

# CONTRACT MANAGEMENT MATURITY MODEL

A Blueprint For Assessing and Advancing Your Organisation's  
Contract Management Practices



## TABLE OF CONTENTS

<b>EXECUTIVE SUMMARY</b>	<b>3</b>	<b>4. THE BUSINESS VALUE OF CONTRACT MANAGEMENT</b>	<b>23</b>
<b>1. THREE KEY QUESTIONS FOR CONTRACT MANAGEMENT LEADERS</b>	<b>4</b>	4.1 FOUR KEY DRIVERS OF VALUE	24
1.1 FRAMEWORK FOR LEADERS	6	4.2 UNLEASHING THE GROWING BUSINESS VALUE OF CONTRACT MANAGEMENT	26
1.2 METHODOLOGY	7	<b>5. GET STARTED: EMBARKING ON A PATH OF CONTRACT MANAGEMENT EXCELLENCE</b>	<b>27</b>
<b>2. ELEVATING CONTRACT MANAGEMENT: THE MATURITY MODEL</b>	<b>9</b>	<b>ABOUT THE AUTHORS</b>	<b>28</b>
2.1 THE STAGES	10	<b>ABOUT BUILT INTELLIGENCE</b>	<b>29</b>
2.2 THE COMPETENCIES	11	<b>APPENDIX 01</b>	<b>30</b>
2.2 THE MODEL	13		
<b>3. CONTRACT MANAGEMENT JOURNEY: IMPLICATIONS AND ASSESSMENT</b>	<b>18</b>		
3.1 ASSESSING CURRENT MATURITY: THE CONTRACT MANAGEMENT MATURITY ASSESSMENT	17		
3.2 MAPPING MATURITY LEVELS: RADAR/SPIDER CHARTS	17		

# EXECUTIVE SUMMARY



Having spent most of our careers dealing with disputes and other challenges, we are passionate about improving project outcomes for all stakeholders in the construction industry

**CHRIS CORR**  
CEO BUILT INTELLIGENCE

**In today's ever-evolving business landscape, Contract Management stands as a pivotal force in shaping the success of asset owner organisations. It's not just a function but a strategic lever that drives productivity, efficiency, and excellence in delivering built assets.**

**As leaders, you already understand that "good enough" is not enough and to deliver high-quality projects consistently, adapt to changes swiftly, minimise risks, and elevate customer satisfaction, requires effective Contract Management to be at the core of your strategy.**

As you embark on your journey to enhance and improve the Contract Management practices within your organisation, we invite you to consider the four key value drivers lying at the heart of this whitepaper. These drivers—Agile Adaptation and Timely Delivery, Enhanced Compliance and Risk Reduction, Operational and Delivery Cost Optimisation, and Elevated Customer Experiences and Satisfaction—serve as beacons, guiding your path toward Contract Management excellence.

These are not just theoretical concepts; they are the tangible outcomes you can expect when Contract Management is embraced as a strategic asset.

To put theory into practice, we encourage you to take immediate action. Your journey toward Contract Management excellence begins with a simple yet powerful step: the Contract Management Self-Assessment. Dedicate just 10 minutes to

complete this assessment, and you will lay the foundation for a transformative expedition toward Contract Management excellence. Whether you are a client, a contractor, or a project leader, this self-assessment is your compass to navigate the complex landscape of Contract Management.

Our Contract Management Maturity Model, forged through real-world patterns and validated insights, will empower you to advance through the stages of competence confidently. It acts as a guide, providing a clear direction for your organisation's growth and improvement. By embracing this model, you can unlock the full potential of your Contract Management practices and achieve remarkable outcomes.

To start your journey to Contract Management excellence, we invite you to take the [Contract Management Self-Assessment](#) now. Seize this opportunity to assess your current standing, chart your desired destination, and forge a robust strategy to bridge the gap. Let's embark on this transformative adventure together and realise the true potential of effective, efficient, and excellent Contract Management.

# 1. THREE KEY QUESTIONS FOR CONTRACT MANAGEMENT LEADERS

In a rapidly evolving construction industry, AEC organisations must embrace effective Contract Management to stay competitive, drive innovation, and successfully deliver their capital works programmes.



While leaders often recognise the strategic importance of Contract Management, many organisations need help to embark on the journey to improve their practices. To overcome this challenge, leaders need to address three questions:



**1. WHERE ARE WE NOW?**

To successfully navigate the vast realm of Contract Management, leaders must evaluate their current standing. This necessitates an honest assessment of the organisation's current Contract Management capabilities. Leaders must assess their strengths and weaknesses in this area. This self-reflection enables them to gain clarity on the current condition of their practices, allowing them to identify their strengths, weaknesses, and untapped potential.



**2. WHERE DO WE WANT TO BE?**

Leaders can embark on a creative journey once armed with an understanding of their starting point. By envisioning the desired destination, they can set their sights on what greatness entails within their industry and organisational objectives. This strategic foresight serves as a compass, guiding their efforts toward achieving excellence in Contract Management. It compels leaders to envision the ideal state for their business, considering the competitive landscape they operate in.



**3. HOW DO WE GET THERE?**

Having identified the current reality and envisioned the future, leaders must chart a course toward their desired Contract Management prowess. This requires careful planning, strategic decision-making, and the implementation of effective methodologies. By aligning their actions with their aspirations, leaders can navigate the intricate path leading to success and identify actionable initiatives to bridge the gap between their current state and future ambitions.

Having posed these essential questions for Contract Management leaders to consider, we can delve into a framework to equip you with the tools to answer them. The 'Framework for Leaders' section introduces a powerful Contract Management maturity model that provides the structure needed to assess, strategise, and progress your organisation. This model will guide your organisation toward excellence and empower you to navigate the intricate path of Contract Management improvement.

**Let's explore this framework in depth and uncover the insights it offers**



## 1.1 FRAMEWORK FOR LEADERS

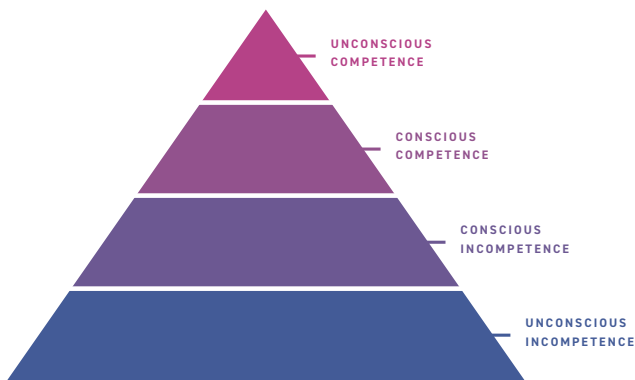
To answer these crucial questions, leaders require a maturity model, a framework that facilitates evaluation and continuous improvement. Unlike goal-driven assessment methods, maturity models analyse qualitative data and establish long-term goals to achieve performance objectives.

Our model provides a prescriptive analysis of Contract Management competency and outlines the most effective approach to progress through the task's four stages of competence.

These stages are based on the 'conscious competence learning model', initially developed by Martin M. Broadwell and further expanded by Noel Burch.

As we delve deeper into the 'Framework for Leaders,' it's important to understand how the four stages of competence align with our Contract Management maturity model.

This model serves as your roadmap for assessing and advancing your organisation's Contract Management practices. The four stages, based on the 'conscious competence learning model', play a crucial role in this journey.



**By understanding how these four stages align with our Contract Management maturity model, you'll be better equipped to navigate the journey toward Contract Management excellence. Let's explore each stage in more detail within the context of our model.**

### THE FOUR STAGES ARE:

#### 1. UNCONSCIOUS INCOMPETENCE

Individuals lack understanding or knowledge of a task and are unaware of their deficiency. They may even question the usefulness of the skill. Transitioning to the next stage requires recognising their incompetence and the value of acquiring the new skill, and it aligns with assessing where your organisation currently stands in Contract Management maturity. The time spent in this stage depends on the effectiveness of the learning stimuli.

#### 2. CONSCIOUS INCOMPETENCE

Individuals are aware of their lack of comprehension or ability to perform a task. They recognise the deficit and acknowledge the importance of acquiring the necessary skills. Making mistakes becomes an integral part of the learning process. This stage corresponds to setting a vision for where your organisation wants to be in terms of Contract Management maturity.

#### 3. CONSCIOUS COMPETENCE

Individuals understand how to perform a task, but executing it requires focused effort. They need to break it down into steps and maintain a high level of awareness to apply the newfound skill or knowledge successfully. At this point the methods and strategies you'll implement will bridge the gap between your current and desired state of Contract Management excellence.

#### 4. UNCONSCIOUS COMPETENCE

Individuals reach this final stage after accumulating substantial experience with a skill. It becomes second nature, effortlessly executed without conscious consideration. Depending on how and when the skill was acquired, individuals may even be able to teach it to others. This is the ultimate goal of our Contract Management maturity model, where excellence is ingrained, and your organisation delivers high-quality results consistently.

## 1.2 METHODOLOGY

**Our customer success team and our community of industry experts work hand in hand with leaders to help drive their Contract Management transformations.**

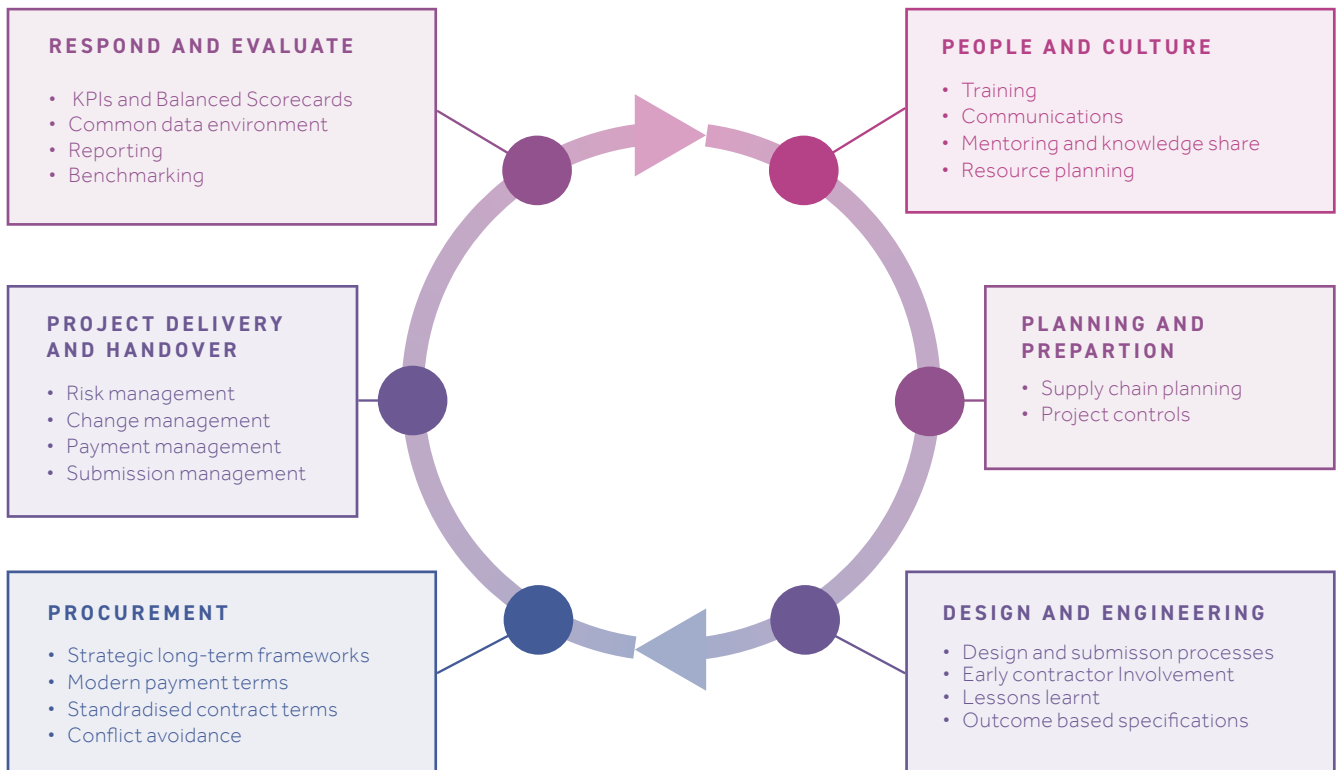
In addition, we have more than ten years of experience helping over half of the top 300 construction companies drive their Contract Management practices. We've built a Contract Management maturity model that distils these customer experiences into efficient competency pathways that any organisation can replicate. As a result, we've observed organisations at all levels of Contract Management increase their maturity.

Organisations face a constant barrage of diverse challenges, further compounding the need for effective Contract Management. The pressure on project delivery teams and margins has given rise to two significant challenges. Firstly, contract issues often go unnoticed as project teams prioritise on-site delivery over contract compliance. Secondly, contract

issues become bottlenecks or are wholly overlooked because project teams operate in isolated silos, utilising separate tools, cultures, and processes compared to their counterparts, who are also working at an accelerated pace. These complications are detrimental to contract compliance and arise precisely when cost control is paramount.

By acknowledging these challenges and leveraging our proven methodology, organisations can overcome the obstacles hindering their Contract Management practices. Our collaborative approach and maturity model provide a solid foundation for enhancing contract compliance, streamlining processes, and navigating the complexities of the construction industry. Together, we can drive Contract Management transformations that yield tangible results in an ever-demanding business landscape.

Contract Management layers in project delivery, tools, and practices throughout the project lifecycle, as follows:





## METHODOLOGY (CONT')

To address the complexities of the construction industry, it is crucial to deeply integrate contract management into the broader business, project, and asset lifecycles. This integration marks the natural progression of construction management and document management practices. By seamlessly incorporating contract management teams and techniques into the broader workflows of organisations, remarkable advancements can be achieved in speed, project quality, and service reliability.

The first step towards unlocking these benefits involves breaking down the silos that often exist between project teams and other business departments, such as finance, engineering, design and contract / commercial teams. Bridging these gaps is essential for realising the full potential of an integrated approach to project delivery. By doing so, organisations can supercharge their speed of delivery, ensuring projects are completed swiftly and efficiently. Additionally, integrating contract management practices enhances the overall quality of project delivery, leading to improved outcomes and client satisfaction. Furthermore, the reliability of services provided on projects significantly boosts trust and confidence among stakeholders.

Contract management software is a powerful tool that complements and enhances good document management practices. It allows for streamlined processes, comprehensive contract oversight, and improved team collaboration. Organisations can achieve higher efficiency, accuracy, and productivity by embracing contract management software as a natural extension of their document management efforts. It's important to note that integrating contract management does not negate the significance of effective document management; instead, it represents the next evolutionary phase of it.

**Integrating contract management into broader business and project workflows is a game-changer for the construction industry. It fosters seamless collaboration, eliminates information gaps, and optimises the project lifecycle. By embracing this integrated approach, organisations position themselves at the forefront of the industry, delivering projects with unmatched speed, quality, and reliability.**





## 2. ELEVATING CONTRACT MANAGEMENT: THE MATURITY MODEL

To effectively navigate the journey of Contract Management, we have developed the Contract Management Maturity Model. Inspired by the 'four stages of competence' concept, our model simplifies the stages of maturity across six essential competency areas. Before delving into the complete model, let's provide an overview of each stage and competency area.



## 2.1 THE STAGES

It's important to note that these stages and competencies can be tailored to align with government and institutional frameworks, such as the IPA Construction Playbook or ICE Project 13, and an organisation's specific requirements.

Understanding that there are no shortcuts or ways to leapfrog a level is crucial. Contract Management is a progressive journey, as depicted in our maturity model. Based on the four stages of the competence concept, we identify four key stages of Contract Management maturity derived from extensive observations across diverse organisations. Let's explore each step briefly:

### 1. INITIAL

This phase marks the initiation of the Contract Management journey. Cultivating a culture and mindset of collaboration, openness, and continuous improvement is paramount. Building a solid foundation based on shared values and cross-disciplinary teamwork lays the groundwork for Contract Management excellence practices, allowing them to identify their strengths, weaknesses, and untapped potential.

### 2. DEVELOPING

At this stage, organisations consistently deliver projects but may face bottlenecks, performance issues, and occasional team friction. While contract management priorities shift earlier in the project lifecycle, some contract-related work still occurs towards the project delivery phase's end. This can impede the flow of information, delay project delivery, and lead to cost overruns.



### 3. ADVANCED

In the advanced stage, organisations demonstrate high efficiency and productivity. They consistently deliver projects on time, within budget, and with the desired quality. Contract management controls are deeply embedded throughout the project delivery lifecycle and support functions, ensuring seamless operations.

### 4. OPTIMISED

The optimised stage represents the cutting-edge practices adopted by leading organisations. These organisations effortlessly deliver high-quality projects. This stage emphasises a high level of digital adoption, leveraging technology to streamline processes and integrate data across teams. Contract management controls are fully integrated into the project community, breaking down silos and fostering open and constructive collaboration.

## 2.2 THE COMPETENCIES

The Contract Management Maturity Model encompasses six critical competencies, aligning to different phases of the end-to-end Contract Management lifecycle. These competencies merge process and technology to optimise performance. Let's explore them briefly:



### PEOPLE & CULTURE

The cornerstone of Contract Management, this competency encompasses organisational structure, communication styles, values, incentives, leadership, and team dynamics. Nurturing a positive culture and prioritising individual and team well-being is essential.



### PLANNING & PREPARATION

This competency focuses on prioritising, planning, and controlling the works, considering risk assessment, early contractor involvement, and long-term strategic frameworks. Effective planning minimises project changes and ensures a solid foundation for successful project delivery.



### DESIGN & ENGINEERING

This area covers the scoping phase, evaluating how contract documents and scope are compiled and verified. Thorough attention to detail and accuracy in this competency streamlines subsequent project activities.



### PROCUREMENT

This competency delves into procurement strategies and contract signature, ensuring the selection of suitable suppliers and establishing robust contractual relationships.



### PROJECT DELIVERY & HANDOVER:

This area covers the scoping phase, evaluating how contract documents and scope are compiled and verified. Thorough attention to detail and accuracy in this competency streamlines subsequent project activities.



### USE, OBSERVE & RESPOND

Focusing on performance metrics, such as Key Performance Indicators (KPIs), customer and project satisfaction monitoring, common data environments, reporting, dispute avoidance management, and lessons learnt, this competency enables organisations to improve their Contract Management practices continuously.

## 2.2 THE COMPETENCIES (CONT')

**By leveraging the Contract Management Maturity Model and developing proficiency across these competencies, organisations can achieve elevated levels of efficiency, collaboration, and success in their Contract Management endeavours. This model is a roadmap for organisations to assess their maturity level and strategically progress toward higher stages.**

As organisations advance through the stages, they unlock numerous benefits. Early prioritisation of contract management throughout the project lifecycle reduces delays, mitigates risks, and ensures efficient information flow, resulting in timely project delivery and cost control. By embracing a culture of collaboration and openness, teams can work together seamlessly, leveraging diverse expertise and driving innovation.

In the advanced stage, organisations experience heightened efficiency and productivity. Integrating contract management controls across project delivery and support functions ensures streamlined operations, enhancing overall project quality. Moreover, organisations at the optimised stage enjoy the fruits

of their efforts. Their contract management practices become second nature, embedded deeply within the project community. This integration breaks down silos, fosters open communication, and empowers teams to deliver exceptional projects effortlessly.

**The six critical competencies of the Contract Management Maturity Model provide a comprehensive framework for organisations to enhance their practices. Cultivating a people-centric culture, refining planning and preparation processes, ensuring meticulous design and engineering, optimising procurement strategies, excelling in project delivery and handover, and continuously monitoring and responding to performance indicators are essential pillars of success.**



## 2.3 THE MODEL

In the matrix below, each of the six competency areas encompasses a series of individual competencies. For each competency, we identify four levels of maturity: Initial, Developing, Advanced, and Optimised. (Note: An additional detail competency matrix is available on request)

	INITIAL	DEVELOPING	ADVANCED	OPTIMISED
PEOPLE AND CULTURE	<ul style="list-style-type: none"> <li>Functional teams operate in silos</li> <li>High levels of inter-team friction</li> <li>Primitive onboarding processes</li> <li>Burnout among team members is common</li> <li>High turnover rate among suppliers and staff</li> </ul>	<ul style="list-style-type: none"> <li>Silos between teams start breaking down</li> <li>Embrace of innovation and transparency</li> <li>The onboarding process is established</li> <li>Open discussions about burnout within the organisation</li> <li>Moderate turnover rate among suppliers and staff</li> </ul>	<ul style="list-style-type: none"> <li>Continuous collaboration across teams</li> <li>Cultivation of a blameless culture</li> <li>Implementation of an extensive onboarding process</li> <li>Prompt addressing of burnout issues</li> <li>Low turnover rate among suppliers and staff</li> </ul>	<ul style="list-style-type: none"> <li>Cross-functional teams aligned to project delivery and services</li> <li>High level of trust, innovation, and a digital-first approach</li> <li>Foster a learning culture.</li> <li>Rare instances of burnout within the organisation</li> <li>Minimal turnover rate among suppliers and staff</li> </ul>
PLANNING AND PREPARATION	<ul style="list-style-type: none"> <li>Lack of a procurement pipeline</li> <li>Insufficient project controls</li> <li>Risk and business case considerations are neglected</li> <li>Excessive scope changes to works</li> </ul>	<ul style="list-style-type: none"> <li>Limited planning for the procurement pipeline</li> <li>Some project controls are in place</li> <li>Limited risk assessment and business planning</li> <li>Moderate scope changes to works</li> </ul>	<ul style="list-style-type: none"> <li>Fully planned procurement pipeline.</li> <li>Implementation of digitised project controls</li> <li>Comprehensive business planning and risk assessments</li> <li>Minimal scope changes to works</li> </ul>	<ul style="list-style-type: none"> <li>Fully public and digital procurement pipeline</li> <li>Digitised and integrated project controls</li> <li>Digitised business planning and risk assessments</li> <li>Focus on innovation and strategic planning with the supply chain</li> </ul>

	INITIAL	DEVELOPING	ADVANCED	OPTIMISED
PROCUREMENT	<ul style="list-style-type: none"> <li>• Contracts are not validated and lack strategic frameworks</li> <li>• Uniform procurement methods and contracts for all projects</li> <li>• Extensive risk transfer to supply chain through T&amp;Cs and use of bespoke terms</li> </ul>	<ul style="list-style-type: none"> <li>• Some contract validation and strategic framework implementation</li> <li>• Limited identification of project needs, relying on a small set of standard forms</li> <li>• Standard T&amp;Cs used with heavy amendments</li> </ul>	<ul style="list-style-type: none"> <li>• Validation of all contracts and utilisation of strategic frameworks</li> <li>• In-depth investigation of project and stakeholder needs, influencing the procurement process and contract selection</li> <li>• Modern T&amp;Cs such as NEC used with limited amendments</li> </ul>	<ul style="list-style-type: none"> <li>• Validation of all contracts, fully digitised</li> <li>• Collaboration with delivery partners in selecting procurement processes and contracts</li> <li>• Optimal procurement approaches aligned with project requirements</li> <li>• Buyer owns all risks in T&amp;Cs that they can control</li> </ul>
PROJECT DELIVERY AND HANDOVER	<ul style="list-style-type: none"> <li>• Siloed communication between the client and delivery partners</li> <li>• Limited and primitive communication channels</li> <li>• Delay and variation management addressed only at the project's end</li> <li>• Arbitrary method statements</li> <li>• Rudimentary programme management</li> </ul>	<ul style="list-style-type: none"> <li>• Interaction between the parties, but lacking structure</li> <li>• Regular but unstructured communication</li> <li>• Some delays and variations are addressed as they occur</li> <li>• More detailed method statements</li> <li>• Programmes updated more regularly but with sporadic efforts</li> </ul>	<ul style="list-style-type: none"> <li>• Parties work well together without friction</li> <li>• Communications are through an online document control platform</li> <li>• Delays and variations are addressed as they occur</li> <li>• Method statements are detailed and bespoke</li> <li>• Programmes are produced using recognised software platforms and updated regularly</li> </ul>	<ul style="list-style-type: none"> <li>• Parties are co-located with mixed teams</li> <li>• Communications are through a contract management platform</li> <li>• Delays and variations are fully digitised and addressed as they occur</li> <li>• Method statements are digitised, detailed, and bespoke, integrated with the programme</li> <li>• The programme is produced using recognised software platforms, updated regularly, and accepted by the Client's team</li> </ul>



	INITIAL	DEVELOPING	ADVANCED	OPTIMISED
OBSERVE AND RESPOND	<ul style="list-style-type: none"> <li>• No Key Performance Indicators (KPIs)</li> <li>• Limited or no access to project information</li> <li>• No performance monitoring</li> </ul>	<ul style="list-style-type: none"> <li>• Basic KPIs</li> <li>• Some access to project information</li> <li>• Limited performance monitoring but no feedback</li> </ul>	<ul style="list-style-type: none"> <li>• Balance scorecard of KPIs</li> <li>• Project information is accessible but limited to reporting only</li> <li>• Extensive performance monitoring but limited feedback</li> </ul>	<ul style="list-style-type: none"> <li>• SLOs &amp; error budgets drive decisions</li> <li>• Project information is accessible and used to improve future outcomes</li> <li>• Continuous performance monitoring to identify and manage project vulnerabilities</li> </ul>

# 3. CONTRACT MANAGEMENT JOURNEY: IMPLICATIONS AND ASSESSMENT

As we delve into the Contract Management journey, let's revisit the fundamental questions we posed earlier: What is our current level of Contract, Where do we want to be in terms of Contract Management maturity, How will we get there? These questions are crucial for technical leaders seeking guidance, and the Contract Management Maturity Model can provide valuable insights.



## 3.1 ASSESSING CURRENT MATURITY: THE CONTRACT MANAGEMENT MATURITY ASSESSMENT

To gauge the maturity of their organisations in Contract Management, technical leaders must embark on an assessment. Completing this assessment takes just 10 minutes of your time. We have created an online tool based on the Contract Management Maturity Model to simplify this process.

The assessment serves as a diagnostic tool, providing a general indication of an organisation's Contract Management maturity and areas that warrant improvement. While the evaluation does not give an exact measurement, it generates an overall maturity score.

## 3.2 MAPPING MATURITY LEVELS

**Since organisations often exhibit varying maturity levels across different competency areas, it becomes valuable to visualise these levels.**

We recommend plotting the maturity scores on radar or spider charts, as demonstrated below. This graphical representation offers a comprehensive overview of the organisation's strengths and areas requiring further attention.

By leveraging the Contract Management Maturity Model and conducting the assessment, technical leaders gain valuable insights into their organisation's current maturity level. Armed with this knowledge, they can chart a course toward improvement, ensuring a more robust and effective Contract Management approach.

**Visualising the outcome of a maturity model questionnaire as a spider chart offers a powerful way to communicate, analyse, and act upon complex data. Benefits include:**

### 1. CLARITY AND SIMPLICITY

Spider charts provide a clear and straightforward way to present complex data. Mapping various dimensions or criteria on different axes radiating from a central point simplifies the representation of multiple data points.

### 2. COMPARATIVE ANALYSIS

Spider charts allow for easy comparison of different maturity levels or responses across various dimensions. Users can quickly assess how one entity or project performs relative to another by examining the shape and position of the chart.

### 3. IDENTIFYING STRENGTHS AND WEAKNESSES

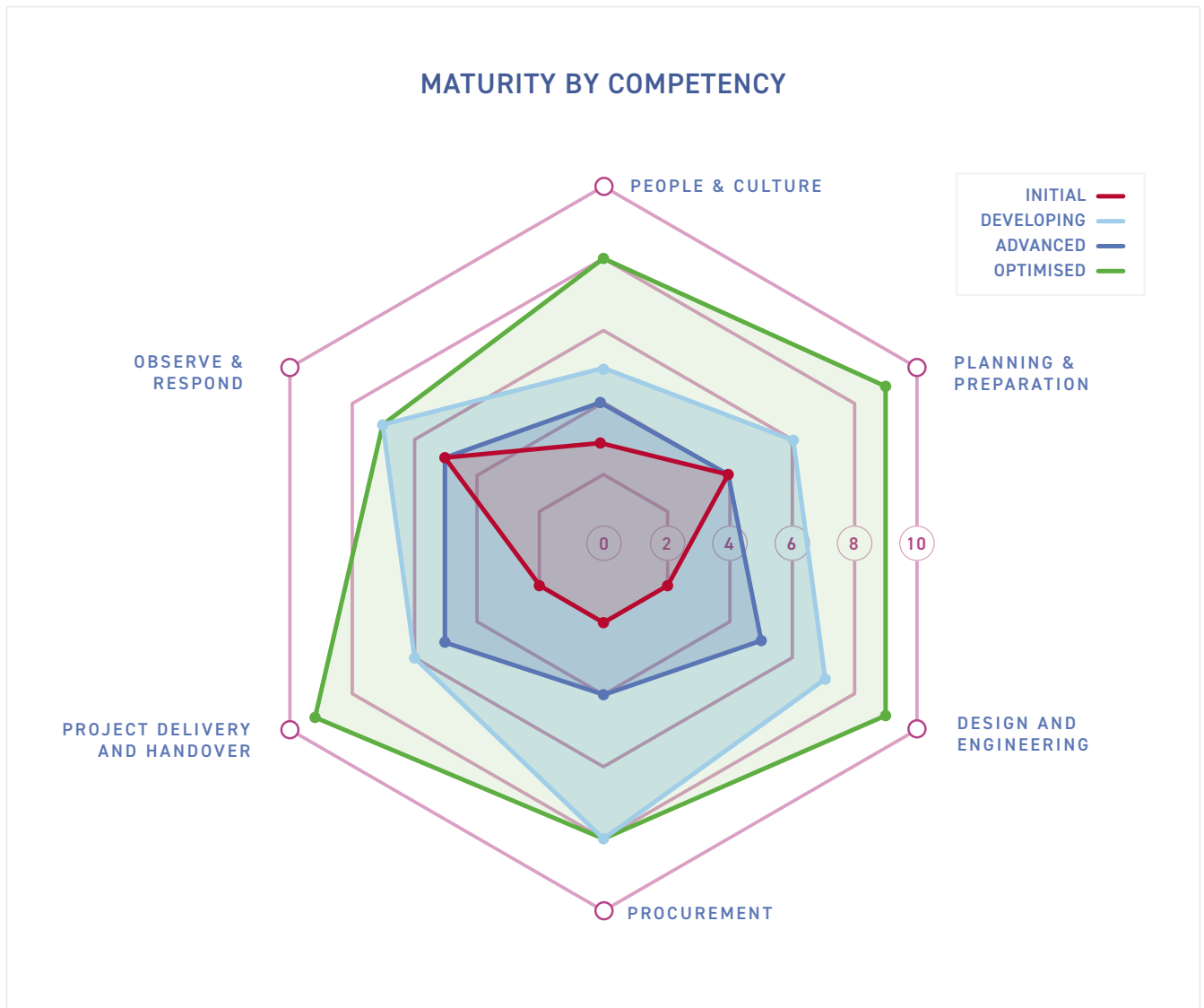
The visual nature of spider charts makes it easy to spot strengths and weaknesses in a system or process. Areas, where the lines extend outward, indicate maturity or strength, while areas where they remain closer to the centre signify areas that need improvement.

### 4. FOCUS ON KEY METRICS

It helps focus on key metrics or dimensions that matter most for assessing maturity. By placing these critical factors on the axes, stakeholders can concentrate their attention on the aspects that significantly impact overall performance.

## STEP 1: ASSESS WHERE YOUR ORGANISATION IS IN THE MODEL

Based on the output of the assessment, leaders can see at a glance where there is room for improvement and investment.



## STEP 2: WHERE DO I WANT TO BE? MOVING RIGHT IN THE MATRIX

**Once leaders have assessed their organisation's Contract Management practices and identified their current position, the next crucial step is envisioning the desired destination.**

What does "great" Contract Management look like for their industry and business objectives? The stages on the maturity model are far-right and exemplify the best-in-class Contract Management practices prevalent in today's enterprises.

Context is key. It's essential to recognise that Contract Management maturity levels can vary across industries and types of organisations. A rating of "DEVELOPING" may be considered highly competitive in one sector while falling behind in another.

To aid in this process, we present a helpful exercise below. This exercise serves as a roadmap to guide organisations towards their desired Contract Management maturity, aligning their aspirations with industry benchmarks and organisational goals. It outlines the maturity level of a hypothetical organisation across all competencies and proposes reasonable targets to strive for within the next 12-18 months.

**By understanding where they want to be and identifying the appropriate targets, leaders can strategically progress through the Contract Management matrix, inching closer to best-in-class practices and reaping the associated benefits.**

	INITIAL	DEVELOPING	ADVANCED	OPTIMISED
PEOPLE AND CULTURE				
PLANNING AND PREPARATION				
DESIGN AND ENGINEERING				
PROCUREMENT				
PROJECT DELIVERY AND HANDOVER				
OBSERVE AND RESPOND				

## STEP 2: WHERE DO I WANT TO BE? MOVING RIGHT IN THE MATRIX (CONT)

**In pursuing Contract Management excellence, it's vital to acknowledge that progress is often achieved gradually. Even advancing a single level of overall maturity of 12 months is a notable accomplishment.**

Depending on the magnitude of the undertaking, leaders may need to develop multi-year plans with DEVELOPING targets, understanding that significant transformation takes time.

Furthermore, it's crucial to recognise that the landscape of Contract Management practices is in a constant state

of evolution and advancement. What may be considered an "Advanced" rating today could easily transition into a "DEVELOPING" rating shortly. Therefore, both maturity models and organisations must remain current and adaptive. Leaders should regularly reassess their organisations using the latest models to stay on track with the ever-changing Contract Management landscape.

**By embracing the concept of incremental progress, setting realistic milestones, and staying attuned to industry advancements, leaders can confidently navigate their Contract Management journey and remain ahead of the curve in an evolving business environment.**





## HOW DO I GET THERE? ONE CELL AT A TIME.

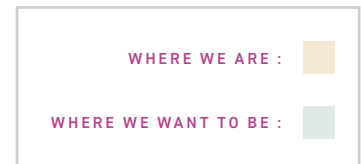
**Contract Management encompasses a comprehensive range of practices that encompass people, processes, and technology systems. Within this holistic framework, each competency mutually reinforces the others, creating a dynamic interplay. Therefore, it becomes evident that an organisation's overall progress can only accelerate once the areas with the lowest maturity are addressed.**

To effectively navigate the journey towards maturity, it is advisable to prioritise the enhancement of low-maturity areas. By focusing on these foundational elements first, organisations can establish a robust groundwork that paves the way for more advanced stages of maturity.

Visualised within the cells of the maturity model are the incremental steps leaders can take to move from one level to the next. These steps serve as a guiding framework, offering a clear roadmap and indicating the actions required to advance along the Contract Management maturity curve.

By recognising the interconnected nature of competencies and strategically targeting areas with the most significant room for improvement, organisations can establish a solid foundation and propel themselves towards higher levels of Contract Management maturity. Embracing this approach fosters a cohesive and harmonious evolution, unlocking the full potential of Contract Management practices

**Each of the competency categories and each of the specific competency areas is a large topic unto itself. We recommend leaders enlist direct reports to own particular competency areas, who can then enlist their team members to own specific competencies (e.g. People and Culture).**



	INITIAL	DEVELOPING	ADVANCED	OPTIMISED
PEOPLE AND CULTURE		Q2 OWNER	Q3	
PLANNING AND PREPARATION		Q1 OWNER	Q2	
DESIGN AND ENGINEERING			Q3 OWNER	
PROCUREMENT		Q1 OWNER	Q4	
PROJECT DELIVERY AND HANDOVER			Q3 OWNER	
OBSERVE AND RESPOND		Q1 OWNER	Q2	

## FOSTERING COLLECTIVE COMMITMENT: ENGAGING KEY STAKEHOLDERS, EMPOWERING TEAMS, AND RECOGNISING INDIVIDUAL CONTRIBUTIONS

Each of the competency categories and each of the specific competency areas is a large topic unto itself.

The pursuit of Contract Management excellence is not a journey that technical leaders undertake alone. It's a collective effort involving key stakeholders, teams, and individuals within your organisation. Their involvement is crucial for a collaborative and effective progression along the Contract Management maturity curve. We have shared some areas for all technical leaders to consider when developing an improvement strategy:

### ENGAGING KEY STAKEHOLDERS

Contract Management impacts various aspects of your organisation, from project delivery to compliance and financial performance. Engaging key stakeholders, such as senior management, legal, procurement, and project teams, is paramount. Their buy-in and support provide the necessary resources and alignment with organisational goals.

### TEAM EMPOWERMENT

Encourage teams to take ownership of specific competency areas. Assigning responsibilities and empowering team members to drive improvement will foster a sense of ownership and accountability. Each competency area, whether it's people and culture, planning, design, procurement, or project delivery, can benefit from dedicated teams or individuals who champion improvement efforts.

### INDIVIDUAL CONTRIBUTIONS

The success of Contract Management improvement also hinges on the contributions of individuals at all levels. Everyone from Contract Managers to project managers to procurement specialists plays a role. Recognise and celebrate individual contributions as they collectively propel your organisation toward maturity.

### COLLABORATIVE EFFORTS

Collaboration across departments is key. Silos can hinder progress, so fostering collaboration between teams working on different aspects of Contract Management is essential. Cross-functional teams can identify synergies, share best practices, and streamline processes effectively.

Incorporating these elements into your Contract Management improvement strategy creates a culture of continuous enhancement. It encourages a shared commitment to excellence and ensures that your organisation leverages the collective optimisation of its people.

**Remember, Contract Management is not just a set of processes; it's a mindset and a collective effort. By involving key stakeholders, teams, and individuals, you lay a solid foundation for progressing through the Contract Management maturity model and realising the full potential of your organisation's Contract Management practices.**



# 4. THE BUSINESS VALUE OF CONTRACT MANAGEMENT

Contract Management is pivotal in driving productive, collaborative, and responsive teams that consistently deliver high-quality built-environment assets, ensuring timely and budget-conscious project completion. This tangible business value is derived from a comprehensive understanding of the underlying dynamics. Let's delve into the details.



## 4.1 FOUR KEY DRIVERS OF VALUE

The adoption of Contract Management best practices, implemented through a phased approach, unlocks significant business value across four primary drivers:

### 1. AGILE ADAPTATION AND TIMELY DELIVERY:

Contract Management empowers organisations to swiftly bring projects to market while seamlessly adapting to unforeseen changes on-site. Integrating digital construction management solutions into project workflows eliminates potential bottlenecks, amplifying efficiency, and agility.

### 2. ENHANCED COMPLIANCE AND RISK REDUCTION

Contract Management software is the conduit for seamless integration between legal, financial stakeholders, and security best practices throughout the project delivery lifecycle. The result is heightened collaboration, trust, and transparency among project and support teams, ultimately minimising risk in project execution.

### 3. OPERATIONAL AND DELIVERY COST OPTIMISATION

Implementing fast feedback loops on project issues streamlines the delivery phase, while a comprehensive contract management approach tackles potential problems before they escalate. Swift resolution of project issues becomes the norm, reducing operational and delivery costs.

### 4. ELEVATED CUSTOMER EXPERIENCES AND SATISFACTION

By consistently producing higher-quality scopes, projects align more closely with specifications and facilitate prompt resolution of emerging issues. Rapid decision-making, transparency, and a focus on end-users perspectives improve customer satisfaction while minimising reputational damage and staff burnout. Contract management best practices not only enhance the attractiveness of client organisations to their supply chain but also elevate contractors' reputations with clients and subcontractors.



By harnessing the power of Contract Management, organisations unlock a range of compelling business advantages. From accelerated project delivery to optimised compliance, cost reduction, and elevated customer experiences, the value proposition is undeniable. Embracing Contract Management best practices ensures that projects are executed seamlessly, delivering exceptional outcomes and fostering long-term success.

**STEVEN C EVANS** INDUSTRY EXPERT  
 BSC(HONS) LLB (HONS) FCIARB FAMINZ(ARB) FRICS  
 FCINSTCES FCIQB FICE PRI



## IMPACT OF CONTRACT MANAGEMENT ON KEY STAKEHOLDERS

The following table provides a comprehensive overview of how Contract Management influences key stakeholders, including clients, contractors, and project teams. It illustrates how Contract Management drives value and benefits each stakeholder group, aligning with the four key drivers of value discussed earlier.

	CLIENT	CONTRACTOR	PROJECTS
Deliver project and contracts on time and adapt more agile to change and reduced avoidable delays	<ul style="list-style-type: none"> <li>Increased visibility of issues</li> <li>Increased compliance with contract timetables</li> <li>Reduced delays to projects</li> </ul>	<ul style="list-style-type: none"> <li>Reduced waiting time for Supplier</li> <li>Increased programme acceptance</li> <li>Increased visibility of backlog</li> </ul>	<ul style="list-style-type: none"> <li>Increased PSAT</li> <li>Reduced capital cost</li> <li>Better quality product with fewer defects</li> </ul>
Improved contract compliance and reduced risk	<ul style="list-style-type: none"> <li>Reduced critical events</li> <li>Reduced disputes</li> <li>Reduced legal costs</li> </ul>	<ul style="list-style-type: none"> <li>Lower cost of risk</li> <li>Reduced disputes</li> <li>Reduced legal costs</li> </ul>	<ul style="list-style-type: none"> <li>Client expectations met</li> </ul>
Reduced operational and delivery costs	<ul style="list-style-type: none"> <li>Budgetary constraints are met</li> <li>Lower operational costs improves profit or allows investment in other areas</li> </ul>	<ul style="list-style-type: none"> <li>Lower construction cost improves profitability.</li> <li>Creates sustainable contracting organisations</li> </ul>	<ul style="list-style-type: none"> <li>Smaller environmental impact of construction and maintenance</li> </ul>
Improved customer experiences and satisfaction and quality	<ul style="list-style-type: none"> <li>Reduces overall cost</li> <li>Increases staff retention</li> <li>Positive media reviews</li> </ul>	<ul style="list-style-type: none"> <li>Lowers staff stress</li> <li>Fewer disputes</li> <li>Positive vibes</li> </ul>	<ul style="list-style-type: none"> <li>Positive media coverage</li> </ul>

## 4.2 UNLEASHING THE GROWING BUSINESS VALUE OF CONTRACT MANAGEMENT



**With each stride towards greater Contract Management maturity, organisations unlock a wealth of business value, amplifying the impact of each value driver. The comprehensive table above delves into the finer details, elucidating how each driver enhances productivity metrics, customer metrics, costs, and revenue.**

Technical leaders are encouraged and empowered to measure their Contract Management journeys using these critical metrics. By tracking progress through these metrics, organisations can demonstrate the advancements and justify the necessary investments to propel themselves along the maturity curve. These metrics are invaluable for showcasing the positive transformation occurring across the organisation.

As Contract Management matures, the benefits become increasingly substantial. Productivity soars, customers experience heightened satisfaction, costs are optimised,

and revenue streams flourish. Through a deliberate focus on Contract Management excellence, organisations unlock their true potential and lay the foundation for sustained success.

By embracing the power of Contract Management and leveraging the insights provided by these metrics, organisations can navigate their journey toward enhanced efficiency, superior outcomes, and elevated business value. This data-driven approach ensures that investments align with organisational objectives, driving continuous improvement and fostering a culture of excellence.

**Start measuring your organisation's Contract Management maturity today by implementing our Contract Management Maturity Model. Find out how in the next section.**



# 5. GET STARTED: EMBARKING ON A PATH OF CONTRACT MANAGEMENT EXCELLENCE

**We have developed the Contract Management Maturity Model from our extensive experience collaborating with countless customers to elevate their Contract Management practices.**

**This model has been honed through customer validation and is a valuable tool for leaders seeking answers to the pivotal questions that guide their journey: Where are we currently? Where do we aspire to be? And most importantly, how do we navigate the path to success?**

To commence your Contract Management journey, we strongly recommend that technical leaders dedicate just 10 minutes of their time to complete the [Contract Management Self-Assessment](#). This initial step will lay the foundation for your transformative expedition toward Contract Management excellence.

The Contract Management Maturity Model, forged through real-world patterns and validated insights, will empower you to navigate the complex landscape of Contract Management confidently. It acts as a compass, providing a clear direction for your organisation's growth and improvement. By embracing this model, you can unlock the full potential of your Contract Management practices and achieve remarkable outcomes.

Your Contract Management journey awaits, and with the Contract Management Maturity Model as your guide, success is within reach. So, seize this opportunity to assess your current standing, chart your desired destination, and forge a robust strategy to bridge the gap. Let's embark on this transformative adventure together.

To find out how we are helping Tier One clients implement their Maturity Model through our contract management software, book a demo below or reach out to us at: [enquiries@builtintelligence.com](mailto:enquiries@builtintelligence.com)

**BOOK DEMO**

**Work smarter, not harder.**

## ABOUT THE AUTHORS

As NEC practitioners Steven and Chris regularly find themselves helping project teams out of sticky situations and came up with the idea of this white paper as a way to help clients assess and advance their organisation's contract management skills. As Steven notes, **"Having spent most of our careers dealing with disputes and other challenges, we are passionate about improving project outcomes for all stakeholders in the construction industry."**



### STEVEN C EVANS

BSc(Hons) LLB(Hons) FCIArb FAMINZ (Arb)  
FRICS FCInstCES FCIQB FICE PRI

Steven is an accomplished construction professional with over 30 years experience in the industry gained initially as a quantity surveyor for a major multinational contractor, thereafter in senior quantity surveying and commercial management positions, and later as director of professional services practices. Since 2003, he has specialised in contract law and, as a construction contract and commercial consultant, combines his extensive practical experience with legal qualifications to provide high-quality, realistic, and cost-effective dispute resolution, commercial management, Adjudication, Arbitration, and training services to a variety of clients throughout the UK, wider Europe, and the Asia Pacific Region.

That practical experience encompasses a wide range of market sectors, construction types, and methods covering disciplines such as quantity surveying, commercial management, project management, claim preparation and defense, adjudication, arbitration, mediation, contract drafting and vetting, planning, estimating, personal and project mentoring and training.



### CHRIS CORR

MRICS, BSc(Hons)

Chris now runs Built Intelligence full time, but before this provided support as an interim Commercial Manager to EnergySolutions and prior to this worked in a similar role with Magnox as a focal point for NEC expertise and pragmatic commercial advice within their legal team, supporting their 1,000+ strong project community; acting as their NEC3 'trouble-shooter' for resolving contractual issues, supporting strategic project procurements and business improvements initiatives across their £1.5B portfolio of engineering and construction projects.

In 2013 he established Built Intelligence to digitise his know-how in NEC and procurement, due to his frustration with the quality of existing services providers. His approach to "NEC done differently", using a cooperative model and technology as enablers, has proved popular with clients such as Doosan, Cabinet Office, MoD and Crown Commercial Services.

## ABOUT BUILT INTELLIGENCE

Built intelligence provides smarter contract management solutions through a holistic ecosystem of platform, knowledge, and community. We are driven by our goal of building the skills and tools necessary for a better industry through market-leading construction SaaS.

Our product offering is centred around contract management software supported by our e-learning digital academy and expert community support forum. We work and collaborate with an unparalleled global community of over 200 optimised partners and contributors who all share our passion for smarter contract management.

**Work smarter. Not harder.**



## APPENDIX - DETAILED MATURITY MODEL

### CULTURE

	INITIAL	DEVELOPING	ADVANCED	OPTIMISED
TEAMS	Siloed by functional team	In-house teams are working together but still siloed between delivery partners	Extensive collaboration across all teams	Cross-functional teams aligned to project delivery and co-located
ACCOUNTABILITY	Fear, lack of trust, blame and fingerpointing	Fear of experimentation, some transparency behind the scenes fingerpointing	Blameless culture and frequent experimentation	Transparent, blameless, high trust, learning culture, and experimentation
ONBOARDING	No standardised onboarding process	Onboarding process exists, but people are not fully productive after completing and ramp up time is long	People are considered productive after onboarding	Comprehensive onboarding process enables people to be fully productive and ramp up quickly
TEAM HEALTH	Team members not able to discuss burnout and not empowered to take mitigation measures	Team members openly discuss burnout, but are not empowered to take mitigation measures	Team members are able to discuss burnout and are empowered to take mitigation measures	Burnout is rare, but is openly discussed and quickly addressed

## PLANNING AND PREPARATION

	INITIAL	DEVELOPING	ADVANCED	OPTIMISED
PROCUREMENT	Procurement is ad-hoc with no clear process	A procurement pipeline exists, but it is inflexible and limited in its utility	The procurement pipeline is fully planned, useful and adaptable	The procurement pipeline is fully digitised, updated regularly and available to the public
PROJECT CONTROLS	No standardised project controls. Current methodology is ad-hoc	Some project controls are in place but not project specific	Project controls are specific to the project and fully digitised	Project controls are specific to the project, adaptable, digitised and fully intergrated into other systems
RISK ASSESSMENT	Risk management is not considered at the beginning of the project	Risk considerations are reactionary and introduced in middle-to-late stages of the project.	Risk assessment is conducted at throughout the project and fully implemented into all processes	Risk assessment underpins the entire project process, is fully digitised and output used to minimise the impact
SCOPE CERTAINTY	Low scope certainty and excessive scope changes and variations	Scope is reasonably well prepared but still a moderate number of changes and variations	Scope is well prepared with a low number of changes and variations	The Scope is prepared with optimised from across the supply chain focusing on innovation and cost savings

## DESIGN AND ENGINEERING

	INITIAL	DEVELOPING	ADVANCED	OPTIMISED
SUPPLY CHAIN INVOLVEMENT	No involvement of the supply chain	Some involvement of the supply chain, specifically specialist subcontractors	Regular consultation with the supply chain with regular open days	Full involvement of the supply chain in the design and engineering process with focus on innovation and cost saving
DESIGN SUBMISSION AND APPROVAL	No timetables or processes for design submissions and approvals	Partial timetables for key elements of design with an ad-hoc approval process	Fully documented timetables agreed with the delivery partners. Approval process detailed and well-known.	Fully digitised design submission and approval process
DESIGN	Design work is siloed with all designers working independently; design clashes are frequent	Some interaction takes place between the designers, clashes are infrequent	The design team regularly communicates and share design documentation, clashes are rare	The design team are co-located or are at least BIM level 3 using a single shared design document. No design clashes



## PROCUREMENT

	INITIAL	DEVELOPING	ADVANCED	OPTIMISED
CONTRACTS	Contracts not validated or executed, no strategic frameworks	Some contract validations, and limited strategic frameworks	All contracts validated and strategic frameworks place	All contracts validated and digitised for easy access by all parties
PROCESS	The method of procurement and the contract is the same for all projects	Limited project needs are identified and a contract is chosen from 2 or 3 standard forms which are always used	The project and stakeholder needs are investigated and the procurement process and contract is chosen to satisfy those needs	The selection of the procurement process and the contract is made in collaboration with the delivery partners

PROJECT DELIVERY AND HANDOVER

	INITIAL	DEVELOPING	ADVANCED	OPTIMISED
TEAM	The Client and Delivery partner are siloed	Some interaction between the parties but still largely siloed	The parties work well together without friction	The parties are co-located with mixed teams
COMMUNICATION	Communication between the parties are primitive and limited	Regular communication between the parties but it remains unstructured and inconsistent	Communications are structured and through an online document control platform	The team freely communicate through a contract management platform
CHANGE MANAGEMENT	No contemporaneous delay or variation management	Some delays and variations are addressed and assessed contemporaneously	Delays and variations are addressed as they occur	Delays and variations are fully digitised and addressed as they occur
METHOD STATEMENT	Method statements are standard and largely unrelated to the task	Method statements are detailed and relate to the relevant task	Method statements are detailed and bespoke	Method statements are digitised, detailed and bespoke and integrated with the programme
PROGRAMME	The programme management regime is primitive	Programmes are updated regularly but still sporadically	Programmes are produced using recognised software platforms and updated regularly	The programme is produced using recognised software platforms, updated regularly and is accepted by the Client's team

**OBSERVE AND RESPOND**

	<b>INITIAL</b>	<b>DEVELOPING</b>	<b>ADVANCED</b>	<b>OPTIMISED</b>
<b>KPI</b>	No KPIs	KPIs are in place but they are generic and basic	More advanced KPIs with introduction of a scorecard	Extensive KPIs produced in conjunction with the supply chain
<b>PROJECT INFORMATION</b>	Limited or no access to project information	Some access to project information, but information not used	Project information is easily accessible but limited feedback to improve existing processes	Project information is accessible, and contains aggregated information in various categories. Information is used to provide historic insights and improve future performance
<b>PERFORMANCE MONITORING</b>	No performance monitoring	Limited performance monitoring but no feedback	Extensive performance monitoring but limited feedback	Continuous performance monitoring to identify and manage project vulnerabilities