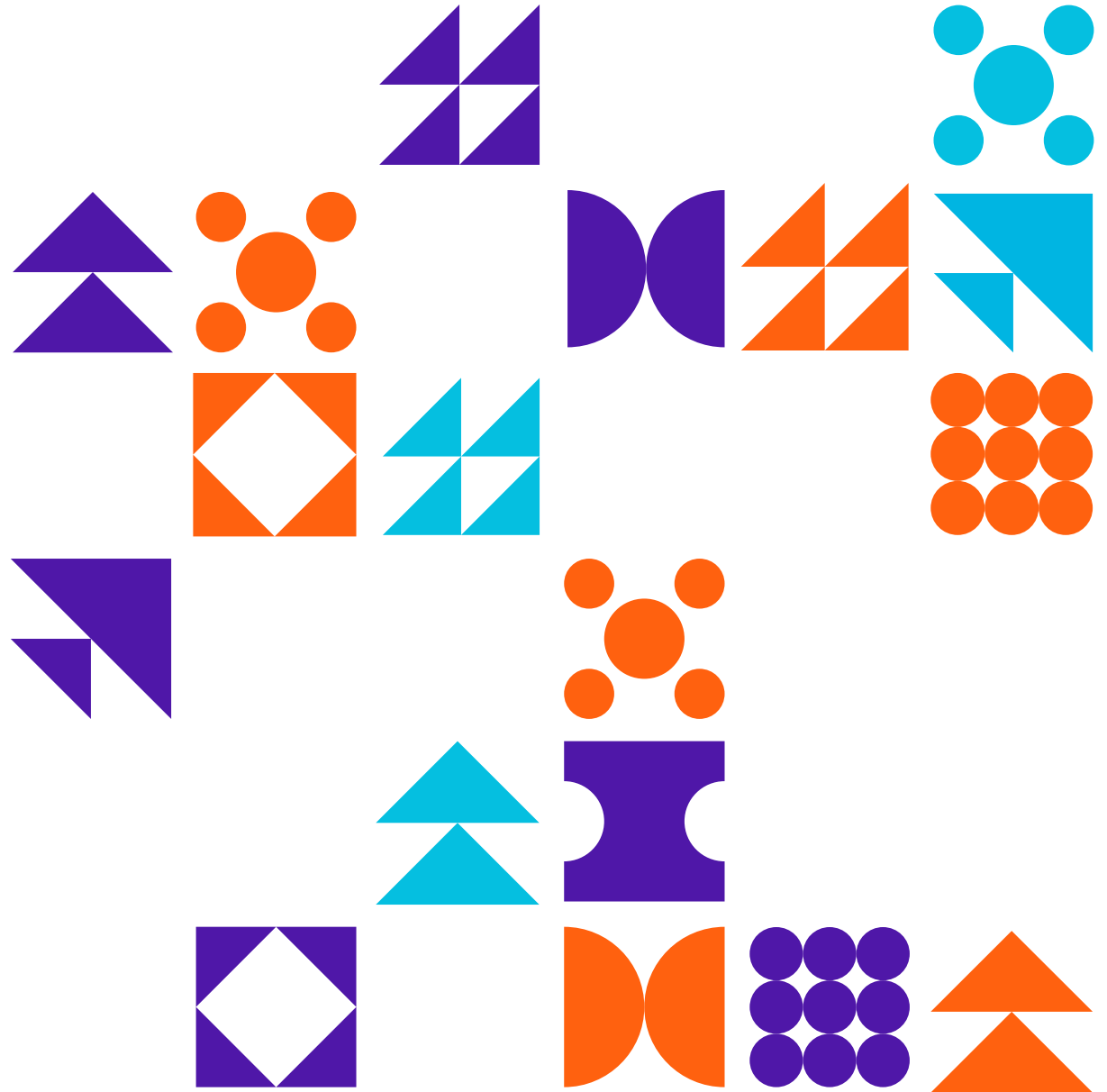
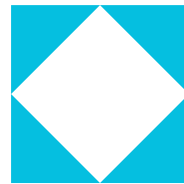


**TOPIC:** The Impact Of The New Norm On Construction Projects

**Date:** 6<sup>th</sup> May, 2022

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**Executive Secretary-GREDA & MD-Homes Direct Ltd**



# Topic: THE IMPACT OF THE NEW NORM ON CONSTRUCTION PROJECTS



# THE HIGHLIGHTS OF THIS PRESENTATION



- ❑ OVERVIEW OF THE CONSTRUCTION INDUSTRY GLOBALLY
- ❑ OVERVIEW OF THE CONSTRUCTION & INFRASTRUCTURE SECTORS OF GHANA
- ❑ WHAT IS NEW NORMAL
- ❑ UNDERSTANDING CONSTRUCTION PROJECTS
- ❑ THE IMPACT OF THE NEW NORM ON CONSTRUCTION PROJECTS
- ❑ CONSTRUCTION IN THE NEW NORMAL
- ❑ TRENDS AND DISRUPTIONS IN THE NEW NORMAL ON CONSTRUCTION |
- ❑ WHAT EVERY CONST. OR PROJECT MANAGER SHOULD KNOW ABOUT THE NEW NORM
- ❑ CURRENT NORM/TRENDS YOU MAY IGNORE AT YOUR PERIL
- ❑ PICTURES FOR DISCUSSIONS & CONCLUSION



# OVERVIEW OF THE CONSTRUCTION INDUSTRY GLOBALLY



Construction is a vast industry that is made up of many types of building and civil [engineering](#) jobs. This industry is one of the largest in the world because it is responsible for creating the infrastructure for cities, towns and countries.

The industry has more than ***100 million jobs worldwide***, accounting for ***6% of global GDP***. The added value of the construction industry accounts for about ***5% of GDP in developed countries***, and ***8% of GDP in developing economies***.

***It is expected that there will be a large amount of infrastructure demand in the next two decades.***

# OVERVIEW OF THE CONSTRUCTION & INFRASTRUCTURE SECTORS OF GHANA



Key construction subsectors in Ghana include:

- I. housing and urban development including the construction of residential buildings, municipal and commercial buildings;
- II. infrastructure such as water and sanitation and
- III. transportation infrastructure such as roads, airports, railways, ports, and harbors.

The demand for construction and infrastructure development to address housing needs, upgrade roads for freight transport, and create transport corridors for exports, among other areas, remains strong.

**Source: Ghana - Country Commercial Guide**

# AN OVERVIEW OF THE CONSTRUCTION & INFRASTRUCTURE SECTORS IN GHANA Continues ....



In Ghana, the construction sector appears to be performing well, and **contributes substantially to gross domestic product (GDP) and employment**. For example, the demand for cement, a key indicator of construction activity, is expected to increase consistently from **8.8 million metric tones in 2017 to 12.5 million tones**.

The approximately **\$8 billion Ghanaian construction sector** has accounted for more than **15% of the nation's annual GDP** in recent years. **The industry provides employment for approximately 420,000 people**. An estimated **2,500 active building and construction contractors** currently operate in the Ghanaian market. Players range from indigenous micro-enterprises and individual contractors to foreign multinational civil engineering and construction giants.

# THE NEW NORMAL





# WHAT IS NEW NORMAL



- ❖ The term "**new normal**" means that the world has been permanently altered over the past number of years and will continue to change in the years ahead. The term "new normal" refers to a re-shuffling of the deck that is currently taking place in the world right now. **Certain countries are surging forward while others are stumbling.**
- ❖ What replaces the expected, usual, the typical state after an event occurs. **The new normal encourages one to deal with current situations rather than lamenting what could have been.** Housing costs plummeting is the new normal. Having less discretionary income after the stock market crash is the new normal.



# UNDERSTANDING CONSTRUCTION PROJECTS

## What are Construction Projects?

Construction projects are the **organized effort to construct a building or structure**. In the fields of civil engineering and architecture, construction projects involve the process that consists of **tangibly assembling an infrastructure or building**.

## Types of Construction Projects:

In general, **there are three types** of construction projects: **building construction projects, heavy or civil construction projects and industrial construction projects**. Each type of construction project will require a unique team to design, plan, construct and maintain the construction endeavor.



# THE IMPACT OF THE NEW NORM ON CONSTRUCTION PROJECTS- CHANGE & COST



**THE IMPACT ON PROJECTS:** The impact is basically driven by **disruptions, change, trends, time and cost**. The changes coming to the construction industry to protect the health and safety of workers during the pandemic could stay in place for the foreseeable future as well as the end users.

When the pandemic first hit the world, two approaches to construction work emerged. In one circumstance, most notably **construction works were suspended indefinitely or significantly scaled down**. Whilst other construction works in the category of essential, rather saw **accelerated project timelines due to fewer traffic issues on the road**.

**Predictions** resulting from the new normal in the construction industry include but not limited to **remote work and teleworking will be much more common**, and many projects are **likely to take longer**.

Construction businesses that use software for creating bids and for Project Management can **reduce operational costs by up to 20%** and **improve estimate accuracy by up to 90%**.

# CONSTRUCTION IN THE NEW NORMAL (Lamentation Or Acceptance)



The supply and demand almost changed overnight for construction of every type due to the pandemic. And while some aspects, such as prices of some building and construction materials are slowly starting to return onto the market, the industry is still experiencing new trends never seen before. **The risk of losing bids, losing new jobs from existing clients, and losing money from inaccurate estimates are higher than ever in this “new normal.”**

To appreciate the new trends, construction business owners were sampled for a survey to understand the new landscape and to make informed decisions. **The following are the outcomes of the survey conducted using construction professionals in [2021](#) and analyzed the what needs to be done. NEXT SLIDE**

# TRENDS AND DISRUPTIONS IN THE NEW NORMAL ON CONSTRUCTION PROJECTS

- **Trend 1: Most construction businesses aren't ready for advanced software features quite yet**
- **Trend 2: Investing in software is saving money for many**
- **Trend 3: Labor challenges are currently pandemic related**
- **Trend 4: Shifting to inventory management is top response to procurement delays**
- **Trend 5: Finding new clients isn't a top priority.**
- **Winning more bids takes precedence.**
- **Trend 6: Development of new materials**



# THE TRENDS AND DISRUPTIONS IN THE NEW NORMAL ON CONSTRUCTION PROJECTS

## Continues..

- **Trend 7: Digitalization of products and processes**
- **Trend 8: Rising customer sophistication and TCO**
- **Trend 9: New entrants to the construction industry**
- **Trend 10: Widespread industrialization**
- **Trend 11: Updated regulations of building code/standards**
- **Trend 12: Scarcity of skilled labor and changes in logistics**



# WHAT EVERY CONSTRUCTION OR PROJECT MANAGER SHOULD KNOW ABOUT THE NEW NORM



- i. The pandemic has impacted the global construction industry in many divers ways. **Construction companies and construction professionals continue to feel and are still experiencing the impact** of the pandemic.
- ii. If you're a Construction or Project Manager, chances are you that you may have to shut down your projects or scale down and unfortunately the recovery rate has been slow as well. A major concern for the industry. **Construction employment has reduced significantly globally.**
- iii. However, that should **not be a recipe to sleep and worry about the future of the construction sector.** What's important is that you take the lessons from this pandemic and **create a plan of your own so you're are better prepared to face a similar crisis in the future.**
- iv. The first step is to **understand the challenges** since the pandemic began and **to determine what the current priorities should be** from the common issues such as **software applications, labor, and the general supply chain experiences.**
- v. **Four induced challenges stand out strongly** in the construction market today as a result from COVID and **what the short-term priorities should be.**

# PRIORITY ONE: ADOPTING CONSTRUCTION-SPECIFIC SOFTWARE TOOLS



of construction businesses have implemented a new construction-specific project management tool in the past 12 months.

Source: Software Advice 2021 Construction Survey  
Q: Which of the following software tools have you implemented for your business in the past 12 months?  
n: 538

Software Advice.

- ❖ **Technology:** Historically and especially in our part of the world, the construction industry have been **slow to adopt new technologies**. Studies reveal that construction trades have grown at a slower pace owing to labor shortage, high prices, and **resistance to technology adoption**.
- ❖ **Online Collaboration:** The **COVID-19** crisis however has pushed construction firms to embrace digital transformation. The sudden induced labor shortage as a result of the pandemic had to be offset by **allowing employees to work remotely as much as possible**. The availability of affordable construction software tools, such as **building information modeling (BIM), construction estimating, construction management, and construction takeoff** solutions, allowed establishments to **collaborate and continue working online**.
- ❖ **Cost Cutting Measures:** Construction-specific software tools will help your business eliminate costly paperwork and automate time-consuming processes. Check out for solutions that are the right fit for your business and adopt.



# PRIORITY TWO: SAFETY FOR WORKERS COSTLIER AND MORE COMPLEX NOW

40%



of construction businesses say frequent changes in worker safety regulations has been the top labor challenge in the past 12 months

Source: Software Advice 2021 Construction Survey  
Q: Which of the following software tools have you implemented for your business in the past 12 months?  
n: 538

Software Advice.

- Health & Safety:** In recent times, *Health and Safety concerns has increased the need for regulations* and has changed the dynamics for most industries and construction specifically saw major changes.
- To avoid legal hassles, you must stay up to date with these regulations. The need to understand *the difference between mandatory standards and general best practices*. **The former is a legal requirement, whereas the latter is just advice.**
- Investing in construction safety technologies, such as **wearables and drones**, is an option you can explore to ensure more safety for your staff and construction laborers.

# Remember it cost **LESS** to prevent than the cost of remedies in most cases



26 MAY 2022

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# PRIORITY THREE: A SHIFT TO INVENTORY MANAGEMENT SOFTWARE TO AVOID DELAY

57%



of construction businesses that expect a fall in revenue this year, report somewhat longer timeframes to get raw materials.

Source: Software Advice 2021 Construction Survey  
Q: Which of the following software tools have you implemented for your business in the past 12 months?  
n: 538

Software Advice.

- Materials procurement has become a challenge for construction companies since the beginning of the pandemic. ***The primary reason is the lockdowns across the world that has impacted the transportation of goods and availability of manpower.*** This seem to be returning to normal until the **Ukraine/Russia war**, worsening the situation. As a result, some projects have suffered delays or completely shutdown, **causing serious financial consequences for many construction businesses** both locally and globally.
- Construction **companies can't afford to stall projects because of supply chain issues.** Therefore, Project Managers have to manage building materials procurements efficiently to include **planning for the unexpected as is the new norm.**
- To better manage the impact of decrease revenue, **Project Managers can also use inventory management software** to track stock levels as well as monitor the movement of materials. The software will help you plan your purchases so you don't face any out-of-stock situations.

# PRIORITY FOUR: BE MORE COMPETITIVE ON THE HOUR, A NEED TODAY



of construction businesses say winning more bids is their top short-term goal for the next six months.

Source: Software Advice 2021 Construction Survey  
Q: Which of the following software tools have you implemented for your business in the past 12 months?  
n: 538

Software Advice. 

- Construction projects and jobs are scarce today whether residential construction or commercial construction. As **spending continues to fall**, finding construction work becomes more challenging and so businesses have realized that they **will have to beat the market competition to secure new projects**.
- To be competitive, requires you to **implement strategies such as bidding early, performing detailed customer research, improving communication** with clients for [Creating winning bid proposals](#).
- **A clear, realistic project cost estimate** that takes into account the client's needs as well as your current capabilities and the impact of the new norm is paramount.
- **Estimating softwares** can provide better opportunity to **create competitive cost estimates capable of winning bid proposals** because of the features such as a bid proposal generator, built-in calculators, and cost database integration.

# CURRENT NORM/TRENDS YOU MAY IGNORE AT YOUR PERIL

- ❖ Trend #1: A product-based approach
- ❖ Trend #2: Modular adoption will increase
- ❖ Trend #3: Demand for project types will change
- ❖ Trend #4: Specialization
- ❖ Trend #5: Value-chain control
- ❖ Trend #6: Supply chains will recalibrate
- ❖ Trend #7: Consolidation
- ❖ Trend #8: Internationalization



# CURRENT NORM/TRENDS YOU MAY IGNORE AT YOUR PERIL-Continues....

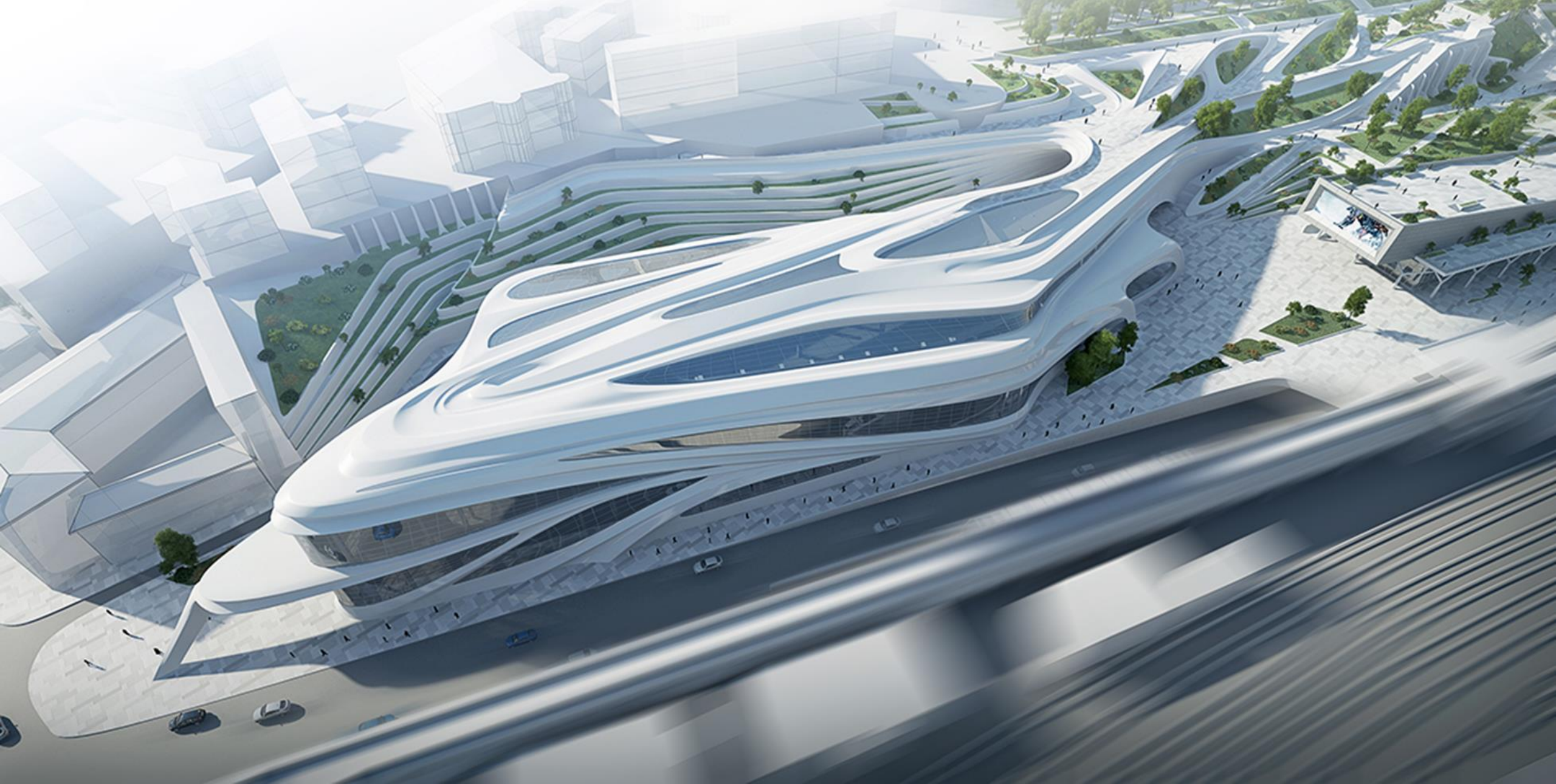
- ❖ **Trend #9: Customer centricity and branding**
- ❖ **Trend #10: Investment in technology**
- ❖ **Trend #11: Distancing will be the norm, via technology**
- ❖ **Trend #12: Human resources**
- ❖ **Trend #13: Jobsites will be cleaner and safer**
- ❖ **Trend #14: Sustainability**
- ❖ **Trend #15: Workers Agitations will rise**
- ❖ **Trend # 16: Union influence will grow**















天  
王  
TIAN WANG  
HEAVY INDUSTRIES

**CIVIL CONSTRUCTION UNIT**  
Model Type - HUANGHE MCHM 01 - 03  
Civilian class medium grade humanoid  
utility machine.

JAROLD SNG  
2016



















# CONCLUSION



In conclusion, we are better of understanding the New Norm, Embracing or Accepting what it brings and to position ourselves than to Lament on the challenges we are faced with in the New Norm.

New Trends will continue to emerge and as such, getting yourself updated regularly will be in your own interest if you want to remain in the business of construction.

Remember that, in this new age of social distancing in the workplace, the only viable path forward is to create new work approach methodologies that leverages on technology.

***CHANGE IS INEVITABLE and Technology is key***



