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MODEL
FOR
PARTNERING EXCELLENCE

Construction Industry Institute

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Model for Partnering Excellence

**Prepared by
The Construction Industry Institute
Partnering II Research Team**

**Research Summary 102-1
November 1996**

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The University of Texas at Austin.

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Printed in the United States of America.

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Executive Summary

Partnering, a subject of previous CII research, is often an integral factor in the successful delivery of a construction project. Partnering's value to the industry lies in its ability to utilize the inherent strengths of all partners for the common and individual good, to speed project completion while observing high standards of safety and integrity, and to strengthen the competitive edge of all partners by producing products that meet the customers' need. Partnering's bottom line: a construction industry process that strengthens both projects and partners, tightens schedules, safeguards quality, and enhances each partner's competitive edge.

The CII Partnering II Research Team has published a book that describes a partnering implementation process model, CII Implementation Resource 102-2, *Partnering ToolKit*. That publication presents five implementation phases for partnering, each having objectives and key success factors. The team also identified benchmarks that verify the benefits achievable through partnering in the areas of cost, schedule, safety, and quality.

The research team concluded that partnering can offer a competitive advantage for the U.S. construction industry. The team found six key factors in implementing and managing successful partnering relationships.

- Establishing Trust
- Getting Top Management's Support
- Establishing Win-Win Objectives
- Addressing Internal Barriers
- Getting Champion to Direct the Process
- Developing Measures, Linked to Objectives

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Introduction

Background

The CII Partnering II Research Team is a follow-up to the original CII Partnering Task Force, which published its findings in 1991. That effort concluded that *“existing relationships must continue to be successful and show measurable benefits, and a method of measuring the benefits of the broader application must be developed.”* Thus, CII established the Partnering II Research Team in early 1993 to measure the broad effects of partnering and to establish benchmarks related to partnering. Lacking such benchmarks, the Institute felt, partnering would reach only a fraction of its potential.

Although the original CII Partnering Task Force defined partnering as a multi-project approach, experience and recent research have shown that partnering’s trusting, synergistic approach to project planning and execution can be successfully utilized in a variety of settings. In fact, single projects in both the public and private sector exemplify successful partnering arrangements.

CII Special Publication 17-1, *In Search of Partnering Excellence*, details the findings of the work of the Partnering Task Force, chartered to study the feasibility of partnering in the construction industry. The task force’s objectives were to:

- identify the benefits and risks associated with partnering.
- provide guidelines to plan, organize, and select a partner.
- provide guidelines to implement a partnering relationship.

Partnering — What It Is

The original task force determined that partnering:

- is a proactive management process to integrate and optimize the services of each partner to best achieve their business objectives.
- is useful to improve response to changing business conditions, to improve quality and safety, to cut cost and schedule (cycle time), to build profit, and to strengthen use of resources.

The research team found three key ingredients present in nearly all successful partnering relationships:

- Leadership that, through faith in the process, continued to support partnering ideals in the midst of doubt and questioning.
- A situation where those involved adapted and accepted each respective manner of business with rewards tied to team accomplishments.
- A belief in the potential for win/win outcomes to grow from collaboration, and a willingness to pursue such joint gains.

This framework fostered a change in attitude from adversarial to cooperative, from self-centered to team focused and from win/lose to win/win.

Partnering — What It Isn't

The task force also determined that partnering:

- is not a legal entity.
- is not a quick fix for poor performance.
- is not a panacea.

However, factors inherent in a partnering relationship (i.e., teamwork, trust, communications, shared vision, integrity) are key to promoting mutually rewarding goals for the partnering relationship and to developing a “win-win” mentality for all involved.

Partnering — Three Crucial Issues

The task force's work helped define partnering relationships. It stopped short, however, of developing a process to use and manage partnering relationships. First, there was no simple, yet complete, process model to establish and manage a successful partnering relationship. Second, there was no clear set of metrics to measure the results from partnering relationships or to assess the ongoing performance and quality of the relationship. Third, little if any benchmark data existed.

Objectives and Methods

The Partnering II Research Team was established as a follow-up to the original CII Partnering Task Force. The research team was instructed by the CII Board of Advisors to study the findings of the original partnering research effort. The Board also established the Partnering II charter, which had the following three key objectives:

- Develop a set of metrics to assess the benefits of partnering.
- Determine partnering benchmarks for the construction industry.
- Identify key success factors for, as well as barriers to, effective implementation of partnering relationships.

The team met these objectives, studying both project-specific and long-term strategic alliances. Views and opinions were sought from both owners and contractors generally familiar with the partnering process. Contractors interviewed included architects/engineers, constructors, and construction managers. Most of those interviewed were from the heavy industrial and civil sectors. As a result, high-dollar projects were frequently studied.

Partnering Benchmarks

The potential for leveraging partnering relationships for competitive advantage is barely tapped, according to the study's findings. Even the best performers are not achieving world-class results in all performance areas. The research did reveal, however, some impressive results that could be classified as benchmark or "best in class" (see Table 1).

Table 1. Benchmark (Best of Class) Results:
Partnering vs. Traditional Construction

Category	Result Area	Results
Cost	Total Project Cost (TPC) Construction Administration Marketing Engineering Value Engineering Claims (% of TPC) Profitability	10% reduction 24% reduction 50% reduction \$10 per hour reduction 337% increase 87% reduction 25% increase
Schedule	Overall Project Schedule Changes Schedule Compliance	20% reduction 48% reduction Increased from 85% to 100%
Safety	Hours without lost time accidents Lost work days No. of Dr. cases Safety rating	3 million vs. 48,000 industry standard 4 vs. 6.8 industry standard 74% reduction 5% of national average
Quality	Rework Change orders Direct work rate	50% reduction 80% reduction 42% increase
Claims	Number of claims Projects with claims	83% reduction 68% reduction
Other	Job satisfaction	30% improvement