

Urgent Planinng

for Macroeconomic Challenges

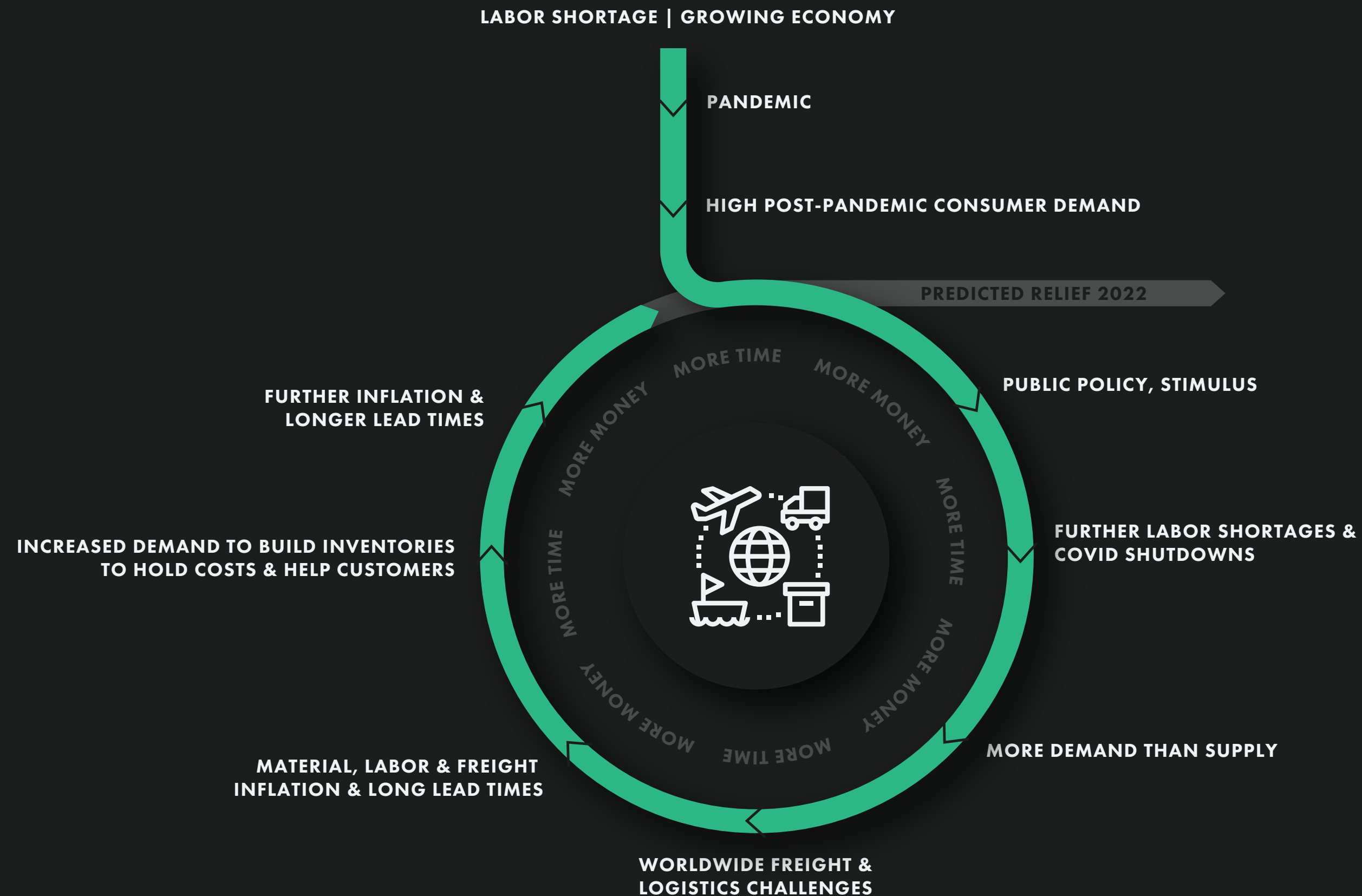
Material Cost, Lead Times, Cima's Strategy, Stakeholder Strategy



labor shortage

effecting most industries

In today's environment, we are facing unprecedented, macroeconomic challenges. A successful project requires a different level of stakeholder alignment, collaboration, communication, and planning.



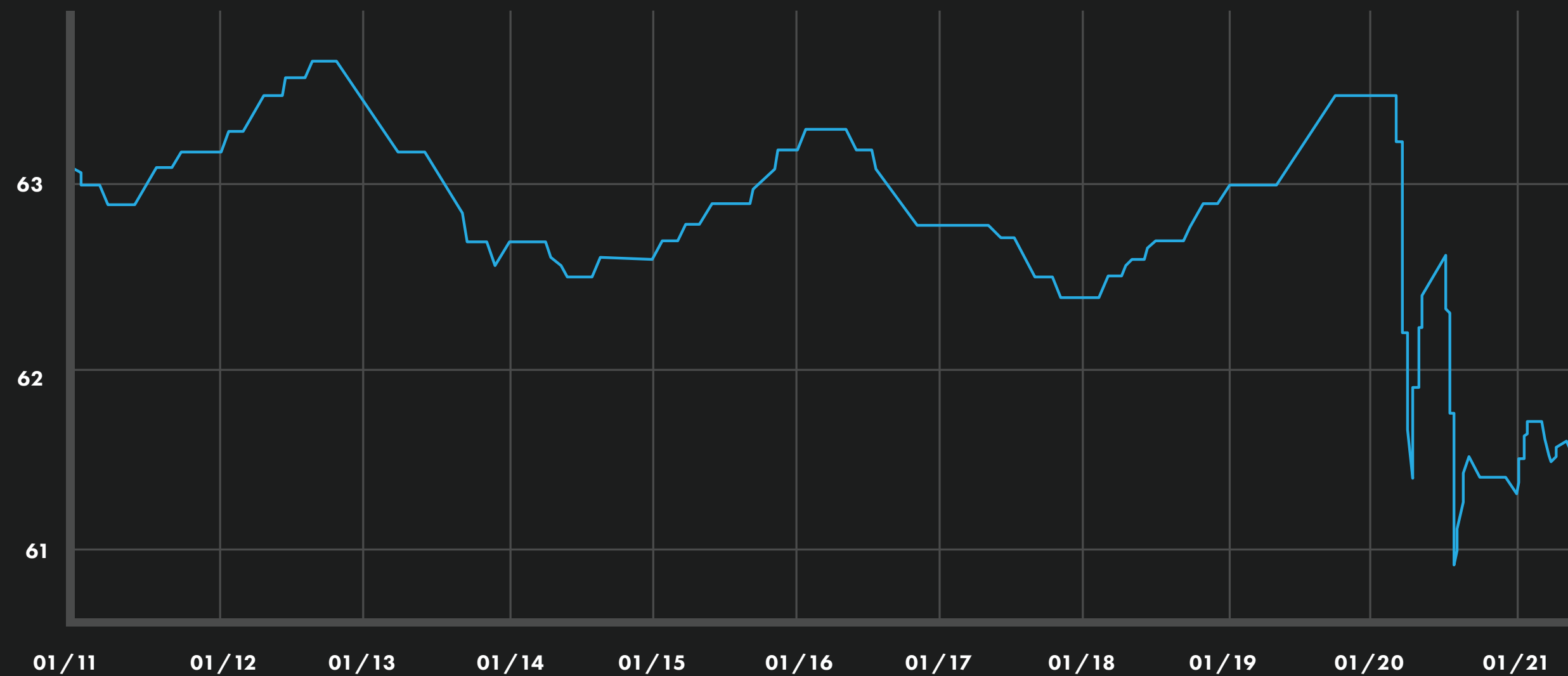
“Successful Project Management is based on building a plan with a predictable outcome. This is achieved by applying resources within a given time frame and budget while predicting and mitigating all risks.”

labor shortage

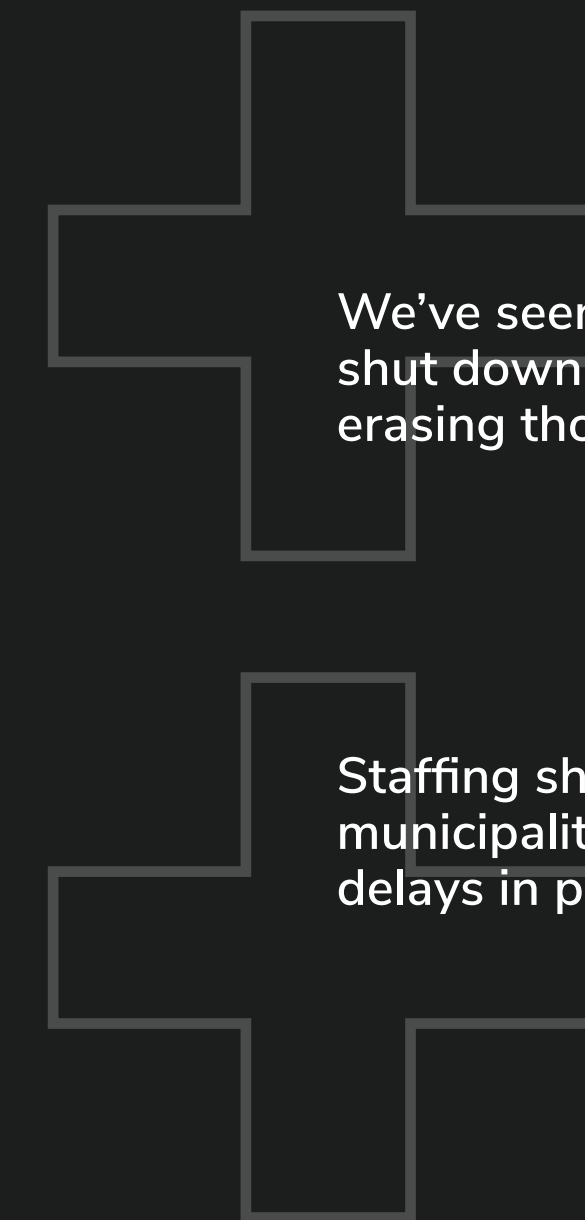
effecting most industries

Protocols from covid exposures and pandemic restrictions have resulted in unexpected and significant disruptions in skilled labor, general staffing and all areas of the supply chain.

labor force participation rate



*Bureau of Labor Statistics



We've seen a COVID exposure unexpectedly shut down half of a manufacturing plant erasing thousands of hours of capacity.

Staffing shortages have also impacted municipalities across the country causing delays in permitting and inspection approvals.

inflation

effecting material cost

Rates are changing daily.

Record-long raw-material lead times, wide-scale shortages of critical basic materials, rising commodities prices and difficulties in transporting products are continuing to affect all segments of the manufacturing economy.

115% 2x4s
INCREASE

50% sheet goods
INCREASE

27% TYVEK
INCREASE

40% angles & extrusions
INCREASE

9% wire
INCREASE

69% lumber
COST INCREASE

27% aluminum coil
INCREASE

5% paint & vinyl
INCREASE

inflation & labor

shortages effecting lead times

All of these obstacles pose a significant risk to project schedules and budgets. Without better planning, cost overrun is a guarantee but more importantly, market conditions are such that not allowing time for planning, at worst, will mean missed dates and unhappy stakeholders.

STANDARD TIMELINE

1 WEEK MIN

2 WEEKS MIN

3 WEEKS MIN

6 WEEKS MAX

TRANSPORTATION CARRIERS

VINYL

ALUMINUM SHEET GOODS

ALUMINUM COIL

lead time increase

of up to 6 weeks on raw materials & delivery of product

Cima's strategy

to get in front of it

Cima is utilizing our strength in project management and built relationships to communicate and secure the best pricing available for our clients.

Better Forecasting

Our project management and procurement teams are working proactively to better forecast across all customer needs to realize every economy of scale. We are sourcing material in bulk at a lower rate to pre-stock in anticipation of coming projects. This can alleviate cost and shipping delays.

Leveraging Partnerships

We are benefiting from price-locks previously negotiated with suppliers. As many suppliers are limiting quantities of materials sold, we are utilizing rebate programs to stay competitive and secure the materials needed.

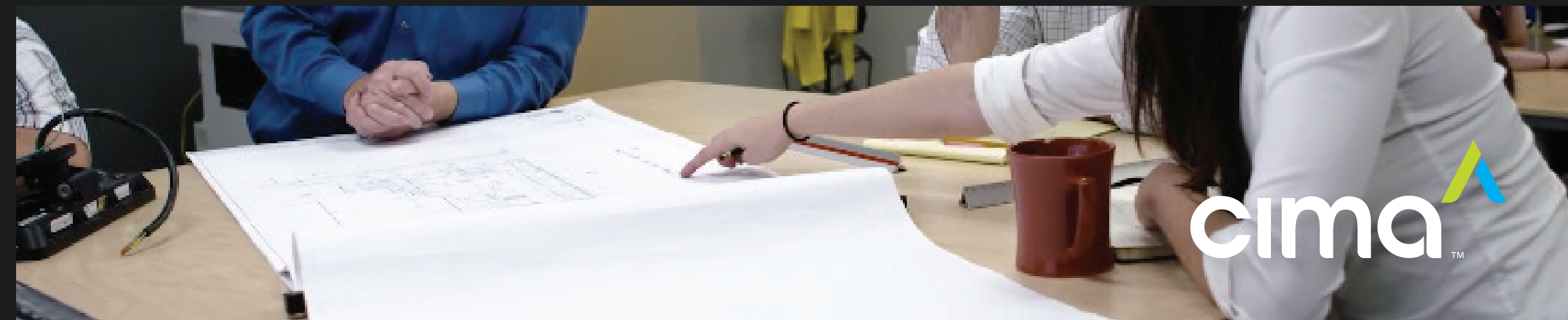
Expanding Supply Chain

Expand your raw material supply chain. Where 3 or 4 vendor install partners may have been adequate in most markets, increasing our supply chain options is a necessity

PROACTIVE

Anticipate, be prepared,
and work the plan.

PROACTIVE



stakeholder strategy

to communicate & work together

We are in unprecedented times. The better we communicate and work together with all stakeholders the more successful we'll be.

Planning With Transparency

Be transparent about the risks we're all facing, communicate clearly and make sure we're aligned. We need to double down on planning and process using grit and agility as a backup plan.

Release Projects Earlier & in Bulk

Encourage stakeholders to release projects earlier and make decisions faster. This will help mitigate risks if any one area of the project experiences an inevitable delay.

Explore releasing projects in bulk to maximize efficiencies and economies of scale. This allows you to purchase bulk materials at a discount and roll up manufacturing to get production economies. This will hold down costs and keep projects on schedule.

Set & Hold Install Dates

Be realistic about schedules and hold planned install dates across every area of construction. If you end up canceling installations, days before because a contractor isn't ready, it may not be as easy to remobilize the minute the site is ready.

Material & Build Flexibility

Consider some flexibility in materials and construction methods. Use this option sparingly, and never do this without discussion and approval from your partners. Be certain it does not impact the brand or quality of the product.

TEAMWORK

Teamwork gets us farther, faster.

TEAMWORK

