

Integration & Collaborative Working: Winner 2016

Commercial Directors' Forum



Judges comments

The judges found the whole Network Rail approach refreshing, especially in such a challenging environment. The Commercial Directors' Forum brings together some of the most innovative minds in the industry and creates space for the collaborative development of solutions and opportunities to positively change the dynamics of the industry.

For more information about the Commercial Directors' Forum contact:

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In 2011, Network Rail's Infrastructure Projects division embarked on a programme to transform supplier relations. As a supplier-dependent business with over 70% of its funding spent externally, they needed to enable faster and safer delivery of projects at better value. The crucible for driving this change was the establishment of the National Commercial Directors' Forum (CDF) comprising key suppliers and industry stakeholders. The Forum is a platform for innovation and leading-edge thinking while also being an environment of openness and trust. Its purpose is to promote collaborative working throughout the supply chain and tackle industry issues in a collaborative way whilst delivering demonstrable results.

Membership of the National CDF includes Commercial Directors from nearly 50 organisations, chosen for their appetite to make an active contribution and bring influence to driving industry change. Building on the success and strength of the National CDF a Regional CDF model has also been developed, whereby the majority of delegates are drawn from the Tier 2 community to replicate the engagement and address common themes. The CDF is also recognised as a key forum for Network Rail to share its strategic direction, collective progress, plans for investments and to identify the impact of and opportunities for innovation.

Actions:

- Engaged with the biggest construction and engineering companies operating in Britain.
- Created regional CDFs.
- Delegates instrumental in identifying issues, priorities and collectively working towards and deploying solutions.
- Established nine key Working Groups: Design review, Dispute avoidance, Defining allowable costs & fees, Procuring for safety, Workbank visibility, Making collaboration work, Change Management and Control, Turning commitments into BAU, Tomorrow's Talent Today.
- Each working group agreed four aims and a defined list of CDF members, each of whom has committed to active participation throughout the year to develop, syndicate and if ratified, deploy the outputs to industry. This approach is replicated in the Regional CDFs with the Tier 2 community.
- Over 70 delegates attended regularly – both at the CDF's and via the on-going working groups.
- Commitment secured through a concept that 'the price of participation, is participation'.

Results:

- Industry improvements include:
 - Industry 'firsts':**
 - A rail sector Fair Payment Charter.
 - A rail sector Sustainability Charter.
 - Standard 5% tender weighting for Sustainability.
 - BS 11000 certification for collaborative working.
 - Payment terms – reduced from 56 to 21 days.
 - Removal of 3% retentions.
 - Improved assessment of safety competencies at tender.
- Structured improvements to supplier engagement and enablement process (PRISM).
- Creation of alliances, frameworks and the deployment of NEC3 and other collaborative contract forms.
- Development of a consistent framework for collaborative behaviours.
- Improved engagement with Tier 2 suppliers through Regional CDFs.

Lessons learned/recommendations:

Andy Dixon – Commercial Director Costain
"The CDF vision is authentically about improving the industry. CDF has never been about Network Rail and I think that the absolute core of its success comes from that very clear foundation, which is truly felt by all those who willingly participate. Through Stephen Blakey's leadership we have an unprecedented room full of influencers and decision makers who think about commercial issues at an industry level and are motivated to improve things for all."

Andrew English – Commercial Director, Skanska
"No other client organisation has pushed the collaboration agenda directly with its supply chain more than Network Rail has with the CDF."

