

Proactive approach needed in mitigating construction supply chain disruptions

The pandemic-induced shutdowns, civil unrest, natural disasters and, more recently, the ongoing war in Ukraine have all wreaked havoc on local construction industry supply chains. Where previously it used to take weeks to procure building materials and equipment, contractors are now having to wait months for their orders to arrive, says Databuild CEO Morag Evans.



Morag Evans, CEO, Databuild

“Not only are procurement and delivery costs higher as a result, but projects are being delayed and in some instances, even cancelled, placing even more financial pressure on stakeholders and negatively impacting company reputations.

“While we may be approaching the endemic phase of Covid-19 and restrictions and regulations have been repealed, all indications are that the war in Ukraine is not going to end any time soon, and it is therefore critical for construction role players to focus on managing supply chain disruptions as proactively as possible.”

Construction industry supply chains have always been notoriously complex and difficult to manage, Evans points out, and all the more so when it comes to larger projects where numerous participants are involved.

It is also not uncommon for construction companies to manage several different projects simultaneously, each with its own individual supply chain. To complicate matters even further, many construction components and products are manufactured on an as-needed basis, which means there is very little room to manoeuvre around budgets and deadlines should something go

wrong. This can place entire projects at risk.



Could renewable energy projects offer the boost SA's construction industry needs?

15 Jun 2022



Panic purchasing and stockpiling

In an attempt to mitigate supply chain uncertainties, some companies have resorted to panic purchasing and stockpiling of unnecessary materials. According to Evans, this is certainly not the solution and only serves to intensify supply vulnerabilities.

“Instead, project developers, professionals and contractors should accept supply chain disruptions as the ‘new reality’ and make adequate provision for this in their project plans and contracts. This includes adding clauses that protect contractors against the consequences of failing to deliver within predicted timelines due to the unavailability of critical materials or components.

Collaboration among project stakeholders is key, she continues. Decisions around the procurement and delivery of alternative materials must be addressed before contracts are signed and the project gets underway. This will help to avoid

disputes when supply chain disruptions and price escalations occur.



Blockchain technology a game-changer for the construction industry

17 Mar 2022



Support local manufacturers

The use of local products must also not be overlooked, Evans adds. Now, more than ever before, South African contractors need to support local manufacturers and help them reclaim the production of goods and commodities that were previously imported.

Equally important is ongoing communication with suppliers. This can be done through the creation of a procurement log that tracks each stage of the supply chain process and keeps all participants informed of any changes.

The construction industry has many balls to juggle in order to mitigate current supply chain disruptions, but if everyone works together, projects can still be completed on time and within budget, despite the challenges, Evans concludes.

For more, visit: <https://www.bizcommunity.com>