



# INNOVATION



KIAH  
CONSULTING

## Snap shot

### Context

Government client seeking to establish an unorthodox public-private sector collaboration.

### Objective

To provide a safe place for client and industry participants to rapidly establish cross-company teams for the accelerated adoption and innovative use of technology to deliver near-term outcomes. Essentially a think-tank with the added complication of industry participants sharing IP and know-how to deliver the best solution for the client.

### Kiah approach

A high-calibre team, progressive, tailored engagement and facilitation coupled with ongoing courage and support of industry and client advocates.

## RAPID PROGRAM ESTABLISHMENT

### A government client seeking to establish a vanguard public-private sector collaborative organisation.

The organisation's objective—to provide a safe place for industry participants and the client to rapidly establish cross-company teams for the accelerated adoption and innovative use of technology to deliver near-term outcomes.

Essentially a think-tank with the added complication that industry participants needed to transgress competitive boundaries to share intellectual property and know-how in the pursuit of the best solution for the client.

Six major Australian and multinational integrators were invited by the client to propose how they would establish and operate such a facility.

The selected company proposed a three-month scoping study to refine the concept and establish the operating model. This was to be collaboratively developed and endorsed by representatives of the original bidders and independently facilitated.

Kiah was invited to facilitate—not an insignificant challenge. With vested interests and competitive natures, all but one of the participants felt slighted that they had not been invited to establish the program.

Worldwide, only one other program like this was known to operate, and it was based on a prime contractor engaging participants as sub-contractors. The competitiveness and distrust between the parties, and their relatively equal position in the Australian market, saw this model rejected outright by all but one of the participants.

A scoping study explored models adopted by national and international collaborative research organisations and think-tanks, none of which provided an answer. Adopting a principle-based approach to test options and objections,

facilitated workshops sought to break free of the natural competitiveness and focus on the desired outcome. Individual objections were explored and the needs of each participant addressed.

The agreed solution was the establishment of an organisation:

- ▶ governed by an independent board
- ▶ staffed through balanced secondment by the participants
- ▶ baseline funded by the public sector client to avoid competitive marketing behaviours and the threat of power imbalance from large players.

Tasks would be prioritised by the client but managed independently by the organisation. A base level of activity would be centrally funded but most tasks would require user funding, ensuring that the organisation remained relevant to the client organisation as a whole.

The scoping study met the objective of establishing an organisation that developed its own processes for task management, and brought to the government client the incisive and pragmatic commercial approach to rapidly identifying solutions.

Initially led by a commercial secondee, the organisation would focus on solution design and be precluded from implementation, at least in the early years, allowing that process to follow normal and competitive acquisition processes thereby avoiding threats to participant revenue.

It was recognised that a unique contracting structure would be required to allow and encourage wide participation from large and small companies, facilitating sharing but protecting IP in the collaborative environment, and dealing with liability issues where no single participant was responsible for solution design.

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## RAPID PROGRAM ESTABLISHMENT

Non-negotiable contracts were established and all participants were required to become a signatory to a common contract, regardless of size or country of origin.

The board, governance and process models had to ensure fairness and transparency, and be sustainable from an initial membership of six to, what was envisaged as, a wide congress.

Kiah was invited to lead the establishment of the program, supported by a small, core team seconded from the original study participants, and overseen by a steering committee of senior executives from the same organisations.

Among other things, Kiah was responsible for negotiating sustainable contracts to give form to the organisation, establish governance and processes, conduct initial market engagement, source facilities and equipment and facilitate recruitment of initial staff including the first general manager. A nine-month deadline was set.

The core team consisted of Kiah, two company secondees and two support staff from the client. One secondee was responsible for industry engagement, and the other for leading the development of the processes. Others were brought in to participate in workshops and reviews as required. Fortunately, participating companies provided the highest calibre of secondees.

Not only was the task immense, there was significant passive and active resistance from the client organisation where the unique collaboration with industry severely tested the traditional engagement and contracting models.

On several occasions the team was directed to stop work while internal issues were resolved. In one instance the team was locked out of their work environment and their companies advised that they would not be paid.

Thankfully the public sector advocate was passionate about the opportunity the program presented. Senior level engagement and support was essential to the continuation.

The participating companies also bore the risk of continuing at their own cost and provided immense support to their secondees. This support allowed the core team to succeed in establishing a very complex and challenging program in an extremely short timeframe. Following establishment, there was a significant attempt to terminate the program through an external audit. It was unsuccessful.

The program continues today, largely unchanged in structure. In five years it has grown from five to some 183 industry and academic participants, undertaking around 20 tasks a year. The program recently received an international award for its contribution.

The contracting complexity, breadth of stakeholder engagement and the internal resistance made this a particularly challenging task. A high-calibre team, pioneering engagement, tailored facilitation, and the courage and constant support of the industry and client advocates were essential ingredients to success. 