



## REVISED BUSINESS MODELS FOR THE CAPITAL PROJECTS INDUSTRY: CII-OS2 IAP RESEARCH GOALS AND PARTICIPATION OPPORTUNITIES

### CII-OS2 IAP Research Goals

As we adjust to and recover from the current global challenges, preservation of the industry supply chain is critical. The Operating System 2.0 Industrial Affiliates Program (OS2 IAP) is seizing this opportunity to create a healthier industry. The OS2 IAP is a CII associate organization that conducts research aimed at defining new ways of doing business in the capital projects industry. The goal is to unlock value that today's engineering and construction industry simply cannot access. While the systems and work processes that manage capital projects have improved steadily in recent decades, the underlying business model binding investors with construction industry product and service providers is still characterized by a lack of trust, excessive friction in transactions, and burdensome financial waste — preventing real progress. We are taking a different approach. You need to be involved.

OS2 IAP is studying a new capital projects business model where projects are executed by a community of like-minded companies that work together to ensure no one gets hurt. This philosophy extends beyond personal safety to include financial and reputational safety. In this “neighborhood” the participants will collaborate, acting more as neighbors than as adversaries. The neighborhood delivers more predictable business results, with less risk, and more stable ROI. These results are enabled by a commercial model that reduces transactional waste, manages risk with transparency and flexibility, and supports a healthier business climate for all companies.

### CII-OS2 IAP Research Participation Opportunities

The following four research topics are underway to examine different aspects of a new commercial model for the capital projects business. All research teams are currently looking for companies and individuals who are interested in participating on the research. In the second semester, the OS2 IAP is planning to conduct a pilot project to test some of the initial concepts and techniques developed by the research teams.

- *Goal Congruence and Alignment* - This research effort overarches the other three topics. Its goal is to create a “neighborhood-like” structure that fosters long-term relationships among all stakeholders in a project or portfolio of capital projects.
- *Supplier Engagement* - This research topic will search for and apply leading practices that can improve the effectiveness of buyer-supplier relationships in capital projects.
- *Dynamic Risk Modeling* - The objective of this research effort is to develop novel, collaborative, and dynamic methods that identify, price, and allocate significant capital risks.
- *Contracting via Smart Contracts and Blockchain* - This research team will apply state-of-the-art thinking and technology to explore how this technology can facilitate trust, enhance security, speed up the velocity of cash flow, and improve performance of capital projects.

### CII-OS2 IAP Webinar

If you would like to learn more about these opportunities, please attend the webinar on June 25, 2020. We hope you will get involved and support our collaborative mission to improve the industry.