



Belmont Hospital

LAHEY CONSTRUCTIONS

Lahey Constructions is a regionally-based commercial construction company with a long and proud tradition of providing quality public and private infrastructure.

A Department of Commerce Best Practice contractor, Lahey is nationally accredited and certified in OHS, Environment and Quality Systems and demonstrates a proven track record of quality constructions by bringing projects to fruition on time and budget. The depth of their service provides clients with flexibility and the added measure of confidence in dealing with an established company that is known and trusted.



SUPPLY CHAIN FOCUS WITH CONSTRUCTION AND OPERATIONS MANAGER, MICHAEL BOHLSCHIED

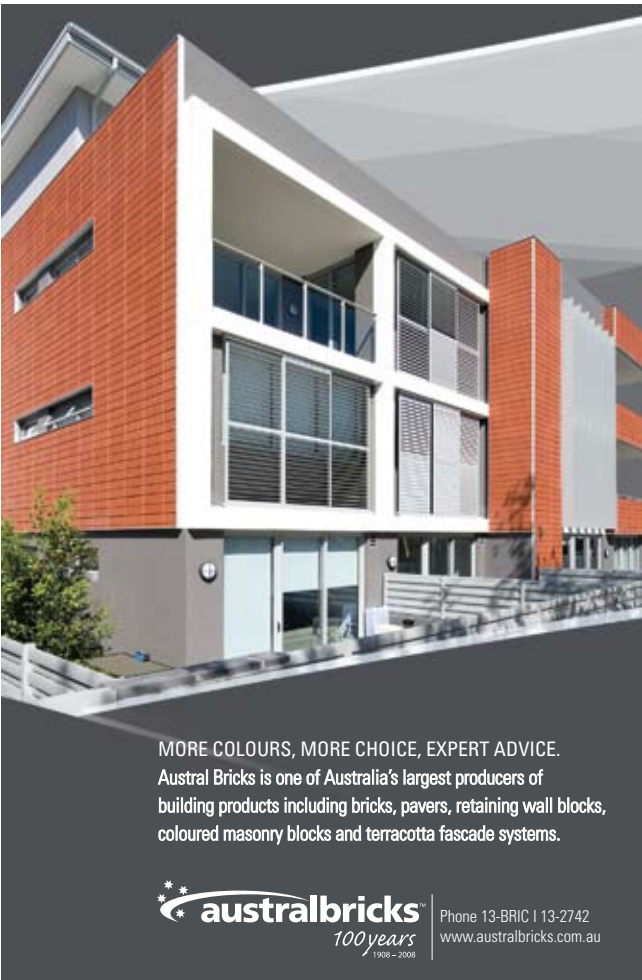


HOW AND WHY IS EFFICIENT SUPPLY CHAIN MANAGEMENT INTEGRAL TO LAHEY?

Supply chain management is integral to Lahey's ongoing success as a commercial builder. Any 'breaks' or 'blockages' to the supply chain has the potential to affect our construction projects in several ways. Most predominantly, a delay to the supply of an item (the most prominent case being items imported from offshore, e.g. elevators) will impact on time (as overall project completion can become delayed), costs (as overheads and preliminary item costs may need to be extended to cover the duration of the delay), cash-flow (as work in progress is typically reduced if supply of an item is delayed/late) and client satisfaction (as clients hold it essential that their projects are delivered on time). Effective supply chain management is therefore imperative to our business as a whole.

HOW HAS EFFICIENT SUPPLY CHAIN MANAGEMENT ASSISTED YOU IN CREATING A SUCCESSFUL BUSINESS?

In terms of external factors, Lahey's clients and our ultimate business success depends upon delivering quality projects that are on time and on budget. Our supply chain management systems – which have been developed specifically to suit our own business processes and needs – allow us to meet our all important project deadlines, naturally resulting in increased client satisfaction (typically equating to repeat business). In the context of supply chain management's success factors measured internally, supply chain management systems have allowed us to create efficiencies in our day-to-day



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“AS A LONG TERM NSW GOVERNMENT BUILDER, LAHEY ESSENTIALLY HAS CERTAIN BENCHMARKS THAT NEED TO BE ADDRESSED WHEN SOURCING SUPPLIERS AND PRODUCTS.”
Michael Bohlscheid

work practices, which at its most basic level has increased our productivity. In this context, supply chain management is critical to our continued profitability and growth.

WHAT ARE SOME OF THE IMPORTANT ASPECTS YOU CONSIDER WHEN SOURCING SUPPLIERS?

With many varied suppliers of identical and/or equivalent products in the marketplace, Lahey's selection of suppliers is measured first and foremost by quality and a supplier's product conformance with our needs. The second highest consideration is then given to a supplier's past performance and their ability to meet the needs of our supply requirements/procurements schedule/project programme (i.e. lead-time) – as a commercial builder, initial supply to get our projects started and then ongoing supply to meet the needs of our work in progress are imperative considerations. After these matters are addressed, the final decision on whether to use a supplier is based on price, i.e. who meets our needs whilst still offering a competitive price? However, we note that under certain Government contracts, locally-sourced products, which may not be the cheapest option, can be approved for use despite being more expensive than their imported counterparts. As a long-term NSW Government builder, Lahey essentially has certain

benchmarks that need to be addressed when sourcing suppliers and products. However, we find that when we apply the above hierarchy of considerations when selecting suppliers, the NSW Government Guidelines on Procurement are generally met with ease.

WHAT ARE SOME OF THE TECHNIQUES YOU HAVE IN PLACE TO ENSURE BEST POSSIBLE SUPPLY CHAIN MANAGEMENT?

Lahey employs techniques at both the written and managerial level to ensure that our supply chain management is running efficiently and effectively. Lahey has a vast library of written procedures and work instructions that allow our employees to keep up to date with the latest procurement methodologies that suit our business needs. In relation to these written procedures, we ensure that our employees receive adequate support and training and we also employ the practice of continuous improvement, whereby all written procedures are reviewed and updated (at minimum annually) to suit our real and specific business needs. At the managerial level, regular progress meetings are held between our project managers and executive staff in order to discuss the merits and/or concerns with our suppliers

and other aspects of project procurement. At minimum, these meetings allow our collective and cumulative knowledge to optimise our supply chain management techniques.

HOW DOES LAHEY STAND APART FROM ITS COMPETITORS IN TERMS OF SUPPLY CHAIN MANAGEMENT?

As briefly mentioned previously, Lahey has developed an in-house management system which is specific to our core business processes and needs. Named the Integrated Management System (IMS), the system incorporates and collaborates many years worth of business knowledge and proven procedures into a readily accessible and intuitive electronic format for all employees to access and use in their day-to-day activities. The IMS stands us apart from competitors as it allows us to: (1) create a shared library of materials that all employees can access; (2) consolidate our supply chain procedures (and other procedures) into one, universal format that can easily be followed by all employees; and (3), through the use of modern wireless technology, create a shared and 'live' working space between our on-site workers and our permanent offices. The key to our IMS is that it standardises our work practices by providing one method

for executing tasks, in a standard format isn't deviated from (unless a project's unique needs necessitate a change). Given that the IMS incorporates supply chain management techniques that are the result of collective and continuous improvement over many years, it has the effect that all of our employees are using the most effective, up-to-date and efficient procedures in relation to procurement.

Lahey has strong relationships with its suppliers, which in some instances have been in place for over 50 years. We believe our past success and the key to ongoing success in our industry will be via the continued support of reliable suppliers, who produce a quality product to meet the needs of our end users and clients within our all important deadlines. 📄

Additional information can also be obtained from:
www.laheyconstructions.com.au

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