



**CONSTRUCTION
CLIENTS' GROUP**

Collaboration House

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Internal collaboration – the foundations

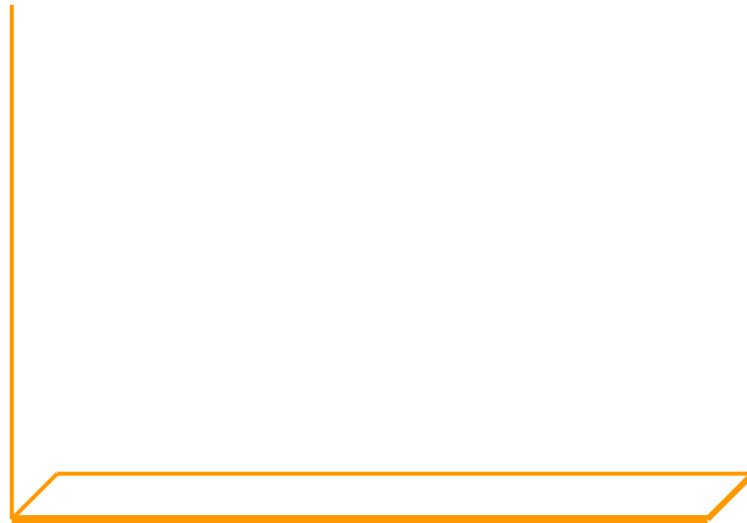
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Internal collaboration – the foundations



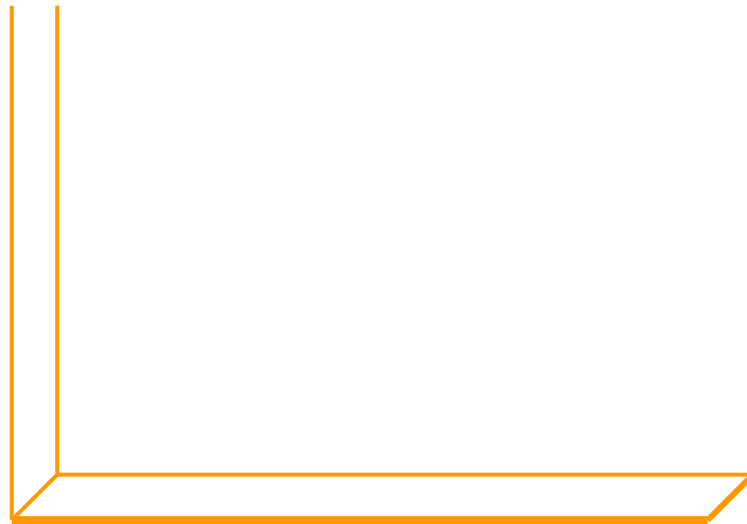
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With first tier contractor collaboration



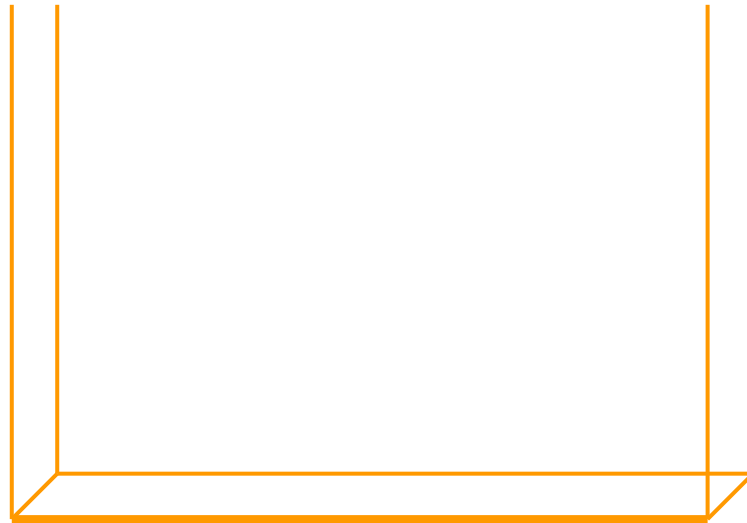
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And the key sub-contractors



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Plus specialists and consultants



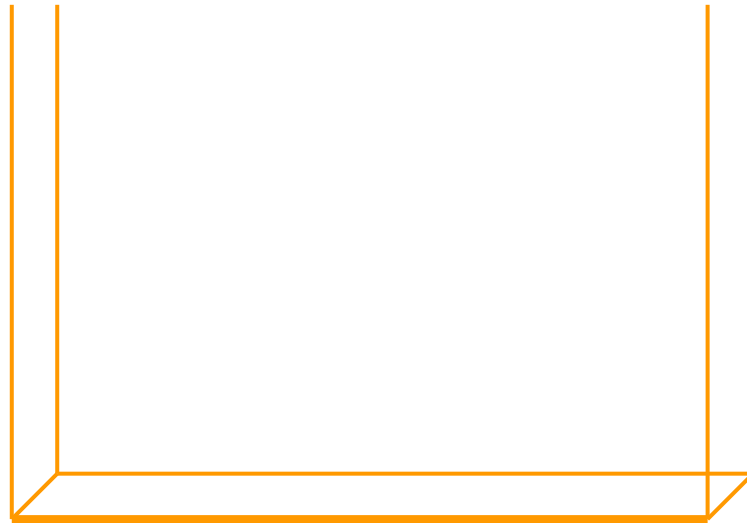
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With product and material manufacturers



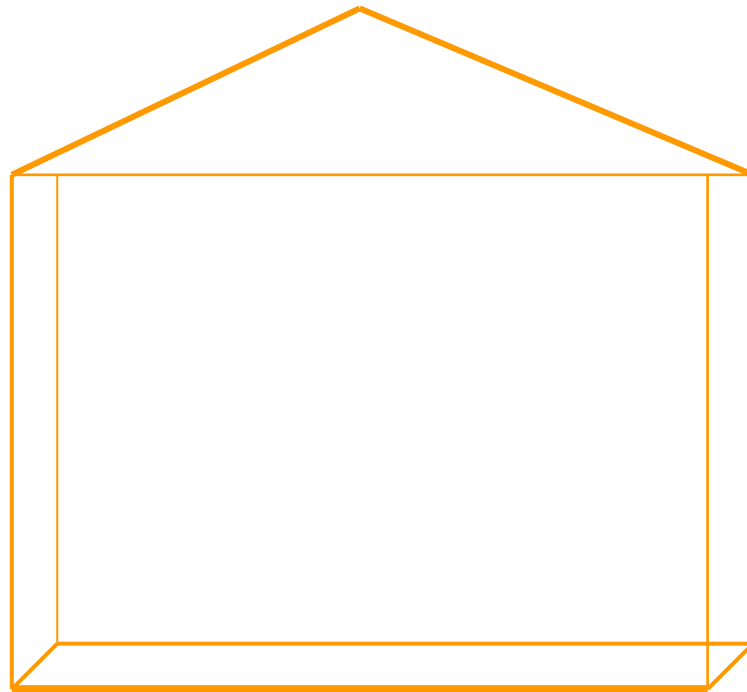
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So what is this building missing?



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Clients collaborating with clients



Client collaboration

The Highways Agency has just recently identified a new procurement principle:

Procurement principle eleven:

Clients collaborating with clients.

Further evidence?



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Collaboration – what is it?

Involves clients and integrated supply chains working closely together often under long-term framework arrangements using non-adversarial approaches and contract conditions to meet the project or programme objectives.

Collaboration – what is it?

A wide range of approaches can be adopted to achieve collaboration such as project bank accounts, project-wide insurance, two-stage tendering, combined planning, joint risk assessments, early contractor involvement and integrated project teams.

Why collaborate?

A range of value for money gains from collaboration and early development of project teams are emerging. These include innovative solutions to design and delivery, fewer legal claims, safer working and improved whole life costs and value as a result of more open and integrated team working between clients and contractors.

Best practice and collaboration

Does anyone believe we can attain “best practice” without collaboration?

“Best practice starts from the basic principle that the client and its business needs should be at the core of the construction process”

Sir Michael Latham

Making collaboration pay for industry

Collectively agree objectives and success criteria

Headline objective should be to deliver best value for your customers. "Establishing the product"

"As soon as we stopped looking over our shoulder at the competition and focused on the customer we pulled clear"

Making collaboration pay for clients

Identify collaboration partners

Companies focusing on the client

Companies measuring their performance and geared towards continual performance improvement

Companies with the right culture and values such as respect for people.

Highways Agency's ten principles

Early creation of delivery team

Integrated and incentivised supply chain

Maintaining a sustainable supply chain

Clear points of responsibility

Encouraging electronic procurement

Highways Agency's ten principles

Supplier selection on best value

Fair allocation of risk

High quality design

Partnerships based on long-term relationships

Performance measurement with targets.

October collaboration award

"We hope that the emphasis on collaboration throughout the supply chain, that was embedded in Construction Management Community, is imitated throughout the industry"

Steve Rowsell, Highways Agency

An example from the private sector

STANHOPE

Profiting from collaboration

"Greater certainty comes from greater collaboration. Only by working closely with people can I start to understand their business and they understand mine"

Peter Rogers, Stanhope

Profiting from collaboration

"Collaboration is vital for effective risk management. Only by sitting down with each other and discussing risk can you start to understand the best person to carry various aspects of risk on any given project"

Peter Rogers, Stanhope

Profiting from collaboration

"At the end of jobs we have had contractors tell us they made more than expected and offer to share some of that additional profit back with us. In turn we have stepped in financially where honest mistakes have been made. That is making collaboration pay"

Peter Rogers, Stanhope

Thanks for listening !

