



Book Two
Best Practices
User's Guide for Collaborative Excellence
Aligned Construction Enterprise &
ISO 44001 Standards Certification

By Annick De Swaef and Robert Porter Lynch

CONTENTS

INTRODUCTION	ERROR! BOOKMARK NOT DEFINED.
Understanding the nature of Principles, Processes, & Practices.....	2
Purpose of the User Guide	Error! Bookmark not defined.
Using this User Guide	Error! Bookmark not defined.
Findings from Best Practices Benchmarking	Error! Bookmark not defined.
Why Alliances? The Difficulties in Construction Industry	Error! Bookmark not defined.
defined.	
The Trajectory of a Mega-Project	Error! Bookmark not defined.
Is there a Better Way?.....	Error! Bookmark not defined.
Defining Alliance Based Construction	Error! Bookmark not defined.
When to use Alliance Based Construction	Error! Bookmark not defined.
Designing an Alliance	Error! Bookmark not defined.
Additional Alliance Characteristics	Error! Bookmark not defined.
Distinguishing “Systems Architecture” from Methods & Tools	Error! Bookmark not defined.
not defined.	
Robust & Scalable.....	Error! Bookmark not defined.
Best Process Framework.....	Error! Bookmark not defined.
Distinguishing Best Process from Best Practices.....	Error! Bookmark not defined.
Scaling Up or Down	Error! Bookmark not defined.
Professional	Error! Bookmark not defined.
Best of Breed	Error! Bookmark not defined.
Customizable.....	Error! Bookmark not defined.
Why Alliances are Essential	Error! Bookmark not defined.
Winning in Today’s Competitive Environment ...	Error! Bookmark not defined.
Coopetition	Error! Bookmark not defined.
Advantages of Alliances.....	Error! Bookmark not defined.
Distinguishing Joint Ventures from Strategic Alliances	Error! Bookmark not defined.
defined.	
Risk Reduction and Risk/Reward Sharing	Error! Bookmark not defined.
Typical Risk Sharing – Reward Sharing Model ...	Error! Bookmark not defined.
Bottom Line: Industry shift	Error! Bookmark not defined.
Change in Mindsets	Error! Bookmark not defined.
Practical Implications of Shifting from Chains to Networks	Error! Bookmark not defined.
defined.	

Back Loading..... **Error! Bookmark not defined.**
Frontloading..... **Error! Bookmark not defined.**
Coordination and Systems Integration **Error! Bookmark not defined.**
Shifting from Vendor to Alliance Partner Perspective **Error! Bookmark not defined.**
defined.
Alliance Mindset and Spirit..... **Error! Bookmark not defined.**
 The Illusion -- What's Missing? **Error! Bookmark not defined.**
 Secrets of Synergy **Error! Bookmark not defined.**
The Sources of Alliance Mastery **Error! Bookmark not defined.**
 The Power of Shared Vision..... **Error! Bookmark not defined.**
 Synergy of Compatible Differences **Error! Bookmark not defined.**
 Commitment to Mutual Benefit..... **Error! Bookmark not defined.**
 Commitment and Camaraderie..... **Error! Bookmark not defined.**
 Sharing Expands Possibilities **Error! Bookmark not defined.**
 Conflict Transcendence **Error! Bookmark not defined.**
 Transformational Flexibility..... **Error! Bookmark not defined.**
 Mastery as Alliance Architects **Error! Bookmark not defined.**
 Teamwork & Human Resources **Error! Bookmark not defined.**
 Lean Construction Methods **Error! Bookmark not defined.**
PHASE ONE: STRATEGY.....**Error! Bookmark not defined.**
 Alliance Framework -- Strategy **Error! Bookmark not defined.**
 Overview..... **Error! Bookmark not defined.**
 The Collaborative Imperative..... **Error! Bookmark not defined.**
 Goals for Phase 1: Strategy **Error! Bookmark not defined.**
 Critical Success Factors..... **Error! Bookmark not defined.**
 Expected Outcomes **Error! Bookmark not defined.**
Step 1.1 Identify Key Strategic Issues..... **Error! Bookmark not defined.**
 Developing a Powerful Strategy **Error! Bookmark not defined.**
 The Power Myth in Business Strategy..... **Error! Bookmark not defined.**
 The Scarcity Myth in Business Strategy..... **Error! Bookmark not defined.**
 Why is the Adversarial Strategy Used so Frequently? **Error! Bookmark not defined.**
defined.
 Collaboration as a Competitive Strategy **Error! Bookmark not defined.**
 Three Strategic Options **Error! Bookmark not defined.**

Strategic Alignment **Error! Bookmark not defined.**

Planning and participating in alliances – the Australian Experience..... **Error! Bookmark not defined.**

 Owner experiences **Error! Bookmark not defined.**

 Public sector owners **Error! Bookmark not defined.**

 Individual experiences **Error! Bookmark not defined.**

 Organisational experiences **Error! Bookmark not defined.**

 The private sector view..... **Error! Bookmark not defined.**

 Choosing an alliance as a delivery method..... **Error! Bookmark not defined.**

Implications of Coopetition **Error! Bookmark not defined.**

Where Coopetition Is Used **Error! Bookmark not defined.**

The Issue of Control **Error! Bookmark not defined.**

Step 1.2 Strategic and Commercial Drivers **Error! Bookmark not defined.**

 What Are Strategic Drivers?..... **Error! Bookmark not defined.**

 Be Aware of Driving Forces **Error! Bookmark not defined.**

 Strategic Drivers Model **Error! Bookmark not defined.**

Step 1.3 Value Migration/Evolution..... **Error! Bookmark not defined.**

 Importance of Value Migration **Error! Bookmark not defined.**

Step 1.4 Mission Statement and Value Proposition**Error! Bookmark not defined.**

 Mission Statement..... **Error! Bookmark not defined.**

 Importance of the Value Proposition..... **Error! Bookmark not defined.**

 Customer Value Proposition **Error! Bookmark not defined.**

 Partner Value Proposition..... **Error! Bookmark not defined.**

Step 1.5 Alliance Stratagems **Error! Bookmark not defined.**

Step 1.6 Construction Business Models **Error! Bookmark not defined.**

 Considerations in Selecting a Delivery Method.... **Error! Bookmark not defined.**

 Owner’s Requirements and Risk Considerations..... **Error! Bookmark not defined.**

 Construction Trends **Error! Bookmark not defined.**

PHASE TWO: COLLABORATIVE CULTUREERROR! BOOKMARK NOT DEFINED.

 Alliance Framework..... **Error! Bookmark not defined.**

 Overview..... **Error! Bookmark not defined.**

 Key Factors for Success..... **Error! Bookmark not defined.**

Step 2.1 Collaborative Leadership **Error! Bookmark not defined.**

Role of the Champion and Executive Sponsor **Error! Bookmark not defined.**
Alliance Success Principle: Alliances Require Champions **Error! Bookmark not defined.**
What Alliances Champions Must Ensure **Error! Bookmark not defined.**
Step 2.2 High Performance Culture **Error! Bookmark not defined.**
Culture and Teams **Error! Bookmark not defined.**
High performance culture **Error! Bookmark not defined.**
Defining culture **Error! Bookmark not defined.**
Viva la difference! **Error! Bookmark not defined.**
Culture champions **Error! Bookmark not defined.**
The 'soft' stuff can be challenging **Error! Bookmark not defined.**
Do not leave culture to chance **Error! Bookmark not defined.**
High Performance Management Plan **Error! Bookmark not defined.**
Leadership as a tool in driving the desired team culture **Error! Bookmark not defined.**
Connectivity and culture **Error! Bookmark not defined.**
High performance team development – power of connectivity & relationships
..... **Error! Bookmark not defined.**
The power of positivity **Error! Bookmark not defined.**
The team connectors – treasure them! **Error! Bookmark not defined.**
Emotional intelligence and alliancing **Error! Bookmark not defined.**
I'll have what they're having! **Error! Bookmark not defined.**
Step 2.3 Building Trust & Teamwork **Error! Bookmark not defined.**
The Ladder of Trust **Error! Bookmark not defined.**
Negative Zone of Distrust: Trust Busters **Error! Bookmark not defined.**
Positive Zone of Trust: Trust Builders **Error! Bookmark not defined.**
Using the Trust Ladder **Error! Bookmark not defined.**
Do Not Respond in Kind **Error! Bookmark not defined.**
Leadership Actions **Error! Bookmark not defined.**
Step 2.4 Collaborative Innovation **Error! Bookmark not defined.**
What Is Innovation? **Error! Bookmark not defined.**

The Collaborative Imperative as an Innovation Engine **Error! Bookmark not defined.**

Collaboration is the key to unlocking Continuous Improvement..... **Error! Bookmark not defined.**

 Challenge to Traditional Thinking – Key Factor for Success ... **Error! Bookmark not defined.**

 Implications of this change **Error! Bookmark not defined.**

 Caught Between the Gaps in the Era-Shifts..... **Error! Bookmark not defined.**

 Old Truths – New Myths **Error! Bookmark not defined.**

 The Challenges to the Future of Business..... **Error! Bookmark not defined.**

Step 2.5 Development of People **Error! Bookmark not defined.**

 Power of Trust on Employees **Error! Bookmark not defined.**

 Tactics to be most effective in attracting, retaining and rewarding the best employees over the next 10 years..... **Error! Bookmark not defined.**

 HR Value Proposition..... **Error! Bookmark not defined.**

 Human Capital Vision Statement **Error! Bookmark not defined.**

 Critical Objectives of HR Strategic Plan **Error! Bookmark not defined.**

 Leadership and Professional Development **Error! Bookmark not defined.**

 Industry skills development **Error! Bookmark not defined.**

 Conclusion..... **Error! Bookmark not defined.**

Step 2.6 Alignment of Metrics & Rewards **Error! Bookmark not defined.**

 Collaboration Metrics **Error! Bookmark not defined.**

 Innovation Metrics..... **Error! Bookmark not defined.**

 Risk Management..... **Error! Bookmark not defined.**

Step 2.7 Building Relationships with Potential Partners **Error! Bookmark not defined.**

 Building relationships with the owner **Error! Bookmark not defined.**

 The owner’s organisation **Error! Bookmark not defined.**

 Owner characteristics **Error! Bookmark not defined.**

 Knowing the project..... **Error! Bookmark not defined.**

 Project needs, drivers and expectations..... **Error! Bookmark not defined.**

 Owner’s team **Error! Bookmark not defined.**

 Trustworthy Relationships **Error! Bookmark not defined.**

The alliance interface..... **Error! Bookmark not defined.**
Knowing the owner’s advisors..... **Error! Bookmark not defined.**
PHASE THREE: BIDDING AND SELECTION.....ERROR! BOOKMARK NOT DEFINED.
Alliance Framework..... **Error! Bookmark not defined.**
Overview..... **Error! Bookmark not defined.**
Purpose **Error! Bookmark not defined.**
Goals **Error! Bookmark not defined.**
Success Factors **Error! Bookmark not defined.**
Expected Outcomes **Error! Bookmark not defined.**
Step 3.1 Preparation -- Preconditions for Success. **Error! Bookmark not defined.**
Rules of Thumb **Error! Bookmark not defined.**
 Don’t Consider an Alliance If These Conditions Exist**Error! Bookmark not defined.**
Step 3.2 Owner’s Guidelines for Selection Process **Error! Bookmark not defined.**
Project suitability **Error! Bookmark not defined.**
 Differences between Integrated and Traditional Project Delivery **Error! Bookmark not defined.**
not defined.
CONCEPTUALIZATION **Error! Bookmark not defined.**
CRITERIA DESIGN..... **Error! Bookmark not defined.**
DETAILED DESIGN **Error! Bookmark not defined.**
IMPLEMENTATION DOCUMENTS [Construction Documents] **Error! Bookmark not defined.**
defined.
AGENCY REVIEW **Error! Bookmark not defined.**
BUYOUT..... **Error! Bookmark not defined.**
CONSTRUCTION **Error! Bookmark not defined.**
CLOSEOUT **Error! Bookmark not defined.**
Project Suitability from AECOM..... **Error! Bookmark not defined.**
Owner intentions **Error! Bookmark not defined.**
Project budget..... **Error! Bookmark not defined.**
Preparing for the alliance..... **Error! Bookmark not defined.**
 Internal approvals **Error! Bookmark not defined.**
 Establishment program..... **Error! Bookmark not defined.**
 Owner’s team..... **Error! Bookmark not defined.**

Selection panel.....**Error! Bookmark not defined.**

Request For Proposal.....**Error! Bookmark not defined.**

Draft Project Alliance Agreement**Error! Bookmark not defined.**

Compensation model.....**Error! Bookmark not defined.**

Participating in the alliance..... **Error! Bookmark not defined.**

 Principles for participation..... **Error! Bookmark not defined.**

Owner’s drivers..... **Error! Bookmark not defined.**

 Quality..... **Error! Bookmark not defined.**

 Value For Money**Error! Bookmark not defined.**

Step 3.3 Candidate Research and Preliminary Due Diligence**Error! Bookmark not defined.**

 Preliminary Due Diligence..... **Error! Bookmark not defined.**

 Critical “Hard Issues” **Error! Bookmark not defined.**

 Critical “Soft Issues”**Error! Bookmark not defined.**

Step 3.4 Fit Analysis..... **Error! Bookmark not defined.**

 Three-Dimensional Fit **Error! Bookmark not defined.**

 1. Strategic Fit.....**Error! Bookmark not defined.**

 • Core Strategic Assets..... **Error! Bookmark not defined.**

 2. Operational Fit.....**Error! Bookmark not defined.**

 3. Chemistry/Culture Fit.....**Error! Bookmark not defined.**

Evaluating a Prospective Partner’s Strengths and Weaknesses **Error! Bookmark not defined.**

 Assessing Partner Adaptability..... **Error! Bookmark not defined.**

 Risk-Related Success Factors..... **Error! Bookmark not defined.**

 Relative Candidate Rankings **Error! Bookmark not defined.**

 Partner Recruitment **Error! Bookmark not defined.**

Step 3.5 Risk and Business Case Analysis **Error! Bookmark not defined.**

 Why Risk Is So Vital to Success **Error! Bookmark not defined.**

 Business Case Analysis: Examining Risks and Rewards **Error! Bookmark not defined.**

 Evaluate Critical Risks **Error! Bookmark not defined.**

 Definitions: Risk and Uncertainty**Error! Bookmark not defined.**

Alliances Between Large and Small Companies. **Error! Bookmark not defined.**

 The Elephant Looks at the Flea:.....**Error! Bookmark not defined.**

 The Flea Looks at the Elephant:.....**Error! Bookmark not defined.**

 What Large Companies Must Do**Error! Bookmark not defined.**

 What Small Companies Must Do**Error! Bookmark not defined.**

 What Both Companies Must Do Together.....**Error! Bookmark not defined.**

Step 3.6 Team Selection & Formation **Error! Bookmark not defined.**

 Selection process..... **Error! Bookmark not defined.**

 Industry considerations..... **Error! Bookmark not defined.**

 Before the Request For Proposal is issued**Error! Bookmark not defined.**

 Selection process**Error! Bookmark not defined.**

 Selection preference**Error! Bookmark not defined.**

 Systems Integration..... **Error! Bookmark not defined.**

 Selection panel **Error! Bookmark not defined.**

 Facilitator involvement**Error! Bookmark not defined.**

 Probity (Ethics) advisor **Error! Bookmark not defined.**

 Selection methodology **Error! Bookmark not defined.**

 Intention..... **Error! Bookmark not defined.**

 Criteria..... **Error! Bookmark not defined.**

 Evidence required **Error! Bookmark not defined.**

 Scoring..... **Error! Bookmark not defined.**

 Selection process **Error! Bookmark not defined.**

 Request For Proposals **Error! Bookmark not defined.**

 Interview **Error! Bookmark not defined.**

 Workshop..... **Error! Bookmark not defined.**

 Selection of the preferred proponent **Error! Bookmark not defined.**

 Commercial alignment..... **Error! Bookmark not defined.**

 Alternative selection strategies **Error! Bookmark not defined.**

 Multiparty sequential alliance selection process **Error! Bookmark not defined.**

 Dual Target Outturn Cost **Error! Bookmark not defined.**

Step 3.7 Teaming Process..... **Error! Bookmark not defined.**

Importance of the team..... **Error! Bookmark not defined.**
Forming the alliance proponent team..... **Error! Bookmark not defined.**
 Choosing partner organisations..... **Error! Bookmark not defined.**
 Selecting team members **Error! Bookmark not defined.**
 Beginning team development..... **Error! Bookmark not defined.**
 Bidding costs **Error! Bookmark not defined.**
 Gain share/pain share pre-agreement **Error! Bookmark not defined.**
 Joint Ventures **Error! Bookmark not defined.**
Step 3.8 Bidding, Workshopping & Winning **Error! Bookmark not defined.**
 Maximising success **Error! Bookmark not defined.**
 Bid management..... **Error! Bookmark not defined.**
 Bid team **Error! Bookmark not defined.**
 The writing room **Error! Bookmark not defined.**
 The submission **Error! Bookmark not defined.**
 RFP requirements..... **Error! Bookmark not defined.**
 Assessment criteria **Error! Bookmark not defined.**
 Submission branding..... **Error! Bookmark not defined.**
 Team development **Error! Bookmark not defined.**
 Selection interviews and workshops..... **Error! Bookmark not defined.**
 Preparation **Error! Bookmark not defined.**
 Presentation skills **Error! Bookmark not defined.**
 Being Trustworthy authentic **Error! Bookmark not defined.**
Step 3.9 Metrics **Error! Bookmark not defined.**
 Why Metrics Are Important **Error! Bookmark not defined.**
 Alliance Strategic Return on Investment **Error! Bookmark not defined.**
 Market Impact **Error! Bookmark not defined.**
 Organizational Effectiveness..... **Error! Bookmark not defined.**
 Competitive Advantage **Error! Bookmark not defined.**
 Financial Return **Error! Bookmark not defined.**
STROI Scorecard Tools..... **Error! Bookmark not defined.**
 Alliance Scorecard Matrix **Error! Bookmark not defined.**

Alliance Scorecard Checklist **Error! Bookmark not defined.**

Beginning Value Creating Negotiations **Error! Bookmark not defined.**

PHASE FOUR: VALUE-CREATING NEGOTIATIONS.....ERROR! BOOKMARK NOT DEFINED.

Alliance Framework..... **Error! Bookmark not defined.**

Overview..... **Error! Bookmark not defined.**

Purpose **Error! Bookmark not defined.**

Goals **Error! Bookmark not defined.**

Critical Success Factors..... **Error! Bookmark not defined.**

Expected Outcomes **Error! Bookmark not defined.**

What the Experts Say..... **Error! Bookmark not defined.**

CONCEPTUALIZATION [Programming] .[this coincides with Phase 3] **Error!
Bookmark not defined.**

Step 4.1 The Shift to Co-Creative Negotiations **Error! Bookmark not defined.**

Win-Win: Critical Point for Negotiations **Error! Bookmark not defined.**

Ultimate Goals **Error! Bookmark not defined.**

Complete Negotiations **Error! Bookmark not defined.**

Thoughts on Cocreative Synergistic Negotiations **Error! Bookmark not defined.**

Far Beyond Win-Win..... **Error! Bookmark not defined.**

Negotiation Tips..... **Error! Bookmark not defined.**

Great Negotiators **Error! Bookmark not defined.**

Step 4.2 Building the Integrated Team..... **Error! Bookmark not defined.**

Alliance establishment..... **Error! Bookmark not defined.**

Structure, accountabilities and systems **Error! Bookmark not defined.**

Developing the alliance DNA **Error! Bookmark not defined.**

Distinguishing Between Alliance Champions and Alliance Managers **Error!
Bookmark not defined.**

Assembling the Negotiation Team..... **Error! Bookmark not defined.**

Why a Negotiation Team? **Error! Bookmark not defined.**

Operational and Commercial Responsibilities..... **Error! Bookmark not defined.**

Executive Support and Mapping..... **Error! Bookmark not defined.**

Legal Support **Error! Bookmark not defined.**

What Frustrates Lawyers and Alliance Professionals**Error! Bookmark not defined.**

Step 4.3 Aligning Expectations **Error! Bookmark not defined.**
 Critical Points for Negotiations Agenda **Error! Bookmark not defined.**
 Vision & Value..... **Error! Bookmark not defined.**
 Collaboration & Innovation **Error! Bookmark not defined.**
 Clarification of Ambiguities & Uncertainties **Error! Bookmark not defined.**
Step 4.4 Foundations of Trust..... **Error! Bookmark not defined.**
 Chemistry **Error! Bookmark not defined.**
 Teamwork **Error! Bookmark not defined.**
 Action Values **Error! Bookmark not defined.**
 Commitment **Error! Bookmark not defined.**
 Creating Operating Principles **Error! Bookmark not defined.**
 Why Operating Principles Are Important **Error! Bookmark not defined.**
 IPD ESSENTIAL PRINCIPLES **Error! Bookmark not defined.**
 IPD BUSINESS MODELS **Error! Bookmark not defined.**
 Rules of Engagement **Error! Bookmark not defined.**
 The Critical Importance of Trust in Coopetition **Error! Bookmark not defined.**
 Protocols **Error! Bookmark not defined.**
 Consequences for Breach of Trust..... **Error! Bookmark not defined.**
 Those who make Poor Partners..... **Error! Bookmark not defined.**
Step 4.5 Creating Mutual Value **Error! Bookmark not defined.**
 The Issue of Value **Error! Bookmark not defined.**
 Value For Money (VFM)..... **Error! Bookmark not defined.**
 Value in the alliancing context **Error! Bookmark not defined.**
 Benchmarking Value For Money..... **Error! Bookmark not defined.**
 Value For Money as a Key Result Area..... **Error! Bookmark not defined.**
 Joint Value Proposition **Error! Bookmark not defined.**
 Metrics of Winning for each Partner **Error! Bookmark not defined.**
 Innovations Required **Error! Bookmark not defined.**
 Joint Alignments of Success..... **Error! Bookmark not defined.**
 Key Factors for Success **Error! Bookmark not defined.**
 Key Results Areas **Error! Bookmark not defined.**

Alliance Charter **Error! Bookmark not defined.**
 Measuring the Power of Alignment.....**Error! Bookmark not defined.**
Step 4.6 Target Cost/Time Estimate **Error! Bookmark not defined.**
 Reaching commercial alignment..... **Error! Bookmark not defined.**
 Finalising the Project Draft Alliance Agreement. **Error! Bookmark not defined.**
 Scoping the works..... **Error! Bookmark not defined.**
 Estimation of the target cost..... **Error! Bookmark not defined.**
 Team integration **Error! Bookmark not defined.**
 Implementing agreed plans **Error! Bookmark not defined.**
 Design development and scope definition **Error! Bookmark not defined.**
 Cost estimation process..... **Error! Bookmark not defined.**
 Approach to construction **Error! Bookmark not defined.**
 Determining the Target Cost Estimate..... **Error! Bookmark not defined.**
 Managing expectations of the Owner’s budget **Error! Bookmark not defined.**
 Dealing with risks and opportunities **Error! Bookmark not defined.**
Does the Target Cost Estimate deliver Value For Money? . **Error! Bookmark not defined.**
 Documenting the outcome **Error! Bookmark not defined.**
 Robustness of the estimate **Error! Bookmark not defined.**
 The agreed price **Error! Bookmark not defined.**
Step 4.7 Commercial Terms & Risk/Reward Framework **Error! Bookmark not defined.**
 Commercial framework..... **Error! Bookmark not defined.**
 Limb 1 (direct costs and project-specific overheads)..... **Error! Bookmark not defined.**
 Audit of direct costs **Error! Bookmark not defined.**
 Constructor direct costs..... **Error! Bookmark not defined.**
 Designer direct costs..... **Error! Bookmark not defined.**
 Limb 2 (corporate overhead and profit) **Error! Bookmark not defined.**
 Fixed versus Variable Limb 2 **Error! Bookmark not defined.**
 Limb 3 (gain share and pain share) **Error! Bookmark not defined.**
 Non-Owner Participant share **Error! Bookmark not defined.**

Key Result Areas **Error! Bookmark not defined.**
 Measuring performance **Error! Bookmark not defined.**
 Setting targets **Error! Bookmark not defined.**
Step 4.8 Draft Alliance Agreement **Error! Bookmark not defined.**
 Purpose **Error! Bookmark not defined.**
 Form (Structure) Follows Function **Error! Bookmark not defined.**
What Is the Draft Alliance Agreement? **Error! Bookmark not defined.**
 What It Does **Error! Bookmark not defined.**
 How It Works **Error! Bookmark not defined.**
 Implementation of the Draft Alliance Agreement **Error! Bookmark not defined.**
Special Considerations for Coopetitive Agreements **Error! Bookmark not defined.**
defined.
Draft Project Alliance Agreement **Error! Bookmark not defined.**
 Collective responsibility **Error! Bookmark not defined.**
 Behavioural commitments **Error! Bookmark not defined.**
 Leadership and governance **Error! Bookmark not defined.**
 Target Cost Estimate phase **Error! Bookmark not defined.**
 Owner’s expectations **Error! Bookmark not defined.**
 Access and stakeholder management **Error! Bookmark not defined.**
 Insurances **Error! Bookmark not defined.**
 Default, suspension and termination **Error! Bookmark not defined.**
 Schedules **Error! Bookmark not defined.**
Risk and opportunity framework **Error! Bookmark not defined.**
 What is risk? **Error! Bookmark not defined.**
 The need for a consistent approach **Error! Bookmark not defined.**
 Application in an alliance **Error! Bookmark not defined.**
 Some practical examples **Error! Bookmark not defined.**
Insurance **Error! Bookmark not defined.**
A Final Word on Negotiation **Error! Bookmark not defined.**
Provide Flexibility for Changing Business Cycles and Conditions **Error!**
Bookmark not defined.
PHASE FIVE: OPERATIONAL PLANNING **ERROR! BOOKMARK NOT DEFINED.**

Overview..... **Error! Bookmark not defined.**
Purpose **Error! Bookmark not defined.**
Goals **Error! Bookmark not defined.**
Critical Success Factors..... **Error! Bookmark not defined.**
Expected Outcomes **Error! Bookmark not defined.**
 DETAILED DESIGN **Error! Bookmark not defined.**
Step 5.1 Operational Business Plan **Error! Bookmark not defined.**
 Why Create the Operational Plan?..... **Error! Bookmark not defined.**
 Why an Operational Business Plan Is Important **Error! Bookmark not defined.**
 Delivering the Value Proposition **Error! Bookmark not defined.**
 Operational Team **Error! Bookmark not defined.**
 Operational Metrics **Error! Bookmark not defined.**
 Reporting Systems **Error! Bookmark not defined.**
Step 5.2 Management Issues **Error! Bookmark not defined.**
 Control by Collaboration, Coordination, and Communication **Error! Bookmark not defined.**
 The Alliance Manager’s Problem-Solving Role **Error! Bookmark not defined.**
 Clear Policies and Values **Error! Bookmark not defined.**
 Alliance Management and Control **Error! Bookmark not defined.**
 Contingency Planning **Error! Bookmark not defined.**
Step 5.3 Customer Relationships..... **Error! Bookmark not defined.**
 Customer Satisfaction **Error! Bookmark not defined.**
 Rules of Engagement **Error! Bookmark not defined.**
Step 5.4 Integration, Empowerment, and Control. **Error! Bookmark not defined.**
 Integration Issues..... **Error! Bookmark not defined.**
 Responsibility Charting **Error! Bookmark not defined.**
 Sample Responsibility Chart: RACI **Error! Bookmark not defined.**
 Alliance Launch Planning **Error! Bookmark not defined.**
 Creating Action and Support..... **Error! Bookmark not defined.**
PHASE SIX: GOVERNANCE AND STRUCTURE ERROR! BOOKMARK NOT DEFINED.
 Overview..... **Error! Bookmark not defined.**

Purpose **Error! Bookmark not defined.**
Goals **Error! Bookmark not defined.**
Critical Success Factors..... **Error! Bookmark not defined.**
Expected Outcomes **Error! Bookmark not defined.**
IMPLEMENTATION DOCUMENTS [Construction Documents][RPL: Include in
Phase 6]..... **Error! Bookmark not defined.**
BUYOUT [RPL: Include in Phase 6] **Error! Bookmark not defined.**
AGENCY REVIEW [RPL: include in Phase 6] **Error! Bookmark not defined.**
Step 6.1 Structure & Governance, Integration & Control **Error! Bookmark not defined.**
Alliance Governance Structure **Error! Bookmark not defined.**
Alliance Leadership Team (ALT)/ Executive Council(AEC) **Error! Bookmark not defined.**
Empowerment or Dominance..... **Error! Bookmark not defined.**
Alliance Governance Roles & Responsibilities.... **Error! Bookmark not defined.**
Alliance Leadership Team **Error! Bookmark not defined.**
Characteristics..... **Error! Bookmark not defined.**
Accountabilities..... **Error! Bookmark not defined.**
Commitment **Error! Bookmark not defined.**
Challenges **Error! Bookmark not defined.**
Alliance Manager **Error! Bookmark not defined.**
Characteristics..... **Error! Bookmark not defined.**
Accountabilities..... **Error! Bookmark not defined.**
Challenges **Error! Bookmark not defined.**
Characteristics..... **Error! Bookmark not defined.**
Accountabilities..... **Error! Bookmark not defined.**
Challenges **Error! Bookmark not defined.**
Wider Project Team **Error! Bookmark not defined.**
Independent advisors **Error! Bookmark not defined.**
Alliance facilitators..... **Error! Bookmark not defined.**
Financial auditor **Error! Bookmark not defined.**
Legal advisor **Error! Bookmark not defined.**

Independent estimator **Error! Bookmark not defined.**

Independent verifier **Error! Bookmark not defined.**

Insurance advisor **Error! Bookmark not defined.**

Step 6.2 Organizational Structure and Support..... **Error! Bookmark not defined.**

Organizational Structure/Resource Allocations **Error! Bookmark not defined.**

Corporate Relationship Management **Error! Bookmark not defined.**

Build Relationships at Several Management Levels Within and Across
Organizations **Error! Bookmark not defined.**

Establish a Joint Management Team **Error! Bookmark not defined.**

Peer-to-Peer Relationship..... **Error! Bookmark not defined.**

Risk Management & Risk Allocation **Error! Bookmark not defined.**

Compounded Risk **Error! Bookmark not defined.**

Options for Reducing Compounding Risks..... **Error! Bookmark not defined.**

Step 6.3 Win-Win Business Analysis..... **Error! Bookmark not defined.**

Balancing the “Five R’s” **Error! Bookmark not defined.**

The Valuation Issue **Error! Bookmark not defined.**

Financial Analysis and Final Metrics **Error! Bookmark not defined.**

Step 6.4 Commercial Terms & Legal Agreements.. **Error! Bookmark not defined.**

Formalizing the Agreement..... **Error! Bookmark not defined.**

Conflict Resolution..... **Error! Bookmark not defined.**

Exit Strategy **Error! Bookmark not defined.**

Legal Counsel **Error! Bookmark not defined.**

Final Review and Approval..... **Error! Bookmark not defined.**

Review the draft contract with the joint Alliance..... **Error! Bookmark not defined.**

Alliance and contract types **Error! Bookmark not defined.**

Dual TOC alliances - Are two TOCs better than one? **Error! Bookmark not defined.**

Contracted alliance **Error! Bookmark not defined.**

Program alliances..... **Error! Bookmark not defined.**

Services alliances **Error! Bookmark not defined.**

Early contractor involvement contracts **Error! Bookmark not defined.**

International contracts – An NEC3 perspective **Error! Bookmark not defined.**

Small hybrid contracts **Error! Bookmark not defined.**

Alliancing in Public Private Partnerships..... **Error! Bookmark not defined.**

PHASE SEVEN: MANAGING HIGH PERFORMANCE..... **ERROR! BOOKMARK NOT DEFINED.**

Overview..... **Error! Bookmark not defined.**

Purpose **Error! Bookmark not defined.**

Goals **Error! Bookmark not defined.**

Critical Success Factors..... **Error! Bookmark not defined.**

Expected Outcomes **Error! Bookmark not defined.**

CONSTRUCTION **Error! Bookmark not defined.**

Step 7.1 Alliance Launch **Error! Bookmark not defined.**

 Specific Steps: **Error! Bookmark not defined.**

 Checklist 7.1b **Error! Bookmark not defined.**

 Communications Plan **Error! Bookmark not defined.**

Step 7.2 Leadership and Management **Error! Bookmark not defined.**

 Manage and Support Executive Sponsor Involvement..... **Error! Bookmark not defined.**

 Champions **Error! Bookmark not defined.**

 Alliance Management **Error! Bookmark not defined.**

 The Alliance Manager’s Problem-Solving Role **Error! Bookmark not defined.**

 Control and Empowerment Mechanisms **Error! Bookmark not defined.**

Step 7.3 Operational Team..... **Error! Bookmark not defined.**

 Team Building **Error! Bookmark not defined.**

 Establishing Multidisciplinary Teams **Error! Bookmark not defined.**

 Map Peer-to-Peer Relationships Between Organizations **Error! Bookmark not defined.**

Step 7.4 Alliance Governance..... **Error! Bookmark not defined.**

 Alliance Executive Council **Error! Bookmark not defined.**

 Other Governance Mechanisms **Error! Bookmark not defined.**

 Clarify Expectations..... **Error! Bookmark not defined.**

 Consensus Decision Making..... **Error! Bookmark not defined.**

Step 7.5 Creating a Collaborative Culture **Error! Bookmark not defined.**

 Why a Collaborative Culture Is Important **Error! Bookmark not defined.**

Positive Use of Power: **Error! Bookmark not defined.**

Leverage Points for a Collaborative Culture **Error! Bookmark not defined.**

Diversity: The Alliance’s Hidden Asset **Error! Bookmark not defined.**

Creating an Alliance Team Charter **Error! Bookmark not defined.**

Creating the “Synergy of Compatible Differences” .. **Error! Bookmark not defined.**

Example of a Team Charter..... **Error! Bookmark not defined.**

Step 7.6 Regional and International Cultural Considerations..... **Error! Bookmark not defined.**

Listening for Cultural Sensitivities..... **Error! Bookmark not defined.**

Developing Teams to Recognize and Understand Cultural Differences **Error! Bookmark not defined.**

Considerations When Forming or Evolving Alliance Teams ... **Error! Bookmark not defined.**

France and Japan: Cross-Cultural Awareness and Understanding **Error! Bookmark not defined.**

Defining Cultural Issues of Locations Where the Alliance or Collaboration Is Operating **Error! Bookmark not defined.**

Creating Value from Diversity **Error! Bookmark not defined.**

Strategic Alliances from a Chinese Perspective **Error! Bookmark not defined.**

Step 7.7 Performance Measurement and Diagnostics..... **Error! Bookmark not defined.**

Create an Empowering Measurement System **Error! Bookmark not defined.**

Measurements for the Elements of Victory **Error! Bookmark not defined.**

Alliance Diagnostics **Error! Bookmark not defined.**

Example of Survey Items Used in Alliance Diagnostics..... **Error! Bookmark not defined.**

How the Health Check Helps **Error! Bookmark not defined.**

Step 7.8 Systems Integration & Network Management..... **Error! Bookmark not defined.**

PHASE EIGHT: PROJECT COMPLETION & EVOLUTION **Error! Bookmark not defined.**

Purpose **Error! Bookmark not defined.**

Goals **Error! Bookmark not defined.**

Critical Success Factors..... **Error! Bookmark not defined.**

Expected Outcomes **Error! Bookmark not defined.**
CLOSEOUT [Include in Phase 8] **Error! Bookmark not defined.**
Step 8.1 Assess the Current Alliance Condition..... **Error! Bookmark not defined.**
Step 8.2 Recognize Signs of Problems **Error! Bookmark not defined.**
Step 8.3: Determine the Type of Change Required **Error! Bookmark not defined.**
 Shifts in Dimensions of Fit..... **Error! Bookmark not defined.**
 When Change Is Likely to Be Needed **Error! Bookmark not defined.**
 Options for Alliance Change **Error! Bookmark not defined.**
 Transform..... **Error! Bookmark not defined.**
 Innovate **Error! Bookmark not defined.**
 Exit Gracefully **Error! Bookmark not defined.**
Step 8.4 Take Action **Error! Bookmark not defined.**
 Option One: Transforming an Alliance **Error! Bookmark not defined.**
 The importance of legacy **Error! Bookmark not defined.**
 Community and stakeholder benefits **Error! Bookmark not defined.**
 Option Two: Innovating an Alliance..... **Error! Bookmark not defined.**
 What Is Innovation?..... **Error! Bookmark not defined.**
 How to Start the Innovation Process **Error! Bookmark not defined.**
 From Environmental Compliance to Sustainability .. **Error! Bookmark not defined.**
 Continual Innovation **Error! Bookmark not defined.**
 Option Three: Exiting Gracefully **Error! Bookmark not defined.**
 Reasons and Considerations for Exiting Gracefully .. **Error! Bookmark not defined.**
 Root Causes..... **Error! Bookmark not defined.**
 Exit Strategy and Plans..... **Error! Bookmark not defined.**
 Avoid Litigation **Error! Bookmark not defined.**
 Ongoing Dialogue/Exiting Behaviors **Error! Bookmark not defined.**
 Exit Strategy, Objectives, and Provisions..... **Error! Bookmark not defined.**
 Perform an Alliance Postmortem **Error! Bookmark not defined.**
 Option 4: Restructure Option **Error! Bookmark not defined.**
 Checklist 8.4a **Error! Bookmark not defined.**
 Steps for Exiting **Error! Bookmark not defined.**

Developing the Exiting Strategy **Error! Bookmark not defined.**
Termination Provisions **Error! Bookmark not defined.**
Exit Plans **Error! Bookmark not defined.**
Contingency Plan **Error! Bookmark not defined.**
Communication Plan **Error! Bookmark not defined.**
Work Plan..... **Error! Bookmark not defined.**
Keeping Future Options Open **Error! Bookmark not defined.**
ARTICLES ON COLLABORATION, TRUST, AND ALLIANCESERROR! BOOKMARK NOT DEFINED.

Introduction to the Best Practices Section

Understanding the nature of Principles, Processes, & Practices

While the User's Guide is entitled "Best Practices", it actually is a compilation of Best Principles, Best Processes, and Best Practices. Here's what the terms mean:

- **Principles** are underlying truths that don't change over time or space. Principles guide decision-making. Usually a cluster of principles are applied to a real situation to give guidance on how to view or address a circumstance. Seldom should only one principle be the sole determinant of what to do, as that principle might skew the realities of a situation. For example, Adolph Hitler used the principle of the greater good to annihilate innocent people. Principles are high-order directives, and should be considered ranking above Processes.
- **Processes** are the application of principles to a particular situation, consisting of a series of stages of actions that are used to improve, change, add value, or transform something. Processes are sequenced into a flow from one stage to the next. The end of one process is marked by a major event, accomplishment, or result, which sets the stage for the kick-off of the next process.
 - o **Core Processes** are those that create the primary value of a business, such as the Processes used to construct a building.
 - o **Guiding Processes** set the direction or governance of an organization, such as strategic planning, or corporate governance. (In Book Two, we will be focusing on Core and Guiding Processes,)
 - o **Support Processes** are assist the functioning of the Core, such as recruiting of people or accounting.
- **Practices** : Each Process step is composed of a set of Practices, which are work tasks used to accomplish the process. As people innovate, they tend to create better practices that save time, energy, or eliminate redundancy or bureaucracy. Thus Practices tend to be more *malleable, more adaptable, and more fluid than Processes*.

Changing Practices involves a natural evolution of learning and innovation. Changing a Process tends to be more revolutionary, in that the whole manner of thinking and acting begins to change. Changing Principles is extraordinary because it means shifting the entire belief systems that underlie how things operate.

Often, however, Principles have been based on false or sub-optimal beliefs, such as the principles that underlay racism, intolerance, or sexism. However, even when ragged belief systems are challenged with overwhelming evidence and logic, they are still highly impervious to rapid change as people cling to outmoded beliefs and their supporting principles long after proven obsolete.

It is for this reason that books like this are written, to help the mind and language shift from an old frame of reference to a new one.

Practices can and should differ as you move from one environment to the next, and they also change as a situation evolves.

Most importantly, a vigorous adherence to Best Principles, Processes, and Practices *typically*