

Resource type: Project 13

Project 13 Commercial Handbook – commercial strategy

The *Project 13 Commercial Handbook* goes into detail on the suitable commercial model for a high-performing enterprise, covering the principles of the commercial approach and the four steps to developing commercial strategy.

	Who is involved	Process	Outcome
1. Establishing a performance baseline	Owner Investor	Agree a definition of value considering benefits, performance, capital and whole life costs. Use this to set up fair and consistent performance measurement across the enterprise throughout the lifecycle.	Demonstrate 'value for money' on delivery of outcomes not just lowest price tendering. Increased alignment of procurement with customer needs.
2. Selecting the right enterprise partners	Owner Integrator Supplier Advisor	Selecting partners based on their ability to improve the outcomes using the performance baseline. Evaluating suppliers against the outcomes in the performance baseline including capabilities and behaviours in the selection process.	Elevates suppliers who have influence on outcomes (not just volume of spend) to enterprise/ programme board level. Supply chain has the capability to shape the scheme during programme development and add value at the early stages.
3. Linking the risk profile to reward mechanisms	Owner Investor Integrator Supplier Advisor	Incentivising all partners to collaborate to maximise outcomes and mitigate risks through programme level incentives. Encourages a long term approach to investing in new ways of working and technology.	Encourages collaborative risk mitigation giving increased delivery confidence and better outcomes for programme. Links opportunity to innovate with rewards for innovating.
4. Contracting to support the enterprise	Owner Integrator Supplier Advisor	Select and apply the correct contract to support the delivery of the performance baseline.	Consistent contract conditions across the enterprise. Contracts drafted to support the commercial strategy not undermine it with additional clauses.