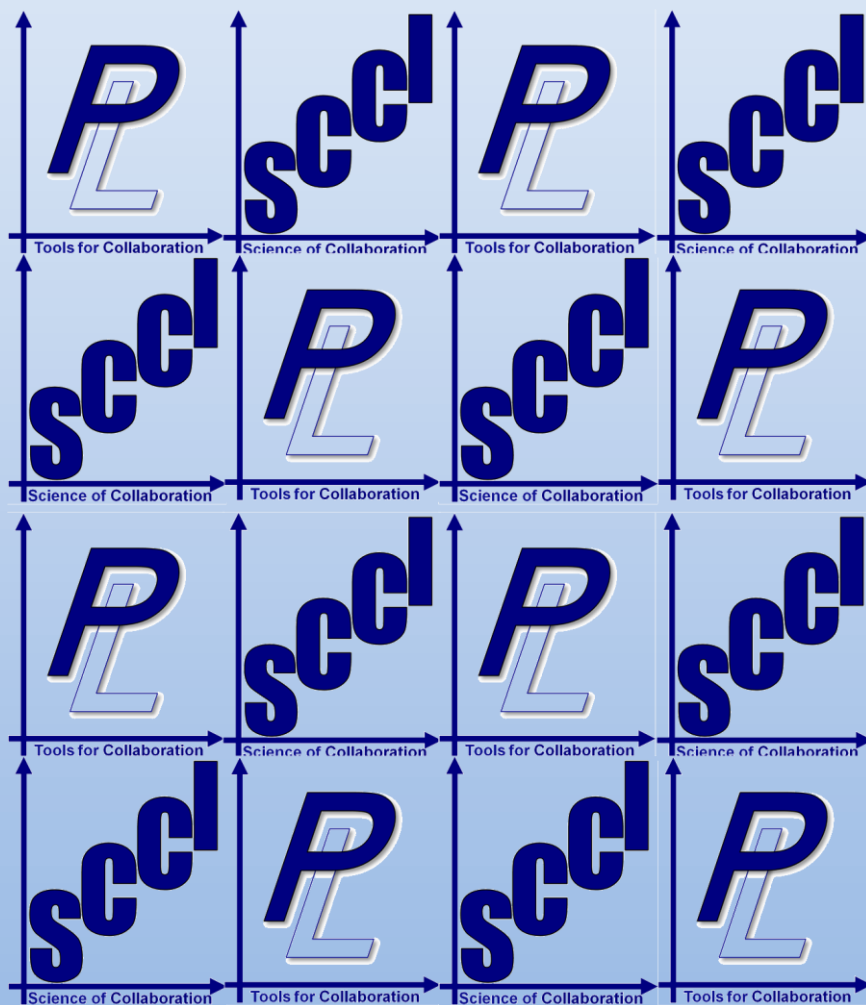


# Implementing Collaborative Partnering Using ERM and ISO 44001



Andrew Humphries & Linda McComie



Third Edition 2022

First published in Great Britain in April 2015 by Humphries and McComie.

Copyright Andrew Humphries and Linda McComie

The right of Andrew Humphries and Linda McComie to be identified as the authors of this work has been asserted by them in accordance with the Copyright, Designs and Patents Act 1988.

Every possible effort has been made to ensure that the information contained in this publication is accurate at the time of going to press and the authors cannot accept responsibility for any errors or omission, however caused. No responsibility for loss or damaged occasioned to any person acting, or refraining from action, as a result of the material in this publication can be accepted by the editors, publishers or any of the authors.

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopy, recording or otherwise, without prior written permission of the copyright owner. Nor can it be circulated in any form of binding or cover other than that in which it is published and without similar condition including this condition being imposed on a subsequent purchaser.

Published by

SCCI Ltd  
Milton Keynes, England

## **Implementing Collaborative Partnering Using ERM and ISO 44001**

*By Andrew Humphries & Linda McComie*

### **The Collaborative Landscape**

Recent changes in consumer behaviour have resulted in shorter cycle times and an ever increasing demand for sophisticated offerings. The competitive landscape has changed forever. Individual companies no longer have the depth or breadth of capabilities to operate successfully in these new markets. Instead their only option of gaining competitive advantage is by maximizing the strengths of a range of firms working together across the entire supply chain. In order to do this, companies must work together more closely, collaborating and partnering. If they are to be successful they must formally and actively manage these relationships. In our experience of working in the field of collaboration for over 15 years, we have observed that managers generally have great difficulty in creating and capturing the superior value that alliances are capable of delivering. Although they use the right terminology in practice management is fragmented. There is a failure to realise that collaborative relationships need to be managed in a holistic way. Managers need a structured approach which is consistent, efficient and most importantly, repeatable.

### **Enterprise Relationship Management (ERM)**

The Enterprise Relationship Management (ERM) framework developed by us, is a structure for co-ordinating all the business activities that are essential to the success of a joint/multi-party endeavour. It is comprised of formal organisational arrangements, both relational and contractual, that ensure all activities are jointly managed at all levels. It needs to be supported by an objective performance measurement system that allows creation of a clear, joint understanding amongst the partners and enables them to get things done to time, cost and quality. Moreover, it puts in place a management system that has the ability to always create and capture the maximum joint value possible within the relationship. Its success is dependent upon the commitment of dedicated resources but it will become a valuable capability in its own right as expertise grows in the management of complex inter-organisational relationships.

The key documentary system of the ERM is a Plan that keeps track of the alliance aims and objectives, contractual requirements, organisational arrangements, business processes, management activities, performance measurement and communications within the joint enterprise. The form of this system will vary depending on the size of the relationship but it will be visible to all and continuously updated. ERM is a fundamental approach to achieving effective relationship management and gaining the benefits of collaboration. Furthermore it will make conforming to the requirements of ISO 44001 easier to achieve. This formal approach to managing collaborative relationships is supported by the following components:

## **PartnerLink**

Our relationship appraisal tools are a core element of ERM, are scientifically based and have been proven in a very wide range of sectors and international settings. They measure the key drivers intrinsic to all business relationships regardless of the size of an organisation or the sector to which they belong. They are reliable indicators of joint relationship performance and the dynamics that under-pin effectiveness. In particular they high-light those aspects that affect efficiency, push up costs and prevent continuous improvement. They are thus the enablers for organisations wishing to build stronger, more effective collaborative relationships using the ISO 44001 standard. The table at Appendix A demonstrates where PartnerLink provides key functions in support of the Standard.

## **ISO 44001**

This is the standard for Collaborative Relationship Management launched in 2017. It provides a framework that aims to deliver improved quality, innovation, cost reduction and more efficient channels to market through better collaborative working. It allows both public and private organisations to improve existing partnering relationships and build new ones with the confidence that projected benefits will be realized. A significant element of the governance requirement is the need to measure relationship performance regularly.

## **ISO 44001 Assessment & ERM Phases**

If it is decided to use PartnerLink in tandem with ISO 44001, the project from the initiation of the assessment through certification to the long-term ERM phase is shown in Appendix B. The ISO 44001 assessment element seeks documented evidence of collaborative processes within the client organisation. In parallel a PartnerLink relationship appraisal for each significant alliance shows how effectively the partners are working together in practice. The PartnerLink output from this activity is a joint action plan and the development of relationship improvement projects that will go forward into the future. The ISO 44001 output is an implementation project to satisfy the requirements of the standard that takes account of the PartnerLink appraisal(s).

Following successful certification, regular performance measurement is a core requirement needed for compliance with ISO 44001 and ERM. PartnerLink satisfies these dual requirements. After 6 months it provides a high-level, joint performance appraisal report that enables relationship managers to monitor progress. At 12 months a more detailed appraisal is carried out to reveal continuous improvement opportunities. In addition improvements to the implementation and practice of ERM and collaborative leadership will be required. Further projects will address improvements to operations.

## Conclusion

The research and practical experience of SCCI Ltd add significantly to the understanding of what makes successful collaboration, regardless of organisation size. This is embodied in the ERM concept, a holistic relationship management framework. If PartnerLink tools are used on their own or in conjunction with ISO 44001 they will support organisations in implementing and institutionalising sound relationship management practices and processes. This will go some considerable way towards avoiding the pitfalls, the expense and heartache of being involved in a failed relationship which in the worst case could threaten the survival of the organisations.

## Further Reading:

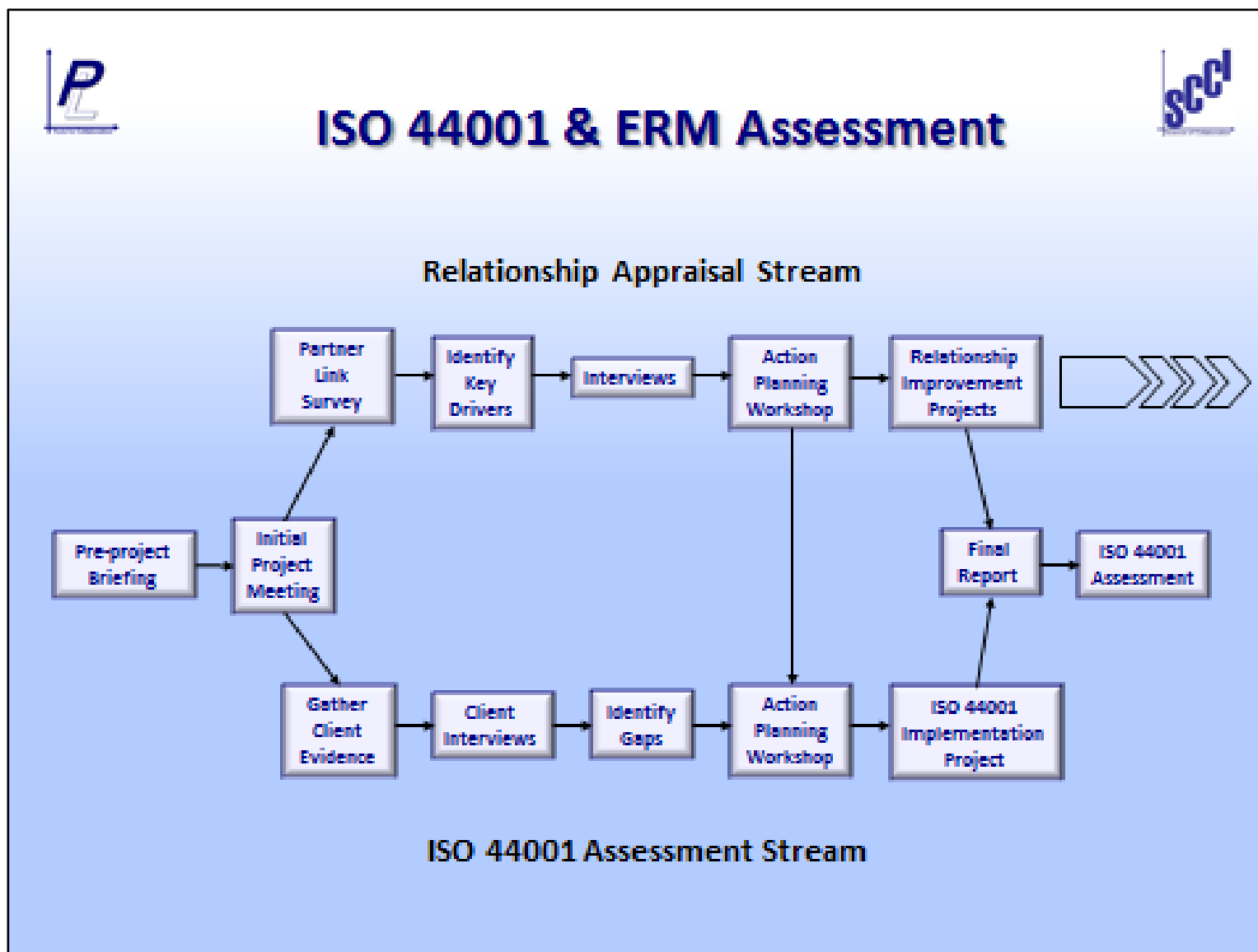
Andrew Humphries & Linda McComie (2022), **Implementing and Managing Collaborative Relationships – A Practical Guide for Managers**  
Routledge, New York, ISBN 978-1032-1173-86  
155 pages

## APPENDIX A

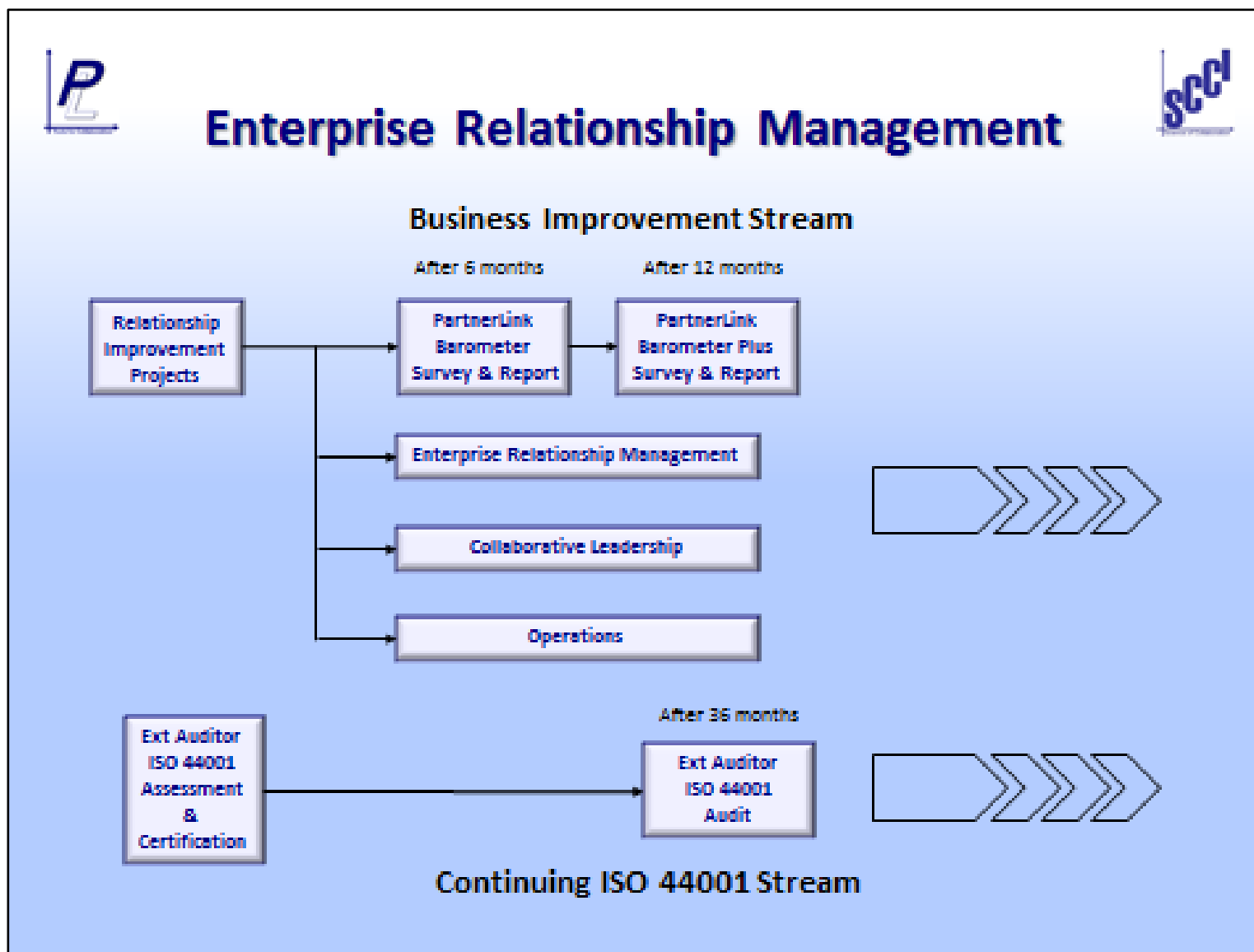
ISO 44001 Requirement	PartnerLink
<b>Clause 8.5 WORKING TOGETHER</b>	
Review the Joint objectives and establish effective measurements.	Provides standard measurements of relationship management performance as an essential component of collaborative governance.
Undertake a joint business process review.	Appraisal will produce a joint review of business processes already in place within the partnership and will identify strengths and weaknesses, and provide a performance benchmark.
Implement plans for delivery and performance against agreed objectives. Measure, monitor and regularly review to ensure performance is maintained.	Provides the focus for managing the joint enterprise (ERM). It sits above the detailed contract compliance activity. It provides a mechanism for monitoring and managing the overall performance of the relationship and its outputs.
Monitor and measure the effectiveness of the relationship.	Provides the focus for managing the joint enterprise. It sits above the detailed contract compliance activity. It provides a mechanism for monitoring and managing the overall performance of the relationship and its outputs.
Update relationship management plan to create a joint management platform.	Provides the critical inputs about the on-going state of the relationship and those activities that contribute to continuous improvement. Its metrics enable objective setting, change management and control of strategic direction. This is a key element of the Enterprise Relationship Management Plan.
<b>Clause 8.6 VALUE CREATION</b>	
Establish a process to ensure learning from experience.	The diagnostic permits feedback of current performance into continuous improvement process management. Periodic re-appraisal maintains forward momentum and institutionalises change. Management focus on the relationship is maintained at all levels.
<b>Clause 8.7 STAYING TOGETHER</b>	
Establish process to monitor and review performance in terms of outputs, risk, alignment, behaviours and trust.	PartnerLink focuses on key partnership performance drivers including innovation, operations, alignment and investment, communication, value capture and behavioural issues. Regular appraisals within a joint management framework will allow these factors to be monitored and managed.
ISO 44001 Requirement	PartnerLink

## APPENDIX A

ISO 44001 Requirement	PartnerLink
Implement appropriate measurement models to ensure the overall integrity and focus of the relationship.	Provides the focus for managing the joint enterprise. It sits above the detailed contract compliance activity. It provides a mechanism for monitoring and managing the overall performance of the relationship and its outputs within an appropriate joint governance framework.
Regularly monitor and review value creation and continual innovation.	PartnerLink focuses on key partnership performance drivers including value creation and capture and continual innovation. Regular appraisals within a joint management framework (ERM) will allow these factors to be monitored and managed.
Monitor issues related to behaviours and trust.	PartnerLink focuses on key partnership performance drivers including behavioural issues such as trust and commitment and, their implications for the partnership. Regular appraisals within a joint management framework will allow these factors to be monitored and managed.
Maintain a clear focus on delivering agreed performance by each party.	PartnerLink appraisals, metrics and diagnostics are centred on the performance of the collaborative relationship. By creating a management focus on the joint enterprise not only can agreed performance be maintained but also new opportunities can be exploited to enable the relationship to respond to change and to lead competitively.
<b>Clause 8.8 EXIT STRATEGY</b>	
Regularly evaluate changes in the organization, business environment, personnel and performance to assess their impact on the business relationship.	PartnerLink appraisals, metrics and diagnostics are centred on the performance of the collaborative relationship. By creating a management focus on the joint enterprise not only can agreed performance be maintained but also new opportunities can be exploited to enable the relationship to respond to change and to lead competitively. Where changes in the organization, business environment, personnel and performance are encountered that are beyond the capability of the partnership to deal with, sufficient warning time is provided to allow senior managers to plan an effective, joint exit strategy.
Assess operations and potential developments in key areas which could lead to the termination of the business relationship.	PartnerLink appraisals, metrics and diagnostics are centred on the performance of the collaborative relationship. By creating a management focus on the joint enterprise not only can agreed performance be maintained but also new opportunities can be exploited to enable the relationship to respond to change and to lead competitively. Where changes in the organization, operations and potential developments in key areas are encountered that are beyond the capability of the partnership to deal with, sufficient warning time is provided to allow senior managers to plan an effective, joint exit strategy.









**For Further information contact:**

Telephone: +44 1 908 561892

Email: [sales@sccindex.com](mailto:sales@sccindex.com)

Website: [www.sccindex.com](http://www.sccindex.com)