

Resource type: Project 13

Organisational innovations

This transcript reflects discussion that took place during workshops held by the Project 13 Capable Owner workstream as part of research to understand what organisational innovations are necessary to enable client organisations to become Capable Owners.

What organisational innovations did you make in order to move from a traditional client to intelligent client organisation?

Focused on building relationships between the client and suppliers by for example, developing people in industry who “could talk on both sides of the fence” about shared objectives. The NEC contract was a mechanism for this and relational-based contracting has helped increase the confidence of the client in the supply chain as they demonstrate delivery. This willingness to talk openly allows the client and suppliers to align objectives, develop trust and start to shift focus. Ultimately clients need to enable suppliers to “have some skin in the game”.

Alignment of the right people to develop relationships and trust to solve problems jointly is crucial, as is understanding the value chains of the business and the capabilities required to deliver on that value. This provides clarity on strategy and planning. There also needs to be recognition that business and leadership capabilities and competencies, rather than the traditional project management capabilities, are needed.

What organisational innovations do you need to make to move from intelligent client to Capable Owner?

Recognition, awareness, and willingness of the need to change are paramount. There needs to be an understanding of what needs to change, how much, plus a realism about what is the best that can be aspired to.

There must be a real understanding of the strategic intent of the business. The traditional client might just say bring me innovation, whereas the Capable Owner is very specific about the problem statement and where they need the innovation to come from. The environment and culture is the enabler, but this must be created and supported. The outcomes are achieved through the different elements of the organisation coming together to think through what they can do to make stated requirements come to life. It is something embedded in the business; setting the challenge clearly to the organisation and having clarity about what the ultimate outcome is.

Clarity on the meaning of ‘value’ needs to be provided along with insurance that there is understanding about the need to shift thinking from outputs to outcomes. The ability to ask the right questions, focusing on the customer and societal outcomes in the right way enables completely different solutions. The Capable Owner needs to understand how things are going to run over the lifetime of the asset and understand how any innovation is going to be integrated into a physical asset.

There is a need to capture and share learning from failure. It is relatively straight forward to share and promote success stories. The challenge is to be willing and open to share failure and disaster stories across a range of issues including health and safety, procurement, leadership and team dynamics that go beyond the organisational boundary. Once the benefit and value of this is understood, people are more willing to share and learn from experiences. There is a fear of failure in the infrastructure sector and the lessons learnt on failure are not shared. It is completely different in aerospace for example, where people go out of their way

to make sure no one else makes the same mistake they made. A point made throughout this process is that the lessons which could be taught from disasters are very valuable.

Sophisticated stakeholder management to balance competing demands more effectively is a necessity for a Capable Owner. Knowledge of constraints at the start of relationships is important rather than discovering them further down the line.

Capable Owners must break the practice of recruitment in one's own self-image and recognise diversity in talent. It is not necessary for someone to have a project management or construction background to work in the industry. How recruiting managers appreciate and value diversity is something that must be thought about carefully, especially in how positions are advertised. A Capable Owner should adopt a mindset which seeks diverse people and those disruptive thinkers who will take innovations and apply them. Some people who might be a good fit for certain clients just can't tick the box when it comes to experience. It can be difficult to incorporate people who can bring in new ideas or something different.

Capable Owners provide clarity in terms of expectations from the framework providers in terms of what they want from a person, how they think, what they are going to contribute and what the business needs from them are. The framework provider is actually then responsible for providing the quality of skills.

Creation of an environment and culture where people have enough time and space to think creatively and innovatively while they are doing their normal job rather than defining new roles is key. The idea is to provide the opportunities to do things differently so that new ideas are applied with the aim of delivering value. The focus of the Capable Owner should be more on outcomes than on the innovation. There is also recognition that there need to be mechanisms for transmitting and communicating new ideas into practical and meaningful contributions which other actors, including clients who often demand innovation, can adopt.

In creating an open environment Capable Owners should also think about individuals and their roles. It is important to recognise that not everyone can be an innovator.

Summary

Organisational innovations play an important role in the transition from an intelligent client to a Capable Owner organisation. A Capable Owner is an innovative owner and organisational leaders and teams have a role in identifying the need for innovation, promoting and developing innovation and creating and facilitating an environment which allows employees to understand, develop and contribute their ideas more effectively.