

Electrical Contractors Should Prepare for Supply Shortages and Price Spikes

Solutions for electrical contractors to prepare for and address imminent supply shortages and price hikes.

IRVINE, CA, USA, October 20, 2021 /EINPresswire.com/ -- Electrical contractors should brace for continued price increases, demand spikes, and longer lead times in the midst of pandemic-related supply shortages. Raiven, a leading [purchasing and procurement platform for contractors and property managers](#), presents data and offers solutions.

DISRUPTIONS IN THE ELECTRICAL SUPPLY CHAIN

According to [electrical supply chain research](#) published by Raiven, prices for various raw materials such as copper and steel have doubled between 2020 and 2021. This echoes the downstream price hikes being seen in finished electrical supplies. The trend holds true for specialized materials too – polyvinyl chloride used in the production of PVC conduit increased from \$5,480/ton in April 2020 to \$9,570/ton in August 2021. At the same time, its production dropped by over 50%, likely to cause further price increases.

Similar situations can be traced across manufacturing sectors, leading to supply chain disruptions. Electrical contractors are already facing challenges sourcing certain items at an acceptable price – from basic wiring and lighting products to generators, electric vehicle charging



Electrical Supply Chain Disruptions

stations, and more.

SUPPLY SHORTAGES ARE EXPECTED TO CONTINUE

Raiven data related to the shortages shows a variety of factors impacting the electrical supply chain, including:

- Labor shortages – The COVID-19 pandemic wiped out 8.8% of all global working hours. This significantly affected the manufacturing sector and led to lowered production. In addition, the market was already short on qualified electricians so demand continues to exceed the supply of labor and materials.
- Economic challenges – There is a surge of demand for supplies, but the industry can't keep up due to labor challenges and raw material prices. As a result, supplier lead times are at their highest since 1987, often taking months to fulfill orders.
- Logistics bottlenecks – All major transportation methods have seen inbound delays – maritime shipping, trucking, and airfreight suffered greatly during the pandemic. Most notably, international shipping saw a 20.8% drop in port calls during 2020, which the economy still hasn't recovered from.

While these factors started to ease up mid-2021, new challenges were brought in by the COVID-19 Delta variant and natural disasters. Prices on electrical supplies will likely continue rising in the short- to mid-term.

WHAT ELECTRICAL CONTRACTORS CAN DO TO SECURE SUPPLIES

When Raiven first started researching [Electrical Supply Chain Disruptions](#), company CEO Brett Knox pointed out that distributors have different levels of pricing sophistication. Some of them are proactive and increase prices ahead of the curve, while others can be months behind the market. How do you manage through these difficult times?

Brett Knox, CEO of Raiven, describes how group purchasing and technology advancements can help contractors save time and money in these situations, "First, contractors and property managers should join a purchasing program so they are leveraging the combined buying power of their fellow members. This ensures lower prices and a higher priority on hard-to-find products." Brett continues, "Second, technology is now available that searches in real-time across distributors to find product availability and current prices. This can save an incredible amount of time and money because you're letting technology do all the work. No one wants their employees to waste hours calling distributors or searching the internet for product availability."

As supply shortages persist, electrical contractors who leverage strategic distributor relationships and technology will not only be more profitable but will have more delighted customers.

ABOUT RAVEN

Raiven is a leading purchasing platform, saving contractors and property managers 7-25% on their everyday purchases. Raiven's cloud-based procurement platform helps businesses source and purchase smarter and more efficiently through patent-pending AI algorithms and a purchasing program that delivers significant discounts from industry-leading suppliers. Read more at [Raiven.com](https://raiven.com).

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