HOW CONTRACTORS CAN UP THEIR SUSTAINABILITY PROJECTS AND STAY COMPETITIVE.

Sustainability initiatives and electri cation projects are driving spend and creating signi cant growth across the construction industry. The Infrastructure Investment and Jobs Act will unlock hundreds of billions of dollars in funding for massive infrastructure projects across the country, much of which will be geared toward grid modernization, electric vehicle (EV) manufacturing and charging, solar, and other sustainable energy initiatives.

But while these projects offer plenty of opportunities, general and electrical contractor executives and their distribution partners should keep three things top of mind to ensure that they can effectively capitalize on these opportunities, while ensuring on-time completion at or below budget expectations.

Opportunity 1: Controlling Capital Costs

While certain supply chains are returning to normal, the demand for key electrical products, such as transformers, will continue to outpace supply. As a result, several manufacturers have announced investments in manufacturing capacity, while onshoring or near-shoring (bringing manufacturing capabilities closer to home) such operations. While this will alleviate supply chain delays in the long term, near-term lead times for those products will likely continue to be impacted.

To mitigate the potential impact of these lead times, contractors and end users are more likely to partner with proactive and innovative distributors that not only excel in managing complex projects but can develop deployment strategies to manage the ow of product and strategically work with manufacturers to allocate manufacturing windows.

Some distributors may anticipate project delays, but what if certain products are made available earlier than expected, which could result in the need for stored materials or capital being tied up in materials that might not be installed for months? When choosing your partners, you need to consider best and worst-case scenarios as they pertain to lead times, and partner with those distributors that are ready to address both alternatives. This is why having a strategic distribution partner — especially one with national scale — can be critical.

As electrification and sustainability-related projects become larger and more complex, having a partner with the ability to deliver large-scale projects will help ensure lead times are met and profitability is sustained. Aligning with the right distribution partner with sufficient scale and a broad product portfolio can not only make you more competitive, but it can also help enhance profitability. Working closely with a distributor during the bid phase through each stage of the project can reduce time to cash, and ideally can optimize labor with labor-saving solutions.

Opportunity 2: Worker Safety is a Competitive Advantage

It may be tempting to view a safety program as a costy of doing business. But worker safety isn't just a nice-to-have or a box to tick it can be a competitive differentiator.

From a pure financial standpoint, companies that invest in a robust safety program realize a return on investment (ROI) e' א ! ' l ɒ ɾ ᵐ ɾ א ' M̨

Although complex and scalable projects tied to sustainability and electri cation efforts will unlock billions of dollars in opportunities for construction companies, challenges remain. Controlling capital costs and managing supply chain issues will continue to be roadblocks that businesses will be forced to contend with. An effective safety program ɞ or lack thereof ɞ could stand in the way of attracting quality workers, or even hinder competitiveness. And lingering labor shortages will press companies to nd innovative ways of maximizing the ef ciency of the labor they do have.

Finding and leaning on strategic partners that have the size, scalability, and expertise to meet these challenges will help construction business owners stay competitive and capitalize on the numerous sustainability-related projects opening up in 2024 and beyond.

About the Author