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PERFECT PARTNERS

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David Archer explains why building collaborative leadership competence now will help prepare for the future

The ability to partner successfully with clients and other industry organisations will be an ever more important determining factor in the success of construction companies as the downturn in the UK market continues to bite. With reduced investment funding available for new projects and increasing demand for better value and greater accountability, the reputation of a business as a 'trusted partner' in a joint venture, PFI (Public Finance Initiative) or other supply chain contract will be a key competitive differentiator.

When partners fail to collaborate, the financial consequences are all too evident in budget and project overruns. The usual remedy is the intervention of lawyers and consultants to help to repair the damage: this results in new, often more onerous constraints in already unworkable contracts, as well as further costs and delays.

Yet the fundamental problems in the partnering relationship invariably remain unresolved. The question arises: why were these issues not addressed and resolved earlier?

WRONG TURN

The failure in many partnerships in the sector results from a lack of expertise in 'collaborative leadership': this is a specific skill set that project directors need if they are to work optimally with clients and other partners; to lead from the centre of a network of effective relationships; and to build a shared vision and the necessary processes to enable the range of organisations engaged in the venture to work successfully together.

When leaders are not competent in collaboration then problems develop. There is frequently a mismatch in expectations between the parties at the outset of the relationship. The client often may have unrealistic expectations – perhaps because of the over-promising and blandishments of the contractor during the bidding stage of the negotiations. Also there are often significant disparities in goals, operational processes and 'cultures' and ways of working that are discovered as the relationship evolves. When these differences emerge they are usually perceived as failings in the other party: the conclusion is: 'if they are not like us, how can we trust them?'

FIRST 100 DAYS

The solution is firstly to understand the dynamics of the new relationship and the importance in using the first 100 days to establish the foundations for an enduring partnership. Successful collaboration is developed by affirming and confirming that whilst your partner is not like you, you can trust each other because you each deliver consistently on specific, detailed promises.

Good partners accept that the basis of working together is not similarity; each does what they say they will do and both parties can see real benefits from these deliverables. They understand that it is the differences that create the value. The goal in the early days of the relationship is to help all sides see where the real fruits in the union lie, and what partners need to do to sustain their contributions.

This approach is very different from conventional 'team building' exercises in an attempt to forge a shared purpose and values. These training events often trumpet 'one team, one vision', quite divorced from the context and reality of the partnership project itself. Following the return from the usual 'away-day' exercises to the workplace and to the pressures of a demanding project, the managers soon revert back to their old entrenched viewpoints and practices.

For collaboration to succeed, it is better to design a development programme for the first 100 days that recognises and builds upon the 'transactional' nature of this early stage relationship: 'I will trust you if you don't let me down, and I will deliver on my promises too.' The goal is to build a 'virtuous circle' of trust. This must be based upon a full and frank understanding of each other's capabilities and individual and shared objectives for the project.

A similar priority is to define what you expect from your partners and understand what their expectations are of you: the operational areas where each party must perform well and consistently for collaboration to work. For example, your partner may want you to prove that you can deliver specific products on time, or carry out agreed services within set quality standards. Conversely, you may require the client to prove that its team can communicate instructions to you in a correct and timely manner and pay invoices as agreed.

BUILDING TRUST

Organisations can start to build mutual trust based on doing what they say they will do, in small ways over short periods, incrementally each week and month. The parties then jointly review progress and confirm their mutual understanding of where this process may have failed. You can assess current experiences, how they match your hopes and fears and what can be done to achieve agreed outcomes in the future.

To implement this strategy, partners require guidance to identify and address a set of discrete pilot projects at an early stage that have perceptible short-term outcomes. This is a practical learning exercise to evaluate how the organisations work together, and whether any differences are issues of capability or communication, for example. The goal at this stage is not to judge your partner, but to be able to say: 'now we know better how to work with you.'

So over the first three to six months the partners can be coached to move into a fully collaborative relationship. This avoids the failure that often results when partners tackle large projects based on the assumption that they will operate as one team from the start. When this happens, the partners often become cynical about outcomes or fall into a pattern of making a commitment without any real intention of delivering on it.

A typical '100 day' programme to build collaborative leadership in a partnership between client and contractor and to lay sound foundations would follow a workplan similar to this:

- Measure the partnering 'fit': the culture and ways of working, including the typical partnering style, the partnership contribution and likely blind spots; and assess how the different groups may experience working with each other
- Identify potential risk areas in the partnership: typically these would be assessed under the following headings: clarity of purpose and accountability; quality of decision making; aligned management systems and processes; effective communications; capability and skill development; cross cultural awareness; and joint problem solving
- Build strong initial relationships: coach key leaders and run partnering workshops that focus on bringing operational groups together to tackle real tactical problems
- Track the progress of the partnership: measure the level of collaboration, keep re-assessing where the risks and opportunities for the partnership lie and continue to identify any further partnering need

FIRST STEPS

It is more difficult to start to collaborate with a client if the leadership capability is not well embedded in your organisation already. It is a truism that you cannot partner well externally if you are unable to do so internally.

So the first stage is to build this competence within your own organisation, working within and between departments - whether it is with operational teams, accounts, procurement, marketing or sales departments. A tailored programme can be specified, starting with an induction course for new staff, to understand this new strategy for partnering. Secondly, training and coaching can be organised for existing heads of department in collaboration skills: such as in influencing, mediation, negotiation and conflict handling.

Organisations in both the construction and public sector that succeed in developing their collaborative

leadership competence can gain significant improvements in performance, and also avoid incurring further penalty charges and legal and consultancy fees. Also, when it comes to winning new business, they will be much better equipped to deal with the economic and budgetary environment in 2008 and beyond, whatever it holds in store.

David Archer is a director at Socia Ltd. Socia is a specialist in developing collaborative leadership capability in construction and public sector organisations. Socia provides expertise in relationship planning, coaching, measurement and management to enable senior personnel to mitigate the risks and maximise the opportunities of partnership. For further information, visit: www.socia.co.uk.