

Student Name: Tomos Williams
Student ID Number: 2319571
Programme: HND/BSc Quantity Surveying
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Lecturer: Dr Deborah Hughes
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Report on the Effectiveness of Plant Resource Management Approaches

1. Introduction

Plant and equipment represent a substantial financial investment for construction companies and play a key role in allowing projects to be completed efficiently on site. Plant ownership or hiring decisions can directly affect program performance, project costs, and overall business efficiency. Inadequate plant management can lead to on-site delays, higher costs, and idle equipment, all of which lower value for money.

This report examines the efficiency of the company's current plant management strategies, which are organised by project type and geographic region and operate throughout Wales. Operating out of two regional headquarters in Wrexham and Swansea, the company provides infrastructure, housing, and commercial projects. Currently, each region has a different approach to plant management. While individual project teams in South Wales often buy and own their own plant, hiring only highly specialised equipment, the company in North Wales mainly hires equipment beyond simple excavators.

This report's goal is to evaluate these strategies' effectiveness from the perspective of business management and to determine whether they are the best methods for managing plant resources. Additionally, the study offers solid suggestions based on construction management approaches and professional judgement.

2. Company Structure and Plant Management Context

The company uses a management structure that is separated by geographic location and project type. Commercial, residential, and infrastructural projects are grouped together, and operations are divided between two regional headquarters located in Swansea and Wrexham. Teams can acquire specialised knowledge within their project areas and successfully adapt to local market conditions and customer demands thanks to this framework. This can often facilitate effective project delivery and make for better local decision making.

However, managing shared resources like machinery and plants is made more difficult by this management structure. With no central evaluation, most plant management decisions are made at the project or regional level. Although this strategy gives individual teams flexibility, I feel it can also lead to inconsistent business practices and limited cooperation between regions. This raises the possibility of duplicate plant ownership, unequal use, and challenges in tracking total plant performance, in my opinion.

Fragmented decision making can make it more difficult for the business to successfully plan long term investments and control expenses because the plant is a high value asset. Enhancing the visibility of available resources and ensuring that plant decisions serve broader company objectives rather than just particular project priorities would be two benefits of a more integrated approach to plant management.

Inconsistent plant management also makes cost control more difficult from the viewpoint of quantity surveying. It is more challenging to precisely predict expenses, track utilisation, and benchmark plant expenditure throughout the company when plant is owned or hired at the project level without broader coordination. This can lower the accuracy of cost reports and raise the possibility of overspending, especially on longer or more complicated projects.

3. Plant Management Approach in North Wales

The company typically employs equipment in North Wales that goes beyond standard excavators. This strategy makes sense because plant demand in the area can change based on the kind and scope of projects being completed. Hiring plant lowers the risk of owning equipment that might not be used frequently and enables the business to avoid significant upfront expenses.

In addition, hiring plant reduces the workload for site and management teams, as the hire company is usually responsible for maintenance, servicing, and compliance. For smaller or more specialised projects, this can be especially helpful. According to industry guidelines, hiring plant is frequently the most effective choice in situations where utilisation is irregular or uncertain (CIOB, 2019).

The drawback of this strategy is that plant supply isn't always guaranteed, particularly during peak times. Over time hiring expenses may also rise, and recurring short term hiring could end up costing more than ownership. Despite this, I think the North Wales strategy works well overall since it offers flexibility and lowers financial risk.

4. Plant Management Approach in South Wales

Each project group in South Wales often buys and owns its own machinery, only hiring highly specialised equipment. This implies that plant is needed frequently and that workloads are more stable in the area. Owning the equipment improves availability and enables project teams to schedule work independently instead of having to rely on hiring plant in.

Ownership can be more cost effective in the long run and increase on site productivity when a plant is used regularly (Edwards et al., 2015). Additionally, it enables the business to standardise maintenance practices and get familiar with its own equipment.

However, I believe that the dispersed nature of plant ownership is the primary problem with the South Wales strategy. When several project teams possess their own plant, there is a greater chance that similar equipment may be held across several projects. This plant may remain idle as projects slow down or are completed, resulting in inefficient use and financial waste. This, in my opinion, reduces the overall effectiveness of the approach.

5. Comparison of the Two Regional Approaches

It is evident that both strategies have advantages when comparing North and South Wales, however how they are implemented is not coordinated. While South Wales gains from availability and control, North Wales gains from flexibility and lower financial commitment.

The issue is that these methods are used separately instead of as an element of a larger business plan. From a business management point of view, this makes it more difficult to plan long term investments and restricts chances to share plant between projects or regions. The literature on construction management emphasises how crucial it is to match organisational strategy with resource management in order to increase productivity and value (Harris and McCaffer, 2013).

Neither strategy, in my opinion, is entirely successful on its own. When appropriate, a more balanced strategy would enable the business to benefit from both hiring and ownership.

6. Is the Current Management Approach Effective?

Overall, I believe the company's current plant management strategy is only partially effective. Although teams have some flexibility and control over their own resources because to the regional and project based structure, this strategy does not fully support effective plant management throughout the company. Decisions on the ownership and distribution of this high value assets have long term financial consequences that go beyond particular projects.

It is challenging to precisely track plant utilisation and spot areas for improvement in the absence of a consistent company wide strategy. In South Wales, in particular, regional ownership raises the possibility that plants will be underutilised during slower times, even though plant shortages might still happen in other parts of the company. This, in my opinion, exposes a flaw in the existing management of plant resources.

Increased coordination of shared resources can boost productivity and cut wasteful expenses, according to construction management research (Winch, 2010). It's crucial to acknowledge that a completely centralised strategy can reduce adaptability and responsiveness to regional demands. Because of this, the existing strategy is not the most effective overall, but it does offer a helpful basis for the development of a more balanced and well coordinated system.

Ineffective plant use poses a danger to project viability from a business standpoint. Unplanned hiring brought on by a lack of coordination can result in cost overruns, while underutilised owned plant ties up resources that could be invested elsewhere in the company. From the perspective of quantity surveying, this raises financial risk and makes it harder for the business to keep strict control over project margins.

7. Recommended Solution

In my opinion, a hybrid approach to plant management would be the best course of action. This would entail central ownership of often used equipment, like simple excavators, which are frequently needed in the majority of project kinds and geographical areas. In order to maintain flexibility and save needless capital expenditure, specialised or low use equipment would continue to be hired as needed. To improve visibility of resources and reduce duplication, better coordination of plant allocation between regions would be required. In order to appropriately account for local project requirements and operational challenges, it is crucial that regional teams continue to be involved in plant decisions. This strategy, in my opinion, would lower duplication, increase plant utilisation, and enable the business to make better long term decisions about plant investment. While correcting its current deficiencies, it also fits in nicely with the current management structure.

8. Conclusion

The success of the company's existing plant resource management strategies in North and South Wales has been assessed in this research. Teams can adapt to local and industry specific needs thanks to the company's structure, which is broken down by project type and geographic area. Nevertheless, this structure has led to inconsistent methods and decreased overall efficiency when applied to plant management.

In situations when demand is irregular or specialised equipment is needed, the North Wales model of hiring plant provides flexibility and lowers financial risk. The South Wales method of project level plant ownership, on the other hand, offers availability and control but raises the possibility of duplication and underuse of valuable assets. Both strategies, in my opinion, are ineffective when used separately.

According to the evaluation, more strategic oversight and coordination would be beneficial for plant as a shared and expensive resource. The best answer has been determined to be a hybrid plant management strategy that combines central ownership of frequently used equipment with ongoing usage of hire for specialised plant. This strategy would increase plant utilisation, cut wasteful expenses, and encourage better long term investment choices. In the end, implementing a more integrated approach to plant management would improve business performance and better support the business's next initiatives.

Reference List

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