

The four key resources of a connected supply chain



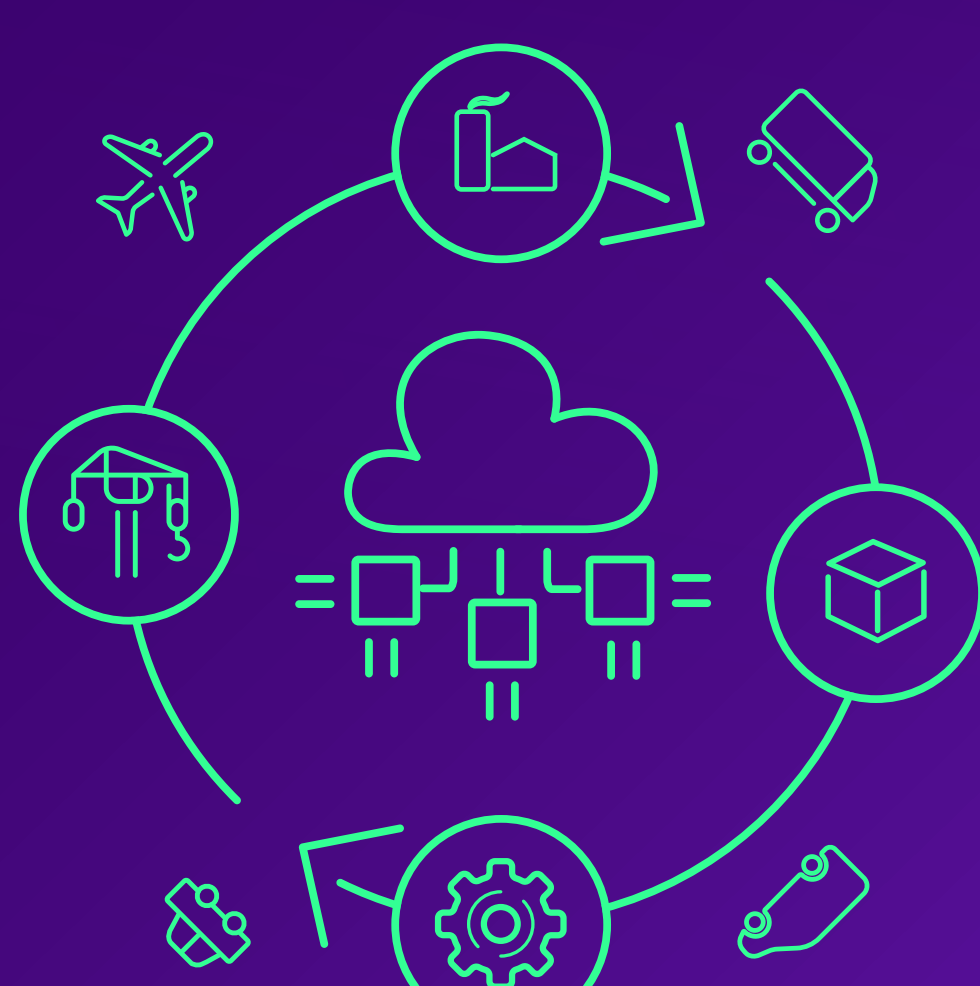
Making sense of the complexity to give your business a competitive edge

Introduction

Within the Construction and Engineering (C&E) sector, a connected supply chain is more than just an efficiency driver—it's a significant competitive advantage. Supply chains are complicated beasts, whatever the sector. But unravel that complexity and many, many benefits are revealed.

Since the beginning of time, C&E has faced uncertainty and unpredictability. Fluctuating materials costs, political conflicts, pandemics, labor shortages... no two disruptions are alike, and they often take place concurrently. Despite this, the majority of C&E businesses continue to operate with a fragmented supply chain network, despite the benefit of hindsight. It puts them at a significant disadvantage to peer organizations already maximizing competitive advantage.

All projects require multiple business functions to work alongside each other. Throw suppliers and subcontractors into the mix, and the balancing act becomes even more difficult—every resource needs to come together at the right time, in the right place.



In this infographic we'll focus on the **four resource types** that have to work harmoniously in order to keep projects on schedule:

#1

Materials

Materials come in a variety of forms, including wood, concrete, bricks and metals. The price of raw materials depends on supply and demand, trade barriers and red tape. Wastage and theft need to be considered in every project.

#2

Equipment

The fundamental heavy machinery and tools required for construction and engineering—such as cranes and bulldozers—can be supplied internally, rented, or a combination of both. The key challenge for C&E is in ensuring the right equipment is in the right place at the right time, and in good working order.

#3

Labor

Labor in C&E typically comes in two forms; site workers and management staff. With the labor pool declining and skills gaps widening, C&E labor is in high demand. C&E businesses will need to think about how to recruit as well as retain and educate the right staff in order to achieve their objectives and meet deliverables.

#4

Subcontractors

Essentially an outsourced team, subcontractors are susceptible to the same factors as above and can even have their own subcontractors, adding another layer of supply chain complexity. The main contractor will need assurances that subcontractors can deliver to the agreed schedule.

The rest of the supply chain suffers if any one of these four resources drop out of sync—as does project delivery performance.

Conclusion

Whatever happens, one thing's for sure—supply chains won't get less complicated any time soon.

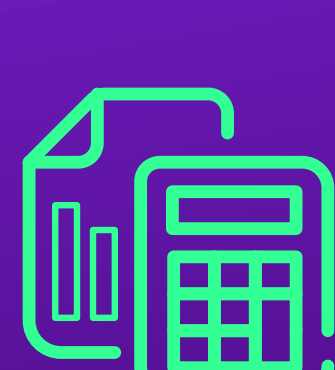
Progressive C&E businesses will futureproof operations via supply chain transformation. In real-terms, this equates to simplifying supply chains to ensure faster project delivery, lower costs and a much more controlled environment. Put the whole package together, and it could equal a competitive advantage.



2021 saw new levels of disruption within the sector; steel prices rose over 70%, and the pandemic generated havoc, creating numerous all-new and unforeseen trade barriers. So, C&E businesses have been operating with quite possibly the most fragmented supply chains ever. Therefore, the lesson is to invest in better planning and preparation—because disruption is never far away.

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