

Achieving Innovation through Collaboration

Innovation in construction can mean a number of things, from implementing new ways to manage a project to utilising cutting edge materials. But whatever the focus, success can only be achieved with the correct approach and dedication from those involved.

The use of innovative techniques and technologies, including MMC and digital tools, has the potential to improve productivity, deliver efficiency and help the industry to minimise the impact of long-term challenges such as skills shortages, an aging workforce, rising costs and the drive for sustainability. Our recent research report *Transforming Construction* looks at the factors driving change in our industry and found that efficiency improvements, quality control, and improved project control were the top three reasons why businesses in construction are adopting digital technologies.

However, there are often barriers to innovative practices being adopted. The construction industry is often understandably risk averse and there is always a lower risk associated with using tried and tested technologies, materials and approaches to construction. But as the saying goes 'change nothing and nothing changes'. Objectives such as greater productivity, lower costs and improved sustainability can often only be achieved by doing something new.



One of the most important factors in innovating successfully is collaboration, especially when facilitated by collaborative contracts, such as those in the NEC suite of contracts. The benefits of greater combined knowledge and experience that cross-party cooperation brings means that any issues or challenges with the new approach are more likely to be identified quickly and a solution found using the team's collective expertise. This was also backed up by the findings of our research, with 82% of the industry professionals surveyed saying the use of collaborative contracts enables greater innovation.

This sharing of knowledge is just one of the ways that adopting collaborative contracts can support innovation. The use of a specific innovation or the desire from the client to do things differently, ideally needs to be embedded into the project from the earliest stages to maximise the benefits and opportunities for success. While this can be incorporated into the project tender and selection criteria for project partners, this can also be supported and facilitated by the right contract and clauses. For example, the NEC4 optional clause X22 enables early contractor involvement (ECI) through a two-stage process. Bringing contractors in at the design phase can help determine what is and is not possible and ensure that their knowledge of the intended materials, techniques or technologies feeds into the design. Similarly, on larger multi-phase projects, collaborative alliance contracts, such as the Framework Alliance Contract (FAC-1), can enable early cooperation and create the shared risk and reward culture that enables successful innovation.

There are also other ways that clients can encourage innovation on projects through the contract. Clause 16 of the NEC4 contract deals with Contractors Proposals and includes a provision for contractors to make value engineering suggestions to reduce costs. Unlike with other forms of contract, the contractor can be incentivised to do so as, through the terms of this clause, it shares in the savings achieved through a 'value engineering percentage'. Additionally, optional clauses such as X21 – whole life cost – enables contractors to suggest changes that will reduce the cost of operating or maintaining an asset.



Ultimately, innovation requires a project culture to be developed that supports it. This must be established by the client and embraced by all the delivery partners. This includes leadership from within the client organisation, such as finding champions to push the new techniques and technologies. There must also be a tolerance for the challenges associated with any innovative approach, as true innovation is rarely achieved without some issues that must be overcome. Learning from these lessons sets the groundwork for future project success.

Innovation in its varied forms is often crucial to achieving the requirements of modern construction and infrastructure projects. Adopting the correct mindset, building a supportive culture and utilising contracts that facilitate and even encourage clients and suppliers to look at doing things differently are all essential factors in achieving success.