change management. <p>Organizations should consider the appropriate staged transfer or transition where roles and responsibilities are to cross between organizations in line with business development needs and evolution of the relationship. Educational training and support for the individuals in the key roles should be provided where appropriate.</p>
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7.3 Joint knowledge management

What?	Establish a joint knowledge management plan.
Why?	One of the major advantages of working in collaboration is being able to harness the combined knowledge of the parties. This is frequently recognized but when information requirements and access are not fully defined, it can later lead to conflict, undermining the relationship. A joint knowledge management plan promotes transparency, avoids duplication, defines boundaries of information sharing and builds trust.
How?	<p>Knowledge mapping is a useful approach; it should evaluate where the range of information flows can be jointly accessed and agreed to create a shared working environment. This can be developed from generally available information through market development, customer management, technology and product development, research and development and through to corporate strategy. The level of openness should be defined by the partners as they develop their joint strategy and in line with the relationship as it evolves.</p> <p>At the outset the focus should be kept on the prime objectives and should evaluate what is needed to meet these initial goals.</p> <p>Organizations should ask the following questions.</p> <ol style="list-style-type: none"> a) What do we need to share? b) What can't we share? c) What will help success? d) What will we create? <p>The partners should also consider how to capitalize on new information in order to create further opportunities, including the realization of the benefits to be obtained.</p> <p>Figure 10 illustrates a shared information environment.</p>

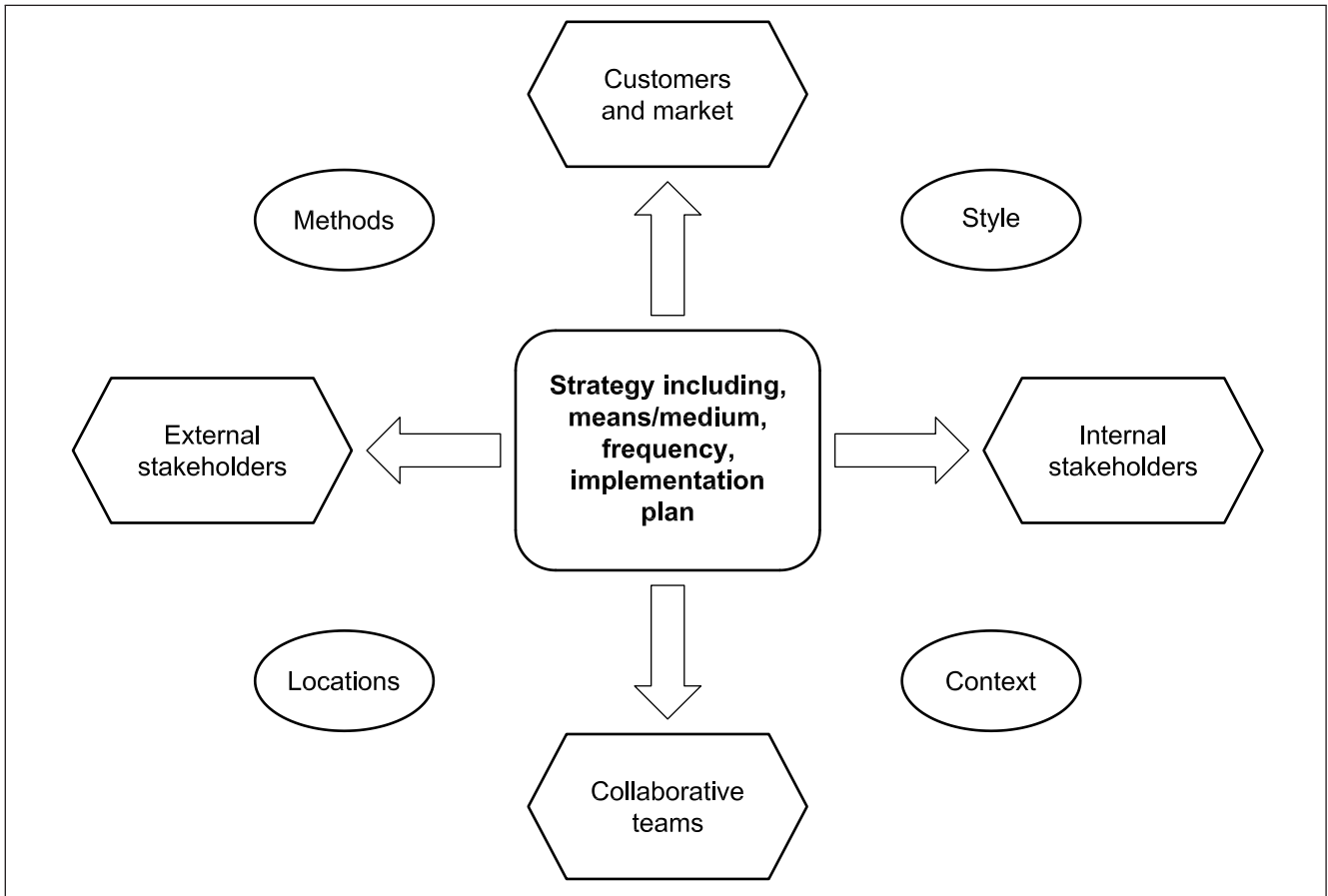
Figure 10 Shared information environment



7.4 Communications management

What?	Establish and maintain effective communications management across all stakeholders.
Why?	Effective joint communication strategies ensure that everyone involved fully comprehends the rationale and the changes that collaborative working might bring about. Facilitating the sharing of necessary information supports the delivery of collaborative objectives, recognizing that communication can significantly impact behaviours.
How?	<p>Those involved as individuals, roles or functions, should be identified by undertaking joint stakeholder mapping. A needs analysis should be developed to ensure that each party understands what they need and when to deliver the objectives. In addition external stakeholders, such as customers, suppliers and shareholders, should be kept informed. Consistent joint messages should be communicated.</p> <p>The organizations involved might already have highlighted areas where they are not prepared to share information; these should be identified and communicated. The methods of communication should be taken into account; for effective communication, organizations should assess which methods work where, when and why. Specific consideration should be given to remote locations/operations; see Figure 11 as a guide to developing a communications strategy.</p>

Figure 11 Communications management model



7.5 Joint risk management

What?	Establish and document joint risk management processes including joint risk register.
Why?	Managing risk is at the core of any business operation and clarity around risk management is a major factor in developing confidence between collaborative partners. Building on the risk profile that has been developed, the partners should share their joint understanding of both common risks and those that are pertinent to each partner.
How?	A joint risk management team should be created, with appropriate responsibilities, to ensure there is a collective approach and visibility across the collaboration, incorporating the appointment of the risk manager, the execution of the risk management process and the establishment and maintenance of a joint risk register. Consideration should be given to the risk implications of collaboration, the opportunities for risk mitigation and recognition of the individual partners' risks.

7.5.1 General

What?	The establishment of a joint approach.
Why?	The majority of organizations have internal risk management processes and risk registers in place. These identified risks might impact the overall performance of the collaboration or conversely might be issues that can be mitigated through a collaborative approach. Competitive advantage and early identification can be created by effective integrated risk strategies. Therefore the parties should share their analysis and adopt a common approach as this promotes greater transparency and underpins trust.
How?	<p>The joint management team should appoint the appropriate personnel to be responsible for the overall identification and management of risk within the collaborative team. Risk profiling should provide a basis to identify risk and ultimately through collaboration establish a joint profile that ensures the risk is managed by the party best able to effect mitigation.</p> <p>The risks identified might impact on the performance of the collaboration or conversely might be issues that can be mitigated through a collaborative approach. By effectively integrating risk registers and aligning strategies, those working in collaboration can appreciate the full extent of risk across the programme. By jointly assessing the whole project, new risks can be identified earlier and project solutions can be developed for all risks. The parties should therefore share their analysis and adopt a common approach as this promotes greater transparency, better risk management and underpins trust.</p>

7.5.2 Risk manager

What?	Appoint an individual recognized as the focus for risk management.
Why?	Risk is a factor that influences every aspect of business and those charged with delivering business objectives. Effective management increases confidence and in many cases overcomes concerns for integration.
How?	A joint risk management process should establish the position and authority of a joint risk manager in the governance of the collaborative arrangement (e.g. what authority they have to place actions/obligations on partner staff/management). Where this is not possible, there should be a common understanding between the risk managers of the partners and a robust exchange of information, including clear identification of which party is managing any specific risk issue.

7.5.3 Execution of risk management process

What?	Establish a joint risk management process for the collaborative operation.
Why?	The joint process of managing risk should be transparent across the collaborative team and embedded in the culture of the collaborative relationship. While a risk manager should be in place, all team members should recognize their individual roles in identifying, managing and mitigating risk.

How?	<p>To facilitate an effective joint approach to risk management, there should be appropriate processes and tools in place to share risk information in accordance with BS 11000-1:2010, Clause 4.</p> <p>The agreed process for risk management within the relationship might be formed by using:</p> <ul style="list-style-type: none"> • the defined risk management process from one of the partners within the relationship; • a new process formed by joining elements of risk management processes from each of the partners; • a new risk management process defined jointly between the partners. <p>It is useful for the joint risk profile to include identification of which partner raised the risk to position the risk in context.</p>
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7.5.4 Risk profile and risk register

What?	Establish a risk profile and maintain a joint risk register.
Why?	The joint team should identify the profile of potential risks and create a joint risk register that enables all participants to ensure risk concerns have been recognized and, where possible, addressed.
How?	The joint risk register should be readily accessible to all team members and reflect the risk issues of the joint approach, in addition to those of the partners individually. The risk register should clearly define ownership for managing each identified risk and, where possible, the potential impact and mitigation approach to be taken.

7.6 Business process management

What?	Undertake a joint business process review and implement operational process improvements as appropriate.
Why?	There should be a clear process for delivering the desired outcomes. Collaborative programmes provide a basis for assessing and modifying both internal and joint processes and highlighting potential process improvements. Improvements should be integrated into the operations effectively and seamlessly. In many initiatives organizations are forced into new activity without appreciating the implications and impact they could have on existing processes, quality management and continual improvement.

How?	<p>Building on the earlier work of the partners around objectives, risks and strategy, the joint team should focus on the following areas:</p> <ul style="list-style-type: none"> a) review the holistic processes to identify improvement; b) processes that have clear applications in the relationship and have been identified as high priority, particularly those across the organizational boundaries to enhance overall end-to-end performance; c) processes that can be improved through the relationship; d) processes of interest to the collaborative partner(s), but which do not directly impact on the initiating organization's programme; e) processes that might frustrate collaborative approaches; f) process improvements that seek to improve customer satisfaction and the delivery of business benefit; g) opportunities: these are openings that can be exploited; h) innovations: these are ideas that can be developed. <p>This should enable both organizations to identify areas of potential benefit and create early wins for the team and key issues can be identified early for incorporation into formal contractual obligations (see 7.7).</p> <p>Any critical actions identified should be managed through a series of jointly agreed action plans and balanced scorecards that record what needs to be done, when and by whom. This might be focused through a joint change management process or change management group if appropriate.</p> <p>In many cases these activities are within the domain of the programme team leaders and their teams. Where necessary, the programme team leader should seek support from the wider organization or obtain executive approval for specific initiatives.</p>
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7.7 Contracting arrangements

What?	Jointly establish the appropriate contracting arrangements which should support the collaboration.
Why?	<p>This should be done to ensure all elements of the contract are written with collaborative approaches in mind and support the appropriate collaborative behaviours. In most commercial relationships there is a need to establish a contractual relationship. Formal contracts operated under a collaborative relationship can become areas of conflict, particularly if expectations are not realized. Few contracts provide a complete solution and the value of a robust collaborative relationship is the ability of the parties to address issues without resorting to contractual interpretation.</p>

	<p>In cases where the parties identify commercial or technical benefits from a collaborative relationship, commercial considerations are likely to impact on how the parties contract with each other. They might then elect to incorporate collaborative terms within a formal contract or establish agreed codes of conduct for multiple informal relationships (where appropriate contracts have been signed up to by all involved). Experience has shown that where appropriate behaviours and codes of conduct have been signed up to by all involved, this helped to mitigate against the “blame culture” and “boundary conflicts”.</p> <p>In principle, a collaborative relationship might require less formal contractual governance than one that is transactional because of the higher levels of trust.</p>
How?	<p>A collaborative approach allows organizations to adopt a more open way of dealing with each other, supported by a contractual arrangement where a formal contract is required. However, formal contracts can create potential barriers to collaborative behaviour and should be developed in parallel with any overarching collaborative approach. Consideration for developing a contract should be based around:</p> <p>a) business issues:</p> <ul style="list-style-type: none"> • value definition; • goals and definitions; • clear definition of scope, boundaries, benefits; • exploiting added value; • stakeholder management. <p>b) operational issues:</p> <ul style="list-style-type: none"> • development/management KPI's; • process standardization; • dispute: issue management; • joint planning process; • incorporating common operational assurance; • quality assurance; • change control; • service continuity.

- c) commercial/management issues:
- open book: transparency;
 - incentives;
 - authorities;
 - confidentiality;
 - joint governance;
 - supply chain visibility;
 - effective risk management;
 - transition;
 - business continuity;
 - roles and responsibilities;
- d) resource assessment/management.
- cultural/behavioural issues:
 - flexibility;
 - commitment to a joint RMP;
 - empowerment;
 - decision making rights;
 - behaviours and codes of conduct.

The partners should jointly review and consider the contract to ensure that the terms incorporated satisfy legal responsibilities but do not detract nor undermine the collaborative intent; Table 10 shows examples of these. It is also important that the contracting arrangements should encompass a joint approach for an exit strategy when considered (see Clause 10).

Table 10 Examples of contracting terms

Collaborative terms	Potentially adversarial terms
<ul style="list-style-type: none"> • Joint objectives • Risk and reward • Performance bonuses • Joint exit strategy • Advance proactive payment • Joint governance • Health and safety • KPIs • Innovation incentives • Business continuity • Conflict resolution • Joint training • Corporate social responsibility/sustainability • Change management • Joint long-term planning • Investment sharing • Knowledge transfer • Two-way reporting • Communications flow 	<ul style="list-style-type: none"> • Termination • Arbitration • Negligence • Liquidated damages • Dispute escalation • Audit rights • Claw back • Extended payment • Pay when paid • Service level agreements • Performance guarantees • Risk transfer • Warranty • Confidentiality • Change control • Ownership • Document control • Contract default • Intellectual property

7.8 Performance measurement

What?	Implement plans for delivery and performance against agreed objectives. Measure, monitor and regularly review to ensure performance is maintained.
Why?	<p>All parties should understand what success looks like and how this is measured over time against the objectives of the collaborative agreement and/or the contractual arrangement, and the effectiveness of the relationship in achieving the objectives.</p> <p>The relationship performance should be monitored on a regular basis to ensure the health, sustainability, relevance and optimization of the collaborative working arrangements.</p>
How?	<p>If objectives have been jointly developed against the SMART model (specific, measurable, achievable, realistic and timebound), then they already incorporate time and measurement. The joint objectives should be clearly addressed within the joint governance processes.</p> <p>Inappropriate measurement focused on interim outputs rather than final outcomes can drive adversarial behaviours. Effort should be made to establish interim milestone measurements and effective communication to ensure that progress can be monitored and corrective action taken where necessary.</p>

	<p>Balanced scorecard reporting provides a mix of subjective (perception) and objective reporting, however, perceptions are real to those that have them and they should be incorporated to reflect the 'feel' of the various relationships. Reporting metrics should be jointly agreed and subsequent performance also jointly agreed where appropriate. The balanced scorecard should provide a means for directing management focus and enabling decision making.</p> <p>Where arrangements incorporate risk and reward formulas or value for money propositions, how they are to be measured and evaluated should be defined. In many cases, where there might be a number of variables, a number of scenarios should be developed to ensure that all parties are satisfied with potential outcomes.</p> <p>(BS 11000-1: 2010, 7.8.1 refers to performance against objectives and 7.8.2 refers to relationship effectiveness.)</p>
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7.9 Improvement

What?	Undertake internal audits at planned intervals to ensure collaborative processes remain effective; implement preventative and corrective actions as appropriate.
Why?	<p>Objective evaluation and continual improvement enhances the value of the relationship and maintains the ongoing ability to collaborate.</p> <p>Internal audits and joint audits are a key tool for facilitating continual improvement and identifying good practice. Internal audits provide practical information regarding the integrity of operating systems and processes, they support and validate the outputs generated from within it. This can provide confidence to all stakeholders.</p> <p>Additionally, they can reveal early warning signs of problems, supporting organizations in identifying potential problems and providing them with the opportunity to take action at as early a stage as possible and avoiding more costly or disruptive actions later on.</p> <p>They also act as a method of monitoring progress and when performed well are a key tool in supporting the decision-making process and in providing greater understanding of the interactions between the processes.</p>
How?	<p>Internal audits and joint audits should be both scheduled and planned:</p> <ul style="list-style-type: none"> • scheduled: in terms of time and frequency; • planned: in terms of subject, etc. <p>Both the audit schedule and internal audit plans should be risk based, depending on the criticality of the activity or area being audited.</p>

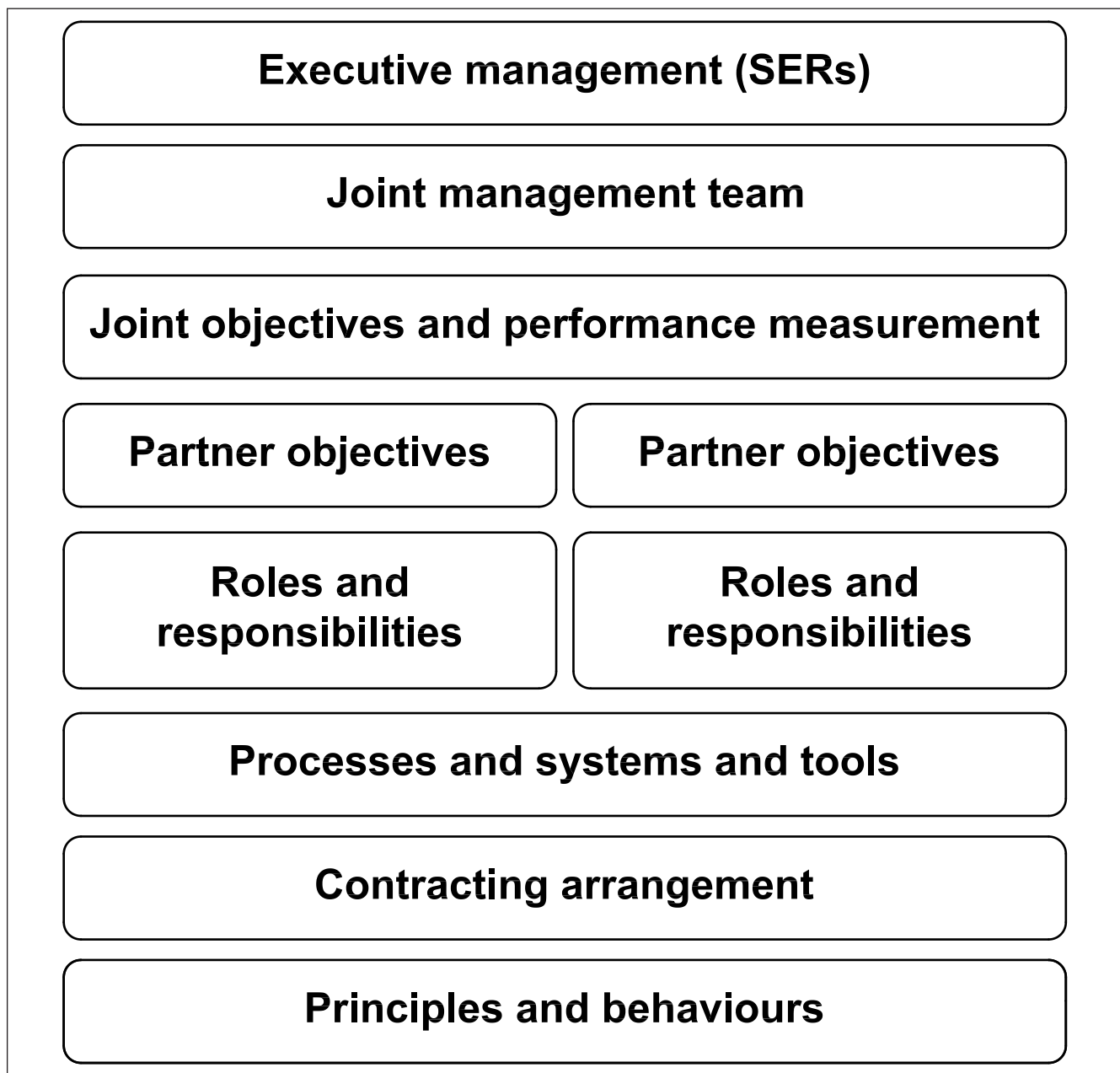
	<p>When scheduling and planning audits, consideration should be given to the following as a minimum:</p> <ul style="list-style-type: none"> • internal assessment of the behaviours and collaborative culture; • the criticality of the area to the overall collaboration; • the experience of those involved in a particular activity or area; • the status or stage of the activity or area in the overall programme; • the results of previous audits or other sources of information; • identification of corrective actions. <p>Those conducting internal audits should be impartial and competent. Internal audits should not be conducted by those who have been involved in the activity being audited.</p> <p>Audits should look to establish that the systems and processes are working both efficiently and effectively in delivering its intended outputs and that the balance between these two elements is sensible given the needs of the organization.</p>
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7.10 Relationship management plan

What?	Update RMP to create a joint management platform to align with joint objectives.
Why?	<p>Creating a joint RMP provides a record of the approaches and agreements undertaken to the point of formalizing the collaboration; it also provides the relationship platform for ongoing management of the relationship.</p> <p>Experience has shown that where appropriate behaviours and codes of conduct have been signed up to by those involved, it helps mitigate against the “blame culture” and “boundary conflicts”.</p>
How?	<p>At this point the parties involved in the collaboration should agree a joint RMP, see BS 11000-1:2010, Annex B. Capturing the key elements of a collaborative relationship as shown in Figure 12 in the RMP should provide clarity for all involved in the collaboration and identification of critical success factors and identify where the expectations of the partners can be facilitated through the collaboration.</p> <p>Where mutually agreed by the parties, it might be beneficial to incorporate the joint RMP within, or as an annex to, a specific contractual arrangement.</p> <p>Joint management should be adequately balanced between the parties and should bring together the appropriate skills and capabilities. Efforts should be made to avoid duplication of effort and man marking, which dilutes resources and could lead to potential conflict.</p> <p>In the case of independent, multiple relationships, there should be a common RMP that incorporates a formal representation of how the parties work together collaboratively, which should be jointly developed with, and approved by, all parties.</p>

	<p>See 3.10 and BS 11000-1:2010, Annex B, for further information to:</p> <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.
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Figure 12 Example of a joint management model



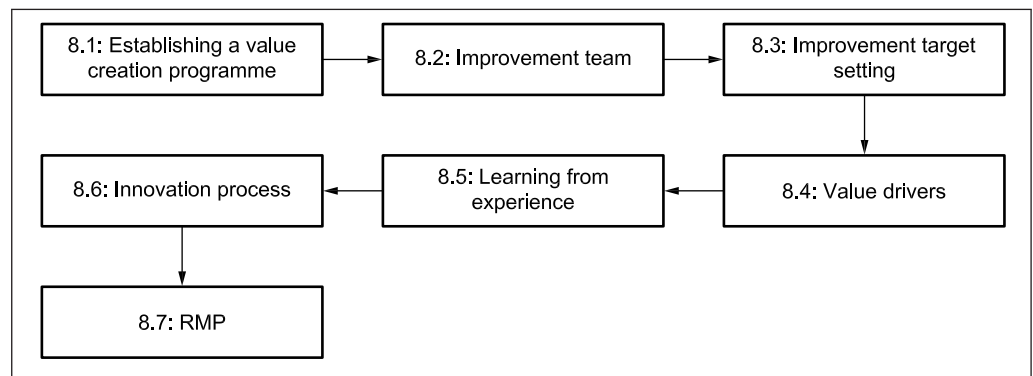
8 Guidance on Stage 6: value creation

COMMENTARY ON Clause 8

This clause gives guidance on BS 11000-1:2010, Clause 8.

“Value creation” is specifically focused on establishing approaches that seek to build additional value out of the joint relationship. While collaborative relationships might be initiated with a specific objective, continual improvement and the broader expectations of the partners outside the agreement are to be integrated as the relationship progresses. This is likely to bring extra benefits from working together but also provide a basis to ensure that the organizations fully utilize the potential of the relationship in meeting the joint objectives and goals. Organizations develop a structured approach, which includes operational performance improvement, resources optimization, process enhancement, waste and cost reduction. Figure 13 illustrates the steps through Stage 6.

Figure 13 Value creation flowchart



8.1 Establishing a value creation programme

What?	Establish, implement, record and review a value creation process.
Why?	A structured approach ensures that value development remains a consistent aspect of the relationship, which can also provide an indicator of the strength of a relationship. In addition to this organizations create value for their stakeholders while also meeting the demands of the marketplace. The approach has constant agility and flexibility in order to meet such a complex and volatile environment. Value creation programmes should maintain focus on the end customer while capturing potential benefits for all participants.
How?	The joint management team should maintain and regularly review a record of value creation and any innovations, tracking the resulting benefits. There should be a robust focus for targeting additional value. Collaborative initiatives can be introduced in, and across, a variety of sectors (public, private and voluntary). In each case the focus for value creation might be quite different and should be established. Figure 14 shows some examples of target options.

Figure 14 Examples of value creation targets

Cost	Time	Process
<ul style="list-style-type: none"> • Whole-life costing • End-to-end cost reduction • Aggregation of spend • Waste reduction 	<ul style="list-style-type: none"> • Cycle time reduction • Delivery time • Improved procurement timelines • Speed of change implementation 	<ul style="list-style-type: none"> • Risk reduction • Removal of duplication • Defect reduction • Increased compliance • Streamlining
Resource	Specification	Performance
<ul style="list-style-type: none"> • Reduced management • Asset/people optimization • Minimize man marking 	<ul style="list-style-type: none"> • Product enhancement • Innovation • Equipment rationalization 	<ul style="list-style-type: none"> • Revenue/market growth • Sustainable development • Increased customer satisfaction • Improved service levels • Return on investment

8.2 Improvement team

What?	Establish as required improvement teams.
Why?	<p>This should provide a focal point for channeling value creation and innovative ideas into practical initiatives to support the achievement of the value objectives.</p> <p>The setting up of an improvement team should be complementary to the operational activities. The team should be jointly created from both organizations and created when a clear focus has been agreed.</p> <p>The team should work to a process; after identifying and prioritizing value opportunities, they should then establish roles and responsibilities for implementation and go on to deliver the benefits.</p>
How?	<p>To work effectively, the improvement team should be a joint improvement team.</p> <p>The team's size and composition can vary depending on the size of the collaborating organizations and should only be assembled once there is a clear focus. The team should be maintained for specific durations to identify targeted issues. For some organizations it might be appropriate to focus this activity through a change management team, however, this should not be isolated from the operational team as this can lose the additional benefits of joint engagement.</p>

	<p>The joint improvement team should:</p> <ul style="list-style-type: none"> • be composed of cross functional specialists; • track ideas; • establish joint roles and responsibilities for implementation; • identify potential benefits; • prioritize initiatives.
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8.3 Improvement target setting

What?	Identify issues and areas of improvement.
Why?	<p>A clear focus should be put in place for improvement programmes and these should encourage the status quo to be challenged. The improvement team should create as wide a range of opportunities as is possible, and then prioritize according to the targeted areas. This focus enables a balanced approach to deploying appropriate resources. Innovation can be hindered by traditional and conservative thinking such as “we have always done it this way.” Collaborative ventures offer benefits in terms of innovation by linking skills and experience across organizations. Within a collaborative relationship, new ideas can be tested without initially challenging internal structures.</p>
How?	<p>The improvement team should produce a wide variety of opportunities based on input from partners (see Table 11). In selecting initial projects, the focus should be maintained on the target areas of value creation, ensuring that the programme does not concentrate just on direct cost. Even in the case of innovative approaches that cannot immediately be quantified, measures that enable effective monitoring should be established. The evaluation criteria to be used should be agreed jointly by the collaborative partners, for example for a cost initiative the criteria could include the questions given in Table 11.</p>

Table 11 Example of evaluation criteria for value drivers

Performance	Cost	Time
<ul style="list-style-type: none"> • Does this help customers? • Would this improve our work? • Does this increase revenue and/or profit? • Does this enhance the product? • Does this create new market opportunities? • Does this increase job satisfaction? • Does this improve quality? 	<ul style="list-style-type: none"> • Does this reduce costs? • Does this add value? • Does this help avoid potential mistakes? • Does this use resources more effectively? • Does this reduce risk? • Does this reduce waste? • Does this reduce inventory? 	<ul style="list-style-type: none"> • Does this save time? • Does this help others? • Does this improve interfaces? • Does this avoid duplication? • Does this make life easier?

8.4 Value drivers

What?	Jointly agree definitions of value to the partners.
Why?	The drivers within both organizations might differ and while both can commit to delivering value, the individual value focus can vary. By working together the partners can share their own drivers and agree joint drivers in terms of value and agree how these can be delivered through collaboration. Collaborative relationships can span a broad range of organizations including public, private and voluntary sectors. These different sectors might work together but in relative terms their individual value focus can vary. Many initiatives fail to deliver on their promise and initial enthusiasm; this is often because value definitions are not addressed adequately at the start of the programme or constantly reviewed and adjusted.
How?	Organizations should work jointly to establish what aspects of the operations bring additional value. The partners should work together to establish what their individual drivers are in terms of additional value and how these can be achieved by working collaboratively. These should then be developed into specific objectives, see Table 11 for examples of how to assess value drivers.

8.5 Learning from experience

What?	Establish a process to ensure learning from experience.
Why?	<p>Organizations often approach the relationship from differing starting points and different business sectors have specific challenges.</p> <p>Establishing a process to learn from experience helps both organizations take advantage of the experiences, not only of the collaborative venture, but from each other. Regular communication should take place to ensure that as the relationship evolves, the experiences are fed back into future operating approaches. In many cases, working with an external partner can create greater understanding and frequently challenge internal perceptions at the same time as generating new knowledge that should be captured around collaborative challenges, successes and failures, together with identifying future new opportunities.</p>
How?	<p>A framework/structured approach should be established for communication and the promotion of sharing knowledge and skills. This might be done at set intervals or at specific times in the programme; at key personal changes or through special workshops. This might be done:</p> <ul style="list-style-type: none"> • at specific times in the programme (for example, where there is a significant change in programme scope, moving into a new phase or there is a change in the structure or of the parties involved); • through a standing agenda item; • through workshops; • drawing on partner's past experience in addressing current issues. <p>The outputs should be documented and presented as a record that can be communicated, tracked and embedded within the RMP.</p>

8.6 Initiating the innovation process

What?	Establish mechanisms for generating ideas and innovations to develop the collaborative relationship.
Why?	A process should be put in place for the creation of ideas and innovations within a collaborative relationship to help overcome internal constraints and reluctance. Collaborative working and understanding what can enhance performance provides a baseline from which to consider initiatives that can improve both the operational relationship and the outcomes of the collaboration.
How?	<p>The joint management team should define and implement a programme to identify constraints and areas for improvement that is open to contributions from collaborative partners (see Table 9).</p> <p>This might include initiating workstreams and allocating appropriate investments to explore the emergent options, identifying different types of innovation such as:</p> <ul style="list-style-type: none"> • internal, e.g. process and technical improvement; • industry, e.g. techniques and technology; • environment, e.g. standards, legislation, market; • customer driven, e.g. changes in demand. <p>Joint innovation related activity could include:</p> <ul style="list-style-type: none"> • future business scenario analysis; • current business analysis, e.g. SWOT (see Table 4); • market research, e.g. customer forums; • creativity techniques, e.g. brainstorming; • screening panels for ideas, assessing ideas and prioritizing resources based on potential value and ease to implement; • discussion forums, away days; • targeted workshops, etc.; • solution development and piloting. <p>Joint continual improvement activities include:</p> <ul style="list-style-type: none"> • learning reviews triggered by repetitive issues or dissatisfaction; • activity based costing; • process improvement, e.g. Lean, six sigma). <p>These activities address issues like:</p> <ul style="list-style-type: none"> • service improvement and cost reduction challenges; • process upgrading; • customer satisfaction development; • new approaches for product and service quality enhancements.

8.7 Relationship management plan

What?	Update RMP as necessary.
Why?	This ensures the processes initiated are clearly visible to all participants.

How?	<p>At this stage, the RMP should be updated to reflect value creation processes and approaches to ensure there is visibility of value creation drivers, mechanisms and initial improvement targets; see 3.10 and BS 11000-1:2010, Annex B, for further information to:</p> <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.
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9 Guidance on Stage 7: staying together

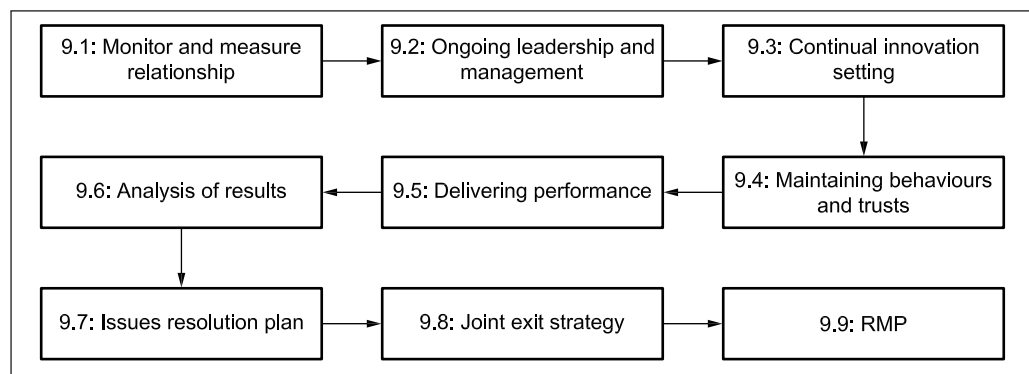
COMMENTARY ON Clause 9

This clause gives guidance on BS 11000-1:2010, Clause 9.

“Staying together” addresses the ongoing joint management of collaborative initiatives, which ensures the relationship is sustainable and continues to deliver value to the partners, giving an optimized performance. This is done through effective monitoring and measurement of the performance and the relationship, ensuring that it remains focused on the agreed business objectives. It covers the monitoring of appropriate policies and processes, maintaining behaviours that support collaborative working. During the life of any relationship there are issues and potential conflicts that are addressed and managed where necessary.

A structured approach is used to maintain the joint exit strategy (see Clause 10) and regular reviews ensure that the collaboration remains valid in relation to market, environmental, technical and partner changes. Figure 15 illustrates the steps through Stage 7.

Figure 15 Staying together flowchart



9.1 Monitoring and measuring the relationship

What?	Establish process to monitor, measure and review performance in terms of outputs, risk, alignment, behaviours and trust.
Why?	<p>The effectiveness of a collaborative relationship changes over time due to:</p> <ul style="list-style-type: none"> • internal or external influences; • changes in personnel; • changing perceptions; • the quality and volume of outputs delivered by the relationship compared with those expected. <p>Both the outputs and the corresponding maturity of the collaborative behaviours and ethos should therefore be monitored.</p>

How?	<p>A set of tools, techniques and processes should be established to objectively test the health and maturity of the venture and its supporting relationship(s). Measurements should include both 'hard' [quantitative, e.g. service level agreements (SLAs)/operating level agreements (OLAs) and results] and 'soft' aspects (qualitative, e.g. behaviours, competencies, skills and attributes). Measures should be linked back to business objectives and processes.</p> <p>The appropriate tools and techniques should be used in a disciplined and systematic manner and should include, but not be limited to:</p> <p>a) an objective method of relationship assessment used on a regular basis to monitor the strength and quality of the relationship covering:</p> <ul style="list-style-type: none"> • how closely the business needs and aims of the collaborating companies are aligned; • to what extent value continues to be delivered for all parties; • to what extent delivery expectations are being met; • the quality of collaborative behaviours; • the levels of commitment between parties; • the level of trust between the parties; <p>b) a process of continual improvement that is implemented to remedy any areas of weakness and is fed into the RMP.</p> <p>The joint management team should regularly measure performance and undertake any necessary actions.</p>
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9.2 Ongoing leadership and management

What?	Ensure ongoing joint management of activities in accordance with objectives and governance.
Why?	Collaborative relationships should be consistently refreshed and sustained with effective joint leadership continuing to exercise its authority and responsibility in order to maintain the ongoing success of the relationship.

How?	<p>The SER should continue to support the joint management team as defined in the joint agreement.</p> <p>The joint management team and the SER should monitor changes in the circumstances and then determine appropriate action.</p> <p>The ongoing role of the joint management team should include:</p> <ul style="list-style-type: none"> • leading the team(s) through the implementation challenges of transition, delivery or change; • supporting and coaching them in both delivery and in collaborative ways or working; • recognition and rewarding the team for exceeding agreed performance targets. <p>Continuing activity at this stage in the relationship should have a strong emphasis on managing delivery, including:</p> <ul style="list-style-type: none"> • strong project, programme or service management; • issue monitoring and resolution; • risk monitoring and mitigation; • negotiation and management of change; • promoting innovation in order to take advantage of new market opportunities.
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9.3 Continual innovation

What?	Regularly monitor and review value creation and continual innovation.
Why?	<p>Relationships might need to change in line with the changing business needs and objectives of the parties involved and it is key that the collaboration continues to deliver value and innovation. Providing evidence of the tangible value and innovation delivered allows the SERs to assess whether the current business case for the collaboration is being met. This demonstrates reasons for the relationship to continue or for directing remedial activity.</p> <p>Business as usual can often be the enemy of the best; by continually monitoring and reviewing the value created the SERs and joint management team are able to respond to change.</p>
How?	Value creation and continual innovation, arising from the collaborative relationship, should be regularly monitored and reviewed in order to exploit the potential joint benefits that might arise.

9.4 Maintaining behaviours and trust

What?	Monitor issues related to behaviours and trust.
Why?	<p>The relationship's performance should be monitored on a regular basis to ensure the health, sustainability and relevance of collaborative working arrangements. During the life cycle of any collaborative relationship there are continual tests placed on the relationship, such as changes to the business circumstances of any of the partners, including organizational changes, changes in personnel, together with day-to-day operational issues. Any of these can impact on behaviours and trust and, thus, impact performance.</p> <p>Trust is a key ingredient in optimizing performance and develops overtime based on past and anticipated performance and behaviours.</p>
How?	<p>The key principles and objectives, agreed by the joint governance during the Stage 5 (see Clause 7), should be regularly reviewed to ensure they remain valid and are supported at all levels to drive appropriate behaviours and attitudes.</p> <p>Regular reviews and feedback on behaviours are as important as performance reviews; these should test whether the relationship principles, as defined in Clause 7, are being adhered to. Feedback should be two-way and cite specific examples of both good and poor collaborative behaviours. Where appropriate remedial action to resolve any issues with behaviour should be committed to by all parties.</p> <p>Performance measures should be reported. Balanced scorecard techniques (see 7.8) can be effective for this as they readily identify key achievements and highs and lows relating to jointly agreed measurement metrics.</p> <p>Any reporting metrics used should be jointly agreed and subsequent performance also jointly agreed where appropriate. Reporting methods provide a mix of subjective (perception) and objective reporting, however, perceptions are real to those that have them and they should be incorporated to reflect the 'feel' of the various relationships. Organizations should ensure that new personnel are properly inducted into collaborative teams.</p> <p>Measuring trust, which is intangible, is not easy but a lack of trust is frequently easy to identify. Table 12 gives some examples of indicators for monitoring trust.</p>

Table 12 Examples of trust monitors

Aspects of trust	Commentary
Performance	How individuals or organizations perform is a key reference point for building a relationship based on trust, where trust comes from an expectation that others do what is expected of them.
Openness	When individuals or organizations are perceived as being transparent in the way they behave and share information, this underpins the concept of trust.
Honesty	This is a sensitive issue but one that is often very personal between individuals, however, this is reflected by how organizations define the rules of engagement for its personnel.
Responsiveness	How individuals or organizations react to questions or challenges is a crucial factor in building confidence and, thus, trust in their willingness to collaborate.
Commitment	The way others are perceived is often a reflection of how committed they are considered to be to work in building a relationship.
Fairness	This is frequently a very personal perception but one that greatly influences responses to others and how relationships are evaluated.
Information sharing	Knowledge sharing is a key ingredient of any effective relationship and frequently a key aspect of building trust and likewise an indication of poor trust when not done.
Communication	Maintaining a good flow of information between organizations and individuals is a clear facilitator for creating effective relationships.
Early warnings	Trusting relationships are founded on mutual benefit and tolerance; early indications of problems and disputes reflects confidence that trust is shared and prompt warnings of issues can be voiced.
Extra mile	For most individuals trust comes from the conviction that, when necessary, the partner always goes the extra mile to meet goals and objectives.

9.5 Delivering performance

What?	Maintain a clear focus on delivering agreed performance by each party.
Why?	Critical to maintaining a successful relationship is delivery against agreed objectives. Performance depends on the respective parties being clear about outcomes and working effectively together to fulfil their roles and obligations. The parties should keep joint performance under review to ensure it accommodates business changes.
How?	<p>Parties entering into a collaborative working model should evaluate how to maintain healthy, sustainable and valued relationships within the collaborative environment, and how to ensure alignment of strategy, objectives and incentives.</p> <p>The joint management team should instigate an agreed and appropriate performance measurement approach, including:</p> <ul style="list-style-type: none"> • appropriate relationship measurement; • agreed performance objectives; • KPIs; • value generation initiatives; • joint risk avoidance; • mitigation measures; • appropriate incentives.

9.6 Analysis of results

What?	Implement SER review of monitoring, measurement and performance.
Why?	This supports and maintains the effectiveness of the relationship by regularly reviewing and monitoring the established measures and facilitating continual improvement of its management and performance, determining any action required.
How?	<p>Under the direction of the SER, regular reviews should be established at an appropriate management level and appropriate intervals to review and monitor the performance against the measures established in 9.4 and 9.5.</p> <p>These can be incorporated as an agenda item into existing, regular joint management reviews or as separate items. The results and conclusions of these reviews should be recorded and communicated to the appropriate stakeholders and those appointed to implement identified actions. The frequency or focus of the reviews might need to change as the relationship matures.</p> <p>In support of these reviews, reporting mechanisms should be established to gather and present the monitoring and measurement results at the required intervals.</p> <p>The joint management team should examine the results of the measures to determine what is going right and why; what might be going wrong and why, comparing with previous performance and ongoing actions to:</p> <ul style="list-style-type: none"> • determine the current position of the relationship; • identify continual improvement actions to address issues identified in the measurement results. <p>As a result of the review, action plans should be updated to review whether existing improvement projects should continue unchanged, new projects should be started or any projects are no longer required.</p>

9.7 Issue resolution

What?	Establish and maintain process for issue resolution.
Why?	Issues or disputes in business relationships include day-to-day operational problems, as well as further reaching occurrences, that might have financial, commercial or strategic impacts. They are either suppressed until it is too late to defuse the conflict or escalated causing friction. Issues should not be considered negative, as they are frequently the drivers for innovation and handling them well is indicative of a strong relationship.

How?	<p>Appropriate behaviours should be fostered to support solution-seeking communicators, who are comfortable with change, forward looking and have a relationship building attitude. This promotes a culture where there is a consistent focus on the joint goal and the output to be delivered.</p> <p>Issues should be resolved by focusing on the joint objectives of the collaborative relationship. Clearly defined and jointly accepted objectives should act as a bridge to any resolution in the event of any problems. Resolution of issues should start at the lowest possible level with a clear time-bounded approach if an issue needs to be escalated.</p> <p>The process for logging, solving and escalating interface issues should be managed proactively at all levels and incorporated within governance.</p> <p>The issues register/log should be reviewed by the joint management team, or an appropriate subsidiary body, who should assess it along with other inputs and then advising on a solution where appropriate through action plans and modifications. Issues can be avoided by being managed using a strategy, plan and/or process for identified issues and risks logged in the risk register. Risk registers should be updated and published with the same frequency as performance reporting and reviewed at the same time, where each partner has an agreed mitigation strategy and action plan and timetable for completions. SERs should be involved in resolving issues that cross internal and external organizational boundaries.</p> <p>See BS 11000-1:2010, 3.7 and 4.6 for details on the initial risk assessment and the risk management process.</p> <p>The following are some examples of areas where issues might arise.</p> <ol style="list-style-type: none"> a) Relationships: has there been a breakdown of trust and how has this been demonstrated? b) Roles and responsibilities: are these clear? c) Commercial: is the commercial construct impacting negatively on the business relationship? d) Market: has there been a change in the market that has affected the relationship? e) Process: what processes have been affected and what has been the impact? f) Communication: has there been a breakdown in communication?
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9.8 Joint exit strategy

What?	Establish and maintain the joint exit strategy.
Why?	A joint exit strategy should be maintained to ensure that the partners have transparency and focus on current progress and external trends, which can influence the performance of the relationship. It also enables partners to consider alternative developments and options to address internal or external changes and potential impacts. Both parties are likely to have embedded assets in the relationship (be they particular skill sets or hard assets), which have a business value.

How?	<p>The exit strategy should be jointly maintained by the partners and reviewed on a regular basis. These reviews should coincide with any milestone meetings of key dates already set for the relationship or resulting from any significant identified change in circumstances that might arise from:</p> <ul style="list-style-type: none"> • market changes; • organizational changes; • contractual limitations; • performance issues. <p>The joint exit strategy should also incorporate, where appropriate, the necessary planning and resource allocation to manage disengagement and transition to alternative partners, ensuring performance continuity for end customers. See Clause 10 for guidance on a joint exit strategy.</p>
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9.9 RMP

What?	Regularly maintain RMP.
Why?	<p>This acts as a milestone at regular and appropriate periods throughout the relationship to prevent misunderstandings occurring and to ensure that requirements and objectives are clearly defined. It shows continued commitment and identifies future methods to improve collaborative working.</p>
How?	<p>The RMP should include all information and activities that are required in order to maintain and enhance the relationship. As a result, the RMP should be reviewed periodically either/or at defined frequencies in keeping with the nature and needs of the relationship or at key milestones.</p>

	<p>The leadership team and sponsoring body should undertake a review, which includes:</p> <ul style="list-style-type: none"> • the agreed vision, objectives and critical success factors for the relationship (mutual expectations); • the level of investment/resource required to support developing the relationship and the willingness/ability of the parties to provide this; • an assessment of the strengths and weaknesses of the relationship; • an action plan for development/improvement of the collaboration. <p>At these critical stages in the collaboration when the measures of performance are being analysed and conclusions drawn it is an ideal point to review the collaboration to ensure it is meeting its objectives and achieving the desired and expected levels of performance which could include:</p> <ul style="list-style-type: none"> • structure of the collaborative team(s); • roles and responsibilities; • processes for managing the relationship; • measures for monitoring the quality of the relationship; • processes for education; • other supporting systems and processes; • required competencies; • behaviours. <p>At the end of this process, the RMP should be updated to reflect the outputs of this review to:</p> <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.
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10 Guidance on Stage 8: exit strategy

COMMENTARY ON Clause 10

This clause gives guidance on BS 11000-1:2010, Clause 10.

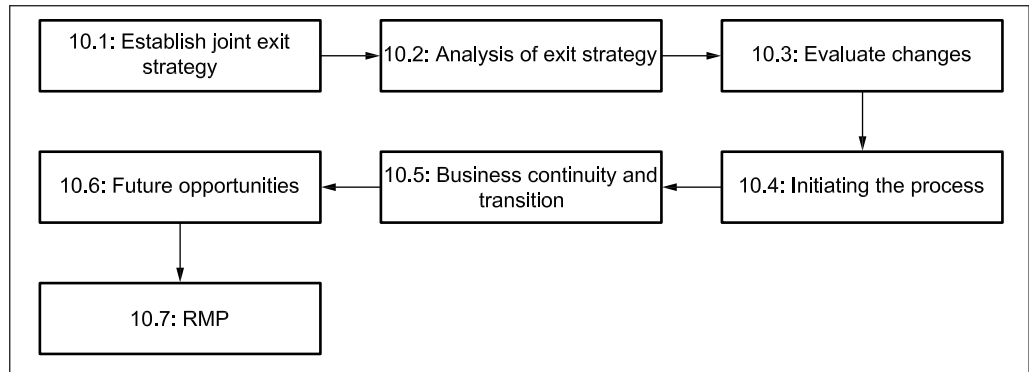
“Exit strategy” addresses developing and maintaining an effective strategy for disengagement when necessary, also incorporating, where appropriate, a transition plan for ensuring business continuity and customer support.

Market dynamics change over time and the prevailing conditions at the outset of the relationship that drove the terms of engagement might no longer be valid. The arrangement is regularly re-assessed to see whether continuing with the collaborative relationship is still mutually beneficial.

For many organizations and individuals, their reluctance to fully engage with partners is often based on a lack of understanding of the implications about the end of a business relationship. This reluctance is likely to impact on overall performance. Therefore, clarity for all participants in terms of the key issues is to be addressed.

A structured approach to developing a joint exit strategy helps to align it to the business objectives, ensure it is regularly reviewed and incorporates identification, evaluation and risks associated with disengagement (see 10.3). Figure 16 illustrates the steps through Stage 8.

Figure 16 Exit strategy flowchart



10.1 Establishing and maintaining a joint exit strategy

What?	Establish and maintain a joint exit strategy.
Why?	The exit strategy, including an exit management plan, helps to identify key issues associated with disengagement; it also allows organizations to consider those aspects of disengagement that might impede working together. The key to an effective exit strategy starts with organizations developing their initial thinking during Stage 2 (see Clause 4 and BS 11000-1:2010, 4.5.8) and then builds through the engagement process by establishing a joint exit strategy during Stage 5 (see Clause 7). The key issues that need to be addressed on exit or termination of the relationship should be identified. In this way, the parties identify specific concerns and put in place a structured approach to disengagement.
How?	Organizations should not wait until disbanding the relationship is certain before deciding how to dissolve it; decisions made at that late a stage are often confused by conflicts of interest. The exit strategy should be jointly agreed at Stage 5 (see Clause 7) and incorporated into the contractual or collaborative agreement, and jointly reviewed on a regular basis throughout Stage 7 (see Clause 9).

	<p>An exit strategy should include:</p> <ul style="list-style-type: none"> • definitions of responsibilities in relation to disengagement; • designated personnel responsible for updating and carrying out the actions necessary; • issues related to knowledge transfer and IPR; • impacts on customers, suppliers and stakeholders, including reputational issues; • phases, such as re-tendering periods, transitional phases, lead-in phases; • periods of notice required and timescales; • data and documentation to be transferred; • validation requirements (e.g. stock take, asset and facility material condition, etc.); • the extent of cooperation necessary for new parties; • payments, including format and need for closing accounts; • joint “learning from experience” (LFE) reviews.
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10.2 Analysis of exit strategy

What?	Establish the boundaries of the relationship including both external and internal impacts.
Why?	<p>Throughout the relationship a clear focus on the issues and impacts of disengagement should be maintained to ensure that all parties have a clear definition of the limits of the relationship.</p> <p>This provides clarity on what events can trigger a relationship to be exited and sets boundaries for the relationship. This helps to develop the relationship and can shape behaviours in a positive manner.</p>
How?	The contractual agreement might include a definition of exit scenarios, etc. (see 7.7) but during the partner selection boundaries should be set that are clear to all parties, including significant stakeholders. In drawing up an exit strategy, both parties should determine what scenarios justify either party to withdraw from the relationship.

	<p>This differs within relationships, but parties should consider events, such as:</p> <ul style="list-style-type: none"> • following a contract review (break point); • due to unacceptably poor service/performance; • fundamental breach of contract condition; • frustration; • change of requirements; • change of partner's core business; • market changes; • organizational change; • customer demand; • product profile; • goals/objectives achieved. <p>These events might have an impact on: joint liabilities, termination conditions, business continuity, intellectual property, current commitments, implications for customer/supply chain and market reaction.</p> <p>There should be (effective) stakeholder management during all stages of the relationship development to ensure that any exit impacts are clear to them and their views can be taken into account. In addition, stakeholders might unwittingly affect the strength of the relationship, which might lead to disputes and potentially cause an exit. The joint communications strategy between the parties should take this into account so stakeholders are educated on these principles.</p>
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10.3 Evaluating changes

What?	Regularly evaluate changes in the organization, business environment, personnel and performance.
Why?	The exit strategy should be regularly reviewed to ensure it remains current. While the strategy is unlikely to fundamentally change throughout the life of the arrangement, it is the specific document forming part of the agreement and should be updated over the life of the relationship.
How?	Review timings are dependent on the scope and duration of the relationship or might be triggered by specific events. This might be required more frequently as objectives are completed to provide confidence that it remains "fit for purpose". There does not need to be a predetermined frequency for formal review. However, to ensure it is not overlooked, the joint management team should include this as an agenda item at least annually to consider if a detailed review is called for.

	<p>Specific points that might have changed can include:</p> <ul style="list-style-type: none"> • changes affecting personnel roles; • legislative changes affecting data provision; • legislative and regulatory changes; • issues affecting accounting; • change in programme requirements; • contractual or market requirement changes over time. <p>To ensure that the strategy remains capable of execution when it is called upon, these changes should be addressed as they arise rather than at the point of exit, which could lead to disagreement.</p> <p>The impacts of these changes should also be evaluated, which might include:</p> <ul style="list-style-type: none"> • joint liabilities; • termination conditions; • business continuity; • intellectual property; • current commitments; • implications for customer/supply chain; • market reaction.
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10.4 Initiating the process

What?	Assess operations and potential developments in key areas which could lead to controlled disengagement.
Why?	<p>Instances that can necessitate exiting the relationship are given in 10.2. The occurrences of these events are mostly evident and they emerge through defined procedures, such as regular performance monitoring or sudden events. However, others might emerge gradually and judgement should be applied as to whether the changes are significant enough to merit exit.</p> <p>For the overall benefit of specific relationships between organizations, there is little point maintaining a contractual relationship if it is no longer beneficial to the parties. Exit should therefore be seen as a positive step for both parties.</p>
How?	<p>The joint management team and SERs should debate openly any potential changes to customer requirements, performance of the supplier, stakeholder views, technological or innovative advances in their markets and any future acquisition opportunities (subject to confidentiality considerations) to assess whether these might affect the future position of the business/contractual relationship.</p> <p>Further details of what steps are to be taken as exit approaches are listed in 10.5.</p> <p>Where new products, services or business models are being developed as part of a collaborative relationship, the implications of exiting the relationship should be considered. The implications of both parties owning these developments should be taken into account, including but going beyond issues of IPR.</p>

10.5 Business continuity and transition

What?	Incorporate into exit strategy business continuity and transition.
Why?	<p>Where the operational capability provided by a contract is required to carry on beyond the contract period, business continuity for the end-customer should be assured. The strategy should include the specific guidance required by stakeholders to understand what changes are planned and any new interfaces that are likely to be created through the appointment of an alternative approach. It will also provide clarity on the data, skills, IPR, special facilities, etc., that should be transferred. Where this is complex, a separate transition plan might be beneficial.</p>
How?	<p>An initial joint strategy should address how the capability provided can be transferred to another if necessary for business continuity purposes. A risk assessment should be undertaken to assess their likelihood and impact on capability provision. If a transition plan is deemed necessary, it should address the particular circumstances of the specific reasons for exit, but is not to be finalized until a decision to exit has been taken.</p> <p>Where there is potential to consider an exit, it might be beneficial to set up a review to assess the trends and implications in these developments. If it is evident that contract termination, or cancelling a part of the requirement is necessary, the strategy should be invoked.</p> <p>At this point, depending upon the value and complexity of the contracts, a joint exit planning team should be established to consider the need for a separate transition plan and make detailed arrangements to effect disengagement. Guidelines for key stakeholders in terms of what changes they can anticipate, and any action required of them should be produced, if appropriate, under the direction of the exit planning team.</p> <p>Accordingly a comprehensive transition plan, including how it would be communicated to stakeholders, provides confidence that their business continuity interests are protected.</p> <p>This is also important to the supplier because they might have legal obligations to satisfy in providing the aspects listed in 10.1, but it provides the opportunity to assess how to best use redundant resource and minimize costs and overheads, and to consider whether the buyer needs such resources and on what terms they transfer where relevant. This is particularly relevant for large contracts.</p> <p>In order to plan for the transition of the capability a checklist is provided in Table 13.</p>

Table 13 Key items for exit strategy consideration

No.	Key items
1	Service provision and continuity through transfer: define the capability provision and detailed arrangements for ensuring continuity.
2	Knowledge transfer and data protection considerations.
3	Business management of the transfer process: roles, responsibilities and authorizations. Resources to be assigned.
4	Intellectual property: consider the ownership of IPR and the buyer should determine what intellectual property licence arrangements are required when the capability is to be provided by another party.
5	Human resources assets: think through the potential application of TUPE, identification of transferring employees and protection against redeployment.
6	Assets: consider future ownership and arrangements for transfer of assets, e.g. book value, market value, novation of contracts down the supply chain, etc.
7	Facilities access and use to be assessed.
8	Contracts and licences: identify and plan arrangements for transfer and novation.
9	Security and safety: consider implications.
10	Communication with key stakeholders: agree the need for all parties to draw up a communications plan during the final stages of the relationship.
11	Financial: consider base lines, charges, funding, cost of exit and final accounts.
12	Consider warranties ownership and transfer where applicable.
13	Assess likely training and handover requirements.
14	Determine the extent of ongoing cooperation of the original supplier and how they are to interface with the new supplier or customer.

10.6 Future opportunities

What?	Consider future opportunities.
Why?	<p>While a current programme might end, there is potential for further collaborations to be created. Collaboratively managed exit strategies can help with constructive disengagement, thereby allowing for future relationships to be re-established when appropriate with minimal effort.</p> <p>Relationships can be established as a single enterprise, but often the same organizations seek to contract together in future business. The effort and resources invested in building a good relationship can be considerable and, therefore, it is sensible to capture the learning points so that if future engagements occur, the parties are not reinventing sound policies and processes.</p> <p>This can also be used to help inform the suitability of the organizations when contractor selection is being considered.</p>
How?	As the relationship is coming to an end, the joint management team should allocate personnel from all parties, including key stakeholders to produce a LFE report on the development, strength, problems encountered and successes achieved during the course of the engagement for board endorsement.

10.7 Relationship management plan

What?	Update RMP to reflect key issues of exit strategy.
Why?	Updating the RMP provides clarity for those currently involved in the collaboration or future personnel that are assigned to the collaborative team.
How?	<p>The RMP should be updated to include information about the agreed joint exit strategy; see 3.10 and BS 11000-1:2010, Annex B, for further information to:</p> <ul style="list-style-type: none">• incorporate joint exit strategy;• identify potential triggers for disengagement.

**Annex A
(informative)**

Relationship maturity matrix

Table A.1 gives an expanded version of the maturity matrix in BS 11000-1:2010, Annex D, and has been included here to assist organizations in assessing their current level of maturity and provide guidance for focusing continual improvement.

Table A.1 Guidelines for continual improvement

Relationship stage	Maturity category			
	D: limited application (an organization where collaborative working has not yet been utilized but is being considered for the future)	C: low level of maturity (an organization where collaborative working is understood but is operated only in isolated cases)	B: medium level of maturity (an organization where collaborative working is understood but not fully integrated)	A: high level of maturity (an advanced organization where collaborative working is fully integrated into policy and operational practices)
Awareness	Collaborative working is recognized but not effectively deployed yet.	Collaborative working has been adopted on an exceptional (often customer-driven) basis.	Collaborative working has been extensively adopted but not fully integrated across the organization.	Collaborative working is fully endorsed at the executive level and integrated across the organization.
Key attributes	<ul style="list-style-type: none"> No executive sponsorship for collaborative working No collaborative policy in place Collaborative working is not integrated into business objectives No focus on collaborative resource development RMP not used 	<ul style="list-style-type: none"> Executive sponsorship when required internally No collaborative policy Collaborative business cases established by exception Objectives developed on a case-by-case basis No effective collaborative resource development programme RMP used infrequently 	<ul style="list-style-type: none"> Executive sponsorship for specific programmes No overall collaborative policy Collaborative business cases established as required Objectives only at programme level Resource development programme (as required) RMP utilized 	<ul style="list-style-type: none"> Executive sponsorship Established policy Integrated business case Clearly defined objectives Resource development programme RMP process

Table A.1 Guidelines for continual improvement

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.
Key attributes	<ul style="list-style-type: none"> • No clear focus on best practice • Resource allocation is on the basis of functional requirements • Knowledge management is not high profile • Exit strategy is only focused on termination if necessary • Following corporate risk management programme • Business continuity is restricted to internal assessment 	<ul style="list-style-type: none"> • Case-by-case process • No clear focus on best practice • Resource allocation is on an as-required basis • Knowledge management programme is limited to specific issues • Exit strategy developed when required • Following corporate risk management programme • Business continuity is programme specific 	<ul style="list-style-type: none"> • Case-by-case process • Best practice adopted as required • Resource allocation is programme specific • Knowledge management programmes as required • Exit strategy developed when required • Established risk management programme • Business continuity is programme specific 	<ul style="list-style-type: none"> • Established strategy process • Ongoing best practice • Effective resource allocation • Knowledge management programmes • Focus on exit strategy • Established risk management programme • Focus on business continuity
Internal assessment	Operations are mainly functional.	Collaborative teams reactive to market requirements.	Collaborative teams established and developed as required.	Fully integrated process for maintaining a focus on internal collaborative capability.
Key attributes	<ul style="list-style-type: none"> • Corporate visions and values considered • No focus on establishing a collaborative environment • Only quality audits performed • No collaborative profiling • Collaborative leadership is not recognized outside functional requirements • No specific partner selection criteria • Implementation plans based on customer delivery requirements 	<ul style="list-style-type: none"> • Corporate visions and values considered • Team focus on collaborative environment (as required) • No specific audits • Collaborative profiling at opportunity level • Collaborative leadership is recognized but not key • No specific partner selection criteria • Implementation plans as required 	<ul style="list-style-type: none"> • Corporate visions and values integrated • Team focus on collaborative environment • Team-specific audits • Collaborative profiling at team level • Collaborative leadership recognized at team level • Partner selection criteria by programme • Structured implementation plans 	<ul style="list-style-type: none"> • Established visions and values • Focus on collaborative environment • Internal audit programme • Collaborative profiling in operation • Focus on collaborative leadership • Established partner selection criteria • Structured implementation plans

Table A.1 Guidelines for continual improvement

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.
<i>Key attributes</i>	<ul style="list-style-type: none"> No collaborative approach to market engagement Traditional supplier evaluation process No focus on partner objectives Traditional approach to negotiations 	<ul style="list-style-type: none"> Programme-specific partner selection No collaborative approach to market engagement Traditional partner evaluation process No high focus on partner objectives Informal approach to collaborative negotiations 	<ul style="list-style-type: none"> Programme-specific partner selection focus Structured approach to market engagement Collaborative partner evaluation process Focus on partner objectives Established approach to collaborative negotiations 	<ul style="list-style-type: none"> Current partner database Structured approach to market engagement Collaborative partner evaluation process Focus on partner objectives Established approach to collaborative negotiations

Table A.1 Guidelines for continual improvement

Working together	External interfaces are controlled through formal contracts.	No established collaborative operating and contracting models.	Operating and contracting models for specific collaborative programmes.	Established operating and contracting models for collaborative programmes.
<p><i>Key attributes</i></p> <ul style="list-style-type: none"> • Executive management authority for commitments • No joint working governance models • No focus on joint objectives • Collaborative competencies not part of staff development • No collaborative operational models • Internal roles and responsibilities defined • No joint knowledge management processes • Informal communications plans • No joint risk management • No focus on joint business process reviews • No collaborative contracting models • Contract-defined performance monitoring and review processes 	<ul style="list-style-type: none"> • Executive management involvement (as required) • No established governance models often customer driven • No clear focus on joint objectives • Collaborative competencies not high profile • No proven collaborative operational models • Internal roles and responsibilities adjusted to suit • No established joint knowledge management processes • Informal communications plans • Limited joint risk management • Limited focus on joint business process reviews • No established collaborative contracting models • Programme-defined performance monitoring and review processes 	<ul style="list-style-type: none"> • Executive management involvement as required • Specific governance models • Focus on joint objectives • Collaborative competencies established • Proven operational models • Clearly defined roles and responsibilities • Joint knowledge management processes • Programme specific communications plans • Joint risk management • Focus on joint business process reviews • Established collaborative contracting models • Clearly defined performance monitoring and review processes 	<ul style="list-style-type: none"> • Executive management involvement • Established governance models • Focus on joint objectives • Collaborative competencies established • Proven operational models • Clearly defined roles and responsibilities • Established joint knowledge management processes • Functional communications plans • Joint risk management approaches • Focus on joint business process reviews • Established collaborative contracting models • Clearly defined performance monitoring and review processes 	

Table A.1 Guidelines for continual improvement

Value creation	No focus on value creation other than internal continual improvement programmes.	Limited specific approaches to promote value creation and innovation.	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.
<i>Key attributes</i>	<ul style="list-style-type: none"> Internal continual improvement programmes No focus on integrated joint improvement teams No joint learning from experience reviews 	<ul style="list-style-type: none"> Limited joint continual improvement programmes No focus on integrated joint improvement teams No regular joint learning from experience reviews Joint innovation programmes limited to programmes specific needs 	<ul style="list-style-type: none"> Limited joint continual improvement programmes No focus on integrated joint improvement teams No regular joint learning from experience reviews Joint innovation programmes limited to programmes specific needs 	<ul style="list-style-type: none"> Established joint continual improvement programmes Integrated joint improvement teams Regular learning from experience reviews Joint innovation programmes 	<ul style="list-style-type: none"> Established continual improvement programmes Integrated joint improvement teams Regular learning from experience reviews Joint innovation programmes
Staying together	Internal operational management processes.	Fully established internal operational management processes.	Fully established internal operational management processes.	Fully established operational management processes.	Fully established operational management processes.
<i>Key attributes</i>	<ul style="list-style-type: none"> Relationships limited to contract management processes Monitoring and reporting processes per contract management No relationship measurement tools No joint continual improvement programmes No focus on behaviours No competency development programmes Contract focus on dispute resolution Internal focus on exit strategy No RMP 	<ul style="list-style-type: none"> Limited programme specific relationship monitoring and reporting processes No specific relationship measurement tools No joint continual improvement programmes No high-level focus on behaviours No joint competency development programmes Contract focus on dispute resolution Internal focus on exit strategy No specific RMP 	<ul style="list-style-type: none"> Programme-specific relationship monitoring and reporting processes Programme-specific relationship measurement tools Joint continual improvement programmes Executive and team management focused on behaviours Joint competency development programmes Established issues resolution processes Focus on joint exit strategy Fully maintained RMP 	<ul style="list-style-type: none"> Established relationship monitoring and reporting processes Established relationship measurement tools Joint continual improvement programmes Executive and team management focused on behaviours Joint competency development programmes Established issues resolution processes Focus on joint exit strategy Fully maintained RMP 	

Table A.1 Guidelines for continual improvement

Exit strategy	Internal exit strategy process.	Internal exit strategy process.	Internal exit strategy process.	Fully established exit strategy process.	Fully established exit strategy process.
Key attributes	<ul style="list-style-type: none"> Internal focus on exit strategy No regular monitoring of changes except performance issues Internal focus on business continuity and transition processes No focus beyond contract management 	<ul style="list-style-type: none"> No joint exit strategy No regular monitoring of changes Internal focus on business continuity and transition processes No focus on future joint opportunities 	<ul style="list-style-type: none"> Programme-specific joint exit strategy Regular monitoring of changes Clearly defined business continuity and transition processes Limited focus on future joint opportunities 	<ul style="list-style-type: none"> Fully maintained joint exit strategy Regular monitoring of changes Clearly defined business continuity and transition processes Regular focus on future joint opportunities 	

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