

# Reimagining real estate and facilities management outsourcing: A bp and JLL case study

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## ABSTRACT

*In 2019 bp set out to renew its facilities and real estate contracts. What began as a typical request*

for proposal exercise turned into a complete reinvention of the bp workplace organisation. The team got a boost when Bernard Looney took the helm as bp's Chief Executive Officer (CEO) in February 2020. Looney's vision was the most far-reaching transformation in bp's 112-year history: to transform bp from an international oil company to an integrated energy company by shifting bp's focus from producing oil and gas resources to one that delivers energy solutions. bp's ambition is to become a net-zero company by 2050 or sooner, and help the world get to net zero. bp's workplace team accepted the challenge; the simple contract renewal they had started needed to be reimagined. This case study goes behind the scenes and shows how the parties pulled off what many in bp thought was impossible, especially in the middle of a pandemic when 100 per cent of the work had to be done virtually.

**Keywords:** bp, JLL, outsourcing, Vested, Vested Outsourcing, innovation, transformation, facilities management, sustainable sourcing

## INTRODUCTION

Since its inception in 1908, the bp story has always been about transitions: from coal to oil, from oil to gas, and then from onshore to deep water. Most recently bp launched a transformation to reimagine and reinvent energy towards a new mix of energy sources as the world moves into a lower-carbon future. Any bp employee will tell you the company is not just reimagining energy, they are also reimagining how their entire organisation works. And this includes how they outsource their real estate and facilities management operations.

Outsourcing was not new to bp. bp has a long history of outsourcing facilities and real estate management services. bp's total facilities management portfolio includes over 132 locations in 20 countries, the majority of which were outsourced to four primary service providers. Like most organisations,

bp's procurement organisation used a competitive bid process to test the market to ensure it was getting the best deal from suppliers. The bid process was named Project Apollo and a request for solution (RFS) was issued to seven supplier candidates who could potentially manage over 6.8msq.ft of bp's corporate real estate.

Project Apollo was well underway when Wendy Cuthbert joined bp as the Global Head of Workplace Solutions in November 2019, shortly before Bernard Looney took over the helm as CEO. Both were change champions. As bp's new CEO, Looney encouraged 'listening more than you talk and working together in mutually beneficial partnerships'.<sup>1</sup> Looney also set forth a bold plan that asked bp employees to 'reimagine' all aspects of how they helped bp achieve a bold goal of transforming the company from producing oil and gas resources to a company that delivers energy solutions to customers. This was music to Wendy's ears and was a turning point for Project Apollo.

Wendy engaged the University of Tennessee (UT) and Ernst and Young (EY) to host three regional workshops where key bp real estate and facilities management (FM) team members could learn more about a concept birthed out of the UT known as Vested Outsourcing — or simply Vested for short. The first workshop attended by bp Europe, the Middle East and Africa (EMEA) regional leaders and procurement took place at bp's London offices on 12th and 13th March, 2020 — Friday the 13th, to be precise.

Team members remember that Friday the 13th vividly. That was the last time bp operated under 'business as usual.' The COVID-19 virus had been on a rapid rise and over the weekend bp strategically decided to close most offices. While essential production facilities would still be in person, the majority of bp's worldwide employees shifted to work from home.

With offices shutting down and a no-travel mandate it was impossible to host similar

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workshops for the Asia–Pacific (APAC) and North American teams. The decision was to do the workshops virtually.

The workshops were key to getting buy-in for the need to change. Wendy Cuthbert reflects:

‘The workshops helped team members take the Vested theory and see how it could work with what bp wanted to do. I remember the team had to complete some self-assessments. We scored ourselves against the “12 Ailments of Outsourcing” as well as how well our contracts followed the Vested Five Rules. The team would see the gaps and use the workshop time to understand how the Vested methodology could help bp close the gaps.’<sup>2</sup>

Cherie Duddridge — bp’s Workplace Business Solutions Manager, People and Culture — remembers the workshops being a turning point.

‘We were at an inflection point where we had some bp employees being believers and some being skeptics about Vested. Going through the University of Tennessee’s online training and live virtual workshops created a kind of bond where we could all learn together and challenge the status quo. The more we dug in the more we would talk about Vested on other calls. While we still had a few skeptics, it became self-evident that Vested would be a good choice for bp.’

## LAYING THE FOUNDATION

The key first step in bp’s Vested journey was to pick a partner. The focus on the RFS turned into helping bp pick the best supplier from the three down-selected candidates who could best help bp reimagine its entire workplace solutions and ultimately help contribute to bp’s zero-emissions goal.

JLL was ultimately selected as the partner of choice the first week of June 2020 with the goal to work with bp to reimagine workplace solutions across the globe.

Mike Jackson, bp Sourcing Manager, was the lead procurement person on Project Apollo. He remembers how the nature of the RFP changed as bp moved into the final supplier selection phase of the RFP.

‘One of the things we had learned about Vested is cultural fit is essential when picking a partner. When we issued the final phase of the RFS, we consciously assessed the potential partners using six criteria as part of the Partnership Assessment. [See Table 1 for high-level criteria used.] In essence, the Partnership Assessment helped us quantifiably score the cultural fit potential of the partners.’

This would mean big changes. For starters, bp would shift from four primary suppliers with the goal to have one global supplier.<sup>3</sup> In addition, it would mean bp and JLL would create a joint deal architect team to go through the Vested process, challenging all aspects of how bp had worked with the existing service providers.

This would be bp’s first Vested agreement; JLL had three other Vested agreements, however the JLL team leading the bp deal were all new to Vested. The organisations knew making the shift to Vested would be a challenge — even without COVID-19 restrictions. The parties ultimately engaged EY (a Vested Center of Excellence) as a neutral third-party Vested coach to guide them through creating their Vested agreement. EY worked in partnership with the Incendium team who were already supporting bp, project managing and providing Subject Matter Expertise (SME) support across a number of linked projects such as the outsourcing and the in-house operating model.

**Table 1: bp partnership assessment criteria**

<i>PARTNER ASSESSMENT CRITERIA</i>	
<i>Criteria</i>	<i>Focus</i>
<b>Alignment to bp Values</b>	Did the supplier demonstrate an alignment to bp values and culture?
<b>Alignment to Vested Approach</b>	Did the supplier demonstrate an understanding of vested and approach the session in this manner?
<b>Confidence and Trust</b>	How confident are you in the supplier on delivery and do you trust in the supplier’s capabilities?
<b>Adaptability and Flexibility</b>	Did the supplier approach the session in an adaptable and flexible style?
<b>Responsiveness</b>	How much did the supplier listen and respond to feedback given from the check-in session? Did they respond appropriately to our written questions?
<b>Innovation</b>	How well did the supplier demonstrate innovative ideas

With JLL as the strategic choice as bp’s partner, it was time for the parties to prepare for their Vested journey. EY led them through a two-week ‘getting ready’ phase that included finalising who would be on the Deal Architect Team and getting team members ramped up to participate in the Vested training courses. The Deal Architect Team would work side-by-side to translate the intent of the relationship into a win-win contract that follows the Vested Five Rules (see Figure 1).

In addition, the parties created a joint steering committee to vet the work of the Deal Architect Team and ultimately sign off on how the parties would operationalise the Vested Five Rules and ratify the contract.

EY worked with Incendium and the Deal Architect Team to carefully craft a project plan. The companies laid out a 20-week schedule where the joint Deal Architect Team would work through a series of workshops challenging the status quo and co-creating the relationship and business ‘rules’ to follow the Vested Five Rules (see Figure 2 for a high-level timeline). EY would provide the Vested coaching role and Incendium would provide project management and real

estate and facilities management technical and commercial support to bp.

In addition, the schedule factored in parallel workstreams such as collecting and analysing baseline data, managing existing supplier relationships, and a legal/contracting workstream that would translate the ‘rules’ the team developed into a formal contract.

A key part of the Vested process was for the Deal Architect Team take the UT ‘Creating a Vested Agreement’ online course and attend workshops where they collaboratively make decisions that are translated into formal contract language. The course is where team members learn the fundamentals of Vested (the why and how) and then are challenged to put the theory into practice during the live (virtual) workshops. The process tightly integrates ‘learning’ and ‘doing’, which significantly increases understanding and ultimately buy-in for the changes needed.

The Creating a Vested Agreement workshops were scheduled into the project plan.

Wendy Cuthbert is adamant bp would not have succeeded without the formal Vested training.

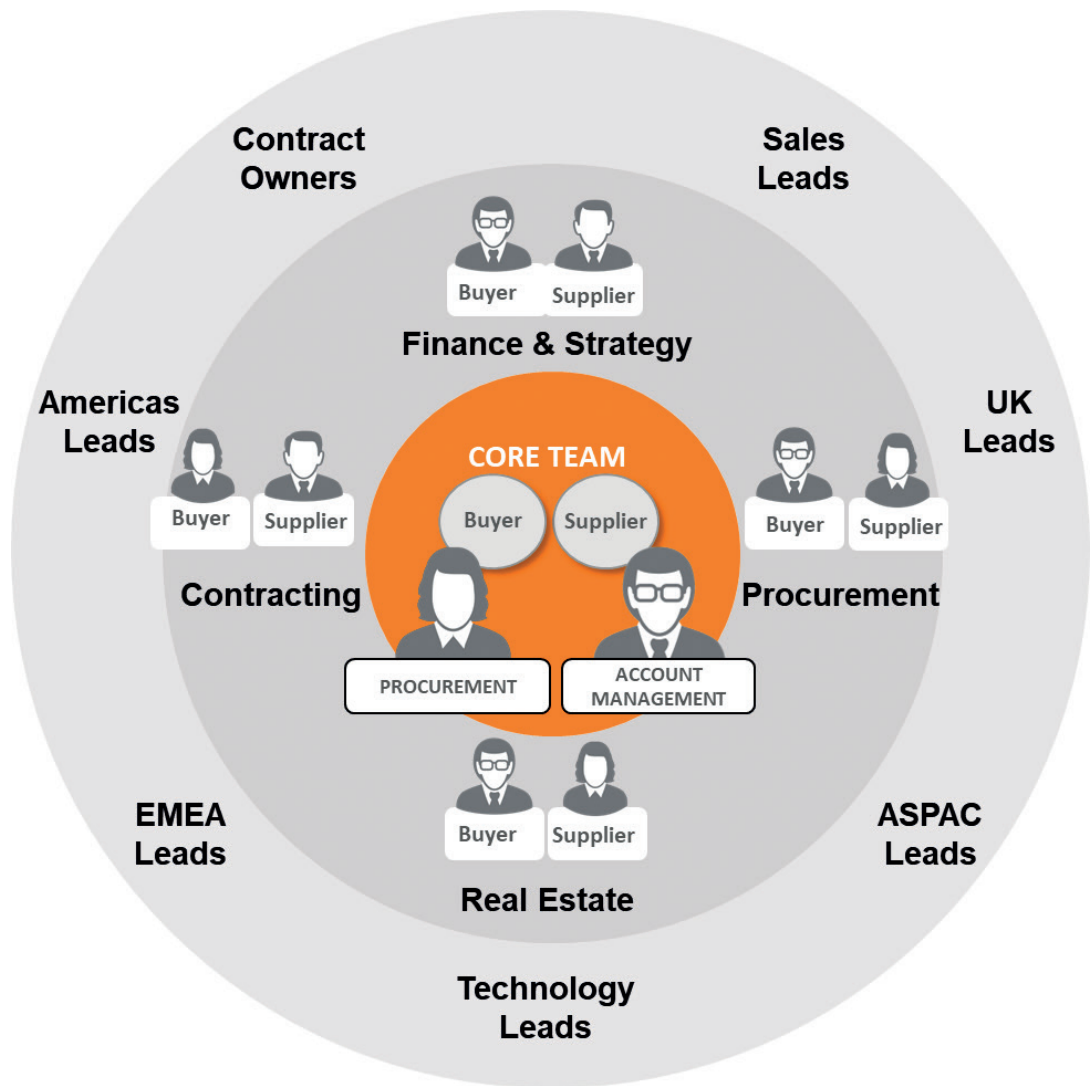


Figure 1 Deal architect team

‘You look at Vested, you go “yeah, it’s really straightforward, I don’t need to do the courses”. However, it’s actually complicated to put into practice. While much of Vested is intuitive, there is a huge challenge because the way you’ve thought and behaved in the past is not really following the Vested Rules when you really dig in. Over a period of years, individuals and organisations have ingrained behavior that suddenly, you must challenge and change. Integrating the Vested training (*learning*) with our implementation (*doing*) allowed

us to systematically challenge ourselves from start to finish.’

Dom Soocoormanee was JLL’s Project Lead on the Deal Architect Team.

‘Doing the training while we were going through the workshops was an enormous help because it allowed us to build personal relationships. We could take our client and supplier hats off completely and look at Vested from the bigger picture. We could just be human beings as we



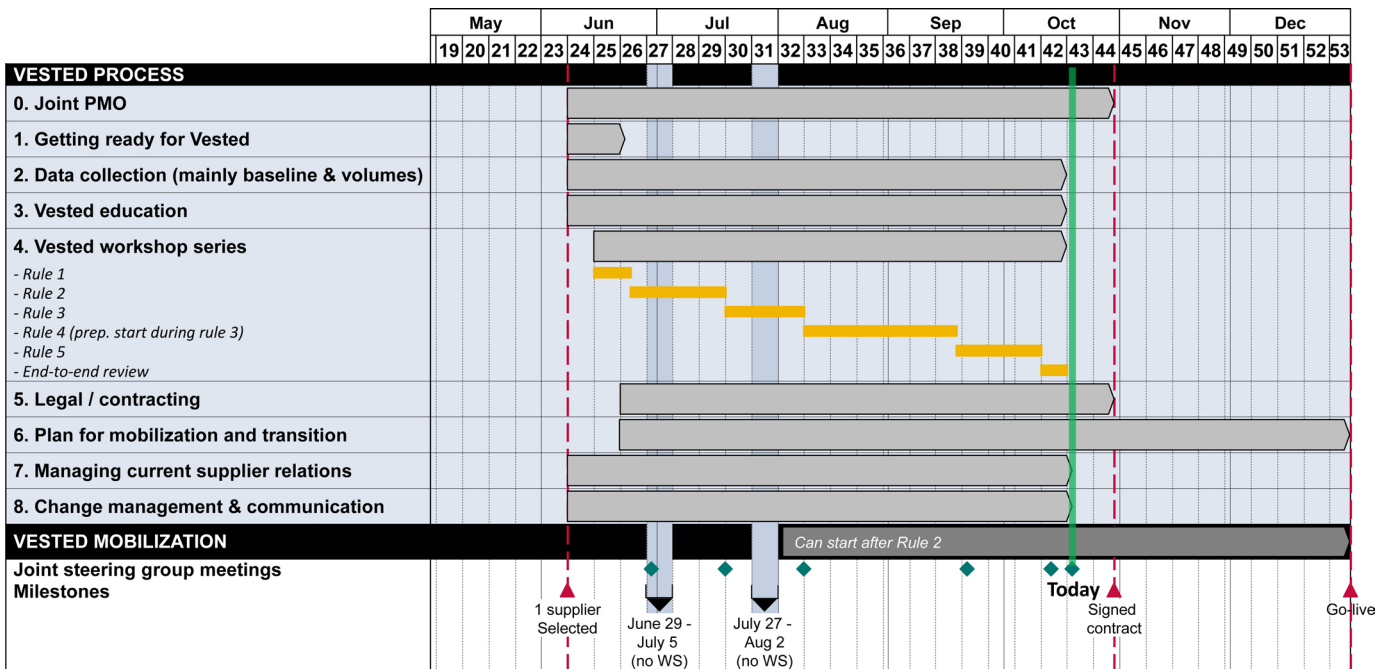


Figure 2 High-level timeline

learned a new way of working together. And then we would come back and apply our learnings — jointly.’

**CREATING A VESTED AGREEMENT**

Vested is a business model, methodology, mindset and movement for creating highly collaborative business relationships that enable true win-win relationships in which both parties are equally committed to each other’s success.

The Vested business model is based on Five Rules,<sup>4</sup> as illustrated in Figure 3. When applied, a Vested approach fosters an environment that sparks innovation, resulting in improved service, reduced costs and value that did not exist before, for both parties.

Many would even argue the Vested Rules are common sense. But as JLL’s Ardell Bunt explains, ‘common sense is not always that common’. Wendy Cuthbert agrees:

‘We had team members who had become experts in the conventional ways of outsourcing and Vested challenged the very hearts and minds of how people were used to working. While the Vested Five Rules differed greatly from what we had done in the past, team members felt it was very refreshing to be co-creating a business model that really harnessed the best of both organisations.’

An added challenge was that bp and JLL were not simply setting out to create a Vested agreement. They were setting out to create a global Vested agreement in a 100 per cent virtual environment due to the pandemic. The thinking: if bp was going through a massive change to reimagine itself, why fear reimagining how you would work together to craft your outsourcing agreement 100 per cent virtually? They openly embraced the concept of doing the deal 100 per cent virtually and challenged the team to think about the positive aspects it would bring.

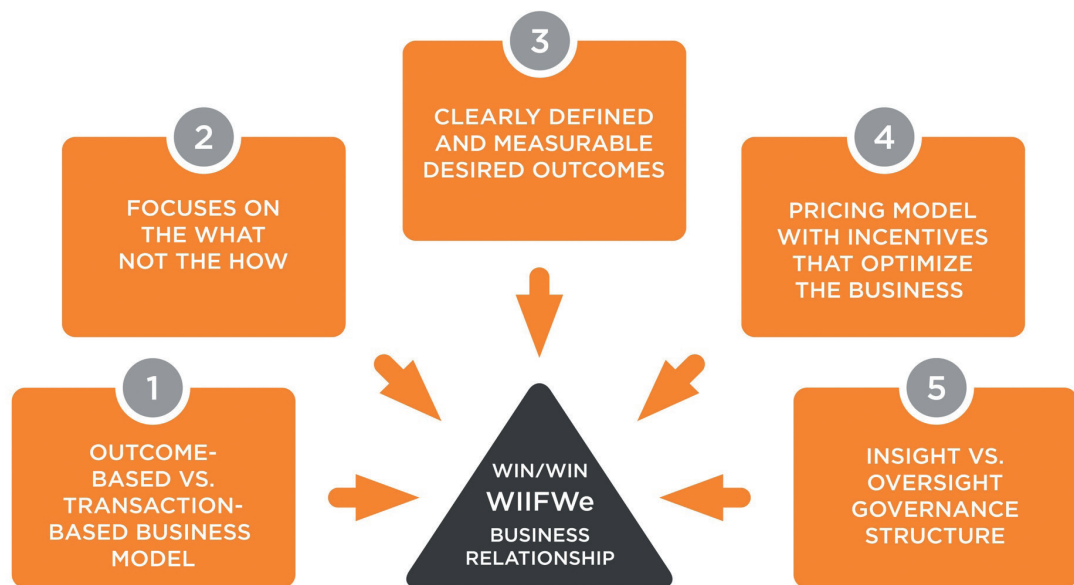


Figure 3 The Five Rules of Vested

### Creating a Vested agreement

Early in the process, EY suggested bp and JLL name their partnership — something that many teams have done when creating Vested partnerships. The name that stuck was ‘wevo’ — short for *Workplace Evolution*. For the balance of this case study, we refer to the bp/JLL agreement and partnership as ‘wevo’.

#### *Rule 1: Focus on outcomes, not transactions*

One of the first deliverables from Rule 1 is developing a Statement of Intent for the partnership. The Statement of Intent included developing a Shared Vision, Desired Outcomes and Guiding Principles (see Figure 4). The Shared Vision and Desired Outcomes establish the end-game for the partnership and the Guiding Principles are proven social norms used to create the foundation of a Vested partnership. The Statement of Intent is formally incorporated into the contract, which allowed bp and JLL to not only using the Guiding Principles to make fair and balanced decisions during the workshops for creating a Vested agreement, but also using

the Guiding Principles post-contract signing to guide the parties’ behaviours for working together. The Guiding Principles direct team members to avoid the temptation to fall back on power-based or short-term opportunistic behaviours (see Figure 4).

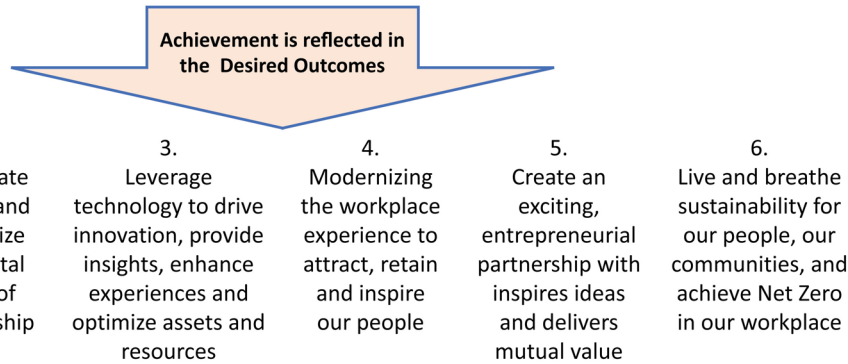
#### *Rule 2: Focus on the what, not the how*

Rule 2 is where the parties agreed on the overall ‘what’, making key decisions and commitments around the scope and responsibilities for the partnership. The scope was vast, spanning countries throughout EMEA, the Americas and APAC regions. Facility types ranged from bp’s expansive corporate campuses and the sprawling Pangborn research and development (R&D) facilities to strategic data centres. It even included a single one-storey childcare facility in Houston.

A key part of scoping the wevo relationship was to create what is known as the Taxonomy and Workload Allocation in the Vested methodology. The Taxonomy is an end-to-end inventory of the work needed to be done to achieve the Shared Vision within the scope of the partnership.

## wevo Shared Vision

Creating Inspirational, sustainable workplace experiences for our people and our communities




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### wevo guiding principles<sup>5</sup>

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- 1 *Reciprocity*      In respecting one another’s strengths, we will strive to make exchanges that are **mutually beneficial to the parties**. We will not make any demand upon the other that we ourselves are not willing to return in kind. We recognize that reciprocity lies at the heart of this relationship.
  - 2 *Autonomy*      In keeping with the obligation of autonomy, we acknowledge that it is our combined strengths that will lift the partnership to a higher level and that **neither party will seek to use its power to unfairly influence** the other to act against its future interests and those of the partnership. Our goal is to create a respectful win win culture through freedom, transparency and trust and we will work as equals in one team delivering workplace solutions to bp.
  - 3 *Honesty*        We will strive to have **respectful, genuine and sincere** conversations at all levels within the relationship. We encourage authenticity and empower everyone to share their opinion. We will look for the greater good and the value that can come from accepting all points of view.
  - 4 *Loyalty*         We will strive to **value the other party’s interests** to the same extent that we value our own interests. We will seek ways to make the relationship fair and balanced mutually.
  - 5 *Equity*          We will strive to **reward** each party in **proportion to the value, risk, or investment** made into the relationship and its success. We acknowledge that we will face unpredictable situations. We will work within our governance structure to remedy any identified and agreed inequities.
  - 6 *Integrity*        Integrity enables companies to **trust in each other’s words and actions**. To achieve extraordinary results, our collective words and actions must be aligned with our joint vision and Guiding Principles. We commit to the highest ethical standards and do what is right for the greater good of the relationship.
  - 7 *Celebration*    We will **celebrate, appreciate and acknowledge** each other and recognize great work achievements. We will create a space to support and celebrate the WEvo behaviors, achievements as well as individual’s special milestones.
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Figure 4 wevo statement of intent



Completing these two key deliverables differed greatly from the traditional approach of doing a ‘statement of work’ because it is both bilateral and does not go into detail on telling the supplier ‘how’ to do the work. The rationale is simple. First, if a buying organisation tells the supplier how to do the work, they are in essence putting handcuffs on the supplier and buying the status quo, something bp desperately did not want to do. Second, having an end-to-end bilateral view of the work helped bp see that their role was not to manage JLL, but rather to support them.

To finalise Rule 2, the team did a ‘Pony Hunt’. A Pony represents what the buying company wants, but could not achieve with existing outsourcing relationships. Ponies are in essence transformation initiatives the parties want to work on. EY led the wevo team through the Pony Hunt exercise with the team identifying 101 potential transformation initiatives. The Ponies were also used to derive the appropriate incentives for JLL.

#### ***Rule 3: Clearly defined and measurable outcomes***

The goal of Rule 3 is where the team determined how they would measure and monitor the success of the wevo partnership. A simple way to think about it is that Vested buys the future, not just measuring supplier performance on what they are doing today, because team members align metrics to where they are going, rather than picking metrics to show how the supplier is delivering service levels measuring tasks.

As part of Rule 3, the parties created a Requirements Roadmap which linked measures to each of the mutually agreed Desired Outcomes. The wevo team had ten strategic objectives linked to six Desired Outcomes. The team then mapped metrics to each objective, with a total of 11 metrics, using a simple Requirements Roadmap tool provided as part of the Vested methodology.

The Requirements Roadmap helped the team avoid a common pitfall of having too many metrics that focus on transaction tasks versus achieving the end-game.

#### ***Rule 4: Pricing model with incentives to optimise the business***

In conventional outsourcing, companies purchase services for a transactional fee (cost per hour, unit, per square foot cleaned, per work order processed, etc.). In a Vested partnership, a buyer and service provider jointly develop a pricing model with incentives that rewards the service provider when mutually defined Desired Outcomes are achieved. In short, the service provider is *vested* in the buyer’s success, and vice versa.

The Deal Architect Team selected a smaller subteam of the team to co-create a pricing model. Some of the key features of the pricing model include:

- *Fully transparent ‘cost-is-the-cost’ mantra:* Full transparency enabled the parties to identify the true cost drivers for both organisations and to create a model that incentivises JLL to drive down cost and reward JLL for achieving non-cost-related Desired Outcomes such as helping bp achieve its zero-emissions goal;
- *Ensure cost savings are not prioritised over quality and safety:* The pricing model included ‘unlock’ targets based on certain conditions; a safety lock meant that JLL must achieve a certain safety threshold to unlock other incentives;
- *Include both monetary and non-monetary incentives:* Such as contract extensions, recognition/reference cases and expanded scope as non-monetary incentives.

Once the parties had a pricing model, the next step was to do testing and challenge people to break the pricing model. This meant running ‘what if’ scenarios to test to see if the model remained win-win or if it produced an ‘I win-you lose’ scenario.

### *Rule 5: Insight versus oversight governance structure*

Rule 5 is where the parties design the governance mechanisms to keep in continual alignment when ‘business happens’. Think of it this way: if the Shared Vision and Desired Outcomes are the beacons of the relationship, governance provides the structure and mechanisms for the parties to stop and redirect their efforts when detours occur. The governance framework spans four of the Vested elements (Relationship Management, Transformation Management, Exit Management and Compliance against special concerns and external regulations).

To help operationalise the agreement, the parties agreed on key personnel who would work together in a ‘2-in-a-Box’ manner on key aspects of the agreement.

### **LIVING INTO THE AGREEMENT**

bp and JLL signed the wevo agreement in November 2020 with the entire process taking five months — only three weeks behind the original planned schedule. With the contract inked, the next step was to shift into deployment. The deployment consisted of the physical transition of the scope and work processes under JLL, and the onboarding of team members around the world on the new Vested Way of working.

An essential element of any Vested transition is onboarding. Onboarding meant ramping up hundreds of people that were not on the Deal Architect Team to the Vested mindset and the new rules of working. Wevo had four main target groups to onboard:

- Wevo leaders;
- Key account staff;
- On-site/wevo associates;
- Executives.

The onboarding consisted of a combination of UT online course to provide the fundamental basics of Vested for all team members

and live ‘induction’ training, including five live modules ranging from 45 minutes to two hours tailored to each of the four groups. The induction training involves smaller groups — typically around 20 people — and is very interactive. For example, there are scenarios for team members to think through what it means to have a Vested agreement.

Dom Soocoormanee played a key role in developing the contract as a business development leader for JLL and was instrumental in how the parties would tailor the onboarding to the various roles operating under the agreement.

‘Changing the hearts and minds of the hundreds of shop floor workers would be essential to getting folks in the field to live into the Vested Five Rules the Deal Architect Team had designed. I volunteered to help create the induction training material to make sure our onboarding materials simplified the core messages so we were getting the right messages across about social norms, behaviors, and the governance structure so a handyman like myself could understand. I also wanted to make sure we used very simple language that could be used in countries where English isn’t the first language. We didn’t dumb down the training per se — but what we did do was take the concepts and put them into simple language so if English wasn’t your first language, you could pick up the key concepts of Vested and how the Five Rules worked in practice in the field. We then translated the material into different languages for some of the local markets.’

### **LESSONS LEARNED/ADVICE FOR OTHERS**

The wevo team is sharing their Vested journey in hopes to inspire others with the art of the possible. In doing so, they share

these twelve tips for anyone considering going down the Vested path (see Table 2).

Team members share their perspectives on each tip in the rest of this section. The tips are ordered as to the flow of how they approached their journey, starting with deciding to go Vested and ending with advice for living into the agreement.

**Be brave to challenge the status quo**

Across the board, wevo team members recommend being brave and not being afraid to challenge the status quo. ‘Vested is different — but if you lean in you can see the art of the possible.’ Another team member provides practical advice.

‘If you don’t at least explore Vested as an option you will never know what could have been. My advice is to give it a go. If you don’t get to a fully Vested agreement that is fine because you will at least be one hell of a lot better for trying. You would have at least learned something and likely put in some great processes to make any outsourcing deal better.’

**Have a visible champion**

Team members are generous to give Wendy credit for wevo’s success. ‘Wendy was a true champion for Vested and her passion has

fueled us.’ Ardell Bundt agrees and suggests, ‘JLL can suggest clients go down the Vested path all day long. But we need a champion like Wendy Cuthbert on board at the client to get the flywheel turning.’

**Do not rush: Take the time to get ready**

Alan Kane (bp Workplace senior partner) stresses the importance of being ready. ‘Do the prep work and make sure you are really ready. Your journey will be much smoother if you have buy-in across key stakeholders. It becomes very difficult to bring somebody in partway through the Vested journey and I’d recommend going slow to go fast.’

**Have an open heart and open mind**

Cherie Dudridge recommends coming with an open heart and open mind.

‘You got to come in with a giving thought process. And as you go through the process, you will clearly see Vested is based on hard science and it is not all fluffy, fluffy, lovely bunnies. The more you come in with an open mind and open heart, you can absorb the concepts much faster and have an easier time driving the change you need to follow the Vested Five Rules.’

**Table 2: Twelve tips for choosing the Vested path**

<i>Making the decision to go Vested</i>	<i>Getting ready for the journey</i>	<i>Creating your Vested agreement</i>	<i>Living into the agreement</i>
1. Be brave to challenge the status quo	3. Do not rush — be ready	4. Have an open heart and open mind	8. Onboard! Onboard! Onboard!
2. Have a visible champion		5. Leverage the UT training	9. Live into the agreement — quickly
		6. Follow the process	
		7. Get legal in early	
	10. Use a neutral coach		
	11. Do not be afraid to go virtual — but go all in virtual and not a hybrid		
	12. Stick with it		

### Leverage the UT training

Initially many of the team members discounted the need for training. Their advice having gone through the process? Embrace the UT training and tools. Ardell Bunt offers the following advice:

‘On the surface, Vested seems like it is just common sense. But in reality, it is challenging the heart and soul of conventional outsourcing dogmas. We decided to not only take the online training as we did the deal (which is required), but we also offered up that anyone on the Deal Architect Team could complete UT’s Certified Deal Architect program as part of the process. We booked a private course for both of the live Executive Education courses for our team members to take the training in parallel with collaboratively negotiating our deal. We didn’t see the benefit of that when we started, but it paid off handsomely because we had such a large cohort go through the training and they became huge champions that could go on and ultimately become key educators in rolling down Vested in our onboarding program. Looking back, I often think “Thank heavens” — because it’s a great way of doing it.’

Lawrence Walker (JLL finance director) stresses a tactical approach to leveraging the training for embracing the UT training. His advice?

‘Don’t skip the pre-work training topics before the workshops. The online learning is essential to understand the background and why behind Vested. This helps get everyone in the Vested mindset and ultimately makes the workshop sessions much easier to put the theory into practice.’

### Follow the process

The Vested methodology uses a structured process for the team to work through each

of the Vested Rules. One of the biggest tips is to ‘follow the process’.

Dave Benbow (JLL account director) stresses,

‘Putting the relationship first is key and critical in a Vested agreement because the foundation is a relational contract. The Vested methodology allowed us to build those relationships early which helped us immensely as we worked together to build the agreement. I can definitely say the time we spent going through each of the Vested Rules was worthwhile and we wouldn’t be where we were if we tried to shortchange the process or skip a Rule.’

Alan Kane appreciated the rigour of the process.

‘The Vested methodology brought great structure to the contracting process by forcing us to think through each of the Rules. I’ve gone through other outsourcing projects where you start with a vision of the ideal state and then it gets lost in what you end up with in terms of the deal and the contract. The Vested methodology gave us the building blocks to ensure what we really wanted is what we contracted for and it is easy to see how the Vested Rules are operationalized in the contract.’

Alan adds, ‘While the process was structured — it also had a great deal of flexibility as the group worked through each of the Rules’. His advice:

‘You should expect that you’ll have a couple of steps forward and a couple of steps back because you won’t always be aligned. The process allows for a safe place for people to have disagreements and work through getting aligned. I would definitely say my first piece of advice is to allow time for natural discussions. What

you definitely shouldn't do is stifle the open dialog that the Vested methodology fosters.'

Dom also recommends people take the time to enjoy the process.

'The process is actually quite enjoyable and you should embrace it. Most people rarely have a chance in their personal careers to go back and study something that can really change their outlook on the world. I've been in this industry for 20-plus years and it is rare to get this kind of opportunity to really rethink how you work from the ground up. Going through the process gave everyone on the team a drive and passion to challenge the status quo and rewrite our rules. I am hooked. Simply put, this is such a better and more fun approach.'

When asked what 'more fun' meant, Dom pointed to the fact that doing a large complex deal using the Vested methodology is far less stressful than the conventional approach.

'We were sitting side by side transparently trying to figure out how to align interests instead of sitting across the table negotiating. The collaborative approach is so much easier and yields far better results for both parties because the transparency and focus on choosing to trust creates an amazing environment to think outside of the box and come up with creative win-win solutions you rarely get to with a traditional buy-sell approach.'

Wendy Cuthbert sums it up nicely.

'The journey is equally as important as the destination because following the process helps with hearts and minds. The process also gives people the time to practice changing their behaviors in a safe

environment and for many, this was a big deal because old school 'us versus them' behaviors had been the status quo for so many years.'

### **Get legal in early**

The team admits their biggest mistake was not getting legal support on board from the start. Kane reflects, 'We spent a lot of effort and lost time because we didn't have our legal team with us the whole way. So getting legal on board early is my number one piece of advice for other teams'.

Wendy Cuthbert agrees.

'The UT training and EY both stressed the importance of getting legal involved early. But we kept thinking "no big deal — they will catch up". But this really caused us a lot of heartache that could have easily been avoided if we had brought in legal early. I'd also highly recommend you use your in-house counsel versus an outside counsel. In essence, we were paying our external counsel to get smart of Vested, and the more they struggled the more we paid in legal fees. We were fortunate that we had brought in Cirio Law Firm as a Vested Center of Excellence to help get us over the finish line with the actual contract.'

### **Onboard! Onboard! Onboard!**

Deal Architect Team members recommend you can't onboard enough. Cherie Dudridge says, 'Have multiple ways for folks to learn because people have various learning styles'.

Benbow cautions teams not to think about onboarding as 'once and done'.

'While you might be tempted to think you will get through onboarding as a mobilization task, it is important to realize onboarding is ongoing. There will always be new people that need to be inducted into the Vested Way of working. And as



we evolve, we are constantly changing so we need to onboard existing people with new direction and decisions being made as part of ongoing governance.’

### **Live into the agreement, quickly**

Walker’s biggest tip is:

‘You’ve got to start living and breathing the Vested Way quite quickly. For me, this meant being a little bit brave about having discussions to call out things I likely would not have done with other clients. I have such a great relationship with my 2-in-a-Box partner (Kane) that we can have a difficult discussion when something doesn’t feel quite right. But that safe environment does not happen naturally, so you must create an expectation of having open and candid discussions out of the gate with 2-in-a-Box partners because if you miss a couple of early opportunities to do so early on it’s very easy to then slip back into old habits of a traditional buyer-supplier mindset.’

Chimene van de Rest agrees.

‘Practice what you preach out of the gate. It is important to stress team members to keep talking about the Vested Rules in terms of the way they have been put together so they can understand the importance of living into the agreement by following the Rules. This means helping team members understand and behave in a what-in-it-for-we approach and letting traditional buyer-supplier hierarchies go. Simply put, we are all in the same boat and the best results come when we work together — be it on improving performance or collaborating on Ponies to drive transformation that will create value for both partners.’

Erika Chiuhan (bp Workplace services), Chimene’s 2-in-a-Box partner, adds,

‘I think the big risk of it is that until you have reached critical mass in deploying the Vested Way set of behaviors you will see people falling back into their old behaviors. It’s important to get people living in the agreement as early as possible so their muscle memory on conventional buyer-supplier mindsets can get reshaped to learn the new Rules of the relationship.’

### **Use a neutral coach**

Mike Narvaez’s (bp Workplace services) advice?

‘Don’t try to create a Vested agreement without using a neutral coach such as EY. You will spin your wheels and find yourself cheating on the Vested Rules. Honestly, I don’t know that we could have delivered the deal across the finish line without EY or at least the role that EY played. Having a neutral coach was worth every penny.’

Dom agrees. ‘Having a really good facilitator to handle that process and manage the moving parts was a no-brainer in hindsight’. He adds,

‘Having a neutral coach was far more than just facilitation and project management. It was critical in enabling us to have the bravery as a supply partner. EY was representing JLL as the supplier as much as they were representing bp; we could go to our EY and be candid and share concerns we might be feeling. Probably one of the most essential roles EY played was in helping wevo team members live into our intentions. EY would call out behaviors inconsistent with our Guiding Principles and nudge us back into living the Vested Way of working. EY was brilliant at that — walking that line carefully in a very calm and discreet manner.’

Narvaez shares the value EY played as the neutral coach.

‘Neither bp nor JLL were experts on Vested. There were many times we’d be asking “Is this right?” or “is that what we should be doing?” Take for example doing the taxonomy and workload allocation. Some sub-teams really struggled with this because Rule 2 challenged the ‘c’ word: control. bp — like most companies that outsource — fell into the typical trap of having a shadow organization with employees managing or even micromanaging the previous service providers. So creating the taxonomy and workload allocation was difficult because bp employees kept wanting to have JLL do the work and then they would check the work via a shadow organization. In essence, we were only on Rule 2 and we already had a few people backsliding into their status quo ways of working. EY would navigate us through difficult discussions. It was not so much that EY would tell us the answer, but rather how they pulled us back in with statements such as “well, here is how XYZ approached this same problem”, or “you might want to think about it this way”. EY really helped us get things right and we all looked back at the end after signing the agreement and thought “wow – I can’t believe we got there!”’

Having a neutral Vested coach was not the only linchpin. Everyone on the Deal Architect Team also points to the value of having Cirio Law Firm as the neutral legal expert that came in to help get the contract drafting workstream on track. ‘We would have completely failed on getting the contract across the finish line if we had not brought in Cirio Law Firm to help get the contracting workstream back on track and support some of the key contracting drafting’. The team’s only regret? ‘We should have brought Cirio in from Day 1’.

Wendy Cuthbert was also appreciative of the project management and SME role Incendium played. ‘The Incendium team has been fundamental to the success of this transformation project that is a key enabler in our workplace transformation journey.’

### **Don’t be afraid to go virtual, but go all in virtual and not a hybrid**

When the Deal Architect Team started the Vested journey, they had no choice but to do everything 100 per cent virtually. But as they moved into mobilisation, some countries were easing restrictions and some people went back to the office in some locations. Cherie Duddridge offers the following advice:

‘Don’t be tempted to do a hybrid approach with some people in a meeting room together and others joining virtually. When you do a hybrid meeting — or even just in two separate rooms — you don’t get enough nonverbal feedback. So much communication is nonverbal and a well-run virtual Zoom meeting enables everyone to be “present” versus lost. You can clearly “see” everyone in the meeting and we consistently find engagement is much higher and meetings are more productive when we don’t use hybrid meetings. So my advice — do all virtual or all in-person meetings — but not a hybrid.’

This lesson is consistent with what the University of Tennessee is hearing from other Deal Architect Teams. One creative way to get the best of both worlds is to carefully plan which meetings will be virtual and which meetings will be face-to-face, with face-to-face meetings being reserved for critical milestones and celebrating success.

### **Stick with it**

Benbow offers the following advice: ‘Stick with it has a double meaning’.

First, he means to stick with it even when things become tough. ‘It’s hard work, but you’re investing in what will become something so much more worthwhile than where we are on a normal contract’.

He adds the second part:

‘And when I say stick to it — I am also referring to having continuity of resources stick around. The Vested methodology teaches to have a large percentage of the Deal Architect Team stay behind and become embedded into the ongoing governance. In hindsight, I think we should have taken that more seriously and had a higher percentage of our Deal Architect Team become part of the ongoing governance team.’

### A CALL TO ACTION

When bp set out to renew its facilities and real estate contracts it had no idea it would lead to a massive transformation effort and bp’s first Vested Outsourcing agreement known as wevo. Wendy Cuthbert’s passion to find a better way to outsource met a perfect storm when Bernard Looney took the helm as CEO and challenged bp employees to reimagine how they worked.

The wevo team would like to encourage other organisations to explore the potential of Vested partnerships. Wendy Cuthbert emphasises, ‘I think most people have misconceived ideas about what Vested really is. I hope our story will help people see the benefit of a Vested business model’.

### ACKNOWLEDGMENT

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### REFERENCES AND NOTES

- (1) To learn more about Bernard Looney’s management philosophies see bp’s website which is dedicated to sharing his views, available at <https://www.bp.com/en/global/corporate/who-we-are/board-and-executive-management/leadership-team/bernard-looney.html> (accessed 9th February, 2023).
- (2) For a detailed discussion of Vested, the Five Rules and the ailments, see Vested, ‘Vested Outsourcing: Five Rules That Will Transform Outsourcing’, citation 3, available at <http://www.vestedway.com/vested-outsourcing/> (accessed 9th February, 2023).
- (3) Project Apollo had multiple ‘waves’ and at the time of this case study wave 1 was complete and wave 2 was in process.
- (4) Vested, ref. 2 above.
- (5) The wevo team rephrased the Reciprocity Guiding Principle to Mutuality. The image in Figure 4 uses the term Reciprocity for consistency with what UT teaches.
- (6) This case study is an excerpt from a longer teaching case study developed by the University of Tennessee.