HOW CONSTRUCTION FIRMS ARE MAINTAINING SUCCESS THROUGH THE PANDEMIC

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> Chris Donner, VP of Development, for Mammoth Holdings





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### Keeping to the playlist

How construction firms are maintaining success through the pandemic

By Scott DeLano

onstruction is an essential soundtrack for cities across the nation, as it often represents growth and new economic opportunities. That's why in the heat of the pandemic, when there were so many work stoppages, the silence was deafening. Thanks to the vaccine rollout, that soundtrack is coming back to life, injecting vibrancy back into cities.



While the desire to put this past year behind us is understandable, it is important for construction industry leaders to take stock of the strategies and solutions that helped (and didn't) throughout this tumultuous time. Disruptions are nothing new for construction managers, but the broad and long-term impacts of COVID-19 have delivered unprecedented challenges—from severely tightened budgets to new safety regulations and unforeseen supply chain issues causing delays and cancellations.

There is no "one-solution-fits-all" approach to running a successful construction firm through the pandemic, but constantly reworking business processes, evolving strategies, and developing a resilient mindset will help firms thrive in the face of this difficult time and during future challenges to come.

#### A chain reaction

Throughout this last year and a half, the construction industry has dealt with obstacles it has never faced before. Many industries that construction firms are reliant upon came to a standstill at the beginning of the pandemic. Because construction is so dependent on the proper sequencing of tasks, the unpredictability of supply-chain issues coupled with workers suddenly getting sick presented numerous challenges.

For example, if tile work in a bathroom had to be shut down because of supply-chain issues after it was only half-completed, contractors had to think on their feet about how to continue work on the project since the traditional order of operations became suddenly out of sync. During times when employees were out, leaders had to think of new ways to develop schedules and quickly respond to staffing changes.

While we consider ourselves lucky to have only had a few cases of COVID on our job sites, it still is crucial to prioritize health and safety for the benefit of the project, and more importantly, our construction crews.

#### PERSPECTIVE

Pre-vaccine, we relied on open-air and social distancing to keep us safe on site.

While many industries could work from home, construction workers obviously cannot. At a time when so many became concerned with not catching the virus, it has become more important than ever to remind staff about general construction safety, like tying on when framing to avoid fall injuries. Of course, construction firms also had to enforce a new level of safety during the pandemic, from enforcing masks to social distancing and frequent hand washing.

While these precautions may not be permanent, the experience of learning how to adapt to new policies has been a crucial lesson for adapting to future crises.

#### Pricing increases & delivery expectations

Today, as we are repricing projects, we are seeing a nearly 20% increase in projects we priced at the beginning of 2021. This increase stems from skyrocketing material costs, supplier material shortages, subcontractor and vendor labor cost increases and supply chain issues.

In numerous instances, we have had to make material selection changes and even design modifications to select less expensive commodities (such as cabinets, countertops, flooring and appliances) so that we can maintain budgets to the best of our ability and keep schedule commitments.

Expecting the unexpected has become an essential part of the job. To prepare, successful construction firms have added some additional time to project plans. It has always been important to set realistic expectations with clients—during the pandemic being honest and transparent is crucial to maintain and strengthen relationships with stakeholders.

While it can be tempting, cutting corners on construction sites is never a viable option. Constructing projects quickly is always a priority, but quality is always more important than speed.

#### **Material shortages**

The pandemic forced the industry to find alternative suppliers for popular items that



often are out of stock. For example, we typically use a framing supplier on all of our jobs; however, about four months ago, we found another retailer that could supply plywood at a considerably lower cost, saving us nearly \$200,000.

Ultimately, this experience reinforced that while it is important to maintain strong relationships with suppliers, developing a Plan B for unexpected circumstances is vital for operating a sustainable business.

Pivoting and finding out-of-the-box solutions to pandemic-related issues is the norm now. Just about six months ago, we were working on a project that involved wood framing over a concrete podium. Given the volatility of the timber market, we consulted with our client and presented an alternative plan—to use concrete slabs and metal framing instead of wood.

Clients generally understand on-the-fly adjustments, but the pandemic has forced us to further communicate with stakeholders about the behind-the-scenes externalities that impact projects.

#### Operating in a post-pandemic world

As a construction firm, we do not partner with others whose focus is on themselves, their bottom line only, or ego-based groups. Likewise, we do not focus on those issues or our own egos. There is no room for ego on our team, and the pandemic has been an excellent time to showcase how effective our team is, how supportive and caring our partnerships are, and how there is no room for placing blame or finger pointing. We must always be working together for the good and success of the project, issue by issue.

The pandemic highlighted the fact that we need to think of others first, how to serve others, and how to take care of others through our work. It has been eye opening to see how fast our world can shift, and as business leaders working in a business based on serving others, we must learn from this experience how precious life is, and what a huge positive impact we can make in other's lives with the work we are fortunate enough to get to do. **CCR** 

Scott DeLano is Principal at Certified Construction Services.