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# Trust Attributes to Supply Chain Partnering in Industrialised Building System

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#### **Abstract**

The purpose of this paper is to explore the concept of supply chain partnering practised in Industrialised Building System. The relationship was based on the elements of trust, share a vision, decision-making and continuous improvement. The methodology adopted were using quantitative and qualitative approach. Outcomes of the results, the public clients point out on the element of trust in between contractors were based on the frequency and effectiveness of communication and private client indicates competence of work as a successful element of trust in supply chain partnering in Industrialised Building System.

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Keywords: Supply chain partnering; trust; quantitative; qualitative method

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#### 1. Introduction

Supply chain partnering refers to integration comprised of the network of organizations involved in the different processes and activities that produce the materials, components and services that come together to design, procure and deliver a building. This process involved from the stage at pre- contract until the post contract of the project. During this stage, the selection of a partner to participate in this project is very crucial to the clients. Failure to decide a suitable partner would impact to the project in terms of delay, cost overrun, inequality and no profit gain. Other than that, adversarial relationship practice in supply chain project could impact on the company to success. A study done by Larson (1995) concluded in his research that construction projects that were managed in an adversarial relationship fashion had the lowest of success. Confirmed by Bayramoglu (2000) that adversarial relationships might lead to disputes and delay in projects. Therefore, the need for understanding the concept of supply chain partnering to the clients in Industrialised Building System. The solution to this problem has move towards more collaborative forms of working relationship through supply chain partnering. These modes of relationship previously prevalent in manufacturing and engineering that received the outcomes in projects successfully delivered on time, budget and specification (Baden-Fuller, 1995). In this paper would be highlighted the supply chain partnering that refer to the relationship network with different contractor organizations from upstream relationship in between client and contractor that was selected through the bidding process to participate in projects. However, the selection of prime contractor should consider the downstream link supply chain practiced in the organizations.

#### 2. The concept of supply chain partnering practice in industrialised building system

Figure 1 show the concept of supply chain partnering practice in a single project. The integration commences in between parties such as client, main contractor and supplier in one roof of an organization. The process involve in the selection of supply chain in projects has been evaluated through bidding strategy practice in the organization. The purpose is to ensure a capable supply chain candidate is selected to deliver the project on time, cost and quality. In relationship practice, a win-win situation in between both parties is received if the concepts of business strategy are understood by both sides. The long – term relationship occurs if the first project given is satisfied by the client and the next project are given to the similar partner or contractor to undertake the project activities. Therefore, a good reputation from the first project is necessary for the contractor to convince the client for the next collaboration called strategic partnering.

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