Construction in the Mid Market:

**Harnessing the power of data for business resilience in challenging times.**

The mid market construction industry is facing unprecedented challenges including changing economic conditions, rising costs and adverse weather conditions. In fact, this year alone, insolvencies in the construction sector have tripled.

The answer to surviving the economic pressures today and beyond lies in leveraging business and industry data. Harnessing the power of internal and external data sources will help you remain resilient in the face of these challenges, to forecast with confidence and drive your decision-making.
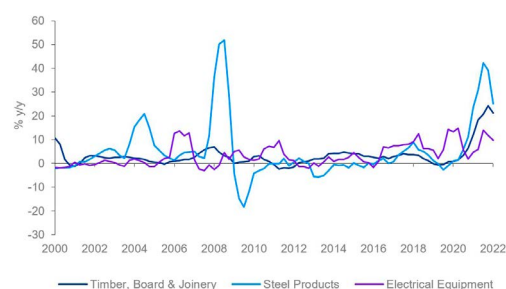
CONSTRUCTION INDUSTRY CHALLENGES - 2022

Wage Price Index*
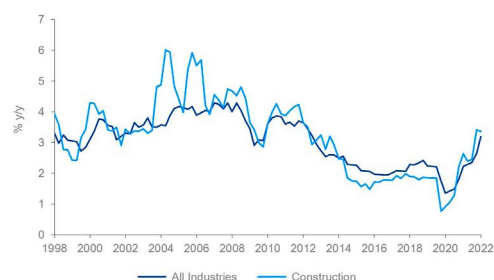
Labour shortage driving wage rises

There are more than 30,000 job vacancies in the Australian construction industry. A low unemployment rate and still-recovering migration means the gaps will be slow to fill.
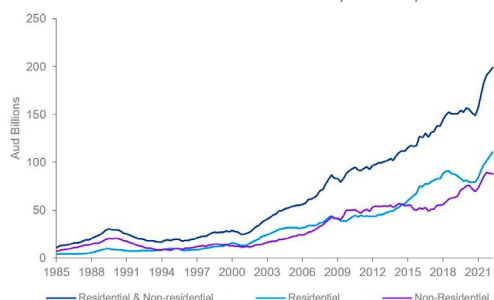
Homebuilding Producer Price Index*

Raw material costs have surged

Global disruption including the war in Ukraine and lockdowns in China, have contributed to high prices for key construction materials. While some supply chain disruptions now appear to be reversing, prices for many materials are still rising.

Construction work started but not yet complete*

Backlog of projects causing headaches

We're seeing delays in projects across all areas of construction – residential, non-residential, and public infrastructure. This is mostly caused by supply chain disruptions, labour shortages and recent weather events.

*Source: KPMG Economics, Australian Bureau of statistics

CONSTRUCTION BUSINESS CHALLENGES

Many issues facing construction businesses today can be identified and managed proactively with connected data. Here are key challenges businesses without a unified data approach are facing:

- Skilled workforce focussing on **non-value-add activities**

- Customer and stakeholder experience **not personalised**

- **Underutilised assets** in the project lifecycle

- **Lack of real-time** supply chain **transparency**

- Lack of credible **cost forecasts**

- Lack of timely and accurate visibility of **project profitability**

- **No single source** of truth

- **Delinked** supplier and sub-contractor **ecosystem**

- **Inability to use data** to manage risk and compliance in a timely way

OPPORTUNITIES

To navigate this complex environment effectively, construction companies need to enhance the visibility they have across the value chain by improving their data capabilities.

Here are key opportunities by sub-sector:

Engineering, infrastructure, and construction
Your value chain involves working with sub-contractors and suppliers, responding to government and industry tenders, and delivering complex engineering solutions.

Timeliness of delivery
Enable integration across the value chain to identify potential issues early and take corrective actions for timely project delivery.

Project and asset visibility
Use the data generated during project delivery to determine impending cost overruns and asset utilisation.

Insight driven tendering
Increase the win ratio in your tender responses through valuable insights gathered from historical data and market intelligence analytics.

Construction equipment and material suppliers
Your value chain involves delivering owned or leveraged assets and material to construction projects.

Supply chain visibility
Enable end-to-end connectivity across your supply chain to increase efficiencies for on-time, in-full delivery.

Service level management
Proactively track and manage service levels for product and service delivery across the contract lifecycle.

Insight driven sales
Drive sales through insights derived from historical contracts, account data and market trends.

Building construction
Your value chain involves managing building projects, working with subcontractors and suppliers, selling or leasing products and services and managing asset handover.

E2E connected experience
Enable end-to-end connectivity across your value chain and provide reliable, quick access to data and insights to improve the user experience.

Data driven health and safety
Make intelligent health and safety decisions through data collected from the value chain, while meeting compliance needs.

Profitable projects
Drive project profitability through integrated process led planning, data driven project execution and decision making.

HOW WE CAN HELP

The combination of our economists, advisory practice, and business-first approach to data will provide you with the insights you need, to support your journey to market leader. We can help your business navigate the current market and understand fundamental demand and market forecasts to remain resilient in the face of challenges, while being proactive about future costs and uncertainty.

Contact us

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