

01 / Early Warnings

HOW TO MANAGE THEM COLLABORATIVELY

By Dr Stuart Kings



Page 1

Every construction project comes with an element of risk – as in life things don't always go to plan.

Spotting the warning signs early and dealing with them in a collaborative way can minimise the detrimental impact on the project and help avoid time and cost penalties.

All the NEC3 contracts contain an early warning process to help the parties involved proactively identify risk and facilitate a proactive outcome.

Although early warnings are a standard process in all NEC contracts, the parties involved differ in each case. In the Engineering Construction Contract (ECC), the parties are the Project Manager and the Contractor, whereas in the Term Service Contract the Project Manager role is taken by the Service Manager.

The process is the same in every contract and can be broken down into four key stages:

- Notify an early warning.
- Set up a risk reduction meeting, if required.
- Facilitate the optimum outcome and action plan.
- Update the Risk Register. In the ECC, this is the Project Manager's duty and they give a copy to the Contractor.

However, whilst the process is straightforward, people often struggle to implement it properly because it is such a cultural shift from the way we traditionally work in the construction industry.

This article aims to help you overcome that cultural barrier by providing some top tips on how to manage early warnings collaboratively and work with all stakeholders to deliver a successful project.



Tip 1: Ensure a genuine awareness within the team before the project goes live:

It's essential for all stakeholders in the project to have a good understanding of the early warning process from the outset. This is best achieved through a joint training or briefing session involving both the supply chain and the stakeholders from the Employer's team.



Tip 2: Work through typical examples that could occur:

Just like exam revision, working through examples is great preparation for the real thing. This process helps raise awareness and generate healthy discussion about what is and what is not an early warning. It's important to point out that an early warning is not necessarily a compensation event or a pre-empt to a claim. Working through a crib sheet of examples helps demonstrate this point and increases your team's understanding of the early warning process.

There is an early warnings crib sheet in the Resources Section of the Docte website, which you can download and use with your own teams.
[\(http://www.docteconsulting.com/resources/\)](http://www.docteconsulting.com/resources/)



Tip 3: Agree a joint system to use:

In order to work collaboratively, it's essential that you communicate in a structured way. The very least you should do is use pro-formas to log communication rather than rely on emails where people can ramble on.

But there is also the option of using a secure web-based contract management system such as Sypro, which allows you to communicate in real time from any internet enabled device.

Sypro offers a free version of its software called Sypro NEC3 Lite that can manage early warnings and is available to download from the company's website.

In the past, I've seen project teams project Sypro on to the meeting room wall so they can discuss developments and work together to update the system in real time.

Continued overleaf ---->

01 / Early Warnings

HOW TO MANAGE THEM COLLABORATIVELY

By Dr Stuart Kings



Tip 4: Discuss first:

Teams who work collaboratively pick up the phone and speak to each other first to discuss a potential early warning. If they see fit, it may become a formal early warning - but discussing the situation maintains and enhances their collaborative working.

The other thing I have seen work well is where the teams will agree at the beginning of the project to categorise early warnings. If it's a category 1 they know they need to meet quickly, maybe even the next day. However, if it's a category 2, they know they can stockpile it and review it at the next progress meeting.



Tip 5: Follow the process and record in accordance with the contract:

Ensure that the team follows the process and records outcomes correctly (as per clause 13.1). The ECC requires professional record keeping.



Tip 6: Have patience - it takes time to master how to effectively work in new ways!

With a new team, it can take up to six months before the processes can work effectively. Even then it requires a concerted effort from all parties because it's a new culture and a different way of working to what people are often used to.

The Project Manager plays a key role here. They should be facilitating the process and ensuring it's managed effectively and quickly. They must also maintain the Risk Register. Essentially, we are looking for some leadership skills from the Project Manager.

The other crucial point to make is that it's important not to be adversarial. Don't look for blame, look for solutions. It's not about blaming one another. It's about looking for answers for the good of the project.



Conclusion:

The early warning process is one of the three stimuli to good project management. The other two are programme and compensation events. These all interlink with one another in the contract.

Managing the process collaboratively helps ensure problems are dealt with early and objectives are met.

It's a win-win for all parties whatever the contract. This is not light and fluffy collaborative working. This is a clear business/management process that needs to be followed and implemented. By following the steps highlighted you can help ensure your project is a resounding success.