



# What's Really Causing Project Delays – and How Contractors Can Take Back Control

*Exclusive insights from 150 contractors reveal how planning, procurement and smarter setup strategies can curb costly delays.*



CONSTRUCTION DIVE

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For today's general contractors, managing the risk of delays is simply part of the job. And it's a big job: STARC Systems' new research with Construction Dive's Studio finds that only **one in three contractors say most of their projects start on time**. And when delays occur, over 50% last one to three months or more.

While the skilled labor shortage remains the biggest factor in whether a project starts on time, there are others, including increasingly common curveballs like tariffs, late material deliveries and unfavorable weather events. The risk of lagging starts often can be mitigated – or even avoided – by one thing: improved planning and coordination.

STARC's research, which reflects responses from 150 construction leaders, shows that **while contractors are exploring a variety of ways to start their**

**projects on time, they aren't pulling all the levers at their disposal**. By involving their procurement teams sooner, in conjunction with project-specific leadership, contractors can be more nimble in sourcing, mobilizing and using the materials and equipment they need to start work.

Many contractors already have the foundation needed to make this shift. "Integrated project delivery, design-build and other similar delivery methods help streamline contractors' work," says Greg Gignoux, National Accounts Manager for STARC. "It's not one person grabbing another person's set of plans and then trying to figure it out. These approaches encourage creativity and flexibility throughout the entire process, including how teams think about the role of inventory management in avoiding delayed starts."

## Who We Surveyed

STARC, maker of premium temporary construction walls, partnered with Construction Dive's Studio to survey 150 construction industry executives in December 2025 about the causes of delayed starts for their projects and what they're doing to stop them.

Respondents are primarily project managers (31%), preconstruction managers/directors (28%), and construction managers/directors (25%). Most hold

director (42%) or manager (48%) titles, with the remainder holding more senior titles.

They represent a wide range of organization sizes, from at least 50 employees to more than 1,000 employees, with about half having \$1 million to \$49 million in their pipelines and the other half having \$50 million or more. Respondents' organizations are involved in a wide range of project types – 4.1, on average – from commercial offices to data centers.

# What's Driving Delayed Starts on Jobsites Today

Only one in three contractors today says their projects usually start on time:

**Delays can be extensive.**

## 1 in 3

Just one in three contractors said 75% or more of their projects start on time.

## 4 in 5

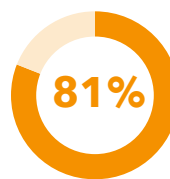
The vast majority (four in five) said projects start on schedule only about half the time.

## 50%+

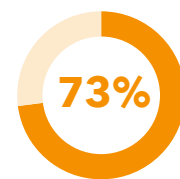
When delays do happen, more than half last one to three months or longer.

**And the impact is significant.**

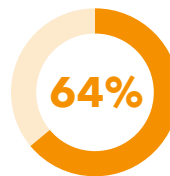
Respondents cited an average of four impacts to their organization from delays. The most common are:



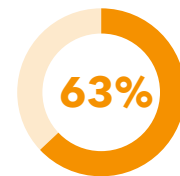
**Reduced profit margins**



**Increased labor costs**



**Scheduling conflicts with other projects**



**Increased material costs**



# Labor Remains the Biggest Variable in Whether Projects Start on Time – But Not the Only One

Share of respondents who said the following is a common reason project starts are delayed.

Shortage or scheduling issues involving skilled labor or subcontractor



Financing delays



Inspections and checks delayed, not scheduled or not passed



Long lead times or delays for material delivery



Permit approvals taking longer than anticipated



Design errors, regulatory changes or other late-stage changes requiring revisions



# Are Contractors Doing Enough to Prevent Delays?

Delayed starts are often triggered by upstream events (economics, politics, weather), which means all contractors are at risk. How contractors work to avoid delays — and how successful those tactics are in practice — can be an essential differentiator for their businesses.

Consider the prequalification review process for bidding on jobs, which can surface delays on prior projects. A contractor with a history of delayed starts (especially those that can't be clearly explained) risks being excluded from shortlists, having to submit extra paperwork when invited to bid, and facing tighter deadlines and higher fees if they win.

Our survey shows contractors are indeed exploring how to reduce the risk of delayed project starts. Respondents generally agreed that enhanced project planning is the most successful tactic (79%), with smaller shares citing other successful tactics.

## Top Strategies for Contractors to Reduce Delays

*Share of respondents who said the following tactics are successful at reducing the likelihood of delayed starts.*

Enhanced project planning



Regular progress monitoring



Engaging regulators and inspectors earlier in the process



Improvement contingency planning



Standardized labor/subcontractor agreements



Improved safety and compliance processes



Improved supply chain/vendor management



Using design and construction technology such as BIM, project management software, and digital twins.



Use of modular and prefabricated components



## What's in Contractors' Shared Services Toolbox Today?

Shared services can reduce the likelihood of delayed starts by ensuring contractors have access to critical equipment, tools and other resources needed for project setup. On average, respondents said they have access to about three shared services. Only 11% said their company does not use shared services.

Equipment planning and scheduling services

59%

Shared equipment operators or specialized labor

55%

Tool rooms or cribs

53%

Internal heavy equipment rental

51%

Companywide vendor contracts

45%

Internal heavy equipment pools or yards

35%

Fleet management and telematics

28%

My organization offers no shared services

11%

# Why Vendor Management Should Be a Bigger Priority When Combatting Delay Risk

The contractors we surveyed have successfully avoided delayed starts by taking an integrated approach to planning (i.e., enhanced project planning). However, two other findings indicate they may not be leveraging all the tools at their disposal to eliminate or mitigate the risk of delays.

## Vendor Management Is an Underused Lever:

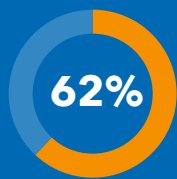
- **Just 25%** of respondents rated **improved supply chain/vendor management** among the tactics they've used to reduce the likelihood of project start delays.
- **Nearly two-thirds (62%)** of contractors are still using **just-in-time (JIT) strategies** to manage the equipment and materials needed for project setup – an approach more likely to cause delays than stop them.

"There's a reason JIT has been so popular: It takes a lot of risk out of the contractors' hands," Gignoux says. "But that doesn't mean the risk goes away. It just means contractors have less ability to influence it."



# RISK/REWARD: Strategies for Managing Equipment and Materials for Project Setup

## Share of respondents using each strategy



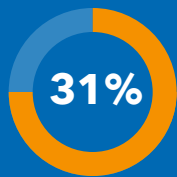
**"Just in time"  
inventory  
management**

### Risk

- Highly vulnerable to delays, strikes, weather, etc.
- Low margin of error
- Increased shipping costs

### Reward

- Lower holding costs
- Less waste
- Frees up cash flow



**Centralized control/  
ownership**

- Slower decision-making
- Reduced flexibility for local, regional and project-specific needs
- Easily bypassed by local PMs, negating benefits

- Consistent policies and pricing
- Cost savings from economies of scale
- Potential to avoid duplicated efforts



**Vendor-managed  
inventory**

- Requires a reliable and invested vendor
- Success dependent on vendor performance
- Needs trustworthy IT integration

- Lower holding costs
- Reduced stockouts
- Improved demand forecasting



# Is It Time to Move Away From Just-In-Time?

Reliance on JIT inventory management increased after the Great Recession, when contractors turned to lean construction strategies to reduce capital outlay and better protect their businesses in an environment with little room for error.

*“That standardization leads to consistency of execution and consistency of the brand. The client is getting the same experience every time.”*

**GREG GIGNOUX, NATIONAL ACCOUNTS MANAGER FOR STARC**

With JIT, contractors order materials directly to the jobsite in the precise quantities needed for the job. This reduces waste, on-site storage needs, and material carrying costs.

However, large contractors are looking beyond JIT to **establish central ownership** of the equipment and site services needed for their project startup efforts. This move toward vertical integration aims to streamline decision-making while shielding a critical aspect of project delivery from volatility: the task of ensuring contractors have the tools, equipment and materials they know they’ll need each time. (Consider Turner Construction, which [recently announced](#) it is expanding its internal equipment and site services unit to serve more of its own projects and those of other contractors.)

“That standardization leads to consistency of execution and consistency of the brand,” Gignoux says. “The client is getting the same experience every time.”

While centralization is a timely competitive move for large contractors, it can be out of reach for small and midsize operations. That's where **vendor-managed inventory (VMI)** can help. With VMI, the material supplier is responsible for keeping contractors' inventory at agreed-upon levels. This approach can help small and midsize contractors compete as larger firms consolidate their procurement capabilities.

VMI and centralized ownership each require **early coordination with the procurement team**. With VMI, procurement can help set expectations, establish consistent pricing and share inventory data. For firms considering a centralized ownership model, procurement can help upfront by organizing and leveraging in-house product and material expertise.

"General contractors are expert purchasers when it comes to maximizing efficiencies on projects," Gignoux says. "But there has to be some kind of clearinghouse that helps promote innovative ideas, explain how they were used on projects, and the results they drove."

Procurement can provide a framework not only for sharing innovative ideas, but also for executing on established standards, determining pricing, directing product delivery, addressing supply chain concerns and managing stakeholders' expectations.



# Expanding Procurement's Role in Today's Shifting Supply Chain

It's a common scenario: Preconstruction work is still in full swing, but the countdown to project completion is already underway. To stay ahead, a project manager starts calling vendors they frequently work with to discuss pricing and availability. The team agrees this is a good move. After all, material lead times are long, not to mention other delays that could crop up. No one wants to be left waiting. And the PM is an expert in their project and sector.

The intent may be to reduce uncertainty, but by prioritizing speed, the entire organization ends up sacrificing the opportunity to evolve and scale its procurement capabilities. In return, risks pile up: inconsistent pricing and quality, poor visibility into spend, compliance uncertainty, duplicate suppliers and more.



# A New Strategic Partnership: Procurement + Project Management

Respondents to our survey said, on average, that four to five people or teams in their organization are responsible for **implementing strategies that influence a project's ability to start on time**. Yet only about half (55%) of respondents included procurement and purchasing teams in that lineup. Respondents were most likely to include the:

## Project manager



## Operations manager (77%)



## Preconstruction manager/estimator (67%)



Similarly, when it comes to **deciding which shared services to use on an individual project**, respondents said an average of four to five people or groups are involved. Yet only 49% included the procurement/purchasing team. Respondents were most likely to include the:

## Project manager (96%)



## Operations manager (82%)



## Preconstruction manager/estimator (69%)



**What this shows: Only half of respondents include procurement in on-time strategy decisions.** That means 50% don't consider **reducing the risk of delayed starts** or **selecting shared services** to be part of their procurement team's mandate, at least at the individual project level.

**This gap is an entry point for significant risk, yet it also represents one of the most preventable contributors to schedule drift – and one of the least leveraged levers for upstream control.**

For contractors to effectively reduce their reliance on JIT and embrace more proactive equipment and material management strategies, such as VMI and centralized ownership, they should elevate procurement's influence in project-specific decisions, better positioning them as a strategic partner to their project managers.

"It's a cultural shift. Projects are very stressful, very fast-moving, and sometimes it's hard to slow down and look strategically at how equipment and materials are being sourced across your jobsites," Gignoux says. "Firms that can successfully make that shift are putting themselves in position to identify opportunities to help their organization stand out through smarter, streamlined sourcing."



## Achieving Scalable Procurement Knowledge at the Project Level

The causes of project delays aren't going away. But contractors that can manage them effectively will get ahead and stay there. By involving procurement in decision-making around delay mitigation and shared services use at the project level, contractors can combine their project leadership's customer, geographic, and sector-specific intelligence with the structured, organizational template that a high-quality procurement operation can provide.

This is critical when overcoming today's labor challenges. Contractors with the same scope across multiple projects can benefit from the efficiency gains of picking a repeatable solution and getting good

at it. Firms that use VMI or a centralized ownership model can more easily develop an internal braintrust that helps project leaders understand which systems the organization is most familiar with, costs and challenges to plan for, labor requirements and outcomes to expect. Project leaders will no longer be limited to their own experience – they'll benefit from knowledge at scale.

"A project manager's job is to maximize efficiencies on the project they're on, and they're going to do that with whatever strategies they know," Gignaux says. "A procurement organization can really help bring solutions to the table and start the conversation."

## A Modular Setup Strategy That Reduces Labor Dependencies and Delay Risk

Standardizing equipment and material selection can help teams surface opportunities to increase their ROI. That's critical in today's constrained labor environment.

At STARC, our premium modular temporary walls can be set up quickly without the need for skilled labor, saving your team critical time and money. That can be a differentiator for projects where speed, safety and cleanliness are paramount, such as:

- **Healthcare renovations** needing ready and reliable containment to protect patients from active jobsites.
- **Data centers** conducting hot aisle containment testing during commissioning or reconfigurations of server spaces.

- **Airports** requiring high levels of security and traveler safety during renovations.

By reducing the time needed to set up containment to as little as a single afternoon, we help your team close off one more risk factor threatening to delay your project starts.

*"STARC panels help us be efficient, flexible and compliant while reducing our impact on spaces because we can go up and down with containment so fast, all while maintaining cleanliness, which is essential for healthcare projects."*

**ADAM KAUFMAN, PROJECT EXECUTIVE FOR HEALTHCARE CONSTRUCTION, SWINERTON**





**UNDISRUPT RENOVATION.™**

## **A Solution for Any Situation**

Project performance starts before crews arrive. When temporary containment is slow to install, difficult to manage, or poorly matched to the job, delays compound quickly. STARC's reusable temporary wall systems are engineered for fast installation, code compliance, and minimal disruption—helping contractors protect timelines across commercial renovations, healthcare environments, data centers, and other complex builds. From infection control and sound attenuation to fire-rated assemblies and tall containment, STARC delivers flexible solutions that reduce setup risk and keep projects moving from Day 1.

[Learn More](#)



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