



**Contracting Today**

## The purpose of contracts

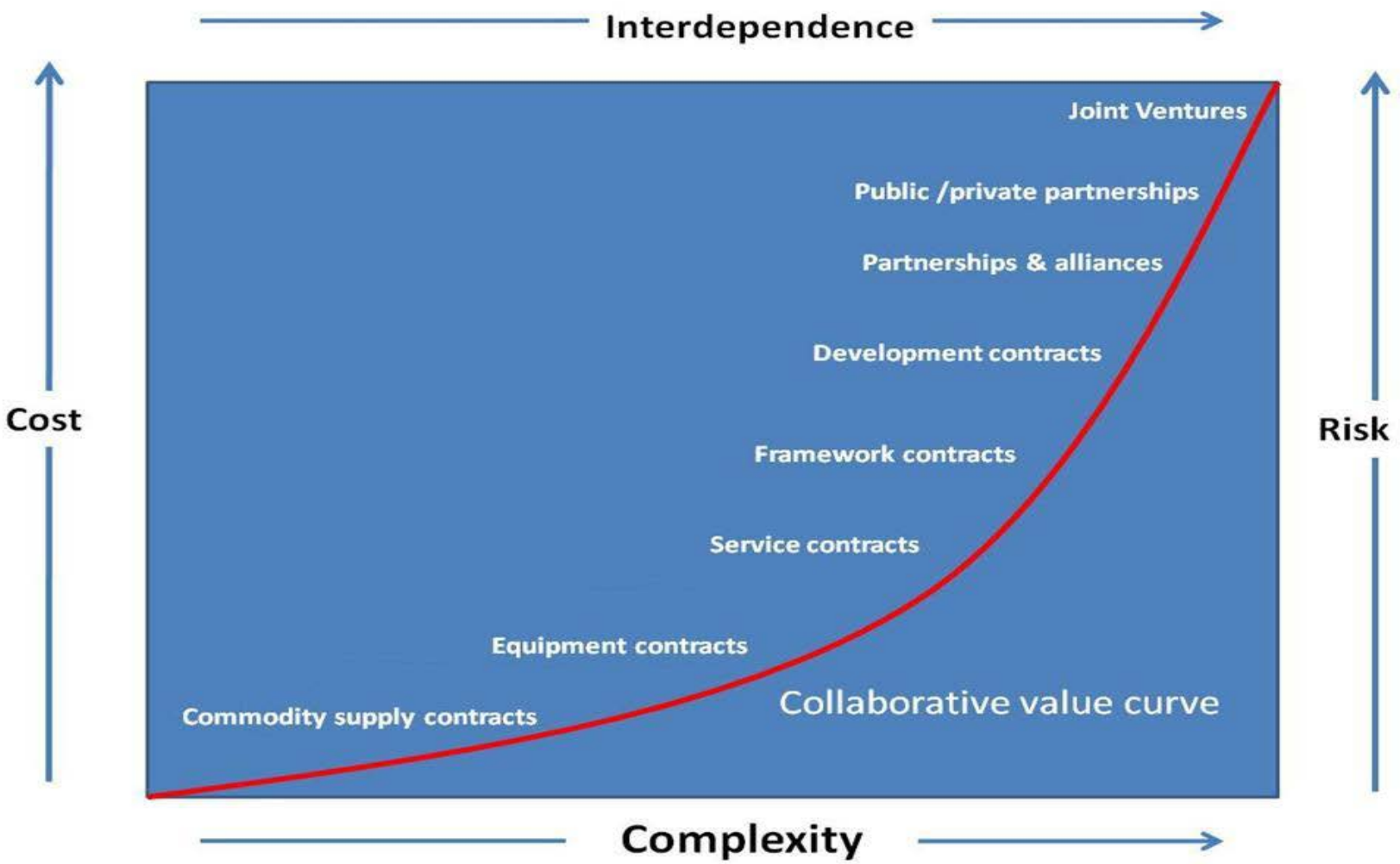
- Digital technologies are transforming markets, supply chains and operational interdependencies
- Society is demanding increased supplier responsibility and integrity
- Success depends on new partnerships, increased collaboration
- A consequence is the need for increased clarity of commitments and obligations



“Contracts today are a framework for  
business operations”

# Driving Change.

Relational Contracting exists in a spectrum of collaborative models



# High-Performance Contracting

How does a contract enable value? Through terms that:

- Set mutual objectives
- Establish performance management systems
- Champion problem solving
- Instill a “no blame” culture
- Foster joint working
- Enhance communication
- Promote continuous improvement
- Define gain sharing arrangements

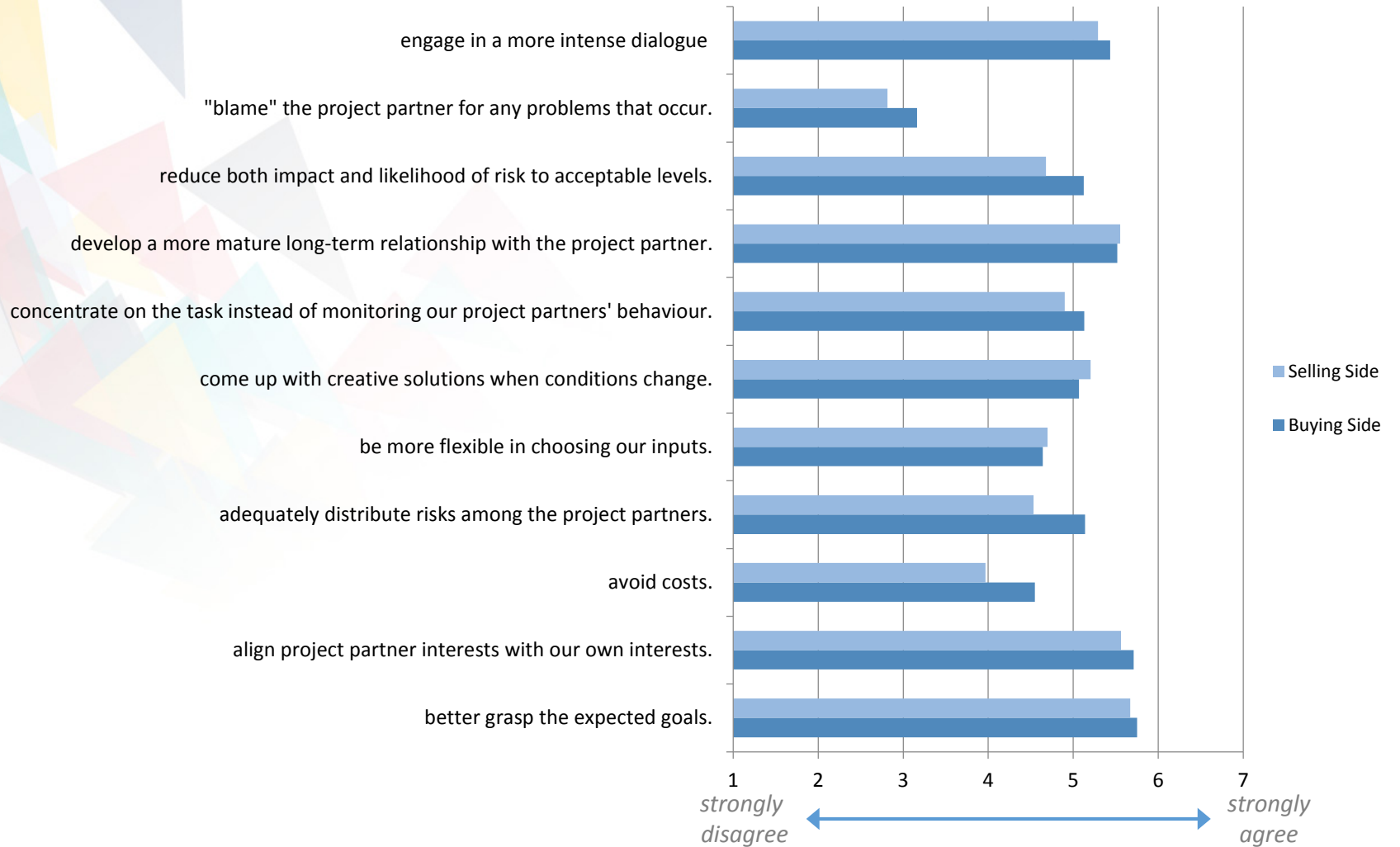
# Supporting the business with new commercial models



- Outcome / performance based contracts
- Payment by results
- Relational contracting
- Agile contracts
- Shared benefit contracts

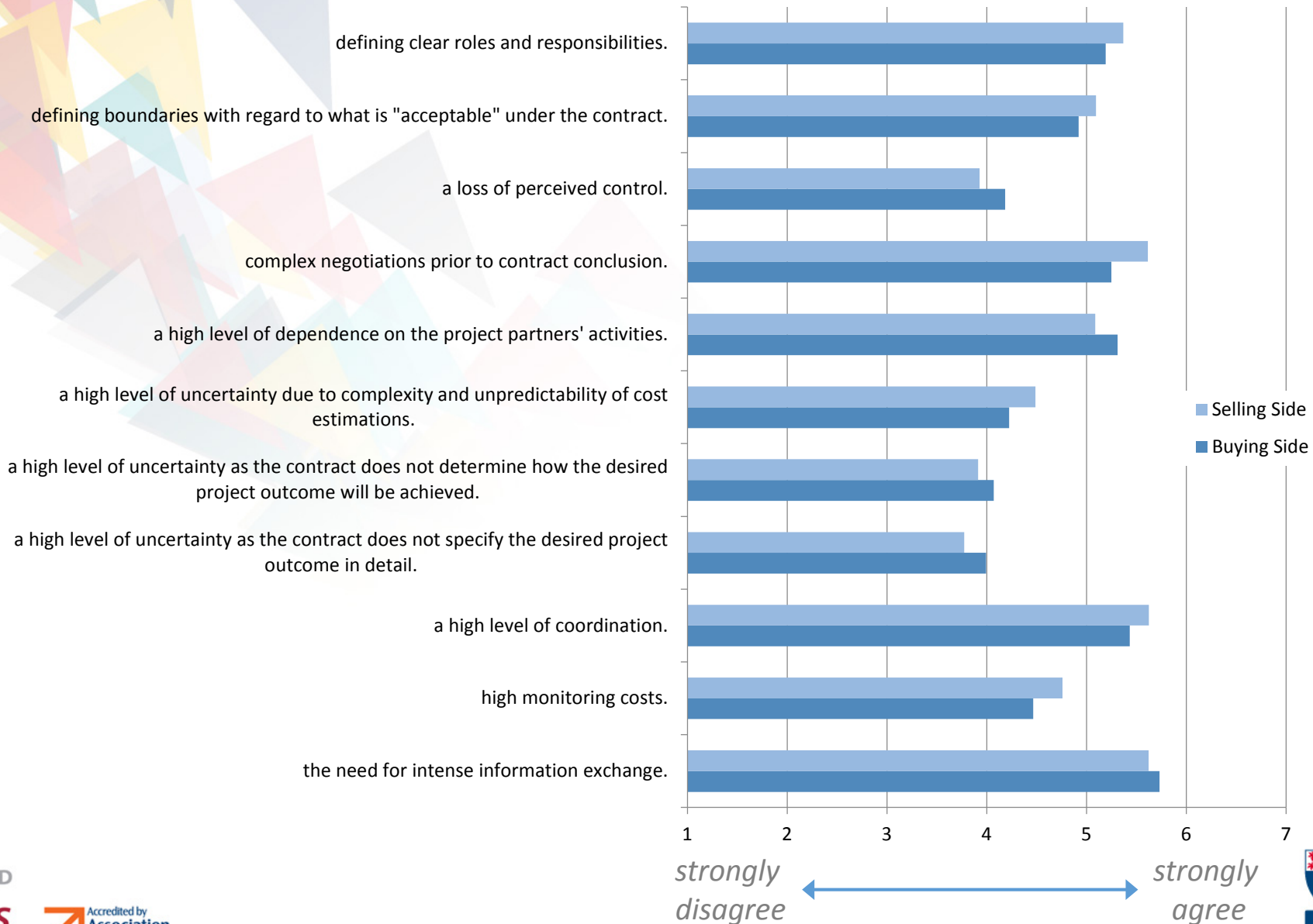
# Benefits realized when using PBCs

*Typically, performance-based contracts allow us to...*



# Challenges related to using PBCs

*Typically, performance-based contracts come with the challenge of...*





## Contracting competence

- The winners will be those who:
  - Deliver outcomes
  - Enable the effectiveness of others
  - Challenge traditional attitudes and behaviours

