



**Analysis of increased productivity
and innovativeness in the transport
engineering and construction sector**

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Report 2017:5**

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Summary

Transport Analysis has, over a three-year period, been tasked by the government with analysing and evaluating the work done by the Swedish Transport Administration (Trafikverket) to increase the productivity and level of innovation in the construction market. This is the third and final report in that endeavour. It summarizes our findings to date, supplemented with the results from the follow-ups for the year. This process includes a follow-up of the ways in which the implementation of the new working methods has functioned through a sampling of construction contracts, as well as a follow-up of the implementation and results of Trafikverket's research in the area of productivity and innovation. We have also looked at how Trafikverket generally follows up on the performance, outcomes and results of construction contracts, and at how the contractors view Trafikverket as a procurer and client.

A great deal of work has been initiated, but major parts of the implementation process remain. The work is still in development and new initiatives have been started. The work still needs to be implemented throughout the organization, but Trafikverket has now begun preparing or has already introduced structures to that end. Key components of this effort include training activities, supplemental and developed follow-ups and the structuring of forms of cooperation with suppliers.

The work on a new procurer/client role and developed business models has been handled well overall, and is constantly evolving. The principles are firmly embedded at the management level within the operations, but additional work is needed farther out in the organization in order to achieve a complete understanding of the new roles and business models. For example, it does not appear to be entirely clear to all those affected just how the refined client/procurer role is to be translated in practice, or what constitutes a reasonable allocation of risk in the contracts. Even though, according to the Trafikverket management, there are clear guidelines and regulations specifying what should apply, they do not appear to be sufficient in terms of preventing such uncertainties.

We perceive that Trafikverket has achieved greater foresight in terms of its planning and procurements, which is an important prerequisite for the success of the productivity and innovation work. With regard to the work of adapting the huge volume of requirements and conditions that govern the design of construction contracts, it has, to date, proved difficult to see concrete results to any great extent. For example, the process of conducting an overview of Trafikverket's own regulations appeared to have come to a temporary halt. Following a reboot, the project is now working to complete all the subprojects for delivery in 2017 or early 2018.

There are also other examples of projects that are important to pursue in the productivity work. For example, the now-completed Productivity and Innovation Development Project has laid the groundwork and generated ideas for encouraging suppliers to offer industrial production that can achieve serial effects and lower costs for Trafikverket. Trafikverket has also successfully completed the Innovation Procurement Project, which was reported on in 2014. We are unsure how the results of these efforts have been assimilated, but we believe that it is important that Trafikverket actively continues to encourage innovative solutions among the contractors in these areas.

Overall, it is important that the work continue to progress in the main direction now being pursued, even if minor changes may need to be made along the way. However, change work takes time, and it must be allowed to take time. Trafikverket is a large organization with many employees who must adopt new working methods, and the same is true for its numerous suppliers as well. Both investment projects and maintenance activities are also characterized by the fact that they are long-term, and require methods and routines spanning many years.

A unifying and dynamic function is needed within the organization to prevent the productivity work from grinding to a halt. The former Productivity Office, which may be said to have had such a function during the introductory phases of the work, has now been replaced with a Productivity Group, the form and composition of which presume that the essential work has reached out into the organization, and that the operations managers are responsible for the implementation process. This new structure gives the impression that the productivity work sometimes tends to fall between two stools, or to be forgotten and deprioritized. Transport Analysis views the various productivity work initiatives and projects within the areas of emphasis as being tightly interwoven. When any project(s) are inactive or do not have close contact with other productivity work, there is a risk that the results will be delayed or will fail to be achieved.

It is important for Trafikverket to continuously and systematically prioritize its productivity and innovation work, and for both the management and the board of directors to monitor the progress of those efforts. In order to emphasize the importance of Trafikverket's productivity work, we propose that the government develops and increases its steering of Trafikverket by giving the agency specified tasks in the area, aiming at a closer follow-up and presentation of the working process and its results.

Another way for the government to ensure that these issues receive continuous attention from Trafikverket is to repeatedly keep questions pertaining to productivity and innovation on the agenda in the internal dialogue between the government and the agency.



Transport Analysis is a Swedish agency for transport policy analysis. We analyse and evaluate proposed and implemented measures within the sphere of transport policy. We are also responsible for official statistics in the transport and communication sectors. Transport Analysis was established in April 2010 with its head office in Stockholm and a branch office in Östersund.