

Three Key Factors for Capitalizing on Electrification Opportunities

Written by: Sean R. Nacey, Senior Vice President and General Manager, USA Construction and Energy Solutions, Wesco

HOW CONTRACTORS CAN UP THEIR SUSTAINABILITY PROJECTS AND STAY COMPETITIVE.

Sustainability initiatives and electrification projects are driving spend and creating significant 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 flow 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 “cost” 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) through increased employee morale, engagement, retention, and productivity. Labor shortages are real, and showing your employees that their safety is your priority can be a differentiator. One key safety indicator that can have an impact on competitiveness is the experience modification rate (EMR), which acts as a barometer of a construction company’s level of risk, safety, and fiscal responsibility. With today’s increasing pressure to capitalize on new sustainability projects, this score can be a deciding factor on whether a contractor can even bid certain projects, let alone win them.

Now, more than ever, electrical and general contractors must consider how their EMR compares to their competitive peers and new entrants pursuing these large and complex electrification projects. Ultimately, businesses that strive for a lower EMR rate indicate a commitment to safety that can translate into attracting top talent and winning more business.

A robust safety program goes beyond high-visibility vests and hard hats, although those are obviously important. Forward-thinking companies are also investing in new connected safety solutions that are capable of monitoring employees remotely and providing data to managers to help ensure safety compliance. These will become increasingly essential in the

era of the traveling contractor, with employees spread across a larger and more diverse geography.

All in all, implementing a strong, comprehensive worker safety program can help businesses save money, attract and retain top talent, and be more competitive when it comes to winning new, complex projects. Partnering with an innovative distribution partner that can focus on the basics, as well as the more complex safety needs, can allow their contractors to focus on job execution and meet their customers’ requirements.

Opportunity 3: Innovative Labor Solutions to Maximize Efficiency

Almost every contractor has had to contend with labor shortages recently – especially for skilled labor – and there does not appear to be an end in sight. That’s why it’s increasingly critical to align with a distribution partner that can provide innovative and proactive solutions that can help maximize labor efficiency.

From a technology perspective, leading-edge companies are utilizing virtual reality (VR) and artificial intelligence (AI) for virtual project management, modeling, and more. Those, along with automation and robotics, can also be leveraged for jobsite locations that may pose safety hazards. Additionally, other solutions can help construction businesses boost labor efficiency and effectiveness:

- » Prefabricated, or prefab, solutions deliver multiple products or materials preassembled in one shipment, meaning workers spend less time sorting and transporting, and more time installing and completing jobs on time.
- » Click-and-install solutions, as the name suggests, deliver specialized equipment to the jobsite ready for installation, which allows specialized labor to be utilized more effectively. These can be especially relevant for green energy and other sustainability-related projects, such as solar and wind farms, or EV charging stations.
- » Other innovative solutions or products can also help businesses reduce labor costs, speed up installation and minimize injury risk.

Although complex and scalable projects tied to sustainability and electrification 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 – or lack thereof – could stand in the way of attracting quality workers, or even hinder competitiveness. And lingering labor shortages will press companies to find innovative ways of maximizing the efficiency 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

Sean R. Nacey is senior vice president and general manager, USA Construction and Energy Solutions, at [Wesco](#). Nacey has broad commercial, operational, and functional experience and excels in strategy deployment, relationship management, leadership, technology, process optimization, and execution.

About the Article

Republished from [Construction Business Owner](#). Construction Business Owner (CBO) is the leading business magazine for contractors and is designed to help owners of construction firms run successful businesses. Founded in 2004, CBO provides real-world business management education and knowledge that is of real value to the owners of construction companies.

Any views and opinions expressed in this article may or may not reflect the views and opinions of the Construction Management Association of America (CMAA). By publishing this piece, CMAA is not expressing endorsement of the individual, the article, or their association, organization, or company.