CONSTRUCTION INSIGHTS

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Supply Chain Risk

Tips For Managing Your Businesses Supply Chain Risks In Construction

FINANCIAL STABILITY

Subcontractors, vendors and truckers will need to be subjected to additional levels of due diligence to determine if they are still insurable, remain bondable and financially stable enough to perform without default during a project.

DELIVERY FLEXIBILITY

Pay enhanced attention to the increased need for ensuring flexibility for deliveries from domestic and foreign product sources. Freight costs and additional staffing to ensure critical delivery dates will raise project costs.

SUPPLIER CAPACITY

Pre-emptively reach out to key suppliers to determine their actual ability to deliver materials to meet project workflows and schedules.

PRICE FLUCTUATIONS

Plan for increased prices in materials that will, in turn, lead to increased project budgets including the possibility of change orders and additional purchase orders to reflect continuing fluctuations of market pricing.

DIVERSIFY LOCAL SUPPLIERS

Diversify suppliers and increase the number who are based in North America. The post-COVID era will see many manufacturers and suppliers repatriate their operations from overseas to North America. As this happens over the next two years, product costs will rise, but the reliability of the supply chain will get stronger with each passing year.

PRODUCT TRACKING

Track each product digitally as it moves forward through the design\fabrication\delivery process so that project managers can rely on timely delivery to a project site for installation.

STORAGE OPTIONS

Provide for multiple delivery\drop off points (for storage or final preparation prior to installation) before actual delivery.

ENSURE YOUR KEY ORDERS ARE FULFILLED

Address the special needs of owners building large scale projects and lock in manufacturing dates from critical providers. This can be done by paying a premium to ensure that no other project gains priority over your order and will help ensure the delivery of these essential products or materials.

If you have questions specific to your business, or would like additional information, please reach out to your Henderson Advisor.

Sourced from the Daily Commercial News

LET US HELP YOU MANAGE YOUR RISK

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