

# Supply Chain Resilience in Construction

Mitigating risks to prevent vulnerability  
in all phases of construction projects



Zurich Resilience Solutions (ZRS) provides Supply Chain Resiliency services for owners, construction managers, general contractors, and trade contractors dependent upon external providers to supply raw and specialty materials and equipment as well as skilled trade professionals for their construction projects.

Disruption during any phase of a construction project may cause cancellation or postponement, increasing project cost including contractual penalties and reputational risks. Understanding potential pitfalls enables managers seeking proactive mitigation and strategies to deal with supply chain-related disruptive events.



## Resilient supply chains are a key element of business success

Climate change, pandemics, cyberattacks, geopolitical issues, strikes, natural hazards and fire have created a perfect storm. In addition, skilled trades labor shortages, availability of transport and raw materials, and rising costs are all impacting global supply chains.

Our risk management solutions can help you protect revenue streams, increase productivity, and manage various risk exposures by identifying points of failure; quantifying supply chain resilience; defining mitigation strategies and actions; assessing related financial exposures; and determining ESG risks within the supply chain to ensure ethical sourcing.



## Current supply chain disruptions

Many supply chain disruptions impact construction project timelines unexpectedly, often due to concrete shortages, material backlogs, and energy instability. Many projects have been postponed, canceled, or scaled back due to cost increases for raw materials, and companies are reporting delays in project completion due to longer lead times and material shortages.

Geopolitical issues have also disrupted supply chains. For example, magnesium is a risk since 87% is sourced from China. It is projected that magnesium costs will increase amid reduced energy consumption and environmental and emissions concerns – and magnesium is not the only material facing this forecast. Investing in resilient supply chain services will help mitigate the impact of these geopolitical risks.

### What is needed to thrive in this landscape

- Resiliency
- Adaptability
- Ability to pivot
- Ability to anticipate
- Plan and prioritize
- Transparency and collaboration

### How to achieve these goals

- Willingness to share limited resources & share risks
- Integrating solutions in your procurement processes at every step
  - Quality
  - Communication
  - Monitoring
- Ability/willingness to employ technological solutions/aids
- Creativity/willingness to use new construction methods

## How ZRS can help



### Supply Chain - Resilience Health Check

A high-level assessment of your end-to-end supply chain risk management processes will provide an enterprise-wide view of your supply chain risk profile. It provides deeper understanding of vulnerabilities in your supply chain, with the objective of articulating risk responses and measures of successful risk mitigation.



### Critical Suppliers Risk Assessment

The risk assessment will identify critical suppliers for construction projects, including links within your suppliers or distribution network. We can help you understand and assess the risks within your supply chain which could have an impact on you meeting your project deadlines and contractual commitments. By completing assessments of the critical components within your suppliers, risks that may affect your capability to deliver can be identified and appropriate control measures implemented. This would include modular and prefabricated building suppliers.



### Sustainable and Ethical Procurement & Supply Chain Assessment

We assess and provide you with feedback on your business's sustainable procurement elements relating to environmental (climate), social values, geo-political & economic factors. We also review and report on your business & critical suppliers codes of conduct (mission, values & guiding principles) and how these align to ethical procurement & supply chains.



### Supply Chain - Loss Scenario Analysis

Events such as natural disasters, fires, security breaches, and many others can all cause supply chain disruption. Working with you we will tailor realistic scenarios to test organizational resilience, explore interdependencies and recovery options. The analysis helps identify how the business response aligns to insurance coverage and highlights any gaps or weaknesses. We can engage a vendor relationship to include impacts to the external utility and transportation infrastructure.



### Supply Chain Contingency/Risk Mitigation Planning

We will assist with developing risk-informed plans to protect your supply chain and incorporate into your overall business continuity planning.



### Collaboration With an AI Risk Management Solution

Working with a leading supply chain risk management software provider we can reduce organization risk by creating a more resilient supply network. The software provides an early warning tool for monitoring and notification 24/7/365 of all sites, with immediate real-time alerts should your supply chain become compromised. This allows for optimum response to ensure reduced impact to your operations.

Zurich Resilience Solutions

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