

Client of the Year Winner 2015

Heathrow Airport Limited

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Heathrow has a strong track record of being an enlightened and visionary client in the way it has shaped both itself and the market. An active member and champion of Constructing Excellence, Heathrow has played a leading role in the progressive development of the UK construction industry and the way it does business. Where many feared to tread, Heathrow led and now is the time to reflect upon their impact.

Terminal 5 pioneered collaborative and integrated working practices. The development of the T5 Agreement, represented a significant departure from contracting at that time. Heathrow became one of the first to bring project management into contract thinking and develop a 'relational' culture focused on collaborating to solve problems. Suppliers were chosen not just for their technical skills but also for behavioural competence. The client held all the risk all the time because it enabled transparent working arrangements. A culture developed where all levels wanted the same result as the client: a great outcome.

Terminal 2 progressed this culture and its success can be attributed to: long-term relationship frameworks; project awards based on performance; progressive dependence on and development of trust in supplier capability; pre-agreed commercial models with incentives and targets; collaborative working with real-time transparency; active management of risk and opportunity; an alliance driven by common objectives, behaviours and values; early contractor involvement enabling value to be driven from the very start; integration of all parties allowing meticulous strategic planning; implementation of '4-dimensional' BIM; and innovation – the effective capture, funding and implementation of good ideas.

Heathrow has challenging value improvement and efficiency targets. The need to base decisions on value and not lowest price is a fundamental principle at Heathrow, born from decades of operating in a highly competitive global industry. Its success over the past 15 years is evidence that its revolutionary approach works.

Heathrow's capital investment is organised around six strategic programmes, delivered through four locations. The supply chain comprises four main contractors. Specific teams are allocated projects based on location and programme, and work is not competitively tendered at this first tier level. Best value is driven by professional collaboration and managed through lean and progressive risk based controls. The supply chain has clearly defined roles supported by a clearly defined development gateway process, resulting a high trust environment and an empowered supply chain.

For Heathrow, doing business responsibly is integral to achieving each of its strategic intents and to its success. This includes supporting the UK and local economies, reducing environmental impacts and being one of the most responsible airports in the world.

Judges comments

Heathrow Airport Ltd clearly demonstrated that they are really driving the process, working closely with their supply chain partners and delivering world class outcomes demonstrating 'Best Value' in all areas. They are providing dedicated leadership to help develop their supply chain for mutual benefit.

The supply chain are gaining the expertise and skills to become 'best in class' – they can cascade that knowledge throughout the UK and possibly overseas – which would be an exciting development.

In addition, Heathrow Airport Ltd has invited interest from international clients such as the National Australia Bank (NAB) and New Zealand Railways to share knowledge and learn from each other's achievements.

The phrases 'learning together, scenario testing, and joined up thinking' summed up why Heathrow Airport Ltd are the worthy winners of the Client of the Year category 2015.

Number of staff: 7,000 (directly)
Turnover: £2,692 million (2014)

Finalists

- Heathrow Airport Limited
- London School of Economics and Political Science – Estates Division
- Network Rail
- Radian

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