

Five ways to mitigate construction supply chain disruptions



T&T InTouch knowledge share

We are reaching out to share our knowledge and advice as it relates to COVID-19 and the management of construction projects, because we believe that **team collaboration will put our industry in the best position to manage the unfolding uncertainty.**

We are learning, testing and sharing as we go along. We are also working with our global colleagues who have had to approach the pandemic earlier than us in Africa. Now that the lifting of restrictions is being considered, our clients and our own offices are starting to look at how they can begin or complete projects once again. What we share has been **tested** in our Asia, America and UK businesses and is now being **applied effectively** across other regions as the need arises.

Five ways to mitigate construction supply chain disruptions

In this rapidly changing and uncertain environment, the role of the supply chain is in sharp focus. Businesses dependent on domestic and international suppliers are under pressure to mitigate potential disruptions. The resultant shortages include plant, raw materials, critical components, finished goods and labour.

Globally, companies involved in constructing anything at the moment are asking themselves difficult questions: how will the supply chain look in the aftermath of COVID-19? How will capability be altered?, (If your supply chain is dependent on raw materials, critical components, equipment and finishing products) how are we going to get stock and secondly support the supply chain to deliver timeously to weather this crisis? We have experienced shortages upon resurgence across all our regions.

If you have identified high risk, high impact supply chain disruptions, the following five points will support you to position your business and get the best results from the market amidst these trying times.

1. Re-check criticality

Have you correctly determined 'what' and 'who' are business critical to your project and operation? For most project based organisations, up to 80 per cent of the personnel working in offices and on-site are third party employees, supported by external vendors whose competencies and products will be required when the market recovers. We recommend you review your spend profile, discuss with your internal stakeholders, and look to review alternative supply options now.

2. Increased regular open communications

Are you talking enough? Make sure you are aware of your supply chain's business continuity plans. This also indicates you are attentive and willing to help as time progresses. Whilst pricing and staying competitive are important, open and frank discussions regarding timing and expectations will help suppliers to react timeously and get the project done.

3. Specialist's discussion

Are the right people talking to each other? Connecting experts from your organisation and those of your supply chain can broaden your knowledge of what is happening and help to give a more informed decision on next steps. There may be requirements to look at alternative products which are available currently. Finance director to finance director level

conversations can often add significant value, advance payments and potentially client supply materials might be required to support a supply chain suffering financially. Both client and supply chain need to work in ways that are unconventional, and where we are experiencing this open mindedness we are managing to deliver and get results.

4. Review your terms and conditions

Is your commercial model appropriate for the market? Where businesses have achieved a strong market price in previous negotiations, is it worth looking at the [cost](#) benefit analysis of maintaining the relationship with an alternative model? Finding an alternative supplier at this stage is likely to be inefficient compared to a more collaborative approach.

Negotiating a change in commercial and payment terms for a fixed period of time may well sustain both organisations, rather than drive insolvencies and supply chain failure - if you supply chain fails, so does your project.

5. Drive innovation and continuous improvement

Are you listening to your supply chain's ideas and initiatives? – there could be alternative products or 'ways of working' that might be more appropriate. Generally international borders are still closed as are many manufacturers around the world. Our Asian clients are now looking at their own supply chain to develop specialist equipment, parts and tools required for projects. In some cases prices are discussed openly and support via long term orders, has been provided to assist suppliers to upskill and deliver the quality required locally.

Sites are starting to open up on shift type working (x3 per day), reducing numbers on site and secondly where possible manufacturing components off-site and "dropping them in" has allowed additional social distancing. Obviously this takes planning and some "out of the box thinking", but at the same time projects are being completed safely and on time

[If you would like to learn more about how we engage with our supply chain and those of our clients, or if you would like some advice specific to your own organisation and/or projects please do not hesitate to contact me.](#)

Ask the experts

We will continue to share relevant insights around the pandemic's potential impacts on construction, specifically including: construction costs, contractual implications, labour availability and supply chain risks.

We have set up a helpdesk (T&TInTouch@turntown.com) to support our clients and industry colleagues with any issues related to the impact of current events on their projects whether that is stopping, restarting or accelerating work across Africa. Between us, we have expertise covering contracts, risk, project controls, estimating, data and digital solutions.