



Chainlink

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NB: Please also read [How do I establish or participate in an Integrated Supply Chain?](#)

Introduction to Supply Chain Integration: Chainlink

In the few years since Egan put his name to *Rethinking Construction* the business world has undergone a revolution. The advent of the internet means that changes that once took years now take months, while the commercial imperative of collaborative relationship building has become universally recognised throughout commerce and industry. If anything, with respect to the latter, construction lags well behind the pre-eminent sectors in this field. In industries such as microelectronics, chemicals and motor vehicles, the concepts of leveraged and incentivised relationships have been the norm for many years.

Not that there hasn't been a lot of attention devoted to collaborative working in construction. Ever since Latham's *Constructing the Team* (1994) there has been a growing appreciation of the business case for integrating suppliers, customers and partners into a seamless supply chain. The advantages can be dramatic in terms of reduced time, costs, defects and conflict and increased quality, client satisfaction and profit.

With the accumulated wisdom of several years, the construction industry has now reached the stage where it is in a position to take more decisive steps towards achieving genuine integration throughout the construction supply chain. This is achievable through the widespread adoption and adaptation of what have now become established best practice principles, coupled with a cultural readiness to change and continuously improve through the continual appliance and re-appliance of operational feedback. Such an informed 'ready, fire, aim' strategy has the potential to generate a real momentum for change at all operational levels.

This Chainlink section of the Strategic Forum Toolkit presents hands-on guidance on how best practice in integration can be applied at different levels of the supply chain.

CHAINLINK - Module 1: Customer/supplier procurement integration

This chainlink module covers the basic procurement and supply activities of any customer/supplier relationship in the supply chain.

It should be applied to all procurement activities to ensure that company management resources are used most effectively.

Knowing where to concentrate effort is an important part of the process.

CHAINLINK - Module 2: Manufacturer/ subcontractor partnering arrangements

This module addresses the need for closer working relationships between manufacturers and subcontractors, with an emphasis on formalised agreements.

CHAINLINK - Module 3: Integration with intermediaries (Merchant/Stockist/Distributor)

This module explains the added-value that can accrue from the inclusion of intermediaries as part of fully integrated supply chains and focuses on both 'upstream' supply chain relationships between intermediaries and manufacturers and 'downstream' relationships between intermediaries and

construction procurement teams.

**CHAINLINK - Module 4:
Horizontal partnering**

This module addresses the benefits to be gained from closer working relationships between companies operating at the same stage of the supply chain.

While particular emphasis has been given to specialist material suppliers working together to produce integrated construction packages, the principles involved are also applicable to horizontal partnering between other supply chain parties.

**CHAINLINK - Module 5:
SME integration**

This module looks at how the SME sector can optimise these attributes and earn a valued place as part of fully integrated supply chains. It sets out a number of key areas where organisations can take action to enter, develop and maintain a position as a key member of a properly integrated supply chain and so ensure that they continue to compete successfully for business.

CHAINLINK - Resources

This is a central repository of generic reference documents and other resources that may be used and applied across all Chainlink modules.

For guidance on where to start forming/ joining an Integrated Project Team, [click here](#).

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