

## CraftMaster Homes Knocks Out Two FTEs – and a Lot of Headaches – with BuilderMT’s New Trade Portal

*Now all subs and vendors use the Internet to pick up POs, review schedules and check on payments.*

**By Tom Gebes, President, BuilderMT**

### CraftMaster Homes:

- 87 starts in 2007
- 70 starts in 2006
- Staff of 10, including 4 superintendents

### CraftMaster Homes Uses:

- Sage Timberline® Estimating
- BuilderMT’s Workflow Management Suite
- BuilderMT’s Trade Portal

CraftMaster Homes builds single-family and multi-family homes in the Richmond, Virginia market. Richmond offers a steady economy, even in this so-called “down market,” CraftMaster Homes built 87 homes in 2007, up from 70 homes in 2006. They have excellent positions in land options (around 300 lots wrapped up), and CraftMaster expects to build 110 homes in 2008.

CraftMaster’s homes sell for an average price of \$285,000, and run approximately 2,300 square feet. They offer 23 plans overall, with structural options limited to about 10 per home, and decorative options running around 30 per homes. With 87 starts, 23 plans, and up to 40 options per home, that represents a great deal of house-specific information that has to be communicated from CraftMaster’s back office to the “trade partners” (subcontractors), on whom they rely heavily for every aspect of the home’s construction. Also, since CraftMaster doesn’t use a sales force or third-party sales tracking software, they depend entirely on local realtors for their sales and contracts, further complicating the option’s data collection system.

All of this activity keeps Tim Aloï, Vice President of Operations, fairly busy, as he manages a staff of ten, along with 48 core trade partners. Of the ten people on staff, four are project managers; three of them are always on-site, while one roves from site to site to tie up loose ends. CraftMaster runs a tight ship – for instance, in a year-long deal, CraftMaster Homes has negotiated a not-to-exceed profit percentage with their main supplier for all their commodity materials – and Tim’s got top-shelf software to keep track of it all. For the last seven years, CraftMaster has run Sage

Timberline® Estimating, BuilderMT’s Workflow Management Suite (WMS), and Microsoft® Office.

### Moving Beyond Paper-Based Communication

Until recently, CraftMaster was stuck in a paper-based world when communicating with their trade partners. CraftMaster is dependent on trade partner loyalty, and it has gone to great lengths to establish long-lasting relationships and treat them fairly. In exchange for that loyalty, CraftMaster is always prompt to pay and offers as much warning as possible for upcoming work. But CraftMaster’s commitment to stay lean, nimble, and customer-focused creates huge amounts of information that needs to be communicated to the trade partners, sometimes with just minutes notice. Before some recent software implementations, CraftMaster’s back office was spending a great deal of time on the phone with the project managers and trade partners to adjust schedules and makes changes that naturally occur on each job. These adjustments and changes ran the gamut, from purchasing details to changes in costs and payments. Though CraftMaster could easily track these changes in its back office, it was still dependent on a paper-based communication system to send faxes or mail on a weekly basis to their subs in the form of purchase orders (POs).

CraftMaster’s PO is really a “super PO,” because it serves multiple purposes. It’s a combination work order, purchase order and parts list. All the information a subcontractor needs is embedded in that PO, and it is the PO that the site super signs to authorize payment for work complete. You can only imagine the data reconciliation nightmare if a PO is changed or cancelled and has to be reissued. It was a document version-control nightmare. At accounts payable (AP) time (CraftMaster pays every two weeks) the employees responsible for AP had to scramble to match a signed PO with the correct original, while noting variances, rectifying discrepancies, and issuing payment, all the while fielding calls from many of the trade partners who were looking for their purchase orders because of lost papers, bad faxes, overcharges, etc. The estimator was called in to re-fax and re-print documents, or argue changes that were not completed or signed off on in the

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field. The field employees' time was spent relaying information to the trade partners, as well as tracking down the correct POs. For all its sophistication on the back office, CraftMaster was under severe pressure because of a flawed ability to communicate.

Tim Aloï went to Jeff Tunstall, the General Manager for CraftMaster and said, "We can spend our resources managing the pieces of paper, or we can focus on managing our business. It's one or the other, but we need to decide and then set out a path for resolving the communication issue."

### Trade Portal to the Rescue

When CraftMaster Homes spotted the new Trade Portal from BuilderMT, they jumped on it, and it has paid off in real dollars for work saved, staff reduction, and some very happy trade partners.

Here's how it works. Trade Portal allows CraftMaster Homes to instantly share, in real-time, detailed information with its trade partners. There is no software to distribute to the trades, no faxing, printing, or filing. Trade Portal allows CraftMaster to maintain a single database of its schedule, workflow management, and transactions, yet allows subs to access that workflow, and view detailed information about purchase orders, work orders, schedules, warranty, and payment status through nearly any web browser, 24/7. With Trade Portal, CraftMaster Homes has taken an inefficient paper-based product and pushed it all onto the web.

*Craftmaster Homes estimates that Trade Portal saves them one full time equivalent (FTE), as well as 5 to 8 additional hours of existing staff's time each week. Net savings: two full time equivalents, for a company with only 9 employees...a dramatic savings.*

How was adoption of Trade Portal by the subs?

"The trade partners love it," says Tim Aloï. "And believe me, I would know if they didn't because if anything goes wrong, I am the first guy they call."

"We required that every trade partner have access to the Internet and use Trade Portal if they wanted to work with us. Most of our trade partners have offices, so we weren't that worried about their adoption rate. However, we did have a number of guys that work out of their trucks, and we worried about them. But you know what, turns out that these were the guys it was easiest to get on Trade Portal! They saw it as an opportunity to get their paperwork in order. They are getting on the web each night to check their schedules, pick up their POs, and see when their checks have been mailed. It's all on one screen.

"Some of our trade partners now refuse to do business with builders who do not have web-based access to their purchase orders," added Tim Aloï. "I don't blame them. Trade Portal makes running their own businesses easier and more efficient, even from a truck."

With Trade Portal, each sub or trading partner has a unique web site that accesses a record of their activity with CraftMaster. A customizable "dashboard" showcases any updates or events that affect the trading partner, while also offering a portal for best-practice sharing, company news, and events. Every Trade Portal uniquely provides secure viewing screens that offer critical data for individual trade partners, such as approved, issued, or cancelled POs. It even allows trade partners the ability to assign which crews did the work associated with any purchase order or event schedules. (The schedules can be viewed by projected, scheduled, or completion dates.) Schedule notifications can be automatically triggered through the Trade Portal's scheduling tool and delivered to any individual web portal or redirected by the builder or sub to an e-mail box or wireless device.


### The Savings, the Cost Avoidance

"Before we found Trade Portal, we were looking at an Outlook Exchange Server," said Tim Aloï. "An Outlook Exchange Server has the instant email capability we were looking for to communicate the information to our trade partners, but it would have cost \$12,000 to set up, after licensing, implementation, and computer upgrades. Even with Outlook, we'd still have the same problems we have always had with trade partners: the PO gets lost, the PO has to be updated and re-sent. Or the fax gets to the super but not the trade partner. Now we can update the system at any time, and put it in Trade Portal for our trade partners to retrieve when needed. In fact, they've become more reliant on Trade Portal than we are, for a single source of all job information. Our trade partners say Trade Portal is the best online system they work with. Even the national builders' sites do not deliver what Trade Portal can."

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Tim Aloï estimates that CraftMaster Homes saves one full time equivalent, as well as 5 to 8 *additional* hours of existing staff's time each week. So, over the course of a single year, Trade Portal saves CraftMaster Homes two full time equivalents (FTEs). "But the labor saving is nothing compared to the ease of handling information and not having myself or other employees driven crazy with the same phone calls. Now, it's all on the web, and we couldn't be happier. In the end, I am sure our customers see the benefit too, with better-built homes, completed on schedule. Thank you to BuilderMT and Trade Portal for truly making software that builders need," added Tim Aloï. (Tim invited questions about Trade Portal at [Taloi@CraftMaster-homes.com](mailto:Taloi@CraftMaster-homes.com).)

"The credit for our success with BuilderMT and Trade Portal is really a tribute to how well Tim and BuilderMT's team of professionals worked together to implement and install the software," said Jeff Tunstall, General Manager, CraftMaster Homes. "With BuilderMT, CraftMaster Homes has succeeded in



achieving vast construction efficiencies, and we've also optimized our staff, and maintained overhead cost control."

#### About CraftMaster Homes

CraftMaster Homes, is a Richmond, Virginia-based and locally-owned homebuilding company which delivers homes of lasting value that will provide years of enjoyment for you and your family. With over 50 years of collective home building experience, the CraftMaster management team brings high levels of professionalism and innovation to the home building process. Each home is carefully crafted to provide both an exciting living experience and a reliable and substantial investment.

To learn more, visit [www.Craftmaster-homes.com](http://www.Craftmaster-homes.com).

#### About BuilderMT

BuilderMT software has established itself as the best-selling, most award-winning software suite for residential home builders of nearly any size, with year-on-year growth that outpaces all of its competitors, combined. For large and medium-size homebuilders in the \$250 billion home building industry, BuilderMT provides highly customizable building process management software that works in tandem with Sage Timberline® Office Accounting and Estimating software, systems used by one in four of the Builder 100. BuilderMT systems have been purchased by more than 600 corporations and 7,000 individuals that manage nearly 300,000 housing starts annually, more than 20% of the new-home market. BuilderMT software is widely recognized as a leader in process-driven, best building practices for builders, as well as customer service, warranty applications, online training, and innovative wireless applications. Since its inception in 1999, BuilderMT has maintained its status as a debt-free, highly profitable company that invests its profits back into infrastructure and software development.

To learn more, visit [www.BuilderMT.com](http://www.BuilderMT.com), or call (888) 757-1991.