

SUPPLY CHAIN CHALLENGES & KEY STRATEGIES TO PREVENT CONSTRUCTION DELAYS



The supply chain has faced a tumultuous last few years, causing massive disruptions affecting virtually every industry and leading to paused or delayed projects and increased backlogs.

The immense and ongoing impact of Covid 19 was the initial factor in supply chain issues, but there is also increased strain resulting from the Ukraine Crisis, which began in late February 2022.

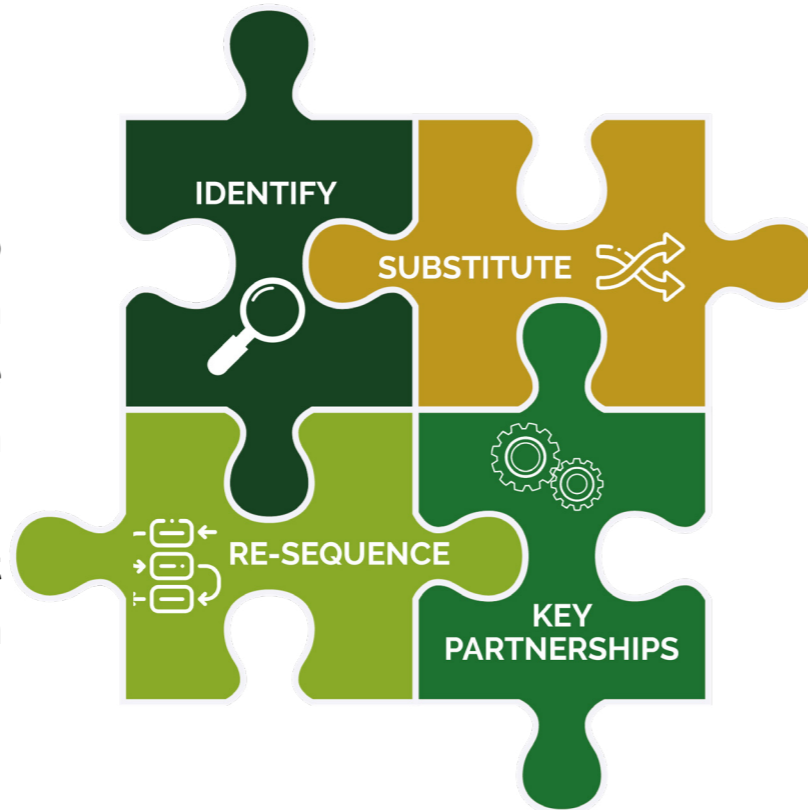
Not only are costs soaring, but availability of many products is severely restricted. Lead times on items once available off the shelf now must be ordered weeks in advance and the traditional long lead items are heading towards 40-50 weeks wait.

This results in projects taking a lot longer to complete, unpleasant surprises when deliveries do not materialise, and increased costs for every aspect of the project.



So, what can we do to resolve this?

At Ethos, we have been working with our clients to develop some key strategies, which have been proven to minimise the impact of supply chain challenges. Here are the four most impactful and common solutions:



At the very start of the project, it is essential to do a risk assessment of the project constraints, including consideration of the supply chain. Identify those critical components with long lead times and assess their impact on the critical path. Contacting key suppliers will validate the extent of the issue and at what point you need to start the procurement process in your programme.

Substituting your specified product with a similar product paired with a shorter lead time is a quick answer. You will need to do your due diligence to confirm the technical and performance specifications – but it could be a matter of simply swapping one product for another and off you go.

In some projects, we are now re-sequencing tasks so that the items with longest lead times are designed and specified very early and then can be procured immediately. This maximises the lead time for delivery. While “just in time” was the mantra in the past, the safest thing to do right now is to get it ordered and on site or into secure storage as soon as possible. It does mean you and the client are assuming the risk of making sure the selected OFCI (Owner Furnished, Contractor Installed) equipment is incorporated as part of the procurement strategy and overall programme. Taking this into account, product selection is going to drive the design more than normal, but the trade-off is a significant overall saving in time.

Helping develop procurement strategies with OFCI suppliers has meant our clients can utilise a more strategic approach. Developing strategic partnerships with vendors has led to our clients having lead time and pricing agreed in advance of projects commencing, helping to reduce the risk in just in time deliveries of key products.

“Don't get caught off guard when you are planning a construction project. Working around supply chain issues is possible if you account for them.”

Reach out to Stephen today...

If you would like some help with managing supply chain issues and planning your project to account for the current state of the supply chain.



Get Help with
Managing your
Supply Chain

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ONE

EARLY IDENTIFICATION OF RISK AREAS AND THE CRITICAL PATH IMPACT

TWO

CONSIDER SOME SUBSTITUTIONS

THREE

RESEQUENCING THE DESIGN

FOUR

STRATEGIC PARTNERSHIPS