Beyond the Pollyanna Syndrome

Collaborating with service providers to deliver transformation
Introduction
Accelerating technological change, new opportunities offered by global supply chains and markets, intense pressures to cut costs significantly – these are all powerful drivers that have led CEOs and public sector leaders to question their existing business models and seek radical transformation of their organisations. Change on this scale is, of course, complex and resource-intensive to achieve and increasingly, therefore, organisations have sought external support to provide a range of business, technology and change services to design and execute the desired transformation.

These ‘client’ organisations are usually familiar with traditional commissioning and contracting services. However, they often seek a more powerful relationship for transformation than those associated with the fulfilment of day-to-day service level agreements or acceptance of externally-created project deliverables. Consequently, they aspire to establishing a collaborative, partnership environment with one or more transformation services providers that will transcend these more conventional arrangements and deliver significantly more value.

The scope of the services provided via the collaborative relationship may vary and, for example, may be concerned with:

- Delivery of specific solutions that are central to transforming the business model (e.g. the introduction of global ERP systems);
- Providing guidance, expertise and management to help the client to plan and carry out the transformation; or
- Taking on some outsourced operational responsibilities and delivering these more cheaply and/or effectively than could be achieved by the client in the short-medium term.

So why do these arrangements frequently fail to meet the expectations that were set for them? The collaborative ambitions were sincere on the part of the client organisation at the point of engaging a partner. Similarly, its chosen transformation services provider expressed fervent commitment to working effectively with its client. Is it simply that well-meaning optimism concerning the likelihood of collaboration aspirations being fulfilled is invariably confounded by the experience of seeking to work together in this way – that the respective interests of these organisations are bound, in the long term, to tear asunder the best of intentions? Are these arrangements just acts of collective Pollyana-ism,1 formed in the warmth of signing a contract in early Spring but shredded by the cold Winter winds of delivery disappointment?

We propose in this paper that effective cross-organisational collaborative working needs more than good intentions. It is most likely to be successful when both parties recognise the need to manage actively the key enablers for collaboration and achieve this through adopting a structured approach that reflects the different phases of the collaborative relationship.

Organisations are increasingly seeking more collaborative relationships with external service providers to deliver transformation.
What does ‘collaborative working’ mean in this context?
As noted above, the ambition of establishing collaborative ways of working with a transformation services supplier tends to be motivated by a desire to deliver more client value through this form of relationship. Such additional value may take the form of:

- Smoother delivery of the transformation programme, in that all those involved in delivery are focused on common goals, there is a shared understanding of solutions, their status and risks and programme issues are resolved quickly and do not cause a hiatus in delivery;
- Programme solutions are adopted more swiftly and easily: they are informed by client business insight and have strong client staff ownership;
- The delivery risk is reduced: effort is planned and integrated – across design, development, testing and implementation, as well as in the shared, visible management of all key transformation stakeholders.

During the relationship, ‘collaborative working’ becomes something tangible and recognisable to everyone involved with the transformation programme:

- Transformation solutions reflect the expertise of both the client and the services provider partner in that they are informed both by external best practice and the client’s specific business context;
- Throughout the programme there is shared visibility of transformation performance metrics, plans, risks and issues;
- Problems and difficulties in delivery and the relationship are addressed openly and constructively without constant reference to the contract;
- Client staff understand, are committed to and have skills to operate the transformation solutions and there is a strong basis for any ‘handover’ and sustained adoption of changes;
- There is long-term satisfaction with the relationship on both sides, combined with learning and experience, enabling further phases of more far-reaching transformation to be initiated, if desired.

The Four Keys to Delivering a Collaborative Enterprise
In ‘Building a Collaborative Enterprise’, Adler, Hecksher and Prusak identify four keys to creating a culture of trust and teamwork. Whilst this model deals principally with developing collaboration within an enterprise, based on IBM’s experience we believe that these are equally applicable to applying collaborative working across organisational boundaries in the ‘client’/‘services provider’ relationship.

The Four Keys comprise:

1. Define and build a shared purpose: people in the organisation need to have aligned goals and focus their efforts on achieving these. The associated statements of purpose are practical, rather than abstract, and can be applied to make choices in decisions as part of each person’s role.
2. Cultivate an ethic of contribution: the organisation encourages people to deliver work that connects tangibly to the outcomes sought through the shared purpose, rather than just carrying out mandated activities. These contributions are optimised through working effectively as part of a group.
3. Develop scalable processes for co-ordinating people’s efforts: every organisation needs a set of recognised business processes to enable it to perform in a consistent, repeatable and cost-effective manner. ‘Interdependent process management’ supports flexibility, encourages people to innovate and propose process changes to ensure that the organisation remains responsive but their implementation is carefully controlled and includes comprehensive communication, enabling people to adapt and realign their work coherently with improvements.
4. Create an infrastructure in which collaboration is valued and rewarded: this may be achieved in a number of ways, for example:

- The organisation’s ‘people processes’ encourage collaborative behaviour;
- Matrix management supports integration across functional ‘silos’;
- Knowledge management gathers information, experience and insights – derived from everyone across the organisation – and then disseminates these so that they can be applied in a scaled manner.

Our challenge, therefore, has been to develop and apply a structured approach to initiating, embedding and maintaining collaborative working that unlocks the Four Keys collaboration drivers in the specific context of using a transformation services partner to support a radical shift in organisational performance.

**Using a structured approach to put the Four Keys in place**

All parties throughout the relationship must be committed to planning and delivering an agreed approach to establishing collaborative working. In our experience, the main components to be drawn upon in constructing this approach comprise:

**Agreeing and communicating a vision, shared transformation goals and routemap.** Working together to develop a shared view of the future, demonstrating how the transformation programme delivers the target state, is a powerful means of building the foundations for an effective collaborative relationship. Clarifying the transformation objectives and approach – and developing trust and confidence through the associated leadership interactions – provides a sound basis for mobilising both client and service partner staff who will contribute to and deliver the transformation, equipping them with a clear sense of purpose and a common understanding of “why we are here”.

**Initiating and applying a Collaboration Charter and relationship management plan.** Typically, the charter will include the identification of specific collaborative principles as well as statements of how these will be reflected in behaviours of those who will be working together. For example, IBM worked with the Driver and Vehicle Licensing Agency (DVLA) to create a shared business practices charter to support the DVLA Efficiency Programme. This charter was used to guide the actions of anyone working on the programme and combined powerful statements of principle (“We will demonstrate leadership at all levels through empowerment”) with descriptions of specific examples of what this meant in practice (“Individuals will decide which work products are required for their roles and the timescales, gaining approval from Line Managers to their plans”). Whilst the charter is developed jointly by the programme’s leadership, it needs to be communicated so that people know what is expected of them. ‘Cascading’ the charter gives it additional power through engaging team members in considering what the collaborative working principles mean in their particular context and agreeing to adopt locally the resulting practices.

A relationship management plan seeks to ensure that the Charter does not remain as a laudable set of words but is translated into day-to-day experience through taking actions to embed collaborative working and to track progress in realising these ambitions. For example, the plan may include details of how key performance indicators (KPIs) are measured that relate to the health of the relationship and how improvement actions are initiated via the programme’s governance.

**Demonstrating collaborative leadership.** The example set by the transformation programme leadership will be critical in determining whether or not collaborative working takes root. Their behaviours must inspire and drive widespread adoption of the Collaboration Charter contents. Some activities are likely to be needed to help the transformation programme
leadership team to reach a point where they are able to do this (e.g. via some form of team-building). These activities need not be detached from leaders’ day-to-day working: a sense of team may be developed through meeting to discuss how to sponsor and plan collaborative working initiatives. The use of ‘outcome narratives’ is often a valuable means of describing, in a practical way, what ‘collaborative leadership’ should look like. This is done through specifying situations where this needs to be visible and, then, setting out the desired outcomes and how these are achieved as a result of tangible actions undertaken by the leaders.

With recognition of mutual dependency and the establishment of an initial level of trust, leaders will be equipped to show how they are collaborating. They will show visible support for each other in public meetings and programme communications will reflect joint messages. Careful thought will be given concerning how to engineer opportunities to provide high-profile demonstrations of effective collaboration. The use of an external coach and facilitator to work with leaders from both the client and the service provider partner may be valuable in enhancing senior team-working capability.

Creating relationship-focused governance. Collaborative working needs to be built into transformation programme decision-making, ensuring that these are informed by all relevant insights – regardless of their organisational origins. As part of the set-up of the relationship, the role for the services partner in transformation programme governance arrangements will be agreed, together with the expected contribution of each party to this governance. Specifically, the scope of governance arrangements should include maintaining a strategic overview of the health of the client-service partner relationship and taking actions to address major issues. This governance needs to be supported by the availability of information for review that reflects the extent and quality of collaborative working.

At Southwest One, an innovative joint venture company comprising IBM, Somerset County Council, Taunton Deane Borough Council and Avon & Somerset Police to operate and transform back office services, the board of directors is drawn from all of these organisations with an independent chairperson responsible for implementing the overall strategy and for the integrity of the private-public partnership. Southwest One has created a framework agreement that allows other agencies to join in the shared services and without having to independently solicit separate tenders and participate in their governance.

Building a joint identity/brand for transformation. Collaborative working will be reinforced through establishing a common, pan-organisational brand for the transformation programme and encouraging all people contributing to the programme to identify with this brand. The ‘brand’ is not just represented through programme communications and the templates and standards used: it permeates the practical delivery of the programme. For example, the programme will operate ‘badge-less’ meetings in which individual responsibilities and contributions to the programme are clear and recognised but organisational affiliations are not relevant. Furthermore, the brand will be so strong that anyone interacting with the programme recognises only the brand, not the individual organisations who are contributors, and the contact experience is positive and effectively executed.

Organisations need to commit to a shared plan to establish effective collaboration.
Establishing a single, shared planning process. The transformation programme must harness the efforts of all contributors by creating shared visibility of milestones, deliverables, activities, responsibilities, risks and issues. This will be achieved through the agreement of a planning hierarchy to enable the overall transformation plan to cascade into lower-level, team plans. This planning cascade will both focus people's efforts in a co-ordinated way and will enable plan changes to ripple through the cascade swiftly and appropriately. The hierarchy will be supported by a single set of planning processes (e.g. covering team plan development and maintenance, reviews, dependency management, change control, risk and issue management) applicable across all teams. A single Programme Management Office will act as the 'expert domain' for planning and will drive, facilitate and support the unified set of planning processes.

Resourcing and supporting joint solutions delivery. The programme must, of course, deliver 'fit for purpose' transformation solutions which enable the desired benefits to be achieved and are adopted swiftly by the client. This will require comprehensive specification of the complete set of artefacts required to implement and operate transformation solutions (systems-, process- and people-related) with agreed delivery responsibilities and methods. The latter should include approaches that ensure collaborative working to assure the usability and benefits potential of all deliverables, coupling the client's local business insights with external understanding of best practice. Joint teams will be mobilised and managed, in line with the agreed distribution of responsibilities, the shared resource plan and Collaboration Charter behaviours. For example, as part of one client's transformation programme, IBM and the client set up a network of Transition Champions drawn from the business, building collaborative links between the solutions development teams and the end-user communities and creating business ownership of solutions' implementation.

The transformation programme organisation will manage delivery in a 'badge-less' way, maintaining visibility of all delivery activities, wherever production responsibilities lie. Solution developers and implementation staff cooperate to anticipate the impact of changes on the business so that these can be managed effectively. Effort will be devoted to building client-based solutions knowledge to support their sustained operation.

Supporting integrated stakeholder management. The stakeholders whose support is critical to the success of the programme will sit within each of the contributing organisations. It will be essential, therefore, to manage stakeholder relationships coherently and consistently across both the client and the service partner organisations. By jointly identifying key stakeholders, setting specific relationship management objectives for them and planning and carrying out an agreed set of stakeholder management activities (using the best-placed person to interact with the stakeholder regardless of organisational affiliations), the programme will be able to develop the commitment required to resource and deliver the programme, as well as manage successfully unforeseen problems and issues.

Jointly embedding collaboration in performance management. The programme will operate a performance management regime that reinforces effective collaboration. This applies at both a strategic level, where the programme's KPIs include measures that reflect successful execution of collaborative working, and at the level of objective-setting and performance review for all those involved in managing and delivering the programme. Performance evidence is gathered from wherever this can be provided most insightfully and collaborative contributions are recognised and rewarded. Successful examples of collaborative working are publicised and work is undertaken to identify how these can be replicated.
Sharing access to information and knowledge. All those engaged in the transformation programme will be equipped with a ‘single version of the truth’ view of programme activities and issues that are relevant to their role. Whilst there are clear ‘groundrules’ in place for protecting intellectual property inside the collaborative relationship, cross-organisational knowledge-sharing is cultivated and supported through shared repositories and common processes for harvesting and disseminating programme-related knowledge. There is a prevailing default arrangement for information to be accessible to programme staff who need it, regardless of their organisational origin. Collaborative knowledge capture, management and sharing is practised universally – exploiting social business tools, where appropriate, to enable this to happen.

Holding joint learning events. There is a shared interest between the transformation delivery partners to optimise the contribution of each person working on the transformation programme by growing relevant skills and knowledge, as well as to prepare the client organisation for a seamless handover of transformation solutions to ‘business as usual’. Effective collaborative working must be supported by investment in skills transfer. The development of people is two-way: service provider staff need sufficient knowledge to deliver in ways that fit with the local business, as well as client staff needing a comprehensive grasp of the solutions themselves. Learning events will also be used to review initial delivery experience and apply lessons to the remainder of the programme. Knowledge and skills transfer is not left to chance: it is planned and managed as an inherent part of the programme.

The supportive relationship between these approach components and Adler, Hecksher and Prusak’s Four Keys is illustrated in Figure 1.

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Figure 1: Using approach components to deliver the 4 keys.
Managing the collaborative working approach through phases of the relationship

The collaborative working approach will need to recognise the phases through which the relationship will progress and will implement the various components to meet the particular needs of each of these phases. A view of these phases is illustrated in Figure 2.

Phase 1: Scoping & Expectation Setting. During this phase, the client organisation specifies the transformation services and support it requires and identifies potential providers. Discussions are held as part of the contracting process concerning how the client and service providers will work together.

As part of the preparation for future collaborative working, the client organisation and its prospective partners develop a shared understanding of the future vision, as a basis for specifying the transformation services required. Definition of the scope of the programme’s work overtly recognises collaboration-building and maintenance activities and both parties ensure that the contract content reinforces the desired collaboration approach. The service provider has the opportunity to select key staff for the transformation programme who have a strong reputation for working collaboratively and it will propose programme methods that incorporate integrated working, using these as a basis for estimating the resources required from the parties. In addition, the parties will agree a programme organisation structure that supports ‘badge-less’ delivery and will specify collaborative working-based KPIs for assessing the performance of the transformation programme.

Phase 2: Set-up & Experimentation. During this phase, collaboration commences after contract agreement and initiation. The main elements of the agreed collaborative ways of working are established and initial experience is gained of putting collaborative principles into practice across the client and service provider organisations.

These “4 keys”-based activities are delivered within a staged process, not as isolated events

1. Define and build a shared purpose
2. Cultivate an ethic of contribution
3. Develop scalable processes for coordinating people’s efforts
4. Create an infrastructure in which collaboration is valued and rewarded

Figure 2: Phases in Collaborative Working.
The programme leadership will communicate the vision and route-map, especially as part of the mobilisation of the transformation teams and agree the pan-organisational branding to be used across the programme. They will also lead the development of the Collaboration Charter, its supporting measures and review processes and will cascade these behavioural requirements throughout the transformation programme teams. Through their leadership actions, they will set the collaborative norms for the rest of the programme.

Initial identification, analysis and planning takes place for relationship management with key stakeholders. The principal supporting mechanisms for collaborative working are launched. The joint planning hierarchy, unified planning processes are developed and communicated under the auspices of a single Programme Management Office.

Integrated programme governance structures commence operating. Knowledge management repositories are set-up and knowledge transfer requirements are documented and their fulfilment planned. The location and facilities of programme teams are designed to encourage collaborative behaviours and any tools that are required to facilitate collaboration between teams (e.g. shared electronic access to working files) are put in place.

Through the later parts of this phase, both organisations will begin to understand what it is really like to work together. They will experience at first hand the ‘forming, storming, norming and performing’ stages of the Tuckman Group Development Model. Thus, they will begin to experiment in how to carry out collaborative behaviours. For instance, leaders from the parties will begin to participate in transformation governance forums – and will begin to achieve a deeper understanding of the best ways to combine constructively challenging in pursuit of shared goals with displays of unity to demonstrate the cohesiveness of the programme to other senior stakeholders.

Collaborative relationships must be managed through each phase of their lifecycle.

Phase 3: Testing & Review. This phase may either be planned in relation to programme milestones or occur as a result of difficulties experienced in the relationship which result in serious questioning of “how things are working”. So, either:

- There is sufficient experience of working together to assess the extent of successful collaboration and this is reviewed within the governance framework for the strategic health of the relationship; or
- The strength of the collaborative relationship has been tested by unforeseen changes to shared expectations and there is reconsideration of whether or not the collaboration is delivering what is required.

We stress that the notion of agreeing a ‘relationship health’ checkpoint is not a case of ‘planning for failure’. This is simply an explicit recognition of just how hard true collaboration is to achieve and it is in the interests of all concerned to put in place a means for holding a focused review. The extent of success in establishing effective, collaborative working is considered across all of the main components of the approach. By the end of this phase, the parties have concluded either that they are committed to the collaborative working relationship and wish to refresh and improve it (opting for Phase 4a) or that this arrangement should end (via Phase 4b).

If the latter conclusion is reached, this does not have to lead inexorably to contractual dispute: the preferred way forward could be an orderly transition back to more traditional ‘customer-supplier’ relationship.
Phase 4a: Reaffirmation & Refreshment. During this phase, both parties agree that there remains a sound basis for collaboration and there is an ongoing shared commitment to this approach. Together, the client and service provider organisation strive to introduce improvements in collaborative working that have been identified through reviews held in Phase 3.

As part of this phase, therefore, the parties may update and re-communicate the target vision and routemap. They demonstrate the successes so far in delivering their shared purpose and communicate examples of where the contribution ethic has made a real difference. The practical experience of working together points to opportunities to refine behaviour requirements for collaboration, focusing on those that deliver the most value. Leadership role-modelling of the Collaboration Charter is re-energised and the work to prepare client staff for hand-over to business as usual arrangements is ramped-up. Learning from early solutions implementation and adoption enables changes to be made to programme co-ordination processes (including planning) so that these operate in a more streamlined and delivery-focused manner in the future.

Phase 4b: Relationship Realignment. As a result of the reviews held in Phase 3, one or both of the parties is convinced that it is no longer possible and/or desirable to seek to fulfil the original aspirations for collaborative working. The relationship is re-evaluated, rejecting the original collaborative approach, and is either terminated or redefined in a way that is more comfortable for the parties concerned. If a new set of arrangements are put in place, these are typically more focused on contractual adherence and less on collaboration. Activities in this phase, therefore, focus on embedding the new groundrules for the relationship – not on improving or extending collaborative working.

The collaborative working approach needs, therefore, to be designed in a way that anticipates how the relationship between the partner organisations will evolve. We now turn to how this paper may help you to set up and manage an effective relationship, if you are seeking to initiate a transformation programme with external support.

Considerations for organisations embarking on a transformation journey with an external partner

If your organisation is about to launch a major transformation programme using external support:

• Are you clear on how you want the relationship to work with your selected partner?
• How will collaborative working be manifested? How will the experience be different from previous programmes?
• What are you going to need to provide, by way of staffing, budget and facilities to achieve your collaborative working aspirations?
• How will you assess service providers’ capability to work collaboratively with you during selection of a partner?
• How will you use the contracting process to support collaborative working goals?
• Are there people in your organisation who will have diminished roles and responsibilities as a result of introducing a transformation service provider? How will you manage these issues?
If your organisation is already working with a transformation services provider:

- Do you have a shared understanding of the desired extent and nature of collaborative working?
- Is the current experience of collaboration meeting your needs and expectations? What needs to change?
- How committed is your services provider to working collaboratively with you? What evidence supports this conclusion?
- What are you doing to develop a collaborative ethos?
- At what stage are you in your relationship with your service provider?
- How is your service provider helping you to prepare for the conclusion of the transformation programme?

Conclusion

Establishing collaborative ways of working with a transformation services provider offers significant potential benefits for the delivery of the change programme faster, more cheaply and with less risk of failure. Unfortunately, collaborative ambitions agreed at the outset of the contract often fail to translate into the operation of an effective partnership. In our view, this occurs most frequently when insufficient attention is given by both parties to the practicalities of how to build and maintain this kind of relationship.

Both the client and their chosen transformation services providers need to have a shared view, during contracting, of what collaborative working will mean in practice and the resulting contract will need to drive behaviours that support this aspiration. They need to adopt a structured approach to setting up a range of mechanisms to deliver collaborative working, recognising that this process needs attention throughout the duration and phases of the relationship.

Any initial enthusiasm for cross-organisational collaboration, therefore, needs to be sustained through periodic review of the health of the relationship and the effectiveness of these mechanisms and refreshing and re-energising the approach, as and when required.

The individual components of the collaborative working approach need not be revolutionary – they will reflect practices that are commonplace across many transformation programmes. The power lies in aggregating them within a consciously configured, comprehensively supported, deep-rooted approach to managing an effective relationship that contributes tangibly to meeting the success criteria of the partners concerned. The resulting activities must be pervasive throughout all interactions between these parties and in the execution of the transformation programme.

The strength of the collaborative relationship is likely to be tested in the course of a demanding transformation programme and, therefore, key stakeholders must be completely bought-in to the value of the approach. There must be a shared commitment to learn from the experience of working together and a willingness to apply these lessons to modify and reinvigorate the approach during the life of the relationship.

For more information

For further information please contact:

Peter Smith
Associate Partner - Strategy & Transformation
IBM Global Business Services
peter.s.smith@uk.ibm.com

Alan Brookfield
Senior Managing Consultant – Strategy & Transformation
IBM Global Business Services
alan.brookfield@uk.ibm.com
Endnotes

