"Building & Maintaining Successful Business Collaborations "

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For decades organizations have collaborated with each other to solve global problems, access and share expertise, provide value to their customers, gain market leadership, reduce costs, gain competitive advantage, etc.

For example Toyota[1] makes engines, carpets and instruments panels in America, Headlights and brakes in France, Steering wheels in Turkey, Air bags in the Czech Republic, Wheels in Germany, Suspension parts in Spain and Windshield wipers in Italy to manufacture their cars.

> 2018 Global CEO Outlook conducted by KPMG reports that global CEOs favour strategic alliances as the most important strategy to drive growth, making it an imperative for organizations to learn how to collaborate successfully.

In another recent and great example of collaboration is the development of Covid-19 vaccine in a record time of about 18 months, compared to typical 4-5 years, thereby saving millions of lives and livelihoods. It was made possible due to close collaborations among Research labs, Pharma companies, Manufacturers, Donors, NGOs, Governments etc. around the world collaborated to beat the pandemic.

At the heart of these examples of success and operations is a recognition that "We cannot Do It All Alone". We need to collaborate to solve global problems and also to achieve organization's objectives. Frontier technologies with wide use of internet, open data sources etc. are enabling collaboration now as never before.

A. Successful and Sustainable Collaborations Just Do Not Happen.

It is important for all partners to appreciate from the beginning that partnering is rarely 'plain sailing'. It is entirely typical in partnerships for there to be moments of tensions among the partners, and for the partnership to feel messy and uncomfortable from time to time[2]. Partnerships tend to follow a very similar cycle to the "forming–storming– norming– performing" model of group development, first proposed by Bruce Tuckman in 1965. The cyclical ups and downs will continue throughout a partnership. Refer "Typical Early Cycle in Partnership" figure.
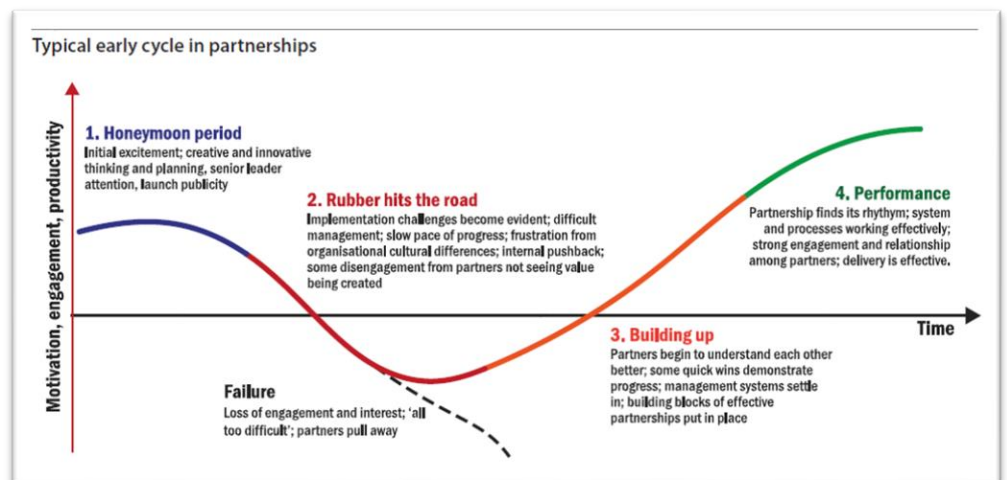
From our experience of working with diverse businesses, including ongoing project on implementing international Collaboration Business Relationship

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[1] Willful Blindness by Dr. Margaret Heffernan.
[2] United Nations The SDG Partnership Guidebook published in collaboration with "The Partnering Initiative"

Management Framework[3] (ISO:44001) for organizations in the Middle East, some of the common pitfalls in building successful and sustainable partnerships are: (based on review of about 50 partnership agreements):

a. Organizations do not have a clear well-defined strategy for business collaborations;

b. Differing motivation of partners in the collaboration. E.g. in a partnership between a Government agency and private sector financial institution, Government's main driver of collaboration was to deliver improved services to its customers whereas financial institution's main underlying motivation was to make profit from the collaboration;

c. Governance aspects like roles and responsibilities among collaborators were not fully/ clearly defined leading to recurring issues and meetings;

d. "Measures of Success of Partnerships" are usually not included in the agreements. There is excessive focus measuring, reporting and monitoring operational / transactional KPIs e.g. time taken to deliver service, volume of business, uptime of servers. To nurture and develop long term trustworthy partnership requires to have Measures of success focused on building relationships and trust between partners;

e. Short term focus rather than long term vision for building and nurturing business relationships. E.g. in a semi-government organization, procurement policy dictated to retender the outsourced services every three years. This led to changing the partner every three years and restarting building the relationship every three years and;

f. Strategy on how the collaboration will be terminated was also one of the commonly missed elements in the agreements. E.g. in one of the agreement, outsourcing company terminated the agreement with a retail vendor at a short notice without much consideration of its impact on its customer.

B. Collaboration Business Relationship Management Framework (ISO:44001)[4]

For years, the importance and requirements for business relationship and strategic partnerships have been well recognised. To encourage organisations this requirement has been incorporated in various international standards and frameworks such as "Principle of Relationship management" as one of the seven principles in ISO:9001 (Quality Management System Requirements). Excellence models like EFQM (Europe), Malcolm Baldrige (US), etc. have also requirements pertaining to building mutually beneficial sustainable partnerships.

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[3] https://www.iso.org/standard/72798.html
[4] https://www.iso.org/standard/72798.html

However, there was no international standard fully focussed on Collaboration Business Relationship Management framework for organizations, of different types & sizes to adopt. To address this gap, British Standard Institution developed and issued BS:11000 in year 2010 which was replaced with ISO:44001 "Collaborative Business Relationship Management Systems (CBRMS) – Requirements and Framework" in year 2017. Main objective of the standard is to identify, develop, manage and improve collaborative business relationships in and between organizations of all sizes - one-to-one relationships or networked relationships involving multiple parties.

CBRMS (Refer figure 1) provides eight-stage life cycle components required of a management system for business relationships as well as operational process requirements.

Figure – 1 ISO:44001 : 2017 Framework
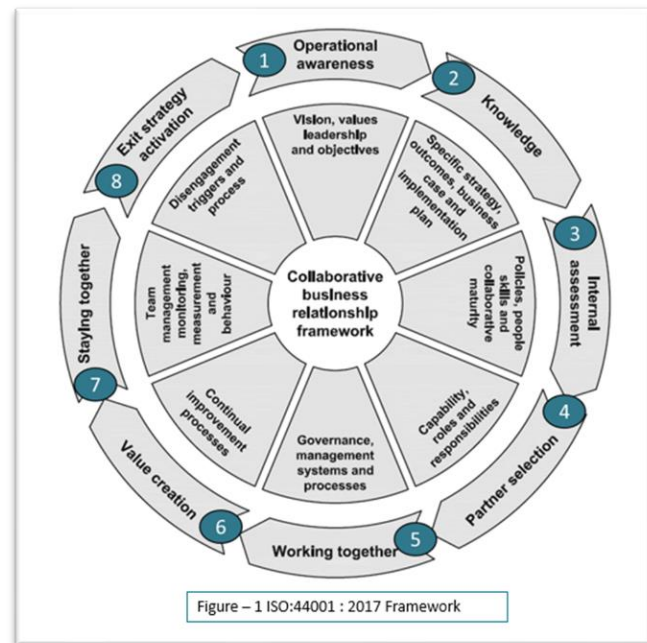
C. Implementing ISO:44001 Standard Is Challenging

ISO:44001 standard has many useful and much needed requirements such as strategic perspective and planning at enterprise level, focus on building relationships and trust, due diligence before entering into collaborations, governance, joint risk management, business continuity, evaluating impact of terminating the partnerships, creating value together, structured systematic approach to collaborations etc.
However, standard also has several challenges making it really difficult to understand and implement it such as:

a. First and foremost, standard is very extensive and a huge document. It has about 60 pages of requirements. And supplemented with about 70 pages of ISO:44002 – *"Guidelines Document on the Implementation of ISO 44001"*. These are like a mini "book" to read, understand and implement. Plus there is ISO:44003 standard "*Guidelines Standards for Micro, Small and Medium-Sized Enterprises"*. Thankfully this is only about 15 pages.

b. Standard is complex. It is tiresome and time consuming to read and understand making it difficult to implement and maintain. Reader gets easily lost and entangled while reading it. E.g. Actions to address risks and opportunities appears in clause 6.1. However it keeps appearing repeatedly at different life cycle stages of collaboration (clause 8.2.8, 8.3.6, 8.6.4, 8.8.3). Even large companies and management systems professionals find it difficult and challenging. Imagine how difficult it is for small and medium size organizations, who are usually short of resources, lack time and abilities for documenting processes to adopt it.

c. Standard is too demanding – with about 130+ requirements the organization must comply with. E.g. within "Knowledge" stage (clause 8.3) there are 8 major requirements. "Working Together" stage (clause 8.6) has 15 major requirements. And it goes on and on.

d. Some of the requirements like "Implementation of trust indicators" (Clause 8.8.4) are vague and hard to implement/ comply.

Implementing CBRMS is likely to require organizations to incur additional cost in terms of hiring extra human resources, building and maintaining CBRM system etc. With the volume of documentation and records needed to be maintained, it can easily become a "paper management" exercise, as with some other ISO management system requirements documentation with limited benefits in return.

ISO Technical Committee 286, responsible for developing the ISO:44001 series of standards, should have considered developing a much shorter, simpler, with minimal mandatory requirements and focused on achieving impacting outcomes through building effective and sustainable collaborations rather than ticking the box of meeting the clause requirements. It seems to me to be out of tune with the current business context of using creativity and innovation on making things simpler & "Easy to Do Business With".

D. Impact & Benefits of Collaboration

If standard is implemented effectively, there are certainly lot of tangible and intangible benefits to be gained by adopting the CBRMS such as:

a. Financial and operational benefits. E.g. National Air Traffic Services (NATS), UK collaboration with Leidos pioneered an innovative solution, enhanced Time-Based Separation (eTBS), a technology which separates arriving aircraft by time instead of distance, in order to cut delays caused by strong winds. It reduced aircraft landing delays by 62 % and also allowed two additional aircraft landings per hour average, which is equivalent to extending Heathrow's operating day by over 30 minutes, with a bonus on overall cost savings of EUR 23 million a year[5].
b. Achieving business strategy by organizations while focusing on their own core competencies;
c. Streamlining internal processes and systems by all partners for entering, managing and exiting business relationships;
d. Managing risks arising out of partnerships etc.

Organizations committed to United Nations Sustainable Development Goals (UNSDGs) can also consider using ISO:44001 standards for Enhancing the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships (UNSDG 17.16) and Encouraging and promoting effective public, public-private and civil society partnerships (UNSDG 17.17)

E. Concluding Thoughts

Partnership and outsourcing will continue to be one of the essential strategies for organizations to perform, succeed and grow. Some of the important factors to consider by collaborators are:

a. Discuss, agree and establish a shared vision of a successful collaboration;
b. Understanding and agreeing on the motivation/ drivers for a successful and sustainable collaboration;
c. Consciously invest in fostering the trust in the partnership;
d. Carefully evaluating and selecting the most appropriate ("best fit") partner for a long term mutually beneficial success. Some of the evaluation criteria often missed in collaborations is "cultural fit";
e. Establishing robust governance clearly defining accountabilities of all partners - within and between partner organizations; measures of success etc.

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[5] https://www.iso.org/news/ref2488.html

f. Continual review of partnership arrangements and willingness to work together to provide continuing value e.g. digitization with seamless process flows between partners, developing mobile App. for customers etc.

Organizations should consider using CBRMS framework as a reference standard and pick and choose requirements which are most needed and relevant for their business context. It should help organizations achieve their strategic objectives, add value to their customers, improve operational excellence etc. In my view there is no need for organizations for attaining third party ISO:44001 certification. This will add to cost, time, effort and the burden of maintaining certification.

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Sunil's Bio

Mr. Sunil Thawani is an Author, Fellow, American Society for Quality (ASQ), Board Member and CEO, Quality Indeed Consulting Ltd. Dubai, UAE. Sunil champions UN SDGs 2030and is recipient of prestigious ASQ Lancaster Medal for his dedication and outstanding contributions to the International Fraternity of Quality Professionals. Sunil has assisted many organizations in their transformation efforts and improve governance, performance, customer centricity etc. in diverse industries Government, Banking, Social sector, Logistics, Services, Manufacturing, Healthcare including United Nations. He has the honor of meeting Prime Minister of India, U.A.E and other Ministers from India, U.A.E., Lebanon, Slovenia, South Africa etc. He is based in Dubai, U.A.E.