



# Collaborative Alliancing; the Modern Way of Working Collaboratively

A Collaborative Working Mentors Guide  
June 2023

# Introduction- Why Do We Need a New Model?

In 2003 the Strategic Forum for Construction Integration Toolkit was published. The team who contributed to its creation and validated its content went on to become the Collaborative Working Mentors of Construction Excellence.

The toolkit acknowledged the prevailing separation of the design and constructing communities, typified by sequential appointments and fragmentation through specialisation which, having evolved over time, had been and remained a continuing problem for construction. This process leading to misunderstandings and confusion on projects and to different objectives being adopted by different players often at the expense of others and frequently at detriment to the objectives of the project and the wellbeing of those who participated.

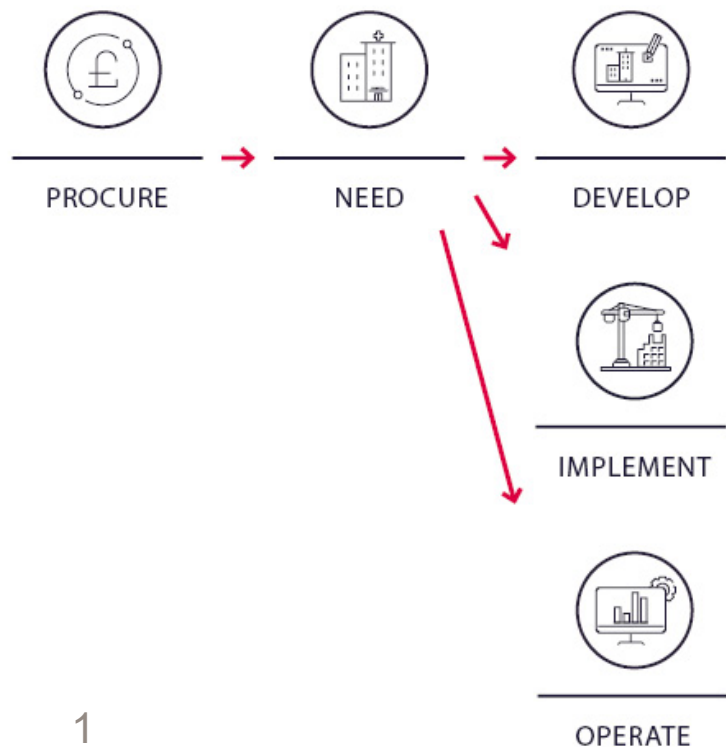
The toolkit presented this traditional sequential process, the primary route for construction projects for decades, as follows;

## Traditional Process



And suggested, in line with the change agenda of the time, that industry would benefit greatly from adopting the following more integrated collaborative platform;

## Aspirational Process



With plenty of organisations seeking redress, partnering and collaborative working initiatives have helped to nurture improvement. The last two decades have probably seen more innovation, process and cultural change in relation to integration and collaborative working, including the growth of alliancing in both the public and private sectors, than at any other time in the history of construction.

But the contractual and insurance framework which has tracked the evolution of construction, now reinforces this separation and fragmentation. This acts not only as a barrier to effective collaboration, but also to the adoption of Modern Methods of Construction including fully integrated digital design, pre-manufacturing, off site assembly and Modular solutions. It is increasingly clear that adaptive change which slowly improves things isn't delivering the desired level of progress, instead it is time for disruptive change, time for a new delivery model.

The Collaborative Working Mentors of Constructing Excellence are aware of early adoption and promotion by both public and private sector clients of new procurement and delivery models but believe that much of the industry is missing out on the opportunities presented by these advances. Perhaps this is because the process is ill defined, the appropriate behaviours are misunderstood and the benefits are poorly communicated?

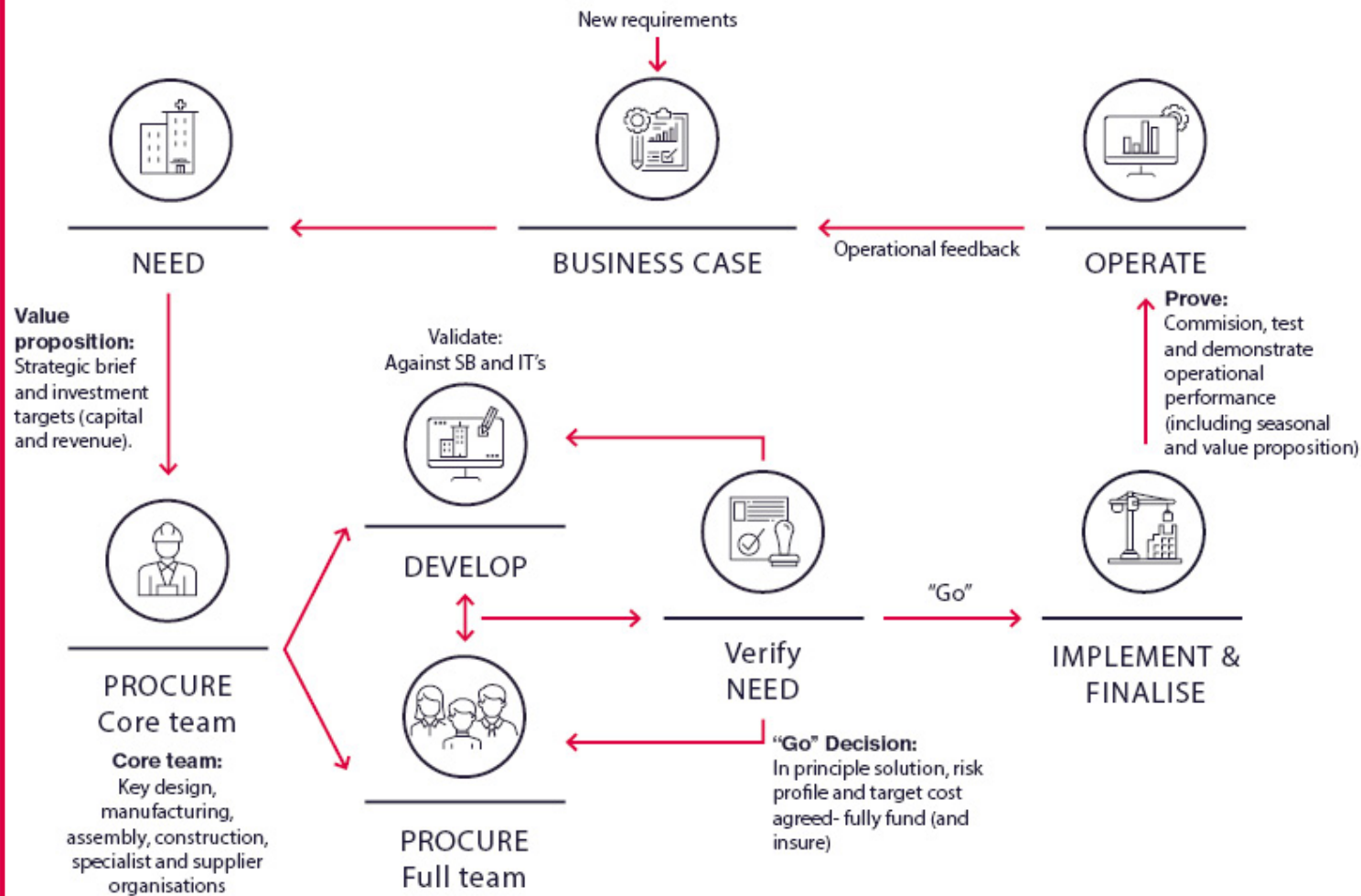
This report, 20 years after the launch of the Integration Toolkit, looks at how superior engagement, support and performance is available to those who seek to procure design and delivery partners together to collectively work with the client and their operators/end users, in what is becoming known as Collaborative Alliancing.

*Collaborative Working Mentors*

## What is Collaborative Alliancing?

Collaborative Alliancing is a method of ensuring the best possible alignment of all the interested parties with the client's objectives. It is a more sustainable, inclusive and rewarding way of working that leads to superior outcomes for client's, their suppliers and customers, and society.

The high-level process of Collaborative Alliancing is shown below;



The steps for Collaborative Alliancing are;

- **Business Case** – This is the starting point for a project. It is where a client's business drivers such as service performance or product development and changes in regulation, legislation, profitability or funding, are taken together with the operational experience of their own and other's buildings, facilities and infrastructure. This creates new investment objectives for the organisation. It is here that the first screening of investments takes place to determine which should be pursued as construction projects, and whether they can be addressed with simple contracts, or are sufficiently complex or multifaceted enough to warrant the adoption of Collaborative Alliancing and, for public sector clients, how this will be achieved under the procurement regulations.

- Need** – This is the primary gateway for Collaborative Alliancing. Where a traditional sequential process is adopted, a simple statement of requirement is generally used to progressively procure first a design team to develop the solution, which is initially used to procure the constructor / MMC delivery team and primary subcontractors and subsequently, as the solution develops, the remaining supply chain. This is a different process to that shown above. Under Collaborative Alliancing, a Strategic Brief is created to procure a core team from all parts of the industry, whose members will collectively develop and deliver the solution. The Strategic Brief will explain the purpose for the investment, define the outcome objectives, describe the cost and time parameters and identify associated criticalities and constraints.
- Procure Core Team** – The Core Team will be representative of the skills and capabilities anticipated as required to deliver the investment needs, and procured using a process which will include behavioural assessment but no solution to price. It is an ‘80/20’ style approach appointing the key members covering design, manufacturing, on and off site assembly and construction, who will be collectively responsible for making and implementing design and delivery decisions including MMC options. The Core Team form the Collaborative Alliance with the Client and their operational representatives whether internal or external.
- Develop** – Having validated any decisions necessarily made before the team where appointed, the alliance will develop and evaluate potential solutions to meet the identified need, using the strategic brief to screen options and confirm the preferred solution.
- Procure Full Team** – As the solution develops, the understanding of who should be involved will develop leading to the identification of the full team; who will also be appointed on the same skills, capabilities and behaviours basis.
- Verify Need** – This is the “go” / “no go” gate for committing to full funding and development and implementation of the preferred solution, including the insurance of the project team and the outcomes, if this is part of the delivery model (e.g. Insurance Backed Alliancing). In the event that the solution is not accepted or more rarely, that a full understanding of the need has identified a change in the purpose or delivery objectives, the process will reiterate to fine tune the solution and/or delivery team. Once the ‘go’ decision is made the alliance moves on the detailed development and implementation.

**Finalise** – Importantly, **Verify Need** is *not* a ‘design to construct’ decision gate. The project should proceed as soon as the solution has been sufficiently developed to be confirmed in principle, provided it is supported by a robust target cost model. This will show that the proposals are realistic, affordable and achievable, whilst containing sufficient allowances and mitigation measures to address shared project risks going forward. The design will be finalised in parallel and in accordance with the execution plan to ensure seamless design to implementation performance (and where appropriate be transportable for future application).

**Implement** – The alliance take responsibility for achieving the outcome which satisfies the need, blending efficient design development with effective implementational detailing and delivering outcomes that can be proven to function as intended. All parties work collaboratively adopting ethical principles for inclusive non-discriminatory engagement and support. Any issues that arise are collectively resolved and any changes necessary validated against the strategic brief. Ownership for all activities is shared, with the alliance incentivised through sharing in the financial success of the project or otherwise on a collective basis.

**Operate** – All projects whether alliancing or not, should have an effective process of soft landings (or government soft landings) involvement and management that extends from commencement to the transition into operation. This includes defects resolution and seasonal commissioning in the first phase of occupation and can extend to full operational support for an extended period if this is the selected route. Post Occupancy Evaluations being implemented to evidence and validate that carbon and energy use outcomes match design intent. Whatever the period adopted, ensuring the asset performs as required is essential in achieving sustainability from construction.

## **What benefits does Collaborative Alliancing provide?**

Practitioners from clients and their funders to contractors and their suppliers identify the following benefits when comparing with methods not optimised for collaboration.

### **Better risk sharing**

Risks are more openly understood and can be allocated to the best people to resolve whilst remaining owned by the whole alliance.

### **Better due diligence**

Collective interrogation of options and solutions by all the interested parties means issues and problems are identified earlier, better evaluated and inappropriate proposals screened out.

### **Less adversarial environments**

'Open book working' leads to fewer surprises and being party to decision making leads to improved ownership. Sharing incentives means everyone seeks resolution instead of recrimination.

### **Earlier involvement**

Knowing you will be appointed to participate in design and solution development means your experience and expertise can be optimised for you and your partner's benefit.

### **Faster**

More inclusive evaluation leads to better decision making in relation to the elements and methods to be adopted, and to 'right first time' implementation. Shared ownership leads to faster identification and resolution of issues and problems without procrastination.

### **Cheaper**

Selecting affordable solutions, eliminating waste and inefficiency, minimising redesign and rework, optimising all the skill on offer, replacing 'bespoke' with repeatable standardisation and duplication with trust, leads to funds being optimised for the intended purpose as cost effectively as possible and cheaper than traditional methods.

### **More repeatable**

Alliancing binds organisations together building relationships and creating solutions that can be drawn from manufacturing-based standardisation and assembly cycles. Solutions can subsequently be delivered through programmes and frameworks, or adapted for delivery for different clients/problems.

### **Value focussed**

Collaborative Alliancing focusses on the needs defined and therefore the value sought from the investment, and the outcome-based incentives maintain this focus throughout.

### **Better outcomes**

Utilising all the expertise and experience of all the contributors to a project helps to identify solutions which better meet the needs, faster and at a lower cost than traditional sequential methods.

### **Removes duplication**

Working 'open book' with one version of the truth made available to all, leads to best for project resourcing without the need for duplication of roles or activities.

### **Fewer defects**

With the whole alliance incentivised to deliver best for project outcomes as fast and as cost effectively as possible, defective works due to poor detailing are eliminated at source and installation defects, which delay follow on activities, are quickly flagged up and managed out by the whole team.

### **More predictable**

All projects can experience problems and challenges. The visibility of these that leads to faster resolution under Collaborative Alliancing, also means the impacts on the timeline, cost and quality plan are similarly visible. This greatly reduces the likelihood of surprises late on in the project. For alliance members and their supply chains cash flow is more open and secure (particularly where trust accounts are utilised for payments) and profit more certain.

### **Less stressful**

Practitioners report working in a fully collaborative alliance to be more rewarding and enjoyable. They feel better supported and less stressed in an environment they deem fundamentally better for their mental health. They also report separating at the end of a project as friends instead of the more traditional adversaries.

### **Life cycle geared**

Understanding the purpose of the investment, facilitates designing with tomorrow in mind, enabling future removal, re-purposing and even relocation strategies to be adopted. Embedding end user and ongoing estate considerations empowers the alliance to design for strategic change, saving time, money and carbon whilst reducing waste in all its forms.



## How does it work for my part of the industry?

**Clients** – benefit from a team that is aligned with their investment needs and is committed to deliver the best it can for the available funds. As part of the alliance, the solution is developed and delivered with them, and with the ongoing focus on the required outcomes throughout there are fewer surprises and more opportunity to providing guidance on the implications of potential options and changes.

**Contractors (including MMC contractors)** – are involved much earlier than usual enabling them to bring their buildability, logistical expertise and delivery platforms to the table early enough to improve both the solution and the execution planning.

**Distributors** – have the chance to influence the components and the logistics not usually offered to them. They are also able to take a wider project perspective including working with other distributors to streamline buying and distribution.

**Designers** – know they will remain a key resource throughout the entire project duration without any change to their contractual position or objectives. They benefit from working alongside delivery experts to identify which concepts best translate to delivered installations and are able to adjust the time of transfer to optimise skills rather than to suit a rigid staged process.

**Funders** – know that the alliance is focussed on achieving the needs within the funding level agreed and that progress is more visible with outcomes being more predictable.

**Operators** – are consulted early enough to be able to influence the outcomes to ensure they will meet their performance needs.

**Manufacturers** – are consulted and committed to early enough to influence options and solutions, including the suitability of Modular or other MMC approaches. They are more able to optimise product installation and implement adaptations that will enhance the project and provide time and/or cost savings in production and installation.

**Practitioners and Operatives** – enjoy a more supportive and collaborative environment in which their input and expertise is both sought and valued.

**Specialists** – are consulted as equal partners and committed to early enough to influence solution development and propose alternatives that will enhance performance, all in the knowledge that they will go on to deliver what has been agreed.

**Suppliers** - are consulted as equal partners and committed to early enough to influence solution development and propose alternatives that will enhance performance, all in the knowledge that they will go on to deliver what has been agreed.

**Underwriters** – know the alliance is focussed on de-risking the project to improve the likelihood of success and reduce the likelihood of claims.

*Note for all parties; ‘open book’ payments mean cash flow is more predictable and incentives provide the opportunity to benefit from successful outcomes.*

## **How well does it satisfy the playbook objectives?**

The adoption of Collaborative Alliancing satisfies the objectives of the Construction Playbook developed with cross sector support to cover leading industry commercial practices.

First published in December 2020 and updated in September 2022, the Playbook outlines government’s expectations for how contracting authorities (including all central government departments and their arm’s length bodies) and suppliers, including supply chains, should engage with each other.

Of the 14 key policies to assess, procure and deliver public works projects and programmes the following 8 are directly addressed by adopting a Collaborative Alliancing approach;

- 2. Market Health and Capability Assessments – Need
- 3. Portfolios and Longer Term Contracting – long term alliancing
- 4. Harmonise, digitise and rationalise demand - long term repeatability

- 6. Early Supply Chain Involvement - Involving the supply chain early in the project
- 7. Outcome-based approach – clear and measurable outcomes focused on whole life value
- 8. Benchmarking – benchmarking key project deliverables for long term value
- 9. Delivery Model Assessments - using the most appropriate delivery model to achieve the desired outcomes
- 11. Risk Allocation – Cross alliance risk allocation and management

Embodying much of the above and published in November 2022 under the heading “Trust and Productivity”, the private sector construction playbook is similarly satisfied through the adoption of Collaborative Alliancing.

## **What challenges does Collaborative Alliancing bring?**

Collaborative Alliancing is a different way of working. Not everyone is ready for the genuinely open and honest environment required to enable success.

Adopting collaborative behaviours that include a readiness to be challenged and to challenge in a supportive manner, and being prepared to be open about failings and weaknesses, is contrary to the usual behaviours that prevail in contractual relationships which have an underlying potential to become adversarial.

As a disruptive method, it challenges custom and practice and often flies in the face of organisations established procedures which, even for staunch supporters, can be a challenge to address.

However, experience shows that with a modest amount of training and coaching, most people and organisations are ready and willing to participate in a collaborative alliance, especially if it is clear the process is sufficiently well facilitated to ensure appropriate behaviours are maintained by all.

Finally, the feedback from those who have completed a collaborative alliancing project is overwhelmingly clear that they would prefer their next project to be on the same basis.

## How do I find out more about Collaborative Alliancing?

### If you want to know more...

Get in touch with Constructing Excellence via [Helpdesk@constructingexcellence.org.uk](mailto:Helpdesk@constructingexcellence.org.uk)

Join the Collaborative Working Mentors! See the Constructing Excellence [events page](#) to find out about the next meeting.

Look out for the Collaborative Alliancing Conference in the Spring. Constructing Excellence will be hosting a conference to further explore Collaborative Alliancing and the steps to adoption. More information will be shared on [the website](#) once confirmed.

*Prepare your organisation – don't get left behind!*

## Collaborative Working Mentors

This report was assembled with the input and contribution of the following Mentors and interested parties

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