

MISBE 2011, AMSTERDAM
Supply chain integration and collaboration workshop
Summary

Seven of the fourteen papers were selected to present during the Supply chain integration and collaboration workshop. The papers were divided into three sessions. Each session was concluded with a discussion. A summary is given below.

Session 1: Issues on supply chain integration

A critique of integrated working and partnering by Stephen Gruneberg and Ian Murdoch was the first paper presented. Stephen analysed the data of surveys done by NSCC trade organisation during the last 10 years. Stephen told us about “the bad news” which he found while analyzing the data. Squeezing tenderprices, lowered payment rates and only 6% of the subcontractors was chosen by nomination. As far as the NSCC survey is concerned, Stephen sees there is little or no evidence to support the claim that supply chain management has improved the degree of collaborative working.

Supply chain integration and collaboration - a relationship management approach by Steve Rowlinson and Fiona Yan Ki Cheung was the second paper. The findings presented indicate that alliance and Early Contractor Involvement (ECI) projects achieve higher performance effectiveness at short-term as well as long-term levels than projects with either no or partial relationship management adopted as a management strategy. The motivation values of self direction and benevolence were to be found in such project teams and, taking a context dependent view, were instrumental in bringing about supply chain inclusion and, hence, the prospect of sustainability. An interesting point brought forward by Steve is that clients will have to drive towards supply chain integration; consultants will not.

Extended construction supply chain management: relationships, rewards and risks by Stuart Tenant and Scott Fernie. This presentation by Stuart has shown that the concept of extended supply chain management (stage 5) as illustrated by Lockamy and McCormack's (2004) supply chain maturity model remains an aspiration within the context of the UK construction industry. Given the structural characteristics of the construction industry and a preoccupation for competitive tendering procedures it remains fanciful that construction supply chain management will attain this stage 5 category of supply chain maturity.

Discussion session 1:

The presentation where the starting point of an interesting discussion. The discussion started with (1) “what is partnering” referring that partnering is a wide concept and that a lot of people who work in the industry doesn't really get what partnering is about, and that on a project level partnering can be understood as something very different (thus effecting the outcomes of research on partnering). We should look more for the characteristics and theories that helps us to understand the cause and effect of the way the industry works. Game theory, theory of markets and relationship management

could be part of this. We should reposition the cause and effect within research and we should develop a maturity model for partnering in construction.

In the end the discussion shifted to the way we as academics look at partnering. “We should critique the tyranny of partnering” and “as an academic we should critique what’s going on instead of going along.”

Session 2: housing

The integrated housing supply chain model for innovation: narrative analysis towards developing pathways methodology - Kerry London, Jessica Siva. The research by Kerry and Jessica specifically explored the relevance of Rogers’ five stages of the innovation process for describing and explaining the successful implementation of an innovation in the housing construction innovation in Australia by an “innovator group”. One of the most significant findings of this research has been an identification of different types of innovators which include; innovator-creator, innovator-developer and innovator-adaptor. Important barriers that they found were, not only the issues on patents and intellectual capital, but also the mindset and perceptions of people.

Supply chain innovation within housing renovation – approaches and expectations in the Dutch housing association sector – Vincent Gruis, Ab Straub and Martin Roders. This explorative research was done on supply chain partnerships within housing renovation projects. They combined couples of housing associations and contractors to share knowledge on partnership development. Most of them were still in the stage of “thinking about” partnership. The main issues relate to: involving parties early, long term framework agreements, profit and risk sharing, get the supply chain involved in life cycle issues and specific challenges as how to deal with tenants.

Discussion session 2:

The first question was about “why is housing supply chain so special? Why this specific view? (1) Housing is repetitive which makes it even more interesting for supply chain integration. (2) Ten years ago the market didn’t know the concept of SCM. (3) Looking at the Australian construction market, the housing market is a large part of the market. (4) Companies from outside Australia are coming into the market, introducing lean principles et cetera. Australian companies have to move forward to not lose out on the competition.

Session 3: Supply chain issues within a particular local context

Localising the supply chain by Stephen Pryke and Ioanna Kougia. The main objective of this paper was to highlight that the issue of localisation appears to have been neglected in the discussion of sustainable supply chains. LtSC is being introduced as potentially an effective approach to achieving a sustainable reduction to the energy demand levels required by construction projects. Emissions from transporting construction materials and labour appear to be overlooked in the study of sustainable construction despite the fact that they are arguably more important than many of the factors currently regarded as central.

Supply chain integration challenges in project procurement in Malaysia: IBS contractors' perspective by Ani Saifuza Abd Shukor, Mohammad Fadhil Mohammad and Rohanna Mahub.

The Malaysian Construction Industry Master Plan (CIMP 2006-2015) identified the innovative approaches of Industrialised Building Systems (IBS) and its supply chains as having important roles in improving the productivity and quality of construction processes. Although efforts have been undertaken to enhance the IBS practice in Malaysia, various integration challenges have arisen from amongst the IBS players. There is an urgent need to improve the integration of supply chains and a good approach of supply chains integration should be fully established. The purpose of the research was to identify the challenges of IBS supply chain integration with regard to existing project procurements. The findings reveal role and responsibility, understanding the knowledge, risk liability, financial and contract matters and attitude and relationship are the challenge factors that hinder the successful integration between the contractor and other related parties.

Discussion session 3:

The presentation by Ani Saifuza Abd Shukor was the start of a discussion on the maturity of the Malaysian construction industry. The Malaysian government is putting the IBS upfront for many years now, but the industry itself isn't mature enough to work with principles. "Why does the government try to force a system upon a sector that cannot respond?" The conclusion was that you always need to contextualize the problem.

A discussion followed on the possible implications of LtSC. Questions like "are the resources locally available?" and "will localization lead to protectionism?" were central to this discussion. Further research on these add-on effects is needed.

Final conclusions

- Always contextualize the problem.
- Use other theories, for instance game theory, to describe the construction industry dynamics in regard of SCM.
- The industry has to be mature enough in order to even implement SCM. If it's not mature enough, seek other ways than SCM to improve the performance of the industry.
- A Maturity model could help to position the industry and potential partners within the industry in regard of SCM.
- As academics we should become more critical about SCM instead of just following.