



“Estimating for Collaboration & Partnerships”



Cost Estimating
PD Finance



SCAF Workshop

“Estimating for Collaboration & Partnerships”

Tuesday 7th June 2011

Bob Mills

When Paul Baguley asked me if I'd do something for this workshop my 1st reaction was what do I know about this workshops theme?

What do we mean by 'Collaboration and Partnership'?

I'd like if I can to explore the theme for this workshop for a couple of minutes.



“Defence collaboration is seen to be one method to lessen the impact of defence budget constraints on national equipment programmes. Ideally they are seen to be a method of sharing development costs and reducing the unit price of equipment’s by manufacturing greater numbers. But disadvantages also exist. In today’s economic climate defence budgets are squeezed and collaboration can be expected to be more frequent, not only in equipment acquisition but also in operational capability as demonstrated by the recent Anglo – French defence pact in which it has been agreed to share aircraft carriers and synchronise nuclear submarine patrols.

Developing sound methods for estimating the costs of collaboration and partnering is essential if realistic budgets are to be produced at the outset. And then there is the Rule of Thumb { } with no known provenance.

The workshop will provide an insight into the effective estimating for and issues associated with developing beneficial collaborative relationships.”



The 1st part of this workshops theme brief,

“Defence collaboration is seen to be one method to lessen the impact of defence budget constraints on national equipment programmes. Ideally they are seen to be a method of sharing development costs and reducing the unit price of equipment’s by manufacturing greater numbers. But disadvantages also exist. In today’s economic climate defence budgets are squeezed and collaboration can be expected to be more frequent, not only in equipment acquisition but also in operational capability as demonstrated by the recent Anglo – French defence pact in which it has been agreed to share aircraft carriers and synchronise nuclear submarine patrols.”

is a statement about what we hope to achieve through Collaboration and Partnership. So that didn’t help me!



The 2nd part of this workshops theme brief,
“Developing sound methods for estimating the costs of collaboration and partnering is essential if realistic budgets are to be produced at the outset. And then there is the Rule of Thumb { } with no known provenance.”

is a statement about what we hope to establish in order to realise the objective Collaboration and Partnership. So that didn't help me!



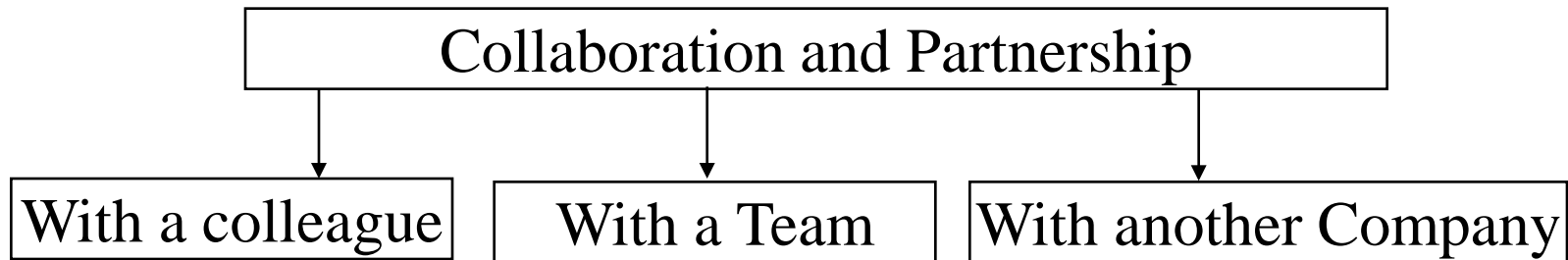
The 3rd part of this workshops theme brief,

“The workshop will provide an insight into the effective estimating for and issues associated with developing beneficial collaborative relationships.”

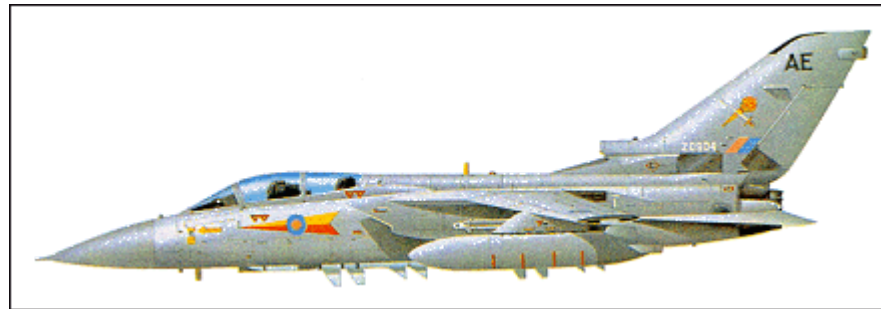
is a statement that for me gets into the hub of the issue!



Does Collaboration and Partnership come in different forms and complexity?



Panavia MRCA Tornado



Developed and built by Panavia, a Tri-Nation company consisting of British Aerospace (then British Aircraft Corporation), MBB of Germany, Alenia Aeronautica of Italy

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EUCD - Freelander 2, Volvo S80, Ford Galaxy



Jaguar X-Type, Ford Mondeo



Jaguar S-Type, Lincoln LS Town Car



Engine feed from Ford, Ford / Peugeot, Jaguar / Ford



The Cleveland V6



DW10

AJ133



Our latest, the C-X75!



Designed by Jaguar, Created by Williams and Powered by Cosworth.

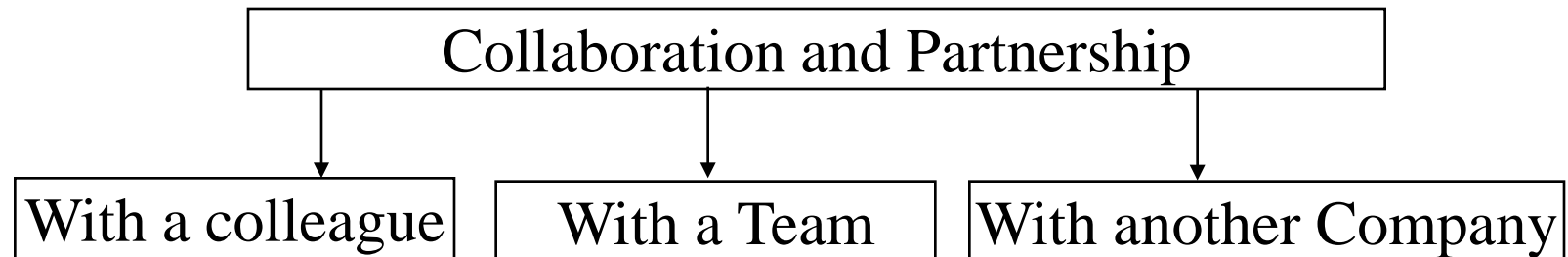
In an unprecedented move, Jaguar C-X75 will be developed in association with Williams F1 who will provide their engineering expertise in areas including aerodynamics, carbon composite manufacture and hybrid technologies. This association will be at the leading edge of British automotive engineering and innovation.



All of the above have at least 1 thing in common.

- For the relationship to work there needs to be a clear set of rules and there needs to be trust.
 - > In the automotive industry we package this 'Trust' into a phrase called 'Benchmarking'.
 - > Benchmarking in this sense is anything but Trust! In short each groups attempts to prove that they are at least as good as the other.

- > It happened when Ford bought Jaguar and later when Ford bought Land Rover (then it was 3 way.). It also happened when TATA Motors bought JLR.
- > It happens when any of our companies buy parts from another – here we typically call it ‘Should Cost’ Benchmarking and we compare our best opinion of the cost against that of our suppliers.
- > It also happens internally when a new member joins the team in any trade or profession.



In conclusion I'm now prepared to answer the call from this workshops brief, "The workshop will provide an insight into the effective estimating for and issues associated with developing beneficial collaborative relationships."

- "Estimating for Collaboration & Partnerships" is fundamentally about just 2 easily stated things, and neither of them are bound up in systems or complex mathematical equations:
 - > Trust – whether we are in collaboration or partnership with an immediate colleague / team or an external company we have to trust or there will be no progress.
 - > Normal Business!

