
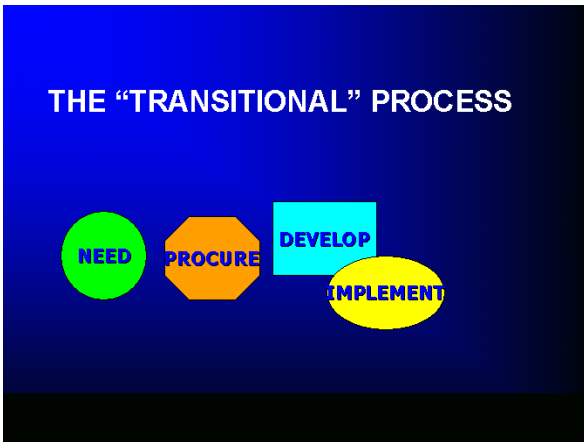
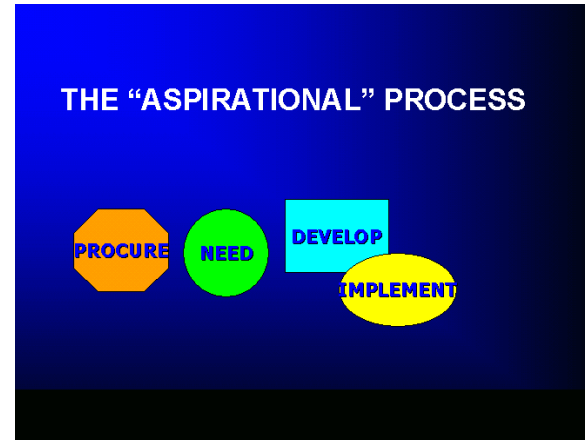


	HISTORIC	TRANSITIONAL	ASPIRATIONAL
Process Models	 <p>THE "HISTORIC" PROCESS</p>	 <p>THE "TRANSITIONAL" PROCESS</p>	 <p>THE "ASPIRATIONAL" PROCESS</p>
Summary	<i>If in your organisation you believe the comments in this section most represent how business is done, then your business is still conducted in the "historic" (traditional) way.</i>	<i>If in your organisation you believe the comments in this section most represents the way you do business, then you are in a transitional state. Probably as result of a realisation that changing the way you work will give you a competitive edge, because you are starting to offer and receive better value.</i>	<i>If in your organisation you believe the comments in this section most represents the way your company does business, then you are one of the few Companies who have fully adopted the "Accelerating change "agenda.</i>
Supply Chain Integration	HISTORIC	TRANSITIONAL	ASPIRATIONAL
Awareness	<ul style="list-style-type: none"> We believe that the industry is made up of individual organisations who are only interested in their own activities 	<ul style="list-style-type: none"> We realise that we can perform better if we understand how those close to us up and down the tiers of the chain are involved 	<ul style="list-style-type: none"> We understand that the whole industry is interconnected and that most of what we and others do affects each others performance
Differentiation	<ul style="list-style-type: none"> Although we know we are different we believe that our suppliers/customers are all after the same thing – profit at our expense 	<ul style="list-style-type: none"> We recognise that many others share our values and have ideas which could help us 	<ul style="list-style-type: none"> We believe that mostly other want the same as us – to provide a continually improving services/outcomes for a fair reward in a environment of mutual support, encouragement and enjoyment
Established Relationships	<ul style="list-style-type: none"> We do not have formal established relationships with our suppliers or customers 	<ul style="list-style-type: none"> We have framework agreements with one or more of our suppliers and/or customers. We assume that they will have similar relationships with their next tier etc. 	<ul style="list-style-type: none"> We have long duration agreements with most of our suppliers and/or customers. We actively work with all tiers up and down the supply chain to maintain relationships and seek more effective and efficient ways of working together.

Assembly	<ul style="list-style-type: none"> We work with suppliers/customers on a case by case basis 	<ul style="list-style-type: none"> We regularly try to work with the same suppliers and/or customers who are immediately adjacent to us in the supply chain 	<ul style="list-style-type: none"> We maintain an ongoing dialogue with all the suppliers/customers who will be involved in our regular activities
Interaction	<ul style="list-style-type: none"> We like to control our relationships – although we hate to be controlled by others 	<ul style="list-style-type: none"> We like to manage our suppliers and understand why others want to manage us 	<ul style="list-style-type: none"> We like to be collaborative in all relationships with suppliers and customers – we enjoy being interdependent
Project Team Integration	HISTORIC	TRANSITIONAL	ASPIRATIONAL
Selection	<ul style="list-style-type: none"> We initiate/participate in formal competitive tendering where the work is normally awarded to the organisations who offer the lowest price Interaction between suppliers is considered inappropriate until appointments are confirmed/orders placed 	<ul style="list-style-type: none"> We initiate/participate in limited competition with organisations selected from a short list of those who can provide high quality services within a set cost limit. Appointment, often on a two-stage basis, is usually made on the evaluation of the overall offer for which cost is just one element. Generally interaction between suppliers is considered inappropriate until appointments are confirmed. However, views are often canvassed on the suitability of organisations for inclusion in the project, which might include participation in some selection interviews 	<ul style="list-style-type: none"> We select/are selected as the most appropriate organisation to provide the services required and work together to determine the objectives. Appointment is made right at the beginning of the project and for the duration. Appointment is on an open book basis, with agreed levels of overhead and profit. Suppliers are actively encouraged to bring forward supply chain partners they feel will add the most value to successful delivery, particularly those with established proven relationships
Commercial Arrangements	<ul style="list-style-type: none"> We believe we need a clearly defined contract identifying all duties and responsibilities is essential to make sure everyone performs Everyone has their own contract form for use with their suppliers We appoint our own contractual advisor to protect our interests 	<ul style="list-style-type: none"> We believe a Partnering Agreement is considered the most effective way of gaining commitment and support from the key members of the team Team members are encouraged to use similar arrangements with their suppliers. We encourage individual contractual advisors to work together to reach consensus on commercial issues when they arise 	<ul style="list-style-type: none"> We put framework commercial arrangements in place before projects are considered We appointed everyone on the same conditions and ensure they are applied throughout the supply chain A single commercial team ensures everyone's interests are protected at all times

Supply Chain Involvement	<ul style="list-style-type: none"> • Our partners normally vary from project to project, it just depends on the prices offered • We put out tenders and appoint the next tier supplier who gives us the lowest price • Next tier suppliers are only brought in when they are needed • We can get a better deal by playing one supplier off against another • We move on to the next project and the cycle starts again 	<ul style="list-style-type: none"> • Procurement in our business is mostly project specific. A number of the main players have some supply chain arrangements, which get considered for inclusion in the project. • We put out enquiries and appoint the next tier supplier who provide the best all round deal, within set cost limits • We often consult and we encourage our supply chain to discuss related issues with ourselves. This provides us with the benefit of their knowledge and can sometimes prevent problems occurring as well as help us make the correct choices on materials/products • We are sometimes able to keep the team together to undertake the next project • Our point of view is often sought and sometimes acted upon 	<ul style="list-style-type: none"> • We are part of a number of integrated supply chains which are recognised by our clients as critical to their business success • Where we do not have an appropriate long term relationship established we consult our supply chain to find a partner who can provide the best solution in terms of quality and value • We always try to consult and involve the entire supply chain at all stages. • We regularly participate in repeat activity where many partners at all levels move from project to project and/or customer to customer • We feel involved and valued and are continually seeking to enhance our performance by searching for improvements and innovation
Briefing	<ul style="list-style-type: none"> • We believe organisations only need to understand the things which directly affect their ability to provide what we want and so that is all that we tell them • Our supply chain do little to deliver the goals of the project other than provide services/products/materials at the lowest possible price. They have their own agenda and are not interested in our problems 	<ul style="list-style-type: none"> • Briefing is the process by which we keep the original objectives in sight during the planning and execution of a project • The main players involved in the project focus on delivering the project goals. We do not think it is necessary for those with a small role to play to understand these goals 	<ul style="list-style-type: none"> • We approach the briefing process as a major opportunity to help build the project team, establish good communication lines and share knowledge • Our supply chain fully understands the importance of ensuring that all parts of the chain understand the goals of the project and the philosophy being adopted.
Objectives	<ul style="list-style-type: none"> • Our objectives are all different and the goals of our suppliers/customers often conflict with ours • Our suppliers/customers do not understand our business and therefore cannot offer solutions to our problems 	<ul style="list-style-type: none"> • We think we know what is wanted, although we may not be sure why. We believe there are some objectives which are common and we are prepared to explore them • Our suppliers/customers want to understand our business as they believe there could be mutual benefit available 	<ul style="list-style-type: none"> • We all understand the business needs, which drive the project. We believe it is possible to define objectives which are mutually beneficial and create more value than if we work in isolation. • Our suppliers/customers have a clear understanding of how we can deliver value and at the same time develop our business

Suppliers Roles	<ul style="list-style-type: none"> • Structure and organisation on our projects is decided by our Clients. Our roles and responsibilities are strictly limited and defined by the tender process. • All arrangements are hierarchical, each sub-let being dictated by the letting suppliers tender. • We all work on minimal cost margins and so have to charge extra for anything additional to the tender. We retain our own support functions (surveyors) to protect our interests. • We always ensure that anything we handover is documented to protect our interests 	<ul style="list-style-type: none"> • Structure and organisation on our projects is decided by our "lead tier" team who usually have individual partnering agreements with the clients to define roles and responsibilities. Most other roles and responsibilities are strictly limited and defined by the tender process. • Our lead team work on an integrated basis and some key suppliers may have one to one supply arrangements. All other appointments are hierarchical with lets and sub-lets down the line. • Our lead team have a process to accommodate and remunerate for change. Generally everyone else works in the historic way, although sometimes suppliers are asked about buildability or design development on a "goodwill" (non payment) basis. The lead team sometimes share support functions. • We may be able to dispense with some of the recording and tracking activity if we are sure that the lead team has impartial processes for managing handover between elements 	<ul style="list-style-type: none"> • Structure and organisation on our projects is agreed by the collaborative integrated project team. The team are selected from established supply chains with Framework Agreements that leave us free to take on any roles and responsibilities the team decides are appropriate. • We all work together and have established methods for bringing in any additional resources we collectively agree will add value. • We all work on an open book basis. We use common support functions including a single cost management team who maintain our shared financial information. We are always consulted before decisions are made which affect our goods, services or products. We pay and are paid for what the team agrees needs to be done. • Since we are all part of the same team we do not make records for the purposes of tracking for future blame, we only record to confirm agreed decisions or to create documents which will have future operational value
Design	<ul style="list-style-type: none"> • We believe design is a separate activity from implementation. • We believe design should be completed before implementation suppliers are invited to tender • We understand that some details may need to be finalised after tender, but expect the supplier to be able to allow for them • If our supplier/customer needs to make changes they should be responsible for the design effort and consequences 	<ul style="list-style-type: none"> • We understand that there are design elements throughout a project and that design needs to be undertaken by many different suppliers • We recognise that a great deal of design is installation specific and should be undertaken in consultation with those responsible for installing and operating • We recognise that some design will need to develop in line with installation • We understand that allowances for ongoing design effort need to be made 	<ul style="list-style-type: none"> • We believe that design is associated with every aspect of a project • We understand that there is a difference between conceptual design and detail design and ensure we apply the right skills to the right elements • We believe that design and implementation can work in parallel. We believe design should progress through gateways, moving to increased levels of certainty and detail as the installation programme advances.
Sustainability	<ul style="list-style-type: none"> • We only consider sustainability when it is specifically identified in the tender documentation and specification 	<ul style="list-style-type: none"> • We recognise that performance on future sustainability could reflect on our track record and are trying to ensure we are aware of the issues 	<ul style="list-style-type: none"> • We have agreed sustainability criteria as part of the objectives and are able to undertake proper capital verses revenue comparisons to ensure it is delivered and effective.

Completion	<ul style="list-style-type: none"> We agree completion when the level of outstanding works (snags) and defects is sufficiently low to be trivial by comparison with the contract value 	<ul style="list-style-type: none"> We agree completion when the project has generally met its objectives for time, cost and quality and the gain/pain share is agreed 	<ul style="list-style-type: none"> We agree completion when the project has proven to have met its strategic objectives and delivered the predefined value criteria
Continuity	<ul style="list-style-type: none"> In order to secure continuity we must focus on the next tender activity before we have finished the project 	<ul style="list-style-type: none"> Some of us know we will move on to the next project and so we are able to concentrate on completing the current work 	<ul style="list-style-type: none"> We have an agreed schedule of upcoming projects and know who will be moving on and when, so we can properly plan completion and proving before the next activity commences
Culture	HISTORIC	TRANSITIONAL	ASPIRATIONAL
Team Working	<ul style="list-style-type: none"> When asked to work on the project, we tend to do our own thing and do not regularly consult other members of the team in relation to how they intend to perform their task If our company does well it doesn't matter how the others do 	<ul style="list-style-type: none"> We work together throughout the project allowing all main players to provide input as appropriate It would be better if we were all successful, but we won't let someone else's failure stop us succeeding 	<ul style="list-style-type: none"> Teamwork is the basis on which our supply chain operates, with members having common objectives, sharing all the information and being open and honest about their strengths, weaknesses, problems and aspirations It is not possible for any of us to succeed if one of us has failed
Respect for People	<ul style="list-style-type: none"> We see our people as an important resource for our company 	<ul style="list-style-type: none"> We look to involve our people as much as possible in decisions that affect the them 	<ul style="list-style-type: none"> Our people are encouraged to realise their full potential and empowered to work with our suppliers/customers to develop creative ideas which fulfil their aspirations
Communication	<ul style="list-style-type: none"> Communication with our supply chain is only initiated when there is a need. We expect them to have the necessary knowledge and not to have to discuss our requirements with others to get the right product for the job 	<ul style="list-style-type: none"> We often consult and we encourage our supply chain to discuss related issues with ourselves. This provides us with the benefit of their knowledge and can sometimes prevent problems occurring as well as help us make the correct choice on product selection 	<ul style="list-style-type: none"> We continuously exchange information and ideas throughout our supply chain. This ensures that we can be as effective as possible in delivering appropriate solutions to meet the customers needs
IT Tools	<ul style="list-style-type: none"> We have our own administrative procedures which work fine most of the time. However, we often have to duplicate or amend others information to incorporate it into our records 	<ul style="list-style-type: none"> We are seeking to understand each others internal processes and use internet based tools to speed up administration and information flows. Some of us are able to share using common platforms. 	<ul style="list-style-type: none"> We have a fully integrated set of processes that are supported by appropriate use of IT systems. We have a fully integrated information platform that allows us to operate consistent processes throughout our supply chain. Much of what we do is entirely paperless

Managing Risk	<ul style="list-style-type: none"> We rely on our instincts to recognise risks and avoid them. We believe that by recognising risks that others miss we are able to gain a commercial advantage. 	<ul style="list-style-type: none"> We have widened our consideration of risk beyond the traditional areas of technical and health & safety risk to include risks associated with our business processes and management We have established a risk register for many of our activities We focus on managing the risks that matter and believe this improves our efficiency. 	<ul style="list-style-type: none"> Our risk register is one of our most dynamic business improvement tools. We continuously review risk with our suppliers and customers. We encourage an integrated approach to risk management throughout our supply chain. We believe understanding risk and developing strategies to mitigate those risks is fundamental to delivering superior performance through integrated working
Managing Value	<ul style="list-style-type: none"> We try to ensure we find cheaper ways of getting the same things, thus adding value 	<ul style="list-style-type: none"> We try to find ways of getting more benefit for the same cost, thus adding value. 	<ul style="list-style-type: none"> We ensure we only undertake activities which are in direct support of the short, medium and long term business needs. We focus on removing unnecessary duplication and wastage, thus adding value.
Payment	<ul style="list-style-type: none"> We only have so much to spend so we only pay people what we have to Our prices are as low as possible so we have to get paid for everything extra that we are asked to do. If we can hold on to cash longer we can make additional monies - it might make the difference between profit and loss. 	<ul style="list-style-type: none"> We are aware of the amount allocated to particular elements of work and help to maintain costs in that element. We encourage the inclusion of higher initial cost items when a future operating benefit is available. We are paid on completion of milestones agreed at onset. 	<ul style="list-style-type: none"> We have all agreed how much should to be spent on what, when and by whom. We generally pay/are paid for what is actually done when it is done, with agreed overhead and profit on top. We are paid from a project bank account managed by one of our team on behalf of all of us.
Efficiency	<ul style="list-style-type: none"> We believe asking people to change their working practices results in duplication, abortive work, rework and claims. 	<ul style="list-style-type: none"> We believe there may be some benefit in Co-operating at principals level as the highest tiers have the best knowledge and understanding. . 	<ul style="list-style-type: none"> We believe there is potential duplication and/or wastage in almost every activity This can only be removed if we engage everyone who is part of the process at every level.
Performance Measures	<ul style="list-style-type: none"> We closely measure our costs and performance against programme. This is particularly important when dealing with claims and LADs 	<ul style="list-style-type: none"> We have adopted the use of Key Performance Indicators across many of our projects. This information is shared with our customers and suppliers 	<ul style="list-style-type: none"> All our supply chain members continuously measure performance on key shared processes to identify areas for improvement
Health, Safety & Environment	<ul style="list-style-type: none"> We observe all the relevant health, safety and environmental regulations 	<ul style="list-style-type: none"> We see health and safety as a top priority on all our sites. We are beginning to understand environmental issues. 	<ul style="list-style-type: none"> We believe we have an absolute duty of care to ourselves, each other and society. We ensure we use resources as wisely as possible with minimal wastage and

			damage(including disposal)
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Logistics	<ul style="list-style-type: none"> We tell/are told about problems and expect/are expected to price for resolving the issues identified. Other issues not identified are someone else's responsibility. 	<ul style="list-style-type: none"> Logistics forms part of our approach to project planning and we consult with the suppliers we believe have the appropriate expertise 	<ul style="list-style-type: none"> We see the management of the flow of information, labour, plant and materials as fundamental in planning and carrying out our activities.
Retention	<ul style="list-style-type: none"> We believe in retention as it makes others perform. 	<ul style="list-style-type: none"> We give back retention as a reward for successful completion. 	<ul style="list-style-type: none"> We pay for what is done when it is done with no deductions.
Values	<ul style="list-style-type: none"> At the end of the day its us or them. 	<ul style="list-style-type: none"> We like to work with other people, but we need to make sure they do not take advantage of us. 	<ul style="list-style-type: none"> If we are open, honest and trustworthy others will be open, honest and trusting of us and will reciprocate
Outcomes	<ul style="list-style-type: none"> Sometimes our outcomes are what we expected, sometimes they are not We often do not know when activities will finish or what their final cost will be until right at the end. We frequently have to compromise to achieve completion. 	<ul style="list-style-type: none"> We are aware when departures from expectations occur and have processes for managing and notifying others. We generally meet the time, cost and quality requirements initially set out. We are sometimes surprised by the end product. 	<ul style="list-style-type: none"> We all understand the underlying need and are able to make decisions which support the objectives as the activity develops. We deliver a range of different values depending on the needs. These values are identified and prioritised at commencement We always understand what is being delivered even if we have had to make changes during the process
Relevance of Toolkit	<ul style="list-style-type: none"> If you conduct your business in the Historic way then most of the toolkit will be new to you. It is recommended that you either focus on assembling supply chains or focus on creating integrated project teams. To do both would be a huge step and therefore a high risk strategy You should try to get involved with one of the industry change agents or best practice clubs who can help you change. 	<ul style="list-style-type: none"> If your business is in the transitional phase then you will already be working in some of the ways described in the toolkit. There is plenty more for you to explore and lots of benefits on offer. You should decide if you are most advanced in integrated supply chains or integrated project teams and whether you want to become expert in your strength or work to improve your weakness. There is value on offer for both types of integration but maximum value is available if you can achieve both. 	<ul style="list-style-type: none"> If you conduct your businesses in the aspirational way then you are ahead of the majority of the industry. You will already be sharing your experiences as you believe this is of the maximum benefit to you and your supply chains. You may well have tools and techniques which should be made available to others via the toolkit. You are probably intimately involved with industry change agents and/or best practice clubs - if you are not, you should seek to join as you have much to teach others.