



(Insert name of network)

**Terms of Reference**

# Background and Purpose

The XXXXX market has grown by 25% per annum over the past 5 years. Continued growth of 25% is forecast over the next 5 years with exponential projections continuing to 2020 and beyond. Since the aftermarket lags the installation of new XXXX by around 5 years of Warranty cover, there is a firm market growth expectation of 25% pa over the next 5 years.

Evidence from market research would indicate that the lack of customer satisfaction with the current service of the prime suppliers of aftermarket support has created a significant market opportunity. To address this opportunity requires a breadth and depth of capability and capacity that is unavailable to an independent company today. Hence by bringing together a network of companies who can

collaborate to provide a unique portfolio of complimentary competencies and capabilities, a competitive and compelling market solution will be created. This will provide significant sales growth potential for each of these companies.

The (INSERT NAME OF NETWORK), hereinafter known as “XXXXX” will be launched in March 2018 to pursue this opportunity.

These Terms of Reference (hereinafter “TOR”) are to specify and initiate the collaboration between (INSERT NAME OF NETWORK) members (hereinafter Members) and (INSERT NAME OF FACILITATOR) who provides the management and facilitation of (INSERT NAME OF NETWORK).

# Mission

1. To actively engage with a network of companies which help each other expand their sales of existing products and services through
   1. collective market intelligence leading to the identification of new sales opportunities
   2. development of enhanced supplier chain capabilities and capacity
   3. stronger tenders supported by the synergy offered by the collaborative network
2. To actively collaborate on projects designed to create new or improved products and services which members can offer to existing or new clients

# Objectives

The founding Objectives of (INSERT NAME OF NETWORK) are to develop the following new or improved:-

1. Technical and operational problem solving service
2. Rapid repair service
3. Strategic sourcing, stocking and logistics service
4. Parts reconditioning service
5. Pre-emptive repair service
6. Operational guarantee products
7. Spare parts order forecasting process
8. Predictive failure process
9. Integrated IT process
10. Education and training process
11. Marketing of this “virtual corporation”
12. Strategy to sustain the (INSERT NAME OF NETWOK) after the Invest NI launch funding has been used up

# 4. Membership

1. Members are companies or organisations which have signed and returned to

(INSERT NAME OF LEAD COMPANY) one copy of the Letter of Adherence, the other being returned to Invest NI.

1. A designated senior executive, company representative will be appointed from each Member.

# 5. Modus Operandi

1. The relationship between members under this collaborative network is that of independent companies and each member maintains exclusive control over its own operation.
2. Members are encouraged to refer to their membership of (INSERT NAME OF NETWORK) at every appropriate opportunity, with the intent of
   1. strengthening the competitiveness of their own tenders to clients
   2. referring other members to clients
3. Members will attend regular Steering Meetings, initially planned at XXXX per year, to review the progress to date, to consider and agree the objectives for the (INSERT NAME OF NETWORK) and to approve recommendations brought before them.
4. Members will also participate in interim, online meetings called to consider new opportunities arising between Steering Meetings.
5. Agreement will be based upon one vote per Member
6. A decision will be carried on a majority of 1 vote
7. If the designated company representative cannot attend a meeting a deputy may attend in their place and will be entitled to vote
8. Members will define and agree upon Objectives to be pursued by (INSERT NAME OF NETWORK)
9. Members will form project teams to develop strategies to achieve the objectives of (INSERT NAME OF NETWORK)
10. Where new products or services are developed the Members will agree who should be the prime contractor in marketing the offer to the client.
11. All tenders will be competitively tendered within the Members of (INSERT NAME OF NETWORK).
12. Where capability and/or capacity is not available within (INSERT NAME OF NETWORK) then the tender will be competitively offered outside of the network
13. Members should recommend new companies to join the (INSERT NAME OF NETWORK) to continually enhance its capability and capacity
14. New members will be proposed to (INSERT NAME FACILITATOR), who will then communicate the nomination to all members. A vote will be called for and decided upon by a majority decision.

# 6. (INSERT NETWORK NAME) Management

1. The formation and continuous development of the (INSERT NETWORK NAME) requires significant investment of independent, professional and experienced business leaders.
2. This will be provided by (INSERT NAME OF FACILITATOR) and will comprise a breadth of tasks established in conjunction with the Members and by mutual consent. These will include Network:-
   1. Leadership
   2. Management
   3. Administration
   4. Communication
   5. Literature
   6. Website
   7. Governance
   8. Policies & Procedures
   9. Offers
   10. Project Facilitation

# 7. Duration and Termination of the Collaborative Network

1. (INSERT NAME OF NETWORK) has been established for a specified time period.
2. These TOR are established for an indefinite time period, unless and until the network is terminated.
3. Termination of this agreement between a Network Member and (INSERT NAME OF LEAD COMPANY) will take place as follows
   1. A Network Member may terminate its status of Member and this agreement at any time by notifying (INSERT NAME OF LEAD COMPANY/FACILITATOR) with xx months notice
   2. (INSERT NAME OF LEAD COMPANY/FACILITATOR) may terminate this agreement and the status of Member of a given Member under the approval of a majority vote of all Members, with xx months notice
   3. It is here expressly stated that the decision of termination may be taken and implemented without resorting to any legal action
4. In case of termination for whatever reason, the departing Member will not be entitled to any refund or compensation.

Date: Date:

Signature: Signature