

5 Factors To Help You Choose Your Building Materials Supplier



Summary

The construction business relies greatly on materials and suppliers to complete projects. That's why it's important to know who you are sourcing from, and to correctly manage lines, inventories and supply. Any break in the chain can spell disaster for a project. Therefore, the decision-making process and supplier management, in general, should rest on thorough and detailed research, as well as considerable due diligence.

Construction companies do themselves, and their clients, a significant service when they deeply analyze the strengths of possible building materials suppliers and ask key questions before proceeding with a partnership. For example, managers must assess the ability of a supplier to meet requirements before they commit to a building-materials supplier.

Ensuring efficiency in the decision-making process, and to optimize the value delivery chain for future projects, construction managers must choose the right suppliers. This means analyzing the strength of their supply chain. If there are interruptions and delays, the supply chain will not be able to meet the requirements of a project.

Equally, network integration and supply chain strength are critical to successfully completing construction work. Otherwise, your own business cannot deliver on professionalism, quality and timelines.

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It's tempting to think that all building suppliers are the same with only a few minor differences between companies. But such an approach is setting your company up for problems that could last throughout your project and beyond.

The construction business depends on procuring building materials from quality suppliers in order to deliver its services. In fact, the quality of construction itself directly correlates to the materials used.

Because the construction business relies greatly on suppliers, this increases the need to effectively manage suppliers. The procurement and purchasing decisions made by managers have a significant impact on everyday operations as well as on the finished project.

Therefore, the decision-making process and supplier management, in general, should rest on thorough and detailed research and considerable due diligence.

Supplier management has three facets:

- The need to effectively select suppliers
- Addressing supplier shortcomings
- Meaningfully assessing performance

The net effect of effective supplier management is increased operational efficiency. Thus, the importance of selecting the right people for the job is clear.

Allocating some time to research will invariably facilitate your decision-making process. Read on to discover the reasons why you should analyze possible building materials suppliers, why it's important to ask key questions, and how you can find the supplier that's right for you.

1. Finding Feedback



Is it easy to find out about the supplier's capabilities from previous customers or is there little information and only a limited customer-base? Does the supplier offer any case studies, testimonials, and/or statistics to show how they help their customers overcome critical pain points?

Of course, businesses do not allow outsiders to gain complete access to their information. This is why brand research predominantly rely on free data that is available and accessible.

Because companies have a vested interest in presenting positive information that builds and reinforces their brand perception, independent research must go beyond brand websites and promotional content by analyzing a brand's clientele.

I. Transparency & Testimonials

In your search for a building materials supplier, prioritize companies that are well-established and have a diverse clientele. The more transparent a company is about the firms it services, the more trust it inspires. Associations and transactions with reputable names in the business only bolster customer confidence.

Additionally, **case studies** and testimonials are often available on company websites. They provide the preliminary information needed to direct your research.

Such case studies and testimonials often explain:

- How a company approaches its clients' pain points
- How it addressed roadblocks
- The problem-solving capabilities of the firm

Case studies are a **reliable**, **tested**, and **industry-approved** way of documenting real life success.

II. Going beyond the testimonials

With general information about the supplier's customers, you can now reach out for more details. The quality and amount of information gathered will provide insights into the experience of that firm's customers.

- A large amount of information gathered reflects well on a firm, as it indicates how vast the firm's experience in the industry has been.
- It also highlights the diversity in the firm's experience — working with multiple tiers of industry not only helps firms gather operational knowledge, but also teaches them about the various types of challenges that exist in each tier and at varying scales of work.
- The quality of the feedback received has multiple implications.

2. Analyzing Performance



Ask yourself: **Does my choice of supplier possess an advantage through its firm's location?**

The right is undoubtedly a great advantage in terms of the supplier's capability to deliver materials to the desired destination. Meeting a client's timelines is a key performance indicator (KPI), and the ability of a supplier to meet this KPI must be assessed by managers in search of building materials suppliers.

I. Dive Deeper



Don't be afraid to dive deeper in order to gather insight. Industry intelligence should be utilized as well because it provides valuable information that can be accessed by a very few people. The following are a few points of inquiry:

- The work ethic of the firm's personnel
- The company's reputation for timeliness
- Openness to feedback
- Receptiveness to criticism
- Determination to satisfy the customer

3. Assessing A Supplier's Network

How extensive is the supplier's network? Are there established local, regional, national, and/or international elements within the supplier's network to ensure consistency and stability, even when faced with a minor (or major) disruption? How wide of a range of products is available?

Because timeliness is a key concern, managers should be able to identify the extent to which their supplier's network is integrated. During times of unforeseen disruptions, integrated networks can minimize the time lag. Therefore, search for suppliers that have an extensive network, with well-integrated pathways.

I. Learning about supplier networks



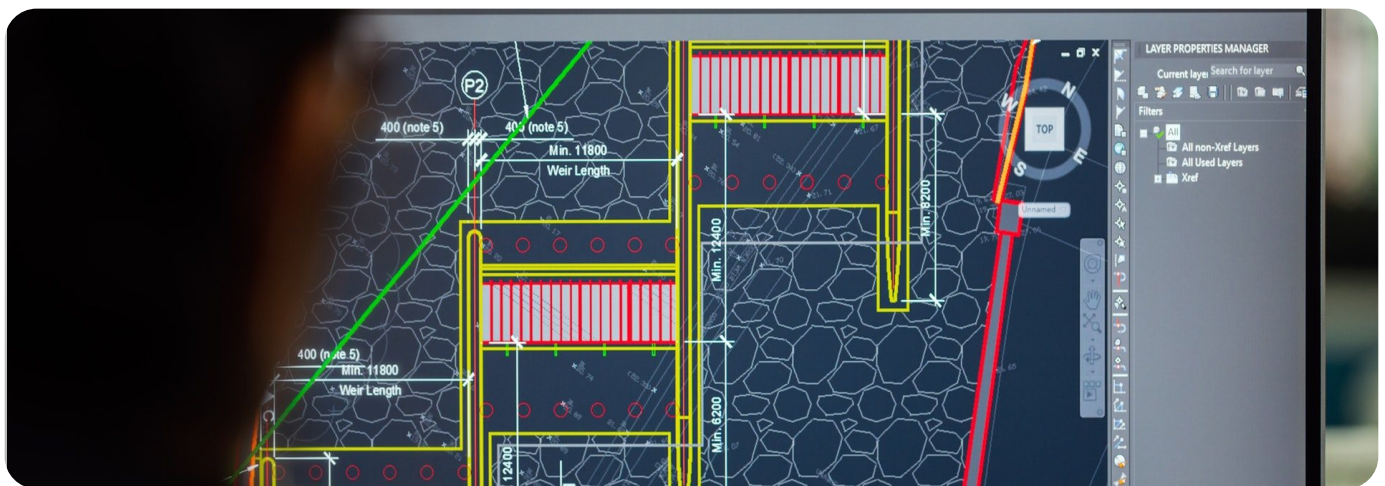
Depending on the scale of a business, there is variation in:

- Its organizational goals
- The nature of its projects
- The size of its projects
- The timescale of its projects

In order to ensure efficiency in the decision-making process, and to optimize the value delivery chain for future projects, managers must choose the right suppliers. This decision requires:

- Knowledge about the geographical presence of a firm
- Its business networks
- The availability and variety of its products

II. The extent of the supplier's network



The geographical location of your firm will also determine your choice of suppliers. Therefore, managers should learn the extent of their supplier's presence:

Is it local? Regional? National? International?

Firms that are looking to grow and expand their reach should, therefore, select suppliers with a wider delivery chain or wider geographical presence.

III. Strength of the supply chain

The strength of a building materials supplier's supply chain should be analyzed with managers asking if an uninterrupted supply of critical building materials is feasible for the company.

By selecting the right supplier, in terms of network integration and supply chain strength, your business can:

- Reduce delays and lag times for a given project
- Honor client contracts by ensuring project completion by the agreed date
- Ease the movement of cash-flows between and within project phases
- Avoid conflicts with subcontractors
- Action feedback from clients during projects and respond to requested changes without risking further disruptions

4. Ascertaining Quality

Ask yourself: **What kind of lifecycle and usage statistics can the supplier show to give a true indication of their products' quality?**

I. Cost efficiency and tunnel vision

As managers conducting their independent research, you will, of course, be on the lookout for competitive prices. However, cost efficiency should not be the solitary goal in your mind. Often, critical decisions fall victim to a cost vs. quality trade-off.

Tunnel vision in terms of cost efficiency subsequently leads managers to compromise on overall project quality, which undermines stability during the construction process, affecting deliverables.

In the short-term, perhaps finding the greatest quality for the lowest prices seems like the right decision; however, this can set you up for complications down the line. To avoid setbacks in the future, managers must orient themselves for the long-term.

II. Long-term orientation for the changing landscape

The construction world's changing landscape, especially in the MENA region, presents many opportunities for the savvy company. The shift towards sustainability, reduced emissions, and technological innovation make a long-term orientation all the more necessary.

Therefore, to capture a significant portion of such emerging markets, managers must be conscious of value, not just price. When assessing a supplier's value, companies can evaluate potential partners across different tiers, depending on the supplier's reputation for quality, supporting services, and costs.

However, the quality of the products should always be the primary concern. And don't forget to inquire further about the supplier's quality control mechanisms.

III. The more the data, the better



Your company's future cannot be chartered with incomplete information, so, as managers, you need to be fully equipped with all the resources available to you in order to lead your firms.

By using both, quantitative and qualitative data, you can obtain a complete picture of a potential supplier's capabilities.

Quantitative data will give you specific figures that can help you make determinations regarding a supplier's ability to consistently deliver within a specific timeframe, for example. Qualitative data relies on non-numerical information, such as observations regarding customer interactions.

To apply both types of data to your search for a building materials supplier, seek out statistics verifying a company's claims, as well as the testimonials of past and present clients corroborating the company's capabilities.

Additionally, if a firm claims to be certified, do not take its statements at face value. Instead, learn what body has certified the firm, and confirm the reputability of the body and the certification.

5. What Else Can You Do: Planning For The Process

I. Preparing your blueprint

The planning process helps managers formulate a blueprint for a construction company's supply needs. By optimally managing its resources, the firm to meet its project timelines and objectives.

Moreover, having a plan for your company's supply chain equips you with the tools you will need to manage risk and uncertainty because planning also involves formulating contingency plans for hypothetical scenarios, the effects of which may be beyond anyone's control.

This process, therefore, requires a wide array of information that managers can utilize in their decision-making process to ensure the efficiency and effectiveness of their supply chain, and their selection of building materials supplier.

II. Two general criteria for your research



In light of organizational goals, managers should seek suppliers that provide the best value for their price. Research for supplier selection can be categorized as:

- a. **Descriptive** — where managers describe actual practices in the industry, and orient themselves to find suppliers who comply; or
- b. **Prescriptive** — where managers model how supplier firms should be short-listed based on predetermined criteria.

Managers should conduct a supplier search by compiling a list of qualified suppliers and reviewing:

- Trade directories,
- Conducting online research, and/or
- Seeking recommendations by contacting other firms.



For more information on finding the right building materials supplier for your project, get in touch with Binex.

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