

Collaborative working in acquisition

In the fourth part of the acquisition excellence series, Adrian Miller, Head of Supply Chain Collaborations, NATS, explores the value found in collaboration.



Credit: NATS

With the relentless growth of air traffic across the globe, aviation increasingly needs technology and solutions to enable it to meet demand safely and efficiently.

Typically, air navigation service providers (ANSPs) cannot do this on their own, so collaboration becomes vital. This may mean working to share costs and requirements for new solutions or working with suppliers of technology and leading-edge services to upgrade operations.

The special relationships that are required for collaboration rely on respect, performance, trust, mutual interest and benefit.

Achieving ideal outcomes

Collaboration is driven by achieving outcomes that cannot always be achieved individually, such as working to:

Deliver better value – with preferential arrangements and cost optimisation, reducing duplication and increasing effectiveness together.

Manage risk jointly – through identifying and assessing potential threats and agreeing appropriate mitigations together and allocating risk to the party best able to manage it.

Innovate – exploring opportunities together to go beyond improvement to find transformational ways of doing things.

Share knowledge – generating improvements and increasing understanding by disclosing and developing what both parties know.

Improve efficiency – streamlining process and practice by removing obstacles and working together to re-engineer them.

Collaborating does not mean being weak and giving in to the other party, as this is a wholly inaccurate assessment of the true nature

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and genuine potential of a strong collaborative relationship. On the contrary, a collaborative approach seeks to gain the best possible solution for an organisation, albeit acknowledging that the other party must also benefit.

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In most instances, it requires a change of approach and recognition of the importance of the need to accommodate the other party's needs. The whole premise of collaborative working is that when parties can harness shared objectives, it will be possible to achieve better outcomes together that bring value to both organisations.

Applying collaboration

There are a number of principles that contribute strongly to effective collaboration and maximise the chances of success. A collaborative relationship lacking in these essential ingredients is likely to be beset with some major challenges, or not result in the intended or best possible outcomes.

The International Standards Organisation has published a set of twelve principles (ISO44000), which were developed by international experts responsible for developing and maintaining the ISO standard for Collaboration in Business Relationships (ISO44001). They are:

Relationship Management. To be sustainable, a collaborative relationship should be based on appropriate systems and processes, whether internal or jointly developed. Those collaborative relationships that are based solely on personal relationships, although important, can become vulnerable when personnel changes occur over time. Documenting processes agreed between partners ensures that leadership changes do not weaken the relationship and those joining have a clear perspective of the way the relationship operates.

Visions and Values. Alignment around vision and values provides guidance to stakeholders on behaviours and decisions that facilitate collaboration, over and above metrics, governance and management oversight. It results in smoother operations, faster achievement of goals and higher performance.

Business Objectives. It is only when drivers for collaboration support the business objectives of each participating organisation that a

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collaborative relationship makes sense. Ensuring each partner's objectives can be achieved through the relationship supports continued and effective engagement at both organisational and individual levels, to sustain mutual benefit.

Collaborative Leadership. A key ingredient for successful business collaboration is the commitment of senior leaders. This contributes strongly to driving the right level of engagement within and across organisational boundaries. This should be allied to ensuring that there is a high level of confidence, promoted at top level, that each organisation is looking out for the interests of their partner.

Governance and Processes. Relationships between organisations require governance structures that support collaborative decision making. Joint management processes will provide clarity for the individuals involved. Collaborative working may require changes to existing working practices and responsibilities, which if not addressed could impact individual performance and confidence, and subsequently the level of engagement and behaviour.

Collaborative Competence and Behaviour. Fundamental to successful collaboration is ensuring the involvement of people with the right behaviours, competence and skills. Understanding and displaying appropriate collaborative behaviours is a major contributor to ensuring an effective relationship is developed and maintained. Behaviour is a strong contributing factor when seeking to build trust with others and getting the most from relationships, developing clear lines of communication and contributing to a heightened level of engagement. Although they are often referred to as soft skills and dismissed as nice to have, in fact the reality is that when they are not present or applied, relationships will be less effective. Even when there are only isolated instances of poor behaviours, this can contribute to damaging the overall relationship.

Trust and Commitment to Mutual Benefit. These are essential for delivering to the full potential of the relationship. To be sustainable over time, organisations need to ensure that the trust in the personal relationships among the individuals working in the collaborative relationship enables them to overcome conflict and adversity. This in turn builds sustainable relationships at an organisational level.

Value Creation. Collaborative arrangements that do not focus on harnessing joint capabilities and knowledge to seek out additional value will dilute their full potential. A significant benefit from working closely with other organisations is the ability to share ideas and develop new opportunities. At the same time, a focus on continual improvement is required to ensure the collaborative organisation benefits from, and adapts to, change.

Information and Knowledge Sharing. The appropriate sharing and management of information and knowledge is part of effective collaboration. A significant value in collaborative working is the



Trust and commitment are essential to unleashing full potential.

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ability of parties to share knowledge, experience and expertise. Providing clarity and transparency in what needs to be shared and what cannot be shared is also important to achieve the objectives of the relationship, adding value and building trust between partners.

Risk Management. Relationship success can be determined by how threats and opportunities influence individual and organisational behaviours. Attitude to risk can be a significant influence on how people behave. Risk processes should address relationship risk in addition to facilitating joint management of all other risk, by ensuring threats and opportunities are managed and mitigated by those best placed to do so, or by partners working together.

Relationship Measurement and Optimisation. Measuring the health of a relationship is crucial to continually improve its performance and capacity, to create value and deliver on business objectives. Measuring and monitoring the performance of relationships gives early insights to help proactively and collaboratively address issues throughout the life of the relationship.

Exit Strategy. An agreed disengagement strategy can remove uncertainty and enhance joint engagement. Most business relationships will eventually reach an end, either on the planned completion of an activity or beforehand for any reason. Partners and those involved should understand the rules of disengagement early, to inform constructive mutual exit arrangements.

Challenges

For those that want to act collaboratively, a dilemma can arise when others in an organisation want to be competitive and take advantage of a collaborative approach. The right approach with aggressive challengers is to be assertive rather than fall into a fight-or-flight reaction. Make clear that the objective is to build a relationship based on respect, trust and fairness and that an open and honest dialogue facilitates the opportunity to explore mutually beneficial outcomes. If a damaging approach persists, constructively challenge the behaviours.

It is best to show strength while offering an olive branch. ➔