www.journeyconstruction.com



JOURNEY'S TOP 10 SOLUTIONS TO HELP

COMBAT SUPPLY CHAIN CHALLENGES & INFLATION

About Journey Group

Journey Group is a full-service construction group with headquarters in Sioux Falls, S.D., and six divisions offering general, commercial, manufacturing, industrial, civil, residential, and asphalt construction services in the Upper Midwest and nationwide.

Who We Are

Our company has a long-standing reputation of building lasting relationships with contractors throughout the region. Our experience in past projects working in and around the local construction market coupled with our solid reputation of being a fair, honest, and team-oriented company will bring a strong contractor interest to any project.

Our Mission

"Positively Impacting Lives by Building Community"

Core Values

Our Customer - Exceeding expectations by going above and beyond Our People - We help each other do our best Integrity - Do the right thing, ALWAYS! Fiscal Stewardship - Investing in our future and our community Relationships & Teamwork - We are in this together



BUILDING SOLUTIONS TO HELP COMBAT SUPPLY CHAIN CHALLENGES AND INFLATION IN CONSTRUCTION

Rising inflation and supply chain issues have been a hot topic in industries nationwide throughout the pandemic and well into 2022, with the construction field being impacted significantly.

One of the ways construction has been most heavily impacted is the rising demand in project starts. Ultimately, this pent-up demand coming out of the pandemic increased the need for project materials, supplies, and skilled labor; further prompting project managers and superintendents to closely analyze their budgets, material costs, and project schedules.

Additional stressors like disruption in delivery time, further promote schedule delays. All of which could be categorized as the current "pain points" of the construction industry.

This whitepaper provides information on common supply chain issues and gives you a glimpse inside the strategies Journey has developed to combat these challenges. You will learn more about the industry changes and challenges Journey has experienced and gain insight on the solutions we have created to combat these issues.

Common Industry Supply Chain Issues

 On-time delivery of materials vs. Stored Materials – The construction industry was once sure about deliveries, as most were on time and fully stocked. In today's market, common fears include not having needed products on hand or having said products delivered on time to aid in project completion.

- Early Collaboration Pre-pandemic, our planning and collaboration schedules fell much closer to project kickoff. Now, construction businesses are faced with the issue of pre-planning their planning and collaboration schedules, just to stay ahead of the game. Getting everyone's schedule, budgets, and timelines can be tricky, especially if the project is months down the road.
- Inflation compounds supply chain issues Though we mentioned this previously, it deserves a spot on our list as many construction companies and employees continuously worry that the impact of inflation on the supply chain will diminish their ability to take on projects in the future. These issues can wreak havoc on material delivery, and project completion, and even cause shifts in budgets.
- Vetting of suppliers and vendors Other construction materials, not just building structure components (switch dears. aggregate/cement, roofing, and insulation), are also impacted by ongoing market issues. These materials are distributed and vetted by suppliers and vendors, who may decide that they can't afford to stay open due to the ongoing inflation or will hike their prices to keep up. This can create fear amongst construction companies as they continue the battle to find the right materials within budget.

All these issues look different from company to company, but the main concept is that these issues are a burden and obstacle to the construction industry. In 2022, it's a given that construction companies must dig deep and find a stance in confronting these issues headon.



At Journey Group, we proactively work with project owners, design teams, suppliers, and vendors, as well as other construction teams to relieve these supply chain issues and fears. We communicate daily with our partners and demonstrate our ability to quickly recognize and adapt to changes in the market and environment. Our process works because we apply it to specific projects with the understanding that the market changes rapidly, giving us the opportunity to be proactive or, as we like to call it, initiate our key to success. To find your key to success, you must first assess whether your business is facing the following difficulties:

- Are you currently building and experiencing these challenges firsthand?
- Are you constantly waiting on project materials to arrive?
- Are you struggling with vendor/supplier relationships?
- Do you find yourself delaying project start times or end dates?
- Does your team need a stronger procurement management strategy?
- Has inflation impacted your strategies and shifting priorities?

If you answered yes to any of these questions, sign up to receive an inside look on Journey Group's Ten Winning Strategies to Combat Supply Chain Challenges and Inflation.

CLICK HERE TO LEARN JOURNEY'S TOP 10 SOLUTIONS



TOP 10 SOLUTIONS

TO HELP COMBAT SUPPLY CHAIN CHALLENGES & INFLATION

- Procurement Management Strategy At Journey, we know how important it is to determine everyone's responsibilities and roles on every project. Our Project Engineers focus on tracking supply chain and substitutions, while also overseeing the purchases of materials, ensuring product delivery timelines, and adhering to budgeting requirements.
- 2) Early Collaboration Pre-pandemic times, not many of us had to worry about getting ahead of the game. At Journey, we've taken this new challenge and initiated early collaboration by getting together with team members, subcontractors, clients, etc. to help projects get off to an even smoother start.
- 3) Leveraging Relationships and Resources to Eliminate Labor Shortages – Subs and suppliers often times reserve capacity for projects and make commitments early to secure resources. Journey has found that the preconstruction process allows us time to really look at our options and influence our decision on switching products or vendors if needed. The more you can do in preconstruction to eliminate the issue of resource or labor shortages the more it will alleviate obstacles in the final plan.
- 4) Working through Inflation Contingencies Today's market proves there is building in less vitality and that structural components are less susceptible to market changes. Journey has had success with convincing owners to be on board early and giving us greater freedom and leverage to order materials early. This allows us to pay for materials and expenses with today's prices versus plugging in inflated prices for months down the road.
- 5) Schedule Extra Time Extra time can go a long way, whether it's allotted for project timelines, budgeting meetings, design meetings, or any other preconstruction needs. focuses on and allows more time to project timelines. At Journey, we often strive to schedule extra time after design plans are complete but prior to the construction start. Doing this provides more room to navigate and overcome any supply chain and/or substitution needs.

- 6) Design Assistance Journey loves to lend a helping hand in all project phases. We've found that an early selection of subs and suppliers based on criteria (such as cost, schedule, capacity, manpower, etc.) can allow trade partners to be integrated into the design team for "design assist." This gives us room to anticipate pinch points and adjust to any changes that may become necessary.
- 7) Know Materials and Methods When we start a project at Journey, we plan every single detail from the materials all the way down to the methods we use. These materials and methods support our goals and guide us along the way. Our teams know exactly what they are and how to use them. We also find it helpful to determine what "key trade" partners we will need to have on board early, to help procure certain aspects like mechanical, electrical, or steel suppliers.
- 8) Strengthen Communications Journey uses strategies to specifically address project circumstances, address strategic barriers to remove, and form a line of trust through proper communications. Journey regularly brings in strategic partners early, before the final design is done, to see and discuss the materials needed.
- 9) Build a Supply Chain Committee Building a committee that keeps track of supply chain issues can be advantageous in any project. Journey leads this committee in capturing and monitoring supply chain issues, resulting in being much more proactive and educating the entire Team on what's happening.
- 10) 3D Modeling/VDC Journey's Virtual Design and Construction team gives our clients opportunities to see their project before it's finished. We use 3D modeling, VDC, and Virtual Reality software to lend unique perspectives on the entire construction process while delivering highly successful projects.