

Dating, to engagement, to marriage, August 2014

Long gone are the days when construction companies were able, and willing, to respond to inquiries at short notice and within the ideal timescales required by clients and design teams. We are operating in a harshly different reality, one in which proper foresight is required to firstly start courting our prospective construction partner (the 'warming-up' stage), then the engagement (the 'we'd really like to take one another seriously and see where this could go stage') and, finally, the formal marriage (the 'contractual for better or worse stage').

So why does it have to be this way? Well, for the last 12 months, the annual rate of construction growth has been positive, with the monthly Markit/CIPS purchasing managers' index (PMI) having shown 15 successive months of improvement, which sees the fastest expansion of overall construction since the summer of 2007. In short, the supply side of our industry is struggling to keep up with the continuing workload.

With the recent dark years having seen governmental austerity and so many developer schemes shelved and occupiers sitting tight, the build up of things 'waiting to happen' has been significant. This at a time when construction companies were consolidating, shrinking or, sadly, disappearing. So we are now in a game of supply side catch-up, which is not something that will be solved overnight. Current examples being a difficulty in finding tower cranes and scaffolding - and they're the first things you need!

The benefits of planning proper engagement with the supply chain at the right time, and being realistic about what you want from them, is now very much in sharp focus. This also needs to be supported by fair and equitable allocation of risk between client and contractor, which should, of course, always be the case. Starting off with these measures will help get the project on the right track, and avoid situations where clients want to build something by a deadline with no-one to build it, or a price demand that kills the project viability.

In summary, current workload is translating to construction companies now having the luxury of choice - so if you want to be chosen, start dating!

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