

FIT FOR THE FUTURE

STRENGTHENING CONSTRUCTION SUPPLY CHAINS



The changing demands of UK society are requiring better performing and more innovative solutions from the construction sector. These challenges are not only being felt in the private sector, but dampened government spending means that public sector contractors will continue to be driven by value for money.

The future calls for smarter and better value outcomes. The construction industry is gearing up to meet these challenges and there is agreement on the need for more collaborative supply chain relationships. However as a fragmented and diverse industry too often supply chains are confrontational rather than collaborative, preventing best service.

Yet there are great examples of effective and innovative supply chains within the industry. This best practice needs to be embedded across the sector and we must build on the UK's competitive strengths in areas like sustainability and Building Information Modelling (BIM).

As the industry returns to growth, now is the opportune time to address these challenges. Strong industry leadership and government backing is essential to provide the impetus for change and ensure that UK construction is world leading. To meet these demands government and industry must focus on the top priorities for supply chain reform in three key areas; collaboration, innovation and capacity.



Greater **collaboration** will provide better solutions for our companies and clients

A collaborative culture is critical to effective supply chains that deliver real value for businesses and clients. Confidence in the future pipeline of infrastructure and housing work is a catalyst for this, but industry leaders must create an environment that encourages collaboration. At the same time, clients that base procurement on value for money rather than lowest cost will allow the supply chain to provide the best solutions.

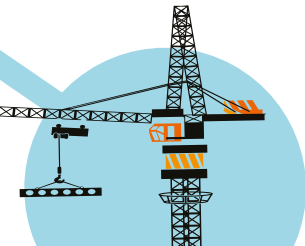
 *Greater collaboration, innovation and capacity are the game changers in building more effective supply chains.* 

Driving **innovation** and smarter ways of working will make our supply chains fit for the future

Early engagement with the supply chain is key to all stakeholders working together to provide innovative solutions. Greater technological collaboration and a more data driven approach will support this, whilst the industry must also utilise the UK's world-class research and science base to stay ahead of international competitors.

Strengthening **capacity** will underpin more dynamic and collaborative supply chains

Engaging, attracting and inspiring a diverse workforce is a priority for our supply chains and we must ensure that skills training will meet future needs. Protecting and enhancing our construction materials industry and strengthening small and medium-sized businesses will also be critical to meeting the future demands of the sector.



CONSTRUCTION AT A GLANCE...

£2.84

is generated in the wider economy for every £1 spent on construction

6.1%

of GDP in 2013

223,450

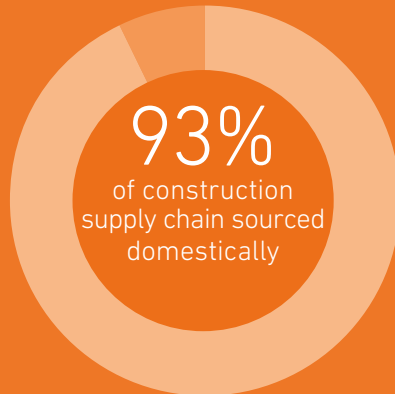
new jobs will be created in construction before 2019

280,000

UK businesses

2.1m

jobs in the UK workforce in 2014



KICKSTARTING THE CONVERSATION...

- 👢 How can business models be adapted to drive better collaboration?
- 👢 What can businesses do to support small and medium-sized firms in their supply chain?
- 👢 How can government best support the construction industry to innovate?
- 👢 What does the industry need to do to drive innovation in the sector?
- 👢 What is the best approach to building a truly responsive skills system?
- 👢 What is the government's responsibility in skills training, and what falls to business?

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