

Partnering within Framework Programme Six IST Projects

By Neil Sandford & Charles Stubbs

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Partnering within Framework Programme Six IST Projects

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About the authors

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This document explains the opportunities and challenges for organisations wishing to benefit from Framework Programme Six (FP6), the main vehicle through which the European Commission funds research activities in Member and Associated States.

Grants are available in a range of disciplines, although here we focus on the Information Society Technologies (IST) Programme within FP6. In order to take part in most types of funded IST project you will need to collaborate and co-operate with other organisations, at least some of which are likely to be based within different cultures where English is not the primary language.

A project will only deliver maximum benefits if the consortium of organisations running the project works as a team towards commonly understood and shared goals – which means that the participants in the consortium have to be *good partners*. But what does this entail? How can you ensure that your organisation is ready to collaborate, that the others in the consortium are equally prepared and that the way the project will be managed is conducive to open and supportive communication?

The advice given in this document is based on practical experience developed over many years. It is there to help you and your partners as you proceed through the various phases of a project – from declaring an initial interest to reaping the benefits from the results.

Throughout the document, we have included references to some of the companies that have been featured in the Information Society Technologies case studies published by UK/SHELP in 2002.

To ignore the advice is to put at risk both your own and your partners' investment of time, money and skilled resource.

The outcome could be that the project:

- fails to get funding
- diverts from its original goals
- fails to deliver its results,

or in the worst case

- ends up in litigation.

So read this document carefully. Determine for yourself what is best for your organisation. And if you do decide to become involved, remember that UK/SHELP is available to assist you in gaining the maximum benefit from FP6.

If you follow the advice in this document, and you are certain **you** have the backing of your senior management and that **other** partners in the consortium have the same high level of support within their own organisations, then the project has a good chance of being successful.

Above all, satisfy yourself that you trust your partners and that they trust you.

Now read on to find out more.

FAQs

Do I need partners to do what I want to do?

YES, if you want to access external skills and experience and/or share the burden of risk

But NO if:

- the project is critical for your organisation's survival (because as a member of a consortium you will not be in full control of your destiny)
- you need the results urgently (because collaborative projects inevitably take a longer time)
- the results are only of marginal interest (i.e. you are really only doing it for the money).

Would I be a good partner?

NO, if your organisation is unsure it can meet its obligations, or is unwilling to invest time and effort in understanding partners OR

if your involvement depends too heavily on the enthusiasm of just a few individuals.

But YES, if:

- you are prepared to treat your partners as you would your customers – listen to their needs, respect their concerns and honour the commitments you make to them

AND

- you secure the backing of your senior management, brief them regularly and allocate the right staff and resources to the project.

Is consortium working manageable?

YES, if every partner knows why they are in the project, what contribution they are making and what results they are expecting. Everyone should be able to answer the questions: "Who's doing what, and why?"

But NO if:

- there are conflicts of interest or hidden agendas – to be successful, a project needs partners who are willing to share information and support each other
- members have not planned how to meet their obligations, are unsure about the project objectives or are uncertain about the risks.

What do I need to do to manage the risks and responsibilities?

- Establish a management structure within your own organisation that is able to respond quickly to requests for action or decision.
- Set individual targets and objectives for the people involved in the project that are in line with the project's aims.
- Work at getting to know your partners – the most effective way to reduce the risk of project failure is to improve communication between the consortium's member organisations.
- Assure yourself that your partners agree on the overall project objectives and have both the plans and resources in place to achieve them.

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Part One - Overview

[Introduction](#)

Each Framework Programme evolves through lessons learned from preceding Programmes. This time round, the way that the programme will be run is influenced by three new priorities.

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- Explicit recognition of the need to address global issues at a European level through support for a European Research Area (ERA).
- Greater autonomy for project consortia, leading to the creation of a new type of contract for larger-scale and longer-term Integrated Projects.
- More emphasis on anticipating and planning for longer-term opportunities by bringing leading-edge research teams together into Networks of Excellence.

A collaborative approach to research fits well within the remit of the European Commission. The emphasis is, and has to be, on tackling problems that can best be addressed at a European not a national level and which brings benefit for Europe, not just a single company. Part of the thinking behind this is that European companies, having to compete globally, need the support of a strong research and development base in order to be competitive.

Partners within a consortium will bring their existing knowledge into the project in order to gain access to the combined knowledge of the consortium members as well as the intellectual property rights (IPR) developed within the project itself.

[Checklists](#)

[Finding partners](#)

This document is designed to help you evaluate the opportunity, prepare properly for the role you are taking on and manage the risks associated with collaboration.

[Managing expectations](#)

What is meant by partnering?

Partnership is not always the natural way of solving problems. In European-level research, collaborating is something organisations have to do, not always something they want to do. In a well-constructed consortium you will be partnering with people with a variety of specialist skills, from different countries and cultures and with different commercial motivations.

[Making the commitment](#)

“Partnership” is a noun. It is a thing. “To partner” is a verb. It is what you do.

[Getting started](#)

A project built on a commitment to partnering should result in something of lasting value, but your newly-found partners will be expecting you to give them the same opportunity. In deciding whether a proposed consortium is a good or bad idea, it is wise to ask yourself what your organisation can contribute, as well as thinking about what you will get out of it.

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Although the Commission will be partially funding the costs of the project, it is wrong to think that you will be working for or providing a service to the EC. It is best to think of the money you receive as a contribution towards the additional cost and risk associated with tackling a complex problem at a multinational level.

Your motivation for partnering will include one or more of the following:

- Access to critical background IPR and to missing skills
- Achieving critical mass
- Enhanced credibility/capability
- Improved access to markets
- Spreading risk

- **Access to critical background IPR and to missing skills**

One of the main reasons for collaboration is simply that a single organisation could not achieve the same results on its own and could not justify buying in the missing elements. Some cash-rich companies have made an art out of buying the results of others' research but that option is not open to everybody. As long as you are prepared to share the commercial opportunity, joint development is often the only viable approach.

Other forms of collaboration include developing research results into new products or services and tailoring products or services to address specific market needs. Collaborative research projects often embody a supply chain – creating, adding value to and exploiting some area of knowledge.

In larger projects, the roles of the various partners may be more complex but the principle will be the same.

- **Achieving critical mass**

In some rare situations, a 'lean' consortium consisting of, say, one technology provider, one developer and one trial user, will be appropriate. Mostly, however, the challenges will dictate that a greater number of partners will be required.

- Larger consortia are particularly appropriate in projects that are primarily concerned with the integration of several areas of knowledge. Within the IST Programme, for example, indications are that many of the research problems will be addressed through collaboration between technologists and social scientists.
- Project teams may also wish to draw on the experience or requirements of users from a range of different sectors or markets, in order to ensure that the results of the project are more broadly based.
- Another common situation is where an academic research partner might wish to publish interim results from the project in one sector, for example, while the long-term plan is for commercialisation in a completely different sector. Having trial users from both sectors helps avoid conflict of interest.
- The number of user-representatives within a consortium developing and promoting international standards is likely to be far higher than in a typical research project. The critical issue for a standardisation project is likely to be whether the outcome of the work will be supported and adopted by major users.

The guideline in these and in other situations is that partners should have complementary rather than duplicated roles.

- **Enhanced credibility/capability**

It is particularly difficult for smaller and more innovative companies to “pull their weight” in the international arena. Whereas multinational companies in the IST area are likely to have a market-presence in all major territories and research/support capabilities in several countries, smaller companies and universities will have more limited resources. Working in collaboration with a major industrial player can bring benefits such as:

- Industrial ‘scale’ of the solution – proven in a rigorous way in a demanding environment
- Commercial relevance – a solution that is seen as part of a major portfolio rather than a one-off
- Depth of support – access to larger support teams; technical, managerial, legal and commercial
- Sustainability – the ability to commit to continued financing and support beyond the funding period.

- **Improved access to markets**

Working with large commercial partners is not the only way of gaining access to a bigger or wider market.

- One or more flag-ship users from the private or public sector can give the project results greater visibility or credibility within a target market area.
- The opportunity of exploiting those new markets (whether sectoral or geographical) can be enhanced by bringing established specialist suppliers into the consortium.
- Trade Associations and other Non-Governmental Organisations (NGOs) can also give a consortium a conduit into a particular group of potential users.

However, when the motivation for involving additional partners in the consortium is primarily a ‘downstream’ commercial relationship, the benefits for that type of partner may not become apparent for some time *beyond* the life of the project. This is a particularly difficult aspect of partnering to manage, since the commitment of that partner *within* the project will be seen as a lot of effort for no real return.

- **Spreading risk**

Undertaking research on your own ensures that you reap the full benefits. But you also bear the full risk of failure. Collaborative research carries its own portfolio of risk – longer time to market, dependence on results from other partners, conflict (between individuals or between commercial interests), differing expectations and a range of other potential problems that are explored in more detail in other parts of this document.

There are, however, two major benefits in terms of sharing risk. The first is simply that you are not funding the full cost of resourcing the project. The second is that there will be a variety of perspectives on the problems encountered and an informed consensus on the best way forward is likely to be more successful than any single organisation’s view.

Before you commit to a Framework bid ...

Checklists One and Two help you to determine whether your project idea is suitable for collaborative research - and whether you would make a good partner for a consortium.

How is Framework Programme Six different?

FP6 is significantly different to its predecessors in two important and inter-connected ways.

Firstly, the evaluation criteria are now much more explicit about how the bidding consortium has to justify the support of the EC. Whereas FP5 evaluators were briefed to look for solutions to *problems with a European dimension* that could not be tackled at a national level, the expectation is that FP6 projects will have a **genuine impact** at a European level, through mobilisation of a **critical mass** of European resources.

Secondly, and in order to achieve this critical mass, FP6 introduces two new types of project - Networks of Excellence and Integrated Projects - that will typically have longer time frames, larger budgets and greater autonomy than previously possible.

These changes imply that consortium participants must now, more than ever before, learn how to conduct research activities as though they were part of a single, European entity rather than simply representing their own interests. Partnering skills, including knowing how to incorporate new partners as a project matures, will be vital components in the achievement of this aim.

The rapid expansion in the number of eligible countries implies that many consortia will be seeking to introduce inexperienced partners. There are specific actions designed to involve organisations with specialist skills from, for example, Eastern Europe as well as actions intended to provide transfer of skills into less-advantaged or less-developed regions.

The scale of the 'new instruments' called Integrated Projects and Networks of Excellence implies that consortia will become larger and the number of projects in a given research area correspondingly smaller. The shift towards these larger contracts implies that the competition for funding under traditional instruments will be more intense and consortium members will have to do more to justify their participation.

The move away from 'close-to-market' projects funded under Framework Programmes Four and Five towards longer-term work will provide additional challenges for all participants, but especially SMEs, in terms of protecting the value of your investment in a project.

What are the responsibilities of a partner?

Checklist Three describes the responsibilities of a partner in terms of what you are prepared to give in exchange for what you want to get out of the relationship. In terms of actually delivering the results that brought the consortium together, there are four broad areas of responsibility:

- Giving others access to existing IPR
- Being prepared to share the results of the project
- Complying with the requirements of the EC contract
- Fulfilling the role assigned to you

Giving others access to existing IPR

The know-how that you bring to the project, enabling others to build on that knowledge, may be one of the reasons you have been accepted into a consortium. The IST Programme is quite explicit about your responsibilities in this area, although it is possible to define specific background knowledge that is not to be shared in this way. It is vital that you ensure your organisation is willing to fulfil its obligations.

Being prepared to share the results of the project

Partnering is appropriate in situations where a smaller slice of a bigger cake is better than all of a small cake or none at all. You must be clear, from the outset, about the way the cake will be divided, which bits you are interested in and what you will have to do to enable others to get the benefits they expect.

Complying with the requirements of the EC contract

Dealing with the EC and its officials has often been frustrating as well as time-consuming, but for the new FP6 instruments a simplified management and reporting structure has been put in place. The primary concept underpinning the new types of contract is the notion of 'collective responsibility' which means, in essence, that if you are meeting your obligations to your partners then you are almost certainly meeting the requirements of the Commission. Ensure before you start, however, that your organisation understands and is content to meet its legal obligations.

Fulfilling the role assigned to you

The previous three areas of responsibility will all be addressed in the consortium agreement that you are obliged to complete before starting the project. One further area of responsibility is more difficult to express in a legal document but equally fundamental to the success of the project. It is the question of what constitutes acceptable performance. The concept of active partnering has evolved from the simple management ethos of 'win-win', or 'what is good for you must be good for me'. Simple, perhaps, but not simplistic. If you treat your project partners with the same respect as you treat your external customers, then a well-conceived project plan is very likely to deliver the expected results.

What are the major risks?

We have already said, several times, that there are risks associated with collaborative research. Some risk areas can be managed effectively by taking appropriate precautions. Others are inherent in any collaboration that has commercial implications and can only be pre-empted, rather than mitigated later in the project. Checklist Four describes some of the steps you can take to manage these risks and Checklist Five provides additional suggestions for ways of protecting your investment in the project.

Risk of conflict

Of all the types of conflict that can occur within a consortium, the three that are most likely to occur are all basically conflicts of interest:

- Conflict between a consortium member's own interests and those of the project
- Conflict between the commercial interests of two or more consortium members

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- Conflict between the consortium as a whole and the EC.

Other forms of conflict that can occur are likely to have their roots in culture, personality or management style. Commitment to transparent decision-making, effective communication (both formal and informal) and explicit and agreed goals will make confrontation less likely. Other techniques for reducing the risk of conflict are described in Part Four (making the commitment).

Being pulled in two directions

With the best will in the world, circumstances change and what appears to be an important and interesting project area at the outset can suddenly turn into a liability. This can occur because of:

- the nature of the organisation's primary focus changing or its business environment becoming more challenging
- the part of the project that the partner is primarily interested in ceasing to be relevant or overtaken by circumstances
- competing commercial demand for rare skills or loss of key staff (especially in smaller organisations) that have been allocated to the project.

A formal high level agreement between consortium members should include explicit detail about what each member is committing to the project in terms of resourcing and the tasks to be undertaken. It should also provide a mechanism for re-negotiating those obligations where necessary, in a responsible and constructive fashion

Commercial sensibilities

In many consortia, two or more partners will have overlapping, if not explicitly conflicting, commercial interests. Often the potential for conflict can be controlled, especially if all partners are clear and open about what they hope to achieve. As the project progresses, however, the significance of the results and the potential for conflict may escalate. The symptoms are likely to include:

- reluctance to show flexibility in supporting a change of direction
- insistence on following a development path that is overtly advantageous to one partner
- delivering sub-standard work in order to diminish the commercial potential of the project or an apparent eagerness to see the project fail.

All are potentially disastrous. Limiting the damage requires both a mechanism for spotting the symptoms early and a consortium agreement that is robust enough to quash the damaging behaviour.

Losing the support of the Commission

Trust is not only important for the cohesion of the consortium, but also for the relationship between the consortium and the funding agency. In fairness, it is hard to lose the trust of the Commission's management staff without good reason. Transparency and good communication are again fundamental.

As long as the quality of work is up to expectations you are unlikely to face major problems in arguing for a necessary change in the direction of the work. This will be particularly true under the different management regime of FP6, which offers greater autonomy to consortia.

Risk of failure

The risk of failure is inherent in research and technological development work. If every research path was guaranteed to succeed, there would be no justification for external funding. Risk can be managed more effectively if the project plan allocates realistic tasks with appropriate timescales and resources to competent and well-motivated partners. During the execution of that project plan, three aspects of management help keep development on track:

Agreeing over detail

Project plans tend to be written by 'management'. They are usually executed by staff who did not play an active part in the planning process. Misunderstandings over the purpose, scope and detail of a piece of work can lead to delivery of unwanted or unacceptable results, or attempts to solve the wrong problem. The potential for misunderstandings is increased when people are asked to work in a second language and when the management structure of the project creates reporting lines between two or more organisations. The project workplan has to contain sufficient detail of what is to be done, and why, to ensure that all participants understand the work to be done.

Making effort visible

A second factor that can contribute to failure is development work that takes place behind closed doors. Some organisations are actually very good at taking away a specification, remaining silent for six months and returning on the day of the deadline with perfect results. It is not an approach to be encouraged, however. A variety of tools are available to improve communication, including regular progress reports, meaningful milestones and encouragement of informal and social interaction between members of the project team.

Controlling enthusiasm

A misunderstood or incorrect specification, however perfectly implemented, will be as damaging as the poorly-implemented specification. In a consortium with inadequate communication, the tendency to 'get on with the job' can override the need to be sensitive to changing circumstances. One of the elements of effective partnering is recognition that you are working for others and that they are working for you. Implementing explicit supplier/customer relationships for every task in the project plan is one effective way of ensuring that work is only done when it is needed and when the recipient of the results has defined what has to be done.

How do you set up an effective consortium?

Developing an effective partnering relationship will not happen overnight or by an exchange of email. It is frequently said, with justification, that you should not use a Framework project to try to solve problems that are fundamental to the future of your organisation. The risk of failure is too great. Equally, you should not enter into a project purely because some funding is on offer and the work or the outcomes are irrelevant. The first step in preparing for collaborative research is, therefore, to have a clear understanding of the business case for participation and the outcomes that you are seeking. If you have not got that far, then you are a long way from being able to consider yourself as a prospective partner for any research consortium.

Assuming that you are successful in identifying a partnering opportunity that fits with your business plan (see Part Two of this document) then the next step is normally to obtain the necessary management approval to devote time and energy into developing the relationship. This step, focusing on the crucial issue of managing expectations, is addressed in Part Three. As a fundamental tip, you will find it easier to locate partners and obtain approval to begin a dialogue if you start with organisations with which you have an existing relationship.

Committing to a project is not simply a case of finding potential partners and getting managerial approval. At this early stage, the question of what exactly your organisation will have to put into the relationship and what you want to get out of it will need to be examined very carefully – which can only happen if you go through a formal planning process (see Part Four).

Part Five describes the kinds of issues that you will face in actually getting a project off the ground. That is not to say that you can limit your reading to the preceding three sections prior to signing a consortium agreement. Knowledge of what is involved in delivering the project will help to shape the way you plan your involvement and influence the decisions you have to take.

Finally, in Part Six, we bring together a number of the issues that will affect the long-term sustainability of a partnering relationship.

The final checklist (Checklist 6) is designed to help you perform your own 'sanity check' on the consortium you are about to become part of. It provides some concise summaries of the issues that you can share with decision-makers in the consortium and within your own organisation.

Checklists

[Introduction](#)

Checklist One - Do I need partners to do what I want to do?

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➤ **Checklists**

- [Do I need partners to do what I want to do?](#)
- [Would I be a good partner?](#)
- [What do I want to give? What do I want to get?](#)
- [What do I need to do to manage the risks and responsibilities?](#)
- [How do I protect our investment?](#)

- ✓ Very often the project you have in mind is just too large or too complex to resource by yourself, particularly if the key people involved would be taken away from your mainstream business activities for an extended period.
- ✓ You may not have all the skills, experience, knowledge or background IPR that will be required to achieve your aims, so you need to find and work with partners who can bring these missing attributes to the project.
- ✓ Look beyond the end of the project: what will you have accomplished by then, and how will you exploit it? Maybe you can not expect to exploit all of the benefits on your own? Maybe you will need partners to help to commercialise, manufacture, distribute, market, sell or support what you have achieved. If so, you might want them involved in the project.
- ✓ Working with other organisations is a good way to spread risk, both in terms of sharing costs and in assuming joint liability if things go wrong.

BUT

- ✗ Don't become involved in a project with partners simply to gain access to funding. The EC money is there as an acknowledgement that working in a multi-organisational team across international and cultural boundaries is hard, and will incur additional costs.
- ✗ If the project's aims and objectives are not aligned with your organisation's goals, don't commit resources to it. The other partners will have their own reasons for being in the project and you could end up putting effort in on their behalf and getting little back in exchange.
- ✗ If the project is peripheral to your organisation's core activities, or the results are marginally relevant, you will not receive the continuing support you need from your own management, and it is unlikely that either you or your organisation will benefit.
- ✗ Conversely, if the results of the project are crucial to your organisation's survival, it would be unwise to gamble valuable resources at a critical time on a speculative EC proposal. It is almost certain that you would want to be in the driving seat rather than subject to the outcomes of a collaborative project and there is always the likelihood that the proposal would not even be accepted.
- ✗ Don't expect a collaborative EC project to be a quick fix. Remember that work is unlikely to start less than six months after the submission of a proposal and usable results may be several years away. Further, the larger and more multi-cultural the consortium is, the longer it will take to get things done.

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Checklist Two - Would I be a good partner?

- ✓ Being a good partner is not a lot different to being a good supplier. If you treat your partners as customers you will be most of the way there. Listen to their needs, respect their concerns and honour the commitments you make to them.
- ✓ Choose people for the project team who have good communication skills and, preferably, experience of working in multi-national teams. Take the necessary steps to 'ring-fence' key project staff. Ensure you have adequate resources allocated to meet your obligations.
- ✓ Get your senior management team fully on board. Gain their approval before the project begins and their authorisation for your organisation's involvement. Without the explicit, declared backing of senior management for what you are doing, your organisation will not be a good partner and you should not be in the consortium.
- ✓ Keep key people within your own organisation briefed on progress in regular, scheduled review meetings.
- ✓ Put in place an effective, fast escalation procedure for when problems occur. Ensure that your organisation is properly prepared to deal with and resolve any major issues as they arise.

BUT

- ✗ If you can't or don't want to invest time and effort into understanding your partners' culture, working practices, industry norms of behaviour and project goals, don't get involved.
- ✗ Don't sign up to an EC-funded project or network if your organisation is uncertain that it will be able to meet its obligations. You are committing your organisation to a legally-binding undertaking that will extend over a period of several years and others will be reliant on your contribution.
- ✗ If you intend to staff your part of the project simply with the people you have available, without being prepared to reassign, recruit or develop the necessary skills, then don't become involved. You must be prepared to put people with the right skills and aptitude into the team, as you would with an internal project.

Checklist Three - What do I want to give? What do I want to get?

- ✓ A good and worthwhile project is one where the total benefits accruing to all participants exceed what could have been achieved by working alone. Project proposals that demonstrate this are more likely to receive funding.
- ✓ Know why you are in the project. Define what contribution you are making and what results you are expecting. Make sure your people understand these and can consistently articulate your organisation's aims and objectives in dealings with partners.
- ✓ It is important that all partners are open about their goals and recognise both their own limitations and the contributions made by others. Everyone should be able to answer the questions: "Who's doing what, and why?"
- ✓ To be successful, a project needs partners who are willing to share information and support each other when required. For this to happen there has to be a climate of trust and understanding. So be practical and truthful in meetings, and in other interactions with partners, and don't let people down.

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- ✓ Be prepared to represent the project within your own organisation and to third parties, as well as (when necessary) defending your organisation's corner within the consortium.

BUT

- ✗ A consortium won't work if there are conflicts of interest or hidden agendas. Try to choose partners you know. Encourage consortium members to feel comfortable about putting things on the table and saying what they mean. If you are unable to foster such an open environment, you may be with the wrong partners.
- ✗ Don't expect more from partners than they have explicitly committed to. For example, it might be assumed that a large company within the consortium will provide meeting accommodation or communication links. Unless something is in the consortium agreement, the chances are it won't happen.
- ✗ Don't just rely on the consortium agreement to define roles and responsibilities. You should draw up an internal plan for how your company will meet its obligations and encourage other partners to do the same. If you cannot achieve such co-ordination at the start, it is unlikely that the project will be successful.

Checklist Four - What do I need to do to manage the risks and responsibilities?

- ✓ The most effective and important way to reduce the risk of project failure is to improve communication between the consortium partners within and beyond formal project meetings. Look at using videoconferencing, teleconferencing and the Internet to stay in touch. Provide extra help to project staff you will be working with for whom English is not the first language.
- ✓ Assure yourself that your partners agree on key milestones and dates, and the nature and substance of any deliverables, and have both the plans and resources in place to achieve them.
- ✓ Set up a management structure within your own organisation that is able to respond quickly to requests for action or decision. Make all decision-making within the project accountable and as transparent as possible.
- ✓ Explain the need for and implement within your own organisation any modifications to standard reporting and control practices that may be needed in order to feed into and receive input from the consortium's management processes.
- ✓ Ensure that your people working on the project are set individual targets and objectives that are in line with the project's aims and which support your organisation's goals. Celebrate the achievement of milestones and make staff feel that they are doing something important, not cut off from the organisation's mainstream activities.

BUT

- X** Don't assume that everything will go according to plan. You need to build cross-project procedures to rectify failures and minimise the impact when major problems arise.
- X** Don't allow your key project staff to be pulled from the project without first looking at all possible alternatives. You should insist that all partners follow a defined procedure for replacing key personnel, including the proper training and preparation of replacements.

Checklist Five - How can I protect our investment?

- ✓** Once funding is approved and the project has started, make sure you track its progress and regularly report back to your own senior management team. Understand and monitor the 'payback' or 'return on investment' that you and your partners expect to gain from the project. This may partially be expressed in financial terms but will also include acquisition of new skills, exposure to new opportunities and beneficial changes within the organisation and its marketplace.
- ✓** Protect your organisation's background IPR while giving access to information as defined by the consortium agreement. Ensure that your senior managers are fully briefed on how you are managing this aspect of the project, and are given an opportunity to satisfy themselves that it is under control.
- ✓** Remain flexible if partners want to make changes to plans, but don't allow the project to drift away from its original aims and objectives. Foster mutual dependency between partners, so that it becomes harder for any one consortium member to ignore the consensus view and go it alone.
- ✓** Support the implementation of procedures to allow new partners to be identified, approached and brought into the consortium, as and when new skills, experience or knowledge is required.
- ✓** Encourage members of the consortium to interact outside the formal agenda of meetings, creating the opportunity for social interaction and avoiding an over-reliance on formal lines of communication.

BUT

- X** Don't allow one member of the consortium, such as the project co-ordinator, to become dominant. This is best addressed by insisting that partner roles and responsibilities are clarified at the start.
- X** Although it is important to get the right people involved, don't let the success of a project be critically dependent on the continuing contribution of particular individuals. You should have contingency plans in place in case key staff leave or fall ill.
- X** In a similar way, don't let the continuing commitment of your own organisation depend on just a few project champions (including yourself!). The project, and your organisation's contribution to it, should be structured so as to be capable of surviving moves and changes within senior management.

Part Two - finding partners

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How does a research consortium come together? It may appear to the newcomer as a 'chicken and egg' situation – partners that have worked well together in the past are likely to work well together again. So why would an existing consortium look for outside assistance? There are, in fact, many reasons why fresh blood may be required, some of which we have already identified in Part One. It follows that once you have been part of a successful project, it does then become easier to persuade the organisations you want to work with to join you in future projects, as illustrated in the Elysium case study.

The way you go about developing a partnership will depend to a large extent on whether you are looking for a consortium to join or for a partner to add to your existing consortium. (The third alternative, building a new consortium from scratch, is not for the inexperienced or the faint-hearted!) In all cases you will need to gather intelligence about other organisations working in your field and/or advertise for partners using a specialist brokerage service.

The task is made more complex because you, or somebody acting on your behalf, will be building relationships with organisations from other countries. This is not simply because 'you have to have foreign partners'. Since Framework Programme funding gives you the opportunity to collaborate with partners from the entire European research community, you need to satisfy yourself that you are approaching the consortia or organisations that are best placed to help you achieve your research goals.

However, the solution to your quest for partners need not always lie overseas. One of your own suppliers, an existing customer or a local university may be a suitable candidate to contribute to your project or may already be active in the research field you wish to get involved with. As an example, UK-based case study company Televirtual entered into its first EC project alongside the UK's Independent Television Commission and the Atomic Energy Authority.

Finding existing consortia

One of the best indicators of the potential within a consortium is its track record. The Commission supports an on-line service, CORDIS (Community Research & Development Information Service – www.cordis.lu), which includes a comprehensive database of information about past projects. CORDIS will not actually tell you whether a project was successful, but it can be very informative to look at the range of projects an organisation has been involved in and the partners it has worked with. The one drawback if you are starting from scratch is that some familiarity with the structure of Framework Programmes is assumed. To get an idea of how the search results can be used, try searching for projects involving a well-known company like ARM, or one of our case study companies such as CDT, that has worked with a regular group of partners in various consortia since the early 1990s.

The Commission also supports a network of support centres called Innovation Relay Centres (IRCs). Over the last few years, the primary responsibility of an IRC has shifted away from helping new projects get off the ground to focus on the exploitation of the results of past projects. However, the companies that host IRCs tend to wear several hats and may be able to provide assistance through the events and other services they offer.

Advertising your needs and capabilities

Another initiative supported by the Commission and sponsored by the EU is the Ideal-IST network (www.ideal-ist.net). This is more pro-active than CORDIS in that members of the Ideal-IST network are able to circulate your partner requests and feed you partner requests from other countries that match your own profile.

The discipline of writing an Ideal-IST profile is, in itself, informative. It makes you reflect on what you really want to achieve and what you can realistically contribute. Ideal-IST has also extended its remit into the new accession states of Eastern Europe and provides a reliable way of reaching those new opportunities.

Ideal-IST is a free service. There are also a number of commercial brokers and consultancies that can help. Look in the UK/SHELP consultants' register for details (www.ukishelp.co.uk).

Other ways of advertising your existence include attendance at national events and the Commission's own Information Days and workshops. Bear in mind, however, that these events are typically scheduled during the build-up to a specific call for proposals. This means that they are mainly of value to existing consortia that are already planning to submit a proposal to a specific call and to organisations seeking to join an existing consortium or looking for longer-term opportunities.

Once you've identified potential partners

The trustworthiness of your partners is not simply an issue for the commercial phase after the project. At the proposal-development stage it is vital that deadlines are respected, that issues of confidentiality are dealt with openly and that the people you are dealing with have the backing of their senior management.

A Memorandum of Understanding (MoU) is often a useful way to bring these issues into the open. This document is not to be confused with a formal Consortium Agreement, required by the Commission prior to starting a project. It is more an 'agreement to agree', setting out in broad terms the expectations the partners have of each other and the commitments each is willing to make to the consortium. We would strongly recommend that you use an MoU to gain the written and authorised agreement from your own and your partners' senior management about what it is you will be doing together before formally committing to a specific project.

Case Studies

Elysium, CDT, Televirtual

http://www.ukishelp.co.uk/start_here/17Casestudies.html

Contacts

CORDIS: www.cordis.lu

Ideal-IST: www.ideal-ist.net

UK/SHELP: www.ukishelp.co.uk

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Part Three - managing expectations

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As your progress towards a viable consortium develops, you should find that you are being asked to make more and more commitments – to the consortium, to your own management and to the proposal-writing process. If this does not happen, then the role you are being asked to play is essentially a passive one, from which you are unlikely to derive much benefit.

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Gaining the support of senior management

As you seek internal approval for these commitments, the questions that are likely to be asked most frequently are: “*What do we get out of this?*” and “*What do we have to put in?*”

Before entering into a collaborative agreement with a research consortium, your senior management team should validate that the project outcomes are of interest to the organisation and confirm that they are prepared to make available the resources needed to complete your part of the project.

Exploitation of a successful project will require further support from within the organisation and it is useful to have at least one ‘project champion’ who can see the long term benefit.. The OptionExist case study demonstrates that longer-term business models are needed to gain advantage from European collaboration and highlights the need for additional resources in order to capitalise on those opportunities.

Be sure you have sufficiently strong arguments about the benefits the project will deliver before you have to start justifying the commitments that are outlined in the remainder of this section. Preparing this kind of internal justification is also a valuable sanity check on the decision to get involved in a project. If you cannot justify the level of commitment necessary, you are unlikely to be able to play a complete role and the return on your investment will be weak.

It is not just your own management that you need to seek approval from. Without evidence that the other consortium members are equally committed, the risk of failure is significant. Look for the participation of senior representatives from the organisations that host preparatory meetings. As the development of the project plan proceeds, review the CVs of the staff that each partner is proposing to put into the project. Do they have the necessary experience? Do they have sufficient seniority to act as project champions?

Making the consortium work

One of the hidden costs of collaboration is the active investment that is needed in order to bring the consortium together and ensure that it will be effective. Larger companies and universities with a history of Framework Programme research usually employ staff whose job it is to attract the right funding for the right projects. For first-time participants there will be a steep learning curve before you can function efficiently in this kind of environment.

In previous Framework Programmes, but not in FP6, special awards have been made to allow SMEs to develop proposals for research projects. Typically it was assumed that a budget of £20-30k per partner would be needed in order to build the consortium, attend meetings, do the necessary planning and prepare a convincing proposal. In addition to these costs, there are the internal activities described in Part Four that you will need to commit to once the project begins.

Protecting your organisation's investment

One of the calculations that senior management will expect to see is the potential benefit of investing in a project. If necessary, find out how your organisation calculates its return on investment (RoI) on commercially funded projects and try to adapt that model.

The investment cost will include:

- Your own contribution towards costs incurred within the project (normally between 50% and 65% of actual cost, remembering that 'contributions in kind' such as the value of IPR and opportunity costs are not eligible for matching funding).
- The full cost of submitting a proposal, which is not eligible for funding as part of the project budget.
- Some portion of the investment you have made in developing or acquiring any existing IPR that you are making available to the consortium as part of your contribution to the project.
- The 'downstream' cost of commercialising the results of the project after EC funding has stopped.

The return that you can expect to achieve may include any of the following although results are far from certain and revenue opportunities in particular should be heavily discounted to reflect the real risk of failure:

- New market opportunities
- Improved efficiencies
- Reduced costs
- Better performance

You will need to ensure that your rights to background knowledge are protected and that any access rights that you will grant to other consortium members can be balanced against the return that you will receive from the project.

The implications of 'opportunity cost'

The Framework Programme funding regime is based on partial reimbursement of actual costs incurred. For staff-time this is calculated as salary and social costs (NHI contributions, pensions, etc) plus a contribution towards overheads. There is no allowance for profit. This may not be a problem, since staff are often attached to a project on a part-time basis with tasks that are scheduled over a period of several months, giving them plenty of time for scheduled revenue-generating activity. In smaller companies, however, or in the case of highly specialised skills, there may be commercial pressures to release key staff from the project team if a major opportunity arises.

The way each organisation responds to this conflict of interests will vary. At this early planning stage, it is important that you - and each of your partners - know how the problem would be addressed if it arises.

Being realistic about the opportunity

In justifying the proposed project to your management, you are balancing the likely outcomes against the cost of building the partnership and submitting the proposal, the contribution being made to the project budget and the likely cost of exploiting the results once the project has finished. The In4Tek case study describes a situation where a crucial management decision had to be taken about whether or not to proceed when the funding on offer turned out to be less than expected.

A successful project such as ITHACA is likely to be expensive initially. A poor one will be more so, without the long-term opportunities. Be realistic about what can be achieved and select projects that meet your needs at a justifiable cost.

Bear in mind also that a research project is inherently risky. A Framework Programme research project is not the ideal vehicle for solving a problem that is critical to your organisation's future. Equally, a project that is marginal to your core business is unlikely to be justifiable. As Keith Jones of case study company KAJ-Isis acknowledged, it is the business plan that has to drive the opportunity, not the other way around.

Case Studies

OptionExist, In4Tek, KAJ-Isis

http://www.ukishelp.co.uk/start_here/17Casestudies.html

Part Four - making the commitment

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Assuming that the members of a new research consortium have identified an opportunity of mutual interest, expressed perhaps in a joint Memorandum of Understanding, and have each successfully taken a business plan through senior management for approval, the process of analysing and planning the work to be done can begin.

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Frequently, this planning will take the form of a negotiation, where each partner seeks specific outcomes from the project in exchange for which they are authorised to commit a given level of resource to the project overall. This commitment will include the cost of managing and supporting their portion of the project as well as the effort required to actually produce the results they are looking for. It will, given the collaborative nature of the project, also include working on other tasks where other consortium members will be the beneficiaries.

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By the end of the planning process you will know what the project involves, better understand the motivations of your partners and have a clearer idea of the resources and special skills that you are committing. Only once your organisation has evaluated the opportunity in that context can you take the decision whether or not to submit the proposal. As David Brooks acknowledges in the Leslie Group case study, the indirect benefits of participation have to be factored into the decision as well as the purely financial ones.

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What are you committing to (the project plan)?

Each partner will be dependent on the contribution being made by others and will look to this planning stage for evidence that the various commitments will be fulfilled. The vehicle for expressing the agreement is a comprehensive project plan that defines the roles played by each partner, the way each of the desired outcomes will be achieved and the resources required by each major task in the plan.

With the best will in the world, research projects rarely adhere fully to the initial plan and there is a need for flexibility in responding to changes in circumstances (see Part Five). However, at this planning stage it is important to be rigorous about defining the demands you will be making of others and clear about the commitments they expect from you. Consortium members cannot, at a later stage, expect one or more of their partners to take on additional responsibilities that were not identified in the project plan.

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The role of milestones within the project plan

The Commission's supervision of Framework Programme research projects focuses on deliverables. These are outputs identified in the project plan that result from specific activities. In practice, however, participants in the project will need to monitor progress during each activity rather than simply find out after the event whether or not a deliverable has been achieved. Milestones are effectively checkpoints within a project plan; times at which you should review progress and make decisions about the future of the project.

Milestones allow risks to be assessed before they start impacting on the project and provide a means of monitoring whether an appropriate level of effort is being applied to each task. Make sure that your partners understand and subscribe to the implications of managing the project at this level.

Ensure that the milestones built into the project plan are meaningful. Use them to build a critical path through the project plan that allows progress to be measured and supports the evaluation of the risk of failure. Avoid tasks that allow one partner to go away for an extended period of time and come back with a result.

Allow time for planning meetings

Although email and conferencing technologies play a vital role in facilitating the necessary interaction within a consortium, very few researchers have learned how to complete the planning phase without one or more face-to-face meetings. These are essential for letting individuals get to know each other and inspect the facilities of the meeting host, and allowing senior managers to meet the consortium members. All three contribute to the development of trust. Much of the value of these meetings takes place outside of the formal agenda, so if you are committing the cost of travelling abroad it is worthwhile scheduling a stop-over in order to spend time with people socially, rather than just fly in and fly out again.

The role of a partner manager

Framework Programme research is a way of meeting an extraordinarily diverse collection of individuals from a variety of cultures, with a range of different aspirations and with many kinds of pressure being put on them by their employers. Co-ordinating these individuals or simply managing your own role within a multinational consortium requires special skills. The following list of desirable skills and attributes for a partner manager was developed by one of the authors as part of a commercial partnership programme:

1. An ability to understand the technology and the unique application or aspect of the technology that makes the project/product different: this also facilitates communication with technical staff.
2. A commercial awareness to appreciate how these advantages can be translated into business and financial benefit, for both one's own organisation and the partner(s).
3. An overall appreciation of how business works (possibly through studying for an MBA), to identify all the 'pieces of the jigsaw' that need to be in place to make a partnering project successful.
4. The ability to communicate technology-oriented business benefits to senior management.
5. An ability to represent the consortium within the organisation, while upholding the organisation's position in dealings with partners: this really boils down to taking a logical, rather than an emotional approach to problem solving.
6. A high level of professionalism, to earn the trust of senior individuals within one's own and the partners' organisations, which in turn will enable major issues to be attended to and resolved.

Framework Programme projects will inevitably involve working with partners from other countries and for whom English is not the primary language. Hence 'multi-cultural awareness' will be an important additional item to be fostered/developed for all people taking part.

Case Studies

Leslie Group

http://www.ukishelp.co.uk/start_here/17Casestudies.html

Part Five - getting started

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Before signing a contract with the Commission, successful bidders are expected to sign a Consortium Agreement. This should set out the nature of the agreement between partners on a range of technical, commercial, financial, legal and organisational issues, including the following:

- The roles and commitments made by each partner
- The implications of 'collective responsibility' for achieving results
- Access rights to know-how gained through the project, how results will be disseminated and exploited and any agreed limitations on access to background IPR
- The way financial matters will be administered, including the distribution of grant-aid
- Decision-making structures
- Mechanisms for changes in consortium membership
- Procedures for addressing performance, compliance and conflict-related issues. Projects do not fail because problems occur but because there is no enforceable mechanism for dealing with them.

The LaserScan case study describes how the roles of each partner were assigned within the AGENT project and the commercial exploitation agreement that allowed the company to take the results to market.

One of the primary purposes of the consortium agreement is to allow each partner to function within a known and agreed framework of rules. One of the benefits of such a framework is the contribution it makes towards risk-management – including ways of dealing with conflicts of interest and balancing the demands on key personnel from their own organisation and from the project.

For the project to succeed, mutual trust must be maintained and the key to this is to make the management decision-making of the project as transparent as possible. Critical decisions should not be taken unilaterally or behind closed doors. Transparency requires a commitment to communication – across commercial, technical, cultural and geographical boundaries.

Fulfilling the terms of the consortium agreement is likely to require compromise in the way things are done internally. Organisations are likely to have to adapt their existing procedures and working practices to fit with other partners, including the need to be able to agree on escalation procedures, consensual decision-making, appropriate timescales, appropriate levels of representation/authority at meetings, and so on.

The unique nature of Framework Programme consortia – with their diverse cultures, goals and working practices, together with the extended time-frame of long-term research – introduces several problems that participants must be able to manage. Attention should be paid to the two specific problem areas described below.

Devolved responsibilities

The managerial overhead of working within a project controlled by a formal consortium agreement is significant. This can lead to extended and delayed decision-making and to bottlenecks and overload within the management chain. Both problems can be addressed through a willingness to devolve responsibilities where appropriate. This does not only mean empowering and trusting representatives to contribute to collective decision-making and thereafter abiding by the results; it means putting trust into the agreed project plan on a day to day basis and letting the development team get on with the job without continual pressure for accountability.

Motivation

Motivation is often thought of only in terms of inspiring those working below you. In a collaborative research project, it is vital that all elements within the command chain remain fully supportive of the project.

Project sponsors and champions within the senior management team need to be kept informed of progress and successes, including any unanticipated benefits, and given the information they need to promote the project at a high level.

Project managers need to be reassured that the work they are conducting remains relevant to the organisation and that the difficulties encountered in holding a multinational consortium together are worth resolving.

Technical staff, who may find themselves attached to a research project for a period of several years, may need to be assured that they have not been marginalised within the organisation. They need to know that the work they are doing is making a contribution to the organisation, that they are being rewarded appropriately and that they are not missing out on pay-scale progression or promotion opportunities.

Case Studies

LaserScan

http://www.ukishelp.co.uk/start_here/17Casestudies.html

Part Six - Sustainability

[Introduction](#)

Once the collaborative project is underway, as it approaches completion and as it enters into a post-funding phase where the results can be exploited, a new set of pressures will appear. It is rarely possible to mitigate for these completely, although some steps can be taken to reduce the likelihood of problems. At the very least, identification of one or more of the problems listed below will provide 'early warning' that the consortium's future may be compromised.

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Dominance of a single partner

It is possible that the future of the consortium will depend on the decisions taken by one partner. This can occur, for example, where one organisation sees greater opportunity than others do, assumes greater responsibilities because others are unwilling to accept them and ends up in a position where it can argue, perhaps rightly, that it has a controlling interest in the outcome.

Finding a group of partners with complementary interests is one way to avoid this situation. The Tunstall case study provides an interesting example of a project where several companies with commercial interests were able to jointly exploit the results of research undertaken by several specialist research groups and engineers, to mutual benefit.

Dominance can also occur in an unbalanced consortium where one partner is given a predominant position from the outset. Although a disproportionate reliance on a single partner is likely to affect the chances of the proposal being supported by the Commission, there are situations where imbalance is more subtle. There is specific risk where one partner is responsible for developing one of the results, has the predominant commercial interest in marketing the result and consequently may dilute the deliverable it gives to the consortium in order to protect its position in the marketplace.

In a well-balanced consortium such as MIMIC, described in the Lumio case study, technology providers and companies able to commercialise the results work together with users from the target marketplace to jointly design and implement a viable solution to a shared problem.

Lack of consensus

A problem related to dominance is lack of respect for the principle of consensual decision-making. This may take a form where one partner acknowledges that the consortium has taken a decision but refuses to abide by that decision, choosing instead to 'plough his own furrow'. In severe cases it can also manifest itself as obstruction within the decision-making process, which has the additional consequence of delaying other partners' ability to act. One of the very few ways of avoiding this problem is to build some form of mutual dependency into the consortium, where each partner is explicitly reliant on results from at least one other. That, ultimately, is the only kind of sanction, short of direct financial penalty, that is likely to be effective.

Poorly motivated partners

Unlike the preceding two risk areas, which are driven normally by commercial ambition, fading motivation on the part of one or more partners may mean that the project has gone off the rails or has less likelihood of delivering the required results. It can also mean that the partner's circumstances or business strategy have changed. In some cases, it can simply mean that the partner misunderstood the project in the first place, which can be avoided by ensuring that every consortium member undertakes a formal analysis of their potential costs and benefits using the specifications incorporated into the project plan.

Where a partner's circumstances change, the direction of the project changes or the external market conditions change, it is important that the consortium has a mechanism for replacing or introducing additional partners. This will be specified in the Consortium Agreement and should include provisions for identifying the cause of the breach (such as under-performance), the rights of the withdrawing partner to project finances and IPR and the terms under which any new partner(s) enter the consortium.

Dependence on key personnel

Although a well-balanced consortium should be able to survive the loss of a key personality or project champion (or, preferably, avoid building such a dependency into the consortium in the first place) individuals do leave projects, for a variety of reasons. The project definition that forms part of the Consortium Agreement should help ensure that the project vision is shared between partners and not simply held by one person. The Consortium Agreement may also contain specific provision for the loss of key individuals, firstly by identifying who they are and the reason for their significance and secondly by defining the terms under which the consortium can requisition the participation of that person beyond their scheduled and committed involvement.

Case Studies

Lumio, Tunstall

http://www.ukishelp.co.uk/start_here/17Casestudies.html

Checklist 6: Is this something we should be doing?[Introduction](#)

✓ If you are certain you have the commitment of your senior management, and you have evidence that the other partners in the consortium have the same high level of support within their own organisations, then the project has a good chance of being successful.

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✓ If you have a fully-resourced plan in place that allows you take an active part in project activities and to recruit and develop the skills you need, you will be a good partner for the consortium and will have a good chance of achieving your project objectives.

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✓ Satisfy yourself that you trust your partners and that they trust you (and your organisation). Is there productive, multi-way communication between the partners? Are the decision-making processes well-defined and visible to all members of the consortium?

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✓ During the early phases of the project, while the consortium was being formed and the proposal was being put together, did you feel that the cultures of the various parties were complementary and that generally there was an atmosphere of co-operation and harmony? If so, you have a well-structured consortium that is likely to achieve its goals.

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✗ Don't get involved if you believe your organisation lacks the necessary staying power, application and consistency of focus to last the course and reap the benefits of the project outcomes.

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✗ If your organisation's enthusiasm for the project is coming from just a few key individuals, don't sign the contract unless you can be sure that your organisation's obligations would still be delivered, even if these people were to move on or be reassigned.

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✗ Don't start a project if you are uncertain about its objectives, or if the planned results have drifted away from what you really wanted. Before finally committing your organisation, you must ensure that the project outcomes are clearly defined and are still relevant for you.

✗ If you are in any way unsure that the risks involved in the project are acceptable to your organisation, pull out before it is too late. Your organisation's participation in a speculative project that is classed as 'high risk' by senior management will probably be too constrained to be truly effective.

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