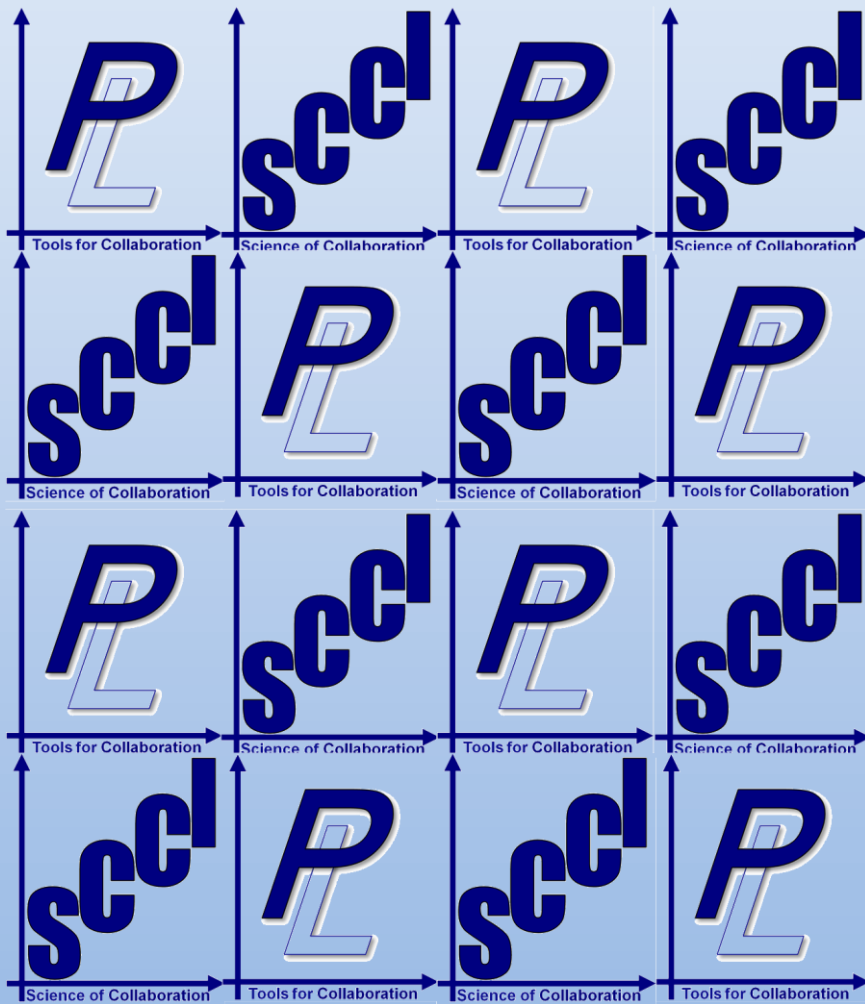


Measuring Collaborative Performance in FM Relationships



Andrew Humphries & Linda McComie



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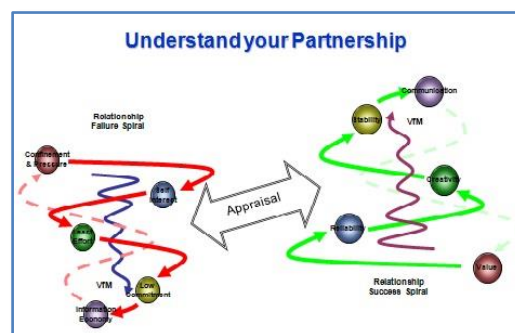
By Andrew Humphries & Linda McComie

There are widely differing, often confused views over collaborative relationships. The academic definition is “*the action of working with someone to produce or create something that neither of you could do alone (1+1=3, 4, 10..)*”. FM relationships are the closest because the services provided are an integral part of the clients’ business. Are they true partnerships where both partners fully appreciate each other’s capabilities and contribution? Are they really creative for all sides stretching the objective boundaries to achieve greater benefits? Or, are they just marriages of convenience?

A business-to-business relationship can be very hard to understand and control. Traditional tools such as Financial Accounts, Balanced Score Cards and KPIs don't seem to have the scope and reach to cover the activities, knowledge and communications that cross the boundaries between partners. Relying solely on these will allow problems to sneak up on you without notice. The result is fire-fighting; a tendency always to be caught on the back foot and, the danger of trigger-happy commercial managers reaching for the contract penalty clauses.

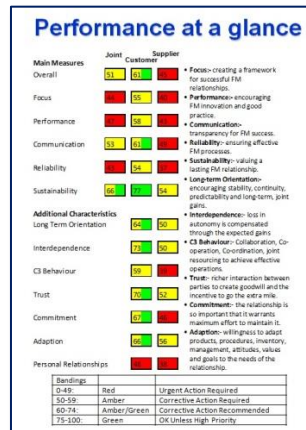
Many organisations find it hard to realise that collaborative relationships reduce freedom of action and increase obligations. These cause tensions and over 15% of the value is lost through inevitable friction. On the other hand, if you know how to measure and manage relationship performance, this 15% or more, is there for the taking! Effective collaboration management thus becomes a significant competitive capability.

Using a model based on the thinking of 2009 Nobel Prize Winner Oliver Williamson, the dynamics of a business relationship can be likened to a spiral of knock-on effects with positive or negative feedback. At the optimistic end of the spectrum one good thing leads to another and progress can gain a momentum all of its own leading to teams working well together and openly discussing problems and opportunities.



However, if energy is not devoted to seeking continuous improvement, the tendency will be for things to slide either into a ‘numb’ state in between the spirals where the partners stick together for convenience or, into a value-sapping decline where a costly, acrimonious divorce is a strong possibility. Measuring relationship performance in order to reveal the dynamics means discovering where a collaborative relationship sits between the two spirals.

Our tool collects data by surveying both sides which is analysed to produce traffic lights and performance scores. These highlight significant features, differences, and the highs and lows of key aspects such as operational effectiveness and communications. The results are enhanced by short, structured interviews that tell the stories behind the numbers. Joint, performance orientated recommendations naturally fall out of the process. It can be completed with minimal time and effort from the partners.



A versatile tool, it can be used for a variety of purposes to build understanding and continuously improve the current operation. It has been proven in over 100 major relationships and, we have been able to identify trends and good and bad management practices.

Our research has found that things are changing in the FM world. Clients now want innovation and creativity. They want relationships that produce value through the exploration of new directions, markets, products and services. They don't want you just 'sticking to the brief' of the contract - no matter how good you are at it. This tool creates a joint, objective vision of the relationship which brings both sides to the table with a clear focus on creating value. Not only does it act as a catalyst to enable you both to expand your horizons but it also allows you to measure, track and control progress.

We would welcome feedback. Is this a useful way of achieving closer, more productive relationships with your partners?

“The service delivery managers have a substantial task and we expect them to be world class in M&E, security, soft services, cleaning and customer services, to be the face of the supplier organisation and to have a robust personality.”

Client Operations Director, Public Sector organisation

Further Reading:

Andrew Humphries & Linda McComie (2022), **Implementing and Managing Collaborative Relationships – A Practical Guide for Managers**

Routledge, New York, ISBN 978-1032-1173-86

155 pages

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