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PRESS RELEASE

Strategic Forum Reviews Business Case for Supply Chain Integration

The Strategic Forum for Construction met today to review a report prepared by one of its Task Groups on the business case for supply chain integration. The report was presented by the Chairman of the Task Group Martin Nielsen, Commercial Director of Scott Wilson who said:

'The Group has been persuaded by the weight of evidence that material benefits have arisen in almost every instance where the parties have taken active and purposeful steps to collaborate. Nevertheless the culture of the industry, the proliferation of bespoke contracts, the focus on lowest price, and many other issues are providing significant barriers to its wider adoption.'

Amongst the recommendations by the Group for overcoming these barriers are:

- Accelerating the promotion of the business case for integrated working across all stakeholders
- Significantly reducing the number of contract forms in circulation and eliminating bespoke contracts
- Finding new commercial levers to encourage wider adoption in the public sector
- Updating undergraduate and young professional training programmes

Commenting on the discussion, Forum Chairman, Mike Davies, said:

'Greater integration is key to delivering the world class projects that Sir John Egan believed our industry was capable of delivering far more consistently than we do at present. The Task Group report has confirmed that there is a strong business case for developing integrated teams and supply chains and provided some very persuasive case studies to support this. The tools for those wishing to adopt an integrated approach are freely available. Therefore the priority is to encourage more people to engage in this way of working. To encourage this, I am keen that we now build up a larger portfolio of case studies and along with a number of the other recommendations of the Task Group make a real effort to increase the percentage of projects that are undertaken in this way.'

The Forum has asked the Task Group to continue its work and to draw up a detailed business plan for taking this agenda forward.

-Ends-

Notes

1. The Strategic Forum comprises of six members: Construction Industry Council, Construction Clients Group, Construction Confederation, the Construction Products Association, NSCC/SEC Group and the TUC. Key themes for the Forum's work are health & safety, sustainability, integration and conservation, repair and maintenance.
2. The Forum's Vision is for the UK construction industry to realise maximum value for all clients, end users and stakeholders and exceed their expectations through the consistent delivery of world-class products.
3. The Strategic Forum for Construction established the Integration Task Group in March to specifically review the business case for integration and how best to promote integration.

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