

## Mining Mavericks – Roundtable Discussion: Collaboration and Partnering

### Discussion Overview & Debrief of Major Topics/Themes

#### 1.0 Introduction

The Mavericks were honored and thankful to be joined this month by [Debra Mashek, PhD](#) who has committed her career to leveraging her expertise in the psychology of relationships to facilitate collaborative action.

As expected, the Mavericks panel and our guest delved into some very interesting topics and experiences centered around the themes of partnering and collaboration, and the insight from a professional third party looking in to the industry helped us all to understand a little bit better as to why we do things the way we do, and how we might be able to do some of those things better going forward.

As keeping with past Roundtable Discussions, we ran a poll prior to this conversation wherein we asked the question: *What is the most important factor in collaboration?*

Not surprising to the Mavericks, the results came back showing that 60% of respondents thought a high level of trust was the most important factor, followed by sharing of risks and rewards (21%), shared resources (12%), and information exchange (7%).

So why is it that trust resonates so loudly throughout the industry?

#### 2.0 Conceptual Findings

Dr. Mashek led us off in the discussion sharing her findings and teachings on Critical Capacities to Support Inter-Organizational Collaboration, and specifically the Collaboration Continuum.

The Collaboration Continuum defines the full spectrum of collaboration, from little to full collaboration, as follows: **Immuring → Networking → Coordinating → Cooperating → Collaborating → Integrating.**

As defined, collaborating is the first range in the spectrum where organizations are actually learning from each other and enhancing each other's capacity. An underlying and core concept in this spectrum is, as you move from less to more collaboration, more trust is required.

Dr. Mashek also shared with us the five ways in which collaboration typically falters. Generally, collaboration falters when one or more of the following components is lacking: Vision, Incentives, Skills, Resources, and/or a Plan. It is worth noting the difference between having a Vision (shared idea of success) and having a Plan (how to execute, and how it will be achieved).

Symptoms which can be observed when any of these components are missing were shared as follows:

- Lack of a clear **Vision** will cause **Confusion**,
- Lack of good **Incentives** will cause **Resistance**,
- Lack of required **Skills** will cause **Anxiety**,
- Lack of required **Resources** will cause **Frustration**, and
- Lack of a well-defined **Plan** will cause the **Treadmill** effect.

What we learned is it is critical to design each of these five components into an inter-organizational work plan, and to regularly assess the health of each of these components throughout the entire effort, keeping an eye out for the typical "symptoms" when the collaboration might start to falter.

So how do these concepts fit into partnerships, both good and bad, within the industry? More importantly, how can we utilize these teachings to better our chances for success?

### 3.0 Application in the Mining Industry

The Mavericks are no strangers to collaboration. Partnering in our industry is paramount, and in many cases, what can make or break a project. The experiences shared demonstrate exactly that.

One aspect that was discussed right away is the longevity of projects, the long-term relationships required to execute them, and also the changing dynamics of the project from one stage to the next. What was derived from this, is the elements required for collaboration are not static; different skills and resources are required for concept design as they are for execution, the vision and plan for a project will likely evolve as it becomes more defined.

This is not an anomaly, or a counter-argument to the teachings, but rather a reminder that we need to be constantly assessing the health of each element, and working to keep them optimized through each phase of the relationship and the project. Understanding what those elements are already gives us a great advantage in this care-taking effort.

One Maverick then focused in on the element of vision, and how this might evolve through a project. He pointed out the difference between *implicit* and *explicit* vision. Good leaders regularly share a clear, consistent and complete vision with their team. This eliminates confusion, and more importantly, builds trust with the team.

It was pointed out through the course of our conversation that one element, one pillar to successful collaboration, that may have been missing from the five elements is leadership. From a business perspective, it is really the leadership that needs to drive the five components. Good leaders understand those components, and focus their efforts on making each one successful so the partnership can thrive.

Discussing the incentive component in particular, one Maverick hinted specifically at the need to understand *what* incentivizes each partnering organization. Owners and contractors regularly have different incentives (though with many overlapping areas), and unless the parties understand exactly what those are, it is challenging to structure the incentive plan so that all parties' needs are being met. This also requires a high level of trust: I am going to tell you what I need and want out of this project, and you need to trust that I am not just trying to pad my pockets.

As we have discussed previously with various Mavericks panels, owners in the industry typically do not trust in contractors' ability to execute projects on time and within budget. In addition to this, owners are generally not great at incentivizing their contractors, and try to transfer much risk to them. These are two conflicting points, and the Mavericks strongly believe that owners have to invest in the contractors if they expect them to have strong recruiting, training, and retention programs. This is the win-win scenario in the industry.

A particularly interesting note made, was that collaboration is unnatural for two organizations. We typically set up our organization with the systems, processes, and tools to execute work. Integrating two organizations, and their systems, processes, and tools, requires adaptation. It requires a methodical plan as to how to make them work together. Once again, this requires absolute trust that both parties are making changes for the benefit of the whole. It further requires adequate support from leadership on both sides to make sure the integration has a vision, and is empowered and ultimately successful in achieving the vision.

One Maverick stated that many organizations do not fully understand what collaboration means; they over-simplify it as a concept. This presents a challenge, particularly if the leaders tasked with setting up a partnership do not understand the necessary ingredients, or do not know how to properly diagnose a faltering partnership.

### 4.0 Collaborative Contracting

Collaboration is complex and challenging. Partnerships in the industry typically start with a contract. During our conversation, a Maverick gave examples of how the contract oftentimes presents additional challenges to the collaborating effort. Specific examples given included minimal front-end alignment (lacking vision), poorly defined scopes of work (lacking a plan), over-burdensome risk transfer and/or penalties (lacking incentive).

Worse yet, these negative principles are written in ink at the very onset of the partnership.

The Mavericks see that owners in the industry today have a lack of trust in contractors' ability to deliver projects. Rather than trying to understand and resolve the challenges, the owners are just "papering up" to protect themselves from the risk. This solves nothing, and sets up an adversarial relationship.

Further to this, what we have seen in the industry is those responsible for executing the project are often in the back seat, and legal and commercial teams are driving the contract (driving the very establishment of the partnership).

It begs the question, if we cannot setup a contract to properly demonstrate the collaborative partnership as desired to execute a project together, then how do we in execution of the project overcome these clear symptoms of a negative partnership when they are written into the governing document of that partnership?

We believe one answer is a different way to industrial contracting: collaborative contracting. We believe the pillars of trust and collaboration should be built right into the document that defines that partnership. We further believe the vision for collaborative partnering needs to be established well before the legalese.

Partnerships need to be rooted in trust. Once this core philosophy is established, then leadership needs to have the understanding of those critical elements required to nourish the partnership, and the commitment to build on them.

It was discussed that one method for establishing trust is to not formalize a partnership too early. If the partnership starts with a lengthy legal document riddled with risks and penalties, generally the trust is eroded immediately. Instead, we could be building the core principles of successful collaboration as the first concepts to establish in the partnership: vision, incentives, skills, resources, and a plan. These are the backbone to a collaborative contract.

## **5.0 Conclusion**

While the entire industry seems to be continuing down the path of litigious positioning, extreme risk transfer, and disincentivizing partner models, the Mavericks see a better way to work together in the industry. This is comforting, because there is no second option; we can't just *not* work together.

The idea is simple: establish healthy partnerships where everybody shares in the success of a project. Have a clearly defined vision where shared success is one of the objectives. Incentivize the parties to reach the shared end-goal. Then together build the skills, resources, and a plan to execute that vision.

The Mavericks agree, this should not be an industry wherein just one party wins, and the other party loses. Since we must work together, we should ensure that we are actually working together, and not against each other. Understanding the principles of partnering and collaboration must be the road map we follow.

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*Do you want to be an industry insider, and see what other leaders think about the challenges you encounter? We talk about the issues, so we can develop solutions and build better projects. It doesn't have to be so hard. Connect with me to learn what other leaders are doing to manage the challenges you are facing.*

Many thanks, and much appreciated.

Jason Fearnow, Founder & CEO – Prime Contract Solutions