

Efficiency in the face of resource shortages

There is no scarcity of information showing that the demand for tradies and construction workers is higher than ever before. With the number of jobs in the trade sector increasing rapidly to meet growing housing needs, trade companies are being forced to find efficient ways that result in higher productivity rates.

At a time when trade businesses are operating within a market characterised by limited available resources, completing jobs in and under allocated timeframes is more critical than ever. Leading trade network NZ Trade Group's (NZTG) general manager, Andrew Jameson, says the key to meeting these challenges involves creating efficiencies. With a 120-strong membership nationwide, NZTG encourages smarter business decisions that, in turn, promote greater profit for their members.

"There are only so many workable hours in a day, so in the current market it is vital to maximise available hours in order to ensure that jobs are completed properly while increasing the number of jobs invoiced," Mr Jameson says.

It is important that businesses deliver on their customer promises by completing jobs within the time allocation while maintaining professional standards, he adds. "On a quoted job where 100 hours have been allowed, it should not be



NZ Trade Group believes curbing the 'she'll be right' approach and replacing it with efficient procedures that maximise productivity can hugely benefit trade businesses

acceptable to complete that job in 110 hours, as this is a cost to the bottom line of a business. It also puts a business behind the eight ball and under increased pressure on their next job to meet deadlines."

In some circumstances, this results in second-rate finished work and, more importantly, work that is not up to legal standards. Mr Jameson says this can have a greater long-term impact on the bottom line of a business.

"Efficient planning can save time in the long run and ensure that the reputation of a business



Andrew Jameson, general manager of NZTG: "As demands within the construction sector increase exponentially, businesses will find that achieving efficiencies will become even more vital to a prosperous business"

is not tarnished by poor workmanship created by a frantic rush to complete a job," he says.

EFFICIENT RESOURCE ALLOCATION

Ensuring that your staff are competent and well trained to complete the job efficiently, to the standard required and on time, is also crucial, Mr Jameson says. "When this is not done, there is more downtime spent checking the quality of work to meet standards and comply, as well as running the risk of call-backs.

"One of the biggest challenges we see are businesses not utilising tradespeople, apprentices or skilled labour effectively. Each person has a different skill level and also a different cost, and it is essential that business owners look to utilise lower-cost assets in a way that has a higher cost-to-benefit ratio output. You should not have a qualified tradesman running cables in the roof at top dollar when an apprentice can do that at under half the cost," he adds.

One mistake that is often made involves skipping the planning stages – when time is allocated strategically and assets are well apportioned. "Rushing through these vital procedures to save time results in quite the opposite effect," Mr Jameson says.

"Poor project management at the initial stages of a project often means that assets are not being managed well, resulting in efficiencies not being achieved on a job. This also includes the ineffective management of materials and employees, with staff being moved from site to site, so there is no specific team member who is responsible for the job."

Mr Jameson encourages business owners to ensure each job is set up effectively from the get-go in order to achieve a productive start and for the duration of the project to follow suit. He says that effective communication within the company is key to optimal project management structures. "Both staff on the tools and managers have a part to play in a high level of communication in order to achieve a productive support network and peak performance within the company."

EFFICIENT SYSTEMS FOR SUPERIOR BUSINESS

Alongside the creation of efficient project management and training procedures, effective systems should also be employed. The NZTG software platform allows business owners to capitalise on the time-saving efficiencies that result from effective administration.

Mr Jameson says the platform provides a bill of materials and a timeframe estimate to complete quoted jobs. Measurable goals and targets can also be put against the job based on material and labour allowances. "It's all about creating time-saving efficiencies that improve invoicing speeds, enhancing transparency and consistency, while making sure all material is charged out for," he says. "With prices being updated monthly, costs are kept more accurate which, in turn, allows for a smoother customer experience."

He adds that the software also minimises the risk of confusion when the person who quoted the job is away, as the platform holds a digital record of quotes and invoices which are easily accessible.

Establishing efficiencies means business owners and their staff can work smarter not harder. Mr Jameson says curbing the 'she'll be right' approach and replacing it with efficient procedures that maximise productivity from the available hours can hugely benefit trade businesses. "By focusing on these key areas, business owners will normally be able to achieve a 5–10% increase in efficiency and turnover. For most trade companies, this is a very realistic goal," he notes.

"Looking forward, as demands within the construction sector increase exponentially, businesses will find that achieving these efficiencies will become even more vital to a prosperous business. With property development showing no sign of slowing, resources will no doubt be stretched further, making efficient project management and effective software systems a necessity for businesses to thrive."

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