# Research Summary Outsourcing Sector 2004 - 2012

Andrew Humphries & Linda McComie

Research Summary – Outsourcing Sector 2004 - 2012

Executive Summary

There is some confusion over the definitions of the outsourcing and facilities management terms both in industry and academia. Outsourcing is a business model whereby an organisation decides that it will no longer carry out a function in-house. Instead this function will be provided by a third party. Outsourced functions could include manufacturing, IT, accounting, HR and facilities management. The decision to outsource is based on business imperatives such as concentration on core activities, cost savings, risk mitigation and access to resources. Resources such as personnel and facilities may be transferred to the provider.

Between 2004 and 2012 we examined 9 major outsourcing and facilities management relationships involving companies and organisations operating in UK and global domains. This report summarises the findings from our research. It does not concentrate on the individual projects but rather on the particular management features that characterise these relationships.
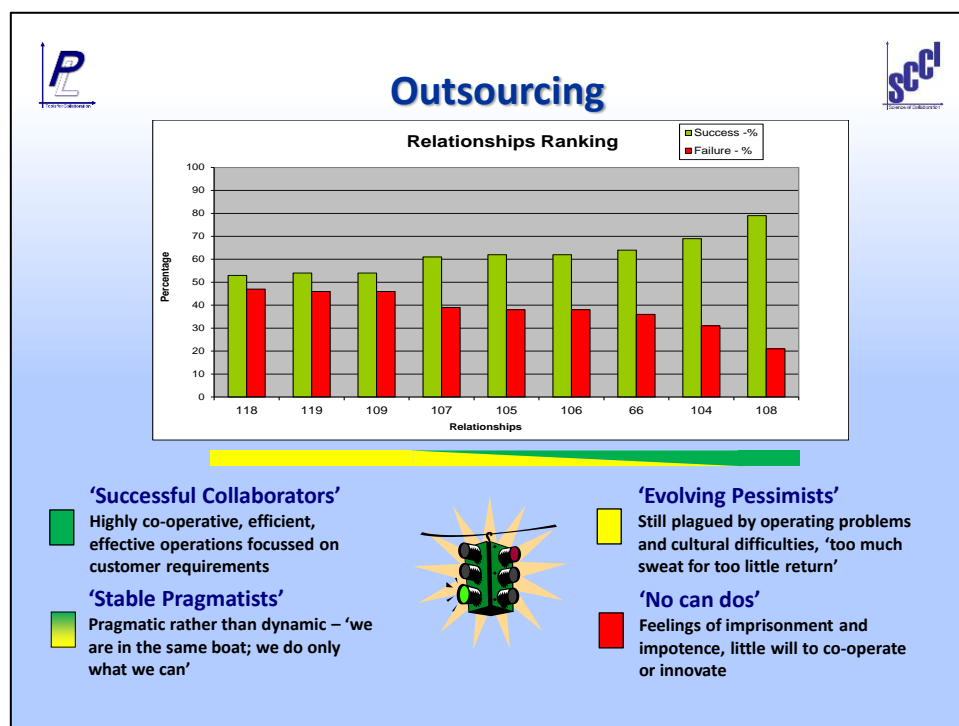
We summarise this research in four parts:

- IT Services (104-107)
- IT In-house (108)
- Public – Private (109, 118, 119)
- Preparing for new relationship (66)

Their relationship performance is compared in the chart above. It should be noted that the majority are struggling to make Outsourcing work and are not reaping satisfactory returns.

Overall Conclusions

Although the Outsourcing sector appears to be mature, growing and increasingly complex, our investigations show that a number of fundamental management issues in both Public and Private organisations still abound. This is borne out by a number of recent high profile failures. There is the potential to provide high quality, collaborative services however clients treat the industry as a way of driving costs down. This has made it into a low margin business which consequently makes it unattractive to high quality managerial talent.

- Organisations do not realise the importance of formal relationship management to the success of outsourcing arrangements
- Organisations fail to understand that to access the additional benefits of collaboration they need to invest in its management
- Relationship management is often confused with commercial management and thus the opportunities of collaboration are bypassed
- Standard commercial arrangements generally are not modified to suit partnering and therefore the wrong incentives, inflexible governance and inappropriate performance targets are applied
- Clients have unrealistic expectations of implementation and benefits delivery timescales
- Clients do not understand what they want; what exactly do they want from their partner?
- Clients and suppliers fail to understand their roles as equal partners
- Suppliers over-promise what they can deliver
- Lack of development of a joint operating model within the Decision Phase limits the ability to deliver a successful operation
- Failure to manage cultural change, including staff resentment, can have a serious, detrimental impact on performance
- Failure to understand that collaboration doesn't occur instantaneously and needs to be managed through a graduated implementation programme
- Key supply chain partners must be part of the collaborative operation
- Often little thought is devoted to putting in-place effective communication and problem-solving arrangements between the partners
- Clients demand greater innovation but fail to put in place the structures needed to foster and support it
- Management usually fail to consider the practical implications of collaborative working on business processes and staff
- Where both parties learn from experience and maintain their determination to build a successful relationship then outsourcing pays dividends

*"They don't think that we are important. Nobody ever asks us what we can do to help."*

Reference:

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

IT Services 2011 - 2012

Background

In this section we describe 4 substantial international relationships involving major IT services suppliers and their blue chip customer. This was a key element of the customer's plan to operate more collaboratively with a few select suppliers. This had been running for about 2 years. Their overall relationship performance is compared in the chart below.
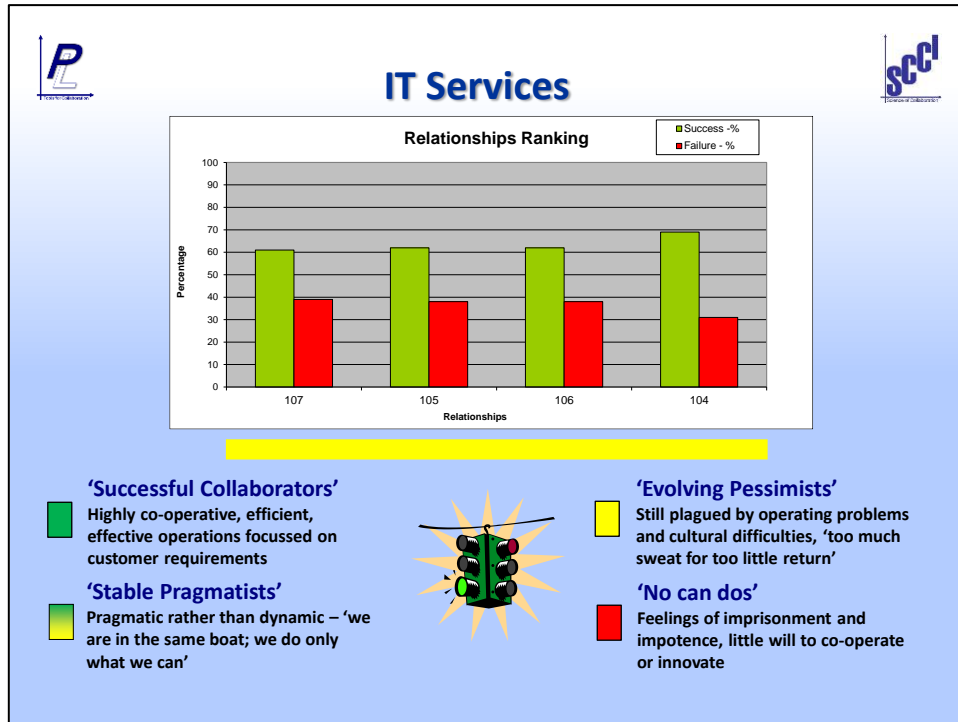
Top level direction – failure to understand how to work collaboratively

- **Lack of joint aims and objectives**

"What are the goals for the relationship?"

"The strategy is shared at the high level but it does not filter down to the ops teams who need to understand the business issues in order to be effective."

"I'd also like to see more of their sharing across the group, leading the way on initiatives and investing themselves, time and money, in proof of concepts around service - not always waiting for our leadership or $'s necessarily."

"We want them to bring best practice from their customer base to highlight opportunities and solutions for us."

- **Failure to change the traditional customer/supplier relationship**

"We aimed to work more closely with fewer partners in order to create more value for all. However, there are still perceptions that this was a cost reduction exercise which would reduce our supplier's profits. As a result there has been a reduction in service quality. Our

challenge is to initiate a different kind of conversation at the negotiating table to achieve the original goals for all."

"Their mentality is to make the most money from us, and there is very little of working as a partnership, towards a common goal, sharing objectives and risks."

Alignment

- **Divergent objectives**

"Commitment is there but not an alignment between the parties on how to create mutual success."

"We lack alignment on business priorities and objectives and technical targets. It's taken us 2 years to get to the point where we are talking about strategic innovations."

- **Failure to understand the practicalities of team working**

"We are investing heavily in this relationship even though it is a fixed price contract and we don't get credit for it. They are always asking us to do more."

"There are separate business cultures resulting in differing expectations."

Relationship Management – reversion to type

- **Unchanged commercial management**

"The strategic intent of the contract was for them to be a trusted partner and to deliver the contracted service. Due to the issues we have experienced we have had to revert to instructing them on what to do and when since they have lost our trust. It will take some considerable time and effort to regain it."

"We all need to move towards a managed service relationship rather than one based on detailed contracts. They seem to be getting involved in every aspect of the engagement."

"Our current contract includes a percentage year on year cost reduction. How does the concept of innovation and continuous improvement fit in with this?"

"Is there an expectation that continuous improvement means cost reduction and therefore our margins will be affected?"

"They are asking for unnecessary data/reports which are not required contractually and on which actions are rarely taken."

"They continually use the word 'supplier' when talking about us - it is not seen as a Partnership by them - and as such it is not the Partnership of equals - ironically they are losing out more by this approach to old fashioned 'supplier' bashing."

- **Inadequate opportunities for interaction**

"There needs to be more forward looking planning and joint engagement in all initiatives at various levels to ensure the alliance becomes stronger. However we don't have appropriate forums for this discussion to take place."

"We need to develop and implement a structure to support communication and aligned incentives."

"We expect our partner to push back rather than being willing to accept our poorly defined needs which result in weak solutions. We should define our requirements together."

"Our partner wants a collaborative relationship involving continuous improvement, innovation, joint problem solving and solution generation but they have not defined what any of these mean."

"We need to have open conversations about what 'good' looks like, what expectations we have of each other and what service we can afford or choose to pay for."

- **Closed communication culture**

"I believe our partnership can be improved with more open and honest conversations. At the moment this relationship is not a safe place to be open."

"There is a tele-conference etiquette where people just talk about problems without solving them."

"Communication is not good – changes are put out into the business without telling people or training."

"Nobody steps up and take the lead in ensuring that the partnership works. In the absence of that, the partners work together when they have to, but there is not a mutual trust environment in place".

"We need to track progress but differing attitudes to reporting and escalation lead to tension and suspicion."

Operations

- **We are expected to collaborate but the requirements haven't changed**

"We need to define, confirm and redefine expectations about the service."

"We sometimes try to second guess what they want and then we don't always succeed. At the operational level what's needed to meet SLAs is not always clear."

"We haven't got a good understanding of your business, its opportunities and issues, so we are unable to target innovation to create value effectively."

"They are good technically but their lack of understanding of business impact means that they don't react with a sense of urgency."

"Inappropriate performance measures that determine rewards are preventing us from delivering to expectations."

- **We are expected to collaborate but the organisation hasn't changed**

"The service delivery chain appears extended across multiple business units without 'end to end' responsibility/control."

"There are good relationships at individual level but I have not worked in an environment where there are so many third parties between myself and the client employee."

"Clearer responsibilities and accountabilities on their side would make it easier for us to engage, gather requirements and deliver on commitments."

- **We are all working harder but it doesn't feel right**

"Nobody could accuse them of not 'working hard enough'; but whether that is really effective can be questioned. They are astonishingly busy and have no programme. I don't think this is sustainable."

"There is opportunity for improvement if they could supply dedicated resources but this is not part of their day job. Our experience of them driving improvements and delivering projects is disappointing."

"There is suspicion on all sides regarding the relationship. This is fuelled by the customers approach to management (micro-management), and the supplier's unwillingness to be open in discussion. Both parties are contributing to the poor performance."

Conclusions

Two years into the relationship the board-level management was becoming disillusioned because benefits were not being realised.

It is surprising that organisations of this size can mismanage so completely a project to implement collaborative working. The lack of joint aims and objectives, compounded by continuing to manage the relationship along traditional commercial lines, resulted in confusion at the operations level. Staff reacted by working harder rather than jointly with the partners and, inadequate interactions stifled innovation. The missing message was that although collaboration starts at the top it must involve all participants in the relationship.

Enterprise Relationship Management is the management process for co-ordinating all the business activities that are essential to the success of a joint/multi-party endeavour. It involves the formal management of those aspects of a joint enterprise that contribute to bottom line success and is the key to successful collaboration.

IT In-house 2012-2013

Background

In this section we describe an outsourcing relationship between a major finance company and a global specialist IT company. It began some years ago as purchased services to augment staff and provide additional capability. It gradually transitioned over 3 years into fully managed services with responsibility for day-to-day IS operations. The performance of this relationship fell into the 'Successful Collaborators' category demonstrating highly co-operative, efficient, effective operations focussed on customer requirements.

Legacy situation

"They deliver good solid transactional performance - feed something in and you get something out for the right price and quality."

"The relationship has just ticked over without any depth at senior levels and culturally we haven't come together."

Articulating the message

"Not everybody in their organisation is aware of the new ways of working."

"We are missing a formal cascade for all contractors and organisations of the customer's business context and we rely on corridor conversations."

"We didn't realise that a different approach (offering options) could be up for discussion. If we had been given a bigger picture we could have been aware of this."

"Knowledge of what they are trying to achieve is becoming clearer due to more positive ways of working and involvement in the steering committee."

"The change in expectations due to business climate and growth has been articulated well in the last quarter and we can prepare ourselves for it."

"Their Senior Management has displayed openness and fairness at making the relationship between us mutually beneficial and successful. However the team on the ground does not display such ideals in the day to day activities. The ground reality seems to be a bit far from the objectives set above. It would be really great if their Senior Management steers the values down to the team members who are the daily touch points."

Prescription vs negotiation

"We think we're offering ideas, but the customer thinks it's just because they've asked."

"Customers don't like being sold irrelevant offers and we don't want to sound like we're selling so we don't do anything."

"I want options about delivery and commercial but we're not seeing a different offer."

"We are purposely trying to be open in our discussion to ensure the ask is clear, rather than just telling, and to give the opportunity to get solutions and price points to a helpful place."

New ways of working

"There is more openness to seek different ways of working rather than maintain the status quo. Our contribution is respected rather than previously thinking 'we know best'."

"They always encourage the ideas and initiatives and are very approachable. I would like to see improvements in resolving the issues rather than performing the post-mortems."

"They have risen to the challenge in a new approach to openly share and to solve (budgetary) problems together."

"Focusing on outcomes rather than outputs helps us to bring knowledge and capability without feeling we're 'not supposed to do this'."

"The partnership has delivered on the promise to run requirements to each other's satisfaction. The change in initiatives requires us to up the ante in the relationship and its governance for the new competencies and skills that are being expected from each other."

Governance

"Our contractual measures are designed purely around quality, nothing around cost and time to allow flexibility."

"The litmus test is performance on core levels without excessive resource from the customer. This gives us a strong foundation of trust."

"The current performance measures and governance are not bringing out all facets of expectation. We need to know what is important."

"On the whole I think there are best intentions on both sides. However, we need to be better at sharing information and aligning goals. We do get caught up in the commercial model and we need to look at our measures to ensure they encourage partnership not blame."

Relationship building

"We under invested in the relationship because other things were a priority. They didn't get the attention they deserved for doing a good job."

"It's a large relationship which has been built over time. We were there for the hard times and have built a good relationship. We're confident in each other."

"We are able to share our concerns openly with no hidden agendas or game playing, and issues are swiftly resolved to everyone's satisfaction."

The way we do things round here

"Cultural differences may be bringing in an element of difficulty in effective articulation of thoughts and viewpoints."

"We feel we are treated like Americans but we behave differently - we need to make cultural awareness a two way street."

"Culture may be a hindrance in building a strong relationship. For example whilst pubs and drinks are a great means of socialising in the UK, that's not the same in other countries; therefore, there is a need to actively create a forum or a social event that enables mutual participation to help seal the relationship."

"Our inherent culture is that we want to give good news rather than bad, so we try to fix a problem rather than flagging it early."

"We are less hierarchical and more networked in our culture than them, which requires a better understanding of how to build relationships with us."

Conclusions

As with many collaborative relationships this one grew over time out of a transactional arrangement. This was as a result of a conscious decision to move to a managed service. However it is clear that the full implications of the change were not considered and thus the new relationship did not develop smoothly. In particular they failed to understand fully the nature of the partnership and how best to manage it. This included the need to integrate into a single unit under the customer's 'roof'.

"Pure delivery (e.g. defined and nailed down specs) fit this relationship much better than vague, open scope and areas requiring analysis or thought leadership. Commercial agreements pre-planning phase on projects also currently require a false precision that leads to much work that will be re-done in planning anyway. We are always seeking answers before the phase that is specifically designed to tackle them."

"There is no strategic direction for where we want to take them; they just do more of the same each year. Also we struggle to get, or at least get visibility of, how they tap into their vast organisation that they have globally, to problem solve or bring additional expertise to our account."

Regardless of the initial difficulties a recent successful collaborative working pilot project indicated that they were learning and evolving together.

Public-Private 2011-2012

Background

This section describes 3 relatively new relationships participating in a Total Facilities Management (TFM) contract. Their aim was to generate cost savings and efficiencies within a large number of operational sites throughout the UK. Restructuring and staffing problems on all sides had delayed the implementation. The overall relationship performances are compared in the chart below and indicate that the partners were experiencing considerable difficulties in setting up and running the joint operations.
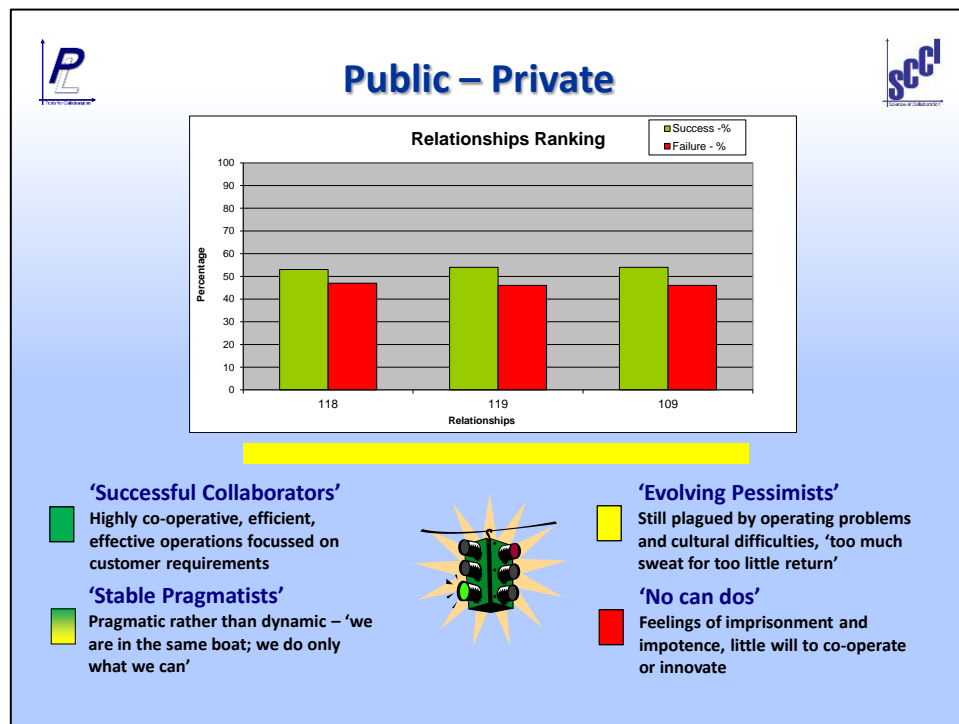
Service Delivery Management

"We are on the bend; gradually breaking through problems. More effort from the Supplier is needed to give us confidence we are not going to slip back."

"Service Delivery Managers have a substantial task and we expect them to be world class in maintenance and engineering, security, soft services and cleaning, customer services, the face of the organisation and to have a robust personality."

"I can't understand why Service Delivery Managers are so bogged down with guarding schedules and payroll. What is their Regional office doing? These tasks should be done centrally so much more efficiently."

"As committed as most are, the contract is under-resourced with Service Delivery Managers too overloaded, such that the quality of service they would like to give cannot possibly be achieved. Invariably he who shouts loudest gets his timely response whilst others wait."

"The organisation had no experience of FM prior to the beginning of the contract. Very few, if any, of the managers were qualified in the FM field. They have openly admitted this and we are expected to wait whilst they learn the job."

"We believe that a permanent Service Delivery Manager will be in post shortly. Up to now there has been a series of temporary staff. The lack of continuity has caused problems in the management of issues and poor communications."

Contract Understanding

"Their senior levels are not aware of the contract details and we are having to spend time explaining to them. We are also having to calm down irate staff whose expectations are beyond the contract."

"We have got them in to tell us what we are getting and where it is coming from. We discovered that some requirements were not covered. Also it had not been appreciated that there was diversity in our system. For example different requirements apply to different sites and, services to maintain listed buildings are not understood."

"Some policies and procedures are not being adhered to; not supervised, not documented, not happening. Some requirements have not been explained to the staff. Not enough time has been given to staff development/training and induction. Clarity of responsibility for who does what on site is non-existent."

"The contract is not yet realising the projected benefits. Change appears to be taking place in a piecemeal and reactive way, possibly in response to the localised nature of the business."

"It is apparent that many of the local and regional Supplier Managers have not read the bid or the specifications and this causes us frustration."

Process Management

"The service was always a problem but then we TUPE'd the staff with weak working practices. They have not been brought up to scratch. The service is still poor!"

"The Supplier had not assigned sufficient staff resources to the contract when it first came into effect and improvements in the service have been slow, and, in some cases, have lapsed after being put into effect."

"No one in the Supplier organisation has responsibility for jobs ensuring that they are monitored and progressed and so staff spend wasted time chasing up when it's not their job to do so."

"Clarity of responsibility for who does what on site is non-existent."

"I spend a lot of time chasing inaccurate information given and at times chasing holidays that have been booked but not covered, jobs completed but not closed. This is made worse when the Help Desk persists in closing tasks before the job is completed. "

"I spend more time now sorting out facilities problems that I did when I ran the operation myself."

"The processes are clear, available and staff have been trained. Staff are still not following the guidance."

"We are reviewing the management processes. The KPIs should ensure that in future standards are maintained locally without having to be escalated."

"The key to getting this relationship back on track is to concentrate on getting the fundamentals, the basic service, right. Instead knee jerk reactions and increased bureaucracy are running our staff ragged preventing them from learning and delivering the service. Blowing issues out of proportion is undermining trust of all parties."

"We were asked to review a new procedure. I contributed my ideas and expected the roll out to follow. Nothing has happened. I have had no feedback. I don't know if my ideas have been included."

Help Desk issues

"The Help Desk consistently fails to provide timely, accurate information about issues. It is impossible to get a straight answer when calling them. I'm not sure if it's process, training or both. Even I don't have a clear idea of how it's supposed to work; there is no guidance."

"The performance of the Help Desk causes many complaints. It takes too long for issues to be addressed and the response to out of hours calls has been poor or unobtainable. "

"Every minor issue is being logged and we are spending a lot of time responding to them. This may be necessary in short bursts but it leaves us no band-width for creative problem-solving and is corrosive and bad for morale."

Chaotic sub-contractor management

"Any problem requiring a quote because of cost or an ad-hoc nature, has to go through the Supplier's small projects team. This invariably delays the delivery of the end service e.g. it took six weeks to get a pest controller to visit. "

"Sub-contractors' are not closing the jobs down and we are having several visits for the same job. This lack of control is causing us to waste time and money."

"This managing of sub-contractors is a nightmare and we are haemorrhaging money as a result."

Communications and culture

"We have had a visit from a senior Help Desk Manager, a Regional Director and frequent visits from the on-site manager. At the working level understanding of who does what is growing."

"Changes to Help Desk procedures have been poorly communicated. We don't think our requirements are properly understood."

"They are focused on the numbers of cleaners who turn up rather than on the outcome that is delivered."

"Originally everything was managed internally and then it was it was taken from them so they felt threatened and the barriers went up from day one."

"A pilot project to up-skill some security guards to also act as handy-men has been led by our area and gone very well with the Service Delivery Managers managing customer expectations. Adoption by other regions has met some resistance. There are lots of management levels getting in the way."

"Senior managers recognise the need for a professional working relationship however this is not shared by some local teams. There are a few individuals on both sides who have not bought into the new type of contract."

Relationship Management

"I'm optimistic we are moving in the right direction. The relationship is getting better and we are getting better at doing it and managing expectations."

"Relationships are no longer adversarial and are pretty good these days. It is now accepted that we are part of their team. Due to the restructuring we have only recently been allowed to engage with the end customers."

"The client believes if they complain strongly this will increase resources whereas it is only affecting relationships negatively."

"There is a distinct visible barrier between the two organisations. There are many reasons that this has occurred in which both parties could be to blame."

Conclusions

The problems experienced in this relationship stem from inadequate attention from both parties to the Decision Phase:

- The chosen partner had no FM experience
- The chosen partner was not prepared for large scale, multi-site operations
- The chosen partner was under-resourced at both management and operating levels
- The customers were going through extensive re-structuring and were unprepared for a change of this size

- The customers had unrealistic expectations that TFM would bring substantial benefits from day one
- The customers had underestimated the level of cultural change needed
- The joint implementation plans were unrealistic and not effectively communicated
- There was no joint, skilled relationship management in place which could co-ordinate all those aspects of the enterprise that contributed to the achievement of value

In consequence the transition to the Operations Phase was chaotic. The strain of these failures eventually resulted in the termination of the contract at considerable reputational and financial cost to both sides. It is clear that a new collaborative enterprise needs to be carefully crafted, communicated and implemented in a measured way to create a workable structure that will enable the relationship to develop.

"It was evident as time went on the ability of the Supplier to deliver a fully functional TFM service in line with their bid and our specification was becoming a serious concern. This caused a risk to our business. Staff/union members working at our sites raised concerns."

Preparing for a New Relationship - 2004

Background

In this section we describe a newly formed consortium of five shareholders supplying technical and infrastructure services to a public sector organisation. The long-term contract was worth over £1bn per annum at that time. It employed over 6000 personnel including staff TUPE'd across from the client organisation. The overall relationship capability performance is shown in the chart below. It indicates that the members are not very confident in their ability to work together effectively.
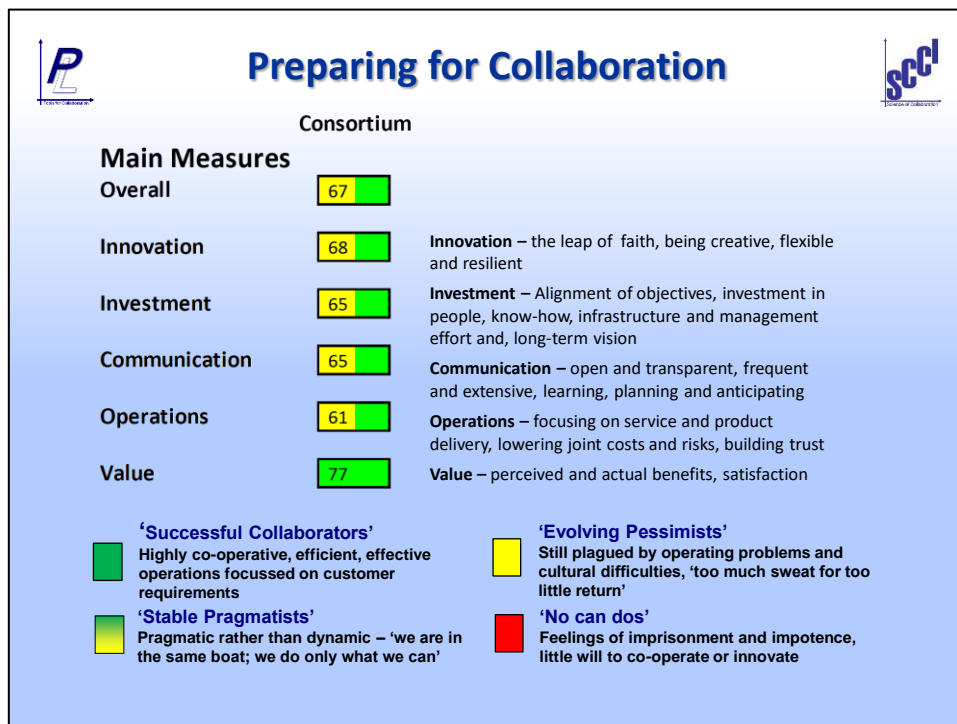
Commercial pains

"Both our customer and ourselves are still struggling in some areas to appreciate that our relationship is now governed by a contract."

"On some details there are tight contract controls; in others there are none."

"The client's Commercial Director has declared that his aim is to help us deliver our contract outputs. Unfortunately this does not always permeate down into his organisation."

"Our contracts are flexible and there is top level commitment to incentivised, workable arrangements. Maybe at the lower levels this does not reach the staff."

"People are wary of making decisions without detailed checking. They are concerned that they may do something counter to the contract."

"There is no easy alternative to the current commercial support structure. It's got to work!"

Unrealistic expectations and suspicion

"Overnight we went from being part of the client to being a private service provider. They thought this would be the panacea to solve all problems despite the old, inadequately funded infrastructure. Now they distrust us for failing to deliver their unrealistic expectations."

"Our client thinks we are a 'cash cow' and wants a part of it. They now realise we cut our 'fat' before the consortium was formed and are frustrated that the 'rich pickings' are not there for the taking. Moreover any benefits are going to the shareholders."

"I feel that our main client does not trust us and thinks we are out to make money at his expense. We need to educate them; trust is a two-way thing."

"The consortia management make decisions that give them profits today. They will not be around in 2-5 years' time to pick-up the pieces."

What are we trying to do?

"In order to move forward we need a customer strategy, we must map the interface with our partners, we need clear rules of engagement and, we need to measure how we are changing their perceptions."

"We are still going through birth pangs and therefore targets have not yet been broken down and made meaningful to staff."

"Accountabilities and interfaces with the management systems are still not clear leading to confusion on measurement and audit."

Shambolic organisation

"It's difficult to have confidence in our organisation where there is so much overlapping of responsibilities and duplication of effort. To add to the chaos each company is on a separate floor. You have to speak to 10 people to get the answer to a problem."

"We are patchy when it comes to resolving problems. I can't think of one we have satisfactorily resolved. We are a big organisation with confusing, multi-point contacts. Follow-up is only on a personal rather than a formal basis."

"Staff are working hard and are committed but they are frustrated that they are not working together and communicating effectively and are thus unable to deliver good outputs."

"Promises are not followed through. This gives us a poor reputation."

Afraid to communicate

"Although staff are keen to share information on performance and operations, they do not generally understand the 'commercial implications. Guidance is not always available, publicised or consistent."

"We fear and mistrust a shared data environment because it gives our main customer the opportunity to 'hit us over the head'. Our client is driven by a political agenda and has demonstrated this in the past."

"Staff are also afraid that shared data is a new unknown thing that might entail more work and there is a fear of exposing poor performance."

"The problem of communications is not helped by the client who employs a scatter-gun approach. They table the same question at different meetings until they hear the answer that suits them."

"We are not reliable and consistent. With so many people interacting in our overly complex organisation we get 'right hand, left hand' conflicting information problems."

Growing pains

"Staff are very willing to improve the way we work with our partners but changing the culture (the 'how') is much more difficult."

"Most staff come from a non-contractual environment and the culture change is taking time to happen. They don't seem to understand that we must make a profit. They have also not 'let go' of the 'old colleagues' way of working."

"Our main partner is used to a hands-on approach. It is still having difficulty in accepting that it must now work through us."

"There is no individual accountability culture."

Process and service delivery stumbling along

"We are going through a process of rationalising information handling and processing. We are faced with thousands of individual databases and huge resistance to change."

"The actual process of raising and sending an invoice is fine. However, we are not at all good at commissioning/formally completing projects. There are examples where faulty evidence on project completion was provided. When we were all one company it was easier. Our discipline and culture are not there yet."

"When we are talking safety and operational issues we are totally open and honest - even to the point of commercial embarrassment!"

"Many projects were established before the current contract and suffer from poor scope, clarity and acceptance criteria."

"We have a tendency to over-promise without appreciating what's required or the time and priority to do it."

"Old maintenance contracts are still in place and they are hindering our ability to deliver efficiently."

"Our dispute resolution procedures are very protracted."

Staff woes

"There are strong links between our TUPE'd staff and those in the client. Our people are very keen to work in a partnership way but this is not always reciprocated by the other side; their

behaviours are not so good. We need to bring both sides together in a facilitated way to appreciate the impacts of their behaviours on each other."

"We are now in the Private Sector and have recently introduced performance related pay schemes. There is still discontent between front-line staff and management because of the differences in its application."

"Staff are extremely willing and want to move forward. We have come out of the 'dark ages' but the process has not supported the staff on the way."

"Although our staff are very committed to their business partners this may be because they are working hard, not because they are producing the right outputs."

"Morale is not too good. Staff are frustrated that there are too many barriers in the way. Many are leaving."

"HR has always given us headaches. Filling vacancies can take forever and we have to employ agency staff to cover."

What Supply Chain partners?

"Our Supply Chain relationships are still developing. At the moment they still see us as being totally un-professional."

"We have a reasonable idea of what our customer wants and the public. We are not at all sure about our suppliers. There are probably difficulties and mismatches. We need to join up the whole supply chain."

"Our supply chain partners are very competitive organisations. Our people still don't know quite how to treat them."

"We have developed much process mapping covering interactions with the client. We still have some way to go with our supply chain partners."

Conclusions

This consortium never fully recovered from the lack of a clear, joint operating model in place at the start of the contract. The Decision Phase activity of exploring in detail how the partners would work together was missing. Its collaboration problems were further exacerbated by unrealistic expectations from the client and the resentful and un-co-operative behaviour of his staff. As a result the consortium consumed the majority of its resources trying to solve its numerous internal problems. It thus failed to work effectively with its supply chain members and the client partner. It is little wonder that performance suffered, serious errors occurred and it went into liquidation a few years later.

For Further information contact:
Telephone: +44 1 908 561892
Email: **sales@sccindex.com**
Website: **https://sccindex.com/**