Making Sense of Supply Chain Management: 
A Comparative Study of Aerospace and Construction

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Abstract

Current recipes for learning across business sectors too often fail to recognise the embedded and contextual nature of management practice. The existing literature gives little emphasis to the symbiotic relationship between supply chain management and the broader dynamics of context.

The aerospace and construction sectors are selected for comparison on the basis that they are so different. The UK aerospace sector has undergone extensive consolidation as a result of the imperatives of global competitive pressures. In contrast, the construction industry has experienced decades of fragmentation and remains highly localised. An increasing proportion of output in the aerospace sector occurs within a small number of large, globally-orientated firms. In contrast, construction output is dominated by a plethora of small firms with high levels of subcontracting and a widespread reliance on self-employment. These differences have fundamental implications for the way that supply chain management is understood and implemented in the two sectors. Semi-structured interviews with practitioners from both sectors support the
contention that supply chain management is more established in aerospace than construction. The introduction of prime contracting and the increasing use of framework agreements within the construction sector potentially provide a much more supportive climate for supply chain management than has traditionally prevailed. However, progress depends upon an improved continuity of workload under such arrangements.

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