

Big Ideas for a changing world: fresh perspectives on company competitiveness in UK construction BERR

For decades, firms in the UK construction industry have been bombarded with reports urging improvements in competitiveness. Business process re-engineering, lean construction, partnering and key performance indicators, to give a few examples, have been promoted as panaceas for the industry's supposed performance problems. Many people feel that all of these initiatives have failed to live up to their promise, with limited impact on company performance. Firms are invariably faced with unique challenges shaped by the path they have travelled, and generic 'best practice' recipes advocated by outsiders can often detract attention from the issues that are really important.

A collaborative research project called the BIG IDEAS Project has been exploring the reality of the challenges on the ground facing those working in the industry. Involving industry and the EPSRC's Innovative Manufacturing Research Centres (IMRCs) at Loughborough, Reading and Salford Universities, the project has been careful to engage closely with a range of organisations including those whose voices normally go unheard. The work has included numerous interviews with company directors, multiple in-depth case studies, futures workshops held with groups of companies, and hands-on strategic planning exercises creating possible future trends. These practical exercises have provided valuable new insights into the ways in which company strategy is determined and implemented in practice.



The problem addressed by the research may be old; but it has not given the same old answers.

The message is that firms rarely maintain competitiveness by continuing to do what they have done in the past. There is little point in striving to do the wrong thing more efficiently. In increasingly dynamic environments, competitiveness depends upon a firm's ability continuously to re-configure existing capabilities. Success therefore depends

on responding successfully to constant change rather than copying 'best practice' from others.

Firms often make the mistake that they need to make the business case for doing things differently on the basis of how they currently operate; but what they need to do is to focus on how they might operate in the future. Companies need to be alert to the danger that decisions made today can easily disable its ability to make some future desirable changes.

Organisations need to develop their ability to recognise, create and exploit fruitful opportunities. Part of this ability includes raising awareness and looking further ahead. Scenario development can extend horizons, help you to recognise the factors that might influence your future success. The results can be brought alive by creating dynamic simulations that can reveal hidden effects, interdependencies and sensitivities.

The project has also concluded that it is crucial that companies are fully embedded in the market niche within which they operate – the importance of establishing and sustaining credibility within localised networks cannot be over-emphasised. Long-term relationships with clients and suppliers within communities are key. They provide the context within which firms learn and innovate. They provide the unique and valuable social capital that competitors cannot easily copy.

The practice of open innovation is also key to sustained competitiveness. Innovation is not something that construction companies do on their own: it transcends organisational boundaries. And there is convincing evidence that successful firms choose to work with clients and suppliers who share this commitment.

Support is available to help you learn more about how to tap into the BIG IDEAS resources and enable your organisation, people and projects to benefit. These are presented as a set of Tools for Thinking. Detailed information, insights from the research, futures drivers, scenarios and sample system dynamics models are available on the BIG IDEAS website.



Ideas is based around four key elements of sustained competitiveness.

For further information visit: www.thebigideas.org.uk or contact one of the project partners who can offer advice or run interactive workshops:

Loughborough University: Simon Austin (01509 222608; E-mail: s.a.austin@lboro.ac.uk);

University of Reading: Stuart Green (0118 378 7174, E-mail: s.d.green@reading.ac.uk);

University of Salford: Peter McDermott (0161 295 4808; E-mail: p.mcdermott@salford.ac.uk).